



# Corporate Leadership, Organizational Factors and Performance of Water Service Companies in Western Region, Kenya

Samson Wando Mangwana<sup>1\*</sup>, Jackline Akoth Odero<sup>2</sup>, Moses Ngoze<sup>3</sup>

<sup>1,2,3</sup> School of Business and Economics, Masinde Muliro University of Science and Technology, Kenya

\*Corresponding author email: [Smangwana004@gmail.com](mailto:Smangwana004@gmail.com)

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## Abstract

Corporate leadership is crucial for achieving organizational performance and gaining competitive advantage. It involves operational attributes like structure and culture, and guides individuals and organizations towards achieving their vision. This study sought to examine the influence of corporate leadership on the performance of water service companies in the Western Region, Kenya as moderated by organizational factors. The study was based on transformational leadership theory and institutional theory. The research followed a positivist research philosophy and used a descriptive and correlational research design targeting 245 respondents. For data collection close ended questionnaires were used. Data was analysed using both descriptive and inferential statistics. The study found that corporate leadership had a positive and significant influence on performance of water service companies in Western Region, Kenya whereas organizational factors had a positive though insignificant moderating influence on the relationship between corporate leadership and organizational performance of Water service companies in Western Region, Kenya. The findings extend our knowledge on corporate leadership practices that can enhance performance. The study recommends to government to formulate and execute suitable operational guidelines and policies that would improve in the management of organizations.

*Keywords:* Corporate Leadership, Organizational Factors, Performance of firm

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## 1. Introduction

The prevailing global business environment is fast changing, complex and characterised by enormous challenges for leadership which has become the centre of attention for organizations across the world. Unfortunately, the same organizations have continued to remain uncompetitive and unstable in adapting to constantly changing environmental circumstances around them (Butera, 2020). Wen, Theresa, Kelana, Othman and Syed (2019) argue that the business environment of companies has become more competitive. They emphasize the significance of a manager's leadership style in driving employee efficiencies and productivity.

Subrahmanyam (2020) posits that corporate leadership is characterized by its effectiveness in delivering products and services of superior quality and efficiency, while also fostering a sense of unity, individual growth and increased job satisfaction among employees. Further, it provides an environment-aligned framework, a robust mechanism for innovation and creativity, a resource for revitalizing the corporate culture and an overarching sense of purpose and vision. Corporate leadership has a broad recognition and it's deemed to be a cornerstone for the organizational success in the advent of business performance. A corporate leader is a person who inspires others for the fulfilment of the body, nature, mind and activities of the surroundings to any specific purpose in the career, life, and business (Jones & Shideh 2020).

Corporate leadership is characterized by the utilization of idealized influence (charisma), inspiration, intellectual stimulation, individualized consideration and intellectual stimulation to advance followers beyond their immediate self-interests (Avolio & Bass 1999). Additionally, it is possible to contend that corporate leadership pertains to a leader who actively participates in vision formation by setting explicit goals and enabling subordinates to attain those goals through the application of elements such as inspirational motivation, intellectual stimulation, personalized attention, and idealized influence (Omesa, Gachunga, Okibo & Ogutu 2019).

In recent years, there has been a growing recognition of the importance of leadership, including its structure and practices, during the 1990s. This has led to the emergence of a sustainable leadership model that holds value for contemporary organizations seeking to adopt sustainable approaches to conducting business at local, regional, and

global levels (Jones & Shideh, 2020). It could be argued that many organizations are closed down due to absence of corporate leadership whereas another important factor is that there is intense competition among industries due to which the organizations need to be upgraded about leadership (Lewis University, 2020). There have been organizations failures experienced worldwide amongst them Enron and WorldCom (US), Marconi (UK), Royal Ahold (Netherlands) and Golden Quadrilateral (India) despite worthy leadership practices (McConvill, 2012; Mostovicz & Kakabadse, 2011).

Organizational factors consist primarily of operational characteristics, processes, or circumstances that contribute to the organization's success (Koehorst *et al.*, 2021). According to Hlaing and Zin (2020) posits that organizational factors are characteristics that include organizational structure, culture, climate, processes and policies needed to be considered as the important issues because they determine the smoothness of workflows, the exercise of certain powers, the availability of the skilled staff, support, supervisions, leadership and governance.

