

TRANSFORMATIONAL LEADERSHIP AND ORGANIZATIONAL GROWTH:  
A CASE OF SMALL AND MEDIUM ENTERPRISES DEALING WITH  
AUTOCARE IN ROYSAMBU SUB-COUNTY, KENYA

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## DECLARATION

I declare that this thesis is my original work. It has not been presented for the award of a degree in any university.

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This thesis has been submitted for examination with my approval as the University Supervisor.

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## DEDICATION

This thesis is dedicated to all transformational leaders out there who have set a pace in transforming lives and organizations. Thank you for demonstrating that this leadership construct is practical and workable. Thus, it should be emulated for organizational growth.

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## ABSTRACT

Small and medium enterprises providing autocare services have an opportunity to apply transformational leadership construct to sustain their competitive advantage, avert possible business losses and enhance their organizational growth. This research focused on transformational leadership and organizational growth; a case of small and medium enterprises providing autocare services in Roysambu Sub County in Nairobi, Kenya. The purpose of this study was to establish the influence of transformational leadership on organizational growth of SMEs. The specific objectives of this research were to determine the impact of idealized influence on organizational growth of autocare SMEs in Roysambu Sub County, in Nairobi Kenya; to establish the influence of individualized consideration on organizational growth of autocare SMEs in Roysambu Sub County, in Nairobi Kenya; to find out whether inspirational motivation influences organizational growth of autocare SMEs in Roysambu Sub County, in Nairobi Kenya; to find out whether intellectual stimulation influences organizational growth of autocare SMEs in Roysambu Sub County, in Nairobi Kenya and to establish the combined effect of idealized influence, individualized consideration, inspirational motivation and intellectual stimulation, on organizational growth of Autocare SMEs in Roysambu Sub County in Nairobi, Kenya. This study adopted a post-positivist philosophy and a descriptive research design. The target population was 30 SMEs dealing with autocare in Roysambu Sub County. Stratified random sampling was applied. Within each stratum, purposeful sampling method was used to choose 30% of the target population. Data was collected using a structured questionnaire which was pre-tested to ascertain its reliability and validity before they were administered to the respondents through distribution. Data was analyzed using Advanced Excel and SPSS (V26) which generated both descriptive and inferential statistics. Results showed a strong R-Square of 0.984 which implied that transformational leadership influenced organizational growth by 98.4%. The results are potentially beneficial to autocare SMEs in Roysambu Sub County with respect to enhancement of organizational growth. The same results can be replicated and benefit other organizations with similar structures. The study is significant in adding to the existing body of literature and thus fill the literature review gap on the influence of transformational leadership on organizational growth. The study concludes that transformational leadership significantly influences organizational growth of SMEs dealing with autocare in Roysambu Sub County in Nairobi, Kenya. The research recommends further study in a different context with a different conceptualizations.

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## ABBREVIATIONS AND ACRONYMS

|         |   |                                                                                                             |
|---------|---|-------------------------------------------------------------------------------------------------------------|
| Email   | : | Electronic mail                                                                                             |
| HPWP    | : | High - performance work practices                                                                           |
| NACOSTI | : | National Commission for Science, Technology & Innovation                                                    |
| OL      | : | Organization Learning                                                                                       |
| OP      | : | Organizational Performance                                                                                  |
| OS      | : | Open Systems                                                                                                |
| PAC     | : | Pan Africa Christian University                                                                             |
| SMEs    | : | Small Medium Enterprises                                                                                    |
| SPSS    | : | Statistical Package for Social Sciences                                                                     |
| TL      | : | Transformational Leadership                                                                                 |
| 4Is     | : | Idealized Influence, Individualized Consideration, Inspirational<br>Motivation and Intellectual Stimulation |

## DEFINITION OF TERMS

**Autocare SMEs** : This refers to the small and medium enterprises providing services and accessories towards ensuring that motorcars are in good working condition. It encompasses auto services such as car repair and maintenance, spare parts, car wash, wheel balancing and alignment.

**High performance work practices:** This is one of perspectives of organizational growth. It holds that effective organizations put together numerous workplace practices that influence the stock of knowledge, skills and capacity among workforces that offer economic value to the organization (McShane & Glinow, 2018). An organization is said to grow when it integrates different workplace practices that improve human capital.

**Idealized Influence:** This is one of the transformational leadership components and it comprises behaviors that inculcate pride in followers for being connected with the charismatic leader. They influence employees and gain confidence which build up admiration. Such leaders have high degree of ethical behavior, infuse pride, attract respect and trust from their followers (Avolio, 2018).

**Individualized Consideration:** This is another component of transformational leadership. Transformational leaders are associated with individualized consideration aspect which means they are concerned with their followers. This is where transformational leaders develop, mentor, coach and focus on the common good of their

employees; they show empathy and concern for individuals (Ayiro, 2014).

**Inspirational Motivation:** Inspirational motivation is also one of the transformational leadership components. This refers to the notch at which the leader speak clearly a vision that is appealing and inspiring to followers. Organizational leaders who adopt and practice inspirational motivation are visionary with well-articulated and compelling vision. They effectively communicate those visions. They set high bar for employee performance and also offer plenty of training, recognition and support to achieve those goals (Avolio, 2016).

**Intellectual Stimulation:** This is one component of transformational leadership. This refers to the fact that transformational leaders are believed to stretch their followers to perform beyond their expectation - perceive intensely, challenge assumptions, support and invent new ideas (Bass & Riggio 2006). When employees become innovative they not only add value to themselves but also make business to grow as they develop new products and diversify organization market.

**Open system: -** This is also another perspective of organizational growth. Open system is said to be a situation where organizations establish a good fit within environs. This means the organization is relevant to its vicinity and understand what their market needs (McShane & Glinow, 2018).

Organizational growth / performance: The term growth and performance was used interchangeably in this study. This is a very critical aspect in any business and especially in today's sluggish economy owing to the ever – changing environments. Aguinis (2013) posit that, Organizational performance involves the actual results of a company as measured against its strategic objects.

Organizational Learning: This is another perspective of organizational performance. Organizational learning is the organization's ability to acquire, share, use, and store valuable knowledge for future reference. Knowledge is an asset in an organization that represents intellectual capital (McShane & Glinow, 2018).

Stakeholders: This perspective indicates that there is growth in an organization. According to McShane and Glinow (2018) stakeholders are those people (customers, suppliers, owners, employees) that contribute to organizational goals. Effective organizations have a working and productive relation with their stakeholders (Tullberg, 2013). This is achieved when stakeholders are engaged in decision making and satisfy their needs. They work towards their common unifying factor which is the organizational goal.

Transformational leadership: This is a leadership construct that allows positive change in people's lives and organizations. It elevates both the leader and the followers with an objective of developing followers into a leader. Founded on higher degrees of motivation and morality,

it inspires employees' motivation, morale and performance. It is best known for its four components (4Is) namely: inspirational motivation, intellectual stimulation, idealized influence and individualized consideration (Avolio, 2018).

## CHAPTER ONE: INTRODUCTION AND BACKGROUND

### Introduction

This chapter introduces the concept of transformational leadership in relation to organizational growth. It contextualizes the overview to the SME space, with particular reference to Roysambu Sub County in Kenya. The chapter delves into the background in a chronological fashion, beginning with research background and statement of the research problem, before outlaying the purpose of the study, the research objectives and questions to be addressed. In addition, study assumptions, justification, significance, scope, study limitations and a chapter summary are also discussed.

### Background of the Study

Over the years, SMEs globally, in Africa and even in Kenya have experienced a decline in their organizational growth (ITC, 2019; Micro & Small Enterprises Authority, 2021). To address this issue, transformational leadership was used to solve the problem in SMEs dealing with autocare in Roysambu Sub County in Nairobi, Kenya. This study had two variables, Transformational leadership (TL) as the independent variable and organizational growth (OG) as the dependent variable. TL was measured using: - Inspirational motivation, Intellectual stimulation, Idealized influence and Individualized consideration (Barine & Minja, 2014). OG was measured using Open system, Organizational learning, High Performance Work Practices and the stakeholders (McShane & Glinow, 2018). The study was done in Roysambu Sub County in Nairobi County, Kenya.

It is becoming increasingly difficult for businesses to remain afloat, sustain their competitive advantage, avert possible business losses and enhance their organizational growth. As much as other factors may have contributed to this, the leadership aspect plays a major role (Abujarad, 2011). Leadership has a major role to play in shaping the performance

and success of organizations (Kotter, 2012). It is against this backdrop that this empirical enquiry was interested in the influence of transformational leadership on organizational growth.

Transformational Leadership (TL) was conceptualized in the 1970s as the product of a critical examination of its predecessors, most notably transactional leadership (Burns, 1978). This leadership construct focuses on elevating and transforming people and organizations (Bass, 1998). This implies that both the leader and the follower grow without leaving the organization behind. Research indicates that TL not only elevates others but goes beyond social exchange relationship (Bass & Riggio, 2006). Social exchange in this context refers to a form of transactional relationship which capitalizes on what is in it for the involved party. In an organizational setup, employees perceive this in terms of reward or punishment you get as a result of your work (Burns, 1978).

Pierce and Newstorm (2008) postulate that TL replicates uprightness besides impartiality. Transformational leaders articulate clear vision, offer assistance and acknowledgement, have positive expectations, stimulate the emotions and passions of employees and encourage them to look past their self-interest to reach and attain the strategic objective of the organization. Transformational leadership propels organization growth which can be demonstrated by meeting stakeholder needs, embracing open system, encouraging organizational learning and inspiring high performance work practices in organizations (Eisenbeiß & Boerner, 2013).

Further still, TL opens new frontiers of knowledge and innovations as it focusses on positive changes of followers (Avolio, 2018). It encourages follower to push further and perform beyond their normal expectations. It stimulates employees to be more creative and innovative which enhances their individual and collective performance (Bass & Riggio,

2006). With all these put into consideration, it is then open knowledge that TL can be said to be a catalyst for growth in organizations especially in this unprecedented time.

Transformational leadership is said to be one of the most preferred leadership construct and a better fit for today's organizational growth as it is anchored on its four pillars known as (4Is), namely: Inspiration Motivation (IM), Intellectual Stimulation (IS), Individualized Consideration (IC) and Idealized Influence (II) (Avolio & Bass, 2002; Avolio & Yammarino, 2002; Barine & Minja, 2014). Research indicates that these four components affect and influence organizational growth to a great extent.

Organizational growth is very critical in any business and especially in today's sluggish economy owing to an ever changing environment. It entails the actual results of a company as measured against its strategic objects (Aguinis, 2013). The rule of thumb in every business is its effectiveness or success which is usually tagged on organizational growth. Society over decades associate profitability with organizational growth and equity it to high performance. The more a company makes profit the more it is regarded as successful.

Kelvin (1883) suggested that you cannot improve what you have not measured. This implies that metrics are vital and that it is of important to have a measurement tool / framework such as balance scorecard (BSC) and others so as to determine the performance of an organization (Kaplan & Norton, 1992; Kaplan, 2010). Customer satisfaction, employee satisfaction and finance satisfaction are key metric in organization growth (Krames, 2004). Organizational leadership, the organization's values and stakeholders are also key drivers in organization growth. However, there are other mechanisms of measuring organization growth such as: open system (a good fit), high performance work practices, organizational learning and stakeholders (McShane & Glinow, 2018). This research adopted the McShane and Glinow (2018) assumptions of metrics for organization growth.

Open system is one of the metrics of organizational growth. According to McShane and Glinow (2018) an open system is said to be a situation where organizations have good fit with their external environment. This means the organization is relevant to its vicinity and understands that what they are offering (products and services) is what their market segment needs. An organization is said to maintain a good fit when it adapts to its environment, influence its environment or when it relocate to a more favorable environment (McShane & Glinow, 2018). For instance, an organization could be irrelevant when it starts offering / selling young people clothing in an area populated with very old people who can hardly use youth clothing. Another example is when an organization starts selling and offering autocare services where vehicles are hardly available. This means they are not meeting the needs and expectations of their surroundings. And therefore, without an open system, it may be very difficult for the organization to actualize and attain growth.

High-performance work practices (HPWP) is another performance metric: an organization is said to grow when it integrates different workplace practices that improve human capital (McShane & Glinow, 2018). The two authors emphasize that HPWP increase organizational growth by developing employees' skills and knowledge. Well skilled and trained employees in different areas are able to adapt to business change as well as initiating positive change in organizations. It also motivates and strengthens employees. Motivated and skilled employees provide an organization with competitive advantage by producing more efficient, adaptive and innovative change (Benson et al., 2006). Motivated employees work an extra mile; they become more attached to their work and satisfy their customers which increases organizational revenue and translates to organizational growth.

Organizational Learning (OL) – This is a third perspective of organizational growth. According to research organization learning embraces organizational knowledge which

contribute to growth. Knowledge is an asset in an organization that Stewart (1997) refers to as intellectual capital. Employees in every organization carry with them knowledge and skills on how to perform their duties. When they leave an organization, they carry with them this asset (Park & Shaw, 2013). Transformational leaders are needed to ensure that they train and retain their employees to avoid employee turnover which affects organizational growth.

Stakeholders is the fourth perspective that indicates that there is growth in an organization. Research indicates that stakeholders are those people (customers, suppliers, owners, employees) that contribute to the organizational goals (Tullberg, 2013). Effective organizations have a working and productive relation with their stakeholders. This is achieved when they engage all of their stakeholders in decision making, understand them and satisfy their needs and expectation (Sachs & Ruhli, 2011). Stakeholders' perspective integrates both subculture and dominant culture in an organization which plays a great role in growth. They all work towards their common unifying factor which is the organizational goal (Freeman et al., 2004).

This study used transformational leadership as the independent variable and organizational growth as the dependent variable. Transformational leadership was measured by the four components namely: - inspirational motivation, idealized influence, intellectual stimulation and individualized considerations (Bass & Riggio, 2006; Avolio & Yammarino, 2002; Barine & Minja, 2014). Establishing whether transformational leadership influences organizational growth was the overarching objective of the study.

## SMEs in Roysambu Sub County in Nairobi, Kenya

This study took place in Roysambu Sub County – Kenya and focused on SMEs providing autocare services. Roysambu is a constituency in Kenya County. It covers the following wards: Roysambu, Zimmerman, Githurai 44 and Kahawa West. It has a population of more than 300 autocare SMEs (Micro and Small Enterprises Authority, 2021). This study focused on autocare SMEs because they employ a large percentage of young people within the neighborhood (International Trade Centre, 2019).

According to International Trade Centre (2019) SMEs most of the time are ignored and at times forgotten as opposed to big firms and therefore the study focused on them. Research indicates that SMEs are the heartbeat of the Kenyan economy (Micro and Small Enterprises Authority, 2021). It is imperative to understand that the Kenyan economy thrive through the SMEs from time to time. These are businesses owned by common citizens who work hard and portray relentless leadership in their capacity. Though small, they strategize, organize and deliver what is needed to get the task accomplished and satisfy their target market (ITC, 2019). These autocare SMEs deals with motor vehicle auto services such as: general mechanical repair, car wash, wheel balancing and alignment, selling car spare parts among other services.

Most of the SMEs have department such as, administration, account, car wash and mechanical. Within Roysambu Sub County, there were so many autocare SMEs but the research targeted 30 of them. Most of these autocare SMEs have recorded negative growth resulting in layoffs (UNESCO, 2020). This motivated the present study on this issue of poor growth in organizations which led to loss of jobs and source of livelihood while investors accrue huge loses. Transformational leadership concept asserts that it has the ability to transform lives and organizations (Avolio & Bass, 2002; Avolio & Yammarino, 2002; Barine

& Minja, 2014). And therefore, this research focused on establishing whether transformational leadership influence organizational growth.

There are numerous mechanisms that describe good organizational growth. Research indicates that SMEs, just like other big organizations accomplish their goals when there is continuous evaluation of performance which keeps on affecting organizations growth (Oladele et al., 2011). The main variance, nevertheless, is that big organizations are usually able to employ new talents whenever they want while SMEs are not in a position to do so. This implies that, SMEs have to put concerted efforts in minimizing employee turnover and maintaining their employees as they enhance their growth (ITC, 2019). Thus, leaders have the accountability for guaranteeing that they retain, train, inspire and motivate their employees in an attempt to reduce employee turnover which influences and increase organizational growth. This research addressed the autocare SMEs problem of poor organizational performance from a leadership viewpoint. The assumption was that the problems that these SMEs are facing are likely to replicate themselves in other business organizations that have similar operations.

#### Statement of the problem

The purpose of this research was to establish the influence of transformational leadership on the organizational growth of SMEs dealing with autocare in Roysambu Sub County. SMEs contribute to employment and economic growth of a country. However, this has not been the case due to the fact that most of these SMEs have been recording poor growth resulting in layoffs (UNESCO, 2020). This study was also necessitated by various contextual, methodological and conceptual research gap.

Previous studies opened a research gap for transformational leadership and organizational performance. Contextually, a study was done in Russia on the effects of

transformational leadership on organizational performance and established a strong correlation between transformational leadership practices and organization behavior (Elenkow, 2002). The research used a Multifactor Leadership Questionnaire (MLQ) and analyzed 253 leaders on their leadership behavior. Another study was done in Singapore on the transformational leadership and organizational outcome (Zhu et al., 2005). They established that there is a positive relationship between transformational leadership and organizational performance in the 170 companies studied.

Methodologically, Albloshi and Nawar (2015) used exploratory design which is a mixed method design. They conducted a study on the impact of leadership styles on organizational performance in Saudi Arabia. They used transformational leadership as one of the leadership constructs and they integrated both exploratory and descriptive research designs in their research. They adopted a correlation and regression technique to analyze data. The research established a significant relation between transformational leadership and organizational performance based on improving effectiveness and satisfaction of employees.

Conceptually, Ayiro (2014) researched the relationship between transformational leadership and school outcomes found that transformational leaders enhance the effectiveness and efficiency of schooling system. Correlation was performed between four components of emotional intelligence and five dimensions of transformational leadership; and regression analysis undertaken to control variables. The research noted that many schools in Kenya have failed to deliver as expected due to poor leadership and mismanagement which as a result has caused destruction and loosing of a lot of money. The study suggested that the schools in Kenya should embrace emotional intelligence and transformational leadership which has a trait of leaders' influence on followers' emotional state.

Another study was done by Gonnah and Ogollah (2016) on the effect of transformational leadership on performance of commercial banks in Kenya. The study focused on Family Bank limited and established that leadership style plays a major role in shaping organizational growth. They applied a descriptive research while adopting a simple random sampling method. The two researchers concluded that transformational leadership grounded on its four components has a great effect in organizations performance.

All the studies discussed and cited above were contextualized and conceptualized differently from this study. They also applied different methodology from this research. The studies were conducted in other countries and some in Kenya but not in Roysambu Sub County. None of them was undertaken in SMEs dealing with autocare. This research therefore sought to answer the question; “does transformational leadership influence organizational growth of SMEs providing Autocare services in Roysambu Sub County in Kenya”?

#### Purpose of the study

The purpose of this research was to establish the influence of transformational leadership on organizational growth of SMEs providing Autocare services in Roysambu Sub County in Kenya. This was achieved by measuring transformational leadership through the 4Is (inspirational motivation, idealized influence, intellectual stimulation and individualized considerations). Organizational growth was measured by four perspectives: open system, organizational learning, high performance work practices and the stakeholders. Transformational leadership was the independent variable which influenced organizational growth the dependent variable.

### General Objective

The main objective of this study was to establish the influence of transformational leadership on organizational growth of autocare SMEs in Roysambu Sub County in Nairobi, Kenya.

### Specific Objectives

The study sought to achieve the following specific objectives:

- i) To determine the role of idealized influence on organizational growth of Autocare SMEs in Roysambu Sub County in Nairobi, Kenya.
- ii) To establish the influence of individualized consideration on organizational growth of Autocare SMEs in Roysambu Sub County in Nairobi, Kenya.
- iii) To find out whether inspirational motivation influences organizational growth of Autocare SMEs in Roysambu Sub County in Nairobi, Kenya.
- iv) To find out whether intellectual stimulation influences organizational growth of Autocare SMEs in Roysambu Sub County in Nairobi, Kenya.
- v) To establish the combined effect of individualized consideration, intellectual stimulation, idealized influence and inspirational motivation on organizational growth of Autocare SMEs in Roysambu Sub County in Nairobi, Kenya.

