

INSTITUTIONALIZING TRANSFORMATIONAL LEADERSHIP PRACTICES IN THE PERFORMANCE OF MARKETING CO-OPERATIVES IN KENYA

Kiplelei Kirui, John 

Lecturer, School of Business and Economics, University of Kabianga, Kenya

kiplelei1kirui@gmail.com

Rop, Williter

Lecturer, School of Business and Economics, University of Kabianga, Kenya

rop@kabianga.ac.ke

Otii, Leonard

Doctor of Philosophy in Entrepreneurship Student, Karatina University, Kenya

otiileo157@gmail.com

Abstract

Uncertainty and unpredictability as a result of rapid technological, social, political and economic changes in the operational environment of many firms calls for transformational leadership that enables co-operatives to adapt to such competitive business environment, being an approach that causes change in individuals and social systems strategically. It develops followers into leaders. This study sort to establish the transformational leadership practices as exhibited in the Bass theory to improve - performance of marketing co-operatives .as business organizations and generate positive change in the co-operative movement. The return on investment of cooperative shareholders has not been realized as per shareholders' expectations. The study adopted descriptive survey design and used purposive sampling to collect data from 45 cooperative committee members using structured questionnaires. Data was analyzed using descriptive statistics and transformational leadership practices that influence performance of the marketing co-operative societies was established. The findings of the study indicate that committee members in high performing co-operatives employ competitive

transformational leadership practices with inspiring a shared vision and challenging the conventional processes as two best practices that have the biggest effect on co-operative societies performance.

Keywords: Transformational leadership practices, individualized consideration, intellectual Stimulation, inspirational motivation, idealized influence

INTRODUCTION

Transformational leadership can be looked at in terms of the leader's effect on followers: they feel trust, admiration, loyalty, and respect toward the leader, and they are motivated to do more than they are originally expected to do. It includes four behaviors: charisma (idealized influence), intellectual stimulation, individualized consideration, and inspirational motivation (Bass & Avolio, 1990). They create vision, mobilized commitment and institutionalized change.

Transformational leader is one who energizes others with vision and strategies of how to refocus and revitalize the larger organization so that change meets people's enduring needs. The three levels of transformational leadership are different from each other. The upper management level exhibits maximum transformational leadership trait followed by middle management level and then the junior management level (Pandey & Singh, 2011).

Businesses around the world are constantly in search of the right leader who would take the organization into the next level of greatness and profitability. Leadership has a significant role in determining the future and success of a business. Hence the interest in understanding the nuances of various leadership styles and its effect on organizations performance has caught the attention of researchers over the past several decades

Most companies lack the ability to implement organizational change; over 70% of Organizational Change Initiatives (OCIs) fail. This inability has negative economic and survival implications for companies. Organizational Change Initiatives must be effective and rapid to match the fast changing business environment. Transformational leadership has been linked to successful OCIs initiatives through its positive influence on employee commitment and reduced resistance to change, yet little research has been done to identify its association with Organizational Change Initiatives implementation speed (Zomorodian, Slambolchi & Mobarakabadi, 2016).

The uncertainty and unpredictability as a result of constant technological, social, political and economic changes in the environment in which various firms operate in calls for specialized kind of leadership that would enable them adapt to such kind of environment. This can be

achieved through transformational leadership which is leadership approach that causes change in individuals and social systems. In its ideal form, it creates valuable and positive change in the followers with the end goal of developing followers into leaders. It is an intrinsically based motivational process whereby leaders engage followers to create a connection that raises the level of effort and moral aspiration (Singh & Kumar, 2013).

In order to achieve sustained competitive advantage through developing human capital, organizations, apart from human resource management practice, competitive organizations concentrate on developing transformational leaders and implementing knowledge management practices. Developing competencies of human resources is a primary activity being focused by any organization that takes enormous efforts to overcome their competitors on product quality, customer service, and new product development (Goudarzi & Chigini, 2011).

Corporations all over the world strive for competitiveness in the quest to improving the performance of their businesses. The issue of holding on to firms' talented employees has thus become critical in contemporary business operations. People must therefore be managed in ways which seek to elicit favorable behavioural responses targeted at creating customer satisfaction and consequent business efficacy. It is however not uncommon to find talented employees leave their current jobs for others, hence the need to have the transformative leadership in the corporations (Amankwaa & Tsede, 2015).

Problem Statement

The returns to the membership of the co-operative institutions as business organizations has not been realized as per the expectations of the stakeholders and shareholders. This has been occasioned by some leaders making irrational decisions without consulting with the members who are being led. While co-operatives are showing great promises in implementing sustainable development goals (SDGs), they do not receive the full credit they deserve from their leadership (GOK, 2017). The irrational decisions and lack of high rating of co-operative leaders from shareholders calls for the need of ethical transformational leaders who inspire hope and motivate employees to be committed to attainment of organizational goals in an ethical way.

The impact of low returns to the members of various co-operative institutions implies reduced contributions of the co-operative institutions to the Gross Domestic Product (GDP) in the economy of the Country, reduced employment opportunities, underemployment of resources because of inability to give guidance to those being led. Ahmad, Abbas, Latif and Rasheed (2014) in their study established that there is a significant relationship between transformational leadership and employee motivation. Effectiveness of leadership measures the ability of leaders

to provoke the followers towards the collective goals hence the members of the co-operatives being the followers of leaders need to be motivated.

