Contribution of Leadership Styles and Management Structures on Leadership Performance of Listed Companies in Kenya

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ABSTRACT
Leadership is a process of social influence in which one person can enlist the aid and support of others in the accomplishment of a common task. Corporate governance has dominated leadership policy agenda in developed market economies for more than a decade and African continent is gradually adopting it on their policy agenda on leadership and governance of their organisations. The Nairobi Securities Exchange (formerly Nairobi Stock Exchange) (NSE) is the principal stock exchange of Kenya. The objective of the study was to establish the role of leadership styles and management structures on leadership performance of listed companies in Kenya. The target population consisted of the 62 listed companies that had been listed at the NSE in 2015. The study used primary data which was collected using questionnaires. Data was analysed and presented using the Statistical Package for Social Sciences (SPSS). Descriptive and inferential statistics were used to present the results of this study. The study found that listed companies should ensure practice of strategic corporate leadership style for the realisation of sustainable leadership performance. Adoption of compatible management structures by listed companies is the modern day business practice that has direct and positive impact on the effective leadership performance of companies. Compatible management structures are less costly, create fewer levels of management and facilitate quick decision making and enhance creativity and innovation given the reduced levels of bureaucracy and creates a horizontal management system. Rewarding of allies and engaging in acts of nepotisms should be discouraged and avoided completely as they impede the process of leadership performance.

Keywords: Boards of Directors, Corporate Governance, Leadership Styles, Management Structures, Leadership performance, Nairobi Securities Exchange.

INTRODUCTION
Ibrahim Index of African Governance (2007) defines governance as the provision of the political, social and economic goods that a citizen has the right to expect from his or her state, and that a state has the responsibility to deliver to its citizens. According to Mensah (2012), governance is referred to mean all processes of governing, whether undertaken by a government, market or network, whether over a family, tribe, formal or informal organization or territory and whether through laws, norms, power or language. He further stated that it relates to the processes of interaction and decision-making among the actors involved in a collective problem that lead to the creation, reinforcement, or reproduction of social norms and institutions. Governance is the dynamic interaction between people, structures, processes and traditions that support the exercise of legitimate authority in provision of sound leadership, direction, oversight, and control of an organization in order to ensure that there is proper accounting for the conduct of its affairs, the use of its resources, and the results of its activities (Coward, 2010).
Corporate Governance is defined as the system by which corporations are directed, controlled and held to account (Solomon, 2013). He further noted its the manner in which the power of or over a corporation is exercised in the stewardship of its total portfolio of assets and resources so as to increase and sustain shareholder value while satisfying the needs and interests of all stakeholders. Wellage (2012) study quoted the Australian Stock Exchange (ASX) Corporate Governance Council (2010) which defines corporate governance as the framework of rules, relationships, systems and processes by which corporations are directed and controlled. He further noted that the UK Corporate Governance Code (2010) which states that levels of remuneration should be sufficient to attract, retain and motivate directors of the quality required to run the company successfully but a company should avoid paying more than necessary for this purpose.

For the last decades, there has been a growing awareness of the corporate governance in both the advanced and developing economies. According to McConvill (2012) despite good governance practices, high profile cases of corporate collapses worldwide among them Enron and WorldCom in the US, Marconi in the UK and Royal Ahold in the Netherlands stimulated governments and international organizations to set regulatory principles for private and public companies. The awareness was intended to support corporate management structures and hence restore the public confidence in corporate governance and to ensure efficient leadership styles which contributes to economic stability as confirmed by the World Bank, International Monetary Fund, and Organization for Economic Co-operation Development (Bekiris, 2013). Chung, Kim, Park and Sung (2013) examined the relation between transparency related governance attributes and liquidity in the U.S. stock market and found out that corporate governance improves organisation performance. Their findings showed that firms with better management structures exhibit higher trading price per share and lower probability of market share loss. They said that the large number of company failures that occurred at the beginning of the 21st century may have damaged confidence in many economies. Poor corporate governance was seen as contributing to the company collapses. As a consequence, they noted, corporate governance has been debated extensively with management structures and leadership styles improved in several countries.

A study by Miring’u and Muoria (2011) indicated that as early as 1970s, many governments in Africa had recognized the fact that public companies were performing poorly. They noted that the poor state companies’ performance was associated with labour rigidities in the market increased fiscal and foreign debt and inflation problems. Further they noted that the companies provided poor and unreliable services, failed to meet demand and were lagging behind in technology areas. They concluded that mismanagement, bureaucracy, wastage, pilferage incompetence and irresponsibility by directors and employees are the main problems that have made state companies to fail to achieve their objectives. Although developing countries are increasingly embracing the concept of corporate governance knowing it leads to sustainable economic growth, collapse of their listed companies is on the rise. Some companies including state corporations have folded up partly as a result of corporate governance problems as observed in South Africa by Gossel and Biekpe (2014).

