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CHIEF EXECUTIVE OFFICER LEADERSHIP STYLE AND ORGANIZATIONAL PERFORMANCE OF STATE CORPORATIONS IN KENYA

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Abstract

The CEO is one important organizational resource that sets the path for the firm's strategic direction. The general objective of the study was to establish the effects of chief executive officers leadership style and performance of state corporations in Kenya. The study was carried out in Nairobi and Mombasa where the CEO's and management staff of the 11 state corporations were based. The research study used descriptive research design and the target population constituted 477 management staff and CEOs' of the nine state corporations. However, only 153 formed the sample size which represented 30% of the total population. The CEOs', heads of departments and middle level management formed the key respondents of the research study. The study employed a structured questionnaire to collect data. A pilot test was carried out to test the reliability of the instrument. A total of 15 questionnaires were used for this purpose. Data collected was analyzed using Social Science Statistical Package (SSPS). Multiple regression analysis was used to establish the relationship between the independent and dependent variables. Reliability was also tested using Cronbachs alpha and all the variables meet the threshold for subsequent analysis. Factor analysis was also employed to test for validity where the questions that didn't meet the threshold were dropped not to be considered for subsequent analysis. Correlation analysis indicated that the independent variables had a positive and significant relationship with organizational performance of state corporations. Regression analysis was used also to test the nature of the relationship. Leadership style leading explained 70% of the variation in performance of state corporations. The study therefore concluded that leadership style had a prominent effect on the performance of state corporations in Kenya.

Key Words: Leadership Style, Chief Executive Officer, Transformational Leadership, Performance of State Corporations, Kenya
