

**TRANSFORMATIONAL LEADERSHIP AND ORGANISATIONAL
CULTURE: THE CASE OF COMMERCIAL BANKS LISTED ON THE
NAIROBI SECURITIES EXCHANGE IN KENYA**

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DECLARATION

This thesis is my original work and has not been presented for academic award in any other university or institution.

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TABLE OF CONTENTS

Table of Contents

DECLARATION	ii
TABLE OF CONTENTS.....	iii
DEDICATION	vi
ACKNOWLEDGEMENT.....	vii
ABSTRACT.....	viii
List of Tables	ix
LIST OF FIGURES.....	xi
ABBREVIATIONS AND ACRONYMS.....	xii
OPERATIONAL DEFINITION OF TERMS.....	xiii
CHAPTER ONE: INTRODUCTION AND BACKGROUND OF THE STUDY.....	1
Background of the Study.....	1
Problem Statement.....	10
Objectives of the Study.....	12
Specific Objectives	12
Research Questions	12
Assumptions of the Study	13
Justification of the Study	13
Significance of the Study.....	14
Scope of the Study	15
Limitations of the Study.....	16
Chapter Summary	17
CHAPTER TWO: LITERATURE REVIEW	17
Empirical Review.....	17

Transformational Leadership	17
Inspirational Motivation	22
Intellectual Stimulation.....	24
Individual Consideration	26
Organizational Culture	28
Theoretical Framework.....	31
Leader-Member Exchange Theory.....	31
Schein's Theory of Organisational Culture.....	32
Conceptual Framework.....	33
Summary of Research Gaps	35
Chapter Summary	36
CHAPTER THREE: RESEARCH METHODOLOGY	37
Research Philosophy	37
Research Design	38
Population.....	39
Sample and Sampling Methods	39
Types of Data	40
Research Instruments	41
Instrument Pre-Testing	42
Reliability.....	44
Data Collection Procedures	45
Data Analysis.....	46
Diagnostic Tests	47
Ethical Considerations.....	48
Chapter Summary	49
CHAPTER FOUR: DATA, RESULTS, INTERPRETATION AND DISCUSSION	50
Response Rate.....	50
Descriptive Analysis	53
Diagnostic Tests	68
Regression Analysis.....	74
Regression Analysis between Individual Consideration and Organizational Culture	80
Regression Analysis between Transformational Leadership Variables and Organizational Culture	82
Discussion	84
CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS	86

Summary of Findings	86
Idealised influence and organizational culture of commercial banks listed in the NSE ..	86
Inspirational motivation and organizational culture of commercial banks listed in NSE	87
Intellectual stimulation and organizational culture of commercial banks listed in NSE .	88
Individual consideration and organizational culture of commercial banks listed in the NSE	89
Conclusions	90
Recommendations to policy makers.....	91
Areas for Further Research	93
REFERENCES	94
APPENDICES	103
APPENDIX I: LETTER OF INTRODUCTION.....	103
APPENDIX II: QUESTIONNAIRE FOR MANAGERS OF LISTED COMMERCIAL BANKS.....	104
APPENDIX III: RESEARCH AUTHORIZATION AND ETHICS CLEARANCE	108
APPENDIX IV: NACOSTI RESEARCH PERMIT	109

DEDICATION

I dedicate this thesis to God Almighty, who has been my ultimate source of wisdom, knowledge, insight, and understanding during the entire period of research. His unwavering strength and grace were more than sufficient for me. I also dedicate this work to my beloved family for their resolute support and encouragement throughout this journey. Their words of courage and motivation gave me the confidence that I needed to overcome obstacles and achieve success. Their prayers and steadfast support provided the courage to keep moving forward. May God bless you all.

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ABSTRACT

Transformational leadership has often been seen as a remedy for organizational issues as implied in current research and literature. The banking sector in Kenya, particularly the listed banks in the Nairobi Securities Exchange (NSE) are allegedly experiencing leadership challenges, as evidenced by high staff turnover rates and frequent mergers. The primary aim of this study was to establish the influence of transformational leadership on the organizational culture of commercial banks listed on the NSE. The specific study objectives were to assess the effect of idealized influence on organizational culture, to establish the influence of inspirational motivation and organizational culture, to examine the effects of intellectual stimulation on organizational culture and to evaluate the role of individual consideration on organizational culture of commercial banks. The research employed a positivism research philosophy and a descriptive research design. The study was guided by both Leader-Member Exchange (LMX) Theory and Schein's Theory of Organizational Culture. The target population was two hundred and sixty-four employees drawn from different commercial banks listed in the stock exchange. A sample size of one hundred and fifty nine (159) members was chosen from different commercial banks listed under the NSE to represent the large population using stratified sampling. The study used survey questionnaires to collect primary data from sampled respondents which were then analyzed using the Statistical Package for Social Sciences. The study findings were presented in the form of percentages, tables and graphs. The study findings revealed that individually each independent variable had a positive and significant relationship with organizational culture. However, when considered jointly, their level of influence remained positive, but insignificant. Individual consideration remained positive and significant in influencing the organizational culture of commercial banks listed in the NSE. The study concludes that transformational leadership significantly enhances the organizational culture of commercial banks listed in the NSE. Bank managers and all other executives leaders should focus on providing clear goals and objectives, fostering team spirit, encouraging critical thinking, and investing in continuous training and development for all stakeholders. These actions will create a cohesive and innovative work environment, leading to improved performance and employee satisfaction.

List of Tables

Table 1: Sample Size selected using stratified sampling technique	40
Table 2: KMO and Barlett's Test for Study Variables that measures sampling adequacy	43
Table 3: Reliability Results that tested for internal consistency.....	45
Table 4: Response Rate.....	50
Table 5: Descriptive Analysis for Idealised Influence.....	53
Table 6: Descriptive Analysis for Inspirational Motivation	56
Table 7: Descriptive Analysis for Intellectual Stimulation.....	59
Table 8: Descriptive Analysis for Individual Consideration	64
Table 9: <i>Normality Test</i>	68
Table 10: Linearity Test for idealized influence	69
Table 11: Linearity Test for Inspirational Motivation	70
Table 12: Linearity Test for Intellectual Stimulation	71
Table 13: Linearity Test for Individual Consideration	71
Table 14: Correlation Analysis between Transformational Leadership Variables and Organizational Culture.....	72
Table 15: Multicollinearity Test for between Transformational Leadership Variables and Organizational Culture	73
Table 16: Regression Analysis between Idealized Influence and Organizational Culture.....	74
Table 17: Regression Analysis between Inspirational Motivation and Organizational Culture.....	76
Table 18: Regression Analysis between Intellectual Stimulation and Organizational Culture.....	78

Table 19: Regression Analysis between Individual Consideration and Organizational Culture.....	80
Table 20: Regression Analysis between Transformational Leadership Variables and Organizational Culture.....	83

LIST OF FIGURES

Figure 1: Conceptual Framework of the Study	34
Figure 2: Respondents' Gender	51
Figure 3: Age of Respondents.....	51
Figure 4: Work Duration at Respective Banks	52
Figure 5: Education Level.....	52

ABBREVIATIONS AND ACRONYMS

II	Idealised Influence
ILO	International Labour Organisation
IS	Intellectual Simulation
KMO	Kaiser-Meyer-Olkin
MLQ	Multifactor Leadership Questionnaire
NACOSTI	National Commission for Science, Technology and Innovation
NHF	Nutrition Securities Exchange
NSE	Nairobi Securities Exchange
SPSS	Statistical Packages for Social Sciences
VIF	Variance Inflation Factor
WHO	World Health Organisation

OPERATIONAL DEFINITION OF TERMS

Transformational Leadership	Transformational leadership is a leadership approach that focuses on inspiring and motivating followers to achieve their full potential by fostering creativity, open communication, and active participation. (Andriani et al., 2018).
Organizational Culture	Organizational culture refers to the collective set of shared beliefs, values, norms, and behaviors that shape the way employees think, feel, and act within an organization. (Mannion & Davies, 2018).
Idealized Influence	Idealized influence is a key component of transformational leadership, characterized by a leader's ability to inspire and motivate followers to perform beyond expectations. (Alsayyed et al., 2020).
Inspirational Motivation	Inspirational motivation refers to a leader's ability to communicate their vision in an energetic, appealing, and inspiring manner. In this study leaders motivate followers to improve their performance and strengthens their commitment to the leader's mission and vision. (Hosna et al, 2021).
Intellectual Stimulation	Intellectual stimulation is a dimension of transformational leadership that encourages followers to engage in creative problem-solving and adopt new ways of thinking. In this study leaders challenge their followers to question assumptions, explore innovative ideas, and approach challenges from different perspectives. (Hosna et al., 2021).