**Listed Companies in Kenya**

The Nairobi Securities Exchange (formerly Nairobi Stock Exchange) is the principal stock exchange of Kenya. It began in 1954 as an overseas stock exchange while Kenya was still a British colony with permission of the London Stock Exchange. The NSE is a member of the African Stock Exchanges Association. It is Africa’s fourth largest securities exchange in terms of trading volumes, and fifth in terms of market capitalization as a percentage of Gross Domestic Product. The Exchange works in cooperation with the Uganda Securities Exchange and the Dar es Salaam Stock Exchange, including the cross listing of various equities. Trading is done through the Electronic Trading System which was commissioned in 2006. A Wide Area Network platform was implemented in 2007 and this eradicated the need for brokers to send their staff (dealers) to the trading floor to conduct business. Trading is now mainly conducted from the brokers' offices through the WAN. In order to provide investors with a comprehensive measure of the performance of the stock market, the Nairobi Stock Exchange introduced the NSE All-Share Index in 2008. In 2009 the Exchange launched its Complaints Handling Unit in a bid to make it easier for investors and the general public to forward any queries and access prompt feedback (NSE, 2015).
Mukar (2012) has written about the relationship between corporate governance and ownership structures of firms listed at the Nairobi Securities Exchange and states that the ownership levels of a company characterized by low ownership levels have an inverse effect on company performance. He noted that since the late 1980s, the Kenyan government adopted economic liberalisation policies with the aim of reducing economic distortions. Solomon (2013) noted that the World Bank and the International Monetary Fund (IMF) had begun imposing tough conditions that touched on governance and better economic management to NSE. Although the policies achieved some benefits, the country is still caught up in macro-economic instability as evidenced by high inflation rates, account deficits and policy uncertainties (Njajana, Ogutu & Pellisier, 2012). Kenya Airways Ltd in Kenya has been noted to win several good corporate governance awards for the last five years but the company continued to perform poorly over the period. The company had its Earnings Per Share operating between (-)13.35 and (-)2.25 down from 10.45 in 2006 and operating on downward share price trend of Kes. 5.00 down from Kes. 34.50 in 2011 and making losses year after year (NSE, 2015). Kenya listed companies' poor performance state was also witnessed in Euro Bank, Uchumi Supermarkets, Unga Group, National Bank of Kenya, CMC Motors, Eveready (K) Ltd and East Africa Industries among many others (Madiavale, 2011).

Study Problem
A good corporate governance mechanism is assessable from; political stability, accountability, government effectiveness, rule of law, control of corruption and quality of regulation which can only be achieved through sound and effective leadership (Kaufmann, Kraay & Mastruzzi, 2012). Chung, Kim, Park and Sung (2013) examined the relation between transparency related governance attributes and liquidity in the U.S. stock market and found out that corporate governance has a strong positive influence on organisational performance. According to Yang (2012), companies with good corporate governance systems in place have more efficient operations that lead to high company performance. A study by McConvill (2012) noted numerous cases world over of companies leadership such as Enron, Worldcom, Marconi and Royal Ahold where this relationship contradicted. Also a study by Iraya, Mwangi and Muchoki (2015) noted cases of non performing listed companies in Kenya that have attracted debates in their form of leadership and shaken both local and foreign investor confidence. Companies such as Kenya Airways Ltd, Eveready (EA) Ltd, Uchumi Supermarkets, Unga Group Ltd, National Bank of Kenya and CMC Holdings Ltd have in the past won several good corporate governance awards but have poor leadership performance indicators (NSE, 2015). Further, a study by Madiavale (2011) noted that although in Kenya listed companies have adopted corporate governance leadership practices, cases of organisations scandals that lead to poor company leadership performance are rampant.

There were literatures on corporate governance on how it contributes to company leadership performance, however, some listed companies in Kenya despite embracing corporate governance have dismal overall leadership performance (NSE, 2015). The problem was that some listed companies in Kenya had poor leadership performance. Even with all the empirical evidence on positive relationships between corporate governance and company leadership performance and the government laid up Corporate Governance structures, some Kenya listed companies continue to operate on losses over the last five years. This affected shareholders, employees, customers, creditors, managers, suppliers, the wider community and the country's economy. The implication was that stakeholder suffered and the investors, prospective and actual shareholders, accordingly lose confidence in the market and withdraw and the country's economy do not grow (Hudson, 2013). Corporate governance although a common phenomenon in Kenya, the level of preparedness of the listed companies' leadership to face up with the identified challenges and potential complexities to ensure that they are managed to the desired performance is a major concern. This study is a step toward understanding the contribution of leadership composition on leadership performance of listed companies in Kenya as the survival of any organisation is dependent upon how it deals with sources of uncertainty or dependency.

Objective of the Research
The main objective of this study was to ascertain the contribution of corporate governance on leadership performance of listed Companies in Kenya. Specifically, the study was undertaken to determine the contribution of leadership styles and management structures on leadership performance of listed companies in Kenya. The study therefore hypothesized that leadership styles and management
structures does not have contribution on leadership performance of listed companies in Kenya.

