THE IMPACT OF TRANSFORMATIONAL LEADERSHIP ON ORGANIZATIONAL PERFORMANCE IN THE HOTEL INDUSTRY

BY

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DECLARATION

DECLARATION BY STUDENT

This thesis is my original work and has not been presented for a degree in Moi University or any other university. No part of the work may be produced without permission of the author or Moi University.

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DEDICATION

This thesis is dedicated to my late father, Mr. Raphael Lulei Masanka ole Saiyianka without whose love and endeavour for education I would not have come this far.

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May God Bless you all.

ABSTRACT

Throughout the world, leadership rather than management has been identified as one of the keys to a high performance organization. It is regarded as a critical factor in the initiation and implementation of the transformations in organizations. The purpose of the study was to examine how transformational leadership style of managers affects the organizational performance. The objectives of this study were to examine the styles of leadership practices in existence, evaluate the significance of the styles of leadership, establish how the role of different leaders affect organizational performance, examine the different factors that influence transformational leadership style and to make recommendations on how best this leadership style should be enhanced in order to lead to organizational performance. The theoretical framework undertaken for this study was Bass' (1997) Transformational Leadership Theory who advocated for transformational leadership in terms of how the leader affects followers, who are intended to trust, admire and respect the transformational leader. In Literature review, the works done by various authors especially in transformational leadership were reviewed. The study employed the case study method research design and used Nairobi Serena Hotel as the case organization. The target population of this study comprised both the managers and the low level employees of Nairobi Serena Hotel making it a total of 463 employees. The sample size of the general employees was 30% of the total employees. All the top and middle managers including the supervisors constituted the sample. A sample size of one hundred and thirty nine (139) respondents in total was selected out of a total population of 463 employees. Both the probabilistic and non-probabilistic techniques were used. To select a representative sample, a simple random sampling, stratified and purposive sampling methods were employed. Under the non-probabilistic sampling, purposive sampling was used to choose Nairobi Serena Hotel, the top managers, the departments and the line managers and/or supervisors of these departments. Stratified sampling was used to come up with departments existing in the organization, followed by simple random sampling to arrive at proportional number of employees in each department. Data was collected by use of questionnaires with both structured and unstructured questions and interview schedules. Data on the study was first coded according to categories based on the type of information. Data was presented by use of tables. Chi square was used to test the interdependence of the variables and to test the hypotheses. Descriptive statistics (frequencies, bar graphs, pie charts and percentages) was used to analyze the data and facilitate interpretation by the researcher. The researcher utilized SPSS computer programme to aid in the analysis of the data. The study found out that different styles of leadership have significance such that when they are used the staff are motivated hence improving productivity at work, also cultivates unity of purpose and finally it increases motivation for commitment.

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ABBREVIATIONS

CEOs-   Chief Executive Officer

ICT-   Information Communication Technology

M.Phil-   Master of Philosophy

NSH-   Nairobi Serena Hotel

SHRD-   School of Human Resource Development

SPSS-   Statistical Package for Social Sciences

DEFINITION OF TERMS

For the purposes of this study, the following terms and the given explanations were adopted:

Change- The alteration of the status quo.

Charisma- The power to attract others i.e. followers.

Department- A distinct division or branch where a manager has autonomy for the specified activities or results.

Leadership- The process of influencing others to pursue certain goals and objectives.

Management- All those activities in the organization that deal with planning, directing, controlling and organizing.

Organizational performance- It is how efficient and effective an organization is and how well it achieves appropriate objectives.

Transformational leadership- A process of engendering motivation and commitment, creating a vision for transforming the performance of the organization, and appealing to the higher ideals and values of followers.

Vision- It is a mental image (picture) of a possible and desirable future that is realistic, credible and attractive.

CHAPTER ONE

INTRODUCTION

1.1 Overview

This chapter presents background to the study, statement of the problem, purpose of the study, objectives, research questions, and hypothesis. Also, significance and justification of the study, limitations of the study, scope of the study, assumptions of the study, theoretical framework and finally the conceptual framework.

1.2 Background to the Study

In today's competitive environment, organizations expand globally and face a lot of challenges to meet their objectives and chased to be more successful from others. Leaders play essential role in accomplishment of these goals and boost employee's performance by satisfying them with their jobs therefore, it grasps the attention of researchers from many years, yet we are unable to focus on one definition. Many researchers have studied different aspects of leadership. According to Mintzberg (2010) Leadership is the key of trust that comes from the respect of others. Jamaludin (2011) conducted their research on the leadership and their styles and suggested that effective leaders are those who use their powers for betterment of the followers and organization as well. Leaders are one of the major key drivers in enhancing the production and innovations (Lievens et al, 1997). According to Raelin (2011) Leadership is directly connected to the practices to which people are dedicated. The most substantial of leaders is their influential personality that has positive relation with the follower's performance.

In recent years, organizations have gone through dramatic changes, including flatter and looser structures, downsizing, and horizontal approaches to information flow. On the one hand these changes are due to rapid technological developments, global competition, and the changing nature of the workforce. On the other hand these organizational transformations and innovations are triggered by interventions such as total quality management and business process re-engineering. Leadership is regarded as a critical factor in the initiation and implementation of the transformations in organizations (Lian et al, 2011).

Researchers at the University of Michigan and Ohio State began studying leadership in the late 1940s. Based on extensive interviews with both leaders/managers and followers/subordinates, researchers at the University of Michigan, led by Rensis Likert, identified two basic forms of leader behaviour: job-centred and employee-centred. Managers using job-centred leader behaviour pay close attention to subordinates' work, explain work procedures and are keenly interested in performance. Managers using employee-centred leader behaviour are interested in developing a cohesive work group and ensuring that employees are satisfied with their jobs. Their primary concern is the welfare of subordinates.

The extensive questionnaire surveys conducted during the Ohio State studies also suggested that there are two basic leader behaviours or styles: initiating-structure behaviour and consideration behaviour. When using initiating-structure behaviour, the leader clearly defines the leader-subordinate role so that everyone knows what is

expected, establishes formal lines of communication and determines how tasks will be performed. Leaders using consideration behaviour show concern for subordinates and attempt to establish a friendly and supportive climate. Both the Ohio State and the University of Michigan studies appear to support the idea that there is no single behavioural category of leadership which is superior. There are many types of leadership behaviour and their effectiveness depends upon the variables in any given situation (Griffin, 1999).

Leadership, rather than management, has been identified as one of the keys to a high performance organization. Transformational leadership is seen as the power to inspire and motivate the ability to imbue employees with the desire to change the organization and to be the best. Leaders create the vision and the strategy and present it and themselves in such a way that employees feel enthusiastic and excited by it(Torrington and Hall, 1998). Bass (1997) defined transformational leadership as occurring when leaders stir their employees to look beyond their own self-interest for the good of the group. Transformational leaders articulate a vision, inspire others and transform the organization.

According to Mullins (2004), an essential part of management is co-ordinating the activities of people (employees) and guiding their efforts towards the goals and objectives of the organization. This involves the process of leadership and the choice of appropriate form of action and behaviour. Leadership is a central feature of organizational performance and as such the manager must understand the nature of leadership influence

and factors which determine relationship with other people, and the effectiveness of the leadership relationship. Leadership contributes to the success of projects. It is the willingness to take responsibilities; it is about contributing to other people, and the capacity to catch vision. Leadership is about execution. Leaders who are effective managers of execution provide structures, focus, discipline and a sense of priority to the organizations they lead.

According to Weihrich and Koontz (2005), managers must exercise all the functions of their role in order to combine human and material resources to achieve objectives. The key to doing this is the existence of a clear role and a degree of discretion or authority to support managers' actions. The essence of leadership is followership. In other words, it is the willingness of people to follow that makes a person a leader. Moreover, people tend to follow those whom they see as providing a means of achieving their own desires, wants and needs.

Many of the researchers have examined the relationship between transformational leadership and organizational performance and found out that there is a positive relationship between the two. There is a good deal of research demonstrating the value of leadership in terms of organizational performance. Leaders clearly do act as role models in the organization. Some of the strategy literature, though, does suggest that different types of leaders fit with different types of situations. There is also a debate over whether leadership can be learned or whether it is innate. Peters and Waterman (1982) see it as something that can be learned, but straight forward observation of everyday events makes

one question how much it can be learned and how much depends on innate personal qualities or capacities developed when young.

Many of these studies have focused on the CEOs of respective organizations rather than on the line managers or supervisors who are in direct interaction with their subordinates and therefore affect their interactions most. These studies have examined transformational leadership in terms of change, vision, goals and objectives of the respective organizations. All these studies, however, have been undertaken in the west and thus, the results might not be necessarily the same as with Kenyan organizations.

1.3 Statement of the Problem

Leadership can, and often does affect performance of organizations. A look at many organizations indicates that there are shortfalls in performance even when conditions suggest that they can perform better. Ineffective leadership accounts for variations in the performance of organizations. Today's managers must know to lead as well as manage, or their organizations will become extinct. Effective leadership and management are both required in the modern workplace. Managers must be leaders, but leaders must also be good managers. Workers need to be inspired and persuaded, but they also need assistance in developing a smoothly functioning workplace. Transformational leadership plays an important role in promoting and managing organizational development by influencing subordinates both directly and indirectly. Previous research has found that transformational leadership contributes to employee performance, including employee beliefs about their individual and collective capacity and collaborative culture.

The need for change within organizations and the need for leaders who can successfully manage change continue to grow. Coping with rapid change is one of the greatest challenges facing today's organizations. Organizations in the hotel industry have undergone unprecedented changes including but not limited to technology, improved educational level of employees, and demand for higher remuneration, political factors and change in tourism trends. They need leaders who can clearly recognize the need for change and make it happen, who can develop and communicate a vision for what the organization can be and provide the motivation and guidance to take it there. Because of rapid change and turbulent environments that organizations in the hotel industry operate, transformational leaders are increasingly being seen as a vital success of business. Increasing business competitiveness and the need for the most effective use of human resources will most likely result in management focusing attention on how leaders revitalize or transform organization. Organizations, thus, due to the competitive and changing nature of their respective sectors, must ensure that their top management functions towards a direction that meets their respective goals and objectives. This study was therefore intended towards examining the impact of transformational leadership on organizational performance, which is the ultimate goal of all organizations.

1.4 Purpose of the Study
The purpose of the study was to examine how transformational leadership styles of managers affect the organizational performance of Nairobi Serena Hotel.

1.5 Objectives
  i.   To examine the styles of leadership in use at Nairobi Serena Hotel.
  ii.   To evaluate the significance of the styles of leadership in use.

iii. To examine the different factors that influence transformational leadership style in Nairobi Serena Hotel.

iv. To suggest various ways in which transformational leadership can be enhanced to lead to organizational performance.

1.6 Hypothesis

HO_1: There is no relationship between transformational leadership and organizational performance.

HO_2: There is no relationship between the roles of the different leaders and organizational performance.

1.7 Significance and Justification of the Study

The results of the study would be useful to the following groups: The results of the study are expected to assist the management of Nairobi Serena Hotel and other tourist facilities assess the effectiveness of the leadership style of their managers and their employees' attitudes towards it. It would also show the contributions of transformational leadership in influencing organizational performance. The results are also expected to lead to better communication and enhance the relationships between leaders/ managers and other staff/ employees. The process of working towards change and vision involves communication between leaders and employees. Academically, the study would add to the knowledge available on leadership and success of organizations and it will contribute towards increased ideas on the best ways to nurture and deal with transformational leadership. The recommendations and suggestion for further research would give rise to researchable projects in the field thereby enriching the field of professionals and finally the study

would be vital to the researcher as it will enhance his scope of research and serve as an exposure to the world of research.

1.8 Limitations of the Study

First and foremost there was some expected level of unwillingness on the part of a few staff to objectively respond to some questions. This limitation was overcome by assuring them that the investigation's findings shall be kept confidentially. The other limitation is that only a representative sample was picked. The use of questionnaire, as a method of data collection, may have been faced with problems because some respondents did not return them hence leading to low response rate. The researcher handled this problem by sensitizing the respondents on the significance of the study and using collaborating techniques. Further the research tools were developed by the researcher rather than using the university's standardized questionnaires and interview items. This was overcome by seeking advises from the university supervisors

1.9 Scope of the Study

The study was basically concerned with the effects of transformational leadership on organizational performance in NSH. Both management and employees were the key source of data and 139 employees out of a population of 463 were the respondents. Data was collected by use questionnaires and reinforced by interviews. The study was carried between November 2009 and February 2010.

1.10 Assumptions of the Study

i. Transformational leadership is a common feature in NSH.

ii. Every department/ unit has a manager who is a leader.

iii. All departments work in harmony towards fulfilling the objectives and goals of NSH.

iv. The respondents were willing to give honest and accurate answers to the questions in the questionnaire and interviews.

v. The instruments used in the research would elicit reliable and valid data.

1.11 Theoretical Framework

The study was based on the transformational leadership theory advanced by Bernard Bass (1997). The theory has two basic underlying assumptions:

i. Awareness of task importance motivates people.

ii. A focus on the team or organization produces better work.

Bass defined transformational leadership in terms of how the leader affects followers, who are intended to trust, admire and respect the transformational leader. He identified three ways in which leaders transform followers:

i. Increasing their awareness of task importance and value.

ii. Getting them to focus first on team or organizational goals rather than their own interests.

iii. Activating their higher- order needs.

The transformational leader helps organizations and people make positive changes in the way they do things. Transformational leadership combines charisma, intellectual stimulation and inspirational leadership. It plays a critical role in the revitalization of existing business organizations. The transformational leader develops new visions for the organization and mobilizes employees to accept and work toward attaining these visions.

Charisma is seen as necessary, but not sufficient. Two key charismatic effects that transformational leaders achieve are to evoke strong emotions and cause identification of the followers with the leaders. This may be through stirring appeals or through quieter methods such as coaching and mentoring.

Bass has noted that authentic transformational leadership is grounded in moral foundations that are based on four components:

i. Idealized influence- the charisma of the leader and the respect and admiration of the followers.

ii. Inspirational motivation- the behaviour of the leader which provides meaning and challenge to the work of the followers.

iii. Intellectual stimulation- leaders who solicit new and novel approaches for the performance of work and creative problem solutions from followers.

iv. Individualized consideration- leaders who listen and give special concern to the growth and developmental needs of the followers.

This theory is adopted for this study because for effective performance, an organization has to have transformational leaders who are capable of initiating and managing organizational change in positive ways in turbulent environments by generating a vision for the organization and appealing to higher ideals and values of followers, and creating a feeling of justice, loyalty and trust, towards the attainment of organizational goals.