Individualized Consideration

Individualized consideration is a transformational leadership trait that emphasizes open communication and a genuine interest in the personal development of followers. In this study leaders who practice individualized consideration actively listen to their team members, paying close attention to their individual needs, concerns, and aspirations. (Chan et al, 2019).

CHAPTER ONE: INTRODUCTION AND BACKGROUND OF THE STUDY

The chapter presents the background to the study, statement of the problem, specific objectives and research questions. In addition, the assumptions, justification, significance, scope and limitations are elaborated in this chapter.

Background of the Study

Transformational leaders play a crucial role in establishing and achieving organizational goals across all types of organizations. By providing guidance, direction, and control, they ensure that resources are efficiently utilized to drive productivity and success (Idris et al 2021). According to Chandrasekhar et al. (2019), the absence of robust and apt transformational leadership, compromises the achievement of organizational goals. Transformational leadership is hence the fuel that drives organizations towards achievement of their mission. The subtle role of leaders is to offer direction in resource usage, plan and coordinate organizational activities. Thus, leaders are integral units whose actions and or inactions contribute to the overall organizational progress.

Organizations consist of various units that operate differently but share the same overall vision and mission. As a result, effective leadership is a critical component of any organization (Nathapon et al., 2020). Transformational leaders align goals of the organizations to the aspirations of the employees thereby creating a sense of belongingness among their followers. This culminates to an environment where there is a congruency of employee goals and those of organizations (Al-Quraan, 2016). Transformational leadership is construed as a key driver of boosting employee commitments to their jobs, change drive and is responsible in creating lean organizations.

Budur (2020) posit that transformational leadership is a style of leadership whose deliberate concern is to establish oneness in the entire organization by focusing on job satisfaction and positive organizational citizenship. Moreover, leaders that drive organizational performance to the highest heights are those that are able to match stakeholders' needs while putting their followers at the centre of the entire system. Transformational leaders therefore improve value beliefs and norms in an organization. In absence of empowered employees who can exercise and manifest inspiration and flexibility, goals of the organization are seldom realized (Kotamena et al., 2020).

Global studies put emphasis on the important role played by transformational leadership in boosting organizational culture and performance. Malik et al (2017) carried out research to determine how transformational leadership affects the organizational commitment of Pakistan's Islamic banks. A sample of 319 employees were given standardized questionnaires to complete in order to gather data. The data was analyzed using group mean comparison models, factor analysis, discriminant analysis, and structural equation modelling. The employees' job happiness and organizational commitment were found to be significantly correlated with idealized influence, intellectual stimulation, and customized consideration. On the other hand, Afshari (2022) investigated the correlation between idealized influence and employee organizational commitment. Data was collected from two manufacturing industries in Australia and Iran via the use of questionnaires whereby a sample of 189 were issued. Structural equation modelling was used for the analysis of the data collected. Idealized influence was found to have a statistical influence on the organizational commitment of the employees.

Al-Quraan (2016) in yet another study assessed how transformational leadership affects organizational engagement among Jordan Ahli bank workers. To help with data collecting, 280 questionnaires were given out to the staff. For the analysis of the gathered data, Statistical Package for Social Sciences (SPSS) version 20 was employed. It was discovered that idealized influence has a considerable effect on the bank employees' organizational commitment. The study, however, did not consider the influence of transformational leadership on organizational culture which is the target of this study.

Almahasneh et al., (2022) conducted a study to determine how the organizational culture of Jordan's information technology enterprises is affected by intellectual stimulation and customized care. In order to gather the necessary data for this investigation, questionnaires were used. Data analysis was done using partial least squares structural equation modelling. The study concluded that intellectual stimulation and individual consideration have positively significant effect on corporate culture and performance. This study used ordinary least squares regression and adopted four components of transformational leadership to address the methodological and conceptual gaps in the previous study.

Ahmad et al., (2019) investigated how transformational leadership affected process and product innovation among Lebanese banks. In order to gather information, 310 staff from 27 institutions participated in a survey. Data collection was analyzed using structural equation modelling. Individualized consideration was found to be the best indicator of new product and process development, while intellectual stimulation had no discernible effect. Whilst the previous study showed positive effects on banks' processes, it did not focus on organizational culture which was the dependent variable for this study. Jameel and Ahmad (2019) studied how

transformational leadership affected academic staff members' work satisfaction in Iraq. A sample of 137 academic staff members were used, and data were collected using structured questionnaires. Comparing individual consideration to other transformational leadership characteristics, it was discovered that this factor had the greatest effect on job satisfaction

In the regional scene, Komakech et al., (2021) in their sample survey investigated the effects of inspirational motivation on the performance of Uganda's middle-level public health employees. Data collection used questionnaires issued to 164 health professionals who made up the sample. The data was analyzed using descriptive statistics. The effectiveness of the public health personnel was found to be significantly impacted by inspiring motivation. The limitation of this study is that it focused on one variable while transformational leadership has four components. Sutanto et al., (2021) in another sample survey focused at assessing how transformational leadership practices affect the effectiveness of human resources. Questionnaires were administered to a sample of 65 students to aid in the collection of data. SPSS was used to analyze the gathered data. It was revealed from the study that individual consideration and inspirational motivation had a positive and significant relationship to the human resource performance while idealized influence had a positive but insignificant correlation. However, this study did not focus on organizational culture which is at the centre of human resource efficiency in firms. This study therefore sought to establish the effect of transformational leadership on organizational culture.

In the local scene in Kenya, Kirui et al., (2015) conducted a study among the National bank and Post bank in Kenya's Rift Valley to assess the effect of transformational leadership on the effectiveness of the two organizations. Data from a

sample of 137 employees working for the National bank and Post bank was gathered using questionnaires. The data was examined using the descriptive and inferential statistics model. According to the study, idealized influence significantly impacted the efficiency of organizational performance. In their study Nyakomitta et al. (2018), aimed at assessing how inspirational motivation affected Kenya's commercial banks' performance. A sample of 384 employees were asked to self-administer standardized questionnaires to gather data. The data was analyzed using a model based on inferential and descriptive statistics. The study established that inspirational motivation improved the performance of the commercial banks in Kenya. Njiraini et al. (2018) conducted another study to investigate the impact of inspiring motivation and idealized influence on the performance of commercial banks in Kenya. Stratified random sampling was used in order to obtain a sample of 424 employees working in the commercial banks whereby structured questionnaires were administered to them to aid in data collection. Data was analyzed using the inferential and descriptive statistics. Idealized influence and inspirational motivation were revealed to be positively correlated to the job satisfaction of the employees. Whereas this study delved into key component of transformational leadership, it did not consider other components: intellectual stimulation and individual considerations which are equally important aspects of transformational leadership.

Leadership discourses globally idealize that transformational leadership is a blend of at least four components namely idealized influence, individualized consideration, inspirational motivation and intellectual stimulation (Hosna et al., 2021). Transformational leaders not only focus on their interests, but also find ways to build consensus between themselves and their followers to establish a system of interdependence. In return, individual employees are able to fulfil their job mandates

and at the same time pursue individual growth. All these traits are, albeit theoretically considered vital in modelling a transformational leader. Moreover, these traits do not exist in isolation or in a mutually exclusive phenomenon, but it is the confluence of all, in different intensities that determine who and who is not a transformational leader. According to Hamidi et al. (2019), success of task delivery and overall organizational wellbeing is determined by how well the integral components of transformational leadership are manifested.

Idealized influence is a transformational leadership trait that focuses on training employees to possess and exhibit behavior that matches organizational goals. It is the way leaders model employees towards desired behaviors that are in line with organizational goals (Hosna et al., 2021; Phong & Le, 2021; Shafi et al., 2020). It entails leaders' use of capabilities to communicate the vision and mission of the organisation in subtle clarity that instils a sense of belongingness to employees. Moreover, in idealized influence, employees draw motivation to act ethically from the behavior of leaders thus acting as role model. A transformational leader utilizes their moral standings and charisma to drive change by modelling employees to show the highest ethical standards with the intention of achieving organizational goals. According to Afshari (2022), work commitment is high where leaders lead by example regardless of varying cultural orientations.

Inspirational motivation is a leadership trait that best communicates positivity for followers and the task ahead. It is therefore where a leader exudes goodwill and communicates it in the most effective and emphatic manner (Hosna et al., 2021). Thus, inspirational motivation is a major cornerstone of transformational leadership because without it, it is not feasible to motivate employees. A leader exploits these diversities to build a strong alliance that gets things done as they instil sense of

integrity, self-value and respect to peers at any points in the organization (Chan et al., 2019). In addition, where leaders are inclined to carefully structure their goals and communicate them to teams, organizational goals are more easily achieved than in the reverse case. In this aspect, leaders ought to strategically fathom matters relating to employee motivation so that they can plan and execute programs that will effectively meet the intrinsic and extrinsic employee needs. Leaders build capacities through motivating and inspiring employees so that efficiency in resource and time usage are achieved (Ohunakin et al., 2019).

