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INFLUENCE OF STRATEGIC LEADERSHIP PRACTICES ON THE PERFORMANCE OF COMMERCIAL BANKS LISTED IN NSE, KENYA

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ABSTRACT

The main intention was to study the influence of strategic leadership practices on the performance of commercial banks listed in Nairobi Securities Exchange, Kenya. In particular, the study focuses on the extent to which communication influence organization performance and the extent to which control influence organization performance of commercial banks listed in Nairobi Securities Exchange, Kenya. Data was collected using questionnaires and a descriptive research design guided this study. The target population of the study was all the12 Commercial Banks listed in Nairobi Securities Exchange, Kenya out of the 38 Commercial Banks in Kenya. The respondents comprised of 178 top and middle level management employees arrived at using stratified and purposive sampling. Since the target population was small the study adopted the census technique. Central tendency was measured using standard deviation and mean, inferential statistics that was used in the analysis include regression and correlation analysis. The study found significant evidence that strategic leadership practices to some extent influence performance of Commercial Banks listed in Nairobi Securities Exchange, Kenya. The study found strong positive correlation ($R = 0.828$) between strategic leadership practices (control and communication) with performance of Commercial Banks listed in Nairobi Securities Exchange, Kenya. The correlation determination ($R^2 = 0.867$) indicated that strategic leadership practices jointly accounted for 86.7% of the performance of Commercial Banks listed in Nairobi Securities Exchange, Kenya. From the findings the study concludes that strategic leadership (control and communication) have significant positive correlation with performance of Commercial Banks listed in Nairobi Securities Exchange, Kenya.

Key Words: Strategic leadership practices, Communication, Control, Organization performance, Commercial banks

Background of the study

Universally, any management of change will be attained when there is the implementation of strategic management practices. The study identifies the practice of strategic leadership as one of these practices, which involves motivating followers to work together towards a common objective (Sabooe, 2018). Successful implementation of strategies requires leaders to possess qualities such as strength without rudeness, humility without shyness, and humor without stupidity. Additionally, strategy can be defined as the selection of processes and allocation of resources necessary to achieve long-term objectives (Elkhdr, 2019).

Leadership continues to be made up of pervasive processes that involves the duty delegation, responsibility, and power to guide followers towards individual and organizational objectives, Aij and Teunissen (2018). Different leadership styles exist, each serving as a means for leaders to inspire, direct, and execute ideas. Management styles vary among leaders and are not one-size-fits-all, with a combination of styles proving to be more effective. Chen, Zheng, Yang, and Bai (2017) explain that there is no single optimal leadership style.

Modern organizations worldwide recognize strategic change leadership as an administrative structure that hinders effective strategy execution in firms. In fact, strategic change leadership is now regarded as a critical driver of strategy implementation in businesses (Barend, 2016). The process of identifying, developing, and applying organizational leadership has significantly impacted institutional performance in the business world (Redmond, 2016).

Irtaimeh (2018) research findings found strategic leadership capabilities that encompass strategic evaluation capabilities as well as leadership capabilities, significantly influenced core competencies such as team work, empowerment, information consumption, and impact. Mapetere (2018) study demonstrated that the success of strategies in the Zimbabwean environment was very low due to inadequate leadership involvements during strategy adoption and the absence of a strategic, clearly communicated mission.

Statement of the Problem

The emerging trends and the dynamic conditions of the financial sector make it imperative for commercial banks to consider developing mechanisms for competition in order to enhance the ability to survive and succeed in the marketplace (CBK, 2018). The heightened competition in the banking industry in the recent past has been associated with fluctuations of market share and performance among the players. The banking sector in Kenya has in the recent past registered comparatively good performance to the banking sector performance in the EAC member countries from the perspective of most measures of performance. For example, Ernst & Young (2021) notes that the banking assets in Kenya grew in 2020 by 16% which was 3.3 times faster than the GDP growth of 4.9%. This was the fastest growth in the region as Uganda, Tanzania and Rwanda achieved multiples of 2.4 times, 2.0 times and 1.6 times, respectively. Similarly, on measures of return on assets, return on equity, efficiency, and capital adequacy, Kenya ‘s banking sector still performs better than her peers in the region (Ernst & Young, 2021). Whereas the performance could be attributable to regulatory measures that have been put in place since the banking sector ‘s challenging period of 1980s and 1990s, the other contributory factor could be effective implementation of strategy in the individual banks.