This theory was preferable to the contingency theories as it is a more compelling approach to studying dynamic leaders in response to the rapid changes and turbulent

environments organizations operate such as the case in the tourism and hospitality industry.

Weaknesses of the Theory in Relation to the Study

The theory focused on the leader's attributes and there is the danger that the leader's vision, dynamism and inspirational nature are highly attractive to followers, which leads to a natural dependence. Staff sees this extraordinary figure as a model to be emulated and the leader's abilities become the yardstick by which they measure their own performance. Dependence makes the followers more susceptible to deception. However, with all these aspects, the theory is very relevant.

1.12: Conceptual Framework
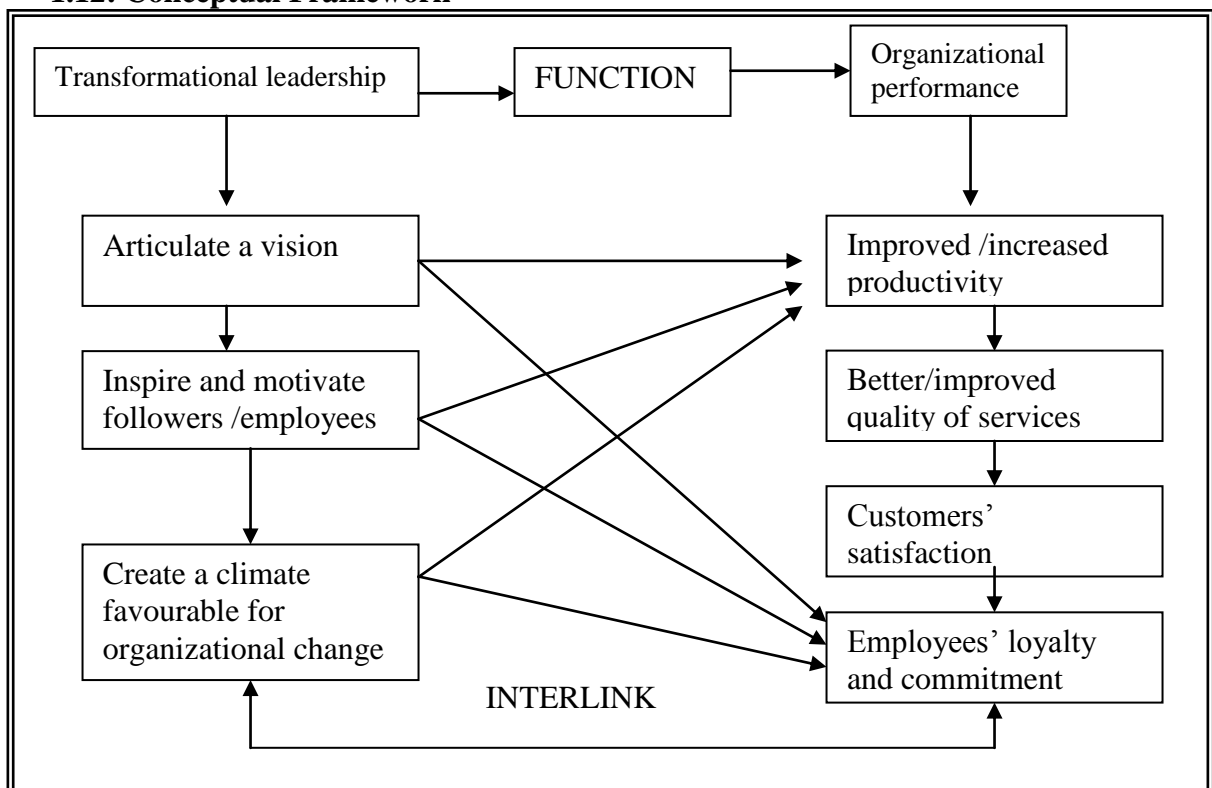
Figure 1.1: A conceptual framework showing the relationship between transformational leadership and organizational performance

Source: Researcher

Transformational Leadership (Independent variable)

With respect to the management of the transformations in organizations, there is a strong need for leaders who are more change-centred. These leaders place value on the development of a clear vision and inspire followers to pursue the vision. In this way they provide a strong motivational force for change in followers. Leaders who enhance followers' confidence and skills to devise innovative responses, to be creative, and to take risks, can also facilitate the changeover processes in organizations. As promoters of change, transformational leaders elicit performance beyond expectations by instilling pride, communicating personal respect, facilitating creative thinking, and providing inspiration.

Organizational Performance (Dependent variable)

It comprises the actual output or results of an organization as measured against its intended output (or goals or objectives). According to Druckman et al. (1997), performance is the achievement of practical results in a work situation for instance employees' level of productivity, co-operation and output. It is the extent to which expectations or objectives have been met. It is usually measured on a continuum contrasted by high and low levels of performance and thus is a relative term. Performance levels are more meaningful when compared to past performance or the performance of others within and or outside the organization.

According to Hersey and Blanchard (1988), organizational performance is the product of many factors such as:

- Organizational structure

- Knowledge

- Non-human resources

- Strategic positioning and

- Human resources

Performance entails achieving or surpassing business and social objectives and responsibilities from the perspective of the judging party.

- Organization
- Management systems
- Information systems
- Flexibility

- Technical/administrative
- Human process
- Systems

Performance

Structure

INTEGRATION

Knowledge

Human process

Non-human resource

- Values
- Attitudes
- Norms
- Interactions

Strategic positioning

- Business/markets
- Social policy
- Human resources
- Environmental change

- Equipment
- Plant
- Work environment
- Technology
- Capital
- Discretionary funds

Figure 1.2: Satellite Model of Organizational Performance

Integration is not only essential to meeting current business and social needs but as the figure below suggests, it is essential to change process necessary to meet future business and social needs of the organization.

Current business/social needs   ⟶   Future business/social needs

Shift

New strategies

Human process			

| Structure | | INTEGRATION | - - - → CHANGE |

| Knowledge | |

| Strategic positioning | |

| Non-human resource | |
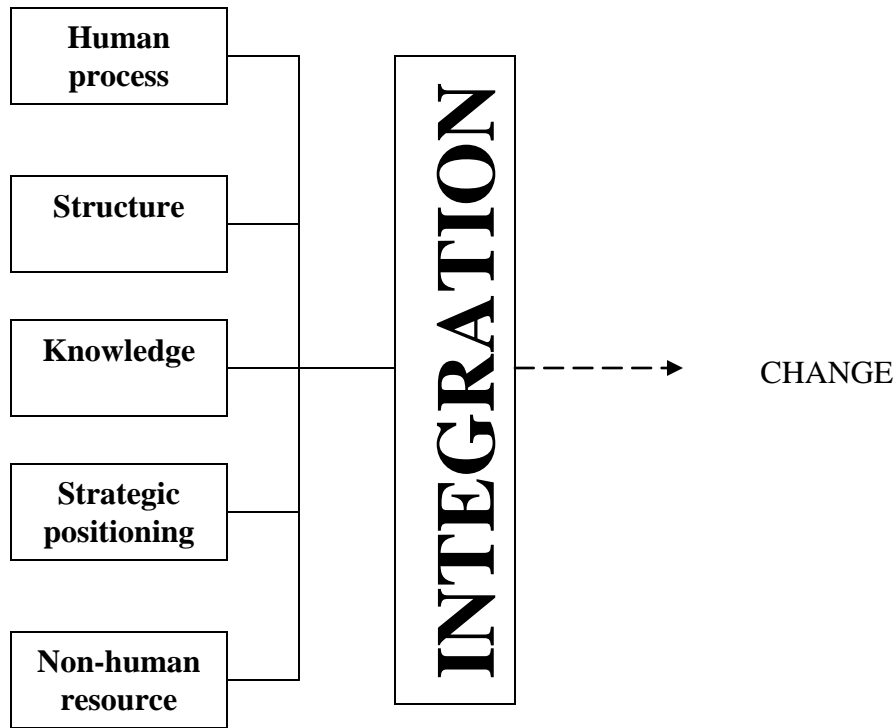
Figure 1.3: Positioning for Future Performance

CHAPTER TWO

LITERATURE REVIEW

2.1 Overview

This chapter examined the various literatures pertinent to this study. These are books, journals, papers, NSH in-house publications and the internet. It focused on arguments, analysis and detailed literature put forward by leadership academicians and researchers. It began with examining past studies in the area by highlighting the meaning and nature of the concept of leadership in general and transformational leadership in particular, differences between leadership and management and finally a summary.

2.2 Meaning and Nature of Leadership

Leadership has been one of the most studied topics in management, yet the conclusions reached have been contradictory, exaggerated, and controversial. Part of the problem lies in the definitions, measurement, and theory used to study leadership. It is a term that has been defined in many ways by different theorists over the years. Thus, leadership is not an easy term to define precisely.

Most definitions involve a process of social influence wherein a leader exerts intentional influence over the cognitions, affect, and behaviour of others (usually called subordinates or followers) to structure the activities and relationships in a group or organization. The leader is usually someone in a formal position of authority, although leadership can also be exerted informally or shared among different members of a group. Most researchers evaluate leadership effectiveness in terms of the consequences for followers and other organization stakeholders. Researchers have used many different indicators of leadership

effectiveness, including the short-term and longer-term performance of the leader's organizational unit, its preparedness to deal with challenges or crises, follower satisfaction and commitment, and the leader's successful advancement to higher levels in the organization.

Kotter (1988) says that leadership has always been, and probably always will be, an important factor in human affairs. But recently both the need for leadership in managerial jobs for the difficulty of providing effective leadership in those jobs has grown considerably more than most people realize. Two fundamental shifts in the business environment are responsible:

i. ***The shift in competitive intensity***: This is as a result of strong foreign firms invading other people's domestic markets, deregulation, emergence of new technologies or market maturity or overcapacity, which forces established competitors to fight it out in order to avoid stagnation.

ii. ***The increasing difficulty of providing effective leadership***: At the same time that increased competitive intensity has been producing the need for more leadership at almost all levels in many organizations, a second set of less dramatic forces has been steadily increasing the difficulty of providing effective leadership. They are the forces of growth, diversification, and globalization for technological development, which has been making businesses more and more complex.

Kreitner (2000) defined leadership as a social influence process in which the leader seeks the voluntary participation of subordinates in an effort to reach organizational objectives. To encourage voluntary participation, the leaders supplement any authority and power

they possess with their personal attributes and social skills. A similar definition has been given by Cole (2002) who noted that leadership is a dynamic process at work in a group whereby one individual over a particular period of time, and in a particular organizational context, influences the other group members to commit themselves freely to the achievement of group tasks or goals.

Organizations today require leaders whose personal experience is supplemented by an understanding of the forces that affect him/her and the situation in which s/he is operating. S/he should know what attitudes, behaviours, and actions are necessary for effective leadership (Kumar, 2000).

Kakabadse et al. (1987) identified 3 common features in definitions and descriptions of leadership as follows:

- Leadership is an influencing process;
- It requires at least 2 people, namely a leader and a follower or followers; and,
- It occurs in situations of attempting to achieve specific objectives, either explicit or implied goals.

Hellriegel and Slocum (1982) stated that leadership emphasizes the relationship between two or more persons. The dynamics of leadership include the leader, the follower, and the specific situation. The figure in the following page illustrates this point. Leadership cannot be studied in a vacuum; it must be studied in group settings. Effective leadership occurs only if the leader influences the activities of followers. Usually, one cannot really