By adopting inspirational motivation, leaders are able to achieve goals in shorter times and resource wastage is significantly reduced. Organizations should focus on innovative leadership strategies to boost employee motivation that is an important ground for breeding effective ways of performing tasks (Niveen et al., 2020). A leader who envisions, encourages and motivates followers to deduce innovative and creative ways of undertaking tasks is said to have intellectual stimulation trait. Thus, intellectual stimulation focuses on instilling confidence to followers so that they can seek new ways of doing things. The organizational world is dynamic and changes fast which may make century old practices fail to mitigate risks. In essence, this occurs where the leader practice an open-door policy where they welcome followers' opinions and views on different organizational matters. In so doing, the followers are motivated to suggest new innovative ways, which can result to massive benefits for the entire organization.

Intellectual stimulation is a subtle ground for realizing innovations because employees are permitted to establish their ways of performing tasks in consultation with the transformative leader (Israel et al., 2018;Thuan, 2020). An astute leader does not consider all followers as to have equal capabilities but focuses on individual

consideration. Individual consideration is where a leader attends to needs of followers in a case by basis as opposed to generalizing all of them in a single group (Poturak & Budur, 2021). A transformative leader builds the confidence of each follower by providing specific needs and care to each. In the workplace, employees have diverse skills and abilities, and this calls for decisive mentoring programs for each of them so that they can offer their level best. A leader who has instrumentally practised individual consideration does not generalize followers but treats each as an individual. In so doing, the leader is able to build trust, create confidence and establish an effective communication system that allows delegation of tasks and positive organizational work environment (Cemil et al., 2020; Ding & Lin, 2020).

Organizational culture is a composite of values that define organizations in terms of expected behaviors all across the organization. In essence, organizational culture depicts conduct of all personnel in their discharge of their duties. Thus, oorganizational culture is important as it is the basis of behaviors. Mamatha and Geetanjali (2020) assert that organizational culture plays an important role in determining how organizations engage in trade, customer service and how relationships between all parties are established. Moreover, organizational culture has both formal and informal components. Formal structures establish formal organizational culture that include controls and ways of doing things. On the other hand, informal organizational culture entails issues like informal groupings which influence employee relationship within themselves and their superiors (Ahmed & Bhaumik, 2019).

Scholars have attempted to link transformational leadership and organizational culture. Lasrado and Kassem (2021) studied transformational leadership and noted that it is a component that influences organizational culture ultimately influencing

organizational excellence. Moreover, the study established that transformational leadership boosts business performance. However, the study did not relate organizational culture as an independent variable. This study therefore sought to investigate the effect of transformational leadership on organizational culture. Ahmed and Bhaumik (2019) conducted a study on how organizational culture determines organizational performance. The study investigated the role of organizational culture on transformational leadership, whereas the current study adopted a different approach. In yet another study, Rizki et al. (2019), focused on transformational leadership and organizational culture. The results showed that transformational leadership fostered positive employee attitudes thus improving organizational culture. In contrast, it emerged that transformational leadership did not foster innovativeness behavior among employees. This contradiction with the other study provokes the need to undertake more studies to establish a consensus in research.

Listed commercial banks in Kenya are the large banks whose shares are traded at the Nairobi Securities Exchange (NSE). Currently, there are eleven listed commercial banks at the NSE (NSE, 2023). The banking sector in Kenya is dynamic and has both large and small banks all competing for a small market. The financial market in Kenya is underdeveloped in comparison to global markets but is fairly developed in the East and Central Africa. The turbulent caused by these underdeveloped financial markets causes challenges in leadership. According to Makori and Kinyua (2019), banks in Kenya face key strategic management issues relating to leadership that at times hamper development or implementation of key strategic policies. Thus, transformational leadership would prove of value. This study examined the role of transformational leadership on organizational culture for listed banks in Kenya.

Problem Statement

Gitau and Mang'ana (2021) contend that commercial banks listed in the NSE have exhibited instability and volatility, often attributed to deficiencies in leadership. Given their large size, listed commercial banks require robust leadership to enhance their reputation, brand, and image. Leadership dynamics in commercial banks listed in the NSE in Kenya significantly impact corporate governance, values, and beliefs that shape their organizational culture (Omware et al., 2020). Recent global challenges have brought unprecedented social, political, and cultural changes in the banking sector (Lasrado & Kassem, 2021). Transformational leadership has therefore become crucial for the soundness, stability, survival, and sustainability of organizations in the face of economic downturn being experienced globally (Eliyana et al., 2019). Transformational leadership is therefore the anecdote to challenges in the modern business environment through creation of a corporate culture characterized by teamwork and high morale among key stakeholders (Hosna et al., 2021; Lei et al. 2020; Ribeiro et al., 2018).

Despite various global and regional studies exploring the effects of transformational leadership on different organizational phenomena, few have focused specifically on organizational culture. Chan et al. (2019) examined the influence of transformational leadership on innovation among Malaysian manufacturers. Using a sample of 165 respondents, they collected and analyzed primary data to understand the roles of idealized influence, individual consideration, inspirational motivation, and intellectual motivation. They found that all four components were beneficial to organizational innovation. However, their study was contextualized within the manufacturing sector, whereas the current study focused on the financial sector,

specifically commercial banks in Kenya. Nyakomitta et al. (2018) aimed at assessing how inspirational motivation affected Kenya's commercial banks' performance. A sample of 384 employees were asked to self-administer standardized questionnaires to gather data. The data was analyzed using a model based on inferential and descriptive statistics. The study established that inspirational motivation improved the performance of the commercial banks in Kenya. Njiraini et al. (2018) conducted another study to investigate the impact of inspiring motivation and idealized influence on the performance of commercial banks in Kenya. Stratified random sampling was used in order to be able to obtain a sample of 424 employees working in the commercial banks whereby structured questionnaires were administered to them to aid in data collection. Data was analyzed using the inferential and descriptive statistics. Idealized influence and inspirational motivation were revealed to be positively correlated to the job satisfaction of the employees. Whereas this study delved into key component of transformational leadership, it did not consider other components: intellectual stimulation and individual considerations which are equally important aspects of transformational leadership. These studies majored on the influence of transformational leadership on organizational performance rather than development of an enabling organizational culture to boost performance. Therefore, this study embarked on filling this research gap by looking at the influence of transformational leadership on the organizational culture of commercial banks listed in the NSE in Kenya.

Objectives of the Study

The general purpose of this study was to determine the effect of transformational leadership on organisational culture in commercial banks listed in the Nairobi Stock Exchange.

Specific Objectives

The study had the following three specific objectives:

- i. To assess the effect of idealized influence on organisational culture in commercial banks listed in Nairobi Stock Exchange.
- ii. To establish the influence of inspirational motivation and organisational culture in commercial banks listed in Nairobi Stock Exchange.
- iii. To examine the contribution of intellectual stimulation on organisational culture in commercial banks listed in Nairobi Stock Exchange.
- iv. To evaluate the role of individual consideration on organisational culture in commercial banks listed in Nairobi Stock Exchange.

Research Questions

This study sought to determine the influence of transformational leadership on organizational culture in commercial banks listed in the NSE by answering the following questions:

- i. What is the effect of idealized influence impact the organisational culture in commercial banks listed on the Nairobi Stock Exchange?
- ii. In what ways does inspirational motivation influence the organizational culture in commercial banks listed on the Nairobi Stock Exchange?

- iii. What is the contribution of intellectual stimulation on the organizational culture of commercial banks listed on the Nairobi Stock Exchange?
- iv. What role does individual consideration play in the organizational culture in commercial banks listed on the Nairobi Stock Exchange?

Assumptions of the Study

Based on the global and regional studies reviewed, transformational leadership has a great influence on organizational performance. This study therefore made the assumption that the four independent variables would have a significant relationship with the dependent variable. A further assumption of the researcher was that all the issued questionnaires to respective respondents would be filled accordingly. It was also assumed that all the information provided gave an accurate representation of phenomenon in those respective organisations. It also assumed that the response rate of the questionnaires would be high and within the expected time frame.

Justification of the Study

The purpose of this research proposal was to examine the influence of transformational leadership on organizational culture in commercial banks listed in the NSE. Organizational culture frames beliefs, values, and norms that principally dictate how individuals relate with each other and with the organization (Jones & George, 2019). The topic of organizational culture has received much attention from different researchers (Cameron & Quinn, 2021). However, the role of transformational leadership in organizational culture is not highly emphasized in most studies, leaving a gap (Northouse, 2021). Moreover, banks in Kenya are vital entities that promote commerce by advancing credit to individuals and businesses, thus contributing to economic and human development (Mbaya et al., 2020). However, studies on banks' transformational leadership and organizational culture are few,

making this study justified. This study provides empirical evidence on this topic from a developing economy perspective and a rich foundation for future studies (Kihara, 2022).