Strategic leadership practices in an organization enables the organization to determine corporate strategic direction, managing corporate resource portfolio, ensure efficient way of managing process, places more emphasis on organization ethics and it has adequate organizational controls for smooth running of organization functions. Therefore, strategic leadership is the most critical factors in organization performance. Several studies have been conducted in relation to performance of banks Samaitan (2017) conducted a research on leadership styles and performance of commercial banks in Kenya. The study identified a gap on research specifically on performance but narrowed to return on investment and return on equity, this are concepts of the financial performance that are key in this research. She focused on leadership in commercial banks in Kenya. This research focused on strategic leadership and performance of Equity Bank. Pointing to a contextual and conceptual difference hence a gap in the study is identified.

The absence of strategic leadership among any institution's senior leadership will always act as a significant barrier to successful strategy implementation (Bossidy, Charan, & Burck, 2018). Strategic leadership continues to receive universal recognition as a key enabler of successful strategy implementation (Kaplan & Norton, 2018). Leadership issues have been attributed to low performance among commercial banks registered on the Nairobi Securities Exchange, with industrial executives lacking strategic direction and failing to invest in human capital. Companies that neglect strategic leadership risk losing public trust, which can lead to poor performance or collapse (Karuma, 2019).

Kenyan banks experienced a decline in financial performance between 2015 and 2019, with Returns on Assets (ROA) dropping to 4.51% from 3.84% and Returns on Equity (ROE) moving to 29.4% from 25.6% (CBK, 2020). This unregulated decline prevents commercial banks from performing their primary function of financial intermediation, which can hinder economic growth and overall well-being of the Kenyan populace. According to the study, one factor contributing to this decline in performance was the commercial banks' failure to leverage the advantages of strategic leadership.

Regrettably, some studies have had conflicting outcomes pointing to insufficient information complementing a direct association amongst strategic leadership and business success or the availability of many variables making it challenging to establish a definitive cause-and-effect connection (Knies, Jacobsen & Tummers, 2019). While some studies have found links between specific strategic leadership behaviors and various organizational performance levels, existing empirical research on the connection between performance and strategic leadership has yielded inconsistent results (Fitza, 2018). Moreover, some scholars argue that hastily implemented organizational reforms may have a negative impact on performance (Kim & McIntosh, 2017). In the context of Kenyan commercial banks, Kasuni, Mandere, and Njeru (2022) looked at the effect of strategic leadership on financial performance and found a positive relationship. Similarly, Nyamu (2018) emphasized the significance of strategic leadership on banks' financial performance in Kenya. While the present study focuses on organizational performance in the commercial banks listed in the NSE Kenya, Wanyama and Nyaga (2019) investigated the relationship between strategic leadership and financial performance within the banking industry, using Equity Bank (K) Ltd Head Office as a case study.

The ability of banks trading on the NSE to survive in a highly competitive environment characterized by globalization and rapid growth of non-profit organizations largely depends on their knowledge of strategic leadership and how they impact organizational performance. Therefore, the intention of this paper was to establish how strategic leadership practices influence the performance of the banking sector. Thus, the study concentrated on establishing the influence of strategic leadership practices on the performance of Commercial Banks listed in Nairobi Securities Exchange, Kenya.

Study Objectives

The general objective was to establish the influence of strategic leadership practices on the performance of Commercial Banks listed in Nairobi Securities Exchange, Kenya.

Specific Objectives

1. To evaluate the effect of control on performance of commercial banks listed in Nairobi Securities Exchange.
2. To explore the influence of communication on commercial banks listed in Nairobi Securities Exchange.