Reduced returns to the members of a co-operative institutions means reduced turnover hence poor performance. This can lead to reduced membership which results to low patronage of these co-operative societies. Thamrin (2012) establishes that transformational leadership has a positive significant influence on organizational commitment; transformational leadership has a positive significant influence on employees' performance; transformational leadership has no positive significant influence on job satisfaction; organizational commitment has a positive significant influence on job satisfaction and employees' performance and job satisfaction has a positive significant influence on employees' performance. These have a very important contribution to returns to shareholders of these organizations, hence the need to investigate how transformational leadership practices contribute to the returns the members of these co-operative societies receive from their organizations.

Datche and Mukulu (2015) in their study of the effects of transformational leadership on employee engagement, established that transformational leadership though positively related to employee engagement in general; the leaders' behaviors of intellectual stimulation and individualized consideration of supervisor were found to be positive and moderately related to employee engagement. Supervisors' inspirational motivation as a leader was weak and insignificant while idealized influence was negatively related to employee engagement.

Purpose of the study

The purpose of this study was to find out how transformational leadership practices influence the performance of marketing co-operatives as business organizations and generate positive change(impact) in the co-operative movement. Specifically the study was guided by the following objectives to:

- i establish the effect of individualized consideration on performance of co- operative societies in Kenya
- ii examine the role of intellectual Stimulation in improving performance of co-operative societies in Kenya.
- iii determine the influence of inspirational motivation performance of co-operative societies in Kenya.
- iv explore whether idealized influence performance of co-operative societies in Kenya.

LITERATURE REVIEW

Transformational leadership and Organizational performance

The role of the leadership in the success or failure of the firm is undeniable. Successful leaders can generate welfare to all interest groups of a firm, most importantly to company shareholders. Transformational leadership is a style of leadership that attracts various competences and methodologies to an organization, thereby creating distinctive benefits for the organization. A manager applying transformational leadership shows integrity and communicates clear organizational goals to subordinates or followers (Daft, 2010). Transformational leaders influence organizational performance by promoting organizational learning and innovation (Garcia-Morales, Jimenez-Barrionuevo & Gutierrez-Gutierrez, 2011). In addition, they elicit better organizational performance from followers while appealing to their higher order needs that include five distinct levels that separate transactional from transformational fulfillment (Rossiter, 2009).

Transformational leaders stimulate followers to realize the important meaning of the tasks they are responsible for, motivate their high level needs for growth and development, establish a climate of mutual trust, stir their employees to look beyond their own self-interests for the good of the group, and achieve performance beyond expectations (Bass, 1995). Accordingly, this is the role which is expected to be played by the management committee members of the various marketing co-operative Societies.

Kakkuri, Brandt and Kultalaht (2016) investigated the kind of leadership young innovative people prefer and whether their level of innovativeness has an influence on those leadership preferences. It also asks specifically whether some leadership behaviour are preferred over others by young innovators, by comparing that group's preferences to those of the majority of young people and an outlier group labelled laggards. Leadership preferences are studied in the context of transformational leadership covering transformational leadership, transactional leadership (including passive and active management by exception), rewarding, laissez-faire and authoritative leadership styles. Results indicate that the level of innovativeness influences leadership preferences. Receiving intellectual stimulation from their leader is more important to young innovators than it is to their peers but the former are also less comfortable with active management by exception.

Matzler, Bauer and Mooradian (2015) investigated whether transformational leadership behavior is a function of the leader's own self-respect and his/her evaluation of being capable, significant, and worthy (self-esteem). It is also tested whether transformational leadership is related to innovation success. Results indicate a strong and significant relationship between

self-esteem and transformational leadership was found. Furthermore, data analyses revealed that transformational leadership has a positive impact on innovation success.

Mirkamali, Thani, and Alami (2011) said that the prerequisite for continuum organizational change and evolution in today's dynamic and ever changing environments is the presence of intuitive, strategic or in a more clear sense, transformational leaders. Because of the increasing attention to the leadership factor in creating organizational evolution in the world, and considering its role in organizational learning, attempts were made to examine the mutual relation between transformational leadership and organizational learning through correlation research method. Obtained results show that based on SAIPA experts' opinions, the current condition of transformational leadership and organizational learning is relatively desirable in the aforementioned company. On the other hand, work experience does not create a difference in organizational learning, but gender and education create difference in risk receptivity, exploring reasons for mistake, and taking advantage of experiences and risk receptivity components respectively. In addition, a positive and meaningful relation exists between the components of transformational leadership and organizational learning. Finally, idealized influence (behavior) as one of the dimensions of transformational leadership is the most important predictor of organizational learning.

Timothy Bartram and Gian Casimir(2006) provided an examination of the mediating effects of empowerment and trust in the leader on the relationship between transformational leadership and two outcomes (i.e. the in-role performance of followers as rated by the leader and satisfaction with the leader). Partial least squares analysis revealed that the effects of transformational leadership on the in-role performance of followers were mediated by empowerment and trust in the leader, whereas the effects of transformational leadership on satisfaction were partially mediated by trust in the leader.

Mesu, Sanders and Riemsdijk (2015) investigated whether the generally positive impact of transformational leadership on organizational commitment in large organizations can be extended to small- and medium-sized businesses (SMEs) in the manufacturing and service industry. The authors investigate the possible moderator effects of a participative and directive leadership style. The findings established that transformational leadership, defined as visionary leadership and development stimulation, was positively related to organizational commitment for service SMEs, but not for manufacturing SMEs. While a participative leadership style did not moderate the relationship between transformational leadership and organizational commitment in either industry, a directive leadership style strengthened the relationship between transformational leadership and organizational commitment in manufacturing SMEs.

Menci, Wefald and Ittersum (2016) examined the effects of interpersonal skills (emotional and political skills) and work engagement on transformational leadership and leader well-being at work. In addition to the positive effects of work engagement on outcome measures, results showed political skill is an important capability contributing to transformational leadership and leaders' job satisfaction. Findings also showed that interaction of emotional skill, political skill, and work engagement contributed to job satisfaction among managers.