Significance of the Study

This study holds significant value for listed banks on the Nairobi Stock Exchange (NSE). By examining the impact of transformational leadership on organizational culture, it provides bank managers with a logical framework for promoting transformative leadership. This, in turn, can enhance positive organizational culture, thereby improving the reputation, brand, and image of the banks. The findings can help banks implement leadership strategies that foster a cohesive and motivated workforce, which is crucial for maintaining a competitive edge in the financial sector.

The study is also essential for policymakers in the banking sector, particularly the Central Bank of Kenya (CBK). The CBK can utilize the insightful findings from this study to offer leadership guidelines and policies to commercial banks in Kenya. By adopting these guidelines, the CBK can help ensure that banks operate with a strong organizational culture that supports stability, soundness, and sustainable growth. This, in turn, contributes to the overall health and resilience of the Kenyan banking sector.

For the top leadership of commercial banks, this study is highly beneficial. It provides empirical evidence and a logical framework for promoting transformational leadership within their institutions. Bank leaders can use the study's findings to develop strategies that enhance employee morale, teamwork, and commitment, ultimately leading to a more positive and productive organizational culture. By

focusing on transformational leadership, bank leaders can effectively address modern challenges and drive their organizations towards achieving strategic objectives.

In addition to its practical implications, this study contributes to the broader field of leadership literature. It offers vital information and empirical data on the influence of transformational leadership on organizational culture, particularly in the context of the Kenyan financial sector. Scholars and researchers can use this study as a reference point for further investigations into leadership dynamics and organizational culture, thereby enriching the academic discourse on transformational leadership.

The wellness of employees is of strategic importance for any business which wants to achieve leadership in a global business world. This study is deemed essential to policymakers in the banking sector, largely the CBK. The CBK may get insightful findings that can be used to offer leadership guidelines or policy to commercial banks in Kenya.

Other scholars and researchers may get vital information and empirical statistics from this study. In essence, this study was timely as it is one of the ground breaking studies on transformational leadership particularly in the financial sector of Kenya.

Scope of the Study

This study focused on transformational leadership and organizational culture among listed commercial banks in Kenya. The study had four independent variables; idealized influence, inspirational motivation, intellectual stimulation and individual consideration. The dependent variable was organizational culture. The study focused on commercial banks listed in the NSE because they contributed to economic and human development. The target population of two hundred and sixty-four managers was selected. A sample of one hundred and fifty-nine employees was chosen from

different organizations to represent the entire population. The target was easy to manage because most banks listed in the NSE had branches all over the country and hence made it easier for the researcher to access the targeted audience with less challenges. Data collection and report writing was undertaken from April to June 2023. The study was anchored on Leader Member Exchange theory and Schein's theory of organizational culture, and it adopted a descriptive research design.

Limitations of the Study

The major limitation of this study was the challenge in accessing respondents. Bank managers were busy, which slowed the pace of data collection. Additionally, the sensitivity of their work is sometimes limited or even denied access to the respondents. To mitigate this challenge, the researcher provided a letter of introduction pledging confidential treatment of the data and information gathered. This reassured respondents about the privacy and security of their information.

Another significant limitation was the unwillingness of respondents to participate in the study and provide the required information in a timely manner. The researcher addressed this by persuading respondents, emphasizing the academic purpose of the study, and assuring them that they would receive a copy of the results, which could be used to improve their organizational culture.

Time constraints also posed a challenge due to the nature of the respondents' work, which did not permit divulgence of information within a limited timeframe. To overcome this, the researcher administered the questionnaire through both physical delivery and online means. This dual approach improved the response rate, which was instrumental in obtaining generalizable inferences.

Chapter Summary

The chapter has provided an introduction to transformational leadership and its effects on organizational culture. The chapter also provides a background of how transformational leadership is key in influencing organizational culture. The purpose of undertaking the study and the research questions that drove effective collection and analysis of data are outlined. The chapter also provides the significance of undertaking such a study and the extent to which the study was carried out. The limitations that were faced during the undertaking of this research have also been highlighted in this chapter, and the measures that were applied to mitigate them.

CHAPTER TWO: LITERATURE REVIEW

This chapter has outlined various subsections; empirical literature review, theoretical framework, conceptual framework, summary of research gaps and a chapter summary.

Empirical Review

This study focused on establishing the relationship between transformational leadership and organizational culture of commercial banks listed in the Nairobi Securities Exchange (NSE). In its conceptual framework, the study identified four components of transformational leadership that, as far as hypothetical and past literature is concerned, are subtle elements of transformational leadership; as idealized influence, inspirational motivation, intellectual stimulation and individual consideration (Hosna et al., 2021).

Transformational Leadership

Transformational leadership is considered as that leadership that endeavors to create, achieve and sustain positive changes among followers. It exists where a leader is able to offer positive morale to his or her followers which in so doing establishes a

culture of consciousness and leads to achievement of intended goals (Al-Quraan, 2016; Muliati et al., 2022). Transformational leaders not only focus on rewards, but also focus on individual welfare of their followers so that the followers exceed expectations. According to Andriani et al. (2018) and as corroborated by Ranji et al. (2021), transformational leaders consider the abilities of each of their followers individually, motivates them subjectively to enable them to advance their work morale. Organizations are made up of social systems which comprise people of different backgrounds. One role of transformational leadership is to redesign the social systems in the organizations to promote cohesion and spirit of teamwork. Transformational leadership does not look at the welfare of the leaders alone but rather considers the needs of all followers (Bakker et al., 2022). Thus, this type of leadership delves into promoting cultural change in the entire organization so that aspirations of each and every follower and those of the organization are achieved. At the same time, a transformational leader considers the outcome of their actions, not for self-gratifications but for the betterment of all in a particular social system (Sutanto et al., 2022).

The outcome of having transformational leadership in a work environment is immense. Transformational leadership is not like transactional leadership that does not seek cultural change. In contrast, transformational leadership seeks culture change where aspirations are sought for in the best ways possible (Purwanto, 2022; Ribeiro et al., 2018). A transformational leader connects the followers to the vision and mission of the organization thus creating a sense of belongingness within the entity. At the centre of transformational leadership lies the sense of identity that introduces the followers to the organization so that they associate and feel part and parcel of the entity as it goes beyond the monetary gains. The charisma of a transformational leader

is paramount in changing people as it establishes the need to change, improve and be concerned with the affairs of the organization. For instance, it positively promotes intentions, actions and values among followers. This is because, it promulgates a system of change in the entire organization where followers are able to deliver their tasks in line with core values established (Tung et al., 2021). Transformational leadership creates confidence among associates, improves change management and is likely to enhance overall coordination of human resources. The tenets of transformational leadership are structured so as to provide paths of success because they inspire, build skills and competencies that bring real difference at the workplace. According to Andriani et al. (2018), a transformational leader in an organizational setting is able to handle employees' needs and match them with those of the organization. Such a leader therefore is able to walk with the employees with charisma. It means that the leader is a good listener and over and above sharing the vision of the organization, is able to keenly understand how and what needs to be done to achieve the organizational objectives.

Le et al., (2021) posit that a transformational leader demonstrates substantive listening skills and does not focus on misunderstandings but is a problem solver. Ideally, where people feel that their sentiments, needs, ideas and feelings are aptly considered, they are likely to have trust with the leadership and boost their commitment to their work. A study by Ohunakin et al. (2019) delved into the role of transformational leadership on job satisfaction. Transformational leadership was sensationalized in terms of the four generic components: idealized influence, inspirational motivation, intellectual stimulation and individualized consideration. The study showed that transformational leadership significantly affected job satisfaction. However, the study did not examine the effect of transformational

leadership on organizational culture as proposed in this study. Most studies reviewed in this research have not focused on organizational culture but have dealt on organizational performance. This therefore left a research gap which this study sought to fill.