threaten or force people to behave in specific ways. Leadership is the result of an exchange between followers and a leader and it must carry satisfaction for both parties. In accepting a leader's way of doing things, followers voluntarily give up some of their freedom to make decisions. In effect, they permit the leaders to make decisions that affect them in specific situations. In return for permitting themselves to be influenced by another person, followers want to receive certain economic and psychic rewards from the leader.

```
┌─────────────────┐    ┌─────────────────┐    ┌─────────────────┐
│ Follower's wants│    │ Manager's wants │    │ The situation   │
│ desires, needs  │    │ needs for power │    │                 │
│ and power bases │    │ bases           │    │                 │
└────────┬────────┘    └────────┬────────┘    └────────┬────────┘
         │                      │                      │
         └──────────┐    ┌──────┴────────┐    ┌────────┘
                    ▼    ▼               ▼    ▼
              ┌─────────────────┐    ┌─────────────────┐
              │ Manager's       │───▶│ Achievement of  │
              │ leadership      │    │ organizational  │
              │ behaviour       │    │ goals           │
              └─────────────────┘    └─────────────────┘
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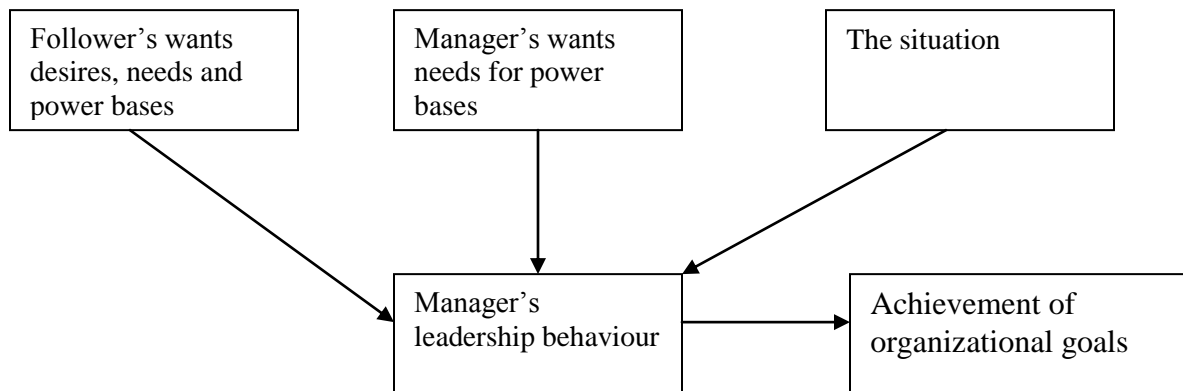
Figure 2.1: Basic Factors in the Leadership Process

Bennis (1991) noted that leaders are people who do the right thing; managers are people who do things right. Both are crucial, and differ profoundly. He lists 4 leadership competencies after surveying 60 American corporate leaders who were identified as true leaders, rather than managers, who affect the culture of their organizations and who are the social architects of their organizations, creating and maintaining values. These competencies are:

i. Management of attention. An ability to draw others to them because they have a vision or a dream, a set of intentions, and an agenda, and an ability to communicate

a focus of commitment by the people they attract. Leaders are at their most effective when they have a clear sense of outcome and precisely what they want to achieve.

ii.   Management of meaning. An ability to communicate that vision and expected outcome in a tangible way, cutting across organizational layers and across geographic divides in an organization. The message must make sense to those that need to act on it. Models or metaphors are useful in order to communicate, even through jamming signals of opponents and interest groups.

iii. Management of trust. Principally this means reliability and consistency, letting people know from which direction you are coming.

iv.   Management of self. An ability to know one's own skills and employing them effectively. A positive attitude also seems to go with this aspect of leadership.

The other way in which Bennis (ibid.) describes leadership is through the effects it has on those who follow. He describes this effect as 'empowerment'. Organizations with effective leaders manifest the following 4 aspects:

i.   People feel significant. They feel that there is a meaning to what they do, and that they make a difference to the organization.

ii. The valuing of learning and competence. Mistakes are seen as feedback to enable employees to do better.

iii. The feeling that people are part of the community. If there is effective leadership, so there is a good team spirit, and a feeling of belongingness.

iv. A feeling that work is exciting. People are motivated and excited about the work they do.

Hannagan (1995), points out that leadership is the process of motivating other people to act in particular ways in order to achieve specific goals. Leadership involves other people who by the degree of their willingness to accept direction help to define the leader's status. Leadership involves authority and responsibility in terms of deciding the way ahead and being held responsible for the success or failure of achieving the agreed objectives.

The delegation of decision making in organizations means that it is essential for many people at all level of management to have and to develop some potential for leadership. Management implies leadership, and thus the success or failure of managers can be judged on their leadership qualities. If the manager's role is to achieve organizational goals, then these are reached by showing people the way forward to find solutions and overcome obstacles. In a constantly changing social, economic and technological environment, leadership has become a more important attribute of management than in the past. It is not just senior managers who need to look forward in order to foresee the changes which are coming and to act accordingly. Team managers and supervisors also have to implement change at their own level, to understand it and to take their working colleagues and subordinates along with them.

Table 2.1: Ten Commitments of Leadership

Practices	Commitments
Challenging the process	1.Search out challenging opportunities to change, grow, innovate and improve. 2.Experiment, take risks, and learn from the accompanying mistakes.
Inspiring a shared vision	3.Envision an uplifting and ennobling future 4.Enlist others in a common vision by appealing to their values, interests, hopes and dreams.
Enabling others to Act	5. Foster collaboration by promoting co-operative goals and building trust. 6. Strengthen people by giving power away, providing choice, and developing competence, assigning critical tasks, and offering visible support.
Modeling the way	7. Set the example by behaving in ways that are consistent with shared values 8. Achieve small wins that promote consistent progress and build commitment
Encouraging the Heart	9. Recognize individual contributions to the success of every project. 10. Celebrate team accomplishments regularly.

Source: Kouzes J. M and Posner B.Z. (1995:18.)

According to Ivancevich et al. (2003), leadership is the ability to influence through communication the activities of others, individually or as a group, toward the accomplishment of worthwhile, meaningful, and challenging goals. It is an important and

necessary skill for achieving individual, group, and organizational performance. Managers, whether they are CEOs or first-level supervisors, influence attitudes and expectations that encourage or discourage performance, secure or alienate employee commitment, reward or penalize achievement.

The exercise of influence is the essence of leadership behaviour. Seven influence strategies have been proposed as particularly vital for practicing leadership roles. These strategies are:

- Reason- using facts and data to develop a logically sound argument.

- Friendliness- using supportiveness, flattery, and the creation of goodwill.

- Coalition- mobilizing others in the organization.

- Bargaining- negotiating through the use of benefits and rewards.

- Assertiveness- using a direct and forceful approach.

- Higher Authority- gaining the support of higher levels in the hierarchy to add weight to the requests.

- Sanctions- using rewards and punishment. (Ivancevich et al. 2003)

Leadership involves simultaneous attention to the tasks to be accomplished by groups and individuals and the needs and expectations of groups and individuals. Leaders exercise influence through communication to specify the individual and group task-related activities required to achieve effective performance. At the same time, leaders exercise influence to maintain their groups' ability to work as units and also to support the specific

needs of individuals. Performance criteria such as turnover, absenteeism, grievances, and job satisfaction are achieved through effective leadership.

A manager in specific situations may not recognize that effective leadership requires attention to tasks and people. No doubt, in time experienced managers develop a particular style that reflects their own ideas and perspectives on the relative importance of tasks and people. Thus, leadership consists of attempting to influence others. These attempts are directed toward two separate yet related types of functions:

1. Task-oriented functions are achieved by specifying work activities and work goals of the group as a whole and of each member of the group.

2. Person-oriented functions require leaders to maintain group processes and to support individuals' needs and aspirations.

Successful influence attempts result in performance gains such as higher quality, lower costs, lower absenteeism, and fewer grievances.

Research studies conducted over the last 40 years have suggested that there are at least four key variables which are crucial in any analysis of leadership. These are:

1. The attributes (knowledge, skill, attitudes) of the leader.

2. The nature of the task or goal.

3. The nature of the group or team.

4. The climate, or culture, of the organization.

Each of the four variables is closely related to its neighbours as the following diagram suggests:

Leader Attributes

Nature of Team   Nature of Task

Organizational Culture
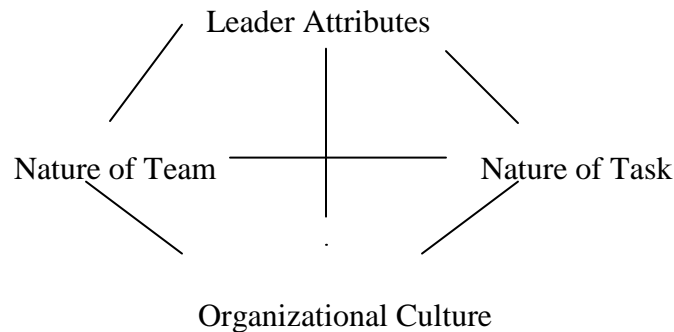
Figure 2.2: Key Leadership Variables
Source: (Cole, 2002:66)

Leadership involves other people; therefore, where there are leaders, there must be followers. Leadership can arise in any situation where people have combined their efforts to accomplish a task. Thus, leaders may or may not be managers. Within the organization, informal groups develop, and within those groups are people who influence the behaviour of the other group members. Such people are informal leaders. Individuals who influence the behaviour of their assigned groups are the formal leaders of organizations.

Efforts to analyze effective leadership have focused on three general areas: the personal characteristics of leaders, the behaviour of leaders, and the situations in which leaders are found. These are represented by the following main approaches:

i. The leader trait approach- attributes performance differences among employees to the individual characteristics (traits) of leaders. It assumes that there are

distinctive physical and psychological characteristics accounting for leadership effectiveness.

ii. The leader behaviour approach- attributes performance differences to the behaviours and styles of leaders. It assumes that there are distinctive styles that effective leaders use consistently.

iii. The situational contingency approach- the leader's behaviour and style in combination with situational factors are the key reason for performance differences. It assumes that the appropriate leadership style varies from situation to situation.

2.3 Differences between Leadership and Management

Bennis (1989:7) has noted that "to survive in the twenty- first century, we are going to need a new generation of leaders- leaders, not managers. The distinction is an important one. Leaders conquer the context- the volatile, turbulent, ambiguous surroundings that sometimes seem to conspire against us and will surely suffocate us if we let them- while managers surrender to it". He then goes to point out his thoughts on some specific differences between leaders and managers.

Table 2.2: Differences Between Managers and Leaders

<u>Manager characteristics</u>	<u>Leader characteristics</u>
Administers	Innovates
A copy	an original
Maintains	Develops
Focuses on systems and structure	Focuses on people
Relies on control	Inspires trust
Short-range view	Long-range perspective
Asks how and when	Asks what and why
Eye on the bottom line	Eye on the horizon
Imitates	Originates
Accepts the status quo	Challenges the status quo
Classic good soldier	Own person
Does things right	Does the right thing

Source: (Bennis, 1989:7)

Kotter (1990) undertook a study of general managers and concluded that those who are effective leaders tend to follow this process:

- Agenda setting. Figuring out what to do in the face of uncertainty, ambiguity and information overload.

- Network building. Developing a wide network of people, which is far wider than the manager's immediate subordinates, including peers, outsiders, their bosses' bosses, their subordinates' subordinates, and so on.

- Agenda implementation. Using the network within which norms and values have been engendered by the successful leader, to implement the agenda. This is based on the leader's interpersonal skills, use of resources and information base, and the use of symbolic communication to influence and motivate.

He (ibid) contrasted 'leadership' with 'management' as shown in the table below:

Table 2.3: Differences Between Leadership and Management

	Leaders	Managers
Creating agendas	Establishing direction Developing vision of future Developing change strategies	Planning/budgeting Developing plan Developing timetable
Building networks	Alignment of people Inculcating vision in persons/teams	Organizing/staffing Developing Staffing, delegation and monitoring policies
Execution	Inspiring Energizing others to overcome barriers	Controlling/problem-solving Monitoring and taking corrective action
Outcomes	Potentially revolutionary changes Order out of chaos	Order and predictability Key results expected by significant others

Source: (Kotter, 1990:158)

According to him, managers produce predictable results, in a consistent way in conformance with stakeholders' (e.g. shareholders, customers, employees) expectations, while leaders produce change.

Naylor (1999) says that leadership is the process of influencing people towards achievement of organizational goals. It demonstrates that leadership is a social process in that it involves interaction with others to achieve ends. Furthermore, the process can be an exchange for, within a group, the role of leader can switch from person to person as circumstances develop. Management for example, is concerned with questions of choosing goals, solving problems, interpreting control signals for spot ting developments in the environment. Leadership provides inspiration, risk- taking, and creativity for change. The power available to mangers arises from their posit ions as managers, while for leaders, it arises from within themselves. Both management and leadership involve power. Power is usually defined as the potential to influence the behavior of others. Power is a resource; leadership is a process that involves exercising power. Power can be built and expanded until the leader chooses to exercise it.

2.4 Meaning and Nature of Transformational Leadership

Burns (1978) characterized transformational leaders as visionaries who challenge people to achieve exceptionally high levels of morality, motivation and performance. He defined transformational leadership as a process where leaders and followers engage in a mutual process of 'raising one another to higher levels of morality and motivation'.

Transformational leaders raise the bar by appealing to higher ideals and values of followers. In doing so, they may model the values themselves and use charismatic methods to attract people to the values and to the leader. Only transformational leaders, Burns argued, are capable of charting necessary new courses for modern organizations as they are masters of change. They envision a better future, effectively communicate the vision, and get others to willingly make it a reality.

He initially identified two types of political leadership: transactional and transformational. The more traditional transactional leadership involves an exchange relationship between leaders and followers, but transformational leadership is based on leaders' shifting the values, beliefs, and needs of their followers. His view is that transformational leadership is more effective than transactional leadership, where the appeal is to more selfish concerns. An appeal to social values thus encourages people to collaborate, rather than working as individuals (and potentially competitively with one another). He also views transformational leadership as an ongoing process rather than the discrete exchanges of the transactional approach.