Evelyn and Elegwa (2015) examined the effects of transformational leadership; a leadership approach believed to cause changes in individuals and organizations, on employee engagement. The emphasis was on the influence of idealized influence, inspirational motivation, intellectual stimulation and individualized consideration of supervisors in the civil service in Kenya on engagement of subordinates to the organizations. The findings revealed that transformational leadership though positively related to employee engagement in general; the leader behaviors of intellectual stimulation and individualized consideration of supervisor were found to be positive and moderately related to employee engagement. Supervisors' inspirational motivation of leader was weak and insignificant while idealized influence was negatively related to employee engagement.

Theoretical Framework

The study was based on two theories namely: transformational leadership theory and stakeholder theory. Transformational leadership theory was developed in the late 20th century by Burns (1978) in his analysis of political leaders. Prior to this time much attention had been given to the examination of the approaches of leaders who successfully transformed organizations. Burns characterized transformational leadership as that which "occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality". He believed that transformational leadership could raise followers from a lower level to a higher level of needs which agrees with Maslow's (1954) hierarchy of needs. Bass (1985) refined and expanded Burns' leadership theory. Bass said that a leader is "one who motivates us to do more than we originally expected to do". He said that this motivation could be achieved by raising the awareness level about the importance of outcomes and ways to reach them. Bass also said that leaders encourage followers to go beyond self-interest for the good of the team or the organization.

Stakeholders theory

Organizations have stakeholders and should therefore proactively pay attention to them that stakeholder theory exists in tension (at least) with shareholder theory (Friedman, 1970), that

stakeholder theory provides a vehicle for connecting ethics and strategy (Phillips, 2003), and that firms that diligently seek to serve the interests of a broad group of stakeholders will create more value over time (Harrison & Wicks, 2009). Nevertheless, there are so many different interpretations of basic stakeholder ideas that theory development has been difficult (Scherer & Patzer, 2011). Stakeholder theory provides an appropriate lens for considering a more complex perspective of the value that stakeholders seek as well as new ways to measure it (Harrison & Wicks.,2013).

Friedman (2006) states that the organization itself should be thought of as grouping of stakeholders and the purpose of the organization should be to manage their interests, needs and viewpoints. This stakeholder management is thought to be fulfilled by the managers of a firm. The managers should on the one hand manage the corporation for the benefit of its stakeholders in order to ensure their rights and the participation in decision making and on the other hand the management must act as the stockholder's agent to ensure the survival of the firm to safeguard the long term stakes of each group. Normative Stakeholder theory contains theories of how managers or stakeholders should act and should view the purpose of organization, based on some ethical principle (Friedman, 2006).

Stakeholders theory emphasizes an all-inclusive approach to all those who directly or indirectly play part in an organisation as internal or external stakeholders illuminates the ethical perspective of leadership. Ethics emanates from values. And while morals affect the organization's stand on certain issues that they value, ethics dictate how it deals with them. Transformational leadership, as exhibited by its key variables takes into account the ethical responsibilities to the stakeholders. By considering the interest of all stakeholders, leadership will be looking beyond the short run mutual benefits and laying a sound foundation for a long term interdependence with stakeholders. This is in line with what the co-operative officials should be doing in enhancing the performance of their respective co-operative societies as they are expected to invest in values and ethics in the performance of their duties as enshrined in their mission, core values, rules and laws governing the operations of their institutions. It is common practice for organisations to display the core values to all stakeholders which in essence is the commitment to undertake their mission through its ethics in normal day to day operations.

Conceptual framework

The performance of business enterprises relies on the kind of leaders steering the organization hence the reliance on the practices exhibited by the elected officials of these co-operative societies.