Organizational performance refers to the tangible outcomes or results achieved by an entity in comparison to the intended outputs, which are its goals and objectives (Akinniyi *et al.*, 2021). Organizational performance can be broadly classified into two distinct categories: financial performance and non-financial performance (Mbijiwe, 2021). Historically, inadequate performance indicators; such as sluggish financial performance as measured by costs, revenue growth, and profitability, as well as a lack of consumer focus have been the primary cause of business failure. The assessment of an organization's internal business processes is frequently included in non-financial performance (Cruz-Ros, Cruz & Perez-Cabanero, 2010).

The greatest concern in theoretical literature is the absence of extensive empirical evidence that corporate leadership has on organizational performance, moderated by organizational factors (Archwell & Mason 2021). Over the past decade, the Republic of Kenya in East Africa has made significant political and economic reforms that have contributed to sustained economic growth, social development, and political stability gains. Despite this progress, access to piped water remains low, reaching only 33% of the population (60% in urban and 22% in rural areas) (WHO/UNICEF, 2020). As a water-scarce country, with one of the lowest freshwater replenishment rates in the world (647 m<sup>3</sup> per capita, which is below the global benchmark of 1,000 m<sup>3</sup> per capita) and approximately 80% of land mass classified as arid and semi-arid, Kenya has uneven availability of water in different parts of the country (Marigi 2019; KIPPRA 2021). Ouko (2021) noted that key strategic issues that the water service companies have failed to realize which included a governance that embraced good stewardship, ethical conduct, transparency of resources and accountability of financial resources.

Studies have been done on corporate leadership. However, the studies were done in different sectors, county government (Omesa, *et al.*, 2019) and KCB (Omboto, 2017). Further the studies focused on implementation as the dependent variable thus providing a conceptual gap. Moreover, there are conflicting findings regarding the aspect of corporate leadership for instance, Mathende and Karim (2022) and Almeen, *et al* (2021) established that idealized influence impacted on organizational performance whereas Afshari (2021) and Alessa (2021) found that idealized influence does not influence performance. The studies concentrated on direct effect while this study focused on the moderating effect of organizational factors. This study aimed at filling the identified gaps by focusing on corporate leadership, organizational factors and performance of Water service companies in Western, Region, Kenya.

## 2. Literature Review

### 2.1 Theoretical Review

#### 2.1.1 Transformational Leadership theory

This study was anchored on the transformational leadership theory formulated by Downtone (1973), Burns (1978), Bass (1990), Gonfa (2019) and (Al-shibami *et al.*, 2021). The term derives from the fact that the most fundamental effect of leadership is to transform followers into individuals who are loyal, trustworthy, admiratory and respectful of the leader. The impact of leaders on organizational performance and fundamental business processes is now frequently assessed using transformational leadership. According to Davis (2022), the theory of leadership has undergone criticism in that; under the style of leadership, individuals have the ability to influence their counterparts and superiors in the same way that they impact their subordinates and this could not be sustainable for a long-term period for the organization. Secondly, the process of transformational leadership is rooted in the leader's principles and personal views. However, no products are traded between leaders and subordinates throughout the procedure.

#### 2.1.2 Institutional theory

The institutional theory was formulated by DiMaggio and Powell (1983). The theory posits that contemporary organizations are highly influenced by their environments, which in turn significantly impact the formation of formal organizational structures. The theory places emphasis on the influence of economic and social forces on the systems and structures of an organization (Franco, 2022). Previous scholars of institutional theory (Berry, 2010) were intrigued by the analysis of organizational structures and processes that improved the performance of the organization but served no economic or technological function. While academicians may differ in the extent to which they emphasize organizational components and the complexity of their analyses, all knowledge that governs social behaviour and the resources associated with it, as outlined in policies, rules, and regulations, is shared (Aksom & Tymchenko, 2022). While an effort was put forth to examine these institutional factors, Aksom and Tymchenko (2022) contend that the

focus should be on the institutional system as a whole, as the origins of institutionalized rules, standards, and norms are not centralized but rather originate from various environments influenced by distinct actors. This transition is accompanied by additional changes, including cultural components and the abundance and variety of organizational resources.