### The Research Questions

The study was guided by the following research questions:

- i) What is the effect of idealized influence on organizational growth of Autocare SMEs in Roysambu Sub County in Nairobi, Kenya?

- ii) To what extent does individualized consideration enhance organizational growth of Autocare SMEs in Roysambu Sub County in Nairobi, Kenya?
- iii) What is the effect of inspirational motivation on organizational growth of Autocare SMEs in Roysambu Sub County in Nairobi, Kenya?
- iv) To what extent does intellectual stimulation influences organizational growth of Autocare SMEs in Roysambu Sub County in Nairobi, Kenya?
- v) What is the combined effects of individualized consideration, intellectual stimulation, idealized influence and inspirational motivation on organizational growth of Autocare SMEs in Roysambu Sub County in Nairobi, Kenya?

#### Assumption

There were assumptions that the participants of the SMEs providing autocare services in Roysambu Sub County were cooperative and willingly participated in this study. This research assumed that the participants gave honest and truthful information and the results were reliable with high degree of validity (Creswell & Miller, 2000; Lincoln et al., 2011). It was further assumed that the study was adequately resourced to facilitate the research process. Most importantly, there was an assumption that the problems that were facing the SMEs dealing with autocare in Roysambu Sub County were likely to replicate in other business organizations that share similar systems and structures and thus the study was of significance to them all.

#### Justification

With the dawn of globalization, advance technology, ever changing business environment and poor leadership, it is becoming increasingly difficult for organizations to survive turbulent business environment and experience growth. The four indicators of TL namely: inspirational motivation, idealized influence, intellectual stimulation and individualized considerations, are therefore best fit for organizational growth (Riggio &

Bass, 2006). In addition, transformational leaders have positive connotations (Inkpen & Crossan, 1995) and based on their intellectual stimulation and influencing power they can influence employees' performance which translates to higher organizational growth. There was therefore a justification to establish how transformational leadership influences organizational growth in autocare SMEs in Roysambu Sub County, Kenya.

### Significance of the Study

Transformational Leadership theory is anchored on the 4Is which collectively constituted the subject matter in this study and they are each of significance in every organization (Avolio, 2016). At the long last, the study findings was to benefit the autocare SMEs in Roysambu Sub County, Kenya. With the application of the findings the autocare SMEs will be transformed and be able to sustain their competitive advantage, avert possible business losses, spur their profitability and influence organizational growth. Besides, the study findings can be replicated and benefit other organizations with similar structures, organizational leaders, managers, individuals and anybody who could be interested in reaping the benefits of transformational leadership (Avolio, 2018). Furthermore, the study findings is significance in the realm of adding to the existing body of literature. It has attempted to fill knowledge gap on how transformational leadership influences organizational growth of autocare SMEs in Roysambu Sub County, Kenya.

### Scope of the Study

The study focused on leadership and in particular transformational leadership (Bass & Riggio, 2006; Bass, 1999; Bass & Avolio, 2000; Burns, 1998). This study had two variables, Transformational leadership (TL) as the independent variable and organizational growth (OG) as the dependent variable. TL was measured using: - Inspirational motivation, Intellectual stimulation, Idealized influence and Individualized consideration (Barine & Minja, 2014). OG was measured using Open system, Organizational learning, High

Performance Work Practices and the stakeholders (McShane & Glinow, 2018). Other two relevant theories used in this study were Strategic leadership and path goal theories. The study was done in Roysambu Sub County in Nairobi, Kenya. The research was started in March 2021 and was accomplished in May 2022.

#### Limitations and Delimitation

The study was limited to the SMEs dealing with autocare in Roysambu Sub County. The researcher acknowledged other leadership constructs but the study focused mainly on transformational leadership. With the issue of COVID – 19 pandemic, the study utilized a modest sample. However, the respondents were willing, participated and gave honest and trustworthy answers (Creswell & Creswell, 2018). For the sake of the authenticity of this study, the researcher sought permission to the relevant bodies and especially from Pan Africa Christian University (PAC) and NACOSTI. The letters indicated that the researcher is a student and authorized to carry out the research for the purpose of the studies only.

#### Chapter Summary

The introduction chapter has offered a general view of what was expected in the research study, namely: transformational leadership and organizational growth with respect to the case of SMEs dealing with Autocare in Roysambu Sub County, Kenya. This section introduced the framework of chapter one in a chronological order namely: research background which elaborated the main variables, that is; the independent variable which was the transformational leadership and the dependent variable which was organizational growth. It also discussed the context where the study took place: autocare SMEs in Roysambu Sub County, Kenya. From the background, the statement of the problem followed where the research problem was explained. In addressing the research problem, the chapter has stated the purpose and gave a description of the independent and dependent variable. The statement of problem has also cited some empirical studies and their findings while establishing the

gaps and finally stated the research problem. The purpose of the study followed, which was to establish whether transformational leadership influence organizational growth of autocare SMEs in Roysambu Sub County in Kenya. The other sections presented in this chapter are: assumptions of the study, justification of the study, significance of the study, scope of the study and limitations.

## CHAPTER TWO: LITERATURE REVIEW

### Introduction

Chapter two focuses on the literature review on transformational leadership and organizational growth. This section contained literature review, theoretical framework, conceptual model and chapter summary. Literature review plays a significant role as it help the researcher understand and determine a research topic which poses the research question, problem to be solved and the ultimate purpose of the research study (Creswell, 2018). Literature review also connects a research to the larger body of knowledge and continues discourse in the literature, filling in gaps and progressing prior studies (Cooper, 2010; Marshall & Rossman, 2016). Therefore, this literature review chapter help to understand leadership and in particular, transformational leadership and organizational growth in detail. The chapter begins with a review of empirical studies on leadership with specific reference to transformational leadership in relation to organizational growth. The chapter then discusses the theoretical framework and conceptual framework that guided the study. Lastly, a summary of the literature review is presented at the end of the chapter.

### Leadership

Page (2008) opines that leadership builds and develops systems, establishes direction, aligns people, motivates and inspires them towards organizational strategic objectives. In light of this, good and successful organization has a lot to do with its leadership. Leadership is both a privilege and also a responsibility. This implies that leaders must own up and be accountable for their actions. Leadership is a calling to offer solutions as you influence your followers. In support of the same views, Maxwell (2004) suggests that everything rises and falls on leadership. This infers that effective organizations should have effective leaders to raise their organizations to higher levels of performance as they realize their organizational

growth. For instance, organizations may invest in the latest infrastructures and machines, good and competitive employees but with poor leadership at the top, the business is bound to fail (Page, 2008).

Northouse (2007) define leadership as an ability of an individual to influence a group of people to accomplish a common goal. An examination of this statement reveal four important component of a leader namely: influence, a group of people, accomplish and common goal. These components are very important in every leadership. It is important for a leader to be in a position to influence, have a group of people to lead and a common goal to achieve. Leaders are not only needed at the top but at all levels of organizations in today's world (Page, 2008). These are people who not only lead by example but also offer solutions in their working places. In view of the above therefore, leadership is a privilege and also a responsibility. And as such, leaders give solutions; they walk the talk, model and show the way as others follow.

It is of importance for leaders to be ethical with high moral values (Ciulla, 2014). Ethical leaders are noticeable and are capable of passing on their values down to generations which become hardwired in their being (Barine, 2014). Ciulla (2014) posits that ethics primarily is the heart of leadership studies. In view of this, leadership and ethics are two sides of the same coin. The Holy Bible records; “where there is no leadership the people fall ...” (Proverbs 11:14). This implies that, as much as other factors may have contributed to poor management and organizational growth, the leadership aspect plays a major role (Abujarad, 2011). Leadership has a major role to play in shaping the growth and success of organizations (Kotter, 2012). In view of this therefore, there is necessity for sufficient leadership for effectiveness and organizational growth.

Organizations are made up of group of people (McShane & Glinow, 2018) and in one way or the other, conflict are inevitable (Page, 2014). Thus, transformational leaders with the ability to handle and manage conflict while maintaining peaceful and cohesive working environment are significant for organizational growth. Similarly, life is dynamic with rapidly changing environment and so should be organizations. This means, change is constant and bound to happen at any given opportunity within organizations (Kotter, 2012). When this happens, it is important to have leaders that are able to sail through and manage this change which could be disruptive with ability to ground organizations. As such, the need for transformational leaders who are able to inspire appealing vision, motivate their employees to plug-in as they influence them towards organizational growth cannot be gainsaid. In consideration of the foregoing, there is need for transformational leaders willing to lead and steer organizations, navigate through turbulent businesses environment and keep organizations thriving in time of adversity.

#### Transformational Leadership

Transformation Leadership was developed from Transactional Leadership Theory and conceptualized by Burns (1978). Transformation Leadership is a leadership construct that focuses on elevating and transforming people and organizations (Bass, 1998). This implies that both the leader and the follower grow without leaving the organization behind. Research indicates that TL not only elevates others but goes beyond social exchange relationship (Bass & Riggio, 2006). Social exchange in this context refers to a form of transactional relationship which capitalizes on what one gets in return. In an organizational setup, employees perceive this in terms of reward or punishment they receive as a result of their work (Burns, 1978).

Transformational Leadership is known for its ability to lead positive change for and with their followers (Barine & Minja, 2014). Research indicates that these are leaders who are already transformed. As it is said, it takes a changed life to change a life. This simply means that as a leader you can only give what you have. If you are not transformed it is difficult to transform others. In view of this, transformational leaders have the transformation syndrome and they are capable of replicating the same on their followers. According to Downtown (1978) it is a leadership construct where both leaders and followers elevate one another to higher level of motivation and morality. Bass (1998) echoes the same as he asserts that transformational leadership creates valuable and positive change in their followers.

Burns (1978) asserts that transformational leaders have strong values. They have integrity and strong ethical values which are critical for growth of every organization. This implies that TL cannot be underestimated in organizational growth. Bass and Riggio (2006) postulate that transformational leaders have strong moral values. They not only talk but walk the talk and as such they are emulated by their followers. This enables employees to follow them as they work and champion the organizational objectives which translate to organizational growth.

Transformational Leadership is said to be one of the most preferred leadership paradigm and a better fit for today's organizational performance (Avolio & Yammarino, 2002) as it is anchored on its four indicators known as (4Is). Namely: - inspiration motivation (IM), intellectual stimulation (IS), individualized consideration (IC) and idealized influence (II) (Barine & Minja, 2014). Research indicates that these four components affect and influence organizational growth to a great extent and therefore it is important for organizations to adopt them.

## Indicators of Transformational Leadership (TL)

Leadership scholars purport that TL is a leadership approach that transforms lives and organizations (Avolio, 2016; Northouse, 2016). Their traits are charismatic, brave, innovative, and influential as their behaviors motivate, inspire and improve performance (Avolio & Yammarino, 2002). Transformational Leadership creates significant changes in the lives of people and organizations (Burns, 1978). It is a value-based leadership enacted in its authentic form as Burns (1978) argue out. He asserts that transformational leaders need to have high values and moral integrity which are fundamental to real and authentic TL. Real TL has to be grounded on high values with moral integrity (Bass & Riggio, 2006).

Jesus Christ was an exceptional transformational leader (Acts 2:42–47; Acts 20:28). He was an exemplary transformational leader who is worth emulation in our daily lives and even in organizations growth. He inspired, influenced and transformed the perceptions and values of his followers. Jesus Christ makes a significant change to date: once you meet with him your life cannot remain the same (John 3:16). His personality, traits and ability are above reproach (Matthew 9:36; Mark 10:45; Luke 23:34; John 19:16-37). Jesus Christ is an authentic transformational leader with eternal impact and an ultimate role model for all time. These are characteristics that are to be emulated by transformational leaders for effective organizations. Therefore, TL has a lot to offer when it comes to organizations growth and performance.

## Individualized Consideration and Organizational Growth

Transformational leaders are associated with IC aspect which means they are concerned with their followers. According to research, transformational leaders are focused on the common good of their employees: they show empathy and concern for individuals (Avolio & Yammarino, 2002). Jesus Christ as an exemplary transformational leader cared for his followers, healed and fed them (Matthew 8:16; Matthew 14:13-21). His

compassionate ministry broke all barriers that separate people. He restored their self-esteem (Matt 15:32, Mark 1:41, Lk 7:13). This implies that when we have transformational leaders in organizations, they show empathy, concern, value and support to their employees. When people know they are valued, this raises their self-esteem. Employees with high self-efficacy perform their duties well and actualize their work performance which translates to organizational growth (Avolio & Bass, 1993; McShane & Glinow, 2018). Accordingly, idealized consideration aspect is significant in every organization as it is anchored on development, empathy, caring and coaching. These aspects go a long way in enhancing organizational growth.

#### Intellectual Stimulation and Organizational Growth

Transformational leadership is known for its IS trait. This is where transformational leaders are believed to stretch their followers to perform beyond their expectation: They perceive intensely, challenge assumptions, and invent new ideas (Bass, 1989). Referring to Christ as the ultimate role model of a transformational leader, he challenged assumptions, took risk by dying on the cross for his followers (Matthew 27:11- 50) and solicited his disciple's idea. He valued learning, answered their questions and taught his disciples (Luke 11:1). Likewise, transformational leaders in organizations can do the same to their employees: they can challenge them to be innovative, train and teach them how to develop and raise their working performance (Bass, 1985). When employees become innovative and creative, they not only add value to themselves but also make organization to grow as they develop new products and diversify organization's market. With time, these translate to higher sales and revenue which enhance organizational growth. In light of this, IS aspect of a leader cannot be underestimated in every business aspiring growth. It is worth noting that this component is anchored on collaboration, innovation and supportiveness. Thus, it is a key element which leads to organizational growth.

## Inspirational Motivation and Organizational Growth

Inspirational motivation refers to the notch at which the leader speak clearly a vision that is appealing and inspiring to followers (Bass, 1985). Organizational leaders espousing IM sets a high bar for employee performance and also offer plenty of training, recognition and support to achieve those goals (McShane & Glinow, 2018). They also engage their employees and involve them in decision making. This motivates them and makes them develop a sense of belonging in the organization. Motivated employees are always willing to go the extra mile while at the same time aligning with the organizational goals. Inspirational leaders inspire and motivate their employees to stick to the vision and to the organizational objectives in spite of all challenges. They value their employees and appreciate each and every contribution they make in the organization. With this in perspective employees will be willing to reciprocate; work an extra mile having known that their leaders have their best interest at heart. Organizations with such motivated employees experience growth as they register higher organizational growth (Northouse, 2016).

Taking Jesus Christ as an example of a transformational leader, his death on the cross inspired and still inspires his followers. To date, this drives Christians to follow him. This gives them a strong sense of purpose and motivate them the more. As a matter of fact, Christian are willing to put more effort in their faith and are encouraged that not even death can separate them from the love of Christ (Rom 8:35). Similarly, this can be transferred to transformational leaders in organizations. The IM aspect is therefore anchored on motivation, effective communication, clear vision and confidence. All these aspects bring about organizational growth as employee performance improve.

## Idealized Influence and Organizational Growth

Idealized influence comprises behaviors that inculcate pride in followers for being connected with the charismatic leader. This transformational leader acts as a role model for their employees in every way. Such leaders have a high degree of ethical behavior, infuse pride, attract respect and trust from their followers (Avolio, 2016). The fundamental basis of this influence is trust which build up respect. Organizational leaders who have established idealized influence are respected and trusted by their workforces to come up with good and informed decisions (Avolio, 2018). These decisions are not only good and beneficial for the organization but they are also viable and good to the team and for the individuals. This makes employees to develop a desire and willingness to follow and put up with their leaders, back up their organizational vision, and internalize their ideals. With this trust, employees develop a common unifying factor, good work cohesion, stick together and work towards realizing the organizational goal which translates to higher organizational performance (McShane & Glinow, 2018). The fundamental basis of this idealized influence is trust which builds up respect, confidence and integrity.

Jesus Christ as a role model for transformational leadership influenced and mobilized his followers for the advancement of the kingdom of God (1 John 3:8; Roman 14:17). He instilled high ethical values, developed and changed his disciples who in return mobilized the whole world and as a result we have Christians today (Matthew 28:16-20). Similarly, transformational leaders in organizations can replicate Jesus Christ and pass the same transformation syndrome to stakeholders and in particular employees in organizations. Transformational leaders in their organizations can teach and influence the principles of their organizational culture, model their vision and inspire many towards the organizational strategic objectives (Avolio, 2016).

## Individualized Consideration, Intellectual Stimulation, Idealized Influence, Inspirational Motivation and Organizational Growth

Each of the dimensions of transformation leadership has a great role in every organization. It is of importance therefore to establish the effect of the combination of the four dimension on organizational growth. As already noted, IM dimension is anchored on motivation, effective communication, clear vision and confidence (Bass & Avolio, 1994); Idealized Influence is anchored on trust which build up respect, confidence and integrity (Bass & Yammarino, 2006); IS component is anchored on collaboration, innovation and supportiveness (Bass, 1995); IC dimension is significant in every organization as it is anchored on development, empathy, caring and coaching (Avolio & Bass, 1993). All these aspects bring about organizational growth as employees performance improve. Therefore, organizations with the four dimensions experiences growth as they register higher organizational growth. They influence the principles of their organizational culture, model their vision and inspire workers towards the organizational strategic objectives. These aspects go a long way in enhancing organizational growth. As such, when the four dimensions of transformational leadership are combined together they have a lot to offer as they have unifying factors leading to overall organizational growth.

### Organizational Growth

The term growth and performance was used interchangeably in this study. This is a very critical aspect in every business and especially in today's sluggish economy owing to various environment factors. The definition of organizational performance may differ depending on the context (Luo et al., 2012). Luo et al. (2012) suggested that it should be measured in terms of economic and operation performance. Organizational growth can be defined as the actual results of a company as measured against its strategic objectives (Aguinis, 2013). The rule of thumb in every business is its effectiveness. Society over the decades associates profitability with organization performance and growth. The more a

company makes profit the more it is regarded as successful. However, profitability is just but one dimension of business performance.

Smith (2019) postulates that the level to which an organization is capable to achieve its objective goals is a good metric of organizational growth. This technique is used to measure the performance of the organization meetings as it set targets, expenses, lowest line profits, innovation and business growth. This method therefore measures organizational performance grounded on goal setting and accomplishment. Kotler and Keller (2016) believe that organizations that invest in their employees enhance their organizational growth. This means that when you invest in employees' training and empowerment, then you enhance service quality. Enhanced service quality improves customer satisfaction. Customer satisfaction is a person's relative findings which ensue from a product's perceived performance as associated to the anticipations. When performance falls below expectations, a customer is disappointed and if the performance exceeds expectations then the customer is happy or satisfied. Enhanced customer satisfaction enhances customer loyalty and at the long last increases organizations' revenue and growth. Customer satisfaction is a significant aspect that encourages customer loyalty which translates to organizational growth (Aguinis, 2013).

Kelvin (1883) suggested that when you cannot measure it you cannot improve it. This implies that metrics are vital and that it is of importance to have a measurement tool / framework such as balance scorecard (BSC) and other mechanisms as mentioned above so as to determine the performance of an organization (Kaplan & Norton, 1992; Kaplan, 2010). The balance scorecard is anchored on its four dimensions: - Financial metrics, Customer metrics, Internal business processes metrics, Learning and growth metrics. Krames (2004) reviews that customer satisfaction, employee satisfaction and finance are key metric in organizational performance. However, there are still other mechanisms of measuring organizational growth such as, - open system (a good fit), high performance work practices

(HPWPs), organizational learning and stakeholders (McShane & Glinow, 2018). This research adopted the McShane and Glinow (2018) metrics for organizational growth.

Performing organizations embrace a strong leadership where they share their vision and communicate effectively: they are clear, short, concise and to the point. Effective organizations walk the talk as they lead the way and this build trust and resonate well with their stakeholders (Rapert et al., 2002). The splendor about this is that it helps leaders and their shareholders work together in cohesion. This concept of unity enables the organization to achieve more within a short time and achieve their goals. As Northouse (2007) asserts, leadership is a process by which an individual has the ability to influence a group of people in order to achieve a common goal.