According to Bass (1990), transformational leaders inspire people to do the unexpected, above and beyond the plan.

Table 2.4: Differences Between Transactional and Transformational Leaders

Characteristics and Approaches of Transactional Versus Transformational Leaders

Transactional Leaders	Transformational Leaders
Contingent reward: Contracts exchange of rewards for effort, promises for good performance, recognizes accomplishments.	**Charisma:** Provides vision and sense of mission, instills pride, gains respect and trust.
Management by exception (active): Watches and searches for deviations from rules and standards, takes corrective action.	**Inspiration:** Communicates high expectations, uses symbols to focus efforts, and expresses important purposes in simple ways.
Management by exception (passive): Intervenes only if standards are not met.	**Intellectual stimulation:** Promotes intelligence, rationality, and careful problem solving.
Laissez-faire: Abdicates responsibilities, avoids making decisions.	**Individual consideration:** Gives personal attention, treats each employee individually, coaches, advises.

Source: (Bass, 1990:22)

On the basis of his research findings, Bass concludes that in many instances (such as relying on passive management by exception), transactional leadership is a prescription for mediocrity and that transformational leadership leads to superior performance in

organizations facing demands for renewal and change. He suggests that fostering transformational leadership through policies of recruitment, selection, promotion, training and development will pay off in the health, well-being, and effective performance of today's organizations.

Tichy and Devanna (1986) conducted interviews with top executives of major companies and found that effective transformational leaders share the following characteristics:

- They identify themselves as change agents.

- They are courageous.

- They believe in people.

- They are value driven.

- They are lifelong learners.

- They have the ability to deal with complexity, ambiguity and uncertainty.

- They are visionaries.

Transformational leaders are more visionary and inspirational, able to go after goals and motivate their followers with strong emotional appeal. Qualities of transformational leaders are as follows (Bowditch and Buono, 1990):

- They are change agents. They make a difference, innovating and creating an organization which is adaptable.

- They have courage and are outspoken. They take risks and stand against the status quo.

- They have a belief in people. They have an empathy with people even though they themselves are powerful. They seek to empower others.

- They are value driven. They are consistent in their articulation of core values, and act according to these values.

- They are life-long learners, learning from their mistakes as well as their successes, capable of self-reflection and adaptation.

- They can deal with complexity, ambiguity uncertainty, able to cope with socio-cultural and political aspects of the organization as well as the technical domain.

- They are visionary. They create a dream and translate this into images which others can follow.

House and Podsakoff (1994) have summarized the behaviours and approaches of great leaders that they drew from the modern theories (e.g. charismatic and transformational) and research findings as follows:

i. *Vision*. Great leaders articulate an ideological vision that is congruent with the deeply held values of followers, a vision that describes a better future to which followers have a moral right.

ii. *Passion and self-sacrifice*. Great leaders display a passion for, and have a strong conviction of, the moral correctness of their vision. They engage in outstanding or extraordinary behaviour and make extraordinary self-sacrifices in the interest of their vision and the mission.

iii. *Confidence, determination, and persistence*. Great leaders display a high degree of faith in themselves and in the attainment of the vision they

articulate. Theoretically, such leaders need to have very high degree of self-confidence and moral conviction because their mission usually challenges the status quo and, therefore, is likely to offend those who have a stake in preserving the established order.

iv. ***Image building.*** Great leaders are self-conscious about their own image. They recognize that they must be perceived by followers as competent, credible, and trustworthy.

v. ***Role modeling.*** Leader image building sets the stage for effective role modeling because followers identify with the values of role models who are perceived positively.

vi. ***External representation***. Great leaders act as the spokesperson for their organization and symbolically represent the organization to external constituencies.

vii. ***Expectations of and confidence in followers.*** Great leaders communicate high performance expectations to their followers and strong confidence in their followers' ability to meet such expectations.

viii. ***Selective motive arousal.*** Great leaders selectively arouse those motives of followers that are of special relevance to the successful accomplishment of the vision and mission.

ix. ***Frame alignment.*** To persuade followers to accept and implement change, great leaders engage in frame alignment. This refers to the linkage of individual and leader interpretive orientations such that some set of

followers' interests, values, and beliefs, as well as the leader's activities, goals, and ideology, becomes congruent and complementary.

x. ***Inspirational communication.*** Great leaders often, but not always, communicate their messages in an inspirational manner using vivid stories, slogans, symbols, and ceremonies.

According to Bennett (1997), transformational leaders are those who are able to convert subordinates' fundamental attitudes in order to increase their commitment to the employing organization. Such leaders have charisma, vision, self-understanding and empathy with subordinates' needs. Charismatic leaders are seen by subordinates as possessing extraordinary abilities, and can inspire great loyalty and enthusiasm within a working group. The determinants of charisma include subordinates' backgrounds and attitudes towards authority, relationships between the leader and the group, the situation at hand and the extent to which the leader shares a common interest with group members.

Other relevant factors are:

- Subordinates' trust in the leader's competence, knowledge and commitment to achieving group objectives.
- The leader's interpersonal and influencing skills.
- Subordinates' prior commitment to the organization.

Effective transformational leadership requires recognition of the need for change, willingness to behave unconventionally, direct communication with subordinates and the establishment of an emotional bond with members of the team. The transformational leader attempts to overhaul the organizational culture or subculture, and to make a difference in people's lives. To bring about the overhaul, transformations take place in one or more of 3 ways:

- The transformational leader raises people's awareness of the importance and value of certain rewards and how to achieve them.

- The transformational leader gets people to look beyond their self-interests for the sake of the work group and the organization.

- The transformation leader helps people go beyond a focus on minor satisfactions to a quest for self-fulfillment.

Transformational leadership theory effectively combines the behavioural styles and situational approaches. Transformational leadership also needs to be situationally appropriate and specifically it is needed in rapidly changing situations.

According to Yammarino et. al. (2002) transformational and charismatic theory and models broadly represent a set of approaches to leadership(not management)that explains how certain leaders foster performance beyond expected standards by developing an emotional attachment wit h followers that is tied to a common cause and contributes to the "greater good "or larger collective.

It is the leadership that is individually considerate, intellectually stimulating, inspirationally motivated, visionary, values-based and of high moral and ethnical standards. Such leadership typically involves passion and self sacrifice, confidence and determination, serving as a role model for others, exhibiting high expectations, displaying confidence in followers and creative and innovate behaviors. Charismatic leadership involves a unique bonding among leaders and followers – emotional attachment, values, respect, and trust form the basis of these approaches.

Transformational leadership is defined in terms of the leader's behaviours and effect on followers. It involves an underlying influence process that motivates followers by encouraging them to transcend their self interests for the sake of the organization and goal accomplishment. Followers through relationship leadership are motivated to do more than originally expected and feel trust, loyalty, respect and admiration toward the leader.

The leaders raise follower's levels of awareness and consciousness about the value and importance of key outcomes and their accomplishments. They alter followers' portfolio of need and wants, expanding and raising these in terms of the need hierarchy, moreover, leaders encourage and help followers transcend their self- interests for the enhancement of the group, team, organization or larger society interests.

Sashkin & Sashkin (2003) say that transformational leaders identify, articulate and help others internalize shared values and beliefs. Such leaders define control as deriving from

a "higher" source: the community. Transformational organizational leaders are not concerned with indicating the values and beliefs of the past. Neither do such leaders aim to indicate their own values and beliefs in the members of the community. Rather, the transformational leaders work is to first device a set of values and beliefs from the cu rent community of organization members (including the leader).Traders then act to make these value s and beliefs explicit so that they can be shared consciously.

Managers need for power is expressed pro socially by sharing power and influence with others to achieve organizational goals. As followers, managers are well positioned to work with leaders, with the aim of becoming leaders themselves. At the same time, they can become more effective managers by using leadership behaviour to further transformative aims. That is, they learn how to empower others, primarily those who report to them, but often peer as well. This can encourage those others to empower their own colleagues and lower-level employees. Managers who learn to model such behaviours may eventually become leaders. As such, they develop and transform their own followers- independent achievers – into effective managers.

One reason that charismatic and transformational leadership are so often confused is that both charismatic and transformational leaders often seem to act alike. Both types communicate what appears to be a clear vision. Both types appear to demonstrate consistency in their actions, so that followers develop a sense of trust in them. Both types seem to show respect toward followers. Both types tell followers they are part of a larger long- term plan.

The difference, however, is that charismatics do these things only superficially. Transformational leaders are concerned with substance, not impressions. The ultimate aim of transformational leaders is to empower followers; that of charismatic leaders is to disempower them and create dependency. Effective leadership is based primarily on the internalization of shared values held by leaders and followers. Even so, there must be some degree of identification with the leader by followers. After all, without some desire to identify with and" be like" the leader, why would followers become interested in finding shared values? Why would followers want to work with leaders to achieve common goals based on those values and beliefs?

According to Lussier (2005), transformational leadership is a behavioural theory because it focuses on the behaviour of successful leaders. It is about change, innovation, and entrepreneurship. Transformational leaders perform, or take the organization through, three acts, on an ongoing basis:

- Recognizing the need for neutralization. The transformational leader recognizes the need to change the organization in order to keep up with the rapid changes in the environment and to keep ahead of the global competition, which is becoming more competitive all the time.

- Creating a new vision. The transformational leader visualizes the changed organization and motivates people to make it become a reality. They are visionary leaders.

- Institutionalizing change. The transformational leader guides people as they make the vision become a reality.

2.5 Summary

The pressures on organizations to change are likely to increase over the next years. Leaders must develop the personal qualities, skills and methods needed to help their organizations remain competitive. In the Kenyan situation, the effects of leadership in general and transformational leadership in particular on organizational performance has to take into account top management, middle management, first-level or supervisory management and the general employees (subordinates). That is, it has to be holistic for the relationship to come out clearly. It can be deduced from the literature review that transformational leadership is indispensable towards increasing organizational performance. Existing literature was based on studies done outside Kenya. It is anticipated that the study will further enlighten the impact of transformational leadership on organizational performance.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Overview

This chapter described the research design, the study area, population, sample and sampling techniques, data collection, validity and reliability of instruments, ethical issues in research and data presentation and analysis.

3.2 Research Design

The study intended to make use of the case study method. A case study is able to consider all important aspects of a situation on unit of study and intensively investigate it. It gives a clear insight into the phenomenon under investigation. This is because the researcher intended to carry out an in depth study of one organization i.e. Nairobi Serena Hotel and sought views from the management and general employees of the organization.

3.3 Area of Study

The area of study was Nairobi Serena Hotel located in Nairobi, it is the largest and one of the ten tourist facilities operated by Serena Hotels & Lodges in Kenya. It was purposively chosen because of its big staff size, being very busy and easily accessible being in the central business district. The purpose of the study was to examine the impact of transformational leadership on organizational performance in NSH.

3.4 Population and Sampling Techniques

3.4.1 Target Population

The target population of this study comprised both the managers and the low level employees of Nairobi Serena Hotel making it a total of 463 employees.

3.4.2 Sample Size Determination

The sample size of the subordinate (low level) employees was 30% of the total low level employees. All the top and middle managers including the supervisors constituted the sample. That is all the 40 managers were selected for interview using purposive sampling and 144 low level employees were selected for filling questionnaires for the study. A sample size of one thirty nine (139) respondents in total was selected out of a total population of 463 employees. According to Mugenda and Mugenda (1999), a 30% sample size is large enough to represent the salient characteristics of the accessible population. This produced a representative sample. The breakdown of the sample size was as follows:

Table 3.1: Sampling Frame

Department	Total Population	Sample Population
Top management	40	40
Front office	23	8
Food & Beverage	251	84
Housekeeping	77	26
Transport	11	4
Human resource	11	4
Security	14	5
Maintenance	8	3
Accounts, Stores & ICT	17	6
Guest & Beauty Shops	11	4
TOTAL	**463**	**139**

Source: Researcher

3.4.3 Sampling Procedure

Both the probabilistic and non-probabilistic techniques were used. To select a representative sample, simple random sampling, stratified and purposive sampling methods was employed. Under the non-probabilistic sampling, purposive sampling was used to choose Nairobi Serena Hotel, the top managers, the departments and the line managers and/or supervisors of these departments.

Stratified sampling was used to come up with departments existing in the organization, followed by simple random sampling to arrive at proportional number of employees in each department. According to Kothari (2003), if a population from which a sample is to be drawn does not constitute a homogeneous group, stratified sampling is generally applied. This ensured adequate representativeness and saved on costs.

3.5 Data Collection

A letter of introduction was obtained from the School of Human Resource Development, Moi University. The letter was used to secure permission to collect data from the General Manager, Nairobi, Serena Hotels. The researcher also attached an introduction letter to every questionnaire specifying the purpose of the study and assuring respondents of confidentiality. The researcher personally distributed the questionnaires and collected them at an agreed later date. 139 questionnaires were administered but only 130 were returned while out of 40 interview schedules only 20 were returned. The researcher also conducted face to face interviews with the line managers which lasted 3 weeks. The research made use of both questionnaires and interviews as data collection instruments.

Most techniques for measuring perceptions and attitudes rely heavily on verbal material in the form of interviews or questionnaires.

3.5.1 Questionnaires

One type of questionnaire was designed for the employees. The questionnaires were designed by examining the research objectives, hypotheses and related literature. This was done in order to frame items that examined the crucial variables in depth. Sets of questions in the form of questionnaires were distributed to 139 employees of NSH in order to determine the impact of transformational leadership on organizational performance. The questionnaire contained both closed and open-ended questions. Questionnaires were preferred since they facilitated easy and quick derivation of data and were cheap to administer even within limited time (Mugenda and Mugenda, 1999). Questionnaires were also appropriate because the researcher targeted the population that was literate. Standard questionnaires were used for all the respondents and the information needed was obtained in writing. Respondents were also allowed to think about the questions which led to more meaningful answers. Data from a structured questionnaire is easy to analyze and their degree of validity is very high. However, structured questionnaires restrict respondents to specific questions and do not allow room for creativity. This shortcoming was addressed by having a wide range of choices in the questionnaires.

3.5.2 Interviews

An interview schedule was prepared for the management. Forty interview schedules were administered. Interviews were advantageous in that they provided an in-depth data as there was a greater opportunity to explain and clarify the question and purpose of the

study (Mugenda and Mugenda, 1999). Interviews also enabled the researcher probe the interviewee further thereby obtaining explanation and illustrations for certain responses. The researcher personally conducted the interviews after booking appointments with the respective respondents (managers).

3.6 Data Analysis Procedure

The research data from the field was checked for accuracy and completeness. The research was both quantitative and qualitative in nature; the analysis of open-ended questions was based on similarity and uniqueness of responses. Those with similar responses were commented upon separately while those with unique responses were analyzed critically. Data on the study was first coded according to categories based on the type of information. Data was presented by use of tables. Chi-square was used to test the interdependence of the two variables and to test the hypotheses. Descriptive statistics (frequencies and percentages) was used to analyze the data and facilitate interpretation by the researcher. The researcher utilized SPSS computer programme to aid in the analysis of the data.

3.7 Validity and Reliability of Research Instruments

3.7.1 Validity

This was to check if the instruments adopted for this study were measuring what was intended to be measured (Kerlinger, 1983). It is the degree to which results from the analysis of the data actually represented the phenomenon under study (Mugenda and Mugenda, 1999). A valid instrument therefore is that instrument whose content are relevant to the study, in this case relevant to transformational leadership and organizational performance. It is a necessary condition for reliability. Content validity is

a non-statistical method used to validate content employed in the questionnaire. In this study, content validity of the questionnaires and interview schedules was determined by the supervisors of this study and other members of the teaching staff in the SHRD, Moi University. They were requested to assess the relevance of the research instruments independently. After this exercise, adjustments were made accordingly.

3.7.2 Reliability

According to Kerlinger (1983), reliability is the accuracy or precision of a measuring instrument. The instruments should be stable, constituent, accurate, dependable and predictable. Reliability is influenced by random error. To enhance it, the random error should be minimized. Randomization was used to ensure reliability. To ensure the reliability of the instruments adopted for this study, the questionnaire was piloted. Piloting was done on the five percent of the sample size. Then it was tested to determine its reliability. A test re-test was also done in the same institution to be sure of its reliability

3.8 Ethical issues in Research

3.8.1 Informed Consent

Since social research involves human beings, there is great need for informed consent. The respondent has the right in determining whether to be interviewed or not. The respondent did not only give permission, but was also told what the research was about.

3.8.2 Privacy

An individual has a right to choose/pick for him/herself the time and circumstances under which s/he can be interviewed. It is also the right of the participant to determine the

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 Overview

This chapter deals with data analysis, presentation and interpretation of the study findings. The data aided the researcher to find out the impact of transformational leadership on organizational performance in Nairobi Serena Hotel. The study was guided by the following research objectives: firstly, to examine the styles of leadership in use at Nairobi Serena Hotel; secondly, to evaluate the significance of the styles of leadership in use; thirdly, to examine the different factors that influence transformational leadership in Nairobi Serena Hotel and finally to suggest various ways in which transformational leadership can be enhanced to lead to organizational performance. The study used both questionnaires and interview schedules. The response rate was 81.5% that is 130 out of 144 questionnaires administered and 20 out of 40 interview schedules administered were returned.

4.1 .1 Background Information

The background information forms a basis to understand the respondents and it was from this perspective that the researcher had to find out about the background information of respondents. The table below shows the results:

Table 4.1: Background Information   **N=130**

Response	Frequency	Percentage
Background information		
Male	81	62.3
Female	49	37.7
Age		
20-29	48	36.9
30-39	71	54.6
40-49	9	6.9
Above 50	2	1.5
Education Level		
No response	1	0.8
Secondary	43	33.1
Tertiary	86	66.2
Status		
Single	49	37.7
Married	78	60
Widowed	3	2.3

From the results above as for the gender of the respondents, 62.3% were males while females accounted for 37.7%. The age bracket of the sample population is shown in table 4.1. 54.6% of the respondents are in the age bracket between 30-39 years, 36.9% are in the age bracket of 20-29 years, 6.9% are between 40-49 years while respondents above 50 years accounted for 1.5%. The educational level of the respondents was looked at. 33.1% of the respondents held secondary level education while the majority 66.2% had tertiary education. However, 0.8% gave no response. Still the same table indicates the marital status of the respondents. The results show that the majority of the sampled respondents were married with 60%; 37.7% were single while only 2.3% were widowed.

4.1.2 Employment Status

The researcher intended to establish the employment status of the respondents. To arrive

at this, the respondents were asked about how long they have been in employment in

NSH, their terms of service and the departments where they work.
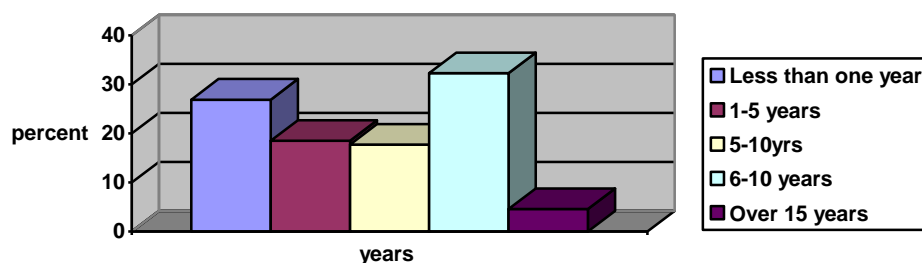
Figure 4.1: Employment Status

The figure 4.1 displays the results which show that 26.9% of the respondents have

worked for less than one year, 18.5% have a working experience of between 1-5 years,

18% have worked for between 5-10 years, 32.3% have worked for NSH for between 6-10

years while 4.6% have worked for NSH for period of over 15 years. This shows that most

workers have experience over one year. This is good for the organization since most

employees are conversant with the operations.

4.1.3 Terms of Service and Departments in NSH

Regarding the terms of service, 56.2% of the respondents worked as permanent

employees, 23.1% worked on temporary terms, 14.6% worked on contract terms while

6.2% did not respond. This shows that most of the workers in NSH are permanent

employees. Findings also indicate that NSH has numerous departments. Results show a

high percentage of respondents working in the food and beverage department with

64.6%, house keeping with 17.7%, front office with 4.6% and security and accounts,

stores and ICT with 3% each. The other departments have relatively fewer workers with

human resource and guest and beauty shops having 2.3% each, transport with 1.5% and maintenance with 0.8% accounting for less than 7% of the workforce in NSH mainly due to very specialized skills or because of management duties.

Table 4.2: Terms of Service and Departments in NSH

	Frequency	Percentage
Term of service		
No response	8	6.2
Permanent	73	56.2
Temporary	30	23.1
Contract	19	14.6
Total	**130**	**100**
Department		
Front office	6	4.6
Food and beverages	84	64.6
Maintenance	1	0.8
House keeping	23	17.7
Transport	2	1.5
Human resource	3	2.3
security	4	3
Accounts, stores& ICT	4	3
Guest & beauty shops	3	2.3
Total	**130**	**100**

4.1.4 Vision, Mission and Values

The researcher's objectives were to identity the perception of company and the leaders of the company. To arrive at the perception of the employees, the researcher asked the respondents to indicate the extent to statement on the vision, mission and values of NSH. On whether NSH has a vision, mission and values, 88.4% of the respondents were in agreement, 3.8% disagreed and 7.7% were undecided. The findings show that at least

there is vision, mission and values in existence. The respondents who disagreed might be those of average education. The business objectives that define NSH are well stated as indicated by the majority of respondents consisting of 79.2% while 6.2% did not agree. The perception of the respondents on whether NSH has clearly communicated its vision, mission and objectives to the employees was sought by the researcher. This is crucial since it helps the employees to work towards a common goal. The NSH has emphasized communication since 79.3% of the respondents have been communicated to clearly; 5.4% disagreed while 15.4% were undecided on the issue.

 The researcher also sought to find out if the employees' individual work objectives are clearly linked to those of NSH. It was established from the findings that 76.9% of the respondents had personal objectives that are in line with those of NSH while 9.2% had no response. The same respondents believed that their efforts matter to the performance of the NSH as indicated in the table where a majority 81.5% is in agreement while only 6.9% did not agree for various reasons common in the work place like job satisfaction and burn out. The management at NSH demonstrated a clear understanding of its employees through its operating process and procedures as 82.3% of the respondents agreed with only 6.1% in disagreement. However, 11.5% were undecided.

Table 4.3: Vision, Mission and Values

Response	Visions		Objective		Mission		Work		Efforts		Demonstrates	
	Freq	**%**	**Freq**	**%**	**Freq**	**%**	**Freq**	**%**	**Freq**	**%**	**Freq**	**%**
Strongly agree	70	53.8	49	37.7	47	36.2	44	33.8	55	42.3	59	45.4
Agree	45	34.6	54	41.5	56	43.1	56	43.1	51	39.2	48	36.9
Undecided	10	7.7	19	14.6	20	15.4	18	13.8	15	11.5	15	11.5
Disagree	5	3.8	7	5.4	4	3.1		10	5	3.8	6	4.6
Strongly disagree	0	0	1	0.8	3	2.3	2	1.5	4	3.1	2	1.5

4.2 NSH Dealing with Change

Change is inevitable in any enterprise that endeavors to provide better services to its customers. The researcher went on to establish how NSH deals with change. It was revealed from the results in the following table that whenever there is change in NSH, the management communicates it to the employees in advance. This was supported by 82.3% of the respondents against 6.9% who did not agree. Furthermore, the benefit of change is also clearly communicated to the NSH staff. This is important so that the employees make informed decisions when supporting the new changes. 73.1% were in agreement. However, 10.8% seemed not to concur with and 16.2% were undecided. The management of NSH not only communicates to employees about the changes but also go further to inform the individual staff members who are affected by the change on its impact 13.8% did not agree. The same table also has results showing the management of NSH gives support to the staff affected by changes throughout the change period since 70.7% of the respondents agreed while 12.3% have not been supported to mitigate the effects of the changes.

Table 4.4: NSH Dealing with Change

Response	Frequency	Percentage
Communicating change		
Strongly agree	44	33.8
Agree	63	48.5
Undecided	14	10.8
Disagree	5	3.8
Strongly disagree	4	3.1
Benefits of change		
Strongly agree	43	33.1
Agree	52	40.0
Undecided	21	16.2
Disagree	11	8.5
Strongly disagree	3	2.3
Informing individuals		
Strongly agree	49	37.7
Agree	49	37.7
Undecided	14	10.8
Disagree	13	10.0
Strongly agree	3	3.8
Leaders' support		
Strongly agree	38	29.2
Agree	54	41.5
Undecided	22	16.9
Disagree	10	7.7
Strongly disagree	6	4.6

4.2.1 Management at NSH

The table below displays the results on management at NSH. An overwhelming majority, 82.3% of the respondents agreed that the company's vision, strategy and objectives is communicated to the employees while 5.4% did not seem to agree. The management at NSH is also very flexible and open to change as demonstrated by 72.3% of the respondents who view their managers as flexible and open to change. However, 12.3% did not agree while 15.4% were undecided. The management score on planning at NSH is not very regular and organized as 68.4% seemed to support against 11.5% who disagreed and 15.4% were undecided. The lower percentage shows something is amiss at NSH when it comes to planning.