## 2.2 Empirical Review

Arif (2018) studied in Asia and Pakistan and found that transformational leadership which he defined as inspirational motivation, intellectual stimulation, individualized consideration, and idealized influence had an impact on organizational performance. Organizational innovation acted as a mediating factor in this relationship. The research was carried out at the MIA group, an organization associated with the production and import of air conditioning systems in Pakistan.

In the Islamabad branch of the MIA group, data were collected using non-probability convenience sampling methods. The study's findings revealed a notable association between transformational leadership, as assessed through motivational inspiration, intellectual stimulation, personalized attention, idealized influence, and organizational success.

Similarly, a study conducted in Indonesia by Sunaengsih, *et al.* (2021) investigated a survey on transformational leadership in order to ascertain the attributes of a transformational leader based on the 4I model, which encompasses inspirational motivation, intellectual stimulation, individualized consideration, and idealized influence. It was applied to higher education for lecturers employed at Indonesian higher education institutions and determined that greater emphasis must be placed on reducing penalties for errors made by subordinates and focusing on individuals. Consequently, the implementation of a comprehensive integration of all dimensions and indicators of transformational leadership is required.

Khajeh (2018) conducted research in the United Arab Emirates to determine the effect of leadership styles on organizational performance. Transformational, transactional, autocratic, charismatic (corporate), bureaucratic and democratic leadership were the focal points of the study. Organizational performance was found to be negatively correlated with the charismatic (corporate), bureaucratic and transactional leadership styles, according to the study's findings.

Furthermore, Omboto (2017) conducted research that examined the impact of corporate leadership on the execution of strategies within the commercial banking sector of Kenya. Combining qualitative and quantitative methodologies, the study design utilized focus groups comprised of middle-level and senior-level managers of commercial banks in Kenya. A statistically insignificant correlation was found between corporate leadership and strategy implementation, according to the findings.

Recent research in Kenya has linked the poor performance of certain organizations to inadequate leadership. In their research study examining the impact of corporate leadership on the execution of strategic plans in the county government of Kenya, (Omesa, *et al.*, 2019) discovered that the manner of corporate leadership effectively predicted the success of strategic plan implementation. Utilizing the adaptive, holistic, and sequential thinking theories, the research was conducted. Ten county governments were the focus of their descriptive survey research, six of which were located in the former Nyanza Province and four in the former Western Province.

Studies have been done on the influence of organizational factors. A study done by Claude (2018) examined the correlation between organizational characteristics and competitiveness within medium and large-scale manufacturing enterprises in Rwanda. The research utilized both correlation and regression analytic methodologies. The study employed a survey research design. Based on the findings, 65.9% of the assessed manufacturing enterprises exhibited a lack of competitiveness and organizational characteristics having a modestly beneficial impact on competitiveness.