Idealized Influence

A leader who displays idealized influence is considered as a role model and therefore is trusted by followers. Idealized influence is a phenomenon where the deeds of the leaders are exemplary such that the followers desire to change and be like the leader (Hosna et al., 2021). At the same time, idealized influence builds trust between leaders and their associates which improves their cordial relationship at the workplace. Thus, where a leader is able to instil high consideration in ethical behavior, by leading as an example, the chance of success is high. Malik et al., (2017) allude to the fact that idealized influence entails instilling a sense of pride for associates. This in turn, makes them committed to organizational goals and tends to build positive cultural changes where employees are self-driven leading to better productivity. In practising idealized influence, a leader must demonstrate cognizance of core values and ethical behavior. It means that a leader should have the zeal to lead by example and push the followers towards good performance by instilling work ethics (Al-Quraan, 2016). Transformational leaders adopting idealized influence focus on the employees and the organization but not personal gain. This is manifested by sheer will of taking risks, responsibilities and ethical undertakings such that the followers can draw examples from the leaders. Idealized influence is impacted, mostly, where clear communication structures are in place because this builds confidence among the followers. Without sharing the vision and mission of the organizations to the associates, it may become difficult to establish a system that

works as a unitary whole. In contrast, idealized influence makes employees seek to resemble the leader, identify with them and seek the goals of the organization as a team (Sutanto et al., 2021).

Al-Quraan (2016) in his study assessed how transformational leadership affects organizational engagement among Jordan Ahli bank workers. To help with data collecting, 280 questionnaires were given out to the staff. For the analysis of the gathered data, Statistical Package for Social Sciences (SPSS) version 20 was employed. It was discovered that idealized influence has a considerable effect on the bank employees' organizational commitment. Malik et al (2017) carried out a research to determine how transformational leadership affects the organizational commitment of Pakistan's Islamic banks. A sample of 319 employees were given standardized questionnaires to complete in order to gather data. The data was analyzed using group mean comparison models, factor analysis, discriminant analysis, and structural equation modelling. The employees' job happiness and organizational commitment were found to be significantly correlated with idealized influence, intellectual stimulation, and customized consideration. On the other hand, Afshari (2022) investigated the correlation between idealized influence and employee organizational commitment. Data was collected from two manufacturing industries in Australia and Iran via the use of questionnaires to a sample of 189 respondents. Structural equation modelling was used for the analysis of the data collected. Idealized influence was found to have a statistical influence on the organizational commitment of the employees.

Locally in Kenya, Kirui et al., (2015) conducted a study among the National bank and Post bank in Kenya's Rift Valley to assess the effect of transformational leadership on the effectiveness of the two organizations. Data from a sample of 137

employees working for the organizations was gathered using questionnaires.

According to the study, idealized influence significantly impacted the efficiency of organizational performance.

Inspirational Motivation

Inspirational motivation is a trait that transformational leaders have where they motivate followers to work in line with the vision and mission of entities. Thus, it entails leaders instilling the sense of ownership in terms of driving change to achieve desired goals (Komakech et al., 2021). Moreover, inspirational motivation boosts the capacity of followers to align their goals with those of the leader and those of the organization in an efficient way. In the end, it builds a working environment that is characterized with harmony, team spirit and teamwork. The outcome of this is that organizational goals are better achieved, resources utilized prudently, and a positive organizational culture is realized (Bakker et al., 2022; Nyakomitta et al., 2018; Njiraini et al., 2018).

Transformational leaders are concerned with ways to inspire and establish passion in work among their followers. Inspired followers are self-driven and work in recognition of the goals and visions of the organization. Subtly, leaders need to align the strategic goals of entities with routine operations so that employees get to know what their tasks are meant to achieve (Ahmad et al., 2019). With a clearly put across vision, employees are inspired to work towards achieving the best for the organization. This is because, inspirational leaders are inarguably able to decipher the goals and create a sense of purpose for their associates. Additionally, inspirational leaders communicate challenges that work has, in a timely fashion, and this enables followers to plan and proactively deal with such challenges (Hosna et al., 2021).

Komakech et al. (2021) in their study assessed how inspirational motivation affected the performance of Uganda's middle-level public health employees. Data collection used questionnaires issued to 164 health professionals who made up a sample. The data was analyzed using descriptive statistics. The effectiveness of the public health personnel was found to be significantly impacted by inspiring motivation. The limitation of this study is that it focused on variable while transformational leadership has four components. Sutanto et al.(2021) in a sample survey focused at assessing how transformational leadership practices affect the effectiveness of human resources. Questionnaires were administered to a sample of 65 students to aid in the collection of data. SPSS was used to analyze the gathered data. It was revealed from the study that individual consideration and inspirational motivation had a positive and significant relationship to the human resource performance while idealized influence had a positive but insignificant correlation. However, this study did not focus on organizational culture which is at the centre of human resource efficiency in firms. This study therefore sought to establish the effect of transformational leadership on organizational culture to address this conceptual gap.

In their study Nyakomitta et al. (2018) aimed at assessing how inspirational motivation affected Kenya's commercial banks' performance. A sample of 384 employees were asked to self-administer standardized questionnaires to gather data. The data was analyzed using a model based on inferential and descriptive statistics. The study established that inspirational motivation improved the performance of the commercial banks in Kenya. Njiraini et al. (2018) conducted another study to investigate the impact of inspiring motivation and idealized influence on the performance of commercial banks in Kenya. Stratified random sampling was used in order to be able to obtain a sample of 424 employees working in the commercial

banks whereby structured questionnaires were administered to them to aid in data collection. Data was analyzed using the inferential and descriptive statistics. Idealized influence and inspirational motivation were revealed to be positively correlated to the job satisfaction of the employees. Whereas this study delved into key component of transformational leadership, it did not consider other components: intellectual stimulation and individual considerations which are equally important aspects of transformational leadership. This opened yet another gap for this study will include the four components of transformational leadership with a quest for more informative results.

Intellectual Stimulation

Intellectual stimulation entails a leader involving followers in decision making. In this aspect, the leader is not authoritative, but welcomes the ideas and suggestions of followers in decision making as proposed by Cahyono et al., 2020). The implication is that a transformational leader works to bring all on board. Hence intellectual stimulations serves to instil followers' ability to make decisions and work autonomously while in recognition of the common goals of the team. In this aspect, in an organizational setting, a transformational leader presents employees with opportunities to decide on their own. Such a leader challenges employees to come up with solutions to problems and answers to questions innovatively (Khan & Saif, 2022). At the centre of intellectual stimulation is creativity and innovativeness. A transformational leader permits employees to think of new ways of doing things, innovatively to promote efficiency at the workplace. The employees are allowed to question, challenge existing policies and recommend newer practices that can improve output (Cahyono et al., 2020). Through intellectual stimulation, followers delve into findings new ways, in contrast to conforming to existing views that may be

outdated. Moreover, this creates an understanding between leaders and their followers because employee's ideas are put in consideration in decision making process. Employees are trained to think critically and offer solutions to challenges in a creative manner (Afshari, 2022).

In their sample survey, Cahyonoet al. (2020) examined how the characteristics of transformative leadership affected organizational commitment in Tangerang's private higher education institutions' lecturers. Self-structured questionnaires were administered to a sample of 151 lecturers to aid in the collection of data. Structural equation modelling was used for the analysis of the collected data. It was concluded from the research that intellectual stimulation had a significant impact on organizational commitment. However, this study had a narrow scope because organizational commitment is an ingredient of the wider organizational culture. This study looked at the broad spectrum of organizational culture and its relationship with transformational leadership.

Almahasneh et al. (2022) conducted a regression study to determine how the organizational culture of Jordan's information technology enterprises is affected by intellectual stimulation and customized care. In order to gather the necessary data for this investigation, questionnaires were used. Data analysis was done using partial least squares structural equation modelling. The study concluded that intellectual stimulation and individual consideration have positively significant effect on corporate culture and performance. This study used ordinary least squares regression and adopted four components of transformational leadership to address the methodological and conceptual gaps in the previous study.

In Kenya, Anyiko-Awori et al., (2018) carried out a study to look at how intellectual stimulation affected Kenyan regulatory state firms' employee

performance. A sample of 130 high level managers were given a closed-ended questionnaire to help with data gathering. The data was analyzed using regression and Pearson correlation approaches. The study showed a substantial and favorable association between intellectual stimulation and worker performance. The narrow scope of the study however, limited its application in a comprehensive study of the relationship between transformational leadership and culture, which is the gist of this study. Ondari et al. (2018) in their sample survey investigated the impact of intellectual stimulation on Kenyan state businesses' organizational performance. A sample of 165 respondents was employed to collect data using a structured and semi-structured questionnaire. Both descriptive and inferential statistics were used to analyse the data. It has been determined that intellectual stimulation and the organizational performance of state businesses are positively and significantly correlated. However, the study focused on one component of transformational leadership while the current study has four components as identified in the conceptual framework.

Individual Consideration

Where a transformational leader attends to each follower's needs, the leader is said to exhibit individualized consideration. This means that they do not treat all followers as similar but listens to each and promotes them to achieve more in their individual capacity. In addition, individual consideration is paramount as it ensures that the contribution of each follower is appreciated and valued (Khan & Saif, 2022). Transformational leaders do not focus on overall goals, but consider the individual participation of each follower to achieve organizational culture. This is because leadership is not based on group basics but draws from individual contribution (Groza et al., 2021).