LITERATURE REVIEW

Leadership Styles and Management Structures

Leadership style is a process of social influence in which one person can enlist the aid and support of others in the accomplishment of a common task (Covey, 2011). It is organizing a group of people to achieve a common goal. Recent challenges for corporate organisations leadership include changing demographics, reduced funding and increased scrutiny from the public (Adams, Ferreira & Raposo, 2011). In continental Europe, the three greatest challenges are expansion, diversification and massification (Schein, 2010). Enormous change has been occurring in corporate organisations that has greatly complicated corporate leadership (Saidi & Shammar, 2015). Saidi & Shammar (2015) further argued corporate organisations have grown in size and complexity in recent decades. The growing demands of stakeholders and shareholders for knowledge production, wealth creation and social relevance have placed inordinate pressure on these to maintain vigilance and be strategically positioned to seize opportunities and avert threats quickly and efficiently (Aduda, 2011).

Management Structures is how activities such as task allocation, coordination and supervision are directed toward the achievement of organisational aims (Mudashiru, Bakare & Ishmael, 2014). According to Lunenburg, (2011) organization structure is the network of relationships and roles throughout a given organization. Organization structure is the way responsibility and power is allocated inside an organization and work procedures done by employees and other members of the same organization. According to Bebczuk, Auguste & Sánchez (2013) corporate governance can influence a firm’s performance whenever a conflict of interest arises between management and shareholders and/or between controlling and minority shareholders. A weak corporate governance structure may provide an opportunity for managers to engage in behaviour that would eventually result in poor leadership performance, which is a strong indication of a serious decay in leadership ethics (Opiyo, 2015). The board of directors should be in firm control of the affairs of the company in a lawful, efficient and effective manner, such that the organisation may increasingly improve on its value creation; and with due regard to the other stakeholders’ interests, ensure that the value created is shared among the interested parties such as the shareholders and employees (Mudashiru, Bakare & Ishmael, 2014). They noted the functions of the board of directors should include; strategic planning, selection, performance appraisal and compensation of senior executive members, succession planning, communicating with the shareholders, ensuring the integrity of financial controls and reports and ensuring that ethical standards are maintained and that the company complies with the law. They further stated that the board was the main custodian of the corporation’s accountability and it moderates the conflicting interests of the stakeholders.

According to Opiyo (2013) study, Boards of directors are often involved in creating policy but executive management communicates the results to the organisation staff. It is in this case that company management also referred to as company executives who are accountable to the Board of Directors through the board committees has ultimate responsibility for directing the activity of the organisation, ensuring it is well run and delivering the outcomes for which it has been set up. Schmid & Zimmermann (2007) study stated that Management directors composed of Chief Executive Officer and head of departments or divisions should provide leadership to the organisation by; setting the strategic direction to guide and direct the activities of the organisation; ensuring the effective management of the organisation and its activities; and monitoring the activities of the organisation to ensure they are in keeping with the founding principles, objects and values. From a legal perspective, the board of directors is the first and foremost body responsible for governing the affairs of a corporation because board of directors have a fiduciary duty to look after the best interests of the shareholders.

Mishra & Mohanty (2014) argued that one of corporate governance mechanisms is the board committees (i.e. the compensation, risk management, audit, governance and nominating committees, etc). Their findings suggested that the presence of monitoring committees is positively related to factors associated with the benefits of monitoring. Khanchel (2007) added that corporate governance quality increases with the existence of separate committees and also with their meetings. Li, Pike & Haniffa (2008) posted that board monitoring UAE listed firms capability was a function of the
board’s committees where much of the important processes and decisions were monitored and taken. In this regard, Klein’s (2009) study findings showed that the existence of independent board’s committees reduced the likelihood of earnings management, thus improving performance. Therefore, studies indicate that board committees can be expected to improve internal control and consequently improve company performance.

Judge (2011) study suggested that a board that merely ratifies management proposals and takes at face value the management evaluations of strategic investments is usually found in poorly performing companies. The board of directors have to be a force to be reckoned within any successful company. However, another study by Malina (2013) indicates the existence of benefits of a collaborative relationship with management in terms of the provision by directors of advice and counselling. Not only did he find that board monitoring of chief executives was positively associated with business performance, he also found that the offer and acceptance of advice and counselling was positively associated with business performance. Our reading of this evidence is that a leadership board is skilled in combining both monitoring and support. It is possible that the relationship between directors and management takes the form of a challenging partnership in which the board of directors as the senior partners are not afraid to monitor and audit management, as well as help and guide them. There seems to be a growing element of mentoring and coaching in progressive companies where much of this is done by non-executive directors.