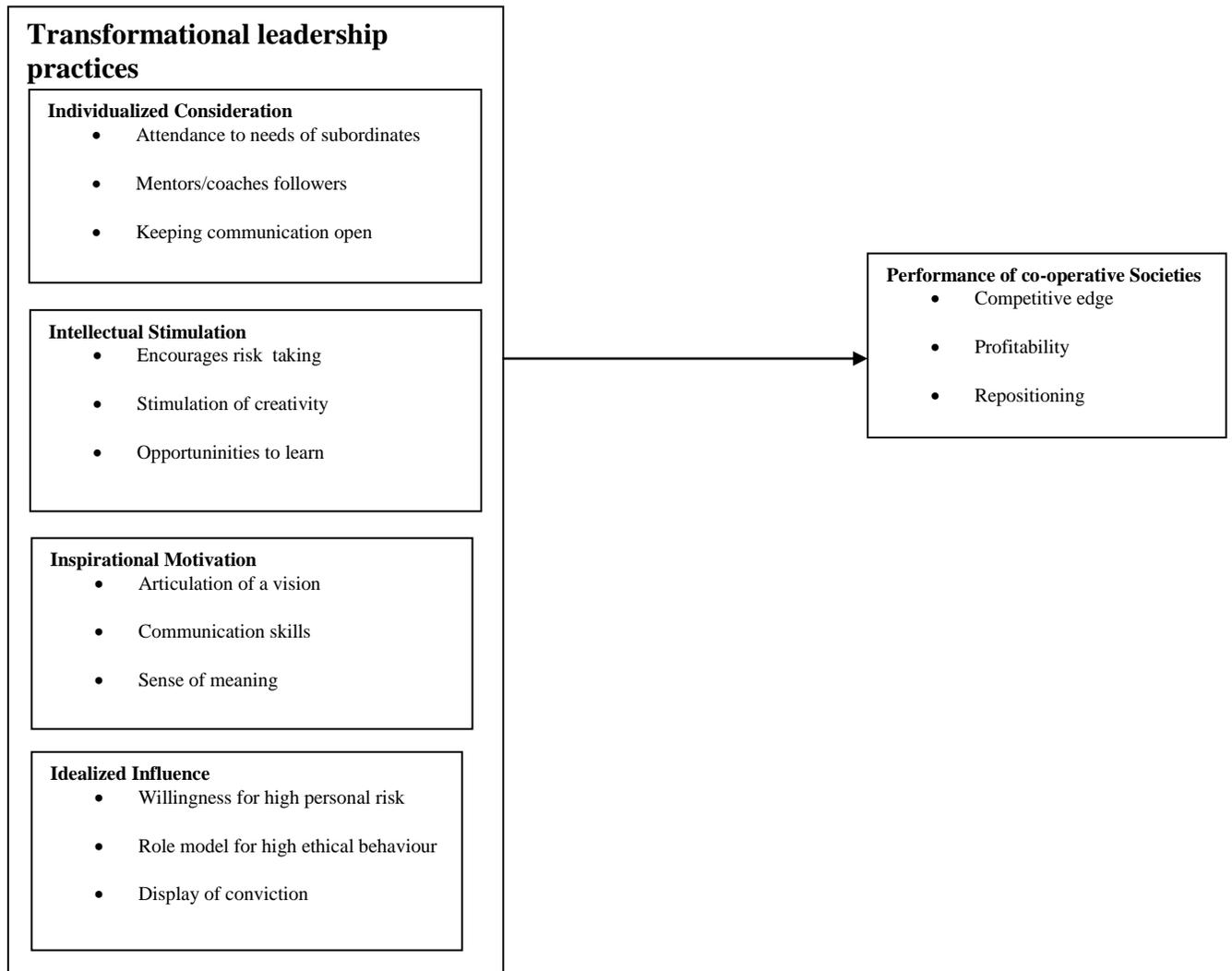


Figure 1. Conceptual Framework

The performance of marketing co-operative societies is determined by what the employees as well as the management committee including the top level and middle level managers in the enterprise do to ensure the organizational goals are met. It can therefore be said that enterprise performance is a function of Individualised consideration, intellectual stimulation, Inspirational Motivation and Idealized Influence. Each of the variables has a contribution to make in ensuring the collective entrepreneurship spirit is actualised in the business enterprise. It therefore implies that the Individualised consideration, intellectual stimulation, Inspirational Motivation and Idealized Influence as transformational leadership practices have an important role to play in ensuring the success of the organization.

The model of Marketing Co-operative Performance

MCP is denoted as $F(IC, IS, IM, II)$

$$MCP = a + b_1IC + b_2IS + b_3IM + b_4II$$

Where,

MCP is the Marketing Co-operative Performance

a is the constant or intercept

b_1, b_2, b_3, b_4 coefficients of the above variables

IC-Individual Consideration

IS-Intellectual Stimulation

IM-Inspirational Motivation

II-Idealized Influence

Individual Consideration and performance of Marketing Co-operatives

Individual consideration characterizes the extent to which the leader cares about the followers' individual needs. Ondari, Were and Rotich (2018) sought to find out the effect of individualized consideration on organisational performance of state corporations in Kenya and established that there is a significant relationship between individualized consideration and organizational performance of state corporations in Kenya. This implies that the individualised consideration is key in enhancing the the performance of the marketing co-operatives.

Ogola, Sikalie and Linge (2017) purposed to investigate the influence of individualized consideration leadership behaviour on employee performance in Small and Medium Enterprises in Kenya. The results showed that Individualized Consideration leadership behaviour and Employee Performance in SMEs in Kenya had a strong positive and significant correlation and a positive and significant relationship. The study concluded that high performance is achieved when the leader recognizes employees' efforts, creates confidence, encourage self-development practices, effective communication as well as mentoring and coaching. In a similar manner, the elected officials of co-operatives, by paying attention to the various individuals that make the whole team can improve the performance of their societies significantly.

Intellectual Stimulation and performance of Marketing Co-operatives

Intellectual stimulation characterizes the extent to which a leader encourages followers to innovate and challenge themselves. Ogola, Sikalie and Linge (2017) investigated the influence of intellectual stimulation leadership behaviour on employee performance in Small and Medium Enterprises in Kenya. The results showed that intellectual stimulation leadership behaviour and Employee Performance in SMEs in Kenya had a strong positive and significant correlation.

Yasin, Nawab, Bhatti and Nazir(2014) found that intellectual stimulation may be used as tool for the development of innovations and higher SMEs performance and this study also found a strong positive relationship of innovations to the SMEs performance. The co-operative leadership must strive to encourage innovations, initiatives and inventions so as to improve and sustain performance.

Inspirational Motivation and performance of Marketing Co-operatives

Yukl (2010) described inspirational motivation behaviors as communicating an appealing vision, using symbols to focus subordinate effort, and modeling appropriate behaviors. Banjeri & Krishnan (2000) relate inspirational motivation to concepts of ethics, claiming that when leaders show concern for organizational vision and follower motivation, they are more inclined to make ethical decisions

Inspirational motivation characterizes the extent to which a leader presents a vision to motivate followers. In their study to investigate management leadership style, Yusuf, Muhammed and Kazeem (2014), established that there is a positive significant relationship between the application of leadership style and performance of business organizations. Orabi(2016) says that Leaders may need to focus on these elements of transformational leadership to improve outcomes for organizational performance including inspirational motivation of the shareholders. Ahmad, Abbas, Latif and Rasheed(2014) opine that there is a significant relationship between transformational leadership and employee motivation. It is imperative for the co-operative leadership to spur performance by clearly articulating and disseminating its vision and resonating it with those of key stakeholders.

