

## **Transformational leaders: Do they influence employee behaviour and Performance of SACCO Societies in Kenya?**

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### **ABSTRACT**

This article outlines how transformational leaders influence employees' behaviour and performance of SACCO Societies in Kenya. *The study focused on Mwalimu National, Stima and Kenya Police SACCO Societies.* It highlights that leaders who employ idealized influence as a leadership style are role models and display a charismatic personality that builds trust with employers and customers who, in return, develop their confidence and positively influence organisational performance. *The findings from a study on the relationship between transformational leadership and organizational performance of Mwalimu National, Stima and Kenya police SACCO Societies* confirm that individualized leadership style is a transformational leadership element where management acts as a role model and displays a charismatic personality that builds trust with employers and customers who, in return, develop their confidence in the organization and positively influence organisational performance. The findings also confirmed that there is a positive and significant relationship between idealized influence and organizational performance for Mwalimu, Stima and Kenya Police SACCO Societies respectively (0.038, 0.002 and 0.003<0.05). The result confirms the relationship between idealized influence and OP compelling the adoption of transformational leadership for better organisational performance and service delivery within the SACCO movement.

**KEY WORDS:** Leadership, Transformational leadership, idealized influence, organizational performance

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### **I. INTRODUCTION**

Transformational leadership is vital in initiating change in organizations, groups, oneself and others by motivating followers to attain higher goals than what they intended or even more than what they thought was possible. The leaders set expectations for the followers who achieve such high performance. Statistically, transformational leaders tend to have more committed and satisfied followers because they empower them (Raza, 2019). Regardless of ones' organizational position, transformational leaders engage in the following four elements: individualized consideration, intellectual stimulation, inspirational motivation and idealized influence. Idealized influence leadership style is a transformational leadership style where management acts as a role model and displays a charismatic personality that builds trust with employers and customers who, in return, develop their confidence in the organization (Orabi, 2016).

Organizational performance involves analysing a company's performance against its objectives and goals. It comprises of real results or outputs as compared with expected outputs. Organizational performance is how successful an organized group of people is with a particular purpose and how they perform a function to achieve successful outcomes (Louise, 2012). Globally, 30 years of research on leadership and many metaanalyses show that transformational leadership enables a wide range of performance outcomes, including individual, group and organizational level variables (Bass & Bass, 2008). Global studies also show that organizations with transformational leadership styles are active (Cilliers & Deventer, 2008).

The study anchored on Mwalimu National, Stima and Kenya police SACCOs and established whether their performance is related to leadership's transformational style. The selection of these three co-operatives is justified because they nationally rank first, second and third respectively in terms of performance with over Kshs. 30 billion in deposit liabilities for the years 2017 and 2018 (Mwaka, 2019). Besides their performance, the researcher also considers their national coverage and market share to establish whether there is any relationship between idealized influence and their performance.

Mwalimu National SACCO came into existence on 24<sup>th</sup> October 1974 under the Co-operative Societies Act (Cap. 490, reviewed in 2004 as a SACCO Society). The SACCO customers by then were the employees of the Teachers Service Commission (TSC) in post primary institutions, TSC secretariat and the personnel. It is the

largest African SACCO with its membership drawn from all the teachers in Kenya (Mwalimu National, 2019). According to the 2013 Banking Supervision Report, Commercial Banks in Kenya are ranked based on their total asset and turnover. Mwalimu National SACCO ranks 21<sup>st</sup> and 22<sup>nd</sup> respectively. With a well established functional banking structure and a sound financial standing in place, the SACCO today has a membership drawn from all parts of this country (Central Bank of Kenya, 2013). These are the elements that determine the choice of this SACCO to establish whether the tremendous change and achievement are related to any transformational leadership style adopted by the management or not.

Stima Deposit Taking (DT) SACCO is a licensed SACCO that came into existence in 1974 with the sole mandate of uplifting its members' social economic well being. In April 2003, the SACCO introduced the Front Office Service Activity (FOSA) to offer banking services to its members. To date, the SACCO has nine branches: Nairobi (Parklands), Mombasa, Kisumu, Nakuru, Olkaria, Eldoret, Nairobi Central Business District (CBD), Embu and Kawi Centre (South C) (Stima SACCO Society Limited, 2019). Stima DT SACCO membership is from employees of several entities within the energy sector. These are: Kenya Power & Lighting Company Limited (KPLC), Kenya Electricity Generating Company Limited (Kengen), Rural Electrification and Renewal Energy Corporation (REREC), Stima SACCO employees, Electricity and Petroleum Regulatory Authority (EPRA) and Kenya Electrical Trade and Allied Workers Union. The retired staff of all the above organizations forms part of the membership. Recently, the SACCO opened its doors to the public, attaining a total membership of 117,000 members as of December 2018 (Stima SACCO Society Limited, 2019). The SACCO's management enhances members' socio economic status by way of mobilization of savings and affording them credit at fair and reasonable rates. Stima SACCO is the first society to provide Automated Teller Machine (ATM) service to its members. Stima SACCO recently paid dividends and interest rebates at the rate of 14% and 10.7% respectively making it the best provider of loan services in the country ; the best among the registered SACCO's, the best provider of loan services and the best managed SACCO in the parastatal sector (Stima SACCO Society Limited, 2019).

Kenya Police SACCO Society came into existence on 20<sup>th</sup> November 1972 and a registration done under the Co-operative Societies Act Cap 490 of the laws of Kenya. The society started its operations in June 1973 where it began to mobilize members' savings and provide affordable credit facilities. It started with a membership of 690 members. Currently, it has a total membership of 63,450 members with an asset base of Kshs. 30 billion and a loan portfolio of Kshs. 26 billion . The society revised its bylaws in 2018 to open up the common bond. A person of either gender is eligible for membership if in possession of the following qualifications: Serving and retired regular police officers, serving and retired administration police officers, civilian in the employment of the Kenya Police Service, employee of the Kenya Police SACCO Society, permanent employee of Utumishi Investment Limited, Permanent employee of Ruaraka Housing Estate Limited, employees of the civil service or from corporate entities operating in Kenya, business community, spouse, son or daughter of the above members. Benefits of membership include: low-interest rates on loans, high annual dividends and interest on deposits, instant M-SACCO FOSA loans, loan clearance on behalf of members and affordable property with the Investment Co-operative (Kenya Police SACCO, 2020).

#### Idealized Influence

According to Ondari, Were & Rotich (2018), globally, leadership research on transformational leadership style focuses on leaders' content and impact. Their emphasis is on the qualities and dispositions of transformational leaders, mainly how they affect change in organizations and how they inspire followers or employees to increase their performance, motivation and morale. Orabi (2016) posits that transformational leaders use individualized consideration, intellectual stimulation, inspirational motivation and idealized influence regardless of their position to influence and motivate their followers from a distance. With a focus on universities in Kenya, Adelaide, K'Obonyo & Awino (2016) posit that all dimensions of transformational leadership positively impact universities' performance and have a statistically significant influence on performance. The indicators for idealized influence regarding this study are three: admiration, respect and trust. Transformational leaders under this indicator receive admiration, respect, and trust from their followers. Followers identify with such leaders. They continuously emulate them.