Performance management and employee development are significant aspects when it comes to organizational growth (Armstrong, 2018). They involve the plans that employees take for the sake of enhancing their performance. Ideally, the plan identify the area that employees need to work on and also build on the strength. Benson et al. (2006) supported the above statement by asserting that a key issue for any performance management is how effectively it identifies the skills needs of persons and ascertain that they are enough. For performance management skills it is important for the manager to have the necessary skills to be able to assist their employees develop, improve their skills and in general enhance organizational growth. For example, they need coaching skills, they should be able to observe and document correctly, be able to conduct performance meeting, among others. Significantly, the main objective of developmental plan is to promote continuous learning, personal growth and most importantly enhance performance (Aguinis, 2013).

Aguinis (2013) emphasize the importance of how systems function and their benefits from various perspectives as the requirements for a successful implementation of the system.

As such, prior to implementation, there is need for a clear communication plan and appeal process. Effective communication can never be taken for granted as organizations thrive to achieve higher growth. Training programs, piloting and testing the system should not be ignored. The success of the system depends on adhering to the above issues. There should be an evaluation to determine whether the system is functioning properly and giving the desired results. All these geared towards improving measurement and performance management in organizations which eventually translates into higher organizational growth (Armstrong, 2018).

#### Transformational Leadership Influence on Open System

Open system (OS) is one perspective of organizational growth. McShane and Glinow (2018) explain this as a situation where an organization has a good fit with their external environment. This means the organization is relevant with its vicinity and what they are offering (products and services) is what their market segmentation needs (Lorsch, 1970; Lupton et al., 1977). For instance, an organization will be irrelevant when it starts offering / selling young people clothing in an area populated with very old people. Another example could be where an organization starts selling or offering autocare services where motorcars are hardly found. This means they are not meeting the needs and expectations of their surroundings. Therefore, it would be difficult to experience organizational growth.

It follows from the foregoing discourse that for an organization to experience growth, it must be in good fit with the needs and demands of their environment. Their inputs, outputs and processes must align with the expectations and needs of people living in that environment. That is why a transformational leader is of importance from the initiation of every organization to help in making decision as to whether the organization is viable in a given environment. With the attributes attached with a transformational leader they ensure

that their organizations adapt with their environment, influence their environment or move to a more favorable environment for them to experience growth (Bass & Avolio, 2006).

#### Transformational Leadership Influence on Organizational Learning

Organizational Learning is another perspective of organizational growth. Organization learning (OL) is said to be the organization's ability to acquire, share, use, and store valuable knowledge for future reference (McShane & Glinow, 2018). It centers on how an organization can continue to improve and innovate. Effective organization experience growth when it acquires, shares, uses and stores knowledge (Stewart, 1997). Knowledge, also referred to as intellectual capital, is an asset in an organization. Employees in every organization carry with them knowledge and skills on how to perform their duties. When they leave an organization, they carry with them this asset. Transformational leaders are needed to ensure that they train and retain their employees to avoid an organizational turnaround. In this case transformational leaders utilize their IS to nurture and stimulate their employees and thus employees leaving organizations will be minimized, and thus saving the organization cost of hiring and recruiting new employees (McShane & Glinow, 2018). Eventually, this translate to organizational growth.

#### Transformational Leadership Influence on High - Performance Work Practices

High performance work practices is also a perspective of organizational performance. An organization is said to grow when it integrates different workplace practices that improve human capital (McShane & Glinow, 2018). The two authors emphasize that HPWPs increase organizational growth by developing employees' skills and knowledge. Well skilled and trained employees in different areas are able to adapt to business changes as well as initiating positive change in organizations. It also motivates and strengthens employees. Motivated and skilled employees provide an organization with competitive advantage. Motivated

employees work an extra mile. They become more attached to their work and satisfy their customers which increases organizational sales and growth (Lawler, 2006). In light of this, transformational leaders are known for their ability to motivate their followers/employees. As such, TL will motivate, inspire and accelerate their employees to perform their duties better, satisfy their customers, and maximize their revenue as they achieve their organizational objectives which translate to organizational growth (Avolio 2016).

#### Transformational Leadership Influence on Stakeholders

Research indicates that stakeholders are those people (customers, suppliers, owners, employees) that contribute to the organizational goals (Tullberg, 2013). Effective organizations have a working and productive relation with their stakeholders. This is achieved when they engage all of their stakeholders in decision making, understand them and satisfy their needs. They work towards their common unifying factor which is the organizational goal. This means, there is need for a transformational leader who is able to harmonize and accommodate the stakeholders so that they can focus on the organizational objective (Sachs & Ruhli, 2011). Stakeholder perspective integrates both subculture and dominant culture in an organization which plays a great role in growth. They all work towards their common unifying factor which is the organizational goal (Freeman et al., 2004). Transformational leadership is known for their IC trait. They show concern for their stakeholders, listen to them, give them empathy and support where necessary. This breaks all barriers that might be limiting their ability to work together as a group (Kotter, 2012). Eventually, when there is work cohesion in an organization then growth is likely to be realized which increases organizational performance.

## Theoretical Framework

The study was anchored on two other leadership theories that can be associated with transformational leadership. This included Strategic Leadership and Path Goal Leadership Theory.

### Strategic Leadership Theory

This theory was discovered by Hambrick and Mason (1984). It is measured using strategic direction, organizational culture, organizational resource portfolio, emphasizing ethical practices, developing human capital and establishing balance in organizational controls. Research indicates that strategic leadership is an emerging leadership construct that has a lot to offer. Chilcoat and Magee (1996) opines that strategic leadership is the act of influencing people and organizations to systematically employ strategic art - the ways and means at hand in order to reach organizational objectives. On the other hand Saffold (2008) explains that strategic planning is a technique and a tool for leadership. The concepts of idealized influence, inspirational motivation, individualized consideration and intellectual stimulation have some carry-over to Strategic Leadership Theory.

Hoskisson et al. (2004) defines strategic leadership as the managerial ability to anticipate, envision, maintain flexibility, and empower others to create strategic change as necessary. This implies that, strategic leadership has to do with choosing the best objectives for organization, exercising flexibility, planning and articulating when and how to achieve the short term and long term goals by sharing the vision, influencing and motivating employees to plug in. With strategic planning, leaders acquire and pass on techniques to help determine direction of their organization and how to reach there in the short and long term (Stowell & Mead, 2016). Accordingly, the application of strategic leadership in the autocare SMEs in Roysambu Sub County brings about strong change through culture and climate,

vision and values and through systems and culture which translates to organizational growth. Strategic leadership therefore has a characteristic of transformation and is aimed at developing and influencing a vision that help organizations to move forward.

Although strategic leadership is known for increasing organizational growth, the need for reinvention can drive the transformation instead of just finding for ways to survive (Belyh, 2020). Strategic leaders should understand who they are, what their autocare SMEs should achieve and how they will get there to accomplish their organizational objectives and enhance their growth (Stowell & Mead, 2016). Their attributes as agents of change, future focused and broad in scope as opposed to operational leadership help them in achieving growth and transformation of SMEs dealing with autocare in Roysambu Sub County in Kenya.

Saffold (2018) opines that strategic leaders have capacity to carefully articulate and implement a well-developed strategic plan which gives a bridge to the future. In other words just like transformational leaders, strategic leaders are also visionary. Chilcoat and Magee (1996) argued that strategic leaders have strategic plans with well-articulated ideas. Thus, strategic leaders should have clear mission of the autocare SMEs in Roysambu Sub County. They should also understand internal and external environment, identify problems that calls for response and allocate energy and resources to advance and increase the general performance of their organizations (Stowell & Mead, 2016).

It is imperative to note that strategic leadership does not delegate strategic planning process; instead they execute the plan and attract others into the process (Ohmae, 1983). This concept corresponds with transformational leadership aspect of elevating and developing the followers to be the leaders (Avolio, 2018). In view of this, these strategic leaders should be in a position to shape the strategic direction of the autocare SMEs through the creation of

vision, mission, core values and objectives. All these will be geared to the main goal of enhancing their organizational growth.

Strategic leadership is also biblical. From a Christian standpoint, strategic leadership theory is based on God's character. God himself is well known for order – a well-articulated planner. He has a good plan for the Christians. “For I know the plans I have for you, declares the Lord, plans to prosper you and not to harm you, plans to give you hope and a future” (Jeremiah 29:11). It is so fulfilling and refreshing to know that our existence is not a coincidence, neither is it a mistake. It is well planned by the sovereign God. Besides, the purposeful hand of God is displayed in all his works. The creation account portrays God's forethought, purpose and plan (Genesis 1 & 2). And therefore then, God is honored when leaders plan and articulate how to lead, actualize and realize the strategic goals of their organizations which enhances their organizational growth.

Nehemiah is one of the leaders in the Bible that had exemplary strategic leadership (Nehemiah 1:3-6). God in his own wisdom laid a burden in Nehemiah's heart (Individualized considerations – the concern for the dignity of the Israelites) and he purposed to rebuild and restore the walls of Jerusalem that were in ruins after the Babylonian's attack. As a strategic leader, Nehemiah began to establish and then work through a well- planned strategy to achieve the God given assignment. He assessed the damage and articulated well on how to accomplish the task. This means that foresight is critical for success in the strategic leadership. As such, just like transformational leadership, strategic leadership has clear sense of vision and mission purpose before embarking on the task (Stowell & Mead, 2016).

As a strategic leader, Nehemiah secured the resources (Nehemiah 2). He established leaders and distributed the assignments among them. The enormous task of rebuilding the walls of Jerusalem became workable through collective work. This clearly demonstrates the

concept of IC where followers are encouraged to push and perform beyond their limit (Bass & Avolio, 2002). Strategic leaders join hands with others and work towards the finishing line. Amid great hardship and great opposition (From Sanbalat, Geshem and Tobia), he eventually overcame all (Nehemiah 6:1-14). As a strategic leader of his time, he rebuilt and restored the dignity and identity of the Jews then. This implies that, just like transformational leadership, strategic leadership can be used to rebuild and restore dignity and identity of autocare SMEs in Roysambu Sub County in Kenya as they enhance growth.

Nehemiah's victory was grounded on acting and having faith in God. He earnestly sought the Lord as he prayed and fasted (Neh 1:4 -11). He applied a key strategy for biblical strategic planning which is prayer as much as he continued working. It is important to note that human beings are limited and therefore need to look unto God whose power, authority and provision is unlimited. Nehemiah consulted God and indeed God gave him the victory. He had clarity of the vision - he understood where he was taking his followers, kept communicating the vision and attracted support from all quotas. Equally, these traits should be emulated and infused in the leadership system for the success and effective growth of every organization.

Nehemiah as a strategic leader had a purpose and a strategy which led to action. He focused on the future of Jews and thus he became discontent with his status quo as the king's cup bearer (Page, 2008). As the strategic leader he was, he captured the vision, managed opportunities and threats, persevered, engaged adaptive skills as he inspired and influenced the people to work together and accomplish the mission of rebuilding the walls of Jerusalem (Saffold, 2016). Nehemiah revealed an incredible capability not only in leading but also in planning, strategizing and implementation – key traits of strategic leadership (Stowell & Mead, 2016). His mission was effective because he enjoyed support from both God and

men. As such, this could be a good starting point for leaders in these autocare SMEs to be God fearing and together with their leadership traits trust God for their success just like Nehemiah did.

According to Appelbaum and Paese (2018), there are nine roles of strategic leadership. However, this research focused on four of them namely, global thinker, strategist, change driver and navigator. Strategic leaders are global thinkers which imply that they have global mindset that is beyond local boundaries. They think big - how they would grow and expand their organizations globally. As a result, they have skills for leading in multicultural context for effective organization (McShane & Glinow, 2018). As global thinkers, they embrace culture dynamics and promote diversity which translates to higher growth in organizations.

In view of the foregoing discussion, this study analyzed the same attributes in the leaders and managers of autocare SMEs in Roysambu Sub County. Developing a global mindset and embracing diversity of culture within which they nurture a culture of respect irrespective of ethnicity enhances corporation and coordination of employees and eventually enhance competitive advantage in their autocare SMEs which translates to higher growth (McShane & Glinow, 2018).

The other role of strategic leadership is driving change as Appelbaum and Paese (2018) assert. For the autocare SMEs to remain relevant and successful in an ever-changing business world and with the dawn of technology, change is a must. In the words of Kotter (2012), change is inevitable and as such the autocare SMEs as well must be ready for transformation. The said change must align with the autocare SMEs objectives for the sake of survival and success. Therefore, these leaders as change movers should step-in, initiate and lead through the transformation process which enhances the autocare SMEs growth.

Saffold (2005) opines that strategic leaders also play a key role of strategists. This means that they are forward thinkers which implies that they think strategically, plan and eventually implement the plan by taking action (Appelbaum & Paese, 2018). Strategic leaders are able to spot opportunity, strategize and swiftly capitalize on it. When autocare SMEs apply this strategy they are able to remain afloat and thrive even when other businesses are closing down. For this reason, all autocare SMEs as well should have dire needs for strategist leaders who are able to salvage the organization's situations as they capitalize on current opportunities and thrive amidst adversity.

Strategic leaders are also navigators (Appelbaum & Paese, 2018). They know how to navigate and sail through to their destination despite change (Kotter, 2012). This trait is important not only to autocare SMEs leaders but also to all people as well. Without navigation concept, it's becoming increasingly difficult for organizations to remain afloat. Ohmae (1983) defines strategic thinking as a particular mindset, a mental outlook that guides and conditions the planning process. This means that strategic thinking goes hand in hand with strategic planning. However, without strategic thinking then it will be increasingly difficult to realize a successful plan. As such, strategic thinking is very important for every strategic leader. Breaking it down further, it is the thought and how to implement that thought that counts for every successful plan.

Strategic thinking goes hand in hand with critical thinking. It stimulates clear and creative thoughts about an organization's future and then work positively, systematically and effectively towards that future (Saffold, 2005). Saffold goes on to explain that "...strategic thinking is more important than planning" (Saffold, 2015, p. 19). As a matter of fact, for a strategic planning to be purposeful and successful it has to be grounded on strategic thought. In support of strategic thinking, Porter Michael (1985) of Harvard Business School opines that "the process and techniques of strategic planning without strategic thinking equals to

little more than business as usual” (Saffold, 2005, p. 20). This means, as tedious as it is, strategic planning without strategic insights could lead to negative results in organizations growth. As such, it is of necessity to develop a successful strategic planning which involves strategic thinking. It focuses on answering the question of where the organization is, where it is going and how to get there (Stowell & Mead, 2016).

Research therefore indicates that strategic leadership calls for strategic planning. Strategic planning bring focus, direction and higher growth in organizations and hence the need for strategic planning which comes as a result of strategic thinking. Thus, a strategic leader must be a visionary, motivator, a global thinker, strategist, and a strategic thinker with well-articulated thoughts. Also must have organized and encouraged thoughts to push through environmental scans, navigator to overcome diverse challenges and implement actions plan which results to organizational higher growth (Chilcoat & Magee, 1996; Saffold, 2005; Stowell & Mead, 2016). It can thus be surmised that leadership and management of autocare SMEs in Roysambu Sub County need strategic leadership traits just like transformational leadership traits which affects their organizational growth. The two theories based on their attributes towards organizational growth share the same positivity ideology and thus strategic leadership theory was used to support transformational leadership and organizational growth.

#### Path-Goal Theory

Path-Goal Theory is a leadership theory established by Robert House, an Ohio State University graduate, in 1971 and later reviewed in 1996. The theory is known for clearing the "path" for the followers to allow them accomplish their goals. House and Mitchell (1974) posit that this theory stipulates a leader's behavior that best fit workers' needs and work surroundings which improve leadership and help in completing organizational goals. Path goal theory is anchored on directive, supportive, and participative and or employ a goal-

oriented leadership (Evans, 2002). The theory was used to support transformational leadership and organizational growth because of the nature of leaders under this theory have - a nature of motivating their followers to accomplish their goals.

Inspiration motivation concept has some carry-over to the Path-Goal Theory as followers get motivated when the path and the goal are clear (House & Mitchell, 1974). In other words the two scholars suggest that the payoff increases when the path to the goal is clear. The theory underlines the connection between leadership style and employee behavior and work environment. Both transformational leadership and Path-Goal Theory agree that it is the responsibility of a leader to enhance follower's motivation, enablement, and gratification so they become productive employees of the organization (Bass & Avolio, 2006). As such, motivation is significant for employees to achieve organizational growth. In regards to this, leaders apply various motivation methods to boost their employee's morale such as financial and non-financial rewards, recognition, compliment, empowerment, among others (McShane & Glinow, 2018).

Path Goal Theory holds that leaders have the ability to be flexible – can be directive, supportive, and participative and or employ a goal-oriented leadership (Evans, 2002). Leaders must be capable of identifying and clearly define the goals, clarifying the path (tasks), remove the obstacles, and provide support to their followers. In view of the above discussion, both transformational leadership and Path-Goal theories affirms that behavior affects performance, task and employee's behavior influence performance which enhances organizational growth. Therefore, the path goal theory was used to support transformational leadership and organizational growth.

### Summary of Knowledge Gaps

Previous studies opened a research gap for transformational leadership and organizational growth. A researcher from Russia on the effects of transformational leadership on organizational performance found out that there's a strong correlation between transformational leadership practices and organization behavior (Elenkow, 2002). He used a Multifactor Leadership Questionnaire (MLQ) and analyzed 253 leaders on their leadership behavior. Elenkow (2002) examined the 253 leaders from the Russian companies and established that transformational behaviors of leaders inspires and motivates their employees which bring about higher organizational performance.

A research in Malaysia on relationship of transformational leadership, organizational learning and organizational performance was conducted (Mutahar, Basheer & Ghazali, 2015). The study analyzed the influence of transformational leadership on organizational performance in telecom sector of Kingdom of Saudi Arabia. The research used Structural equation modeling to examine the research hypotheses. The three authors used survey questionnaires to collect data which were administered through distribution to respondent. The study concluded that transformational leadership positively influences the organizational performance and learning.

A study in Singapore was carried out on the connection between the transformational leadership and organizational outcome (Zhu et al., 2005). The research was conducted among 170 companies within Singapore and found out that there was a positive relationship between transformational leaderships and organizational performance. They therefore suggested that companies that are aspiring growth and higher performance in their organizations should embrace transformational leadership.

Alblosi and Nawar (2015) from Africa conducted a study on examining the impact of leadership styles on organizational performance in Saudi Arabia. Transformational leadership theory was used as one of the leadership constructs. They incorporated both exploratory and descriptive research designs in interpreting their research. Both scholars adopted a correlation and regression technique to analyze their data. The study found out an important relation between transformational leadership and organizational performance founded on enhancing effectiveness and high performance of employees.

Koech and Namusonge (2012) researched on how leadership impact performance in a state-owned setup in Kenya. They established that there was a positive relationship between transformational leadership and organizational performance. Likewise, Mwangi et al. (2011) carried out a research on the significance of emotional intelligence on transformational leadership in public universities in Kenya. According to the study, the four components of TL were seen of importance in various workforces. He clearly established the relationship between emotional intelligence and transformational leadership.

The global, regional and the local studies discussed and cited above were on transformational leadership and organizational performance but in different contexts from the current research. None of them was conducted in Roysambu Sub County. They applied different methodologies but none of the above applied post-positivist philosophy. None of the above study was also undertaken in SMEs dealing with autocare. This research therefore sought to answer the question; does transformational leadership influence organizational growth in SMEs dealing with Autocare in Roysambu Sub County?

## Conceptual Framework

This is a framework that shows the relationship between independent variables and the dependent variable. The independent variable in this case was transformational leadership which was on the left side in the dotted line and which contained the 4Is:- inspirational motivation, intellectual stimulation, idealized influence and individualized consideration. These were the dimensions used to measure TL. This illustrates how transformational leadership influences the organizational growth as the arrows indicate. Organizational growth is on the right side of the framework which is the dependent variable. This model display how independent variable influences the dependent variable as shown by the direction of the arrows.