Idealized Influence and performance of Marketing Co-operatives

Ngaithe, K'Aol, Lewa and Ndwiga,(2016) examined the influence of Idealized Influence and Inspirational Motivation on performance of staff in State Owned Enterprises in Kenya. The study concluded that Idealized Influence positively and significantly increased performance of staff in SOEs in Kenya. Ogola, Sikalie and Linge (2017) investigated the influence of Idealized Influence leadership behavior on employee performance in Small and Medium Enterprise in Kenya. The study found that Idealized Influence leadership behavior and Employee Performance in SMEs in Kenya had a strong positive and significant correlation. The study concludes that if a leader inculcates trust in employees, practices high ethical values, acts as a role model to the employees and encourages employees to take risks; these will positively affect employees work and hence high performance levels. In the same vein, co-operative leadership

can improve performance through its stakeholders by creating trust, admiration and respect as role models by sacrificing their own gains for the good of the society and work team in general.

METHODOLOGY

The study adopted descriptive survey design and data was collected from 45 cooperative committee members using structured questionnaires which was self-designed. The target population for the study was committee members of marketing co-operative societies and with 9 members from each society the total was 405.

The sampling frame was comprised of the register of all producer(marketing) based co-operative societies available in the County Co-operative Office of Kericho. The sampling design that was used was the census approach where a list of all units (producer-marketing co-operatives) in the register was studied and one member was sampled from each society.

Table 1. Target Population

Number of co-operative societies	Number of committee members per co-operative	Total number of committee members
45	9	405

Data was analyzed using descriptive statistics to determine the place of transformational leadership practices in shaping the performance of the marketing co-operative societies and regression analysis carried out to discern the influence of the various aspects of transformational leadership practices on performance of the said co-operatives. The data that was collected was analyzed using the Statistical Package for social Scientists (SPSS).

ANALYSIS AND RESULTS

The findings of the study indicate that committee members in high performing co-operatives employ all leadership practices with inspiring a shared vision and challenging the process as two practices that have the biggest impact on individual co-operative societies.

The findings on the performance of marketing co-operatives, descriptive statistics as well as inferential statistics for the transformational leadership practices namely: Individualised Consideration, Intellectual Stimulation, Inspirational Motivation and idealized Influence are presented as follows in Table 2.

Performance of marketing co-operatives

Table 2. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
The organization has a competitive edge over others in the industry	45	1.00	7.00	5.7778	.73512
Profitability has been realized in the organization due to good leadership	45	1.00	7.00	5.2000	1.39153
New products introduced in the market due to focused leadership	45	1.00	7.00	5.4222	1.19637
Returns to the shareholders has improved	45	1.00	7.00	5.5556	1.28904
Valid N (listwise)	45				

The total possible score is 28 and the sum of mean is 21.9556. The mean index is 0.784129. Based on the responses, the mean index which is supposed to lie between 0 and 1 is established to be 0.78 which is a stronger index.

Individualized consideration and performance of Marketing Co-operatives

Table 3. Individualized consideration and Performance

Individualized consideration and Performance	N	Minimum	Maximum	Mean	Std. Deviation
Leaders attend to the sub-ordinates needs	45	1.00	7.00	5.3556	1.76011
The leader acts as coach or mentor to the follower and listens to the follower's concerns and needs.	45	1.00	7.00	5.0444	1.24235
The leader gives empathy and support, keeps communication open and places challenges before the followers	45	1.00	7.00	4.7333	1.48324
A leader respects and celebrates the individual contribution that each follower can make to the team	45	1.00	7.00	5.9556	7.60369
The followers have a will and aspirations for self- development and have intrinsic motivation for their tasks.	45	1.00	7.00	5.3778	1.28433
Valid N (listwise)	45				

The total possible score is 35 and the total mean for the individualized Consideration is 26.4667. The individualized Consideration practice index for marketing Co-operatives is obtained by

dividing the total mean by total variables possible score, hence the Individualised Consideration for marketing Co-operatives index is 0.756191.

The study established that there is a relationship between the performance of marketing co-operatives and individualized consideration factors associated with the Transformational leadership practices. The individualized consideration indicators studied were; leaders who attend the sub-ordinates' needs, leaders acting as coaches or mentor to the follower and listens to followers' needs and concerns, leaders giving empathy and support, keeps communication open and places challenges before the followers, a leader respects and celebrates the individual contribution that each follower can make to the team and the followers have a will and aspirations for self- development and have intrinsic motivation for their tasks.

In establishing whether there is relationship between the performance of the marketing co-operative societies and the individualized consideration an ethical practice for collective enterprises, a correlation was run and the results are shown in Table 4.

Table 4. Correlations between Marketing Co-operative Performance and Individualized Consideration

		Marketing Co-operative Performance	Individualised Consideration
Marketing Co-operative Performance	Pearson Correlation	1	.571**
	Sig. (2-tailed)		.003
	N	45	45
Individualised Consideration	Pearson Correlation	.571**	1
	Sig. (2-tailed)	.003	
	N	45	45

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

In the table above the researcher intended to establish if there is any relationship between the Marketing Co-operative Performance and the Individualised Consideration as a transformational leadership practice. The Pearson correlation of 0.571 indicates that there is a relationship between individualized consideration and performance of marketing co-operatives and therefore there is need to ensure that co-operative leaders continue to play their role in mentoring the followers. This ensures that the co-operative's employees feel valued and become more motivated towards excellent performance

When the marketing of co-operative performance was regressed on the individualized consideration for collective entrepreneurship, R^2 (R square) is 0.432 which is the coefficient of determination. It measured the proportion of the total variation in Performance of marketing co-operatives about its mean as explained by the regression of performance of marketing co-operatives on individualised consideration. The regression results shows that 43.2 % of the variation of performance of marketing co-operatives is explained by individualized consideration of co-operatives employees. This implies that the transformational leadership ethical practices of attending to the sub-ordinates needs giving empathy and support, keeping open communication and exposing employees to challenging responsibilities contribute to enhanced performance of marketing co-operatives.