Leaders consider the needs of their followers over their own. They share risks with followers. They are consistent rather than arbitrary (Breaux, 2010). Idealized influence in transformational leaders makes them behave in ways that make them role models to their followers (Breaux, 2010). They are required to do the right, thus demonstrating high standards of ethical and moral conduct. They avoid using power for personal gain. The process earns them a lot of credit to their followers (Orabi, 2016). The view of Ngaithe, K'Aol, Lewa & Ndwiwa (2016) concurs with the same when they explain that in transformational leadership, the leader's actions lead their followers. The leader is admired, earns respect and trust from the followers who want to emulate him. The followers recognize extraordinary capabilities, perseverance and determination in their leaders and how

willingly they take risks to achieve organizational or personal goals through well defined ethical and moral conducts (Gomes, 2014).

Idealized influence is explainable within the organizational context as knowledge creation. It is influential over new ideas. At the highest level of morality, leaders and their employees dedicate themselves to the best models.

## **II. THEORETICAL FRAMEWORK**

The study was informed by three theories: Transformational Leadership Theory, Situational Leadership Theory and Maslow's Theory of needs. According to Burkus (2010), James MacGregor Burns was the first scholar who introduced the concepts of transformational leadership when studying political leaders. According to Schieltz (2019), the four essential elements that underlie the theory of transformational leadership are: idealized influence, inspirational motivation, ability to inspire confidence, intellectual stimulation, creativity and individual consideration of group members. In another study on the same subject, Bass (1999) notes that transformational leadership motivates the followers to perform for reasons beyond immediate self interests through idealized influence, charisma, inspiration, intellectual stimulation and individual consideration. Idealized influence and inspirational leadership are displayed when the leader envisions a desirable future, articulates how it is attainable and sets an example of how to achieve it through high standards of performance, determination and confidence in executing that vision. Individual consideration is displayed when the leader pays careful attention to the development of the followers.

Paul Hersey and Ken Blanchard introduced Situational Leadership Theory, a leadership approach that matches the leader's leadership style and the followers' preparedness levels (Brandon, 2020). This leadership style works on the assumption that the most effective leadership method changes from situation to situation. A leader must adapt his style and approach to diverse circumstances to be useful and successful (OER Services, 2020). The theory identifies three main leadership approaches. The first approach is telling, which is more of giving directives and being authoritative. In this case, the leader makes decisions and tells employees what to do. The second approach is selling, where the leader is the decision maker but he communicates and works to persuade the employees rather than merely directing them. The third approach is participation. The leader works with his team to make decisions (Brandon, 2020).

Abraham Harold Maslow's theory outlines five hierarchical needs applicable to organizations and in employees' performance (Gordon, 1965). Maslow notes that human beings do not feel the second need until the demands of the first needs are satisfied or even the third need until the second needs have been satisfied and so on. The theory has different levels of needs. These needs are physiological, safety, love, affection, belongingness, esteem and self actualization. As mentioned above, the theory applies to organizational cultural and human resource management roles in improving employee performance despite some criticism or limitations (Nyameh, 2013). The three theories: Transformational Leadership Theory, Situational Leadership Theory and Maslow's Hierarchy of Needs Theory were found very relevant and complementary in explaining the application of both independent (transformational leadership) and dependent (organizational performance) variables of the study.

Idealized influence is explainable within the organizational context as knowledge creation. It is influential over new ideas. At the highest level of morality, leaders and their employees dedicate themselves to the best models. The most effective trait driven leadership style is charismatic (Ojokuku, Odetayo & Sajuyigbe, 2012). Regarding the effects of idealized influence on organizational performance; Murage, K'Aol & Njenga (2017) confirm that previous studies have supported the positive impact of a leader's idealized influence on performance. McGuire and Kennerly (2006) researched on nurse managers and staff nurses from the United States (US) Midwest region in 21 not-for-profit hospitals. The study results indicated no significant differences between the nurse managers' perceived leadership styles and the nurses' perception of the nurse managers' leadership styles ( $P=0.719$ ).

Regarding determining if there was an association between the perceived leadership styles of the nurse managers and the outcomes of that leadership, the results confirmed a significant relationship between transformational leadership style and the effects of leadership in terms of extra effort ( $P=0.000$ ), effectiveness ( $P=0.000$ ) and satisfaction ( $P=0.000$ ). The study showed that nurse managers rated themselves higher than staff nurses regarding their idealized influence and identified the positive outcome and job satisfaction from this transformational leadership factor (McGuire & Kennerly, 2006).

A study by Ahmed, Alaa & Asmaa (2014) from a University in Egypt had its findings posting a positive relationship between transformational leadership and the balanced scorecard. The results further reported that academic leaders focus on idealized influence while practicing transformational leadership. The university put a higher concentration level in learning and growth perspective in evaluating its performance.

A similar study carried out on multiple linear regression analysis to “Assess the relationship between idealized influence and performance of senior managers” in Kenya by Murage, K’Aol & Njenga (2017) also posted a significant proportion of variance performance of senior managers. The findings implied that 50.5% of the percentage in senior managers' performance is explainable through idealized influence in the private sector. The analysis of empirical studies review confirms a positive and robust correlation between idealized influence style of leadership and organizational performance  $R^2 = .505$ ,  $F(1, 260) = 264.042$ ,  $p < .05$ ;  $\beta = .711$ ,  $t(260) = 16.249$ ,  $p < .05$ . The null hypotheses tested under these studies were rejected; a confirmation that the independent variable (idealized influence) is a significant predictor of transformational leadership style towards influencing organizational management. Transformational leaders who show idealized influence are role models to their followers. They practice high ethical behavior standards. Subsequently, the followers identify with them and emulate them. Their followers deeply respect them. Transformational leaders provide their followers with a sense of vision and mission through knowledge creation (Ojokuku, Odetayo & Sajuyigbe, 2012).

#### Methodological Considerations

The study embraced a pragmatic philosophy, thus addressing the issues logically and practically. It employed pragmatic philosophy; quantitative and qualitative approaches. It also relied on the questionnaire as the tool to establish whether there was any relationship between individual consideration and organizational performance of Kenya Police, Stima and Mwalimu National SACCOs. Combining questionnaires and interviews in one research has the advantage of bringing together breadth and depth that are associated with both qualitative and quantitative approaches. It also provides a more comprehensive picture of a research topic that can address a range of research questions. By so doing it can provide a complete knowledge that can improve theory development and practice (Teddlie & Tashakkori, 2009).

A descriptive research design was adopted. Descriptive survey design is the primary research technique investigating a problem as it exists in its current state. It identifies attributes of a specific phenomenon based on an observational basis or examining the correlation between two or more aspects (Carrie, 2007). The study therefore identified attributes and explored a relationship that may or may not exist between individual consideration and organizational performance of Kenya Police, Stima and Mwalimu National SACCOs.