LITERATURE REVIEW

Theoretical Literature Review

Performance Monitoring Theory

Performance measurement and monitoring are high on the agenda of managers worldwide and across different industries (Hudson, Smart, & Bourne, 2001; Neely, 1999). In their discussions on the reasons for the performance measurement revolution, (Neely, 1999) identifies increasing competition, different bases for competition and specific improvement initiatives as part of key issues that drive companies to do performance monitoring. He suggests that the key questions facing managers are to identify the determinants of business performance and how to measure them. Business performance has traditionally been measured in financial terms but this has broadened. For example, Greer, Youngblood and Gray (1999) note that firms that subscribe to the balanced scorecard approach to measuring effectiveness look not only at financial measures of success but also customer and employee measures of service quality. Similarly, Hudson et al. (2001) suggest that there are six general dimensions in a strategically aligned performance measurement system, namely quality, time, flexibility, finance, customer satisfaction, and human resources.

The extent to which it is important to monitor performance is not only related to the risks associated with contract failure but also the extent to which the purchasing organization is confident that the contractor is capable of delivering to the required quality standards. The Industry Commission of Australia (1996) suggests that there are two elements of risk associated with competitive tendering and contracting (CTC): First, whether contractors have the capacity to perform to agreed standards and; Second, whether those standards are being attained. Here, the Industry Commission of Australia (1996) states that the two main approaches to minimizing risk are the adoption of quality assurance (QA) strategies, and the development of a performance-monitoring regime. Noe, Hollenbeck, Gerhart, and Wright (2017). Suggest that QA requirements are linked to risk assessments, and that when high levels of risk exist, suppliers should be required to have quality accreditation and systems certification. There is, however, little guidance from the literature about the contracting situations in which such third party certification occurs or when a good performance record and/or evidence of internal management systems are an appropriate substitute. The theory supports the influence of control on performance of Commercial Banks listed in Nairobi Securities Exchange.

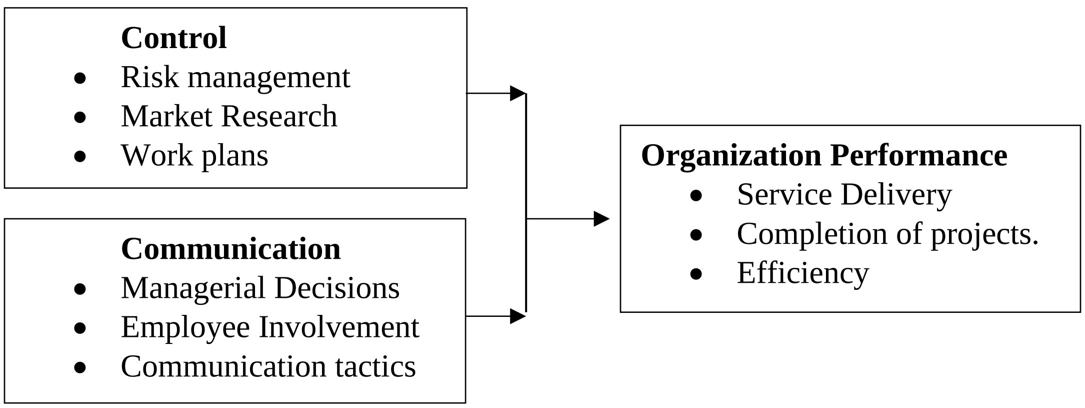
The Stewardship Theory

The Stewardship Theory is grounded on the belief that managers are pro-organizational and obedient servants who will act responsibly in the interests of the organization (Flynn, 2018). In corporate governance Structure, Company executives serve as stewards who work to achieve the objectives of the shareholders. The primary objective of the Stewardship Theory is to develop a successful company from which the owners may maximize their wealth (Flynn, 2018). The relevancy of the Stewardship Theory in corporate governance in commercial banks is that it confers stewardship to the management cadre of the corporation. Managers, under the Stewardship

Theory are assumed to be subservient to their employers and the shareholders and perform their duties and obligations diligently to safeguard and maximize benefits accruing to shareholders. The Stewardship Theory considers the role of Strategic Leadership and that of motivation of managers as a key ingredient of corporate governance in raising corporate performance. In addition to this, the theory supports the relationship between human capital and performance commercial banks listed in Nairobi Securities Exchange, Kenya.