Table 5. Coefficients of the linear regression model of Marketing Co-operative Performance of and individualized Consideration

Coefficients ^a						
Model		Unstandardized		Standardized	T	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	4.813	.324		14.874	.000
	Individualized Consideration	.432	.057	.431	3.135	.003

a. Dependent Variable: Marketing Co-operative Performance

The linear regression can be expressed as

$$\hat{Y} = \beta_0 + \beta_1 X$$

Where,

\hat{Y} is the co-operative marketing performance

β_0 is the constant

β_1 is the correlation coefficient

IC is individualized consideration

And therefore the resulting equation is;

$$Y = 4.813 + 0.432IC$$

Intellectual Stimulation contribution and performance of marketing co-operative

In order to measure whether intellectual stimulation has relationship with performance of marketing co-operatives the responses of the respondents were analyzed as shown in Table 6. The total possible score under this variable is 35. The total mean score is 20.5335. The

intellectual stimulation mean index is obtained by dividing the total mean by the total possible score which comes to 0.587. This therefore means that the intellectual stimulation as a practice of transformational leadership contributes to the realization of the organizational performance since the membership of the co-operative societies are given freedom to give suggestions on how the organizational goals can be achieved.

Table 6. Intellectual simulation and performance of marketing co-operatives

Intellectual Stimulation factors	N	Minimum	Maximum	Mean	Std Deviation
The leader challenges assumptions, takes risks and solicits followers' ideas.	45	1.00	7.00	4.5556	1.53083
Leaders with this style stimulate and encourage creativity in their followers.	45	1.00	7.00	2.3556	1.76011
They nurture and develop people who think independently.	45	1.00	7.00	3.1556	1.16688
For such a leader, learning is a value and unexpected situations are seen as opportunities to learn.	45	1.00	7.00	5.1111	1.40166
The followers ask questions, think deeply about things and figure out better ways to execute their tasks	45	1.00	7.00	5.3556	1.83595
Valid N (listwise)	45				

In order to ascertain if there exists any relationship between marketing co-operative Performance and the intellectual stimulation, Pearson correlation was run and the results are indicated in Table 7.

Table 7. Bivariate Correlations between Marketing Co-operative Performance and Intellectual Stimulation

		Marketing Co-operative Performance	Intellectual stimulation
Marketing Co-operative Performance	Pearson Correlation	1	.345
	Sig. (2-tailed)		.123
	N	45	45
Intellectual stimulation	Pearson Correlation	.345	1
	Sig. (2-tailed)	.123	
	N	45	45

From the results it can be seen that the relationship between the Intellectual stimulation as a practice of transformational leadership and performance of marketing co-operatives is weak Pearson correlation coefficient of 0.345. There is a weak correlation between the two variables implying that limited cooperation between the top level management (management Committee) and the membership who are being led contribute to enhanced performance of marketing co-operatives. This therefore means that there is limited cooperation between the two teams and may imply that there is a need for both management and the led to work towards achieving the organizational objectives.

When the marketing Co-operative performance was regressed on intellectual Stimulation, R-square which tells of the “goodness of fit” of the model is .112, which means that the intellectual stimulation as a variable can be explained by 11.2% of the change in marketing Co-operative Performance. This further emphasizes the weak correlation between the variables This is shown in Table 8.

Table 8. Coefficients of the linear regression model of Marketing Co-operative Performance and Intellectual stimulation

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	5.267	.342		15.409	.000
	Intellectual stimulation	.112	.071	.233	1.574	.123

Dependent Variable: Marketing Co-operative Performance

The linear regression can be expressed as

The Marketing Co-operative Performance (Y) = $\beta_0 + \beta_2 IS$

$\hat{Y} = \beta_0 + \beta_2 IS$

Where:

Y is the Marketing Co-operative Performance

β_0 is the constant

β_2 is the correlation coefficient

IS is the Intellectual stimulation

And therefore the resulting equation is;

$Y = 5.267 + 0.112 IS$

The first coefficient, “(Constant)”, is the intercept term. That is, before one accounts for the dependent variable(s) – or, putting it another way, when Intellectual Stimulation is zero – this is the value of Marketing Co-operative Performance. In this case, the intercept is 5.267, so when Intellectual Stimulation(IS) =0, Marketing Co-operative Performance of enterprises will equal 5.267. This means that Intellectual Stimulation of employees from transformational leaders contribute 11.2% change in performance of marketing co-operatives. This infers that leaders challenging assumptions, taking risks and soliciting followers' ideas, stimulating and encouraging creativity in their followers, nurturing and developing people who think independently, perceiving, learning as a value and unexpected situations as opportunities to learn and encouraging followers ask questions, think deeply about things and figure out better ways to execute their tasks only affect performance of marketing co-operatives by 11.2%

Inspirational Motivation and performance of marketing co-operatives

Efforts were also made to ascertain the contribution of Inspirational Motivation in the performance of marketing co-operatives. First, there was need to establish the Inspirational Motivation index (Table 9).