The study narrowed down to Mwalimu National, Stima and Kenya Police SACCOs. This study's sample frame included senior, middle and lower management of the three SACCOs. The study's population was employees of the three SACCOs; including senior management and other employees of the organizations. The total number of employees of the three SACCOs was: Mwalimu National SACCO; 321 employees, Stima SACCO; 211 employees and Kenya Police SACCO; 121 employees hence 653 employees. The sample for this study was calculated by considering the cumulative number of employees of the three SACCOs; which is 653 and then applied the The Educational and Psychological Measurement by Krejcie and Morgan formula below:

$$S = X^2NP(1-P) \div (d^2(N-1) + X^2P(1-P)) \text{ (Krejcie \& Morgan, 1970).}$$

Where,

$S$  = required sample size

$X^2$  = is the table value of chi-square for 1 (one) degree of freedom at the desired confidence level and it is (3.841)

$N$  = the population size which 653 employees

$P$  = the population proportion (which is assumed to be .50 since this will provide the maximum sample size)

$d$  = the degree of accuracy expressed as a proportion (.05) (Krejcie & Morgan, 1970).

The sample size was obtained as follows:

$$S = 3.841.653.0.50(1-0.50) / (0.05^2). 653-1) + 3.841 \times 0.5(1-0.5) = 242 \text{ respondents.}$$

Considering the above formula and the related computation, the sample size for the research was 242 respondents. At the end of the data collection, 193 employees responded to the questionnaire survey and 28 senior employees responded to the scheduled interview.

#### Tabular Representation of Sample Size

Profile of Respondents	Sampling Technic	Methods of data collection	Total number
193 employees	Stratified sampling technic.	Questionnaire survey	193
28 (KIs) Senior managers	Purposive sampling technic.	Interview schedules	28
Total			221

Source: Research (2020).

The study focused on the employees of the three SACCOs with each having a sample as per the sampling technic above. The researcher then divided the population into separate groups, called strata; then, a

probability sample (often a simple random sample) including a total representation from each group (Trek, 2019). Employees of Stima SACCO formed stratum one; Mwalimu National SACCO employee's stratum two and the employees of Kenya Police SACCO stratum three. Through the use of random sampling technics, each stratum had 70 respondents.

In this study, the researcher subjectively selected a few individuals from the three SACCOs who had critical information concerning their management to respond to interview schedules. In a homogeneous sampling study, units are selected based on their having similar characteristics because they are of particular interest to the researcher. In this case, they were managers who hold key leadership positions. Qualitative or mixed methods research design used more than one type of purposive sampling technique. Homogeneous sampling used a purposive sampling technique. It aimed to achieve a homogeneous sample; that is, a sample where people or cases share the same similar characteristics or traits. In this study, the three SACCOs under study, employees shared the same occupation. The questionnaire was specific to their features. Through a purposive sampling technique, the researcher selected 32 respondents for interviews, 11 respondents from Stima and Mwalimu National SACCOs and 10 respondents from Kenya police SACCO.

The target population was employees of the three SACCOs with a total population of 653 employees and a sample size of 242 respondents. The study collected data from 221 respondents (193 responded to the survey; 28 responded to interview schedules). The respondents' selection used probability and non probability sampling methods, notably through stratified and purposive sample techniques. Both primary quantitative and qualitative data were collected using a questionnaire survey and interview schedules. Secondary data was attainable through the review of empirical studies.

The researcher collected primary quantitative data through a questionnaire survey while primary qualitative data was collected through interviewer schedules. The researcher collected secondary data through secondary sources by a thorough review of the literature on the same by reading books, articles and internet publications related to the topic.

The structured interview schedules were open ended questions that served to the critical informants through face-to-face interviews. The interview schedules helped the researcher gain in-depth information from senior managers' experiences, views and beliefs with respect to the relationship between transformational leadership and the performance of the three selected SACCOs.

Quantitative data were then analyzed further through the Statistical Package for the Social Sciences (SPSS). Descriptive statistics were examined and presented data frequencies and percentages. Through inferential statistics, the researcher established the relationship between the research variables. Pearson correlations and multivariate linear regression using the ANOVA model were employed to develop a causal effect relationship between the four independent and dependent variables at a 95% level of significance. The study considered the internal consistency scores between 0.8 to 0.95 to mean that the questionnaires internal consistency was excellent. Upon analysis of data using Lee Cronbach's alpha through SPSS, the result showed a score of 0.728. The results indicated that the internal consistency of the questionnaire was acceptable.

### III. FINDINGS AND DISCUSSIONS

Descriptive analysis between Idealized Influence and OP

Tabular Presentations of Descriptive Analysis of Idealized Influence Indicators

The Leaders and management of my SACCO have respect and trust for the employee	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	SD
Mwalimu National SACCO	(1)2%	(4)7%	(12)19.4%	(30)48.4%	(15)24.2%	3.87	.914
Stima SACCO	(2)3%	(5)8%	(14)21%	(30)45%	(15)23%	3.77	.989
Kenya Police SACCO	(1)1%	(1)2%	-	(26)41%	(36)56%	4.50	.690
The employees of my SACCO have respect and trust for the leaders and management	S. Disagree	Disagree	Neutral	Agree	S. Agree	Mean	S.D
Mwalimu National SACCO	(1)2%	(4)7%	(15)24%	(30)48%	(12)19%	3.77	.895
Stima SACCO	(2)3%	(5)7%	(13)20%	(33)50%	(13)20%	3.76	.972
Kenya Police SACCO	(1)1%	-	(3)5%	(24)37%	(36)56%	4.47	.734

My SACCO leaders and management act as role models to the employees		S. Disagree	Disagree	Neutral	Agree	S. Agree	Mean	S.D
Mwalimu National SACCO		(4)6%	(7)11%	(22)36%	(20)32%	(9)15%	3.37	1.075
Stima SACCO		(2)3%	(8)12%	(18)27%	(28)43%	(10)15%	3.35	.995
Kenya Police SACCO		(1)1%	(1)1%	(6)9%	(31)48%	(25)39%	4.22	.806
My SACCO leaders and management encourage knowledge creation.		S. Disagree	Disagree	Neutral	Agree	S. Agree	Mean	S.D
Mwalimu National SACCO		(2)3%	(8)13%	(16)26%	(22)36%	(13)21%	3.59	.1070
Stima SACCO		(1)1%	(3)5%	(21)32%	(27)41%	(14)21%	3.76	.895
Kenya Police SACCO		(1)2%	(1)1%	(2)3%	(33)52%	(27)42%	4.31	.753

#### Leaders/Management' Employees' Respect and Trust

According to the research findings, most Mwalimu National SACCO respondents believe that their leaders and managers have respect and trust. The results were that 48% of the employees strongly agree, 24% agree, 19% were neutral while 1.6% strongly disagreed. They have a mean score of 3.8 and an SD of 0.914. Findings from Stima SACCO indicate a similar representation with 45% majority of respondents who strongly agreed and 23% agreed that the SACCO leadership and management respect them, 21% were neutral while 3% and 8% were of the opposite view that the management and leadership of SACCO does not respect or trust employees; scoring a mean score of 3.77 and an SD of 0.989. Findings from Kenya Police SACCO society were not different. They had an overwhelming majority of 56% of respondents who strongly agreed and 41% agreed that managers and leaders in the SACCO respect and trust the employees. Against a small minority, 1% strongly disagreed, 2% disagreed, thus attaining a mean score of 3.77 and SD of 0.989.