According to Dzandu et al. (2017), individualized consideration aims at creating respect to all followers. In an organization, individualized consideration is vital as it boosts the work moral of employees which can enhance their output. In the same aspect, the leader considers the intrinsic and extrinsic needs of each follower and attends to them. Where empathy, concerns and needs of all members are put into consideration, a positive organizational culture can be achieved. The leader is a coach to each and every follower as they motivate them to improve and achieve their personal goals and those of the organization.

Ohunakin et al. (2019) assessed the link between leadership reform in Nigeria and work satisfaction. A sample of 324 employees from universities in the southwest of Nigeria received questionnaires. The data was analyzed using structural equation modelling. The study established that job satisfaction was significantly correlated with customized consideration, idealized influence, intellectual stimulation, and inspirational drive. Whilst the former delved into transformational leadership, the dependent variable was not organizational culture as was addressed in this study.

Chandrasekara (2019) in another study sought to ascertain how transformational leadership affects the performance and work happiness of employees in Sri Lanka. Face-to-face interviews were employed as the data gathering method, while SPSS 20 was used as the data analysis tool. Individualized consideration was shown to have a positive and significant association with job performance and job satisfaction. This study had a narrow scope which therefore made the current study justified as it provided more insights on components of transformational leadership.

Ahmad et al., (2019) investigated how transformational leadership affected process and product innovation among Lebanese banks. In order to gather information, 310 staff from 27 institutions participated in a survey. Data collection

was analyzed using structural equation modelling. Individualized consideration was found to be the best indicator of new product and process development, while intellectual stimulation had no discernible effect. Whilst the previous study showed positive effects on banks' processes, it did not focus on organizational culture which was the dependent variable for this study. Jameel and Ahmad (2019) studied how transformational leadership affected academic staff members' work satisfaction in Iraq. A sample of 137 academic staff members were used, and data were collected using structured questionnaires. Comparing individual consideration to other transformational leadership characteristics, it was discovered that this factor had the greatest effect on job satisfaction. Nevertheless, this study did not focus on organizational culture as it is in this study.

Organizational Culture

Organizational culture implies the values, expectations and practices that are roadmap to achievement of organizational goals. Thus, organizational culture is a collection of practices that in whole guide activities of parties within organizations (Williams, 2022). Moreover, it is a system through which value is created and ensure that positive traits characterize all facets of the organization. Organizational culture does not focus on goals achievement only but is more than this as it entails how such goals are achieved in respect to interests of all parties dealing with the organization. It offers a comprehensive roadmap for laying plans, implementing plans and evaluating performance. Organizational culture benefits entities in several folds.

According to Nesti et al., (2020) organizational culture defines what and how activities are done in the organization. Therefore, it is at the centre of planning for work, employee behavior and customer relations. Good organizational culture provides a consistent and ethical way of doing things at all times and therefore

improves achievement of organizational goals. Organizational culture is a major factor to long sustainability of profit oriented and not-for profit entities because it is a framework of meeting the needs of stakeholders (Betto & Garengo, 2022; Lee, 2020). Organizational culture sets out the long-term behavior of existing members and future members of the organization. Over time, a system of doing of things is established in an organization and this forms its organizational culture. Organizational culture is a mechanism that organizations adopt to mitigate risks in the internal and external environments. Organizational culture is a framework that dictates how members of organizations relate and interact among themselves and also with outsiders (Akanjiet al., 2020; Almahasneh et al., 2022; Jurburg et al., 2021).

Scholarly work on organizational culture indicates that fewer studies have investigated the influence of transformational leadership on organizational culture. A study by Chatman and O'Reilly (2016) established that a strong organizational culture aligned with the company's strategy significantly enhances performance and competitive advantage. This study involved a sample of 120 companies across different industries and utilized a combination of surveys and performance metrics to analyse the impact of organizational culture. This created a research gap for this study which sought to establish the influence of transformational leadership on organizational culture.

Hartnell et al (2019) in their study examined the relationship between organizational culture and organizational effectiveness. The study, which analyzed data from 84 organizations, found that cultures characterized by flexibility and adaptability tend to enhance overall organizational effectiveness, including financial performance and employee satisfaction. The study did not delve into transformational

leadership influence on organizational culture which was the main aim of the current study.

Another empirical study by Schein (2017) investigated the role of leadership in shaping and sustaining organizational culture. Through case studies of several multinational corporations, Schein demonstrated that leaders play a crucial role in embedding and reinforcing cultural values and practices, which in turn influence organizational success and resilience. The aim of the study was general leadership styles whereas this study focused specifically on the influence of transformational leadership on organizational culture.

Moreover, an earlier study by Denison et al. (2014) used a meta-analytic approach to assess the impact of different cultural traits on organizational performance. The study established that traits such as involvement, consistency, adaptability, and mission are strongly correlated with improved performance outcomes. The analysis included data from over 1,000 organizations worldwide, providing robust evidence of the importance of organizational culture. The current study however lay emphasis on the influence of transformational leadership on culture. A more recent study by Ravasi and Schultz (2021) explored how organizational culture evolves over time in response to external challenges and internal changes. Using longitudinal data from a large European bank, the study found that culture adapts through a dynamic process influenced by leadership actions, employee behavior, and external market conditions. The latter study emphasized the influence of leadership actions but not specifically transformational leadership influence on organizational culture. This opened a study gap for the current study which sought to establish the influence of transformational leadership on organizational culture of the banks listed in the NSE.

Theoretical Framework

This study was underpinned by two theories that are pertinent to the concepts and variables studied.

Leader-Member Exchange Theory

Graen and Uhl-Bien (1995) developed the Leader-Member Exchange (LMX) theory to elucidate the social exchanges between leaders and followers. The key tenet of LMX theory is that the quality of these social exchanges is instrumental in establishing the nature of the leader-follower relationship. According to Comstock et al.,(2021), the theory posits that high-quality exchanges, characterized by trust, loyalty, empathy, and goodwill, result in positive relational outcomes. Leaders who build trust and involve their followers in decision-making processes foster a supportive and productive environment. Conversely, low-quality exchanges, where leaders do not involve their followers in pertinent processes, lead to poor relational dynamics (Heaphy et al., 2020; Shin & Park, 2021).

The LMX theory also emphasizes the importance of aligning leader and member goals to achieve worthwhile relationships. Leaders should focus on universal goals for all sub-groups rather than imposing their own goals on followers as alluded to by Tarigah et al.(2020). Trust and loyalty serve as the foundation for effective leader-follower relationships, encouraging followers to work harder and contribute more towards common goals. This theory is relevant to this study because it relates to the main concept of transformational leadership, providing a framework for understanding how value and work ethics are created in teams. LMX theory offers insights into the four components of transformational leadership: idealized influence, inspirational motivation, intellectual stimulation, and individual consideration. These constructs highlight the importance of relationships between leaders and followers in

fostering a wide range of organizational perspectives and specifically organizational culture which was the object of research for this study.

Schein's Theory of Organisational Culture

Schein (1983) proposed a theory to explain various aspects of organizational culture development. The basic tenets of Schein's theory is that organizational culture is not formed randomly but is established through the continuous process of solving problems (Cole & Martin, 2018; Mamatha & Geetanjali, 2020; Shymko, 2018).

Organizational culture evolves as organizations seek the best mechanisms for addressing challenges. Long-term cultural characteristics result from past practices adopted by management and employees in similar circumstances, creating a foundation for operations.

The theory is framed around three propositions: artifacts, values, and assumed values (Byrne et al., 2022; Mamatha & Geetanjali, 2020). Artifacts are tangible organizational traits that guide routine procedures, dictate how tasks are performed, and influence customer relations and employee behavior. Examples of artifacts include the vision and mission of an organization, brand themes, colour schemes, and dress codes (Bailey et al., 2019; Curado et al., 2021). Values refer to how employees perceive themselves as members of an organization, shaping their attitudes and approaches to work, and ultimately determining organizational culture. Assumed values are intrinsic cultural aspects that, while difficult to measure, are nevertheless present in organizations (Bailey et al., 2019; Curado et al., 2021).

Assumed values can vary based on innate features of human beings. For instance, organizations with a majority of female staff may develop a different cultural dynamic compared to those with predominantly male employees. Schein's theory also suggests that organizational culture is inherently formed as entities adapt

to external environments and integrate internally to remain sustainable (Mwangi & Waithaka, 2018; Sawan et al., 2018).