Conceptual Framework

The aim of this study was to provide clear definitions of the variables under evaluation and to establish their relationships, as illustrated in the conceptual framework presented in the figure below;



Independent Variables **Dependent Variable**

Figure 2. 1: Conceptual Framework

Control

According to Ibrahim (2015), Organizations and Companies evaluate their performance by use of both financial and non-financial parameters. These parameters aid the company in gaining a better understanding on what the company is doing right and what it is doing wrong and therefore getting better knowledge on where to apply greater effort. For a successful organization, there has to be a balance between the financial and non-financial parameters which are supplemental for the organization's success (Ndegwa, 2013).

Lubanga (2019) noted that as a result of the advent of information and technology, and with the introduction of ecommerce globally, scholars have realized the significance of strategic control and restricting to ensure they remain relevant. Cogna (2014) noted that organizations that have failed to adjust their strategies to the evolving world have faced a lot of challenges, to even losing their standing to becoming irrelevant in the marketplace.

Finov, Bev and Vladimirora (2009) in their case study disclosed that multinational companies have had no choice other than to embrace strategic control processes that would strategically position them for expansion in the current face of globalization. Additionally, Wanjohi (2013) in his study noted that strategic leaders should consistently include effective control systems and strategies in their strategic management plans that would guarantee anticipated outcomes and make adjustments to any inconsistency.

Communication

CEOs utilize corporate communication as a proactive and constructive tool to engage with society and facilitate organizational success, according to Apostu (2016). Effective communication is a key principle that impacts development and strategic management, as emphasized by Hoque's (2014) research. Klette et al. (2016) added that communication also enables community consultation on specific initiatives, which improves the reputation and credibility of the organizations involved.

Johansson et al. (2014) confirmed that effective communication is demonstrated by leaders on a daily basis across all businesses. In addition, top executives consistently rank effective communication skills as being a leading influence for institutional success in all industries and nations. Robbins' (2016) research suggests that establishing intervention techniques that prioritize participation, social change, learning, and empowerment should begin with the communication process, which is contextualized.

Organization Performance

Organizational performance, as defined by Daft and Marcic (2016), pertains to an institution's capacity to efficiently and effectively use its utilities and achieve its goals. Hence, excellent organizational performance is not accidental but is established through the actions of strategic leaders (Daft, 2011). Commercial banks face numerous challenges that require strategic leaders to decide on the best course of action. By utilizing strategic leadership practices, skills, and knowledge, organizational leaders in commercial banks can achieve their mission and objectives. These institutions exist to accomplish a social objective through various programs and projects, and the leadership approach required to achieve this goal is distinct. Existing literature has emphasized the potential impact of strategic leadership on the performance of commercial banks.

Empirical Review

In a study conducted by Odhiambo (2017) in Kisumu County, the aim was to investigate the impact of strategy control on hotel performance. The study had specific objectives which included determining the relationship between strategic outcomes and performance, describing the impact of strategic activities on performance, defining intervention mechanisms, and establishing corrective intervention mechanisms. The research strategy employed was correlational, and a sample of 45 senior staff members from nine-star hotels in Kisumu participated in the study. The findings indicate that emphasizing strategic outcomes, strategic activities, intervention mechanisms, and strategy corrective intervention mechanisms can lead to improved performance.

Gaturu, Waiganjo, Bichang'a & Oigo (2019) conducted a study to investigate the impact of strategic control, which is one of the strategic management strategies, on the organizational performance of mission hospitals in Kenya. In the past, mission hospitals received government grants and contributions from foreign churches, but currently, there is limited funding provided to these hospitals. The cost of healthcare has risen, and there is a significant outflow of labor to other countries, which has negatively affected the organizational performance of mission hospitals.