The data analysis confirms that the three SACCO leaders and management respect and trust their employees, with the majority of employees confirming so. In consideration of respective means, Kenya Police SACCO scores better on average, followed by Mwalimu National SACCO and Stima SACCO regarding leadership and management respect and employees' trust. In contrast, in terms of their consistency, Kenya Police SACCO still takes the lead with more consistent scores regarding employees' respect and trust, followed by Stima and Mwalimu National SACCOs. A comparative analysis of these three SACCOs findings confirms that Kenya Police SACCO takes the lead on management and leadership regarding respect and trust. In line with the findings, Khanna (2018) posits that: "trust is the bedrock of any form of economic exchange and banking; of course, it is the quintessential economic exchange. Regardless of the extent of contractual sophistication, legal infrastructure, block chain, or even machine learning, economic exchange is impossible without an underlying fabric of trust."

#### Employees Leadership/Management's Respect and Trust

Respect and trust are critical to organizational performance. The research sought to know whether this is the case for the three SACCOs in consideration: the three SACCOs' performance results from the respect and trust employees have in the management. The findings reveal that the majority (48%) of Mwalimu National SACCO employees strongly agreed and simply agreed that employees and members respect and trust the management (19%), 24% of the employees were neutral. A small minority, (2%) of respondents strongly disagreed and 7% disagreed with the statement with a mean score of 3.77 and SD of 0.895. Findings present the same trend with Stima SACCO with a significant majority who strongly agreed (50%) and (20%) agreed to the statement, 20% of respondents were neutral while a small minority strongly disagreed (3%) and disagreed (7%) with a mean score of 3.76 and an SD of 0.972. An overwhelming majority of respondents at Kenya Police SACCO strongly (37%) and simply (56%) agreed to the statement against a very insignificant minority who strongly disagreed (1%) and (5%) neutral with a mean score of 4.47 and an SD of 0.734.

The analysis of these findings confirm that employees and members respect and trust the management and leadership of the three SACCOs under consideration, with Kenya Police SACCO leading by scoring more on average (Mean =4.47) followed by Mwalimu National SACCO (Mean=3.77) and Stima SACCO (Mean=3.76). In terms of consistency, Kenya Police SACCO scored better in consistency (SD= 0.734), followed by Mwalimu National SACCO (SD= 0.895) and Stima SACCO (SD= 0.972). The findings indicate that as far as respect and trust of the leadership, Kenya Police SACCO leads the other two SACCOs in terms of OP.

When asked whether employees and members respect and trust the SACCO management, all the KIs agreed on the same. They further indicated that they have to work hard to build trust, considering that entrusting someone with one's money is nothing but a question of total trust. Talking of trust in Kenya Police SACCO management, PKI4 (Interview 20/06/2020) noted that they had built confidence over time. The informant stated that the SACCO has done so well on share capital contribution. Another informant from Kenya Police SACCO (PKI5, 21/06/2020) indicated that the SACCO has grown because of its members' outstanding service delivery. He further added that loan requests are processed within a day (PKI5, 21/06/2020). All the Kenya Police SACCO informants agreed on the trust and confidence that the members and employees have in the SACCO management and leadership.

About his management, a manager from Mwalimu National SACCO (MKI3, 21/06/2020) confirmed that the members have trust and confidence in the management and leadership through teamwork that the staff portray in executing their duties (MKI3, 21/06/2020). Another informant (MKI5, 21/06/2020) also confirmed the trust and confidence that employees and members have with management and leadership. He further noted a high level of staff discipline. They openly communicate. Staff are supported depending on their needs, making them more free to consult without fear on all issues (MKI5, 21/06/2020). In general, all the informants from Mwalimu National SACCO confirmed that the members have trust and confidence in the management and leaders.

Responses from Stima SACCO also confirmed that the SACCO employees and members respect and trust their management and leadership. According to Key Informant 1 from Stima SACCO (SKI1, 18/06/2020), he highlighted that their members trust them because they openly exhibit their SACCO statements. SKI3 (18/06/2020) noted that the SACCO level of trust and confidence was confirmed recently through a survey. He further added that the members' comments indicated that they were satisfied with the service level. The SACCO has a wide range of credit products with a wide range from short to long terms, from high to low interest rates for any amount that a member can secure (SKI3, 18/06/2020).

Except for Stima SACCO where one of the informants disagreed with his colleagues, the findings' analysis indicates that members trust their respective SACCO management and leadership. When referring to members, employees are also included since they are automatically members of the same SACCO. Three principal elements of the trust include financial stability, range of services offered, loan services that are very expeditious across the three SACCOs and considered crucial for trust. While these three are also useful with Stima SACCO, communication breakdown remains a challenge that the SACCO needs to improve to achieve full trust.

#### Leaders and Management Being Role Models to the Employees

Being a role model is key to leadership and OP especially on matters related to finances. As a critical element of TL, the study sought to know whether OP of the three SACCO is attributed to the fact that management and leadership act as role models to their employees. According to the findings, respondents from Mwalimu National SACCO agreed that the SACCO leadership and management act as role models to them with 15% having strongly agreed and 32% agreeing, 36% were neutral while 6% and 11% strongly and simply disagreed, attaining a mean score of 3.37 and an SD of 1.075. Regarding Stima SACCO, 43% strongly agreed and 15% simply agreed to the statement against 27% who were neutral, 3%, and 12% strongly and simply disagreed respectively, attaining a mean score of 3.35 and SD of 0.995.

Regarding Stima SACCO, 58% agreed to the statement with 43% having strongly agreed and 15% simply agreeing, 27% were neutral, 3% strongly and 12% simply disagreed. Findings from Kenya Police SACCO reveal an overwhelming majority, (87% of respondents agreed to the statement, 48% having strongly agreeing and 39% simply agreeing, 9% were neutral, 2% strongly and simply 1% disagreed, thus attaining a mean score of 4.22 and SD of 0.806.

The findings reveal that less than half of respondents at Mwalimu National SACCO believed that the leadership and management act as role models, with a considerable percentage who expressed their reservations by being neutral. In consideration of a simple majority of respondents for Mwalimu National SACCO (47%), Stima SACCO (58%) and an overwhelming one (87%) for Kenya Police SACCO. The research concludes that the three SACCOs' leadership and management act as role models to their employees.

Furthermore, the analysis of respective means reveals Kenya Police SACCO still scoring better on average (Mean= 4.22), followed by Mwalimu National SACCO (Mean=3.37) and Stima SACCO (Mean=3.35) in terms of acting as role models to employees. SD scores also indicate that Kenya Police SACCO is still the SACCO that leads in terms of being more consistent (SD = 0.806) as far as being role models, followed by Stima SACCO (SD = 0.995) and Mwalimu National SACCO (SD= 1.075).

From the findings, interviewees found it difficult to answer this question explaining that another person should answer it. However, the reality is that contrary to Mwalimu National and Stima SACCOs, KIs from Kenya Police SACCO all agreed on the fact their leaders act as role models. These are role models working towards the institution's

sustainability, inspiring the junior employees to emulate their conduct and career path. The situation is different for Mwalimu National SACCO, where only a few KIs confirm that their leaders act as role models. Others disagree and would not even want to emulate the same leaders as in Stima SACCO. According to them, if the society is doing well, it has nothing to do with leaders being role models. Instead, it is just because they are doing their job. Others acknowledge that some leaders are role models, but not all of them. At least the study understands that discussion around being a role model is a very subjective topic. One may see one as a role model while another person may not know that person as a role model.