Schein's organizational culture model is essential for this study as it offers a robust framework for understanding the dependent variable, organizational culture. The theory provides valuable insights into how culture is formed and its impact on various organizational aspects. Schein's theory posits that organizational practices influence a wide range of outcomes (Olanrewaju et al., 2019). This study aims to elucidate the influence of transformational leadership on organizational culture of commercial banks listed in the Nairobi Securities Exchange. Schein's theory identifies the different cultures within an organization that collectively form the overall organizational culture; team morale, team communication and corporate togetherness. This understanding was crucial in conceptualizing the dependent variable in this study.

Conceptual Framework

Figure 1 represents the conceptual framework of the study. The study sought to determine the effect of transformational leadership on organizational culture of commercial banks listed in the Nairobi Securities Exchange. Most scholars have identified transformational leadership as a concept formed by four components; idealized influence, inspirational motivation, intellectual stimulation and individual consideration (Al-Quraan, 2016; Andriani et al., 2018; Budur, 2020). Therefore, the study had four independent variables; idealized influence, inspirational motivation, intellectual stimulation, and individual consideration. On the other hand, the dependent variable is organizational culture. Idealized influence has two constructs; charisma and role modelling by the leaders.. Inspirational motivation is indicated by inspiration and setting clear goals and vision by transformational leaders. Intellectual

stimulation is indicated by creativity and innovation, while individual consideration constructs are coaching and mentorship by leaders who exhibit the trait. A strong organizational culture is indicated by a high employee morale index, team communication and a sense of corporate togetherness amongst all stakeholders in a given organization.

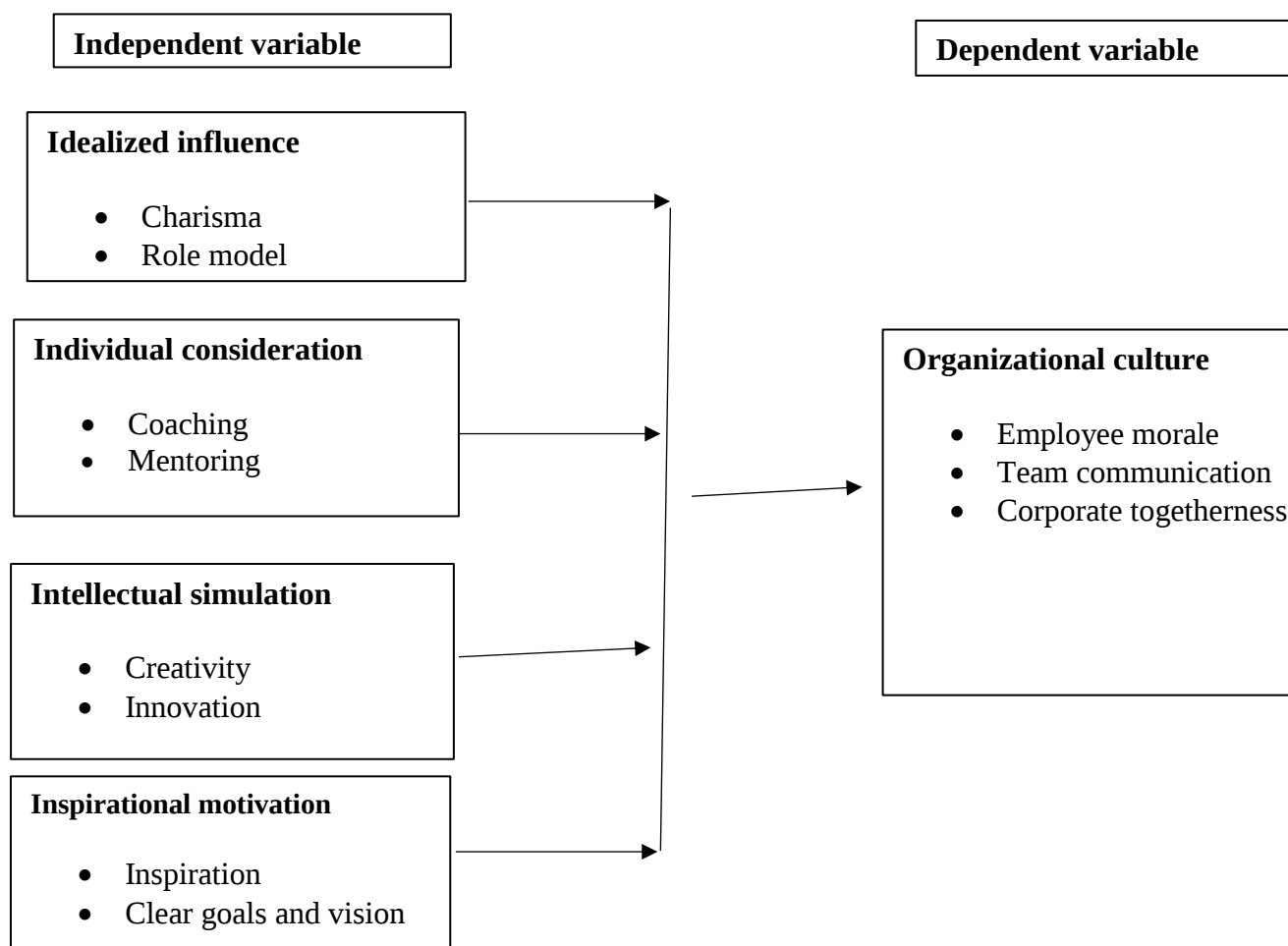


Figure 1: Conceptual Framework of the Study

Source: Author (2024)

Summary of Research Gaps

Despite various studies attempting to decipher the effects of transformational leadership on different organizational phenomena, few have focused specifically on organizational culture. Chan et al., (2019) investigated the influence of transformational leadership on innovation among Malaysian manufacturers. Using a sample of 165 respondents, they collected and analyzed primary data to understand the roles of idealized influence, individual consideration, inspirational motivation, and intellectual stimulation. Their findings indicated that all four components were beneficial to organizational innovation. However, this study's context was within the manufacturing sector, while the current study was based on the financial sector among commercial banks in Kenya.

Thuan (2020) employed structural equation modelling to examine the relationship between intellectual stimulation and creativity, focusing on 415 respondents. The study revealed that intellectual stimulation, a major component of transformational leadership, significantly improved creative performance. However, the narrow scope of the study contrasts with the current study, which delved into all four universal dimensions of transformational leadership; idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration and their impact on organizational culture. Therefore, this study focused on addressing the identified gaps and contributing empirical evidence from a developing economy perspective. Few of the reviewed studies specifically addressed the relationship between transformational leadership and organizational culture which was the central quest for this study.

Chapter Summary

This chapter reviewed literature related to the independent and dependent variables of the study. It delved into providing an in-depth and extant literature on transformational leadership and its components and organizational culture. The chapter too presented theoretical and conceptual frameworks. At the end, this section deciphered the research gaps that were filled by undertaking this study. The next section focuses on methods and procedures of data collection and analysis.

CHAPTER THREE: RESEARCH METHODOLOGY

Research methodology is an elaborate process that is undertaken to achieve research objectives. The chapter therefore includes the research design and research philosophy, population and sampling procedure. Moreover, this section has a discussion on research instruments, data collection and data analysis. At the end, ethical considerations and a chapter summary are presented.

Research Philosophy

Research philosophy defines beliefs based on the origin, essence, and the initial as well as subsequent evolution of a knowledge domain. This entails establishments of frameworks that outline how data should be gathered, processed and utilized (Husam & Abraham, 2020; Siponen & Tsohou, 2020;). Moreover, research philosophy underpins conversion of believed knowledge to known knowledge. This is done by substantiating reality, both observed and explained in order to deduce the key associations of concepts in the world. Research philosophy not only addresses existing knowledge, but scrutinizes the assumptions put in place to arrive at that level of knowledge by demystifying, informing and dissecting methods that can be used to further knowledge. Thus, it puts beliefs and assumptions that guide a research undertaking.

This study embraced a positivist philosophy for two main reasons. Positivists' view that the reality of a phenomenon can be observed and described objectively (Park et al., 2020). In this study, the desire to collect observations in the form of respondents to describe the existence of association between idealized influence, inspirational motivation, intellectual stimulation and individualized consideration and organizational culture informed the choice of the positivist philosophy. It is, at the onset construed, that it is substantially possible to observe these concepts and describe them in reality. Positivists allude that by use of past inter-associations between concepts, it is possible to predict, albeit in hypothetical, associations among concepts and variables. The major shortcoming of positivism philosophy is its reliance on historical pluralistic approach to defining knowledge. At times, the world presents new dimensions of realities that can instrumentally yield inconsistent results from historical recordings. Moreover, it may not be useful in studying new concepts that have not been previously researched on (Tamminen & Poucher, 2020).