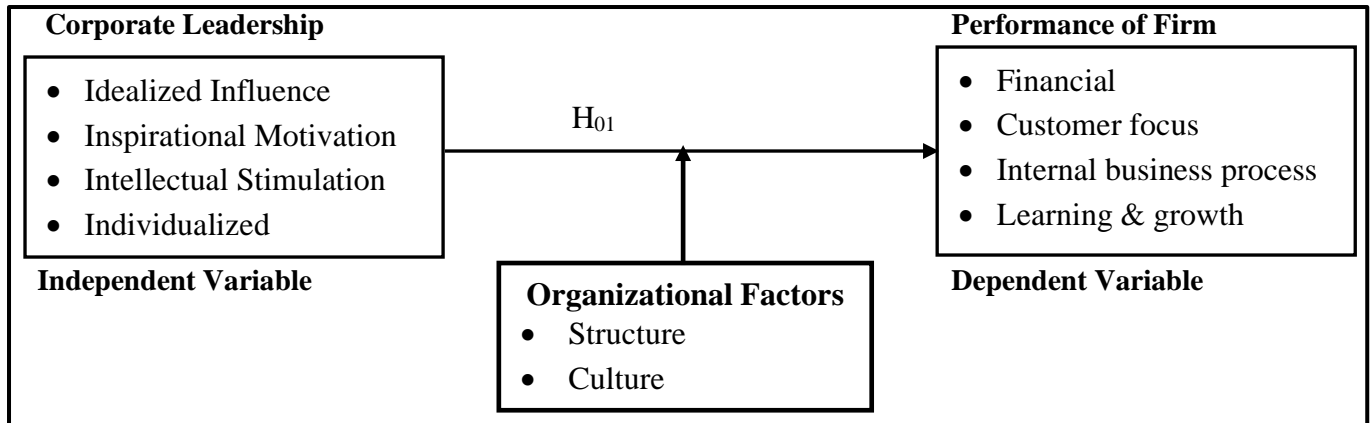
Kariuki and Nguyo (2020) investigated the correlation between characteristics at the firm level and the performance of organizations, specifically examining how the industrial environment influences manufacturing enterprises in Kenya. The results suggested that the industry environment had a statistically significant influence on the connection between organizational resources, structure, culture and well-performing enterprises in Kenya. Malongo *et al.* (2019) examined how organizational variables may affect the relationship between public hospital performance and information technology and revealed that the relationship between the performance of public hospitals in Kenya and the integration of information technology was influenced by organizational characteristics. Similarly, Mwangi and Nzulwa (2019) conducted a case study on employee retention at Mount Kenya University to examine the impact of internal organizational factors and indicated that organizational factors positively impacted organizational competitiveness to a moderate degree.

From the foregoing empirical review, it can be established that several studies have been done on the influence of idealized influence, inspirational motivation, intellectual stimulation and individualized consideration as corporate leadership aspects on performance however the studies were done in different contexts and sectors. Moreover, the current study focused on the moderating influence of organizational factors. The study was hypothesized as:

**H<sub>01</sub>:** Corporate leadership has no significant influence on organizational performance of Water service companies in Western Region, Kenya

**H<sub>02</sub>:** Organizational factors have no significant moderating influence on the relationship between corporate leadership and organizational performance of Water service companies in Western Region, Kenya

### 2.3 Conceptual Framework



**Figure 1:** Conceptual framework

A conceptual framework reviews the relationship between study variables (Muasya, 2020). The independent and dependent are discussed based on how they are measured and operationalized. The independent variable in this study was corporate leadership assessed through idealized influence, Inspirational Motivation, Intellectual Stimulation and Individualized Consideration (Haseeb, *et al.*, 2021). The moderating variable was organizational factors whose measures were organizational structure and culture (Hlaing & Zin, 2020). The dependent variable was performance of water service companies which were financials, customer focus, internal business processes, learning and growth as its indicators (Kaplan & Norton, 1992).

## 3. Materials and Methods

### 3.1. Materials

The study utilized a descriptive correlational research design to gather data on the current conditions of occurrences with respect to the variables or circumstances in a given situation (Jackson, 2020) targeting 638 workers comprised of senior executives as well as technical and support personnel. The study sampled population by stratified and non-probability sampling technique known as purposive sampling. The sample size of 245 was attained using Yamane’s formula (Adam, *et al.*, 2020).

### 3.2. Methods

For data collection, structured questionnaires were employed (Kumar, 2020). A pilot study was done in Siaya-Bondo Water and Sanitation Company Limited where 20 members of staff from different categories were selected (Mugenda & Mugenda, 2008). For validity, content, construct and face validity were employed. According to Dawadi *et al.*, (2021) the content validity of the instrument was ascertained through the consultative assessment and evaluation of experts by the researcher.

For evaluation purposes, the survey was distributed to supervisors, peers specializing in strategic management, and industry experts in the field of strategic management (Surucu, 2020). In order to ascertain construct validity, the statement that made the greatest contribution to the independent variable and the relationship that informed the primary study subjects regarding the existence of the constructs were examined. Face validity was employed to assess the instrument's consistency between respondents who completed it and those who initially selected it. For data analysis descriptive statistics such as frequencies and percentages and inferential statistics which included hierarchical regression analysis were utilized. Results were presented in form of tables.