Independent variable

### Transformational Leadership

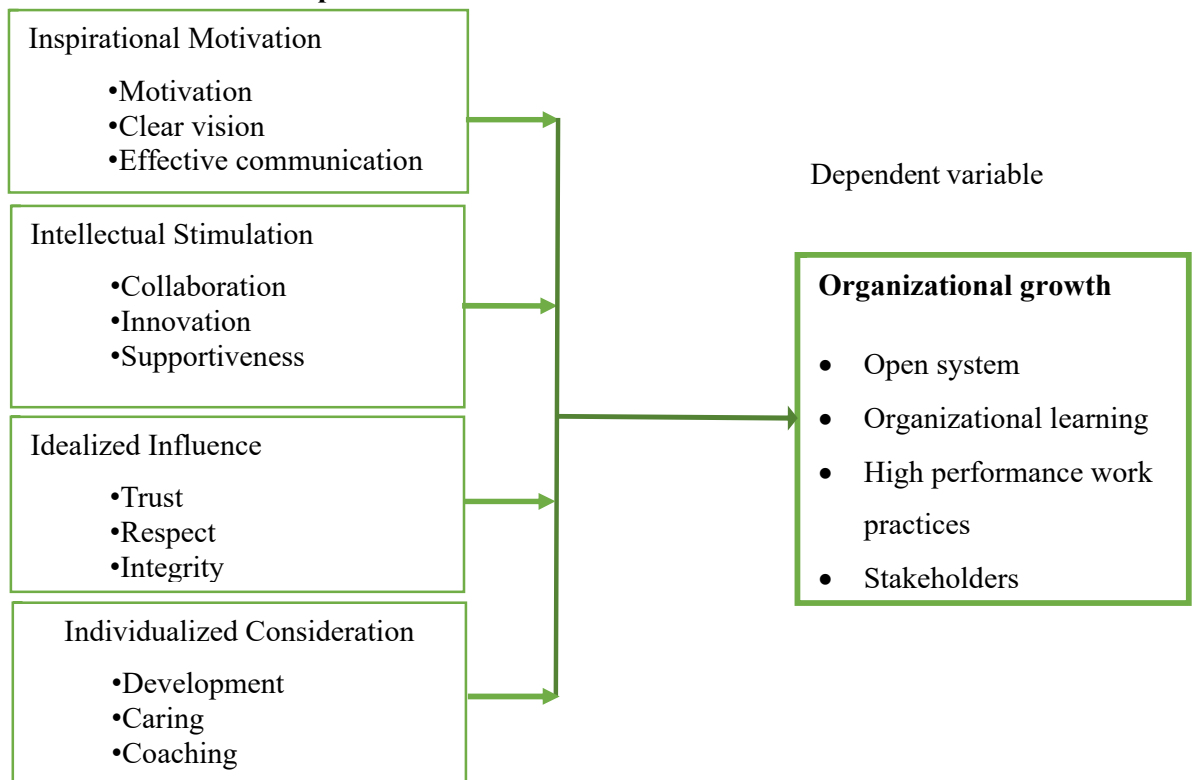


Figure 2.1: *Conceptual Framework*

Collectively, research indicate that transformational leadership is of paramount importance when it comes to elevation and transformation of people and organizational growth (Avolio, 2018). Transformational Leadership inspires employees, motivate, mentor, empower and allow them to be innovative as they blossom and grow. The four dimensions of transformational leadership directly influences organizational growth / performance (Bass & Riggio, 2006).

### Chapter Summary

Chapter two contained the literature review whereby the literature about the research main variables were explained. The reviewed literature covered the research variables namely; transformational leadership, and their dimension (the 4Is) which are idealized influence, individualized consideration, inspirational motivation and intellectual stimulation) and organizational performance plus their dimensions which are high performance work practices, open system, organizational learning and stakeholders. This was followed by the theoretical framework in which the strategic leadership theory and the path goal theory were outlined. Also presented in this chapter is the conceptual framework which illustrated how the independent variables (transformational leadership theory) and the dependent variable (organizational performance) related to each other. The next chapter details the methodology that was used.

## CHAPTER THREE: RESEARCH METHODOLOGY

### Introduction

This chapter presents the methods and procedures that this study focused on while conducting the research. Sections involved herein were research philosophy and design, target population, sample size, sampling procedures, and data collection instruments and data analysis methods.

### Research Philosophy

This research used a post-positivist philosophical worldview. Worldview in this study referred to the elementary set of beliefs that guided the research. This philosophy originated from the 19<sup>th</sup> century scholars and developed in the 20<sup>th</sup> century (Smith, 1983; Phillips & Burbles, 2000). A post-positivist philosophy is anchored on empirical observation, determination, theory verification and reductionism (Creswell & Creswell, 2018). The philosophy starts with the theory, gather data that backup the theory and then find out whether this theory influences an outcome. Therefore, the research adopted a post-positivist worldview to establish the relationship between transformational leadership and organizational growth. It was also used to establish the combined effects of inspirational motivation, intellectual stimulation, idealized influence and individualized consideration on organizational growth of autocare SMEs in Roysambu Sub County in Kenya.

### Research Design

The research adopted a cross sectional descriptive research design. Quantitative research was used to analyse data. Quantitative research is used in examining objective theories by testing the connection between two or more variables (Creswell, 2018). This research design comprises of numerical relations of variables. Methods such as experiments and surveys are used to measure these variables which enables data to be analyzed using

statistical processes as (Creswell & Creswell, 2018). There are experimental or the non-experimental Quantitative research. The main methods of non-experimental research comprises of correlation studies, causal comparative studies and descriptive studies as research indicates. Causal comparative research is applicable when establishing the cause for, or the result of, variances between particular groups. Descriptive studies is conducted to measure the characteristics of different groups or a particular phenomenon.

This study used both inferential and descriptive statistics. The reason behind this was that it was reliable and significance to the study. Also because it enabled the application of inferences gotten from a larger data populace and also displayed raw data accurately respectively. Therefore, the inferential and descriptive statistics were used to generate a relationship between transformational leadership and organizational growth of autocare SMEs in Roysambu County in Kenya. By using quantitative research approach transformational leadership was tested deductively and the findings were generalized to establish whether it influenced organizational growth of autocare SMEs in Roysambu Sub County in Kenya.

#### Target Population

The target population in this study was described as all employees which the researcher used to generalize the results of the study (Magenta & Magenta, 2018). This study's target population comprised employees of SMEs dealing with autocare in Roysambu Sub County in Kenya that the researcher deemed to be fit for the study. The population was made up of all the 276 employees derived from 30 licensed autocare SMEs in Roysambu Sub County. The researcher identified them because the area was accessible. The 276 employees were from various departments such as supervisors, sales persons, car wash attendants, mechanics, alignment and wheel balancing operators. These autocare SMEs were studied to establish whether transformational leadership influences organizational growth.

Roysambu Sub County in Kenya was preferred area of study due to the concentration of autocare SMEs in the study area. Table 3.1 shows the numbers of the employees targeted.

Table 3.1. *Target population*

| Description                   | Total employees |
|-------------------------------|-----------------|
| 30 SMEs Autocares in Roysambu | 276             |
| Total                         | 276             |

#### Sampling Technique and Sample Size

Maxwell (2002) postulate that sampling techniques are strategies used by researchers for statistical reasons. This research used stratified random sampling applied in selecting a sample size of 30% of the target population (Creswell & Creswell, 2018). Within each stratum, purposeful sampling method was used to select 30% of the participants (Fowler, 2014). The research adopted purposeful sampling whereby the respondents selected were deemed fit to give correct information. The sample components were: supervisors, sales persons, car wash attendants, mechanic, alignment technicians and wheel balancing operators from various SMEs dealing with autocares in Roysambu Sub County in Kenya. This breakdown is presented in Table 3.2.

Table 3.2. *Target Population and Sample Size*

| Department                | No. of employees | Sample Size (30%) |
|---------------------------|------------------|-------------------|
| Supervisors               | 30               | 9                 |
| Sales persons             | 33               | 10                |
| Car Wash attendants       | 90               | 27                |
| Mechanics                 | 45               | 14                |
| Alignment technicians     | 36               | 11                |
| Wheel balancing operators | 42               | 13                |
| Total                     | 276              | 84                |

### Data Collection Instrument

This study used questionnaire to collect data. A questionnaire is one of the instruments used to collect data. It is known for giving respondents ample time to offer an informed and thoughtful response. Questionnaire is very effective while examining data (Kerlinger, 1983). More benefits of using a questionnaire are: - saving time and maintaining discretion, less chances for interviewer unfairness, it is cost effective and most importantly, it facilitates the collection of data from a large sample in different areas (Bachman, 2000). Questionnaire was self - administered to the respondents through distribution and then were collected later (Creswell & Path, 2018).

This research applied closed ended approach with Likert scale (Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree) (Barrick & Mount, 2001). Likert scale is a 5 - 7 point type of question in the questionnaire. This was used because it was convenient and offered better analysis. It contained two parts. Part one contained demographic questions such as employee's age while part two contained independent and dependent variables and in particular the objectives of this research. This questionnaire focused on employees working in the autocare SMEs in Roysambu County in Nairobi, Kenya.

### Research Procedure

This study used primary data that was collected using closed ended questionnaire (Creswell, 2015). The data was collected from SMEs dealing in autocare in Roysambu Sub County while the respondents were the employees. The questionnaire was pre-tested to ascertain its reliability and validity before they were administered to the 84 respondents. To start with, the researcher acquired permission to collect the data from the relevant bodies. Then, the researcher prepared and sent letters of introduction to all the respondents. Thirty autocares participated as indicated in the target population. The researcher with the help of

assistants administered the questionnaires to the respondents and later collected them after 10 days. This research used the ‘drop and pick’ method during data collection.

#### Reliability Test

This is an approach used to ensure the accuracy, authenticity, trustworthiness and consistency of the data (Creswell & Miller, 2000; Lincoln et al., 2011). This implies that reliable instruments pass the test of time and replicate constant results even after recurrent trials from different researchers and projects (Gibbs, 2007). In the perspective of Cooper and Schindler (2014), reliability is the degree to which a research instrument replicates results even after recurrent trials. In view of this, the research ensured accuracy and consistency throughout the research process so as to ascertain the accuracy and credibility of the study. This was achieved by testing the research instruments using Cronbach’s alpha coefficient analysis in order to get instrument reliability.

The Cronbach-alpha reliability endorses a reliability coefficient of  $\alpha = 0.70$  and beyond. It offers a good measure of reliability because holding other factors constant the more similar the test content and conditions of administration are, the greater the internal consistency reliability. It’s important to note that coefficients describes the relationship between each independent variable and dependent variable (Moore et. al., 2013). Table 3.3 shows the test results with a Cronbach alpha ( $\alpha$ ) values of more than 0.70, making the questionnaires ultimately reliable as suggested by (Mugenda & Mugenda, 2003).

Table 3.3. *Reliability Test*

| Research Variables                                                                                                          | Number of questions | Coefficient analysis |
|-----------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------|
| Idealized Influence                                                                                                         | 6                   | 0.965                |
| Individualized Consideration                                                                                                | 7                   | 0.961                |
| Inspirational Motivation                                                                                                    | 6                   | 0.951                |
| Intellectual Stimulation                                                                                                    | 6                   | 0.990                |
| Combined effect of idealized influence, individualized consideration, inspirational motivation and intellectual stimulation | 8                   | 0.974                |
| Open system                                                                                                                 | 5                   | 0.712                |
| Organizational learning                                                                                                     | 4                   | 0.841                |
| High – performance work practices                                                                                           | 4                   | 0.753                |
| Stakeholder                                                                                                                 | 4                   | 0.866                |

#### Validity of the Instrument

Validity is ability to determine the accuracy of the findings from the perspective of the researcher, respondents, or other readers (Creswell & Miller, 2000). It is the capability of a device to measure what it is intended to measure (Kumar, 2014). This implies that it is the degree to which a measuring device measures how well a measuring instrument fulfills its function. It was the researcher's intention to ensure the validity of this research. This was achieved through the use of peers debriefing, lecturers help and the supervisor comments on the presentation and nature of questions and structure of the research instrument. (Lincoln & Guba, 1985). Rusticus (2014) asserts that content validity plays a major part in the development of every new instrument.

#### Pilot Testing

The questionnaire was pre-tested on ten employees from the autocare SMEs in Roysambu Sub County in Kenya to find out whether they understood the questions before the real work started (Fowler, 2014). The pre – testing is ordinarily performed prior the real research and its significant as it helps to identify flaws or potential concerns with respondents

(Magenta & Magenta, 2013). It gives room for correction, improvement of questions, format and instructions if any before the questionnaire is administered to the respondents.

### Data Analysis

Data analysis is a process of attempting to make sense of the data collected (Creswell & Creswell, 2018). It involved simultaneous procedures where data collection and analysis ran concurrently. This research used the computer software advanced Excel and SPSS V26 which helped in coding and analyzing data and as well generated both inferential and descriptive statistics. The descriptive statistics was used in describing the respondents' demographics such as age, educational level and work experience. The inferential statistics was used to infer the relationship between transformational leadership and organizational growth. Regression analysis was performed using the following model:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon,$$

Y= Organizational growth

a = a constant

X<sub>1</sub>= Inspirational Motivation

X<sub>2</sub> = Idealized Influence

X<sub>3</sub>=Intellectual Stimulation

X<sub>4</sub>= Individualized Consideration

β<sub>1</sub>, β<sub>2</sub>, β<sub>3</sub>, β<sub>4</sub> = Beta Coefficients

ε = Error Term

### Ethical Considerations

Ethical issues were paramount in this study. For instance, before starting fieldwork, the researcher sought permission for collecting data from the relevant bodies. While collecting data the researcher engaged with the management of the said enterprises and

explained the purpose of the study. The researcher assured them of the protection of their information and that it was to be used only for the purpose intended for (Creswell & Creswell, 2018). For the sake of the authenticity of this study, the researcher sought permission to the relevant bodies and especially from Pan Africa Christian University (PAC) ethical clearance department and National Commission for Science, Technology & Innovation (NACOSTI). The permission letters indicated that the researcher was a student, and that the research document went through all the stages as required and therefore authorized to carry out the research for the purpose of the studies only.

### Chapter Summary

In summary, the research used a post-positivist philosophy and applied a descriptive design with a quantitative research approach. Target population was 276 employees of 30 SMEs dealing with autocare in Roysambu Sub County – Nairobi, Kenya. This study used purposeful sampling method which selected a sample size of 84 respondents that is 30% of the target population (Fowler, 2014). Data collection instrument was closed-ended questionnaire which was administered through distribution. Data was analyzed using advanced Excel and SPSS (V26) which generated both inferential and descriptive statistics. The findings were interpreted and discussed in the next chapter. The ethical considerations were used where the researcher obtained permission from the PAC ethical clearance department and from NACOSTI to conduct the study (Appendix III & IV).

## CHAPTER FOUR: RESULTS AND DISCUSSION

### Introduction

This chapter offers an analysis of the gathered data, interpretation and discussion of the outcomes. After processing and analyzing the data, the findings are presented and discussed in line with the objectives of the study. This chapter also presents and interprets the regression analysis performed. Lastly the chapter draws inferences from the findings.

### Response Rate

A total of 84 questionnaires were distributed to the respondents by the researcher. Out of this, 80 questionnaires were filled and returned. Ten (10) out of the 80 returned questionnaires were not filled correctly and as a result they were not included in the final analysis. Accordingly, 70 questionnaires were correctly filled up and therefore were used for analysis indicating a response rate of 83.3%. The high response rate shows the degree of the research relevance to the sampled respondents. This was attributed to the fact that the researcher and with the help of assistants distributed and engaged with the respondents' on one on one basis. The cordial and supportive relationship with the employers and allowing their employees to participate in the study helped a great deal.

Curtin (2000) suggests that, receiving a high response rate (>80%) from a small, random sample is well thought-out to a low response rate from a large sample. The research further noted that receiving a higher response rate is preferable when the study has undergone pilot testing thus is an important element in attesting the statistical significance of the responses. As such, the response rate was considered significant to enable generalization of the results of the research to the target population.

## Respondents' Profile

Respondents' profile constituted the key data about the employees who took part in the study process depending on the relevance of the information required. This study sought to find out the distribution of the respondents with regards to their gender, age bracket, education level and working experience. The intention was to deduce any tendency from the respondent's profile that was directly related to the variables of the research.

### Distribution of Respondents by Gender

Figure 4.1 displays the distribution of the respondents' gender. The figure indicates that most of the employees were male (52.3%) while female were 47.7%. Nevertheless the difference between genders is small and the researcher ascribed this to the lack of job opportunity and economy crisis that Kenyans are undergoing through. As a result Kenyans are competing and not choosing for jobs and they are ready to take any job regardless to their gender status.

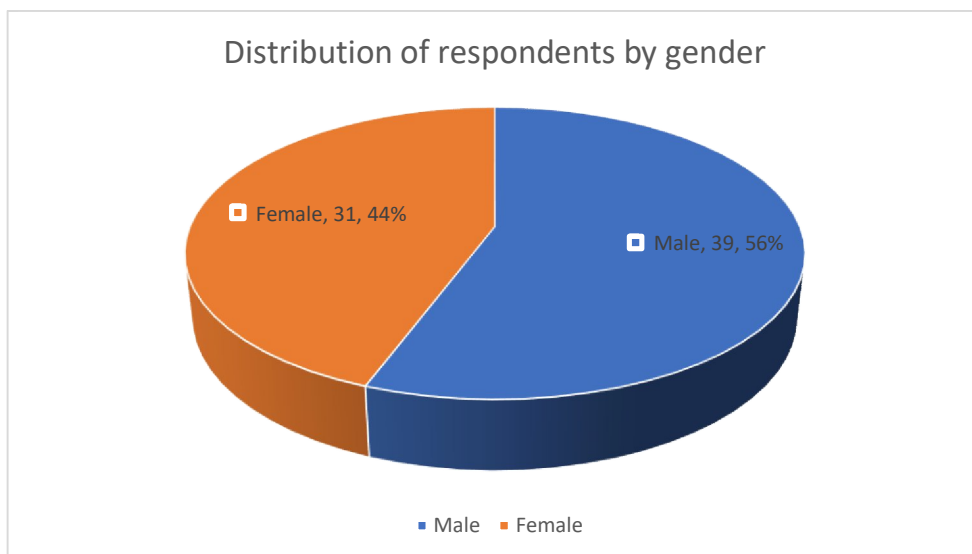


Figure 4.1: *Respondents by Gender*

### Distribution of Respondents by Age Group

The distribution of the respondents as pertains to their age is displayed in figure 4.2. The figure indicates that most of employees in the SMEs dealing with autocare service were of the age group of 15 – 25 years (42.9%) while the least age group was above 45 years (7.1%). This was attributed to the absorption of younger employees probably due to the fact that they are energetic and that this industry can accommodate a lot of young people regardless of their age.

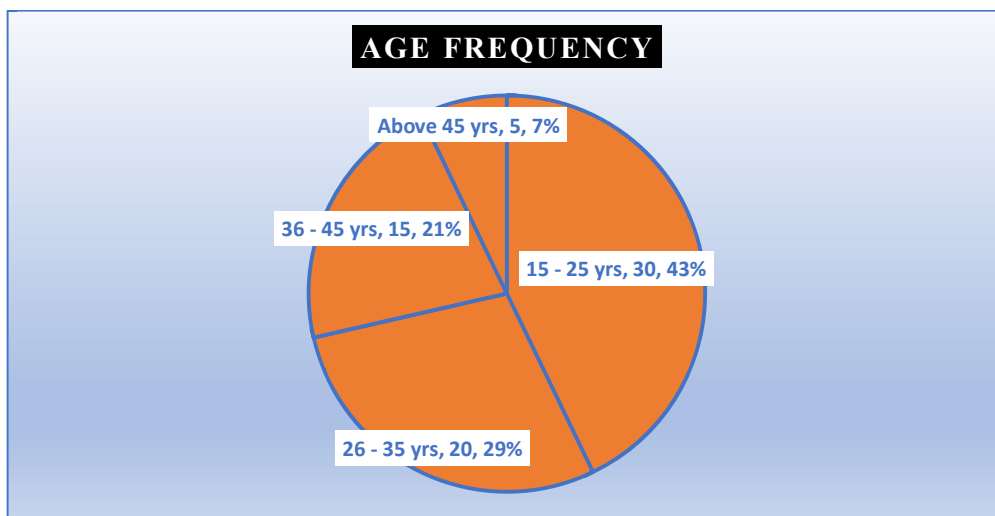


Figure 4.2: *Distribution of Respondents by Age*

### Distribution of Respondents by the Achieved Educational Level

Figure 4.3 shows the distribution of the respondents according to their educational levels. The results show that 46% of the respondents attained secondary level of education and 41% attained tertiary level of education. This may be attributed to the nature of majority of activities in the autocare SMEs in Kenya, which do not require very high level of education. Further, only 13% of the respondents had a university education indicating higher rate of unemployment to a point that even with a degree you can find yourself in a carwash washing cars in Kenya. However, the results suggested that the sampled respondents were

likely in a position to understand and engage with the subject matter about transformational leadership and organizational growth. This made them appropriate sample for the study.