Table 9. Descriptive Statistics for Inspirational Motivation

Inspirational Motivation and performance of marketing co-operatives factors	N	Minimum	Maximum	Mean	Std. Deviation
The leader articulates a vision that is appealing and inspiring to followers.	45	1.00	7.00	4.5111	1.79168
Leaders with inspirational motivation challenge followers with high standards, communicate optimism about future goals, and provide meaning for the task at hand.	45	1.00	7.00	4.2222	1.24113
Followers need to have a strong sense of purpose if they are to be motivated to act.	45	1.00	6.00	3.6667	1.36515
Purpose and meaning provide the energy that drives a group forward	45	1.00	7.00	5.3556	1.41671
The visionary aspects of leadership are supported by communication skills that make the vision understandable, precise, powerful and engaging	45	1.00	7.00	4.8889	1.44949
The followers are willing to invest more effort in their tasks, they are encouraged and optimistic about the future and believe in their abilities	45	1.00	7.00	3.9333	1.99317
Valid N (listwise)	45				

The total possible score is 42. The total mean is 26.5778 and to get the inspirational motivation mean index it is therefore important to divide the total mean by the total possible score under inspirational motivation variable which gives us 0.632. This therefore means that the rewards of inspirational motivation as a variable has some contribution to make in ensuring the success of the marketing co-operatives.

To establish if there exists any relationship between the inspirational motivation and the marketing Co-operative performance , a correlation was run and Table 10 displays the results.

Table 10. Bivariate Correlations between Marketing Co-operative Performance and Inspiration Motivation

		The marketing Co-operative Performance	Inspirational Motivation
The marketing Co-operative Performance	Pearson Correlation	1	.382**
	Sig. (2-tailed)		.010
	N	45	45
Inspirational Motivation	Pearson Correlation	.382**	1
	Sig. (2-tailed)	.010	
	N	45	45

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

The Pearson correlation coefficient of .382 shows there exists some weaker relationship between the Marketing Co-operative Performance and Inspirational motivation as a mode of motivation which encourages shareholders to contribute to increase performance of marketing co-operatives. This therefore means that leadership of the co-operative societies need to look at better ways of inspiring the membership of their respective societies for attainment of their organizational objectives. For these co-operatives, it will be necessary to improve on the returns to shareholders who in this case are members of the societies.

Table 11. Coefficients of the linear regression model of Marketing Co-operative Performance and Inspirational Motivation

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.072	.280		18.093	.000
	Inspirational motivation	.157	.058	.382	2.707	.010

Dependent Variable:Marketing Co-operative Performance

It was established that there exists a linear relationship between the two variables expressed as Performance of Marketing Co-operatives:

$$(Y) = \beta_0 + \beta_3 IM$$

Where :

Y is the Marketing Co-operative Performance

β_0 is the constant

β_3 is the correlation coefficient

IM is Inspirational Motivation

And therefore the resulting equation is;

$$Y = 5.072 + 0.157IM$$

Idealized Influence and Performance of Marketing Co-operative

Table 12. Descriptive Statistics for Idealized Influence

	N	Minimum	Maximum	Mean	Std. Deviation
Sensitive to followers needs - Willing to take high personal risk - Incur high costs & engage	45	1.00	6.00	4.0000	1.50756
Leaders provide vision, mission and faith and also inspire subordinates about objectives of organization	44	1.00	7.00	4.6364	1.55655
Provides a role model for high ethical behavior, instills pride, gains respect and trust	45	1.00	7.00	5.4667	1.28982
This type of leader tends to put his/her subordinates' needs before his/her own	45	1.00	7.00	4.7333	1.60114
Charismatic leaders display conviction, take stands and appeal to followers on an emotional level.	45	1.00	7.00	4.7111	1.74020
Valid N (listwise)	45				

The total possible score is 35 and the total mean is 23.5475 and therefore the idealized influence index is 0.67. This is a strong indication that bringing in new ideas on how the business of the co-operative societies can be conducted is important in the realization of the organizational objectives.

It is also necessary that an attempt is made to establish the relationship between marketing Co-operative performance and the idealized influence. A correlation run indicated the following results shown in Table 13.

Table 13. Bivariate Correlation between Marketing Co-operative Performance and idealized influence

		Marketing Co-operative Performance	Idealized Influence
Marketing Co-operative Performance	Pearson Correlation	1	.542*
	Sig. (2-tailed)		.028
	N	45	45
Idealized Influence	Pearson Correlation	.542*	1
	Sig. (2-tailed)	.028	
	N	45	45

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

The Pearson correlation coefficient between the marketing Co-operative performance and idealized influence is 0.542 which shows that there exist an average relationships between the two variables. The moderate relationship between the variables shows that the management should provide adequate time for idea sharing as this is the way to go in terms of improving the performance and repositioning marketing co-operative industry.

When marketing Co-operative performance of enterprise was regressed on idealized influence, it was established that R square is 0.106 which means that a change in the idealized is influenced by 10.6% will have the same effect on the marketing Co-operative performance (Table 14).

Table 14. Bivariate correlation Coefficients between Marketing Co-operative Performance and idealized influence

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.138	.300		17.134	.000
	Idealized Influence	.160	.070	.328	2.278	.028

a. Dependent Variable: Marketing Co-operative Performance

The Marketing Co-operative Performance (Y) = $\beta_0 + \beta_1 X$

$$\hat{Y} = \beta_0 + \beta_1 X$$

Where:

Y is the Marketing Co-operative Performance

β_0 is the constant

β_4 is the correlation coefficient

I1 is the Idealized Influence

Hence,

$$Y=5.138+0.160II.$$

There was also need to establish the combined influence of the four transformational leadership practices