#### Encouragement of Knowledge Creation

Encouragement of knowledge creation is a critical element of TL that positively influences employees' performance and contributes to improving OP. A transformative leader encourages the employees to be creative. Therefore, the research sought to know whether this is the case with the three SACCOs under consideration and whether, as an element of TL, it is one of the elements that contribute to the performance of these SACCOs.

The findings reveal that 36% and 21% of respondents at Mwalimu National SACCO strongly and simply agreed that the leadership and management of the SACCO encourages knowledge creation, 26% were reserved, 16% with 3% strongly and 13% simply disagreeing with the statement, with the mean score of 3.59 and an SD of 0.1070. Findings from Stima SACCO indicate that 41% and 21% strongly and simply agreed that the SACCO leadership and management encourage knowledge creation against 32% who were reserved and 6% who were of the contrary opinion with a mean score of 3.76 and an SD of 0.895. Findings from Kenya Police SACCO reveal that the respondents overwhelmingly agreed to the statement against a very small minority of the contrary opinion. The outcome shows that 94% agreed with 52% strongly and 42% simply agreeing to the statement while 3% were reserved with 3% disagreeing (2%) strongly and (1%) simply disagreeing.

The analysis of means reveals Kenya Police SACCO still scoring better on average (Mean =4.31), followed by Stima SACCO (Mean=3.76) and Mwalimu National SACCO (Mean=3.59) as far as encouragement of knowledge creation is concerned. With SD, Stima SACCO leads. It is more consistent in encouraging knowledge creation (SD=0.895) followed by Kenya Police SACCO (SD=0.753) and finally Mwalimu National SACCO (SD=0.1070).

These findings explain that the management of the leadership of the three SACCOs encourage knowledge creation, some to a greater extent while others to some extent. The results indicate that the three SACCOs leadership upholds knowledge creation as a TL element. Kenya Police SACCO had a better score on average. In consistency, the KIs views were all in agreement that there is a need to support information. The Kenya Police Informants views are that the leadership and management of Kenya Police SACCO encourage knowledge creation as overwhelmingly confirmed by the quantitative data. Therefore, the findings indicate that OP of Kenya Police SACCO is also attributed to the fact that the leadership and management use one of TL's idealized influence elements to foster OP of the SACCO.

Quantitative data under Mwalimu National SACCO indicated that the society leadership and management encourage knowledge creation at a simple majority of 57%. All MKIs confirmed that while the leadership and management encourage knowledge creation in their performance, this must be done within the society policies and receive approval from the Chief Executive Officer, the finance and credit departments. Any new idea that has not received approval cannot be implemented.

Quantitative data of Stima SACCO also confirms that leadership and management encourage knowledge creation at a majority of 62%. The qualitative data analysis confirms that Stima SACCO leadership and management encourage knowledge creation as demonstrated by quantitative data. However, this is done against verifying whether creativity falls under the society's policies. Another element that is considered is the implementation of new ideas and whether it requires resources or not. New ideas that need financial support for implementation are left out. However, most managers give their staff an open door policy to think out of the box when addressing issues. The research would infer that quantitative and qualitative data were analysed to confirm that the three SACCOs leadership and management encourage knowledge creation in staff performance.

Tabular presentation of Descriptive analysis of Idealized influence indicators versus OP

My SACCO leaders and managers demonstrate high standards of ethical and moral conduct	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	SD
Mwalimu National SACCO	(3)5%	(6)10%	(18)29%	(28)46%	(6)10%	3.46	.976
Stima SACCO	(4)6%	(4)6%	(19)29%	(26)39%	(13)20%	3.61	1.065
Kenya Police SACCO	(1)1%	-	(7)11%	(28)44%	(28)43%	4.28	.786
My SACCO leaders and managers do not use power or their positions for personal gains	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	SD
Mwalimu National SACCO	(3)5%	(9)14%	(21)34%	(19)31%	(10)16%	3.39	1.077
Stima SACCO	(2)3%	(13)20%	(17)26%	(22)33%	(12)18%	3.44	1.097
Kenya Police SACCO	(1)1%	(2)3%	(4)6%	(26)41%	(31)49%	4.31	.852
My SACCO employees acknowledge their leaders and managers capabilities, persistence and determination to attain set organizational goals	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	S.D
Mwalimu National SACCO	-	(3)5%	(15)24%	(35)55%	(10)16%	3.83	.752
Stima SACCO	-	(3)5%	(24)36%	(32)48%	(7)11%	3.65	.734
Kenya Police SACCO	(1)1%	(1)2%	(1)1%	(35)55%	(26)41%	4.31	.732
SACCO employees view their leaders and managers as consistent in decision making, and ready to take risks on behalf of the employees and the organization	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	SD
Mwalimu National SACCO	(3)5%	(13)21%	(18)28%	(25)40%	(4)6%	3.22	1.007
Stima SACCO	(6)9%	(12)18%	(21)32%	(23)35%	(4)6%	3.11	1.069
Kenya Police SACCO	-	-	(9)14%	(39)61%	(16)25%	4.11	.620

#### Demonstration of High Standards of Ethical and Moral Conduct

Leadership's high standard of ethical and moral conduct is associated with TL. The research sought to know whether the OP of these SACCOs is attributed to their leadership and management shows a high standard of ethical and moral conduct that the personnel would emulate. Regarding Mwalimu National SACCO, a simple majority of respondents (56%) with (46%) strongly and (10%) simply agreeing that their leadership and management demonstrate high standards of ethical and moral conduct against 29% who did not want to respond and 15% who strongly 5% simply disagreed to the statement, with a mean score of 3.46 and SD of 0.976.

The scenario was similar for Stima SACCO with a simple majority of respondents 59% with 39% strongly and 20% simply agreeing to the statement against 29% who were reserved, 6% strongly, 6% simply disagreed with mean score of 3.61 and SD of 1.065.

Findings from Kenya Police SACCO revealed a net difference with the two other SACCOs. An overwhelming majority of respondents, (87%) with 44% strongly and 43% simply agreeing that the SACCO leadership and management demonstrate high standards of ethical and moral conduct against 11% who were reserved and 1% who strongly disagreed with a mean score of 4.28 and SD of 0.786.

A comparative of quantitative data indicates that Kenya Police SACCO still leads to high ethical and moral conduct standards compared to Mwalimu National and Stima SACCOs. The findings also confirm that with the associated mean and SD scores, where the same SACCO scores better on average and consistent as far as ethical and moral conduct is concerned. The quantitative data analysis would infer that the three SACCO leaders and management demonstrate a high standard of ethical and moral behaviour in running the business of the SACCOs.

### Not Taking Advantage of Power or Their Positions for Personal Gains

The use of power and position for personal gains is an aspect of abuse of office, interfering with organization performance. The research sought to establish whether the three SACCO OP abuses power or not for personal gains.

Findings reveal that a simple majority of respondents (57%) at Mwalimu National SACCO with 31% strongly and 16% simply agreeing to the statement against 34% who were reserved and 19% who strongly disagreed with 5% who strongly and 14% who simply disagreed with the statement with a mean score of 3.39 and SD 1.077.