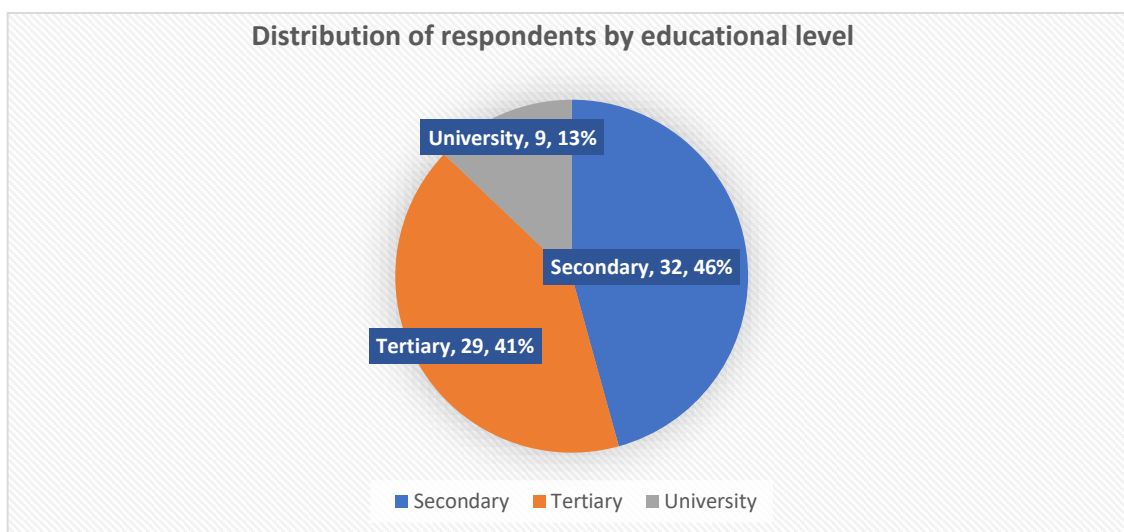


Figure 4.3: *Distribution of Respondents by Educational Level*

#### Working Experience of the Respondents

Working experience of the respondent was displayed in figure 4.4. According to the results, majority of the respondents (46%) had worked for less than one (1) years, 29% had worked for between one (1) and three (3) years, more than 3 and less five (5) years of experience while only 11% had more than five (5) year working experience. This can be attributed to the fact that most private sector institutions have employees on short-term contracts in an attempt to minimize human resource costs, maximize productivity and to enhance organization growth. They struggle to sustain their staff for long (ICT, 2019).

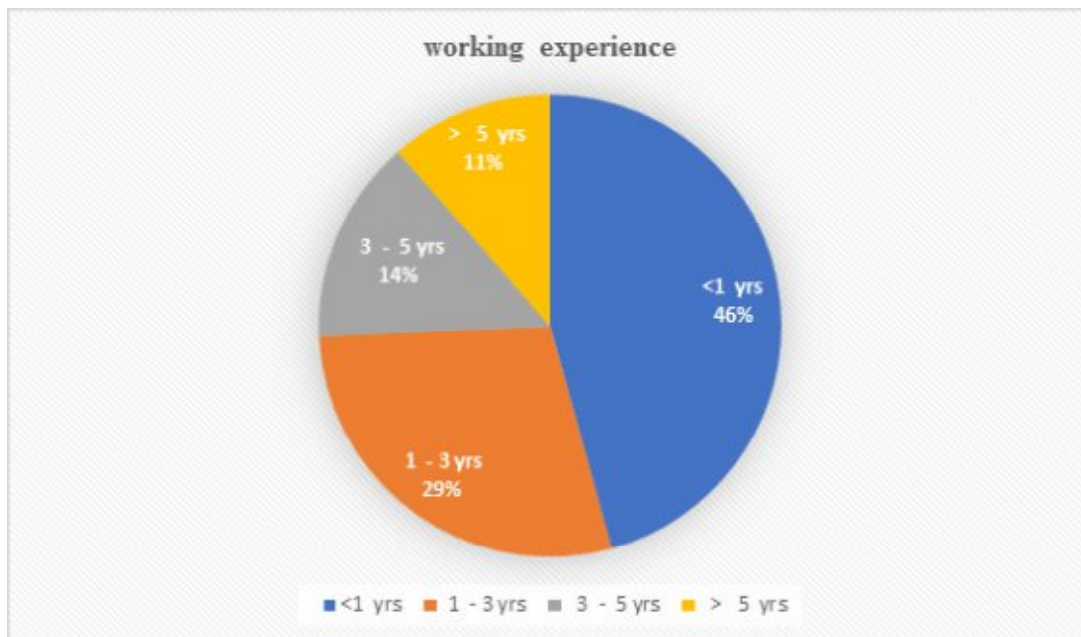


Figure 4.4: *Distribution of Respondents based on Work Experience*

#### Result of Descriptive Statistics

The section provides a description of the findings of the study. The researcher summarized the descriptive results in the order of study questionnaire. The aim of descriptive statistics was to enable the researcher to analyze and come up with key findings from which predictions and conclusions would be drawn.

#### Influence of Idealized Influence on Organizational Growth

According to this study idealized influence and organizational growth had a high positivity rate of 62.1%. It was noted that out of the six attributes tested five of them had more than 61% of the respondents proposed agreeing with the idealized influence characteristics. However, 52.9% of the respondents failed to agree on whether their leadership are accountable to their actions. The respondents felt that their leadership failed to go beyond their self-interest for the good of their employees as they even do not listen to them. They were for the opinion that very few leaders in their scope of work would be willing to sacrifice their own gain for the sake of their employees and organizational growth.

However, most of the respondents felt that their leadership displays a lot of courage and charismatic character which attracts respect and offer ample trust to their employees.

Table 4.1: *Descriptive Statistics on Idealized Influence*

|                                                                                                                             | SA    | A     | N     | D     | SD    |
|-----------------------------------------------------------------------------------------------------------------------------|-------|-------|-------|-------|-------|
| Declaration                                                                                                                 | 5     | 4     | 3     | 2     | 1     |
| They embrace integrity – they are morally upright and they walk the talk.                                                   | 10    | 13    | 11    | 25    | 11    |
|                                                                                                                             | 14.3% | 18.6% | 15.7% | 35.7% | 15.7% |
| They identify the importance of having close relationship with their employees as they work together.                       | 18    | 25    | 15    | 7     | 5     |
|                                                                                                                             | 25.7% | 35.7% | 21.4% | 10.0% | 7.1%  |
| They share and model very important values and beliefs in the organizations.                                                | 28    | 32    | 5     | 3     | 2     |
|                                                                                                                             | 40.0% | 45.7% | 7.1%  | 4.3%  | 2.9%  |
| They are accountable to their actions. They go beyond self-interest for the good of their employees as they listen to them. | 10    | 15    | 8     | 27    | 10    |
|                                                                                                                             | 14.3% | 21.4% | 11.4% | 38.6% | 14.3% |
| They impart pride in their organizations and their employees are proud to associate with them.                              | 27    | 30    | 4     | 6     | 3     |
|                                                                                                                             | 38.6% | 42.9% | 5.7%  | 8.6%  | 4.3%  |
| They behave in ways that attract respect and offer ample trust to their employees.                                          | 22    | 31    | 8     | 5     | 4     |
|                                                                                                                             | 31.4% | 44.3% | 11.4% | 7.1%  | 5.7%  |

#### Influence of Individual Consideration on Organizational Growth

Statistics in this study indicated a positive rate regarding this attribute. Over 69% of the respondents showed that individual consideration is usually exercised and accomplished under six of the suggested attributes. However 30% of the respondents disagreed that

individual consideration is extensively practiced in the organization while 17.1 % were not sure. Nevertheless, most of the respondents were satisfied that their organization's leadership considered individual employee's needs and talents as they help them to develop.

Table 4.2: *Descriptive Statistics on Individual Consideration*

| Declaration                                                                                                                | SA<br>(5)   | A<br>(4)    | N<br>(3)    | D<br>(2)    | SD<br>(1)   |
|----------------------------------------------------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|
| They consider individual employee's needs and talents as they help them to develop.                                        | 24<br>34.3% | 31<br>44.2% | 3<br>4.3%   | 10<br>14.3% | 2<br>2.9%   |
| They value, consider the moral and ethical results of decisions made by employees.                                         | 20<br>38.6% | 27<br>40.0% | 8<br>11.4%  | 11<br>4.3%  | 4<br>5.7%   |
| They encourage individuals in their organization to identify their talents and help them to develop the same as they work. | 25<br>35.7% | 27<br>38.6% | 9<br>12.9%  | 4<br>5.7%   | 5<br>7.1%   |
| They identify, nurture and utilize employees' abilities.                                                                   | 24<br>34.3% | 30<br>42.9  | 7<br>10.0%  | 5<br>7.1%   | 4<br>5.7%   |
| Individual consideration is extensively practiced in the organization.                                                     | 7<br>10.0%  | 15<br>21.4% | 12<br>17.1% | 21<br>30.0% | 15<br>21.4% |
| They treat each employee in their organization as an individual not just as members of the group.                          | 26<br>37.1  | 28<br>40.0% | 8<br>11.4%  | 4<br>5.7%   | 4<br>5.7%   |
| They spend time mentoring and coaching employees in the organization.                                                      | 29<br>41.4% | 31<br>44.3% | 5<br>7.1%   | 3<br>4.3%   | 2<br>2.9%   |

#### Influence of Inspirational Motivation on Organizational Growth

The data collected and analyzed on inspirational motivation in regards to six characteristics that were suggested had above 77% of the respondents agreeing. Most of the respondents agreed that leadership in the SMEs inspired and motivated their employees to do their very best. As such, they inspired employees and in so doing they instilled values and encouragement. Forty percent (40%) of the respondent felt that their organization's

leadership were in a position to articulate convincing vision and assist employees to plug in while 11.4% were uncertain of the same. Some 7.1 % and 5.7% disagreed and strongly disagreed respectively. According to these statistics, it was clear that SMEs' leadership can uphold and embrace inspirational motivation attribute for their organizational growth.

Table 4.3: *Descriptive Statistics on Inspirational Motivation*

| Declaration                                                                                                               | SA<br>5      | A<br>4       | N<br>3      | D<br>2       | SD<br>1      |
|---------------------------------------------------------------------------------------------------------------------------|--------------|--------------|-------------|--------------|--------------|
| They show confidence that goals can be accomplished and stir each other for involvement                                   | 29<br>41.4%  | 31<br>44.3%  | 2<br>2.9%   | 5<br>7.1%    | 3<br>4.3%    |
| They effectively communicate with the employees and effectively listen to their contribution and needs.                   | 25<br>35.71% | 29<br>41.43% | 5<br>7.14%  | 6<br>8.57%   | 5<br>7.14%   |
| They inspire and motivate their employees to do their very best.                                                          | 30<br>42.86% | 32<br>45.71% | 3<br>4.29%  | 3<br>4.29%   | 2<br>2.86%   |
| They articulate a convincing vision of the organization and assist employees to plug in.                                  | 25<br>35.71% | 28<br>40.00% | 8<br>11.43% | 5<br>7.14%   | 4<br>5.71%   |
| They emphasis on the significance of having a cooperate mission and inspire the employees to participate in achieving it. | 23<br>32.86% | 20<br>28.57% | 5<br>7.14%  | 12<br>17.14% | 10<br>14.29% |
| They inspires employees and in so doing they instill values and encouragement.                                            | 22<br>31.43% | 33<br>47.14% | 3<br>4.29%  | 8<br>11.43%  | 4<br>5.71%   |

#### Influence of Intellectual Stimulation on Organizational Growth

According to this study, intellectual stimulation had a high rate of 82.9% of the respondents who agreed that leadership in autocare SMEs within Roysambu Sub County encourages employees to come up with new ways of accomplishing tasks. However, 24.3% of the respondents were not sure on whether intellectual stimulation reduced cost of

production thus leading to increased organizational performance while 47.1% disagreed with this attribute. Compared with the other three dimensions of transformational leadership, intellectual stimulation dimension had the least positivity rate of 57.8%. This implies that intellectual stimulation attribute was not exceedingly exercised in the SMEs dealing with autocare services in Roysambu Sub County, Kenya.

Table 4.4: *Descriptive Statistics on Intellectual Stimulation*

| Declaration                                                                                                                           | SA<br>5     | A<br>4      | N<br>3      | D<br>2      | SD<br>1     |
|---------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|
| They value their employees, build their esteem and involve them in decision making.                                                   | 10<br>14.3% | 21<br>30.0% | 10<br>14.3% | 17<br>24.3% | 12<br>17.1% |
| They encourage the employees to come up with new ways of accomplishing tasks.                                                         | 28<br>40.0% | 30<br>42.9% | 5<br>7.1%   | 4<br>5.7%   | 3<br>4.3%   |
| They look for different opinions when solving problems and embrace creativity.                                                        | 18<br>25.7% | 24<br>34.3% | 10<br>14.3% | 10<br>14.3% | 8<br>11.4%  |
| They apply their intellectual stimulation which have reduced cost of production thus leading to increased organizational performance. | 10<br>14.3% | 10<br>14.3% | 17<br>24.3% | 20<br>28.6% | 13<br>18.6% |
| They emphasize on application of new skills and embrace creative ideologies.                                                          | 19<br>27.1% | 25<br>35.7% | 13<br>18.6% | 9<br>12.9%  | 4<br>5.7%   |
| They work well with the employees by inspiring them to be innovative.                                                                 | 21<br>30.0% | 27<br>38.6% | 12<br>17.1% | 4<br>5.7%   | 6<br>8.6%   |

### Influence of combined effects (4Is) on organizational growth

Statistics on the combined effects of transformational leaderships (idealized influence, individualized consideration, inspirational motivation and intellectual stimulation) showed that majority of the respondents were in agreement that TL played a very important part in organizational growth and performance. On the same note, some of the respondent were of different opinion and as such they disagreed. This shows that transformational leadership is not only important but also plays a significant role in organizational growth of SMEs dealing with autocare services in Roysambu Sub County in Kenya. Organizational growth was perceived in terms of enhanced market positions, increase in employee productivity and enhanced development and implementation of organization policies. In general, 67.3% agreed while 18% were not certain whether the combined effects played a major role in organizational growth within SMEs dealing with autocares at Roysambu Sub, County in Kenya.

Table 4.2: *Descriptive statistics on combined effect of the 4Is (idealized influence, individualized consideration, inspirational motivation and intellectual stimulation)*

| Declaration                                                                                                                                                               | SA<br>5 | A<br>4 | N<br>3 | D<br>2 | SD<br>1 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|--------|--------|---------|
| The above four aspects bring about organizational growth as employees performance improve.                                                                                | 25      | 30     | 5      | 8      | 2       |
|                                                                                                                                                                           | 35.7%   | 42.9%  | 7.1%   | 11.4%  | 2.9%    |
| Organization emphasis on the significance of having a cooperate mission and inspire the employees to participate in achieving it.                                         | 23      | 29     | 10     | 5      | 3       |
|                                                                                                                                                                           | 32.9%   | 41.4%  | 14.3%  | 7.1%   | 4.3%    |
| Organization value their employees, build their esteem and involve them in decision making.                                                                               | 15      | 20     | 12     | 13     | 10      |
|                                                                                                                                                                           | 21.4%   | 28.6%  | 17.1%  | 18.6%  | 14.3%   |
| Organization influence the principles of their organizational culture, model their vision and inspire workers towards the organizational strategic objectives and growth. | 22      | 27     | 8      | 9      | 4       |
|                                                                                                                                                                           | 31.4%   | 38.6%  | 11.4%  | 12.9%  | 5.7%    |
| They encourage employees to come up with new ways of accomplishing tasks.                                                                                                 | 27      | 31     | 5      | 4      | 3       |
|                                                                                                                                                                           | 38.6%   | 44.3%  | 7.1%   | 5.7%   | 4.3%    |
| They apply their intellectual stimulation which have reduced cost of production thus leading to increased organizational performance                                      | 11      | 14     | 2      | 23     | 20      |
|                                                                                                                                                                           | 15.7%   | 20.0%  | 2.9%   | 32.9%  | 28.6%   |
| Organization inspires employees and in so doing they instill values and encouragement.                                                                                    | 29      | 25     | 6      | 7      | 3       |
|                                                                                                                                                                           | 41.4%   | 35.7%  | 8.6%   | 10.0%  | 4.3%    |
| When the four dimensions are combined they have a lot to offer as they have unifying factors which attributes to overall organizational growth.                           | 21      | 28     | 11     | 8      | 2       |
|                                                                                                                                                                           | 30.0%   | 40.0%  | 15.7%  | 11.4%  | 2.9%    |

## Open System

Based on the expression in table 4.6, results on open system as one of the dimensions of organizational growth showed that 55.7% of the respondents agreed that their organizations are able to adapt and influence their environment through their activities which enhance their growth with. On the other hand 20% of the respondents were neutral on whether enhanced organizational growth within the SMEs is as a result of open system. As to whether open system is an indicator of enhanced organizational growth in the Autocare SMEs in Roysambu Sub County, 28.5% of the respondents disagreed with the proposition, 27.1% of the respondents strongly agreed that these SMEs engage with their customers to know how they can serve them best by satisfying their wants and needs; while 28.6% of the respondents were the opinion that they do rely on their external environment for their resources including employees.

Table 4.3: *Descriptive statistics on Open system*

| Declaration                                                                                                          | SA<br>5 | A<br>4 | N<br>3 | D<br>2 | SD<br>1 |
|----------------------------------------------------------------------------------------------------------------------|---------|--------|--------|--------|---------|
| Enhanced organizational growth within the SMEs is as a result of open system.                                        | 18      | 21     | 14     | 10     | 7       |
|                                                                                                                      | 25.7%   | 30.0%  | 20.0%  | 14.3%  | 10.0%   |
| Open system is an indicator of enhanced organizational growth in the autocare SMEs in Roysambu.                      | 16      | 23     | 11     | 12     | 8       |
|                                                                                                                      | 22.9%   | 32.9%  | 15.7%  | 17.1%  | 11.4%   |
| They engage with their customers to know how they can serve them best by satisfying their wants and needs.           | 19      | 22     | 12     | 8      | 9       |
|                                                                                                                      | 27.1%   | 31.4%  | 17.1%  | 11.4%  | 12.9%   |
| Organizations are able to adapt and influence their environment through their activities which enhance their growth. | 18      | 24     | 13     | 8      | 7       |
|                                                                                                                      | 25.7%   | 34.3%  | 18.6%  | 11.4%  | 10.0%   |
| Autocares SMEs in Roysambu rely on their external environment for their resources including employees.               | 15      | 20     | 15     | 12     | 8       |
|                                                                                                                      | 21.4%   | 28.6%  | 21.4%  | 17.1%  | 11.4%   |

### High-Performance Work Practices

Respondents agreed that employees working together and exchanging their work experiences have increased organizational growth in the autocare SMEs in Roysambu Sub County (35.7%) and high-performance work practices in autocare SMEs in Roysambu sub County enhances organizational growth by developing and strengthening workers motivation (32.9%). Respondents were not categorical on whether improved employee performance which translates to organizational growth is as a result of high-performance work practices (15.7%), and whether the SMEs do involve their employees in their decision making and encourage job autonomy (21.4%).