According to Aras & Crowther (2013) board of directors do not manage a company, they provide direction to those who do so. They note that their role is to articulate a vision, mission and strategic direction for the business that its shareholders and other stakeholders can share and support. The role of management is to help to shape the strategies to deliver the vision over time and to ensure that they are fully implemented. For boards to develop an effective partnership, chairpersons need to select directors with a wide range of complementary talents and personality types. One key competence that is as essential in the boardroom is advocacy to enable preparing and presenting a convincing case and debating skills that can sustain it against challenge and should have the ability to listen constructively, if it is to be effective.

The challenging board of directors is firmly focused on the long-term interests of the company (Kirkpatrick, 2009). The study assumed that there were rarely simple answers to complex situations so that it takes a sceptical and exploratory approach to decision making. It was aware that the company’s future was largely determined by factors in the external world over which it may have little control. It therefore encouraged processes which improve its understanding of the external world and of how it may evolve into the future. It was aware that knowledge is the key to business success and that knowledge is like a jigsaw puzzle in which many different people hold the pieces. Lashgari (2014) study found out that challenges of board of directors were commitment to maximising the use of the talents of its members by creating committees. They had a model that evolved ensuring that all substantive decisions are taken by the whole board of directors but encourages the use of the steering committees that report back to it. Greater use of management directors, chaired by the chief executive and involving the executive directors and key managers, was to be encouraged provided that its deliberations were reported to the substantive committees who eventually report to full board, the study said. According to the study, the creation of committees (audit, nomination and remuneration committees) opened up the way to use the talents of board of directors more fully and provide an appropriate degree of scrutiny.

**Leadership Performance**

Leadership is the process of motivating other people to act in particular ways in order to achieve specific goals (Hannagan, 2008). Hannagan (2008) further argued that in all organisations, leadership is required in order for its objectives to be achieved and good leadership can result in success while poor leadership can lead to failure. There are several approaches to understand leadership, ranging from traditional, behavioural, contingency and modern approaches. In whichever approach leadership is applied some leaders behaviour will be noticed ranging from directive, supportive, participative and achievement oriented leadership. The pressures to adopt a particular leadership style are seen through the effects of organisation culture and peer expectations. Leaders will need to lay strategy, plan on the allocation of the available resources and apply corporate governance principles to achieve the level of company performance desired.
According to Mishra & Mohanty (2014) leadership performance is the most important criterion in evaluating organizations, their actions and environments. They noted that organizational performance encompasses the following specific areas of firm outcomes: financial performance (profits, return on assets, return on investment, etc.); market performance (sales, market share, etc.); shareholder return (total shareholder return, economic value added, etc.) and customer satisfaction (customer retention, loyalty, products and service attributes, image and reputation, etc.). Dutta & Fan (2014) stated that the nature of company performance measures can also be firm specific, depending on internal policies as cash flows, accounting numbers and stock prices produce different incentives for managers. They concluded that measuring performance requires weighing the relevance of the company performance to focal stakeholders.

At the most basic level, small and large firms are likely to perform in quite different manners although linked by competition; these firms have very different resources and strategies (Malina & Euske, 2013). In a cross-country survey by Liston, Chong & Bayram (2014) found that small Finnish and UK companies focused on profitability, product margins, customer satisfaction and liquidity. They further stated that within the strategy, economics and finance literatures market value based measures are the preferred instrument for characterizing organizational performance. The greatest strength of these measures is that they are forward looking, in theory representing the discounted present value of future cash flows (Fisher, Strickland, & Knobe, 2012). They also incorporate intangible assets more effectively than accounting data, something of clear relevance to those interested in resource based and knowledge based views of the firm (Lev, Demerjian, and McVay, 2012).

According to Levenson & Stede (2011), the relationship between measures and performance is also influenced by which measures the firm uses internally and how these are embedded into incentive and control systems within the firm; e.g., the firm’s own key performance indicators. They noted the internal measurement systems used could influence performance at the individual and organizational level. Fisher et al. (2012) noted that within the strategy, economics and finance literatures market value based measures are the preferred instrument for characterizing organizational performance. They further stated that the greatest strength of these measures is that they are forward looking, in theory representing the discounted present value of future cash flows. They also incorporate intangible assets more effectively than accounting data, something of clear relevance to those interested in resource based and knowledge based views of the firm (Lev, et al., 2012). Levis, et al. (2012), however, noted that the connection between market measures to the actual performance of the firm depends on how much of the rent generated from its activities flows to shareholders and the informational efficiency of the market. He further stated that the usual justification of these measures is that firms are instruments of shareholders. Merchant, Stede, Lin, and Yu (2011) noted that although market value might be generally recognized as the most appropriate measure of overall organizational performance, it is less useful for research focusing on performance where the dimensionality is defined in terms of a product or a strategic business unit. He concluded that an advantage of mixed market/accounting measures is that they are better able to balance risk (largely ignored by accounting measures) against operational performance issues that are sometimes lost in market measures.