The following hierarchical regression model was used:

$$Y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \epsilon \dots\dots\dots\text{Model 1}$$

$$Y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + M + \epsilon \dots\dots\dots\text{Model 2}$$

$$Y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + M + \beta_1x_1M + \beta_2x_2M + \beta_3x_3M + \beta_4x_4M + \epsilon \dots\dots\dots\text{Model 3}$$

Where:

Y = Dependent variable (Performance of water service companies)

$\beta_0$  = Constant

$\beta_{1,2,3,4}$  = Coefficient

$x_{1,2,3,4}$  = Independent variable (Corporate Leadership)

M = Organizational factors

$\varepsilon$  = Error Term

## 4. Results and Discussion

### 4.1 Response Rate

The total number of questionnaires issued to the respondents for data collection was 208, out of 245 giving a response rate of 85%. According to Kothari (2014), a response rate of 60% to 70% is deemed satisfactory, while a response rate beyond 70% is considered exceptional.

### 4.2 Reliability Test

Cronbach's alpha was used to test reliability of the research data. The value of 0.80 is typically employed as acceptable (Satisfactory) level of internal reliability. Jackson, (2020) established that a value of 0.7 and above is strong reliability, 0.3 to 0.69 moderate and 0 to 0.29 as none or weak. For this research study, all the constructs were reliable as the Cronbach's Alpha value was above 0.7

**Table 1:** Results on Reliability test

Variables	No of Items	Cronbach's Alpha	Comment
Idealised Influence	4	0.843	Accepted
Inspirational Motivation	4	0.750	Accepted
Intellectual Stimulation	4	0.831	Accepted
Individualized Consideration	4	0.874	Accepted
Organizational Factors	4	0.900	Accepted
Organizational Performance	4	0.899	Accepted

Source: Research data (2024)

### 4.3 Correlation Analysis Results

The correlation analysis was performed at regular intervals among the variables. The correlation between organizational performance as the dependent variable and idealized influence, inspirational motivation, intellectual stimulation and individual consideration scores are the primary variables of corporate leadership was calculated as indicated in Table 2.

**Table 2:** Correlation for Corporate Leadership on Performance of Water Service Companies

		Idealized Influence	Inspirational Motivation	Intellectual Stimulation	Individual Consideration	Organizational Performance
Idealized Influence	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	208				
Inspirational Motivation	Pearson Correlation	0.711**	1			
	Sig. (2-tailed)	0.000				
	N	208	208			
Intellectual Stimulation	Pearson Correlation	0.626**	0.725**	1		
	Sig. (2-tailed)	0.000	0.000			
	N	208	208	208		
Individual Consideration	Pearson Correlation	0.659**	0.656**	0.703**	1	
	Sig. (2-tailed)	0.000	0.000	0.000		
	N	208	208	208	208	
Organizational Performance	Pearson Correlation	0.568**	0.554**	0.550**	0.584**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
	N	208	208	208	208	208**

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

Source: Research Data (2024)

The findings showed that corporate leadership is positively and statistically significantly correlated to performance of water service companies with inspirational motivation having the highest correlation value 0.711, individualized consideration 0.659 and intellectual stimulation having the lowest correlation value 0.626. Idealized influence showed a positive statistically correlation to performance of water service companies ( $r=0.568$ ;  $p>0.05$ ).

#### 4.4 Hierarchical Regression Analysis Results

Hierarchical regression was conducted so as to test for moderating influence of Organizational Factors on the Relationship between Corporate Leadership and Organizational Performance.

**Table 3: Model Summary**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate	Change Statistics				
					R <sup>2</sup> Change	F Change	df1	df2	Sig. F Change
1	0.650 <sup>a</sup>	0.423	0.411	0.60964	0.423	37.137	4	203	0.000
2	0.666 <sup>b</sup>	0.444	0.430	0.59978	0.021	7.726	1	202	0.006
3	0.683 <sup>c</sup>	0.467	0.443	0.59316	0.023	2.133	4	198	0.078

a. Predictors: (Constant), Individual Consideration, Inspirational Motivation, Idealized Influence, Intellectual Stimulation

b. Predictors: (Constant), Individual Consideration, Inspirational Motivation, Idealized Influence, Intellectual Stimulation, Organizational Factors

c. Predictors: (Constant), Individual Consideration, Inspirational Motivation, Idealized Influence, Intellectual Stimulation, Organizational Factors, IIOF, ISOF, IMOF, ICOF”