Good and competent managers seek divergent views and blend together to come up with an acceptable decision. At NSH, the results reveal that when it comes to decision making process, 74.6% of the respondents say the management takes time to seek their opinion while only 16.1% claim not being part of the decision making process. The results are displayed in table 4.5.

Table 4.5: Management at NSH N=130

Response	Frequency	Percentage
Strategy		
Strongly agree	51	39.2
Agree	56	43.1
Undecided	16	12.3
Disagree	6	4.6
Strongly disagree	1	.8
Flexibility		
Strongly agree	36	27.7
Agree	58	44.6
Undecided	20	15.4
Disagree	12	9.2
Strongly disagree	4	3.1
Planning		
Strongly agree	38	29.2
Agree	51	39.2
Undecided	26	20.0
Disagree	10	7.7
Strongly agree	5	3.8
Decision making		
Strongly agree	48	36.9
Agree	49	37.7
Undecided	12	9.2
Disagree	9	6.9
Strongly disagree	12	9.2

4.2.2 NSH Involves Employees to Set Target
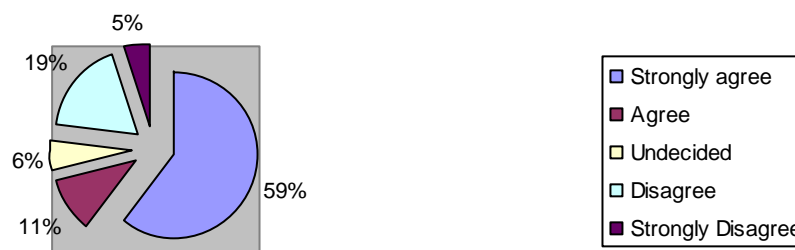
Figure 4.2: NSH Involves Employees to Set Targets

Results show that the NSH involves the employees to set targets for their individual work. This was agreed by 70% of the respondents; 29.3% were either in disagreement or were undecided. The level of trust by the employees at NSH is generally positive as 78.5% of the respondents have trust and confidence in the overall performance displayed by the management with only 12.3% were not satisfied.

4.2.3 Communication Process in NSH

The researcher also intended to gather valuable information on the communication process at NSH. To reach to the findings, the researcher sought to establish if employees had access to information they needed to properly execute their duties and if NSH believed in open, honest communication and if there was adequate communication between the various departments. Results in table 4.6 show that 86.1% of the respondents had access to relevant information that enabled them discharge their duties diligently while 5.4% did not access the information to enable them work well. However, 75.3% of the employees believed NSH is committed to open and honest communication at various levels of the organization. This was supported further by 72.3% of the respondents against 12.3% who believe there is adequate communication between the various

departments in the company. Only 10.7% of the respondents do not believe upward communication is encouraged at NSH but 70% of the respondents believe that upward communication is encouraged.

Table 4.6: Communication Process in NSH   **N=130**

Response	Frequency	Percentage
Accessibility		
Strongly agree	41	31.5
Agree	71	54.6
Undecided	11	8.5
Disagree	3	2.3
Strongly disagree	4	3.1
Commitment		
Strongly agree	41	31.5
Agree	57	43.8
Undecided	20	15.4
Disagree	8	6.2
Strongly disagree	4	3.1
Adequate communication		
Strongly agree	50	38.5
Agree	44	33.8
Undecided	20	15.4
Disagree	14	10.8
Strongly disagree	2	1.5
Upward communication		
Strongly agree	44	33.8
Agree	47	36.2
Undecided	25	19.2
Disagree	9	6.9
Strongly disagree	5	3.8

4.2.4 How Employees Learn More about the Institution

It was important for the study to find out on the ways in which employees learn about the

institution. The results are shown in the table below:

Table 4.7: How Employees Learn More about the Institution.

Response	Frequency	Percentage
Learning		
Strongly agree	51	39.2
Agree	45	34.6
Undecided	18	13.8
Disagree	13	10.0
Strongly disagree	3	2.3
Problem notification		
Strongly agree	48	39.2
Agree	52	39.2
Undecided	18	16.2
Disagree	8	3.1
Strongly disagree	4	2.3
Business strategy		
Strongly agree	37	28.5
Agree	51	39.2
Undecided	25	19.2
Disagree	14	10.8
Strongly disagree	3	2.3

Results in Table 4.7 shows that most employees 73.8% learn more about what is going on

in the institution through formal communication than through rumours. This implies that

the communication process is a healthy one since only 12.3% dispute that the

management communicates to the staff when the company is experiencing problems.

76.9% of the respondents were in agreement while 9.3% disputed with 13.8% who are undecided. Further more, the business strategy of the institution is clearly communicated to the staff with 67.7% agreeing although 32.3% either were undecided or disagreed. This shows that some workers may be working hard but with no idea of the institution's strategy.

4.2.5 Feedback

Feedback is given to the employees in NSH. Results in the figure below reveal that NSH performance results are clearly communicated to the staff as indicated by 77.7% of the respondents while 14% claim performance results are not communicated back to the staff. The results further show that the medium for communication used internally are adequate and effective as suggested by a majority of the respondents 71.5% while 9.2% doubted the internal communication channels used.
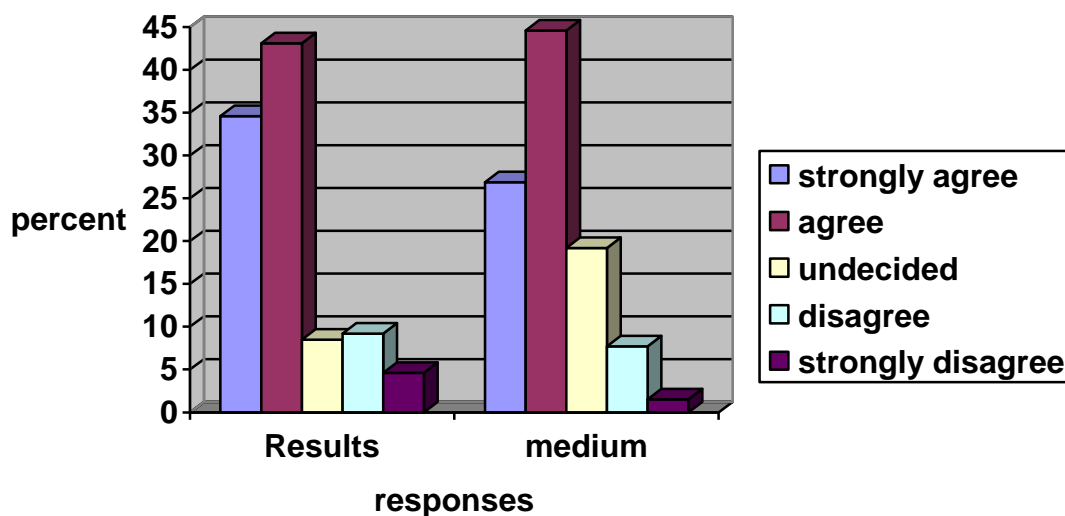
Figure 4.3: Feedback

4.2.6 Views Regarding their Immediate Supervision at NSH

The respondents also gave their views regarding their immediate supervision at NSH. 80% of the respondents agreed that their immediate supervisors treat them fairly and with respect while 7.7% did not agree. However, 12.3% were undecided. Fair treatment together with being accessible motivates employees who work without anxiety when delivering their duties. 78.4% of the respondents say their immediate supervisors are accessible while 7.7% disagreed though 13.8% were undecided. Further more, majority 74.6% of the employees concur that their immediate supervisors request for their inputs before making decisions. This shows a strong indication that most workers were co-operating with the supervisors to attain the vision of the company since they are confident their views are included. The results are presented in Table 4.8.

Table 4.8: Views Regarding their Immediate Supervision at NSH   **N=130**

Response	Frequency	Percentage
Treat them fairly		
Strongly agree	61	46.9
Agree	43	33.1
Undecided	16	12.3
Disagree	6	4.6
Strongly disagree	4	3.1
Accessible		
Strongly agree	41	31.5
Agree	61	46.9
Undecided	18	13.8
Disagree	8	6.2
Strongly disagree	2	1.5
Input		
Strongly agree	40	30.8
Agree	57	43.8
Undecided	17	13.1
Disagree	8	6.2
Strongly disagree	8	6.2

4.2.7 Supervisors Inform Subordinates to Perform their Duties

Table 4.9 shows that 67.7% agreed that their immediate supervisors inform them on how they will perform their duties while 11.5% seemed to disagree. On the same note, the supervisors inform the respondents when their work needs implementation. This is shown by the high percentage, 76.9% of the respondents who agreed with only 11.5% not in agreement. This further motivates the employees since they undergo evaluation of their performance and gauge their abilities related to their work. The researcher also sought to establish if the supervisors lead by example and also set clear priorities for what needs to be achieved.

The results shows 69.3% of the respondents do feel the supervisors led by example with 10.8% viewing it differently meaning the conduct of some supervisors is not above average. However, 75.4% of the respondents felt their supervisors set clear priorities for what need to be achieved in the organization to achieve results, 10.8% refuted while 13.1% were undecided. The supervisors are very knowledgeable according to 61.5% of the respondents, meaning they are experts in their fields of operation; 14.6% disagreed while 11.5% were undecided. This could be for the reason that some supervisors could be promoted due to other qualities other them merit.

Table 4.9: Supervisors Inform Subordinates to perform their Duties   **N=130**

Response	Frequency	Percentage
Informing on staff duties		
No response	1	.8
Strongly agree	47	36.2
Agree	41	31.5
Undecided	26	20.0
Disagree	9	6.9
Strongly disagree	6	4.6
Work needs		
Strongly agree	51	39.2
Agree	49	37.7
Undecided	15	11.5
Disagree	10	7.7
Strongly disagree	5	3.8
Leading by example		
Strongly agree	40	30.8
Agree	50	38.5
Undecided	26	20.0
Disagree	11	8.5
Strongly agree	3	2.3
Setting clear objectives		
No response	1	.8
Strongly agree	48	36.9
Agree	50	38.5
Undecided	17	13.1
Disagree	11	8.5
Strongly disagree	3	2.3
Supervisors' knowledge		
Strongly agree	31	23.8
Agree	55	42.3
Undecided	25	19.2
Disagree	15	11.5
Strongly disagree	4	3.1

4.2.8 Overall Leadership

The overall leadership at NSH was looked at. First, the researcher inquired whether leaders encouraged and supported the staff in terms of staff development. It came out clearly that 76.9% of the respondents are encouraged and supported by the leadership to know work related skills. 30.8% of the samples were undecided with only 10% who did not agree. Table 4.10 displays results on whether leaders are accessible, valued contribution from staff and encouraged team work at the work place. 73% of the respondents said that the leaders were accessible to the staff while 70% believed the leaders at NSH valued contributions made by the staff. The high percentages indicated a favourable working environment for the employees. On whether the leadership encourages team work, 76.1% of the respondents agreed that a lot is achieved through team work. 6.9% and 16.9% either did not respond or were in disagreement respectively.

Table 4.10: Overall Leadership   **N=130**

Response	Frequency	Percentage
Staff development		
Strongly agree	55	42.3
Agree	44	33.8
Undecided	18	13.8
Disagree	9	6.9
Strongly disagree	4	3.1
Accessibility		
Strongly agree	31	23.8
Agree	64	49.2
Undecided	23	17.7
Disagree	10	7.7
Strongly disagree	2	1.5
Value		
Strongly agree	37	28.5
Agree	54	41.5
Undecided	15	11.5
Disagree	17	13.1
Strongly agree	7	5.4
Teamwork		
Strongly agree	45	34.6
Agree	54	41.5
Undecided	22	16.9
Disagree	6	4.6
Strongly disagree	3	2.3

4.2.9 Leaders and Staff Performance

Table 4.11 displays the results on whether leaders recognize individual staff performance and whether the very leaders encourage high performance. Results show that 64.8% of the sample population believed leaders recognize individual staff performance with only 10.7% were in disagreement. It is also clear that employees at NSH are highly motivated since apart from recognizing individual performance, the leaders do also encouraged high performance from the workers since 73.8% agreed with only 8.5% were in disagreement. Those that were undecided accounted for 17.7% and this can be as a result of not being knowledgeable. 64.6% of the respondents claimed that leaders trust the judgment of the staff and empowered the staff to make decisions though 15.4% did not agree. The leadership at NSH is grounded and geared towards giving a clear sense of direction to the employers. These pointed to the fact that role confusion is avoided in the organization. Here, 69.2% of the sample population believed that they are empowered and had a clear sense of direction when discharging their duties.

Table 4.11: Leaders and Staff Performance   **N=130**

Response	Frequency	Percentage
Recognition		
No response	1	.8
Strongly agree	51	39.2
Agree	33	25.4
Undecided	31	23.8
Disagree	9	6.9
Strongly disagree	5	3.8
Total	**130**	**100**
Encourage performance		
Strongly agree	41	31.5
Agree	55	42.3
Undecided	23	17.7
Disagree	8	6.2
Strongly disagree	3	2.3
Trust		
Strongly agree	42	32.3
Agree	42	32.3
Undecided	26	20.0
Disagree	13	10.0
Strongly disagree	7	5.4
Sense of direction		
Strongly agree	32	24.6
Agree	58	44.6
Undecided	20	15.4
Disagree	15	11.5
Strongly disagree	5	3.8

4.2.10 Overall Satisfaction of the Employees

The respondents were to comment on the overall satisfaction of the employees at NSH from the results in Table 4.12, is clear that majority of the employees are satisfied with NSH as their employer since the results showed that 72.3% agreeing, 8.4% were not in agreement while 19.2% were undecided. Furthermore, 64.7% of respondents were satisfied with the treatment given by NSH, though 11.5% did not agree. So, the majority of the employees felt challenged to constantly offer the best of their service to NSH. 70% of the respondents feel challenged to constantly offer the best of their service to NSH. Table 4.17 also shows that 9.2% disagreed while 20.8% were undecided.

Table 4.12: Overall Satisfaction of the Employees N=130

Response	Frequency	Percentage
Satisfaction with employer		
Strongly agree	45	34.6
Agree	49	37.7
Undecided	25	19.2
Disagree	9	6.9
Strongly disagree	2	1.5
Treatment		
Strongly agree	24	18.5
Agree	60	46.2
Undecided	31	23.8
Disagree	11	8.5
Strongly disagree	4	3.1
Motivation		
Strongly agree	43	33.1
Agree	48	36.9
Undecided	27	20.8
Disagree	12	9.2

4.3 Managers and Supervisors Results

The study interviewed the managers and supervisors of the NSH and findings are shown below:

4.3.1 Age of Managers and Supervisors

The research sought to establish the age of the managers and supervisors. The result is as shown in the figure below:
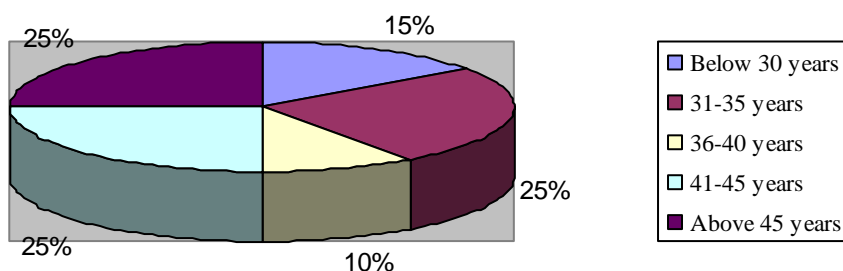
Figure 4.4: Age of Sampled Managers

The figure above shows that majority of the respondents 25% were between the age of 31-35 years, while a same percentage of 25% were between the age of 41-45 years and above 45 years respectively while 10% were between the age of 36-40 years and only 15% below 30 years. This shows that most of the respondents were above 30 years.

4.3.2 Level of Education

On finding out the level of education, majority of the sample population 70% were diploma holders, 25% certificate holders while only 5% had a degree. These reveal that at

least most of the respondents have diploma and are able to work in the organizations well. The results are shown in the figure below:
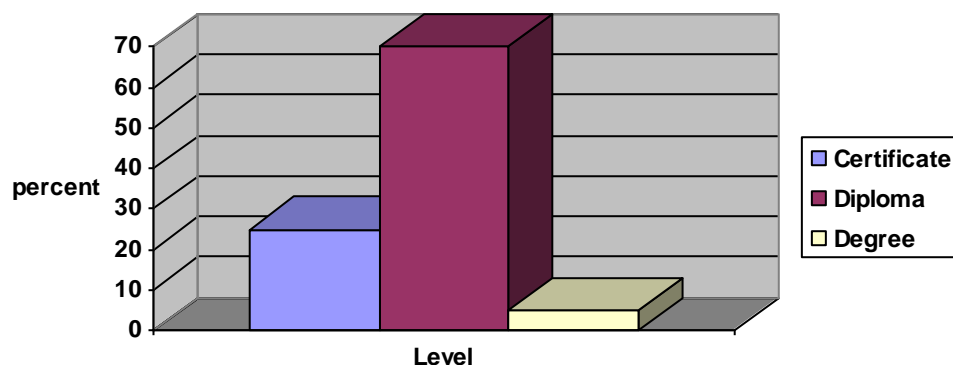
Figure 4.5: Level of Education

4.3.3 Professional Training

Further, the researcher wanted to know the professional training the respondents took in the various institutions. Most of the respondents 55% had trained in Hotel management, 205 were holders of CPA certificates, 15% had trained in Food and Beverage while 10% were trained professionally in Hospitality Management. These show that most of the respondents are trained in Hotel management. The result is as depicted in the figure below:
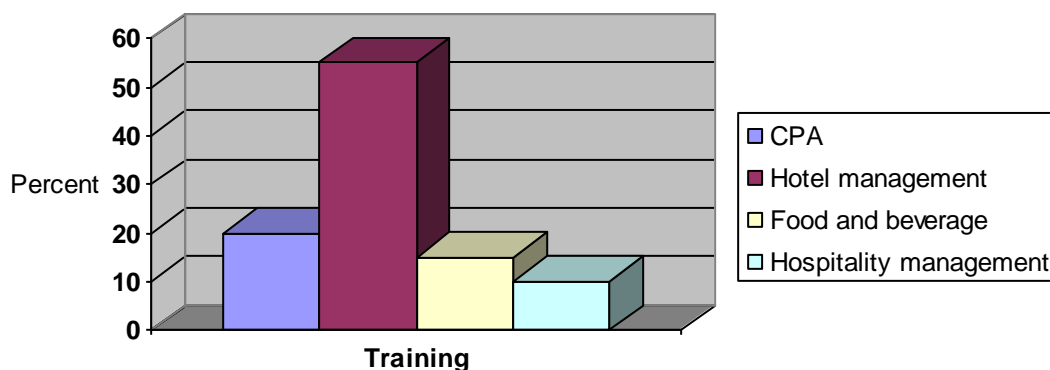
Figure 4.6: Professional training

4.3.4 Year Employed

It was also important for the study to establish the years employed in NSH. Results shows that most of the respondents 50% were employed in NSH between the years 1990-1995, 15% were employed between the years 1996-2000; 20% were employed between the years 2001-2005 while 15% did not respond. These shows that most of respondents have stayed long in NSH and have experience in the duties of the organizations. The results are shown in the figure below:
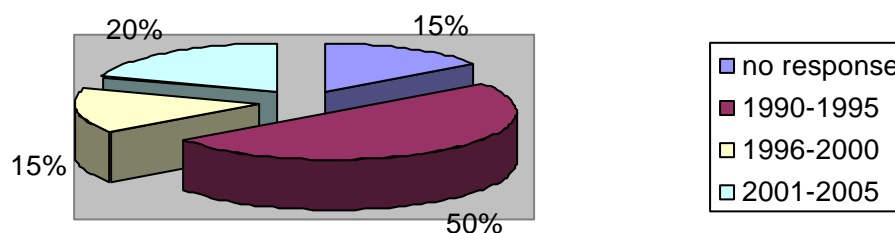
Figure 4.7: Year employed

4.3.5 Appointment of Respondents

From the figure below, the researcher wanted to find out the time the respondents had been appointed to the present job title. Results shows that most of the supervisors and manager 60% were employed between the years 2001-2005, 30% were appointed to the present job title between the years 1996-2000 while 10% between the years 1990-1995. These shows that most of the respondents have experience in their present job titles.
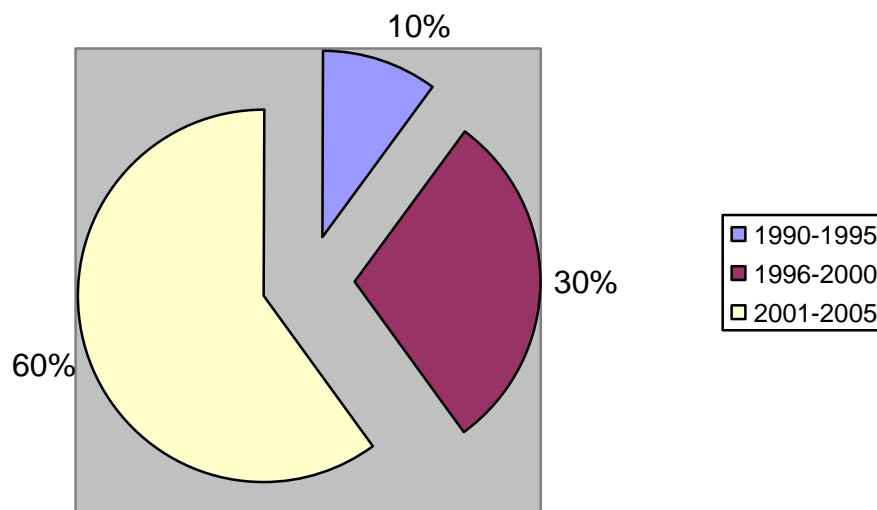
Figure 4.8: Appointment of Respondents

4.3.6 Styles of Leadership

One of the researcher's objectives was to examine the styles of leadership in use at Nairobi Serena Hotel. Findings show that 50% of the managers and supervisors said that it was direct and unlimited consultations, 30% said the form of leadership that existed in NSH was open and consultative management while 15% said that their was encouragement and nurturing of individual career in NSH. These shows that in NSH there are different styles of leadership but they most used was direct and unlimited consultations. The results are indicated in the figure below:
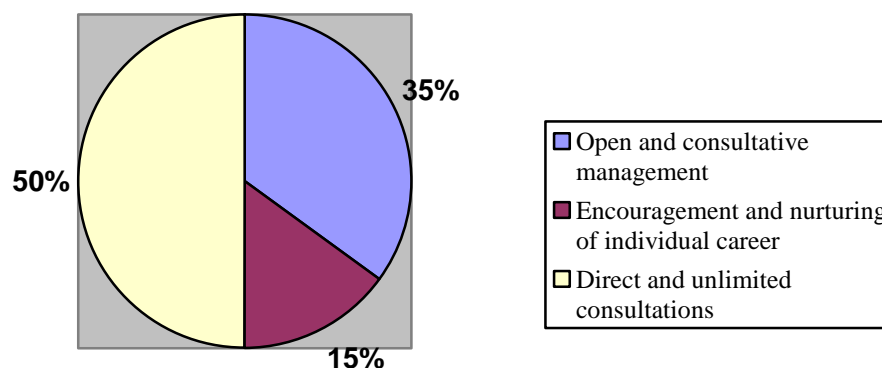
Figure 4.9 Styles of leadership

4.3.7 Significance of the Styles of Leadership