Kibe (2014) conducted a study to investigate the impact of communication tactics on organizational performance. The study utilized a descriptive research design and 132 surveys were distributed to employees. The study yielded valuable insights at both theoretical and practical levels. The findings revealed that creating an open communication atmosphere is essential for successful organizational performance. When employees feel comfortable sharing suggestions, ideas, and even criticism at all levels of the organization, performance tends to improve.

Bery, Otieno, Waiganjo, and Njeru (2015) conducted a study to examine the impact of employee communication on organizational performance in Kenya's horticultural sector. The survey was distributed to 2460 participants, of which 1888 responded, resulting in a response rate of 76.7%. Correlation and regression analysis were used to analyze the relationship between the study's variables. The study revealed that communication improves operational efficiency, which subsequently enhances organizational performance. Communication also facilitates the exchange of information and opinions within the organization. The findings suggested that communication is a critical factor in determining the success of an organization.

RESEARCH METHODOLOGY

In this particular study, a descriptive research design was utilized to investigate the relationship between two variables. This type of design aims to determine whether changes in one variable have a direct impact on changes in the other. The descriptive correlational research design is beneficial in addressing who, what, when, where, and how questions related to the research problem. Moreover, this design determined whether the independent and dependent variables have a linear correlation with each other (Creswell, 2014).

The target population of the study was all the12 Commercial Banks listed in Nairobi Securities Exchange, Kenya out of the 38 Commercial Banks in Kenya; and the respondents comprised of 178 top and middle level management employees arrived at using stratified and purposive sampling. Since the target population was small the study adopted the census technique. To achieve its objectives, this study utilized both primary and secondary data from commercial banks in Kenya. The research incorporated both quantitative and qualitative data. The questions included in the questionnaires were directly derived from the research objectives. The primary data was collected using a structured questionnaire that comprises of closed-ended questions that aligned with the study objectives. The decision to use questionnaires took into consideration the level of confidentiality required, time efficiency, and ease of administration.

The questionnaires were carefully examined for accuracy and completeness before being entered into the Statistical Package for Social Science (SPSS). Descriptive and inferential statistics was generated from the data entered since the structured surveys produced both qualitative and quantitative data. A multiple linear regression analysis was performed to evaluate the extent of the relationship between the dependent and independent variables, while correlations were computed to illustrate the relationships between variables. After the data had been processed, the results were presented using frequency tables, descriptive statistics.

RESEARCH FINDINGS AND DISCUSSIONS

The study administered 178 questionnaires for data collection. A total of 144 were duly filled and returned representing a response rate of 80.89%. Mugenda and Mugenda (2018) suggested that a response rate of 30-50% is adequate in a study to give reliable results. Thus, the response rate of 80.89% was appropriate for the data analysis in this study.

Descriptive Statistics

The study used measure of central tendency to describe the responses and analyze them. A Likert scale was used where the responses were coded as follows: 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5 = Strongly Agree. The ranges for the mean will be as follows: Strongly Disagree (1-1.8), Disagree (1.9- 2.6), Neutral (2.7-3.4), Agree (3.5-4.2), and Strongly Agree (4.3-5). The results were presented in tables and analyzed and discussed. The descriptive statistics for the study variables are as follows:

Control

The first specific objective of the study was to evaluate the effect of control on performance of commercial banks listed in Nairobi Securities Exchange, Kenya. Descriptive statistics such as mean and standard deviation using SPSS was used to establish the convergence of opinion regarding strategic control. The objective was also guided by the research question ‘How does control affect performance of commercial banks listed in Nairobi Securities Exchange? The findings from Table 1 indicated control influence performance of commercial banks listed in Nairobi Securities Exchange (M = 3.48, Sd = 1.25).