Table 15. Collective Coefficients

Model	Unstandardized		Standardized	T	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	4.229	.440		9.608	.000
1 Individualized Consideration (IC)	.167	.083	.399	2.019	.050
Intellectual Stimulation (IS)	.280	.080	.059	.357	.723
Inspirational Motivation(IM)	.071	.071	.174	1.009	.319
Idealized Influence(II)	.103	.080	.212	1.300	.201

a. Dependent Variable: Marketing Co-operative Performance

When the variables are combined the resulting equation would be

$$Y= a+b_1IC +b_2IS+ b_3IM + b_4 II$$

$$Y= \beta_0+ \beta_1IC + \beta_2IS + \beta_3IM + \beta_4II$$

$$=4.229+0.167IC+0.280IS+0.071IM+0.103II$$

The above equation shows a linear equation when the variables in the index tool put together. From the equation, all the variables have positive coefficients but very minimal contribution collectively. This implies that leaders should be moving together with the followers. Giving freedom for the Co-operators to do what they have in mind within the enterprise is good but there must be done within the set rules and regulations so that even those being led are also encouraged to do their part towards the attainment of organizational objectives.

CONCLUSION AND RECOMMENDATIONS

The study concluded that transformational leadership practices play a key role in the performance of Marketing co-operatives in Kenya. The transformational leaders in co-operatives have an important role to play in ensuring the success of the organization they lead. They are encouraged to exhibit transformational leadership practices and invest in them so as to sustain the productive relationship with the stakeholders which should be the hallmark of its ethics as

guided by their core values. It is evident from this study that transformational leadership is critical in managerial functions of Marketing co-operatives in Kenya. The intellectual stimulation (IS) as a practice of transformational leadership emerges as a major contributor to improved performance of marketing co-operatives. This is followed by individualised consideration (IC), idealised influence (II) and inspirational motivation (IM) respectively.

Therefore it is recommended that the practices that have come out as weaker should be encouraged in the running of business organizations. More importantly, all the practices of transformational leadership should be enhanced and institutionalized continually as a way of developing organisational and intellectual capital. Against a backdrop of such capital, the co-operatives will strengthen its institutional memory and concentrate its focus on stakeholders who are the prime movers in the success of any organisation.

It is also recommended that there is a need to establish reasons why some practices of transformational leadership are not making valuable contributions to the performance of the marketing co-operatives in Kenya and develop intervention strategies on how to improve on those practices.

REFERENCES

- Amankwaa, A. and Tsede, O. A. (2015). Linking Transformational Leadership to Employee Turnover: The Moderating Role of Alternative Job Opportunity. *International Journal of Business Administration* Vol. 6, No. 4; 2015
- Bartram, T. and Casimir, G. (2007). The relationship between leadership and follower in-role performance and satisfaction with the leader. The mediating effects of empowerment and trust in the leader", *Leadership & Organization Development Journal*, Vol. 28 Iss 1 pp. 4 – 19
- Bass, B. M. (1985). *Leadership and Performance Beyond Expectations*. New York: Free Press
- Evelyn, D. A. and Elegwa, M. (2015). The effects of transformational leadership on employee engagement: A survey of civil service in Kenya. 9-16,
- Friedman, A.L. and Miles, S. (2006). "Stakeholders: Theory and Practice", Oxford University Press
- Goudarzvandchigini, M. (2011). Knowledge Management and Transformational Leadership in Organizational Success. *International Journal of Information and Education Technology*, Vol. 1, No. 5.
- Government of Kenya (2017). *Economic survey*, Government Printers Nairobi
- Harrison, J. S. and Wicks, A. C. (2013). Stakeholder Theory, Value, and Firm Performance. *Business Ethics Quarterly* 23:1 (January 2013); ISSN 1052-150X pp. 97-124 DOI: 10.5840/beq20132314
- Kakkuri, P. U., Brandt, T. and Kultalahti, S. (2016). Transformational leadership in leading young innovators – a subordinate's perspective ", *European Journal of Innovation Management*, Vol. 19 Iss 4 pp. 547 – 567
- Matzler, K., Bauer, F. A. and Mooradian, T. A. (2015). Self-esteem and transformational leadership ", *Journal of Managerial Psychology*, Vol. 30 Iss 7 pp. 815 – 831
- Mencel, J., Wefald, A. J. and Ittersum, K. W. V. (2016). Transformational leader attributes: interpersonal skills, engagement, and well-being", *Leadership & Organization Development Journal*, Vol. 37 Iss 5 pp. 635 – 657
- Mesu, J., Sanders, K. and Riemsdijk, M. V. (2015). Transformational leadership and organisational commitment in manufacturing and service small to medium sized enterprises- The moderating effects of directive and participative leadership ", *Personnel Review*, Vol. 44 Iss 6 pp. 970 – 990

Mirkamali, S. M., Thani, F. N., Alami, F. (2011). Examining the role of transformational leadership and job satisfaction in the organizational learning of an automotive manufacturing company. *International Conference on Education and Educational Psychology (ICEEPSY 2011)*. *Procedia - Social and Behavioral Sciences* 29 (2011) 139 – 148

Pandey, S. & Singh, A.K. (2011). Leadership at work place: A study of selected BPO companies, *Journal of Business Studies*, 4(1), 57-65.

Phillips, R. A. (2003). *Stakeholder theory and organizational ethics*. San Francisco: Berrett-Koehler Publishers.

Scherer, A. G., & Patzer, M. (2011). Where is the theory in stakeholder theory? A meta-analysis of the pluralism in stakeholder theory. In R. A. Phillips, *Stakeholder theory: Impact and prospects*: 140-62. Cheltenham: Edward Elgar Publishing Ltd

Singh, A.K. & Kumar, M. (2013). Organizational leadership in India, In C.S. Sharma, & R.K. Singh (eds.). *Transformational leadership and beyond*, New Delhi: Excel India Publishers, India, 53-67.