Similarly, scholars in marketing, operations and human resource management seek to understand and improve performance, each adopting discipline-specific measures such as customer satisfaction, productivity and employee satisfaction (Chenhall & Langfield-Smith, 2011).

METHODOLOGY

This study adopted a descriptive research design. The study targeted listed companies staff in all levels and the target population was the 62 listed companies in Kenya (NSE 2015). The sample for this study consisted of nine (9) listed companies. Data was collected from a sample size of 237 respondents by use of structured questionnaires. Stratified and simple random sampling techniques were used to determine the sample size. Due to the busy schedules of the staff, they filled out questionnaires at their own convenience and once they were filled, the questionnaires were collected by the researcher. A total of 175 responses were received, translating into 74% response rate. This response rate was considered appropriate for data analysis and presentation.
Descriptive statistics were used to describe basic features of the data in the study since they provide simple summaries of the sample and the measures. Descriptive statistics such as frequencies and percentages were used to analyse the data on the role of corporate governance in leadership performance of listed companies in Kenya. The study had five independent variables, namely; leadership style and management structure, leadership composition, leadership independence, stakeholders’ ownership and ownership concentration, while the dependent variable was leadership performance.

RESULTS AND DISCUSSION

Gender Distribution
The study sought to find the gender of the respondents. Table 1 indicates the distribution of the respondents by gender. Majority (66.1%) of the respondents were male while the rest (33.9%) of the respondents were female. The distribution represents a fair gender balancing, an indication of successful efforts of various gender mainstreaming campaigns by various stakeholders and the Kenyan constitution 2010.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>116</td>
<td>66.1</td>
</tr>
<tr>
<td>Female</td>
<td>59</td>
<td>33.9</td>
</tr>
<tr>
<td>Total</td>
<td>175</td>
<td>100</td>
</tr>
</tbody>
</table>

Job Titles of Respondents Distribution
The unit of observation for this study was the top and middle management, supervisors and subordinate staff in the listed companies in Kenya as indicated in the methodology, this question sought to establish the job position of the respondents in the organization. Majority (54.4%) of the respondents were subordinate, 26.9% supervisory, 14.3% middle and top management designates with a paltry (4.4 %). Figure 1 gives a summary of the position of the respondents. This was a very important profile distribution for this study since the respondents were the right people with adequate information relevant to this study hence best placed. Management take responsibility for leadership performance (Bossidy and Chara, 2012; Mauborgne and Kim, 2015; Mwanje, Guyo and Muturi, 2016). The distribution of the respondents is quite normal and fair representation of management.
This question sought to investigate the number of years each respondent have worked with the listed company. On average nearly half (40.9%) of the respondents had worked for more than 10 years with their companies. This shows a high degree of institutional memory and commitment to their companies. Majority (79.5%) of the respondents had a working experience of 6 years and above and only (20.5%) had below 6 years of experience as shown in Figure 2. This means that the respondents have adequate working experience with the listed company and therefore possess the necessary knowledge and information which was considered useful for this study.

This paper presents findings for leadership styles and management structures variable.

Figure 1. Job Titles of Respondents

Figure 2. Working Experience of Respondents
Descriptive Analysis For Leadership Styles and Management Structures on Leadership Performance of Listed Companies

Leadership styles and management structures on Leadership Performance of Listed Companies is the first independent variable in this study. The study sought to investigate whether factors such as leadership strategy, company structures, conflict of interest, firm company checks, accountability systems influence leadership performance of listed companies. Specific questions were asked in each of these areas and opinions of the respondents were sought. Table 2 provides the opinions and responses on the questions which show that a majority, 72% (sum of 48.1% and 23.9%) of the respondents agreed that leadership and structure contributes to the leadership performance of listed companies in Kenya.

Table 2: Statistical Results for Leadership and Structure on Leadership Performance

<table>
<thead>
<tr>
<th>Variable indicators</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The influence of corporate governance on the company performance depends on the company top leadership strategy</td>
<td>3.4%</td>
<td>10.3%</td>
<td>13.7%</td>
<td>56.0%</td>
<td>16.6%</td>
</tr>
<tr>
<td>Our company structure has the Board of Directors, management committees and management directors who work in teamwork and trust</td>
<td>3.4%</td>
<td>8.6%</td>
<td>15.4%</td>
<td>57.7%</td>
<td>14.9%</td>
</tr>
<tr>
<td>Our company has no conflict of interest between all levels of leadership and thus company performance is always improving.</td>
<td>3.4%</td>
<td>10.3%</td>
<td>19.4%</td>
<td>48.0%</td>
<td>18.9%</td>
</tr>
<tr>
<td>Our leaders have firm control of the affairs of the company in a lawful, efficient and effective manner, such that the organisation increasingly improve on its value creation; respect other stakeholders’ interests and ensure that the value created is shared among the interested parties.</td>
<td>4.0%</td>
<td>4.6%</td>
<td>12.6%</td>
<td>46.3%</td>
<td>32.6%</td>
</tr>
<tr>
<td>Our company leadership is transparent and accountable and have ultimate responsibility for directing all the activities of the organisation, ensuring they are well run and delivering the outcomes for which it has been set up making our company financial performance excel.</td>
<td>3.4%</td>
<td>9.7%</td>
<td>17.7%</td>
<td>32.6%</td>
<td>36.6%</td>
</tr>
<tr>
<td>Average</td>
<td>3.5%</td>
<td>8.7%</td>
<td>15.8%</td>
<td>48.1%</td>
<td>23.9%</td>
</tr>
</tbody>
</table>