Table 1: Control

Control	Mean	Std Dev
Project definition is guided by evaluation of internal as well as external environment.	3.21	1.15
We develop high quality project environmental information for early identification of strategic risks and their potential impact.	3.31	1.26
Work plans address the organization’s objectives, targets, indicators, strategies, timelines, monitoring and budget.	3.81	1.26
We develop a series of actions to manage risks and issues in the project/ organization.	3.64	1.26
The leadership ensure that control processes and procedures are carried out on the implemented strategies to mitigate risk and ensure compliance.	3.46	1.34
Average Control	**3.48**	**1.25**

From Table 1, the study found that work plans address the organization’s objectives, targets, indicators, strategies, timelines, monitoring and budget (M = 3.81, Sd = 1.26). We develop a series of actions to manage risks and issues in the project/ organization (M = 3.64, Sd = 1.26). The leadership ensures that control processes and procedures are carried out on the implemented strategies to mitigate risk and ensure compliance. (M =3.46, Sd = 1.34). We develop high quality project environmental information for early identification of strategic risks and their potential impact (M = 3.31, Sd = 1.26). Project definition is guided by evaluation of internal as well as external environment (M =3.21, Sd = 1.15).

Finov, Bev and Vladimirora (2009) in their case study disclosed that multinational companies have had no choice other than to embrace strategic control processes that would strategically position them for expansion in the current face of globalization. Additionally, Wanjohi (2013) in his study noted that strategic leaders should consistently include effective control systems and strategies in their strategic management plans that would guarantee anticipated outcomes and make adjustments to any inconsistency.

Communication

The second specific objective of this study was to explore the influence of communication on performance of commercial banks listed in Nairobi Securities Exchange, Kenya. Descriptive statistics such as mean and standard deviation using SPSS was used to establish the convergence of opinion regarding strategic communication. The objective also aimed at answering the research question ‘To what extent do communication influence performance of commercial banks listed in Nairobi Securities Exchange, Kenya? From Table 4.16 below the study found that corporate communication influence the performance of commercial banks listed in Nairobi Securities Exchange (M= 2.27, Sd = 0.99).

Table 2: Communication

Communication	Mean	Std Dev
Our organization's purpose, vision and mission are clearly articulated to the employees.	1.77	.90
Our employees are committed to the organization's core values.	1.80	.85
Development of policies is communicated to our employees	2.44	.742
Employees are enthusiastic in responding to their roles	2.51	1.31
Tactics are communicated by managers in ensuring accomplishment of roles.	2.85	1.18
Average Communication	**2.27**	**0.99**

The study found that tactics are communicated by managers in ensuring accomplishment of roles (M = 2.85, Sd = 1.18). Employees are enthusiastic in responding to their roles (M = 2.51, Sd = 1.31). Our employees are committed to the organization's core values. (M =1.80, Sd = 0.85. Our organization's purpose, vision and mission are clearly articulated to the employees. (M = 1.77, Sd = 0.90). Our employees are committed to the organization's core values (M = 1.80, Sd = 0.85).

Johansson et al. (2014) confirmed that effective communication is demonstrated by leaders on a daily basis across all businesses. In addition, top executives consistently rank effective communication skills as being a leading influence for institutional success in all industries and nations. Robbins' (2016) research suggests that establishing intervention techniques that prioritize participation, social change, learning, and empowerment should begin with the communication process, which is contextualized.

Status of performance of commercial banks listed in NSE, Kenya.

The main objective of the study was to establish the influence of strategic leadership practices on the performance of Commercial Banks listed in Nairobi Securities Exchange, Kenya. The descriptive statistics aimed and describing performance of commercial Banks listed in Nairobi Securities Exchange, Kenya. The findings from Table 3 established that to some extent strategic leadership practices influence performance of Commercial Banks listed in Nairobi Securities Exchange, Kenya (M = 2.95, Sd = 1.08).

Table 3: Performance of commercial banks in Kenya

Performance of commercial banks in Kenya	Mean	Std Dev
Efficiency is always satisfactory in our organization	3.82	1.28
Return on Investment always influence performance in our organization	2.23	.68
Service delivery has improved in the organization over the last five years	3.82	1.28
Finances are available for suppliers payment in our organization	3.13	1.28
The annual strategic plan is generally implemented in our organization	1.77	.90
Average Status of Performance of commercial banks in Kenya	**2.95**	**1.08**

From Table 3 above, the study found that; Service delivery has improved in the organization over the last five years (M = 3.82, Sd = 1.28). Efficiency is always satisfactory in our organization (M = 3.82, Sd = 1.28). Finances are available for suppliers' payment in our organization (M = 3.13, Sd = 1.28). Return on Investment always influence performance in our organization (M = 2.23, Sd = 0.68). The annual strategic plan is generally implemented in our organization (M = 1.77, Sd = 0.90).