Table 4.4: *Descriptive Statistics on High-Performance Work Practices*

| Declaration                                                                                                                                                | SA<br>5 | A<br>4 | N<br>3 | D<br>2 | SD<br>1 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|--------|--------|---------|
| Improved employee performance which translates to organizational growth is as a result of high performance work practices.                                 | 17      | 20     | 11     | 13     | 9       |
|                                                                                                                                                            | 24.3%   | 28.6%  | 15.7%  | 18.6%  | 12.9%   |
| Employees working together and exchanging their work experiences have increased organizational growth in the autocare SMEs in Roysambu Sub County.         | 20      | 25     | 10     | 11     | 4       |
|                                                                                                                                                            | 28.6%   | 35.7%  | 14.3%  | 15.7%  | 5.7%    |
| Autocare SMEs in Roysambu Sub County involve their employees in their decision making and encourage job autonomy.                                          | 13      | 16     | 15     | 16     | 10      |
|                                                                                                                                                            | 18.6%   | 22.9%  | 21.4%  | 22.9%  | 14.3%   |
| High performance work practices in autocare SMEs in Roysambu Sub County enhances organizational growth by developing and strengthening workers motivation. | 21      | 23     | 12     | 9      | 5       |
|                                                                                                                                                            | 30.0%   | 32.9%  | 17.1%  | 12.9   | 7.1%    |

## Organizational Learning

As shown in the findings, 32.9% of the respondents agreed that autocare SMEs in Roysambu Sub County find ways to get, share, use and store information for the benefit of their organizations while 21.4% disagreed that the SMEs inspire their employees to learn new ways of doing their jobs and encourage job autonomy. The results however show that 18.6% of the respondents, were uncertain that organization learning and creativity within the autocare SMEs signifies growth in organizations and that organizations have ability and capacity to learn and understand the importance of the information they acquire (17.1%).

Table 4.5: *Descriptive Statistics on Organizational Learning*

| Declaration                                                                                                                     | SA<br>5 | A<br>4 | N<br>3 | D<br>2 | SD<br>1 |
|---------------------------------------------------------------------------------------------------------------------------------|---------|--------|--------|--------|---------|
| Organization learning and creativity within the autocare SMEs signifies growth in organizations.                                | 17      | 20     | 13     | 12     | 8       |
|                                                                                                                                 | 24.3%   | 28.6%  | 18.6%  | 17.1%  | 11.4%   |
| Autocare SMEs in Roysambu Sub County find ways to get, share, use and store information for the benefit of their organizations. | 20      | 23     | 10     | 11     | 6       |
|                                                                                                                                 | 28.6%   | 32.9%  | 14.3%  | 15.7%  | 8.6%    |
| Organizations have ability and capacity to learn and understand the importance of the information they acquire.                 | 16      | 19     | 12     | 15     | 8       |
|                                                                                                                                 | 22.9%   | 27.1%  | 17.1%  | 21.4%  | 11.4%   |
| Autocare SMEs in Roysambu Sub County inspire their employees to learn new ways of doing their jobs and encourage job autonomy.  | 19      | 21     | 15     | 9      | 6       |
|                                                                                                                                 | 27.1%   | 30.0%  | 21.4%  | 12.9%  | 8.6%    |

## Stakeholders

Based on the results in table 4.9, 17.1% of the respondents had diverse opinion on whether stakeholders' satisfaction is an indicator of improved organizational growth. As to whether employees hold on to and values organization culture which is anchored and

encouraged by the stakeholders, 28.6% of the respondents were in agreement with this statement. Nevertheless, 30% of the respondents disagreed that Autocare SMEs in Roysambu Sub County recognizes and upholds needs of their stakeholders which leads to work cohesion and growth of their organizations.

Table 4.6: *Descriptive Statistics on Stakeholders*

| Declaration                                                                                                                                             | SA<br>5     | A<br>4      | N<br>3      | D<br>2      | SD<br>1    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|------------|
| Stakeholders' satisfaction is an indicator of Improved organizational growth.                                                                           | 18<br>25.7% | 22<br>31.4% | 12<br>17.1% | 10<br>14.3% | 8<br>11.4% |
| Employees holds on and values organization culture which is anchored and encouraged by the stakeholders.                                                | 16<br>22.9% | 20<br>28.6% | 14<br>20.0% | 11<br>15.7% | 9<br>12.9% |
| Autocare SMEs in Roysambu Sub County recognizes and upholds needs of their stakeholders which leads to work cohesion and growth of their organizations. | 14<br>20.0% | 19<br>27.1% | 16<br>22.9% | 13<br>18.6% | 8<br>11.4% |

#### Regression Summary Score of Study Variable

##### Idealized Influence and Organizational Growth

Based on a 5-point Likert, the study found out that most of the respondents agreed that Autocare SMEs in Roysambu do share and model very important values and beliefs in the organizations (mean = 4.157). They also impart pride in their organizations and their employees are proud to associate with them (mean = 4.029), and behave in ways that attract respect and offer ample trust to their employees (mean = 3.886). Moreover, the SME leaders normally identify the importance of having close relationship with their employees as they work together (mean = 3.629). Nonetheless, respondents were indifferent on whether they

were accountable to their actions including going beyond self-interest for the good of their employees as they listen to them (mean = 2.829). They were also neutral on embracing integrity, that is, whether they are morally upright and they walk the talk (mean = 2.800).

Table 4.7: *Idealized Influence on Organizational Growth*

| Declaration                                                                                                                 | N  | Minimum | Maximum | Sum | Mean  | Std. Deviation |
|-----------------------------------------------------------------------------------------------------------------------------|----|---------|---------|-----|-------|----------------|
| They embrace integrity – they are morally upright and they walk the talk.                                                   | 70 | 1       | 5       | 196 | 2.800 | 1.314          |
| They identify the importance of having close relationship with their employees as they work together.                       | 70 | 1       | 5       | 254 | 3.629 | 1.182          |
| They share and model very important values and beliefs in the organizations.                                                | 70 | 1       | 5       | 291 | 4.157 | 0.942          |
| They are accountable to their actions. They go beyond self-interest for the good of their employees as they listen to them. | 70 | 1       | 5       | 198 | 2.829 | 1.318          |
| They impart pride in their organizations and their employees are proud to associate with them.                              | 70 | 1       | 5       | 282 | 4.029 | 1.090          |
| They behave in ways that attract respect and offer ample trust to their employees.                                          | 70 | 1       | 5       | 272 | 3.886 | 1.110          |
| Average                                                                                                                     | 70 | 1       | 5       | 249 | 3.555 | 1.160          |

#### Inspirational Motivation on Organizational Growth

Summarizing the findings by the mean of the study revealed that, Autocare SMEs in Roysambu do inspire and motivate their employees to do their very best (mean = 4.214). They also show confidence that goals can be accomplished and stir each other for involvement (mean = 4.114), articulate a convincing vision of the organization and assist employees to plug in (mean = 3.929), effectively communicate with the employees and

effectively listen to their contribution and needs (mean = 3.900), and inspire employees and in so doing, instill values and encouragement (mean = 3.871). Respondents were neutral on whether these organizations have emphasis on the significance of having a cooperate mission and inspire the employees to participate in achieving it (mean = 3.486).

Table 4.8: *Inspirational Motivation on Organizational Growth*

| Declaration                                                                                                               | N  | Minimum | Maximum | Sum | Mean  | Std. Deviation |
|---------------------------------------------------------------------------------------------------------------------------|----|---------|---------|-----|-------|----------------|
| They show confidence that goals can be accomplished and stir each other for involvement                                   | 70 | 1       | 5       | 288 | 4.114 | 1.057          |
| They effectively communicate with the employees and effectively listen to their contribution and needs.                   | 70 | 1       | 5       | 273 | 3.900 | 1.194          |
| They inspire and motivate their employees to do their very best.                                                          | 70 | 1       | 5       | 295 | 4.214 | 0.931          |
| They articulate a convincing vision of the organization and assist employees to plug in.                                  | 70 | 1       | 5       | 275 | 3.929 | 1.133          |
| They emphasis on the significance of having a cooperate mission and inspire the employees to participate in achieving it. | 70 | 1       | 5       | 244 | 3.486 | 1.462          |
| They inspire employees and in so doing they instill values and encouragement.                                             | 70 | 1       | 5       | 271 | 3.871 | 1.154          |
| Average                                                                                                                   | 70 | 1       | 5       | 274 | 3.919 | 1.155          |

#### Intellectual Stimulation and Organizational Growth

Ranking the different factors of intellectual stimulation by their mean, there was agreement among the respondents that autocare SMEs in Roysambu normally encourage the employees to come up with new ways of accomplishing tasks (mean = 4.086), work well with the employees by inspiring them to be innovative (mean = 3.757) while emphasizing

on application of new skills and embrace creative ideologies (mean = 3.657). Respondents, nevertheless, were of different views on whether they look for different opinions when solving problems and embrace creativity (mean = 3.486). They were also indifferent on whether the SMEs do value their employees, build their esteem and involve them in decision making (mean = 3.000), as well as whether these organizations apply their intellectual stimulation to reduce cost of production thus leading to increased organizational performance (mean = 2.771).

Table 4.9: *Intellectual Stimulation on Organizational Growth*

| Declaration                                                                                                                          | N  | Minimum | Maximum | Sum | Mean  | Std.<br>Deviation |
|--------------------------------------------------------------------------------------------------------------------------------------|----|---------|---------|-----|-------|-------------------|
| They value their employees, build their esteem and involve them in decision making.                                                  | 70 | 1       | 5       | 210 | 3.000 | 1.351             |
| They encourage the employees to come up with new ways of accomplishing tasks.                                                        | 70 | 1       | 5       | 286 | 4.086 | 1.046             |
| They look for different opinions when solving problems and embrace creativity.                                                       | 70 | 1       | 5       | 244 | 3.486 | 1.327             |
| They apply their intellectual stimulation which have reduced cost of production thus leading to increased organizational performance | 70 | 1       | 5       | 194 | 2.771 | 1.310             |
| They emphasize on application of new skills and embrace creative ideologies.                                                         | 70 | 1       | 5       | 256 | 3.657 | 1.178             |
| They work well with the employees by inspiring them to be innovative.                                                                | 70 | 1       | 5       | 263 | 3.757 | 1.197             |
| Average                                                                                                                              | 70 | 1       | 5       | 242 | 3.460 | 1.235             |

## Individualized Consideration and Organizational Growth

Ranking the findings further by the mean score, results show that autocare SME in Roysambu spend time mentoring and coaching employees in the organization (mean = 4.171), treat each employee in their organization as an individual not just as members of the group (mean = 3.971), and do consider individual employee's needs and talents as they help them to develop, identify, nurture and utilize employees' abilities (mean = 3.929). They also encourage individuals in their organization to identify their talents and help them to develop the same as they work (mean = 3.900) and value, consider the moral and ethical results of decisions made by employees (mean = 3.686). However, respondents were only neutral on whether individual consideration is extensively practiced in the organization (mean = 2.686).

Table 4.10: *Individualized Consideration on Organizational Growth*

| Declaration                                                                                                                | N  | Minimum | Maximum | Sum | Mean  | Std. Deviation |
|----------------------------------------------------------------------------------------------------------------------------|----|---------|---------|-----|-------|----------------|
| They consider individual employee's needs and talents as they help them to develop.                                        | 70 | 1       | 5       | 275 | 3.929 | 1.108          |
| They value, consider the moral and ethical results of decisions made by employees.                                         | 70 | 1       | 5       | 258 | 3.686 | 1.210          |
| They encourage individuals in their organization to identify their talents and help them to develop the same as they work. | 70 | 1       | 5       | 273 | 3.900 | 1.169          |
| They identify, nurture and utilize employees' abilities.                                                                   | 70 | 1       | 5       | 275 | 3.929 | 1.121          |
| Individual consideration is extensively practiced in the organization.                                                     | 70 | 1       | 5       | 188 | 2.686 | 1.303          |
| They treat each employee in their organization as an individual not just as members of the group.                          | 70 | 1       | 5       | 278 | 3.971 | 1.116          |
| They spend time mentoring and coaching employees in the organization.                                                      | 70 | 1       | 5       | 292 | 4.171 | 0.947          |
| Average                                                                                                                    | 70 | 1       | 5       | 263 | 3.753 | 1.139          |

### The combined effects of the 4Is

Ranking the factors by their mean, respondents agreed that, SMEs in autocares in Roysambu do encourage employees to come up with new ways of accomplishing tasks (mean = 4.071), they inspire employees and in so doing they instill values and encouragement (mean = 4.000), and aspects on transformational leadership bring about organizational growth as employees performance improve (mean = 3.971). Additionally, the organizations normally emphasize on the significance of having a cooperate mission and inspire the employees to participate in achieving it (mean = 3.914) and when the four dimensions of transformational leadership are combined, they have a lot to offer as they have unifying factors which attributes to overall organizational growth (mean = 3.829).

The study further revealed that organization influence the principles of their organizational culture, model their vision and inspire workers towards the organizational strategic objectives and growth (mean = 3.771). Respondents, nonetheless, were neutral on whether organization value their employees, build their esteem and involve them in decision making (mean = 3.243), and they apply their intellectual stimulation which have reduced cost of production thus leading to increased organizational performance (mean = 2.614).

Table 4.11: *Idealized Influence, Individualized Consideration, Inspirational Motivation and Intellectual Stimulation (4Is)*

| Declaration                                                                                                                                                                | N  | Minimum | Maximum | Sum | Mean  | Std.<br>Deviation |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|---------|---------|-----|-------|-------------------|
| The above four aspects bring about organizational growth as employees performance improve.                                                                                 | 70 | 1       | 5       | 278 | 3.971 | 1.076             |
| Organization emphasis on the significance of having a cooperate mission and inspire the employees to participate in achieving it.                                          | 70 | 1       | 5       | 274 | 3.914 | 1.073             |
| Organization values their employees, build their esteem and involve them in decision making.                                                                               | 70 | 1       | 5       | 227 | 3.243 | 1.367             |
| Organization influences the principles of their organizational culture, model their vision and inspire workers towards the organizational strategic objectives and growth. | 70 | 1       | 5       | 264 | 3.771 | 1.194             |
| They encourage employees to come up with new ways of accomplishing tasks.                                                                                                  | 70 | 1       | 5       | 285 | 4.071 | 1.040             |
| They apply their intellectual stimulation which have reduced cost of production thus leading to increased organizational performance                                       | 70 | 1       | 5       | 183 | 2.614 | 1.477             |
| Organization inspires employees and in so doing they instill values and encouragement.                                                                                     | 70 | 1       | 5       | 280 | 4.000 | 1.142             |
| When the four dimensions are combined, they have a lot to offer as they have unifying factors which attributes to overall organizational growth.                           | 70 | 1       | 5       | 268 | 3.829 | 1.076             |
| Average                                                                                                                                                                    | 70 | 1       | 5       | 257 | 3.677 | 1.181             |

## Open System

Regarding open system as one of the dimensions of organizational growth, respondents found that their organizations are able to adapt and influence their environment through their activities which enhance their growth (mean = 3.543). Respondents, on the other hand were neutral on whether the enhanced organizational growth within the SMEs is as a result of open system (mean = 3.471), open system is an indicator of enhanced organizational growth in the Autocare SMEs in Roysambu (mean = 3.386), they engage with their customers to know how they can serve them best by satisfying their wants and needs (mean = 3.486), do rely on their external environment for their resources including employees (mean = 3.314).

Table 4.12: *Open System Summary*

| Declaration                                                                                                          | N  | Minimum | Maximum | Sum | Mean  | Std. Deviation |
|----------------------------------------------------------------------------------------------------------------------|----|---------|---------|-----|-------|----------------|
| Enhanced organizational growth within the SMEs is as a result of open system.                                        | 70 | 1       | 5       | 243 | 3.471 | 1.293          |
| Open system is an indicator of enhanced organizational growth in the Autocare SMEs in Roysambu.                      | 70 | 1       | 5       | 237 | 3.386 | 1.322          |
| They engage with their customers to know how they can serve them best by satisfying their wants and needs.           | 70 | 1       | 5       | 244 | 3.486 | 1.349          |
| Organizations are able to adapt and influence their environment through their activities which enhance their growth. | 70 | 1       | 5       | 248 | 3.543 | 1.270          |
| Autocares SMEs in Roysambu rely on their external environment for their resources including employees.               | 70 | 1       | 5       | 232 | 3.314 | 1.303          |
| Average                                                                                                              | 70 | 1       | 5       | 241 | 3.440 | 1.307          |

### High Performance Work Practices

Respondents found out that employees working together and exchanging their work experiences have increased organizational growth of the autocare SMEs in Roysambu Sub County in Kenya (mean = 3.657). The results showed that high-performance work practices in autocare SMEs in Roysambu sub county in Kenya enhances organizational growth by developing and strengthening workers motivation (mean = 3.657). Respondents were not categorical on whether improved employee performance which translates to organizational growth is as a result of high-performance work practices (mean = 3.329), and whether the SMEs do involve their employees in their decision making and encourage job autonomy (mean = 3.086).

Table 4.13: *High Performance Work Practices summary*

| Declaration                                                                                                                                                | N  | Minimum | Maximum | Sum | Mean  | Std.<br>Deviation |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|----|---------|---------|-----|-------|-------------------|
| Improved employee performance which translates to organizational growth is as a result of high-performance work practices.                                 | 70 | 1       | 5       | 233 | 3.329 | 1.370             |
| Employees working together and exchanging their work experiences have increased organizational growth in the Autocare SMEs in Roysambu Sub County.         | 70 | 1       | 5       | 256 | 3.657 | 1.214             |
| Autocare SMEs in Roysambu Sub County involve their employees in their decision making and encourage job autonomy.                                          | 70 | 1       | 5       | 216 | 3.086 | 1.338             |
| High performance work practices in Autocare SMEs in Roysambu Sub County enhances organizational growth by developing and strengthening workers motivation. | 70 | 1       | 5       | 256 | 3.657 | 1.238             |
| Average                                                                                                                                                    | 70 | 1       | 5       | 240 | 3.432 | 1.290             |

## Organizational Learning

As shown in the findings, autocare SMEs in Roysambu sub county in Kenya find ways to get, share, use and store information for the benefit of their organizations (mean = 3.571), inspire their employees to learn new ways of doing their jobs and encourage job autonomy (mean = 3.543). Respondents, nonetheless, gave a neutral approval that organization learning and creativity within the autocare SMEs signifies growth in organizations (mean = 3.371) and that organizations have ability and capacity to learn and understand the importance of the information they acquire (mean = 3.286).

Table 4.14: *Organizational Learning Summary*

| Declaration                                                                                                                     | N  | Minimum | Maximum | Sum | Mean  | Std. Deviation |
|---------------------------------------------------------------------------------------------------------------------------------|----|---------|---------|-----|-------|----------------|
| Organization learning and creativity within the Autocare SMEs signifies growth in organizations.                                | 70 | 1       | 5       | 236 | 3.371 | 1.332          |
| Autocare SMEs in Roysambu Sub County find ways to get, share, use and store information for the benefit of their organizations. | 70 | 1       | 5       | 250 | 3.571 | 1.292          |
| Organizations have ability and capacity to learn and understand the importance of the information they acquire.                 | 70 | 1       | 5       | 230 | 3.286 | 1.342          |
| Autocare SMEs in Roysambu Sub County inspire their employees to learn new ways of doing their jobs and encourage job autonomy.  | 70 | 1       | 5       | 248 | 3.543 | 1.259          |
| Average                                                                                                                         | 70 | 1       | 5       | 241 | 3.443 | 1.306          |

## Stakeholders

Respondents had diversified opinion on whether stakeholders' satisfaction is an indicator of improved organizational growth (mean = 3.457), employees hold on and values organization culture which is anchored and encouraged by the stakeholders (mean = 3.329), and autocare SMEs in Roysambu sub county recognize and upholds needs of their stakeholders which leads to work cohesion and growth of their organizations (mean = 3.257).