Stima SACCO's findings show a similar trend with a simple majority of 51%, 33% who strongly and 18% simply agreed with the statement. The results are against 26% who were reserved, 23% strongly disagreed; with 3% strongly and simply 20% disagreeing with the statement, therefore attaining a mean score of 3.44 and SD of 1.097.

Findings from Kenya Police SACCO once again show a net difference compared to Mwalimu National and Stima SACCOs. An overwhelming majority of 90% of respondents strongly agreed with 41% strongly and 49% simply agreeing to the statement that SACCO leadership and management do not use power or their positions for personal gains against 6% who abstained and 4% who strongly disagreed with 1% strongly disagreeing and 3% simply disagreeing, attaining a mean of 4.31 and SD of 0.852.

Regarding the ranking, Kenya Police SACCO still leads as far as leadership and management not using power or positions for personal with gains with a score of 4.31 followed by Stima SACCO with a mean of 3.44 and Mwalimu National SACCO with a mean score of 3.39. The trend is the same with SD analysis, with Kenya Police SACCO scoring better in consistency with SD=0.852, followed by Mwalimu National SACCO =1.077 and Stima SACCO = 1.097.

With the simple and overwhelming majority, the research would infer that the three SACCOs leadership and management do not use their power or position for personal gains. This behaviour influences organizational performance.

### Employees' Acknowledgement of Leaders and Managers' Capabilities, Persistence and Determination to Attain Set Organizational Goals

This section sought to establish whether the three SACCOs employees acknowledge their leaders' and managers' capabilities, persistence and determination to set organizational goals. With Mwalimu National SACCO, a significant majority, (71%) of respondents agreed that they acknowledge their leaders and manager's capabilities with 55% strongly and 16% simply agreeing that persistence and determination to attain set organizational goals against 24% who were reserved and 5% who simply disagreed with a mean score of 3.83 and SD of 0.752. Stima SACCO's findings indicate that a simple majority of 59% of respondents with 48% strongly and 11% simple agreeing to the statement. The results are against 36% who were reserved and 5% disagreeing with the statement, thus, attaining a mean score of 3.65 and SD of 0.734.

Kenya Police SACCO still scored higher than the two other SACCOs with an overwhelming majority of 96% agreeing to the statement with 55% strongly and 41% simply agreeing to the statement against 1% who was reserved and 3% who disagreed with the statement with 1% strongly and 2% simply disagreeing, attaining a mean score of 4.31 and SD of 0.732.

The research would infer that employees of the three SACCOs acknowledge their leader's and managers' capabilities, persistence and determination to attain set organizational goals in consideration of the simple (Stima SACCO), big (Mwalimu National SACCO) and overwhelming (Kenya Police SACCO) of findings. Kenya Police SACCO still takes the lead in scoring more on average (Mean=4.31), followed by Mwalimu National SACCO (Mean = 3.83) and Stima SACCO (Mean=3.65). The same applied for SD with Kenya Police SACCO still leading with more consistency (SD= 0.732) followed by Stima SACCO (SD=0.734) and Mwalimu National SACCO (SD=0.752).

The findings indicate that Kenya Police SACCO employees appreciate their leaders and managers regarding their capabilities, persistence and determination to set organizational goals, followed by Stima and Mwalimu National SACCOs. As far as these quantitative data are concerned, the research concludes that the three SACCOs employees under consideration acknowledge their leaders and managers' capabilities, persistence and determination to attain set organizational goals.

### Leaders and Managers' Consistency in Decision Making and Readiness to Take Risks On Behalf of the Employees and the Organization

The final element of ideal influence is about leaders and managers being consistent in decision making and ready to take risks on behalf of the employees and the organization. A transformational leader makes decisions consistently and is prepared to take risks on behalf of his employees and the organization.

When asked whether their leaders and managers are consistent in decision making and are ready to take risks, 46% simple majority of respondents at Mwalimu National SACCO agreed with the statement,

40% strongly and 6% simply agreed. Twenty eight (28%) of the respondents were reserved, 26% disagreed with the statement, 5% strongly and 21% simply disagreed, attaining a mean score of 3.22 and SD of 1.007. The trend was similar to Stima SACCO whereby 41% simple majority of respondents with 35% strongly and 6% simply agreeing that their leaders and managers are consistent in decision making and ready to take risks. The findings were against 32% reserved respondents and 27% who disagreed with the statement, with 9% strongly and 18% simply disagreeing, attaining a mean score of 3.11 and SD of 1.069.

The findings were different from Kenya Police SACCO, with an overwhelming 86% of the majority of the respondents agreeing with the statement, with 61% strongly and 25% agreeing to the statement. The findings were against 14% of the reserved respondents, attaining a mean score of 4.11 and SD of 0.620.

The analysis of means and SD scores indicate that in the two cases; Kenya Police SACCO leads in terms of scoring more on average and being more consistent (Mean=4.11; SD=0.620) as far as decision making and taking risks are concerned, followed by Mwalimu National SACCO (Mean=3.22; SD=1.007) and Stima SACCO (Mean=3.11; SD= 1.069).

Considering that the majority, whether simple or overwhelming, the research infers that according to the quantitative data, the leadership and management of these SACCOs are consistent in decision making and take risks as far as their respective performance SACCOs is concerned.

#### Correlation Analysis between Indicators of Idealized influence and OP

Pearson correlation analysis was carried out between the eight elements of idealized influence and organization performance of the three SACCOs under consideration.

#### Correlation between management respect and trust for employees and OP of SACCOs

Correlational analysis revealed a positive correlation between the two variables at 43% ( $r=0.430$ ,  $n=62$ ,  $p=0.000 < 0.01$ ) for Mwalimu National SACCO, 40% ( $r=0.404$ ,  $n=66$   $p < 0.01$ ) for Stima SACCO and 44% ( $r=0.445$   $n=64$ ,  $p=0.000 < 0.01$ ) for Kenya Police SACCO. Furthermore, all three positive correlations were significant at level 0.01 for the three SACCOs. The findings indicate that trust and respect from managers and leaders to employees are considered a key element to the three SACCOs performance. As confirmed by quantitative data and correlational analysis, the research would infer that the three SACCOs' performance is positively influenced by respect and trust that leadership and management have for employees. The findings are consistent with Grossman (2019), who notes, "trust impacts a leader's ability to inspire and motivate employees." The findings are also consistent with an argument by Bilginoglu, Uğur & Erdem (2019), according to which, "way people treat each other in the organizations is what matters; thus developing a culture of respect and trust should be a priority for the management. The management should make investments to develop a culture of respect and trust. At the same time, this will increase the employees' job satisfaction" "Trust and respect make the cornerstones which constitute the basis of a healthy and positive organizational culture" (Page, Boysen & Arya, 2019).