Inferential Analysis

Correlation Analysis

Correlation is an analysis that measures the magnitude of linear association between two variables and the direction of the association. Pearson correlation is widely the correlation statistic adopted to measure the extent (degree) of the association between the linearly related variables. Normally, (*r*) is between positive one (+1) and negative one (-1). As the (*r*) value goes towards 0, the relationship between the two variables will be weaker. Pearson correlation (*r)* was used to show the relationship between strategic leadership practices on performance of Commercial Banks listed in Nairobi Securities Exchange, Kenya.

Table 4: Coefficient of Correlation

Variables		PERF	C	CC
Performance of commercial bank	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	140		
Control	Pearson Correlation	.883**	1	
	Sig. (2-tailed)	.000		
	N	127	127	
Communication	Pearson Correlation	.178*	-.149	1
	Sig. (2-tailed)	.038	.095	
	N	136	127	136

Correlation is significant at the 0.01 level (2-tailed).
Correlation is significant at the 0.05 level (2-tailed). *

As for control the study found a positive, significant, and weak correlation (r = 0.883; p<0.001) between control on performance of commercial bank in Kenya. This implies that the control is positively correlated to the performance of commercial bank in Kenya. In addition, the correlation between these two variables was significant, that is p<0.5 implying a linear relationship between control and performance of commercial bank in Kenya.

Finally, there a significant weak correlation (r = 0.178; p<0.001) between communication and performance of commercial bank in Kenya. This implies that the communication is positively correlated to the performance of commercial bank in Kenya. In addition, the correlation between these two variables was significant, that is p<0.5 implying a linear relationship between communication and performance of commercial bank in Kenya.

Analysis of Variance

The analysis of variance was used to examine whether the regression model was a good fit for the data. The F-critical (4, 189) the F-calculated was 226.185as shown in Table 5. This shows that F-calculated was greater than the F-critical and hence linear relationship between the strategic leadership practices on performance of commercial banks listed in NSE, Kenya. In addition, the p-value was 0.000, which was less than the significance level (0.05). Therefore, the model can be considered to be a good fit for the data and hence it is appropriate in predicting the influence of the four independent variables (strategic leadership practices) on the dependent variable (Performance of commercial Banks Listed in NSE, Kenya).

Table 5: Analysis of Variance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	56.968	4	14.242	226.185	.000[b]
	Residual	8.752	139	.063		
	Total	65.720	143			

Dependent Variable: Performance of Commercial Banks Listed in NSE, Kenya

b. Predictors: (Constant) Control, & Communication

Regression Analysis

Further, the study ran the procedure of obtaining the regression coefficients, and the results were as shown on the Table 6. The coefficients or beta weights for each variable allows the researcher to relative importance comparatively of the performance of commercial banks. In this study the unstandardized coefficients and standardized coefficients are given for the multiple regression equations. However, discussions are based on the unstandardized coefficients.

Table 6: Regression Results

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	B		
1	(Constant)	.254	.163		-1.558	.121
	Control	.558	.053	.797	10.462	.000
	Communication	.364	.037	.368	9.845	.000

Further, the findings in indicate that control had coefficients of estimate which was significant basing on $\beta_3 = 0.558$ (p-value = $0.000 < 0.05$). Also, the influence of control is more than the effect attributed to the error as supported by the t values where t-calculated= 6.170 at a 5 per cent level of significance, thus we conclude that control significantly influence performance of commercial banks by 0.558 or 55.8%.