Table 4.15: *Stakeholders Summary*

| Declaration                                                                                                                                             | N  | Minimum | Maximum | Sum | Mean  | Std. Deviation |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|----|---------|---------|-----|-------|----------------|
| Stakeholders' satisfaction is an indicator of Improved organizational growth.                                                                           | 70 | 1       | 5       | 242 | 3.457 | 1.326          |
| Employees holds on and values organization culture which is anchored and encouraged by the stakeholders.                                                | 70 | 1       | 5       | 233 | 3.329 | 1.338          |
| Autocare SMEs in Roysambu Sub County recognizes and upholds needs of their stakeholders which leads to work cohesion and growth of their organizations. | 70 | 1       | 5       | 228 | 3.257 | 1.293          |
| Average                                                                                                                                                 | 70 | 1       | 5       | 234 | 3.348 | 1.319          |

## Multiple Regression Model Development

According to research regression analysis involve the determination of the statistical relationship amid two or more variables (Kothari, 2004). Such analysis is a procedure whereby the value of the dependent variable is predicted, applying one or more independent variables. Regression analysis can either be simple or multiple. In a simple regression, only two variables, the independent and the dependent variables, are used for analysis. In multiple

regression analysis more than one independent variable is considered, which allows the degree of the direction to be determined, as well as the relationship between a number of variables, with the independent and the dependent variable under consideration. The present study, whose chief objective was to establish the role of transformative leadership on organizational growth, used the multiple regression analysis process to establish the extent to which such variables were dependent on each other. This section shows how the researcher developed applicable inferences in line with the study objectives. The segment presents and discusses findings resulting from regression analysis of the study variables.

#### Correlation Analysis Results

The study developed a multiple regression model by testing the significance of the role of the independent variables (idealized influence; inspirational motivation; intellectual stimulation; individual consideration) and the dependent variable organizational growth. The coefficient of determination ( $R^2$ ) shows how the variability in dependent variable can be described by the variability in independent variables. This value shows how organizational growth in SMEs dealing with autocare in Roysambu Sub County, Kenya can be described by idealized influence, inspirational motivation, intellectual stimulation, individual consideration the combined effects of the same.

According to Gujarati (2003), the coefficient of determination measures how well the regression line essentially fits the data. A high  $R^2$  value implies that the regression line closely fits the data. Conversely, if  $R^2$  is low, the regression line does not fit the data, and any calculations built on regression line analysis, including alpha and beta, becomes less meaningful as the  $R^2$  value drops. The usefulness of  $R^2$  is its capacity to find the likelihood of future events falling within the predicted results. The notion is in case of more sample, the coefficient would display the likelihood of a new point falling on the line. It is worth noting

that a high coefficient of resolve does not necessarily guarantee that a cause-and-effect relationship exists. Nevertheless, a cause-and-effect relationship between the independent variable and the dependent variable will produce a high coefficient of determination.

#### Role of Idealized Influence on Organizational Growth

The first objective for this study was to determine the role of idealized influence on organizational growth of Autocare SMEs in Roysambu Sub County, Kenya. In order to generate inferential statistics, responses were aggregated across all the six factors on idealized influence as well as those (four) constructs on technical staff turnover intention. This was achieved by computing the average score for every respondent and the output used as raw input data for generating inferential statistics which included the coefficient of determination (R-Square), analysis of variance (ANOVA) and regression coefficients.

Table 4.16: *R-Square for the Role of Idealized Influence on Organizational Growth*

| R                 | R-Square | Adjusted R-Square | Std. Error of the Estimate |
|-------------------|----------|-------------------|----------------------------|
| .965 <sup>a</sup> | 0.931    | 0.930             | 0.339                      |

Results show a strong R-Square (0.931) with the standard error of estimate being 0.339. This implies that the model on the relationship between idealized influences on organizational growth was suitable since idealized influence explain variation in the organizational growth of Autocare SMEs in Roysambu Sub County, Kenya up to 93.1%.

Table 4.17: *ANOVA for the Role of Idealized Influence on Organizational Growth*

|            | Sum of Squares | df | Mean Square | F       | Sig.              |
|------------|----------------|----|-------------|---------|-------------------|
| Regression | 105.298        | 1  | 105.298     | 916.708 | .000 <sup>b</sup> |
| Residual   | 7.811          | 68 | 0.115       |         |                   |
| Total      | 113.108        | 69 |             |         |                   |

From the results, F-Calculated (1, 68) = 916.708 and this was greater than F-Critical (1, 68) = 3.982 at 5% significant level (2-tailed test). P-Value = 0.000 < 0.05 was also significant. This shows that idealized influence has a significantly role on organizational growth of Autocare SMEs.

Table 4.18: *Coefficients for the Role of Idealized Influence on Organizational Growth*

|                     | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig.  |
|---------------------|-----------------------------|------------|---------------------------|--------|-------|
|                     | B                           | Std. Error | Beta                      |        |       |
| (Constant)          | -0.575                      | 0.138      |                           | -4.172 | 0.000 |
| Idealized Influence | 1.123                       | 0.037      | 0.965                     | 30.277 | 0.000 |

When the idealized influence is held constant, organizational growth will be -0.575. At the same time, an increase in idealized influence by one unit would lead to a positive organizational growth of autocare SMEs by 1.123 units with a p-Value of 0.000 < 0.05. Thus, as idealized influence is enhanced by autocare SMEs in Roysambu Sub-County, these organizations are likely to experience more growth in tandem. The model  $Y = \beta_0 + \beta_1 X_1 + e$  can therefore be estimated as:

$$Y = -0.575 + 1.123X_1$$

Where:

Y is the organizational growth, and

$X_1$  represents the idealized influence.

### Influence of Individualized Consideration on Organizational Growth

The second objective of this study was to determine the influence of individualized consideration on organizational growth of autocare SMEs in Roysambu Sub County, Kenya. This was achieved by generating inferential statistics which included the coefficient of determination (R-Square), analysis of variance (ANOVA) and regression coefficients.

Table 4.19: *R-Square for the Influence of Individualized Consideration on Organizational Growth*

| R                 | R-Square | Adjusted R-Square | Std. Error of the Estimate |
|-------------------|----------|-------------------|----------------------------|
| .961 <sup>a</sup> | 0.923    | 0.922             | 0.359                      |

Results show a strong R-Square (0.923) with the standard error of estimate being 0.359. This implies that the model on the relationship between individualized consideration on organizational growth was suitable since individualized consideration explain variation in the organizational growth of autocare SMEs in Roysambu Sub County, Kenya up to 92.2%.

Table 4.20: *ANOVA for the Influence of Individualized Consideration on Organizational Growth*

|            | Sum of Squares | df | Mean Square | F       | Sig.              |
|------------|----------------|----|-------------|---------|-------------------|
| Regression | 104.367        | 1  | 104.367     | 811.887 | .000 <sup>b</sup> |
| Residual   | 8.741          | 68 | 0.129       |         |                   |
| Total      | 113.108        | 69 |             |         |                   |

From the results, F-Calculated (1, 68) = 811.887 and this was greater than F-Critical (1, 68) = 3.982 at 5% significant level (2-tailed test). P-Value = 0.000 < 0.05 was also significant. This shows that individualized consideration has a significantly influence on organizational growth of autocare SMEs.

Table 4.21: *Coefficients for the Influence of Individualized Consideration on Organizational Growth*

|                              | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig.  |
|------------------------------|-----------------------------|------------|---------------------------|--------|-------|
|                              | B                           | Std. Error | Beta                      |        |       |
| (Constant)                   | -0.807                      | 0.154      |                           | -5.231 | 0.000 |
| Individualized Consideration | 1.125                       | 0.039      | 0.961                     | 28.494 | 0.000 |

When the individualized consideration is held constant, organizational growth will be -0.807. At the same time, an increase in individualized consideration by one unit would lead to an organizational growth (positive) of autocare SMEs by 1.125 units with a p-Value of  $0.000 < 0.05$ . Thus, as individualized consideration is enhanced by Autocare SMEs in Roysambu Sub-County, these organizations will experience more growth. The model  $Y = \beta_0 + \beta_2 X_2 + e$  can therefore be estimated as:

$$Y = -0.807 + 1.125X_2$$

Where:

Y is the organizational growth,

$X_2$  is the individual consideration.

The results are consistent with expectations for a transformational leader who are concerned with their followers. In the context of SMEs, individual consideration is important because transformational leaders are expected to be focused on the common good of their employees; they show empathy and concern for individuals (Avolio & Yammarino, 2002). This implies that when we have transformational leaders in organizations, they will show empathy, concerns, value and support to their employees. When people know they are valued, this raises their self-esteem. Employees with high self-efficacy they perform their duties well and actualize their work performance (Avolio & Bass, 1993; McShane & Glinow, 2018) which translates to organizational growth.

### Influence of Inspirational Motivation on Organizational Growth

The third objective of this study was to determine the influence of inspirational motivation on organizational growth of autocare SMEs in Roysambu Sub County, Kenya. This was achieved by generating inferential statistics which included the coefficient of determination (R-Square), analysis of variance (ANOVA) and regression coefficients.

Table 4.22: *R-Square for the Influence of Inspirational Motivation on Organizational Growth*

| R                 | R-Square | Adjusted R-Square | Std. Error of the Estimate |
|-------------------|----------|-------------------|----------------------------|
| .951 <sup>a</sup> | 0.904    | 0.902             | 0.400                      |

Results show a strong R-Square (0.904) with the standard error of estimate being 0.400. This implies that the model on the relationship between inspirational motivation on organizational growth was suitable since inspirational motivation explain variation in the organizational growth of autocare SMEs in Roysambu Sub County, Kenya up to 90.4%.

Table 4.23: *ANOVA for the Influence of Inspirational Motivation on Organizational Growth*

|            | Sum of Squares | df | Mean Square | F       | Sig.              |
|------------|----------------|----|-------------|---------|-------------------|
| Regression | 102.214        | 1  | 102.214     | 638.008 | .000 <sup>b</sup> |
| Residual   | 10.894         | 68 | 0.160       |         |                   |
| Total      | 113.108        | 69 |             |         |                   |

From the results, F-Calculated (1, 68) = 638.008 and this was greater than F-Critical (1, 68) = 3.982 at 5% significant level (2-tailed test). P-Value = 0.000 < 0.05 was also significant. This shows that inspirational motivation has a significantly influence on organizational growth of autocare SMEs.

Table 4.24: *Coefficients for the Influence of Inspirational Motivation on Organizational Growth*

|                          | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig.  |
|--------------------------|-----------------------------|------------|---------------------------|--------|-------|
|                          | B                           | Std. Error | Beta                      |        |       |
| (Constant)               | -0.881                      | 0.177      |                           | -4.985 | 0.000 |
| Inspirational Motivation | 1.096                       | 0.043      | 0.951                     | 25.259 | 0.000 |

When the inspirational motivation is held constant, organizational growth will be -0.881. At the same time, an increase in inspirational motivation by one unit would lead to a positive organizational growth of autocare SMEs by 1.096 units with a p-Value of  $0.000 < 0.05$ . Thus, as inspirational motivation is enhanced by autocare SMEs in Roysambu Sub-County, these organizations will experience more growth. The model  $Y = \beta_0 + \beta_3 X_3 + e$  can therefore be estimated as:

$$Y = -0.881 + 1.096X_3$$

Where:

Y is the organizational growth,

$X_3$  is the inspirational motivation.

For any organization to register a positive growth, this study has indicated that their leaders employing inspirational motivation sets a high bar for employee performance but also offer plenty of training, recognition and support to achieve those goals (McShane & Glinow, 2018). They also engage their employees and involve them in their decision making. This motivates them and makes them develop a sense of belonging in the organization. Motivated employees are always willing to work an extra mile while at the same time aligning with the organizational goal. Inspirational leaders inspire and motivate their employees to stick to the vision and to the organizational objectives in spite or despite of all challenges. They value their employees and appreciate each and every contribution they make in the organization. With this in perspective employees will be willing to reciprocate; work an extra mile having known that their transformational leaders have their best interest at heart.

### Influence of Intellectual Stimulation on Organizational Growth

The fourth objective for this study was to determine the influence of intellectual stimulation on organizational growth of autocare SMEs in Roysambu Sub County, Kenya. This was achieved by generating inferential statistics which included the coefficient of determination (R-Square), analysis of variance (ANOVA) and regression coefficients.

Table 4.25: *R-Square for the Influence of Intellectual Stimulation on Organizational Growth*

| R                 | R-Square | Adjusted R-Square | Std. Error of the Estimate |
|-------------------|----------|-------------------|----------------------------|
| .990 <sup>a</sup> | 0.980    | 0.980             | 0.182                      |

Results show a strong R-Square (0.980) with the standard error of estimate being 0.182. This implies that the model on the relationship between intellectual stimulation on organizational growth was suitable since intellectual stimulation explain variation in the organizational growth of autocare SMEs in Roysambu Sub County, Kenya up to 98.0%.

Table 4.26: *ANOVA for the Influence of Intellectual Stimulation on Organizational Growth*

|            | Sum of Squares | df | Mean Square | F        | Sig.              |
|------------|----------------|----|-------------|----------|-------------------|
| Regression | 110.868        | 1  | 110.868     | 3365.280 | .000 <sup>b</sup> |
| Residual   | 2.240          | 68 | 0.033       |          |                   |
| Total      | 113.108        | 69 |             |          |                   |

From the results, F-Calculated (1, 68) = 3365.280 and this was greater than F-Critical (1, 68) = 3.982 at 5% significant level (2-tailed test). P-Value = 0.000 < 0.05 was also significant. This shows that intellectual stimulation has a significantly influence on organizational growth of Autocare SMEs.

Table 4.27: *Coefficients for the Influence of Intellectual Stimulation on Organizational Growth*

|                          | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig.  |
|--------------------------|-----------------------------|------------|---------------------------|--------|-------|
|                          | B                           | Std. Error | Beta                      |        |       |
| (Constant)               | -0.292                      | 0.067      |                           | -4.327 | 0.000 |
| Intellectual Stimulation | 1.072                       | 0.018      | 0.990                     | 58.011 | 0.000 |

When intellectual stimulation is held constant, organizational growth will be -0.292. At the same time, an increase in intellectual stimulation by one unit would lead to positive organizational growth of autocare SMEs by 1.072 units with a p-Value of  $0.000 < 0.05$ . Thus, as intellectual stimulation is enhanced by autocare SMEs in Roysambu Sub-County, these organizations are likely to experience more growth in tandem. The model  $Y = \beta_0 + \beta_4 X_4 + e$  can therefore be estimated as:

$$Y = -0.292 + 1.072X_4$$

Where:

Y is the organizational growth,

$X_4$  is intellectual stimulation.

The results in this study only affirm that transformational leaders in any organizations including SMEs should take the leadership role in making their subjects become innovative, train and teach them how to develop and raise their working performance (Bass, 1985). When employees become innovative and creative, they not only add value to themselves but also make organization to grow as they develop new products and diversify organization's market. With time, these translate to higher sales and revenue which enhances organizational growth. In consideration of the above discussion, intellectual stimulation aspect of a leader cannot be underestimated in every business aspiring growth. It is worth noting that this

component is anchored on collaboration, innovation and supportiveness. Thus, it's a key element which leads to organizational growth.

#### Combined effects of the 4Is on Organizational Growth

The fifth and last objective for this study was to determine the combined effects of individualized consideration, intellectual stimulation, idealized influence and inspirational motivation on organizational growth of the autocare SMEs in Roysambu Sub County. In order to generate inferential statistics, responses were aggregated across all the four independent variables that were used to define transformational leadership in the current study. Inferential statistics which included the coefficient of determination (R-Square), analysis of variance (ANOVA) and regression coefficients were then computed.

Table 4.28: *R-Square for the influence of the 4Is on Organizational Growth*

| R                 | R-Square | Adjusted R-Square | Std. Error of the Estimate |
|-------------------|----------|-------------------|----------------------------|
| .992 <sup>a</sup> | 0.984    | 0.983             | 0.168                      |

Results show a strong R-Square (0.984) with the standard error of estimate being 0.168. This implies that the model on the relationship between the independent variables (individualized consideration, intellectual stimulation, idealized influence and inspirational motivation) on organizational growth was suitable since the variables do explain variation in the organizational growth of autocare SMEs in Roysambu Sub County, Kenya up to 98.4%.

Table 4.29: *ANOVA for the influence of the 4Is on Organizational Growth*

|            | Sum of Squares | Df | Mean Square | F       | Sig.              |
|------------|----------------|----|-------------|---------|-------------------|
| Regression | 111.272        | 4  | 27.818      | 984.416 | .000 <sup>b</sup> |
| Residual   | 1.837          | 65 | 0.028       |         |                   |
| Total      | 113.108        | 69 |             |         |                   |

a. Dependent Variable – Organizational growth

- b. Predictors: constant – idealized influence, inspirational motivation, individualized consideration and intellectual stimulation

From the results, F-Calculated (1, 68) =984.416 and this was greater than F-Critical (4, 65) = 2.513 at 5% significant level (2-tailed test). P-Value = 0.000 < 0.05 was also significant. This shows that individualized consideration, intellectual stimulation, idealized influence and inspirational motivation has a significantly role on organizational growth of autocare SMEs.

Table 4.30: *Coefficients Summary*

| Model                    | Unstandardized Coefficients |            | Standardized Coefficients |        |       |
|--------------------------|-----------------------------|------------|---------------------------|--------|-------|
|                          | B                           | Std. Error | Beta                      | T      | Sig.  |
| (Constant)               | -0.171                      | 0.085      |                           | -2.027 | 0.047 |
| Idealized Influence      | -0.434                      | 0.132      | -0.373                    | -3.286 | 0.002 |
| Individual Consideration | 0.302                       | 0.186      | 0.258                     | 1.621  | 0.110 |
| Inspirational Motivation | -0.186                      | 0.155      | -0.161                    | -1.202 | 0.234 |
| Intellectual Stimulation | 1.366                       | 0.099      | 1.262                     | 13.828 | 0.000 |

a. Dependent Variable: Organizational Growth

From the findings, when all the components of leadership practices are held constant, organizational growth will be -0.171 units. When idealized influence, individual consideration, inspirational motivation, and intellectual stimulation are separately are individually increased by one-unit, organizational growth will change by -0.434, 0.302, -0.186, and 1.366 respectively. Additionally, the influence of both idealized influence (p-Value=0.002) and intellectual stimulation (p-Value=0.000) are significant while individual consideration (p-Value=0.110>0.05), and inspirational motivation (p-Value=0.234>0.05) have insignificant influence when all the predictors are combined.

Thus, the role of idealized influence in organizational growth of Autocare SMEs in Roysambu Sub County is significant but negative when combined with other variables.

Contrarily, individual consideration has a positive but insignificant composite effect on organizational growth. Inspirational motivation was found to have both negative and insignificant composite effect with intellectual stimulation registering both positive and significant role. Given that all the predictors were found to be having a positive and significant role at their respective bivariate level, their reversed effect could be explained by the fact that presence of one variable could affect the magnitude of the role played by the other variable in affecting organizational growth at multivariate/composite level. These relationships can be summarized by the following equation:

$$Y = -0.171 - 0.434 X_1 + 0.302 X_2 - 0.186 X_3 + 1.366 X_4$$

Where:

Y is the organizational growth,

X<sub>1</sub>, X<sub>2</sub>, X<sub>3</sub>, and X<sub>4</sub> are idealized influence, individual consideration, inspirational motivation, and intellectual stimulation respectively.

#### Chapter Summary

The results presented in this chapter were derived from descriptive analysis and the inferential statistics using the regression analysis. The results showed unique contribution of independent variable on the dependent variable. The standardized coefficients assess the contribution of independent variable towards the prediction of the dependent variable, since they have been converted in the same scale to show comparison. The results indicated that idealized influence, inspirational motivation, individualized consideration and intellectual stimulation have positive relationship on organizational growth.

## CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

### Introduction

In this chapter, the findings of the study are summarized and conclusions are drawn from the summary. The purpose of the study was to establish the influence of transformational leadership on organizational growth of SMEs providing autocare services in Roysambu Sub County in Kenya. Resulting from data analysis and presentation, some significant conclusions were drawn. The conclusions enabled the researcher to put across a number of key recommendations. The summary, conclusions and recommendations are in line with both the study variables and objectives of the study.