Leadership Strategy

The study revealed that a majority of the respondents strongly agreed with the statement that influence of corporate governance on the company performance depends on the company head leadership strategy. Table 2 presents the results of this study indicating that over 72.6% (sum of 56.0% and 16.6%) strongly agreed and agreed to the statement. A further 13.7% of the respondents were undecided, 10.3% disagreed and 3.4% strongly disagreed. A mean response of 3.69 and a standard deviation of 1.028 is an indication of the need for a strategist company head to guide the operations (Table 3). The findings resonated with observations by Hill (2010) that the drivers of any leadership strategic styles are the actions and moves that leaders take to improve the organization’s performance, strengthen its long term competitive position and gain a competitive edge over its rivals. The results aligned well with Hannagan (2008) argument that in all organisations, leadership is required in order for its objectives to be achieved and good leadership strategy can result in success while poor leadership strategy can lead to failure. The results concurred with modern leadership strategic practises and, therefore, a strong need for listed company leaders to observe full compliance of the corporate governance principles.

Company Structures

Table 2 shows that 14.9% of the respondents strongly agreed to this statement, 57.7% agreed, 15.4% were neutral while 8.6% and 3.4% disagreed and strongly disagreed respectively with the statement that their company structure had board of Directors, committees and management directors who
thrive on complimenting each on view of attaining the required performance. A mean score of 3.73 was achieved with a standard deviation of 1.062 (Table 3). The results are consistent with the study by Malina & Euske (2013) that at the most basic level, small and large firms perform in quite different manners but linked by company structures that compliment each other. These authors pointed out that company’s structure should embrace all employees in order to avoid duplication of duties and compliment each other to achieve the desired company performance. The findings with a majority of 72.6% (sum of 57.7% and 14.9%) of the respondents in agreement with the statement, suggest that listed companies need to have structures with each level supporting each other for the whole organisation to have a seamless understanding of the companies goals.

**Conflict of Interest**

Table 2 shows that 18.9% of the respondents strongly agreed with the statement that their company had no conflict of interest between shareholders, board of directors, management and/or between controlling and minority shareholders and thus company performance was always improving. The findings also show that 48.9% agreed, 10.3% disagreed and 3.4% strongly disagreed while 19.4% of the respondents were undecided. A mean of 3.78 was achieved which compares favourably with that of company structure at 3.73. The standard deviation achieved was 1.012 (Table 3). Conflict of interest statement is the unique virus that infects an organization's management and adversely affects its operations, in product, market, and technology (Mudashiru, Bakare & Ishmael, 2014). Scholars have argued that the board of directors should be in firm control of the affairs of the company in a lawful, efficient and effective manner, such that the organisation may increasingly improve on its value creation; and with due regard to the other stakeholders’ interests, ensure that the value created is shared among the interested parties such as the shareholders and employees. The 66.9% (sum of 48.0% and 18.9%) of the respondents that agreed to the conflict of interest statement confirmed findings by Bebczuk, Auguste & Sánchez (2013) who concluded that corporate governance can influence a firm’s performance whenever a conflict of interest arises between management and shareholders and/or between controlling and minority shareholders.

**Firm Company Checks**

With a mean score of 3.64 and a standard deviation of 0.995 (Table 3), 78.9% (sum of 46.3% and 32.6%) of the respondents supported the statement that leaders (board of directors) have firm control of the affairs of the company in a lawful, efficient and effective manner, such that the organisation increasingly improve on its value creation; respect other stakeholders’ interests and ensure that the value created is shared among the interested parties such as the shareholders and employees. Of this majority, 32.6% strongly agreed and 46.3% agreed, while 12.6% were neutral, 4.6% disagreed and 4.0% strongly disagreed (Table 2). A number of leadership scholars, including Covey (2011); Adams, et al (2011); Saidi & Shammar (2015) defined leadership as a process of social influence in which one person can enlist the aid and support of others in the accomplishment of a common task. The 78.9% majority of respondents evidently understood this definition and strongly reinforced studies by Mudashiru, et al (2014) who held the view that all the leaders at all levels should understand their mandate for effective deliverance of their services such that the organisation may increasingly improve on its seamless compliance to its policies and laws with due regard to the other stakeholders’ interests, ensuring that the value created is shared equitably.