#### Correlations Analysis between Being Role Model and OP

A correlational analysis was carried out to determine the relationship between a role model and OP of the three SACCOs. The analysis revealed that there is a positive correlation between the two variables at 36% ( $r=0.366$   $n=64$ ,  $p=0.03 > 0.01$ ), 26% ( $r=0.264$ ,  $n=62$ ,  $p=0.38 > 0.01$ ) and 37% ( $r=0.371$ ,  $n=66$ ,  $p=0.020 > 0.01$ ) without any significance at level 0.01 for Kenya Police, Mwalimu National and Stima SACCOs. The results indicate that while being role model is related to OP, it has no significance. These three SACCOs can perform well without their leaders being role models as far as leadership and management are concerned. The findings were also confirmed by one of the KIs who believed that the SACCO performance has nothing to do with leaders being role models but to the fact that they are simply doing their duty. Therefore, as a TL element, a role model is not significant to these SACCOs performance. However, leaders and managers need to be role models since followers emulate supervisors' behaviour. Any abuse of power or abusive supervision is likely to "trickle-down" from a higher managerial level (department leader) to its lower levels (team leader) (Liu, Liao & Loi, 2012).

#### Correlational Analysis between Knowledge Creation and Op at Kenya Police SACCO

Correlational analysis reveals a positive correlation at 44% ( $r=0.447$ ,  $n=64$ ,  $p=0.000 < 0.01$ ) between encouraging knowledge creation and satisfaction of performance at Kenya Police SACCO with significance at level 0.01. The findings indicate that the OP of Kenya Police SACCO is also significantly attributed to the fact that society's leaders and management encourage knowledge creation among their staff and apply them. Furthermore, the same correlational analysis at Mwalimu National SACCO also reveals a positive but weak correlation at 27% ( $r=0.279$ ,  $n=61$ ,  $p=0.029 > 0.01$ ) two variables but without significance at level 0.01. The results mean that while it is essential to encourage knowledge creation, the OP of Mwalimu National SACCO does not depend on it. The findings were justified by what some KIs said when they explained that everything had been done following societies' policies and regulations. Finally, findings revealed a very weak positive correlation at 1% ( $r=0.090$ ,  $n=66$ ,  $p=0.474 > 0.01$ ) between the two variables without any signification at level 0.01. The results indicate that OP of

Stima is attributed to the fact the leadership and management encourage knowledge creation. The latter having no significant impact on the performance of society.

In summary, the correlational analysis revealed that the three SACCOS leadership and management under consideration encourage knowledge creation with Kenya Police SACCO using it significantly. In contrast, for the other two SACCOS, enabling knowledge creation has no significant impact on their OP. The findings mean that while some managers use them at their discretion, the two SACCOS do not use them as society culture and elements that affect OP. It also means that while encouraging knowledge creation as an idealized TL influence element has a significant relationship with OP of Kenya Police SACCO. It is not necessarily the case with Mwalimu National and Stima SACCOS.

#### Correlations between Ethical and Moral Conduct and OP

Correlational analysis between the two variables indicate a positive correlation for Kenya Police and Mwalimu National SACCOS at 47% ( $r=0.478$ ,  $n=64$ ,  $p=0.000 < 0.01$ ) and 28% ( $r=0.284$ ,  $n=61$ ,  $p=.003 < 0.01$ ) with a significance at level 0.01. The same is confirmed by correlation analysis between the two variables, which indicate a positive correlation with significance at the level 0.01. The findings suggest that OP of Kenya Police SACCO is significantly related to ethical and moral conduct upheld by the leadership and management. The scenario is different from Stima SACCO, whereby the two variables are positively correlated at 37% ( $r=0.378$ ,  $n=66$ ,  $p=.021 > 0.01$ ) at level 0.01 without any significance. The findings indicate that while the three SACCOS leadership and management need to demonstrate ethical and moral conduct to improve their performance, this is not significant for Stima SACCO.

#### Correlation Analysis between Not Using Power/Position for Personal Gains Versus OP

Pearson correlations between not using power or position and satisfaction of OP indicated that as far as the three SACCOS are concerned, there is a positive correlation between the two variables at 33% ( $r=0.330$ ,  $n=62$ ,  $p=0.009 < 0.01$ ); 20% ( $r=0.205$ ,  $n=66$ ,  $p=0.098 > 0.001$ ), and 28% ( $r=0.0288$ ,  $n=64$ ,  $p=0.021 > 0.01$ ) at Mwalimu National, Stima and Kenya Police SACCOS. The positive correlation is significant only for Mwalimu National SACCO while it is without significance at level 0.01 for Stima and Kenya Police SACCOS. The findings indicate that while not using their power or positions for personal gain is an important and positive factor to the OP of the three SACCOS, it has no significance as far OP of Stima and Kenya Police SACCOS are concerned. Therefore, the research confirms that not using their power and positions for personal gain ideally influences employees' performance as far as these three SACCOS are concerned.

#### Correlations Employees' Acknowledgement of Leaders Capabilities to Attain Organisation Goals and OP

Correlational analysis shows a positive correlation between the two variables regarding the three SACCOS at 36% ( $r=0.367$ ,  $n=64$ ,  $p=0.003 < 0.01$ ) for Police SACCO, 46% ( $r=0.421$ ,  $n=66$ ,  $p=0.000 < 0.01$ ) for Stima SACCO and at 33% ( $r=0.338$ ,  $n=63$ ,  $p=0.003 < 0.01$ ) for Mwalimu National SACCO. The three positive correlations are significant at level 0.01 notably for Mwalimu National, Stima and Kenya Police SACCOS.

Therefore, the analysis of correlational findings infers that while acknowledging their leader's and managers' capabilities, persistence and determination to attain set organizational goals is a positive factor to the three SACCOS' OP, it is also significant for the performance of Stima SACCO. On the contrary, it is not significant to the performance of Mwalimu National and Kenya Police SACCOS. Whether employee's capabilities, persistence and determination of their leaders to attain set organizational goals or not, the two SACCOS (Mwalimu National and Kenya Police) would still perform well. The research understands that acknowledging their leader's and managers' capabilities, persistence and determination to attain set organizational goals ideally influence employees' performance as far as the three SACCOS are concerned.

#### Correlations between Consistency in Decision Making/Risk Taking and OP

The correlation analysis shows a positive relationship between the two variables at 41% ( $r=0.412$ ,  $n=63$ ,  $p=0.001 < 0.01$ ), 36% ( $r=0.362$ ,  $n=66$ ,  $p=0.003 < 0.01$ ) and 31% ( $r=0.031$ ,  $n=64$ ,  $p=0.01 = 0.01$ ) for Mwalimu National, Stima and Kenya Police SACCOS with significance for Stima and Kenya Police SACCO at level 0.01. The findings infer that it is important and significant for the three SACCOS' leaders to be consistent in decision making and taking risks for employees and the organization as far as its OP is concerned.

Correlation analysis between idealized influence and OP indicates that all these elements positively influence the three SACCOS performance. The results indicate that respect and trust, role model, knowledge creation, ethical and moral conduct, acknowledgment of leader's capabilities to attain organization goals decision making/risk-taking and not using power/position for personal gains would positively impact OP when upheld by the management and leadership of these three SACCOS. Even though some elements are not significant, the research infers that idealized influence has a positive relationship with OP. These findings imply that increasing levels of idealized influence by a unit would increase the OP of the three SACCOS under consideration. The

findings are consistent with many studies, including the study carried out by Maina & Gichinga (2018) on the “effect of transformational leadership on Steel Manufacturing companies' organization performance in the Coast region, Kenya.” The study’s findings revealed that idealized influence has a positive influence on the organizational performance of the companies. The findings are also consistent with Kulie, Kipkirui & Kipkoril (2019) findings, whereby idealized influence was positively correlated with employee performance.