Source: Research data (2024)

In the first model, the R<sup>2</sup> is 0.423. This implies that 42.3% of the changes in performance could be attributed to corporate leadership. Regarding second model, after introduction of organizational factors, R<sup>2</sup> was 0.444 which implied that 44.4% of the changes in performance could be attributed to corporate leadership and organizational factors. For third model where the interactive term (interaction between corporate leadership and organizational factors) was introduced the R<sup>2</sup> value increased to 0.467. Thus the remaining variations of 57.7%, 55.6% and 53.3% can be attributed to other factors which are not explained in the study.

**Table 4: Anova results**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	55.210	4	13.802	37.137	0.000 <sup>b</sup>
	Residual	75.446	203	0.372		
	Total	130.656	207			
2	Regression	57.989	5	11.598	32.240	0.000 <sup>c</sup>
	Residual	72.667	202	0.360		
	Total	130.656	207			
3	Regression	60.991	9	6.777	19.261	0.000 <sup>d</sup>
	Residual	69.665	198	0.352		
	Total	130.656	207			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Individual Consideration, Inspirational Motivation, Idealized Influence, Intellectual Stimulation

c. Predictors: (Constant), Individual Consideration, Inspirational Motivation, Idealized Influence, Intellectual Stimulation, Organizational Factors

d. Predictors: (Constant), Individual Consideration, Inspirational Motivation, Idealized Influence, Intellectual Stimulation, Organizational Factors, IIOF, ISOF, IMOF, ICOF”

Source: Research Data (2024)

The significance of the model was suggested by the F statistics of 37.137, 32.240, and 19.261, as presented in Table 4. The statistical significance of the model adopted in predicting the outcome variable was supported by a probability (p) value of 0.000 (p < 0.05). Model 1, 2, and 3 shown a high level of predictive power in relation to organizational success.

**Table 5: Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	0.718	0.138		5.202	0.000
	Idealized Influence	0.222	0.082	0.221	2.703	0.007
	Inspirational Motivation	0.146	0.101	0.129	1.445	0.150
	Intellectual Stimulation	0.146	0.093	0.137	1.580	0.116
	Individual Consideration	0.224	0.072	0.258	3.134	0.002
2	(Constant)	0.667	0.137		4.868	0.000
	Idealized Influence	0.163	0.083	0.163	1.958	0.052
	Inspirational Motivation	0.087	0.102	0.076	0.852	0.395
	Intellectual Stimulation	0.127	0.091	0.119	1.392	0.165
	Individual Consideration	0.180	0.072	0.207	2.489	0.014
	Organizational Factors	0.210	0.076	0.215	2.780	0.006
3	(Constant)	0.928	0.343		2.704	0.007
	Idealized Influence	-0.043	0.255	-0.043	-0.170	0.866
	Inspirational Motivation	0.574	0.293	0.506	1.958	0.052
	Intellectual Stimulation	0.196	0.236	0.183	0.830	0.408
	Individual Consideration	-0.240	0.222	-0.277	-1.084	0.280
	Organizational Factors	0.060	0.173	0.061	0.347	0.729
	IIOF	0.061	0.090	0.268	0.679	0.498
	IMOF	-0.195	0.110	-0.759	-1.778	0.077
	ISOF	-0.027	0.094	-0.114	-0.290	0.772
ICOF	0.199	0.095	0.927	2.083	0.039	

a. Dependent Variable: Organizational Performance"

Source: Research Data (2024)

As indicated in Table 5, there is a substantial relationship between idealized influence, inspiring motivation, intellectual stimulation, and individualized consideration with performance, with a p-value greater than 0.05. The research yielded a regression equation of:

$$Y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \varepsilon \text{ hence;}$$

$$Y = 0.718 + 0.222 + 0.146 + 0.146 + 0.224$$

The performance will be 0.718 if all other independent variables are equal to 0.000. An increase of one unit in idealized influence is associated with a statistically significant increase of 0.222 in performance. An increase of one unit in the findings of inspired motivation is associated with an increase of 0.146 in performance which is insignificant.