The researcher's second objective was to evaluate the significance of the styles of leadership in use. The results shown below give the responses from the supervisors and managers on the significance of the styles of leadership to Nairobi Serena Hotel.

Table 4.13: Significance of the Styles of Leadership

Responses	Frequency	Percent
Helps in cultivating unity of purpose	7	35.0
Motivating staff hence improving productivity	9	45.0
Increases motivation for commitment	4	20.0
Total	**20**	**100.0**

Results shows that majority of the small population 45% said that the styles of leadership have significance such that the staff are motivated hence improving productivity at work, 35% were of the opinion that it helps in cultivation unity of purpose while 20% of the managers and supervisors said that it increases motivation for commitment. These reveal

that the different styles of leaderships have significance NSH because it improves on employee's performance hence improvement in productivity because they are motivated.

4.3.8 Role of Managers

The researcher went ahead to find out the different role of manager/leaders in NSH. Findings reveal that most of the sample population 40% said that their role is to promote staff development, which enhances motivation; 25% said that ensuring that the staff is guided and motivated well. Also 25% said their role is to guide and counsel the staff while ten percent said that the manager's role is to support, coach and nurture employees. The findings reveal that most of the manager play a different role in NSH but most managers role is to promote staff development thus improvement in motivation.

Table 4.14: Role of Managers

Responses	Frequency	Percent
Supporting, coaching and nurturing employees	2	10.0
Promote staff development which enhances motivation	8	40.0
Guide and ensure staff are motivated	5	25.0
Guiding and counseling	5	25.0
Total	**20**	**100.0**

4.3.9 Roles affect organizational performance

The results in the table below summarize responses on if the different roles stated above affect organizational performance in NSH. Most of the respondents 85% agreed that the different roles affect organizational performance, 10% did not respond on whether the roles affects organizational performance or not while only 5% disagreed. These show that

the roles played by different managers and supervisors in NSH are one of the factors that influence transformational leadership style affect the performance.
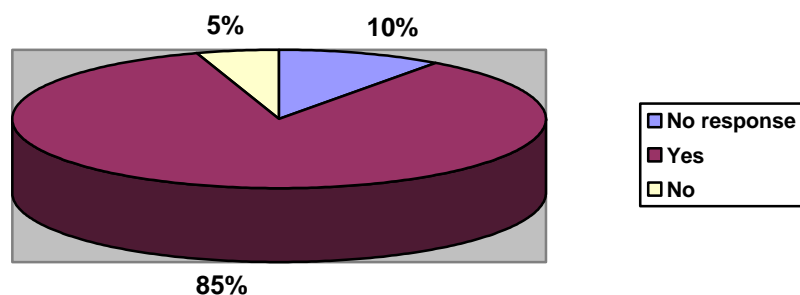
Figure 4.10: Roles affect Organizational Performance

4.3.10 How Roles affect Organizational Performance

The researchers further wanted to establish how the different roles of manager/leaders in NSH affect the organizational performance. The table below shows that majority of the sample population 55% were on the opinion that the different roles affect organizational performance because organizations depends on the mutual and interrelated relations while 45% said that mutual relationships helps in achieving the objectives of the organization. It can be concluded that the different roles manager/leaders play affects organizational performance in one way or the other.

Table 4.15: How Roles affect Organizational Performance

Responses	Frequency	Percent
Organizations depends on the mutual and interrelated relations	11	55.0
Mutual relationships helps in achieving the objectives	9	45.0
Total	**20**	**100.0**

4.3.11 Management Deal with Change

From the table below, the researcher wanted to find out how the management of NSH dealt with any change in the organization.

Table 4.16: Management Deal with Change

Responses	Frequency	Percent
Being open-minded and anticipate any changes	6	30.0
Informing the staff of any impeding changes	7	35.0
Informing and involving the staff members on any issues	7	35.0
Total	**20**	**100.0**

Results above shows that the majority 35% of the managers and supervisors said that they deal with change by informing the staff of any impeding changes in the organization, 35% said that they deal with change by informing and involving the staff members on any issues in the organization, while 30% said they deal with change by being open-minded and anticipate any changes in the organization. The results show that different organizations have different ways of dealing with any change in the organization.

Table 4.17: Ensuring Employees embrace NSH Vision

Responses	Frequency	Percent
Simplifying terms to be understandable	7	35.0
Trainings and continuous development seminars and meetings	13	65.0
Total	**20**	**100.0**

4.3.12 Factors that Influence Transformational Leadership

The researcher third objective was to examine the factors that influence transformational leadership style in Nairobi Serena Hotel.

Table 4.18: Factors that Influence Transformational Leadership

Responses	Frequency	Percent
Commitment and understanding the values	5	25.0
Open minded and understanding of a wide range of issues	7	35.0
Motivation and right organizational culture	1	5.0
Open communication	7	35.0
Total	**20**	**100.0**

Results show that most of respondents 35% said that being open-minded and understanding of a wide range of issues is one of the factors that influence transformational leadership style, 35% pointed open communication as one of the factors. Further, 25% said that commitment and understanding the values of the organization is one of the factors while 5% were of the idea that motivation and right organizational culture if one of the factors that influence transformational leadership style.

4.3.13 Ordinary Employees have any Role in Overall Management

The researcher also wanted to establish if ordinary employees had any role in the overall management/leadership in NSH. Results show that majority of the sample population 85% agreed that ordinary employees have roles in the overall management/leadership in NSH while 15% did not respond that is they were not sure if ordinary employees had any role in the overall management/leadership in NSH or not. These show that ordinary employees have different roles to play in the overall management/leadership of NSH.
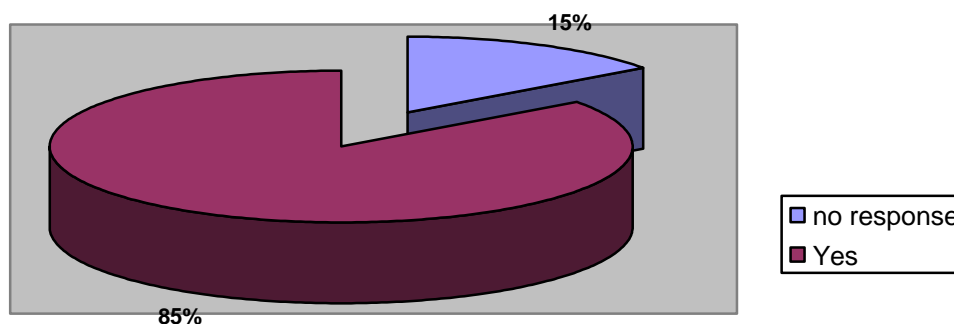
Figure 4.11: Ordinary Employees have any Role in Overall Management

4.3.14 Roles of Overall Management

On further finding out what roles the ordinary employees have in the overall management in NSH several responses were given: 65% said that they are empowered to make decisions and give suggestions; 25% were on the opinion that their role is offering feedback to the management on the expectations and complaint while 10% did not respond that is they did not know the role of ordinary employees in the organization. These show that ordinary employees have roles in the overall management.

Table 4.19: Roles of Overall Management

Responses	Frequency	Percent
No response	2	10.0
They are empowered to make decisions and give suggestions	13	65.0
Offering feedback to the management on the expectations and complaints	5	25.0
Total	**20**	**100.0**

4.3.15 Transformational Leadership Affects Organizational Performance

The table below summarizes the results on whether transformational leadership affects organizational performance. Findings show that almost all of the respondents 90% agreed that transformational leadership affects organizational performance while only 10% disagreed to that. These reveal that transformational leadership affects organizational performance of NSH. On further establishing how transformational leadership affects organizational performance of NSH, 40% said that it motivates one to look for new ways of doing things, 40% said that it improves competition among rival firms to meet set objective while 20% were of the opinion that transformational leadership affects organizational performance of NSH by the changes in technology, financial and legal environment. This shows that transformational leadership affects organizational performance of NSH.

Table 4.20: Transformational Leadership Affects Organizational Performance

	Frequency	Percent
Yes	18	90.0
No	2	10.0
Transformational leadership and organizational performance		
Motivates one to look for new ways of doing things	8	40.0
Improves competition among rival firms to meet set objective	8	40.0
Changes in technology, financial and legal environment	4	20.0

4.3.16 Ways in which Transformational Leadership can be enhanced to lead to Organizational Performance

The researcher's last objective was to suggest various ways in which transformational leadership can be enhanced to lead to organizational performance. 70% suggested that constant motivation and flow of information is one of the ways which transformation leadership can be used to lead to organizational performance in NSH, 20% were on the opinion that encouragement, teamwork, commitment and adaptability of change while 5% mentioned involving employees in decision-making.

Table 4.21: Ways in which Transformational Leadership can be Enhanced to Lead to   Organizational Performance

	Frequency	Percent
Constant motivation and flow of information	14	70.0
Encouragement, teamwork, commitment and adaptability of change	5	25.0
Involving employees in decision making	1	5.0
Total	**20**	**100.0**

4.4 Hypothesis Testing

Hypothesis one stated that there is no relationship between transformational leadership

and organizational performance to test this chi-square statistics was used and results are

shown below:

Table 4.22: Transformational Leadership * Organizational Performance Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.069(a)	2	.216
Likelihood Ratio	3.443	2	.179
Linear-by-Linear Association	1.078	1	.299
N of Valid Cases	20		

From the above table the chi-square statistic of 3.069 with df= 1 and a p value >0.05 =

0.216 (X^2= 3.069, df=1, p=0.216) reveals no relationship between the two variables;

transformational leadership and organizational performance since the p value is greater

than the significance level 0.05 we accept the Null hypothesis that states that there is no

relationship between transformational leadership and organizational performance and

reject the alternate. This supports the fact that there are many factors apart from

transformational leadership that affect organizational performance.

4.4.1 Relationship between the Roles of the different Leaders and Organizational Performance

For the second hypothesis, a chi square test was done to find out the relationship between

the roles of different leaders and organizational performance. The table below indicates

calculated chi-square values and their significance of roles of different leaders and organizational performance:

Table 4.23: Role of Managers * Organizational Performance Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.647(a)	6	.049
Likelihood Ratio	8.957	6	.176
Linear-by-Linear Association	.043	1	.837
N of Valid Cases	20		

The relationship between roles of leaders and organizational performance was found to be significant with a chi square statistic of 12.647 with a level of significance 0.049 at $p<0.05$. This result implies that there is relationship between the roles of different leaders and the organizational performance whereby performance depends on the role of different managers. Therefore we reject the null hypothesis that states that there is no relationship between the roles of the different leaders and organizational performance and accept the alternate that stated that there a relationship between the role of different managers and the organizational performance.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The purpose of the study was to examine how transformational leadership styles of managers affect the organizational performance of Nairobi Serena Hotel. The objectives of the study were as follows:

i.   To examine the styles of leadership in use at Nairobi Serena Hotel.

ii. To evaluate the significance of the styles of leadership at Nairobi Serena Hotel.

iii. To examine the different factors that influence transformational leadership style in Nairobi Serena Hotel.

iv. To suggest various ways in which transformational leadership can be enhanced to lead to organizational performance.

5.1 Summary of the Findings

5.1.1 Styles of Leadership

One of the researcher's objectives was to examine the styles of leadership in use at Nairobi Serena Hotel. It was seen that 50% of the managers and supervisors were of the opinion that style of leadership used was direct and unlimited consultations. These shows that in NSH there are different styles of leadership but they mostly used style of leadership was direct and unlimited consultations. This is in agreement to Mullins (2004), who argues that an essential part of management is co-ordinating the activities of people (employees) and guiding their efforts towards the goals and objectives of the organization. This involves the process of leadership and the choice of appropriate form of action and behaviour

The study also found that 56.2% of the respondents are permanent employees. This shows that most of the workers in NSH are permanent employees. It was also observed that there are numerous departments in NSH with a high percentage of 64.6% working in the food and beverage department. It came out clearly that 76.1% of the respondents are encouraged and supported by the leadership to know work related skills. In addition, 73% of the respondents said that leaders are accessible to the staff while 70% believed the leaders at NSH value contributions made by the staff. The high percentages indicate a favourable working environment for the employees. On whether the leadership encourages teamwork, 76.1% agreed that a lot is achieved through teamwork. These findings support Bass and Avolio's (1993), idea that the effective leader should exhibit a bit of laissez-faire, a moderate level of transactional leadership, and a high level of transformational leadership. This mix of leadership styles will strengthen the leader's ability to influence his/her employees and spur them on to perform tasks above and beyond what is required. Few leaders understand the full significance of how influential their leadership style is on the performance and satisfaction of their employees (Burns, 1978). Leaders control both interpersonal and material rewards and punishments that often shape employee behavior and influence an employee's performance, motivation, and attitude. They can affect an employee's self-image and resulting potential in either a positive or negative way by being supportive, fair, and encouraging, or unsupportive, inconsistent, and critical. In addition, they can even affect an employee's health and energy level by creating a stimulating work climate or one filled with tension and fear.

5.1.2 Significance of the Styles of Leadership

The researcher's second objective was to evaluate the significance of the styles of leadership at Nairobi Serena Hotel. It was evident that 45% said the styles of leadership have significance such that the staff is motivated hence improving productivity at work. These reveal that the different styles of leaderships have significance NSH because it improves on employee's performance hence improvement in productivity because they are motivated. Findings also revealed that 85% of the respondents agreed that ordinary employees have roles in the overall management/leadership in NSH. On further finding out what roles the ordinary employees have in the overall management in NSH several responses were given, ranging from being empowered to make decisions and give suggestions to offering feedback to the management on the expectations and complaints.

5.1.3 Factors that Influence Transformational Leadership Style