**Regression Analysis**

Inferential statistics such as non parametric tests, including ANOVA, tested the overall model's significance at a 95% (0.05) level of significance. The null hypothesis is rejected when the P-value is inferior to the level of significance (p< 0.05). According to the study’s null hypothesis, there is no significant relationship between idealized influence and OP of the three SACCOs under consideration. The following formula was used:

$$Y_s = \beta_0 + \beta_1 X_1 + \epsilon_i$$

Where as

Y<sub>s</sub> = Organisational performance

X<sub>1</sub> = idealized influence

β<sub>0</sub> = constant (coefficient of intercept)

ε = error term

Tabular representation of Null Hypothesis Testing

**ANOVA<sup>a</sup> (Mwalimu National SACCO)**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.235	1	4.235	4.482	.038 <sup>b</sup>
	Residual	56.685	60	.945		
	Total	60.919	61			

**ANOVA<sup>a</sup> (Stima SACCO)**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6.102	1	6.102	10.236	.002 <sup>b</sup>
	Residual	38.155	64	.596		
	Total	44.258	65			

**ANOVA<sup>a</sup> (Kenya Police SACCO)**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.108	1	4.108	9.567	.003 <sup>b</sup>
	Residual	26.626	62	.429		
	Total	30.734	63			

a. Dependent Variable: I am satisfied with the performance of my SACCO

b. Predictors: (Constant), my SACCO leaders and management act as role models to the employees

ANOVA test between role models to the employees, which is the independent variable and SACCO performance (dependent variable), revealed a significance of (0.038) for Mwalimu National SACCO, which is inferior to the P-value (0.05). These findings mean that the research rejects the null hypothesis and confirms a significant relationship between idealized influences and OP of Mwalimu National SACCO. The findings show the same result with Stima SACCO, whereby the significance (0.002) is considered inferior to the P-value (0.05). The findings also indicate that as far as Stima SACCO is concerned, the research rejects the null hypothesis (Ho1) and confirms a significant relationship between idealized influence and OP of Stima SACCO. ANOVA for Kenya Police SACCO revealed that P-value (sign.=0.003) is inferior to the significance level (P-value= 0.05), making the research reject the null hypothesis and conclude a significant relationship between idealized influence and OP of Kenya Police SACCO. The null hypothesis was rejected in the three SACCOs cases. Therefore, the research confirms a significant relationship between idealized influence and OP of the three SACCOs.

The eight elements of idealized influence were considered. They are: respect and trust for the employees; respect and trust for the leaders and management; being role models to the; fostering of knowledge creation; high standards of ethical and moral conduct; no use of power or positions for personal gains; capabilities; persistence and determination to attain set organizational goals and consistency in decision making and ready to take risks on behalf of the employees and the organization. Findings from quantitative data all confirmed that these variables are upheld by managers and leaders of the three SACCOs with simple majorities for Mwalimu National and Stima SACCOs and an overwhelming majority for Kenya Police SACCO. Whether low or strong, the findings confirmed positive relationships between these variables and the DV, with some not being significant. However, KIs provided clarification indicating that while using

these TL principles, their respective SACCOs management and leadership are far and mostly guided by set policies. The findings mean that the established policies show other principals of TL's decision and application. In conclusion, it is worth noting that some of the TL elements under the idealized influence are very subjective, leaving every respondent the right to provide a personal view that might necessarily be accepted by others. It is notably about the question related to being a role model.

Regression analysis confirmed that there is a significant relationship between idealized influence and OP of the three SACCO. In contrast, regression analysis on every SACCO indicated values inferior to the P-value (0.05), making the research reject the null hypothesis and conclude a significant relationship between idealized influence and OP of the three SACCOs. The findings confirm the application of idealized influence, which is defined as a leadership style through which the management and leadership act as role models and display a charismatic personality that influences to build trust with employees and customers. In return, the employees and customers develop their confidence in SACCO management (Orabi, 2016).

The research findings are consistent with a study carried out by Kulei, Kipkirui & Kipkorir (2019) on the effect of idealized influence on employee performance at Moi Teaching and Referral Hospital, Eldoret, Uasin Gishu County. The findings confirmed that idealized influence as a parameter of transformation leadership was positively correlated with employees' performance.

The findings are also consistent with another study on the "influence of idealized influence on employee job performance in Kenya's insurance industry" by Langat, Linge & Sikalieh (2019). Findings revealed that ANOVA analysis for idealized influence and employee job performance was significant. The results imply that the overall model was statistically significant in determining the relationship between idealized influence and employee job performance among lower level managers in Kenya's insurance companies.

Findings also confirmed the application of transformational leadership and situational theories. In contrast, the three SACCOs managers and leaders influence their employees to consider every single context and situation. As far as the ranking is concerned, Kenya Police SACCO led under each variable, followed either by Stima or Mwalimu National SACCOs as far idealized influence was examined.

#### **IV. CONCLUSION**

Employees are satisfied with the performance of their respective SACCOs. This performance is attributable to several factors, including market share, which results from standing the test of time and national coverage. Furthermore, another essential element that is contributing to their performance is the leadership style that is applied. There is no one specific leadership style applicable. The application of one leadership style depends on the situation and needs at hand. With a focus on TL, the study confirmed that idealized influence was found to have a significant relationship with the three SACCOs OP. The finding confirms much other literature on the same and the view that TL has considerable attention because of its potential implications on an organization's performance.

The research findings, especially qualitative ones, indicate that idealized influence is being applied informally without any policy in place. The results also confirmed that the three SACCOs management do not have any policy regulating these practices, but the practices are at the discretion of the leaders' and managers'. If idealized influence could be officially upheld through policies and implemented, the OP of these SACCOs, coupled with their respective market share and membership, would be much better. All the respondents confirmed the findings when asked whether satisfied with the performance of their respective SACCO. Therefore, all the KIs recommended that TL policies be adopted and implemented by the SACCOs leadership and management. The adoption of idealized influence leadership style is one of the critical components of the SACCOs management instead of just leaving its principles to managers and leaders discretion. It should be incorporated into the appraisal framework for better implementation and evaluation. The research joined many other empirical studies and confirmed the significance of idealized influence on OP of SACCOs.

#### **V. RECOMMENDATIONS**

From the results of this study, the following recommendations are made to various stakeholders in the industries:  
To The SACCO Society Regulatory Authority

Considering TL's significance on the OP of SACCO societies and following this research, the study recommends that every SACCO management needs to embrace idealized influence principles in place. The elements of idealized influence should be compulsory and regulated by every SACCO leadership and management. A policy framework should be put in place for adoption and full implementation.

To Managers and Leaders of Mwalimu National, Stima and Kenya Police SACCOs

The managers, leaders and management of every SACCO should embrace the following:

To consider taking advantage of these idealized influence principles and facilitating their smooth implementation by adopting policies that would regulate their performance.

Consider incorporating principles idealized influence in regular appraisals and reward the best staff without necessarily waiting for the end year usual process.

Consider adopting policies where every employee is empowered on idealized influence at least once a year.

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