**Accountability Systems**

As tabulated in Table 2, 69.2% (sum of 32.6% and 36.6%) of the respondents agreed that company management are accountable to the Board of Directors through the board committees and have ultimate responsibility for directing the activity of the organisation, ensuring it is well run and delivering the outcomes for which it has been set up. This has made company financial performance excel with 36.6% strongly agreed, 32.6% agreed, 17.7% were neutral, 9.7% disagreed and 3.4% strongly disagreed. The mean score for these findings was 3.66 with a standard deviation of 1.060 (Table 3). The findings corroborate literature by Opiyo, (2013); Mishra & Mohanty (2014); Li, et al (2008); Mudashiru, et al (2014) which reached conclusions that company structures were how activities such as task allocation, coordination and supervision were directed toward the achievement of organisational aims. Management is the direct body supervising all employees and, therefore, the majority of 69.2% responses obtained was an indication that there is need to have an accountable
management for the effective management of listed companies in Kenya.

Table 3. Weighted Means for Leadership Style and Management Structure

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership Strategy</td>
<td>175</td>
<td>1</td>
<td>5</td>
<td>3.69</td>
<td>1.028</td>
</tr>
<tr>
<td>Company Structures</td>
<td>175</td>
<td>1</td>
<td>5</td>
<td>3.73</td>
<td>1.062</td>
</tr>
<tr>
<td>Conflict of Interest</td>
<td>175</td>
<td>1</td>
<td>5</td>
<td>3.78</td>
<td>1.012</td>
</tr>
<tr>
<td>Firm Company checks</td>
<td>175</td>
<td>1</td>
<td>5</td>
<td>3.64</td>
<td>.995</td>
</tr>
<tr>
<td>Accountability Systems</td>
<td>175</td>
<td>1</td>
<td>5</td>
<td>3.66</td>
<td>1.060</td>
</tr>
</tbody>
</table>

**Inferential Analysis**

In this study the researcher performed inferential analysis to determine the actual implication of the data collected and to draw conclusions on the relationship of the specific variables under study. Regression analysis was done to establish the statistical significance of the relationship between the independent variables notably; leadership strategy, company structures, conflict of interest, firm company checks, accountability systems on dependent variable which was leadership performance. According to Marshall and Rossman (2006), regression analysis is a statistical process of estimating the relationship between variables. Regression analysis helps in generating equation that describes the statistics relationship between variables. The regression analysis results were presented using a scatter plot diagrams, regression model summary tables, Analysis of Variance (ANOVA) table and beta coefficients tables. Each of this is discussed in the following sections of this paper. The general objective of this study was to determine the role of corporate governance on leadership performance in listed companies in Kenya.

**Correlation Coefficient for Leadership Styles and Management Structures**

Tables 4 and 5, show a 30.1% positive correlation between leadership style and management structures of listed companies in Kenya. The results confirm conclusions by Aduda (2011) that growing demands of stakeholders and shareholders for knowledge production, wealth creation and social relevance have placed inordinate pressure on leaders to maintain vigilance and be strategically positioned to seize opportunities and avert threats quickly and efficiently in order to achieve the required performance. Adoption of appropriate leadership style and structure can help provide firm control of the company operations during periods of organizational turmoil and still achieve good performance (Aras & Crowther, 2013).

Table 4. Correlation Coefficients for Leadership Style and Management Structure

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>I (Constant)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership and Structure</td>
<td>12.961</td>
<td>1.320</td>
</tr>
<tr>
<td>a. Dependent Variable: Leadership Performance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 5. Coefficients for Leadership Style and Management Structure

<table>
<thead>
<tr>
<th></th>
<th>Leadership Performance</th>
<th>Leadership Style &amp; Management Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>.301**</td>
</tr>
<tr>
<td>Leadership Performance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>175</td>
<td>175</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.301**</td>
<td>1</td>
</tr>
<tr>
<td>Leadership Style &amp;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management Structure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>175</td>
<td>175</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

Regression Analysis for the relationship between leadership Style and Management Structures and leadership performance

Scatter plots in Figure 3 shows that the distribution of the scatter plots appears to fall along the line and evenly distributed on either side. There is no skewness to either side which indicates that there is a constant variance. This implies that a straight line can be fitted, suggesting that there is a linear relationship between leadership style and management structures and leadership performance.

The relationship takes the form of the equation: \( Y = \alpha + \beta X + \epsilon \)

Figure 3. Leadership Style and Management Structures versus Leadership Performance

Figure 3 illustrates scatter plot diagram of leadership styles and management structures versus leadership performance. The Figure 3 presents results which show that all the points/observations appear in the first quadrant and the line of best of fit indicates an estimate line that is increasingly positive upwards. It indicates that as the leadership styles and management structures is poor, then there shall be negative leadership performance. The leadership styles and management structures improves, then leadership performance gets better and vice versa, this implies that there is a positive linear relationship between leadership styles and management structures and leadership performance.
in the listed companies in Kenya.