An increase of one unit in intellectual stimulation results in a rise of 0.146 in performance which is insignificant. A unit rise in individualized consideration will cause an increase of 0.224 in performance and which is statistically significant.

The study rejects the hypothesis corporate leadership has no significant influence on organizational performance of water service companies in Western Region, Kenya as corporate leadership positively influences organizational performance. The study confirms that corporate leadership with aspects of idealized influence, inspirational motivation, intellectual stimulation and individual consideration would boost organization's performance. The findings agree with some earlier conclusions of Arif (2018) and Omesa, *et al.*, (2019) who also found positive and significant relationship.

Consequently, the addition of the moderator, organizational factors, where performance at  $p > 0.05$  level of significance revealed a change in performance. Additionally, in regards to regression findings in Table 5, the equation turned out to be:

$$Y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + M + \varepsilon$$

$$Y = 0.928 + 0.061 - 0.195 - 0.027 + 0.199$$

If, all other independent variables are 0.000 performance, then the findings will be 0.061. A unit rise in idealized influence causes an increase in performance which is statistically insignificant. A unit increase in inspirational motivation causes a decrease in findings to negative 0.195 in performance hence not statistically significant. A unit rise in intellectual stimulation findings to a negative decrease of 0.027 in performance which is not statistically significant. A unit increase in individualized consideration causes an increase in the findings to a positive of 0.199 in performance which is significant.

Thus, the study fails to reject the second hypothesis that Organizational factors have no significant moderating influence on the relationship between corporate leadership and organizational performance of Water service companies in Western Region, Kenya since organizational factors do not have a significant moderating influence on performance. The influence of the moderator on Idealized influence was positive and insignificant. Inspirational motivation was negative and not significant while intellectual stimulation was negative and insignificant. Individualized consideration

was positive and significant. The findings of this study contradict the research conducted by Claude (2018) whose findings demonstrated a positive and statistically significant correlation between organizational factors and organizational performance. Similarly, Malongo (2019) established that organizational factors had a significant moderating effect in public hospitals.

## 5. Conclusion

The study concludes that corporate leadership as measured using idealized influence, intellectual stimulation, individualized consideration and inspiration motivation had a positive influence on performance of water service companies in Western Region, Kenya. However organizational factors had a positive though insignificant moderating influence on the relationship between corporate leadership and performance of water service companies in Western Region, Kenya. Its noteworthy to reiterate that organizational factors positively and significantly moderate the relationship between individualised consideration as an aspect of corporate leadership and performance.

This study has provided evidence that the transformational leadership theory, which is considered to have the most significant influence on leadership, is capable of transforming followers who exhibit trust, admiration, respect, and loyalty towards the leader. According to Al-Shibami *et al.* (2021), the study confirms that transformational leadership has emerged as a prominent approach for assessing the influence of leaders on organizational performance and the fundamental business processes.

The study contributes to scholarly debate in the area of corporate leadership, organizational factors and performance. The study provides evidence that corporate leadership aspects specifically idealized influence and individualised consideration significantly affects organizational performance hence being critical in enhancing organizational performance. Thus, water service companies should embrace corporate leadership aspects such as idealized influence, inspirational motivation, intellectual stimulation and individualized consideration since this can bolster firm performance. The findings may aid policy makers to formulate and improve on the current policy framework for water companies. From, the government perspective, provision of a conducive business environment is paramount to ensure organizations remain focused and competitive.

The study was done in water service firms in western region, Kenya. Studies could be extended to water service firms in other regions in Kenya and other nations. The present investigation was constrained to contemplating organizational factors as the moderating variable. Prospective researchers should replicate the study while considering additional moderating factors, such as governmental regulatory considerations, economic factors and socio-cultural factors. The research design employed in this study was descriptive and correlational in nature. In order to ascertain the influence of organizational elements on the performance of water service firms over an extended duration, it is recommended that future scholars employ a longitudinal research design as opposed to a descriptive and correlational research methodology.

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