Finally, the findings indicate that communication had coefficients of estimate which was significant basing on $\beta_4 = 0.364$. Also, the effect of communication is more than the effect attributed to the error as supported by the t values where t-calculated = 1.444 at a 5 per cent level of significance, thus we conclude that communication significantly influence performance of commercial banks by 0 .364 or 36.4%.

The model can be fitted as below:

$\gamma = .254 + .558X_1 + .364X_2$……………….(i)

Model Summary

In Table 7, the correlation coefficient (R) of 0.931 shows that there is a positive joint correlation between strategic leadership practices (Planning, human capital, control and communication) with performance of commercial banks. From the study findings, the correlation determination is R^2 value (0.867). The study results imply that control, & communication jointly accounted for 86.7% of the performance of commercial banks in Kenya as represented by the R^2. This therefore means that other factors not studied in this research contribute 13.3% performance of commercial banks in Kenya. This implies that these variables are very significant and need to be factored to performance of commercial banks in Kenya.

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.931[a]	.867	.863	.25093

a. Predictors: (Constant), Control, & Communication

Conclusion

The first specific objective was to evaluate the effect of control on performance of commercial banks listed in Nairobi Securities Exchange, kenya. The study concludes that strategic control has a positive significant correlation with performance of commercial banks listed in Nairobi Securities Exchange. The study also concludes that control has a significant influence on performance of commercial banks listed in Nairobi Securities Exchange. The findings are in tandem with Strategic control which continues to be a main player in impacting institutional activities, business setting, and final business results when examining planning in enterprises (French, Kelly, & Harrison, 2014). It is regarded as one of the most critical actions taken by strategic leaders to ensure that strategies are successfully implemented (Jooste & Fourie, 2017). The upper echelons of an organization provide strategic guidance to various departments and divisions through strategic direction, communication with their employees, and then give them authority over the strategic processes to implement strategic plans. Strategic leaders must establish procedures and actions that must be followed at all levels to drive and regulate the organization towards goal attainment that could include varying degrees of changes (Serfontein, 2019).

The second and final objective of the study was to explore the influence of communication on performance commercial banks listed in Nairobi Securities Exchange, Kenya. The study concludes that there is a positive significant correlation between communication on the performance of commercial banks listed in Nairobi Securities Exchange, Kenya. The study also concludes that communication significantly influence performance of commercial banks listed in Nairobi Securities Exchange. The findings are also in line with the findings of Johansson et al. (2014) confirmed that effective communication is demonstrated by leaders on a daily basis across all businesses. In addition, top executives consistently rank effective communication skills as being a leading influence for institutional success in all industries and nations. Robbins' (2016) research suggests that establishing intervention techniques that prioritize participation, social change, learning, and empowerment should begin with the communication process, which is contextualized.

Recommendations

Empirical Evidence is unspecific and lacking on the relationship between control and organization social performance. Current knowledge developed from practice is therefore unconfirmed and building on theory such as Theory of Control is a challenge. There is need for more literature review to expose further empirical evidence on this important subject of strategic control and its interaction with aspects of organization performance especially social performance. It is recommended that researchers mount studies on this relationship. A strategic plan should offer both the much-needed foundation from which an organization should grow as well as help in establishing the roles and boundaries for everyone, thus improving efficient decision making and creating a greater sense of overall momentum and direction.

The study has identified that there is increased potential by corporates to empower institutional activities, hence ensuring a competitive market edge. Commercial banks listed in Nairobi Securities Exchange, Kenya must therefore set aside sufficient amount of resources towards improving the ICT area. Despite the fact that investment in ICT doesn't guarantee financial gain, these commercial banks listed in Nairobi Securities Exchange should invest more in ICT so as to improve on communication as well as organization performance in the long run.

Suggestion for Further Studies

This study has focused on the influence of strategic leadership practices on performance of Commercial Banks listed in Nairobi Securities Exchange, Kenya. It has explored the impact of communication, control, human capital and planning. It therefore proposes future analyses on other external aspects such as the organizational setting and type of industry to give a better aspect of these factors. This is because organization operations are influenced by both internal and external environments.

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