Table 6. Model Fitness for Leadership Style and Management Structures

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R²</th>
<th>Adjusted R²</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.301&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.090</td>
<td>.085</td>
<td>3.898</td>
</tr>
</tbody>
</table>

Regression analysis was performed in order to determine whether the independent variable, leadership styles and management structures can be relied on in explaining the change in the dependent variable, leadership performance of listed companies in Kenya. The coefficient of determination (R²) derived from the study suggested that leadership styles and management structures can explain up to 9.0% (Table 6) of the change in the leadership performance of listed companies in Kenya. This study, therefore, established that there is need to implement good leadership styles and management composition so as to enable leaders achieve the desired results in their respective companies.

Table 7. ANOVA for Leadership Style and Management Structures

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>261.281</td>
<td>1</td>
<td>261.281</td>
<td>17.192</td>
<td>.000&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>Residual</td>
<td>2629.267</td>
<td>173</td>
<td>15.198</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2890.549</td>
<td>174</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<sup>a</sup> Dependent Variable: Leadership Performance
<sup>b</sup> Predictors: (Constant), Leadership and Structures

Results of an ANOVA test performed on the variable, leadership styles and management structures are summarized in Table 7. This table shows that the variable has a P-value equal to .000, demonstrating that the model is statistically significant considering that the P value is less than .05 at the 95% level of confidence and the Null Hypothesis (H₀₁) rejected and a conclusion reached that, at 5% level of significance, leadership styles and management structures plays a significant role in for the leadership performance of listed companies in Kenya.

This also confirms that the linear model fits the data quite well. The model estimate for leadership and structure is represented as follows as shown on Table 4: Y = α + βX₁ + ε

Where, α = A constant, = 12.961

β = 0.289

X₁= Leadership & Structure,

ε = Error term

Hence: \( Y = 12.961 + 0.289X₁ \)

Before we interpret the coefficients, we ask ourselves if the coefficients are significant from zero and the answer is yes, because each one of them has a p-value of 0.000. Therefore the coefficient of 0.289 means that a unit changes in leadership styles and management structures will lead a positive change in leadership performance at the rate of 0.289. This implies that you cannot ignore leadership styles and management structures when driving performance in the listed company in Kenya.

SUMMARY OF THE FINDINGS

With respect to leadership styles and management structures, factor analysis was done in order to reduce items to manageable and meaningful size, where all the 5 items met the threshold of 0.4 and above, with the lowest being 0.699 and the highest 0.805. Descriptive statistics were used to analyze this research objective and other subsequent analysis was done. The study established that there was a 30.1% positive correlation between leadership styles and management structures and the leadership performance of listed companies; leadership styles and management structures played a positive linear relationship role in the corporate governance for the leadership performance of listed companies in Kenya.
Kenya; leadership and structure was statistically significant at 9.0% in explaining the change in the strategic leadership performance of listed companies in Kenya; establishing proper management structures, avoiding conflict of interest, putting in place the best accounting systems and checks for meaningful leadership performance of listed companies. A majority of 72% the respondents pointed out that developing applicable leadership style and management structures with good spirit to integrity, accountability and transparency was imperative to corporate governance of the listed companies for the benefit of all the stakeholders. The findings resonate with the literature reviewed that companies which had adopted the right leadership style and management structures practises achieve higher levels of success than those that have not.

RECOMMENDATIONS
Listed companies should ensure practice of strategic corporate leadership style for the realisation of sustainable leadership performance. Adoption of compatible management structures by listed companies is the modern day business practice that has direct and positive impact on the effective leadership performance of companies. Compatible management structures are less costly, create fewer levels of management and facilitate quick decision making and enhance creativity and innovation given the reduced levels of bureaucracy and creates a horizontal management system. Rewarding of allies and engaging in acts of nepotisms should be discouraged and avoided completely as they impede the process of leadership performance.

Effective leadership practises supported by strong internal firm control systems, accountability controls and transparency contribute directly to the leadership performance of listed companies. This will enhance the capacity of the listed companies business plan and supplement the shareholders resources input.

AREAS FOR FURTHER RESEARCH
This study has made significant contribution as it highlights a few aspects to be considered by future researchers. Firstly, as with most research studies, replication of this study for validation purposes. Second, a similar study with a larger number of listed companies be sampled to provide an enhanced reflection of the situation on the ground. Third, a similar study using a different sample of non-listed companies officials would help to improve knowledge of corporate governance practices in listed companies in Kenya. Fourth, the same study can be conducted but with listed companies as unit of analysis. Fifth, considering that this study major finding was that all the five independent variables taken together could only explain up to 18.9% of the variation in the dependent variable, the leadership performance of listed companies in Kenya, meaning that 81.1% of the change in the leadership performance of listed companies could be explained by other variables. The researcher, therefore, proposes that a study be conducted to investigate other factors including, social, environment, legal, political, financial, local and foreign shareholders influence, insider and outsider board of directors among other potential variables.

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