### Summary of the Findings

The researcher summarized the results in the order of study objectives. The aim of summarizing was to enable the researcher to come up with key findings from which conclusions would be drawn.

Specific Objective 1: To determine the role of idealized influence on organizational growth of autocare SMEs in Roysambu Sub County, Kenya.

Results showed a strong R-Square (0.931) which implies that the model on the relationship between idealized influences on organizational growth was suitable since idealized influence explain variation in the organizational growth of autocare SMEs in Roysambu Sub County, Kenya up to 93.1%. F-Calculated (1, 68) = 916.708 at 5% significant level (2-tailed test) shows that idealized influence has a significantly role on organizational growth of autocare SMEs.

Specific objective 2: To determine the influence of individualized consideration on organizational growth of autocare SMEs in Roysambu Sub County, Kenya.

This was achieved by generating inferential statistics which included the coefficient of determination (R-Square), analysis of variance (ANOVA) and regression coefficients. Results show a strong R-Square (0.923) with the standard error of estimate being 0.359. F-Calculated (1, 68) = 811.887 and this was greater than F-Critical (1, 68) = 3.982 at 5% significant level (2-tailed test). P-Value = 0.000 < 0.05 was also significant. The results concur with the study by Atwater and Yammarino (1989) which used the MLQ measure of effectiveness and noted that idealized influence correlates strongly and positively with effectiveness in a military.

When the individualized consideration is held constant, organizational growth will be -0.807. At the same time, an increase in individualized consideration by one unit would lead to an organizational growth (positive) of Autocare SMEs by 1.125 units with a p-Value of 0.000 < 0.05. Thus, as individualized consideration is enhanced by Autocare SMEs in Roysambu Sub-County, these organizations will experience more growth. The result agrees with prior theories as cited by Bass, B. M., and Riggio, E. (2006) among others.

Specific objective 3: To determine the influence of inspirational motivation on organizational growth of autocare SMEs in Roysambu Sub County, Kenya.

Results show a strong R-Square (0.904) with the standard error of estimate being 0.400. From the results, F-Calculated (1, 68) = 638.008 and this was greater than F-Critical (1, 68) = 3.982 at 5% significant level (2-tailed test). P-Value = 0.000 < 0.05 was also significant. Bass and Avolio (1989) had similar report that inspirational motivation has a positive connection with organizational performance. When the inspirational motivation is held constant, organizational growth will be -0.881. At the same time, an increase in inspirational motivation by one unit would lead to an organizational growth (positive) of Autocare SMEs by 1.096 units with a p-Value of 0.000 < 0.05. Thus, as inspirational

motivation is enhanced by Autocare SMEs in Roysambu Sub-County, these organizations will experience more growth.

Specific objective 4: To determine the influence of intellectual stimulation on organizational growth of autocare SMEs in Roysambu Sub County, Kenya.

Results show a strong R-Square (0.980) with the standard error of estimate being 0.182. From the results, F-Calculated (1, 68) = 3365.280 and this was greater than F-Critical (1,68) = 3.982 at 5% significant level (2-tailed test). P-Value = 0.000 < 0.05 was also significant. Prior studies have shown that intellectual stimulation correlates positively and strongly with effectiveness in a sample of resident assistants rating hall directors (Komives, 1991), while Spangler and Braiotta (1990) found a positive relationship between the leadership style of board audit committee chairmen and organizational effectiveness. When intellectual stimulation is held constant, organizational growth will be -0.292. At the same time, an increase in intellectual stimulation by one unit would lead to organizational growth (positive) of Autocare SMEs by 1.072 units with a p-Value of 0.000 < 0.05. Thus, as intellectual stimulation is enhanced by Autocare SMEs in Roysambu Sub-County, these organizations are likely to experience more growth in tandem.

Specific Objective 5: To determine the combined effects of individualized consideration, intellectual stimulation, idealized influence and inspirational motivation on organizational growth of the SMEs dealing with Autocare in Roysambu Sub County in Kenya.

Results show a strong R-Square (0.984) with the standard error of estimate being 0.168. From the results, F-Calculated (1, 68) = 984.416 and this was greater than F-Critical (4, 65) = 2.513 at 5% significant level (2-tailed test). P-Value = 0.000 < 0.05 was also significant. When all the components of leadership practices are held constant, organizational

growth will be -0.171 units. When idealized influence, individual consideration, inspirational motivation, and intellectual stimulation are separately they individually increased by one-unit, organizational growth will change by -0.434, 0.302, -0.186, and 1.366 respectively. Additionally, the influence of both idealized influence (p-Value=0.002) and intellectual stimulation (p-Value=0.000) are significant while individual consideration (p-Value=0.110>0.05), and inspirational motivation (p-Value=0.234>0.05) have slight influence when all the predictors are combined. The research corresponds with other research findings that had generally reported significant similar relationships between the transformational leadership dimensions of idealized influence, inspirational motivation, individualized consideration, and intellectual stimulation (Barine & Minja, 2014).

### Conclusions

All the dimensions of transformational leadership (idealized influence, individualized consideration, inspiration motivation, and intellectual stimulation) had a positive and statistically significant influence on organizational growth. As idealized influence is enhanced by autocare SMEs in Roysambu Sub-County, these organizations are likely to experience more growth in tandem. The role of idealized influence in organizational growth of autocare SMEs in Roysambu Sub County is significant. On the same note, individual consideration has a positive composite effect on organizational growth. Inspirational motivation was found to have significant composite effect with intellectual stimulation registering both positive and significant role. Given that all the predictors were found to be having a positive and significant influence at their respective bivariate level, their reversed effect could be explained by the fact that presence of one variable could affect the magnitude of the role played by the other variable in affecting organizational growth at multivariate/composite level.

## Recommendations

The study recommended that leadership and management in the autocare SMEs in Roysambu Sub County in Nairobi - Kenya should embrace and promote transformational leadership construct to enhance their organizational growth. Regarding idealized influence and organizational growth, the study found that there is need to put more efforts in gaining employee trust, confidence and respect. On inspirational motivation, it was established that leaders should support employees in order to transform their vision to practicalities and motivate them as they enhance their confidence and performance. In regards to intellectual stimulation, the study noted that leadership and management should value employees, build their esteem and involve them in decision making. They should also encourage them to come up with new ways of accomplishing tasks as they embrace creativity and innovation. Concerning individual consideration, leaders should listen, develop, and coach their employees. The enhancement of these attributes would undoubtedly improve employee performance and eventually translate to organizational growth.

Finally, the researcher recommended that the transformational leadership dimensions (idealized influence, inspirational motivation, individualized consideration and intellectual stimulation) to be enshrined in organizations in order to reap the mass benefits and achieve strategic objectives of organizational growth.

## Contribution and Implication of the Research

Transformational leadership theory is anchored on the 4Is which is the subject matter in this study and they are of significance to every organization (Avolio, 2016). It follows, therefore, that the study is potentially beneficial to the autocare SMEs in Roysambu Sub County, Kenya. This also would help and add into the pool of literature as far as leadership, and in particular transformational leadership is concerned and how this can enhance

organizational growth across the board. In addition, the study can be replicated and benefit other organizations with similar structures. Other beneficiaries of the study are organizational leaders, managers, and individuals interested in reaping the massive benefits of transformational leadership (Avolio, 2018). Furthermore, the study adds to the body of knowledge by extending transformational leadership discourse into the autocare SME space.

#### Suggestion for Further Study

Further research should be carried out on different research methodologies, contextualized and conceptualized differently. Such research could focus on how transformational leadership influences overall performance and strengthen organizational culture, or probably the transformational leadership as an agent of change in contemporary business. Further studies can also be done on comparative analysis of the organizational growth between SMEs and large business enterprises in relation to transformational leadership. This could be in terms of their working modalities, their man power, employee autonomy and specializations among others. Further research can also be done focusing on the entire SMEs sector and not just in autocare SMEs in Roysambu Sub County in Kenya as this would enhance generalization of the findings. This would add into the pool of literature as far as transformational leadership is concerned and organizational growth across the board.

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## Appendix I: Questionnaire

### Introduction

The purpose of this questionnaire is to collect data on the influence of transformational leadership on organizational performance of SMEs providing autocare services in Roysambu Sub County, Kenya. The information and responses you provide will only be used for academic purpose and shall be treated as confidential. Kindly answer the following questions honestly and accurately by ticking on your choice.

#### Section A: General Information

1. Gender

Male ☐

Female ☐

2. Age

<18 - 30 years ☐

31- 40 years ☐

41- 50 years ☐

Above 50 years ☐

3. Highest Level of Education

Secondary Education ☐

Tertiary Education ☐

University Level ☐

4. How long have you worked for this SMEs?

< 1 years ☐

1-3 years ☐

3 - 5 years ☐

>5 year ☐

For the following questions/declaration in Sections B (i, ii, iii, iv - ix) use the Likert Scale options of Strongly Agree (SA), Agree (A), Neutral (N), Disagree (D) and Strongly Disagree (SD). Please tick (✓) on the box that corresponds to your answer

## Section B: Transformational Leadership

### I. Idealized Influence

| Declaration                                                                                                                 | SA<br>(5) | A<br>(4) | N<br>(3) | D<br>(2) | SD<br>(1) |
|-----------------------------------------------------------------------------------------------------------------------------|-----------|----------|----------|----------|-----------|
| They embrace integrity – they are morally upright and they walk the talk.                                                   |           |          |          |          |           |
| They identify the importance of having close relationship with their employees as they work together.                       |           |          |          |          |           |
| They share and model very important values and beliefs in the organizations.                                                |           |          |          |          |           |
| They are accountable to their actions. They go beyond self-interest for the good of their employees as they listen to them. |           |          |          |          |           |
| They impart pride in their organizations and their employees are proud to associate with them.                              |           |          |          |          |           |
| They behave in ways that attract respect and offer ample trust to their employees.                                          |           |          |          |          |           |

## II. Individualized Consideration

| Declaration                                                                                                                | SA<br>(5) | A<br>(4) | N<br>(3) | D<br>(2) | SD<br>(1) |
|----------------------------------------------------------------------------------------------------------------------------|-----------|----------|----------|----------|-----------|
| They consider individual employee's needs and talents as they help them to develop.                                        |           |          |          |          |           |
| They value, consider the moral and ethical results of decisions made by employees.                                         |           |          |          |          |           |
| They encourage individuals in their organization to identify their talents and help them to develop the same as they work. |           |          |          |          |           |
| They identify, nurture and utilize employees' abilities.                                                                   |           |          |          |          |           |
| Individual consideration is extensively practiced in the organization.                                                     |           |          |          |          |           |
| They treat each employee in their organization as an individual not just as members of the group.                          |           |          |          |          |           |
| They spend time mentoring and coaching employees in the organization.                                                      |           |          |          |          |           |

### III. Inspirational Motivation

| Declaration                                                                                                               | SA<br>(5) | A<br>(4) | N<br>(3) | D<br>(2) | SD<br>(1) |
|---------------------------------------------------------------------------------------------------------------------------|-----------|----------|----------|----------|-----------|
| They show confidence that goals can be accomplished and stir each other for involvement                                   |           |          |          |          |           |
| They effectively communicate with the employees and effectively listen to their contribution and needs.                   |           |          |          |          |           |
| They inspire and motivate their employees to do their very best.                                                          |           |          |          |          |           |
| They articulate a convincing vision of the organization and assist employees to plug in.                                  |           |          |          |          |           |
| They emphasis on the significance of having a cooperate mission and inspire the employees to participate in achieving it. |           |          |          |          |           |
| They inspires employees and in so doing they instill values and encouragement.                                            |           |          |          |          |           |

#### IV. Intellectual Stimulation

| Declaration                                                                                                                          | SA<br>(5) | A<br>(4) | N<br>(3) | D<br>(2) | SD<br>(1) |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------|----------|----------|----------|-----------|
| They value their employees, build their esteem and involve them in decision making.                                                  |           |          |          |          |           |
| They encourage the employees to come up with new ways of accomplishing tasks.                                                        |           |          |          |          |           |
| They look for different opinions when solving problems and embrace creativity.                                                       |           |          |          |          |           |
| They apply their intellectual stimulation which have reduced cost of production thus leading to increased organizational performance |           |          |          |          |           |
| They emphasize on application of new skills and embrace creative ideologies.                                                         |           |          |          |          |           |
| They work well with the employees by inspiring them to be innovative.                                                                |           |          |          |          |           |

V. Combined effect of idealized influence, individualized consideration, inspirational motivation and intellectual stimulation

| Declaration                                                                                                                                                               | SA<br>(5) | A<br>(4) | N<br>(3) | D<br>(2) | SD<br>(1) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------|----------|----------|-----------|
| The above four aspects bring about organizational growth as employees performance improve.                                                                                |           |          |          |          |           |
| Organization emphasis on the significance of having a cooperate mission and inspire the employees to participate in achieving it.                                         |           |          |          |          |           |
| Organization value their employees, build their esteem and involve them in decision making.                                                                               |           |          |          |          |           |
| Organization influence the principles of their organizational culture, model their vision and inspire workers towards the organizational strategic objectives and growth. |           |          |          |          |           |
| They encourage employees to come up with new ways of accomplishing tasks.                                                                                                 |           |          |          |          |           |
| They apply their intellectual stimulation which have reduced cost of production thus leading to increased organizational performance                                      |           |          |          |          |           |
| Organization inspires employees and in so doing they instill values and encouragement.                                                                                    |           |          |          |          |           |
| When the four dimensions are combined they have a lot to offer as they have unifying factors which attributes to overall organizational growth.                           |           |          |          |          |           |

## Organizational Growth

### VI. Open System

| Declaration                                                                                                          | SA<br>(5) | A<br>(4) | N<br>(3) | D<br>(2) | SD<br>(1) |
|----------------------------------------------------------------------------------------------------------------------|-----------|----------|----------|----------|-----------|
| Enhanced organizational growth within the SMEs is as a result of open system.                                        |           |          |          |          |           |
| Open system is an indicator of enhanced organizational growth of autocare SMEs in Roysambu.                          |           |          |          |          |           |
| They engage with their customers to know how they can serve them best by satisfying their wants and needs.           |           |          |          |          |           |
| Organizations are able to adapt and influence their environment through their activities which enhance their growth. |           |          |          |          |           |
| Autocares SMEs in Roysambu rely on their external environment for their resources including employees.               |           |          |          |          |           |

## VII. High-Performance Work Practices

| Declaration                                                                                                                                                | SA<br>(5) | A<br>(4) | N<br>(3) | D<br>(2) | SD<br>(1) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------|----------|----------|-----------|
| Improved employee performance which translates to organizational growth is as a result of high performance work practices.                                 |           |          |          |          |           |
| Employees working together and exchanging their work experiences have increased organizational growth of autocare SMEs in Roysambu Sub County.             |           |          |          |          |           |
| Autocare SMEs in Roysambu Sub County involve their employees in their decision making and encourage job autonomy.                                          |           |          |          |          |           |
| High performance work practices in autocare SMEs in Roysambu Sub County enhances organizational growth by developing and strengthening workers motivation. |           |          |          |          |           |

VIII. Organizational learning

| Declaration                                                                                                                     | SA<br>(5) | A<br>(4) | N<br>(3) | D<br>(2) | SD<br>(1) |
|---------------------------------------------------------------------------------------------------------------------------------|-----------|----------|----------|----------|-----------|
| Organization learning and creativity within the autocare SMEs signifies growth in organizations.                                |           |          |          |          |           |
| Autocare SMEs in Roysambu Sub County find ways to get, share, use and store information for the benefit of their organizations. |           |          |          |          |           |
| Organizations have ability and capacity to learn and understand the importance of the information they acquire.                 |           |          |          |          |           |
| Autocare SMEs in Roysambu Sub County inspire their employees to learn new ways of doing their jobs and encourage job autonomy.  |           |          |          |          |           |

IX. Stakeholder

| Declaration                                                                                                                                             | SA<br>(5) | A<br>(4) | N<br>(3) | D<br>(2) | SD<br>(1) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------|----------|----------|-----------|
| Stakeholders' satisfaction is an indicator of Improved organizational growth.                                                                           |           |          |          |          |           |
| Employees holds on and values organization culture which is anchored and encouraged by the stakeholders.                                                |           |          |          |          |           |
| Autocare SMEs in Roysambu Sub County recognizes and upholds needs of their stakeholders which leads to work cohesion and growth of their organizations. |           |          |          |          |           |

*Thank you for your cooperation in answering the questions.*

Appendix II: Letter of Introduction

Lydia Maimba,

C/O Pan Africa Christian University,

P.O Box 56875 – 00200,

Kenya - Kenya.

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

RE: REQUEST FOR RESEARCH INFORMATION

I am a student of Pan Africa Christian University (PACU) studying Masters of Arts in Leadership. I am undertaking a study on the Transformational Leadership and Organizational Performance of autocare SMEs in Roysambu Sub County. I am seeking your assistance in obtaining data related to this study by filling the attached research questionnaire.

Kindly be assured that the information you provide will be held in confidence and only used for the purpose of this study.

Thank you in advance.

Yours faithfully,

Lydia Maimba

Tel: +254 510 494

25<sup>TH</sup> April 2022

**TO WHOM IT MAY CONCERN**

Dear Sir/Madam,



P.O. Box 56875 - 00200  
Nairobi, Kenya  
Lumumba Drive, Roysambu  
off Kamiti Rd, off Thika Rd  
Tel: 0734 400694/0721 932050  
Email: [enquiries@pacuniversity.ac.ke](mailto:enquiries@pacuniversity.ac.ke)  
website: [www.pacuniversity.ac.ke](http://www.pacuniversity.ac.ke)

**RE: RESEARCH AUTHORIZATION & ETHICS CLEARANCE LETTER FOR MAIMBA  
LYDIAH NJERI REG. NO: MALD/15350/0/19**

Greetings! This is an introduction letter for the above named person a final year student at Pan Africa Christian University (PAC University), pursuing Master of Arts in Leadership.

She is at the final stage of the programme and she is preparing to collect data to enable her finalize the thesis. The thesis title is ***"Transformational Leadership and Organizational Growth: Case of Small and Medium Enterprises dealing with autocare in Roysambu Subcounty- Kenya"***

We kindly request that you allow her obtain a research permit so as to proceed and collect data to inform her research amongst Small and Medium Enterprises dealing with autocare in Roysambu Subcounty- Kenya.

Warm Regards,

PAN AFRICA CHRISTIAN UNIVERSITY  
**REGISTRAR**  
P.O. Box 56875 - 00200.  
TEL: 0721.932050 0734 400694  
NAIROBI.KENYA

Dr. Lilian Vikiru  
Registrar Academic Affairs  
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## Appendix IV: Research Permit

|                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                |
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| <br>REPUBLIC OF KENYA                                                                                                                                                                                                                                          | <br><b>NATIONAL COMMISSION FOR<br/>SCIENCE, TECHNOLOGY &amp; INNOVATION</b> |
| RefNo: 942216                                                                                                                                                                                                                                                                                                                                   | Date of Issue: 04/May/2022                                                                                                                                     |
| <b>RESEARCH LICENSE</b>                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                |
|                                                                                                                                                                                                                                                                |                                                                                                                                                                |
| <b>This is to Certify that Ms. LYDIAH NJERI Maimba of Pan Africa Christian University, has been licensed to conduct research in Nairobi on the topic: TRANSFORMATIONAL LEADERSHIP AND ORGANIZATIONAL GROWTH: CASE OF SMALL &amp; MEDIUM ENTERPRISES DEALING WITH AUTOCARE IN ROYSAMBU SUBCOUNTY- KENYA for the period ending : 04/May/2023.</b> |                                                                                                                                                                |
| License No: NACOSTI/P/22/17183                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                |
| 942216                                                                                                                                                                                                                                                                                                                                          |                                                                           |
| Applicant Identification Number                                                                                                                                                                                                                                                                                                                 | Director General<br><b>NATIONAL COMMISSION FOR<br/>SCIENCE, TECHNOLOGY &amp;<br/>INNOVATION</b>                                                                |
|                                                                                                                                                                                                                                                                                                                                                 | Verification QR Code                                                                                                                                           |
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