The researcher's third objective was to examine the factors that influence transformational leadership style in Nairobi Serena Hotel. It was observed that 35% said that being open-minded and understanding of a wide range of issues is one of the factors These reveal that there are different factors in the organization that influence transformational leadership style in NSH. Results showed that the transformational leadership affects organizational performance because almost all of the respondents 90% agreed that transformational leadership affects organizational performance. The study also found that 40% said that transformational leadership affects organizational performance of NSH because it motivates one to look for new ways of doing things; 40% said that it improves competition among rival firms to meet set objectives while 20% were of the opinion that transformational leadership affects organizational performance

of NSH by the changes in technology, financial and legal environment. These show that transformational leadership affects organizational performance of NSH.

5.1.4 Ways in which Transformational Leadership can be Enhanced to Lead to Organizational Performance

The researcher's last objective was to suggest various ways in which transformational leadership can be enhanced to lead to organizational performance. 60% suggested that constant motivation and flow of information is one of the ways in which transformational leadership can be used to lead to organizational performance in NSH, 25% mentioned encouragement, teamwork, commitment and adaptability of change, while 5% said that involving employees in decision-making is also a way. This shows that if transformational leadership is practiced in organizations there could be improvement in organizational performance in NSH. These suggestions are in line with Walumbwa, Avolio & Zhu (2008) who asserted that the relationship between Leadership and performance is established considerable attention. The main theme of the every organization is to enhance employee performance. Walumbwa, Avolio & Zhu (2008) expressed, transformational leadership correlated with subordinate skills with work worth to asses employees performance. They trained their workers, arranged meeting with their subordinates and take feedback from their subordinates and in end result employee productivity added. Firm mostly increase employee's performance by giving empowerment to their team members. Researchers have also studied the employee performance with extraverted leadership and gave very interested results, employee performance are increased under the extraverted leadership when employees are passive. And if employees are proactive, result will be opposite (Grant, Gino & Hofmann, 2011).

5.1.5 Hypothesis Testing

Hypothesis one stated that there is no relationship between transformational leadership and organizational performance to test this chi-square statistics was used. Results indicated that the chi-square statistic of 3.069 with df= 1 and a p value >0.05 = 0.216 (X^2= 3.069, df=1, p=0.216) reveals no relationship between the two variables; transformational leadership and organizational performance since the p value is greater than the significance level 0.05 we accept the Null hypothesis that states that there is no relationship between transformational leadership and organizational performance and reject the alternate. This supports the fact that there are many factors apart from transformational leadership that affect organizational performance. These findings collaborates with Griffin, (1999) who said that the influence of a transformational leadership reaches greater proportions as the effects on individuals begin to have a cumulative effect on group performance. There are no doubts transformational leadership affects employee performance and satisfaction. Certainly, job challenge and interest, organizational working conditions and work climate, opportunities for growth and advancement, and peer relations among other factors should be considered. However, the potential consequences of transformational leadership should be understood and not be underestimated.

5.2 Conclusion

The main concern of the study was to examine how transformational leadership styles of managers affect the organizational performance of Nairobi Serena Hotel. Based on the research findings, the study revealed that there are different styles of leadership that are used in Nairobi Serena Hotel which they ranged from direct and unlimited consultations

to encouragement and nurturing of individual career. It was also found out that the different styles of leadership have significance such that when they are used the staff is motivated hence improving productivity at work, also cultivates unity of purpose and finally it increases motivation for commitment. Hence it enhances employees' performance thus improvement in productivity because they are motivated.

The researcher also found out that the factors that influence transformational leadership style in Nairobi Serena Hotel ranged from being open communication, commitment and understanding the values of the organization and motivation. The right organizational culture is one of the factors that influence transformational leadership style. These reveal that there are different factors in the organization that influence transformational leadership style in Nairobi Serena Hotel. It finally suggested the ways in which transformational leadership can be enhanced to lead to organizational performance, different opinions cropped up including constant motivation and flow of information, encouragement, teamwork, commitment and adaptability to change and finally involving employees in decision-making. This shows that if transformational leadership is practiced in organizations there could be improvement in organizational performance in NSH. These results also informed that employee performance is heavily relying on leadership and it can play a vital role in determining the performance of employees, so organization must carefully analyze, what kind of leadership they should adopt if they to want to increase employee performance and the result suggests us organization must opt Transformational leadership style so that employee performance can be increased.

5.3 Recommendations

With regard to the hotel and catering sector, the study recommends that the following steps be taken to improve organizational performance:

i. Leadership should look for the best ways of communicating between and among the employees in the organization.

ii. Relevant and continuous training of employees should be encouraged and adopted to enable them to be knowledgeable and updated in their job.

iii. The employees should be motivated regularly with rewards (monetary or non-monetary) to enhance morale and productivity.

iv. The employees should be empowered in decision making to reduce bureaucratic red tape and enhance correct on the spot decision making.

5.4 Suggestions for Further Research

Due to the complex and broad nature of leadership, further studies should be conducted to find out what other factors apart from transformational leadership affect organizational performance. Studies should also target organizations in the other sectors of the economy in the country.

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APPENDICES

Appendix 1: Letter to Respondent

School of Human Resource Development,

Moi University,

P.O. Box 3900,

ELDORET.

25/07/2007

Dear Respondent,

RE: RESEARCH QUESTIONNAIRE

I am a postgraduate student at Moi University, pursuing a Master of philosophy degree in Human Resource Development. I am carrying out a study on "**The Impact of Transformational Leadership on Organizational Performance in the Hotel Industry**". Please fill for me the questionnaire. The information given here will only be used for the purpose of this study and will be treated with utmost confidence. Please <u>do not </u>write your name anywhere in the questionnaire.

Your participation in this study will be highly appreciated.

Thank you.

Saiyianka K .N. Richard

Appendix 2: Research Questionnaire for Employees

(Please tick or provide the right answer as you find appropriate, and note that your answers will be kept confidential).

SECTION A: Personal Information

1. What is your gender?   [   ] Male   [   ] Female

2. What is your age?   [   ] Below 19   [   ] 20-29   [   ] 30-39   [   ] 40-49   [   ] Above 50

3. What is your level of education? [   ] None [ ] Primary [   ] Secondary

   [   ] Tertiary

4. What is your marital status? [   ] Single [   ] Married   [   ] Separated [   ] Divorced   [   ] Widowed

SECTION B: Employment Status

5. For how long have you been employed in NSH? [   ] Less than one year   [   ] 1-5 [   ] 6-10 [   ] 11-15 [   ] Above 15

6. Indicate your terms of service? [   ] Temporary [   ] Permanent [   ] Contract

7. Which department are you in? --

SECTION C: Perception of Company and Leaders/Managers

To what extent do you agree with the following statements, where: 1=Strongly agree; 2=Agree; 3=Undecided; 4=Disagree; 5=Strongly disagree (tick one)

8. Please indicate the extent to which you agree with the following statements on the vision, mission and values of NSH.

Statement	1	2	3	4	5
NSH has a vision, mission and values					
NSH business objectives are well stated					
NSH has clearly communicated its vision, mission and objectives					
My individual work objectives are clearly linked to those of NSH					
I feel that my efforts really matter to the performance of the NSH					
NSH demonstrates a clear understanding for its employees through its operating process and procedures					

9. To what extent do you agree with the following statements regarding how NSH deals with change?

Statement	1	2	3	4	5
Whenever there is change in NSH, it is communicated to the employees					
The benefits of change are clearly communicated to the NSH staff					
The individuals who are affected by the change are normally informed on the impact of the change					
The staff are normally told what their contribution as individuals is at NSH					
The supervisors/leaders supports the staff throughout the change period					

10. Please indicate the extent to which you agree with the following about management at NSH.

Statement	1	2	3	4	5
NSH management/leadership has clearly communicated the company's vision, strategy and objectives					
NSH management is flexible and open to change					

Planning at NSH is regular and organized					
The management seeks our opinion in their decision making process					
I take part in setting targets for my work					
I have trust and confidence in the overall job being done by management at NSH					

11. To what extent do you agree on the following statements about communication at NSH?

Statement	1	2	3	4	5
I have access to information I need to do my work					
NSH believes in open, honest communication					
There is adequate communication between the various departments					
Upward communication is encouraged at NSH					
I learn more about what is going on in the institution through formal communication than through rumours					
The management communicates to us only when there is a proble					
The management of NSH maintains effective communication my department					
Management has clearly communicated the business strategy of the institution					
The NSH performance results are clearly communicated to the staff					
The medium for communication that are used internally are adequate and effective					
There is adequate communication					

12. To what extent do you agree with following statements regarding your immediate supervisor at NSH?

Statement	1	2	3	4	5
My supervisor treats me fairly and with respect					
My supervisor is always accessible whenever I need him/her					
My supervisor asks for input to help make decisions					
My supervisor tells me when I do my work well					
My supervisor tells me when my work needs improvement					
My supervisor leads by example					
My supervisor sets clear priorities for what needs to be achieved					
My supervisor is very knowledgeable					

13. To what extent do you agree with the following statements regarding overall leadership at NSH?

Statement	1	2	3	4	5
Leaders encourage and support in terms of staff development					
Leaders are accessible to staff					
Leaders value contribution by staff					
Leaders encourage team work					
Leaders recognize individual staff performance					
Leaders encourage performance					
Leaders trust judgement of staff/empower staff to make decisions					
Leaders give a clear sense of direction					

14. To what extent do you agree with the following statements regarding overall satisfaction at NSH?

Statement	1	2	3	4	5
I am satisfied with NSH as an employer					
I am generally satisfied with the way NSH treats me					
I feel challenged to constantly offer the best of my service to NSH					
I will not move to another employer even if the employer gives me equal of service					
I can recommend a friend/colleague to work for NSH					

15. What suggestions do you make to enhance leadership in NSH?----------------------------

----

Thank you in advance

Appendix 3: Research Interview Schedule for Supervisors and Managers

1. How old are you? **------------------------------------**

2. What is your level of education? --

3. What is your professional training? --

4. Which year were you employed in NSH? ---------------------------------------

5. When were you appointed to the present job title? --

6. What forms of leadership are there in NSH? ---

   ----

7. What is the significance of these forms of leadership?----------------------------------

   ----

   ----

8. What is the role of the managers/leaders in NSH? ---------------------------------------

   ----

   ----

9. Do the roles of different managers/leaders affect organizational performance in

   NSH? ---

   ----

10. If yes, how? ---

    ----

11. How does the management of NSH deal with any change in the organization? ----

----

----

12. How do you ensure that the employees embrace NSH vision, values and objectives? --

----

----

13. What are the factors that influence transformational leadership in NSH? ------------

----

----

14. Do the ordinary employees have any role in the overall management/leadership in NSH? --

15. If yes, what roles? ---

----

16. Does transformational leadership affect organizational performance in NSH? -----

17. If yes, how? --

----

18. Please suggest various ways in which transformational leadership can be used to lead to organizational performance in NSH? ---

----

Thank you in Advance

APPENDIX 4: RESEARCH AUTHORIZATION

REPUBLIC OF KENYA

MINISTRY OF SCIENCE & TECHNOLOGY

Telegrams: "SCIENCE TEC", Nairobi
Telephone: 02-318581
E-Mail:ps@scienceandtechnology.go.ke

When Replying please quote
Ref. NO.MoST 13/001/37C 708/2

JOGOO HOUSE "B"
HARAMBEE AVENUE,
P.O. Box 9583-00200
NAIROBI

30TH OCTOBER, 2007

Sai Yianka Richard Kekoo Nyonyoro
Moi University
P.O. BOX 3900
ELDORET.

Dear Sir,

RE: RESEARCH AUTHORIZATION

Following your application for authority to conduct research on "The Effects of Transformation leadership on origanisational performance: A case study of Nairobi Serena Hotel", this is to inform you that you have been authorized to carry out your research at Serena Hotel for a period ending 30th January, 2008.

You are advised to report to the Chief Executive Officer, Nairobi Serena Hotel before commencing your study.

It is noted that the research is a requirement in part fulfillment of the award of M-PHIL Degree in Human, Resource Development of Moi University.

Yours faithfully,

M. O. ONDIEKI
FOR: PERMANENT SECRETARY

CC: The Chief Executive Officer
        Nairobi Serena Hotel
        NAIROBI.

APPENDIX 5: RESEARCH PERMIT

PAGE 2

THIS IS TO CERTIFY THAT:

Prof./Dr./Mr./Mrs./Miss. SAIYIANKA RICHARD KEKOO NYONYORO

of (Address) MOI UNIVERSITY P.O. BOX 3900 ELDORET

has been permitted to conduct research in

NAIROBI SERENA HOTEL Location,

NAIROBI District,

NAIROBI Province,

on the topic EFFECTS OF TRANSFORMATION LEADERSHIP ON ORGANIZATIONAL PERFORMANCE: A CASE STUDY OF NAIROBI SERENA HOTEL

for a period ending 30th JANUARY, 2008

PAGE 3

Research Permit No. MoST 13/001/37C 708

Date of issue 30th OCTOBER, 2007

Fee received SHS 500

M. O. ONDIEKI

Applicant's Signature

for: Permanent Secretary
Ministry of
Science and Technology

FOR PERMANENT SECRETARY
MINISTRY OF SCIENCE AND
TECHNOLOGY