Research Design

A research design is a roadmap that identifies components that if structurally linked well would be instrumental in achieving the goals desired in research. It entails identification of a strategy that characterizes data, data type, data source and analysis in order to form answers on research question at hand (Brown, 2022). According to Ong and Pheng (2020), a robust research design conceptualizes the concepts in terms of their measures and analysis, creates a match between actionable points and specific goals of a research and is a pertinent element of credibility of research results .

This study adopted a descriptive research design. Descriptive research design was specifically used because the salient interdependence among variables can be reliably deduced. It allows gathering of data as it is in the field and enables

researchers to define how the concepts interrelate (Doyle et al., 2020). Studies that adopt descriptive design are not experimental. Rather, they seek to relate concepts as they are. In this study, data and information from listed lenders at the NSE was collected to address the role of idealized influence, inspirational motivation, intellectual stimulation and individual consideration on organizational culture. Siedlecki, (2020) proposes that in spite of its simple approach, descriptive analysis is sufficient in testing hypothesis and answering research questions as it allows establishment of causal relationships between one or more variable.

Population

A population depicts the universe of items focused on research that generalizations are made of. Population therefore is composed of all defined units that are unique in features which binds them together as members of a specific group (Lu et al., 2022). Population identification is an integral component of research methods because if it done inaccurately it can lead to erroneous results. At the same time, population is vital considering that a sample that is specifically used in data collection is drawn from it. This study targeted two hundred and sixty-four (264) managers drawn from ten (10) commercial banks listed in the NSE. The target population comprised 8 managers in every management level giving rise to 24 respondents from every bank. Going by 24 respondents in every bank gave 264 possible respondents.

Sample and Sampling Methods

In this study, a probabilistic sampling method was used to establish the sufficient sample of respondents to be focused on during data collection. A sample of 159 respondents was considered in this study. This sample was arrived at using a

sample selection formula by Kang (2021) that was modified since the sample frame had a definite number of units (N).

$$n = \frac{N}{1+N(e)^2} \dots\dots\dots \text{Equation (1)}$$

Pegging from the formula, connotation n was sample size, e was level of precision (in this study proxied by alpha value of 0.05 or 5%.

$$n = \frac{264}{1+264(0.05)^2} = 159$$

In this study, the sample was selected using stratified sampling technique. Stratification entails dividing the sample into different strata in order to improve data variability and award equal chance of being picked in a study by all participants (Rahman et al., 2022). The sampling method is illustrated on Table 1.

Table 1: Sample Size selected using stratified sampling technique

Level of management	Population	Sample Size
Lower level	88	53
Middle level	88	53
Top level	88	53
Total	264	159

Note. Author Computation (2023).

Types of Data

This study collected primary data. According to Kang (2021), primary data is collected as original data and has not been used elsewhere. It is considered first hand because it is collected from respondents in the first instance in contrast to secondary data that is gathered from records. There are major advantages that accrue where primary data is used in research. The observations, responses and data are up to date.

Also, it offers vital information as the methods adopted in its collection are specific to the problem at hand. Primary data has a high degree in authenticity, is more accurate when gathered correctly and can be modeled into different statistical designs. Use of primary data is preferred where specific information on a case is being sought. Essentially, primary data elicits information that is specific to study concepts and variables (Siedlecki, 2020).

The study also employed secondary data collected from books and journals. This contrasts with primary data obtained directly from study participants which offers contextualization, background information, and insights to enhance understanding. According to Siedlecki (2020), secondary data contributes to literature reviews, enables comparative analysis and validation of primary data findings, aids in generating hypotheses, and supports longitudinal studies. However, the quality and relevance of secondary data can vary, necessitating critical evaluation of sources, author credibility, research methodologies, and alignment with current research objectives (Kang, 2021).

Research Instruments

A structured questionnaire with both open and closed ended questions was used to collect data. A structured questionnaire is a tool that collects data from respondents by use of pre-determined items that proxy variables (Siedlecki, 2020). These written items or statements are grouped together to gather data on variables in form of opinions. In this study, the questionnaire contained different sections in line with the specific variables under study. Respondents were required to rank the items in a five-point Likert's scale. The Likert's scale had five points from 1=strongly disagree, 2=disagree, 3 =neutral, 4=agree and 5=strongly agree. The participants were required to rate the constructs that were used to measure the variables.

The utilization of the structured questionnaires yielded several advantages. Firstly, it proved to be cost-effective while facilitating the collection of standardized data, as uniform items were presented to all respondents. The structured questionnaire format streamlined data analysis, enabling the transformation of coded data into statistical inferences to address the research issue. Furthermore, the efficiency of administering the structured questionnaire was evident in its rapid dissemination, in this case through online distribution. The questionnaire was composed of six primary sections: the initial segment gathered fundamental data, followed by sections two through five focusing on idealized influence, inspirational motivation, intellectual stimulation, and individual consideration, respectively. The final section, section six, centered on the collection of data pertaining to organizational culture.

Instrument Pre-Testing

Pre-testing activities entails undertaking a pilot study for several reasons. It is an important phase that enable a researcher to design the actual field work exercise. Thus, it enables a researcher to assemble the right tools for the field work (Kang, 2021). Moreover, it aids in time planning. It informs the researcher if any special authority is required during main fieldwork exercise. In this study, a sample of 15 respondents drawn from five (5) listed commercial banks was used during piloting. This banks were not among the 10 chosen through stratified sampling method as part of the sample for this study.

Validity

Validity depicts the degree of a tool collecting the exact data it is supposed to collect. In this aspect, validity seeks to gauge whether items used to proxy variables are in congruent with established theories and other constructs (Almeida et al., 2020).

Moreover, validity delves into ensuring that accurate results are obtained when a tool is used.

In this study, content validity was sought in order to improve the accuracy of the questionnaire in measuring the four predictors and response variables. An expert in transformational leadership was engaged in order to improve content validity of the statements that were used to represent idealized influence, inspirational motivation, intellectual stimulation, individualized concentration and organizational culture. This in turn boosted the accuracy of constructs that were used to represent these variables. Moreover, construct validity was assessed using factor analysis. Factor analysis aimed at creating a pool of constructs or items that were extracted from the set of all questions from the questionnaire to have fewer items to represent variables. The principal component analysis was used in extraction and the Kaiser-Meyer-Olkin (KMO) measure was used to examine sampling adequacy before construct validity was done.

Results from validity were instrumental in ensuring that objective data was collected and analyzed. Use of an expert to improve content validity ensured that the items used measured the variables while factor analysis sought to extract fewer but more valid items for use in data analysis. The KMO measure of sampling adequacy for all the study variables was equal to and greater than 0.50 indicating that the data was adequate for Exploratory Factor Analysis (EFA).

Table 2: KMO and Barlett's Test for Study Variables that measures sampling adequacy

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.731
Barlett's Test of Sphericity	Approx. Chi-Square	65.304
	df	15

	Sig.	.000
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.630
Barlett's Test of Sphericity	Approx. Chi-Square	58.719
	df	15
	Sig.	.000
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.534
Barlett's Test of Sphericity	Approx. Chi-Square	84.833
	df	21
	Sig.	.000
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.550
Barlett's Test of Sphericity	Approx. Chi-Square	97.728
	df	21
	Sig.	.000
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.605
Barlett's Test of Sphericity	Approx. Chi-Square	42.848
	df	10
	Sig.	.000

Note. Author (2024).

Table 2 shows that the KMO measure of sampling adequacy for all the study variables was equal to and greater than 0.50. Hence all the constructs were valid.

Reliability

Reliability sought to establish consistency that could be achieved if a tool was used in measuring a phenomenon in similar condition. Whilst there were diverse dimensions of reliability, this study focused on internal reliability that measures

whether a combination of constructs is able to fairly represent a variable. As posited by Almeida et al. (2020), reliability measurement is important as it tests whether a group of items are indeed constructed to represent the variable. In testing for internal consistency, Cronbach's alpha was used. Rule of thumb is that a Cronbach's alpha of more than 0.7 indicates permissible internal reliability (Villasis & Miguel, 2018).

Table 34 shows that the study questionnaire was reliable since all variables had an alpha co-efficient of >0.7 as well as the overall alpha co-efficient. Of above 0.7.

Table 3: Reliability Results that tested for internal consistency

Questionnaire Section	Item No:	Alpha Co-Efficient	Verdict
Idealized Influence	6	.903	Reliable
Inspirational Motivation	6	.879	Reliable
Intellectual Stimulation	7	.726	Reliable
Individual Consideration	7	.938	Reliable
Organizational Culture	5	.863	Reliable
Overall	31	.953	Reliable

Note. Author (2024).

Table 3 shows that the study questionnaire was reliable since all variables had an alpha co-efficient of >0.7 as well as the overall alpha co-efficient of above 0.7.

Data Collection Procedures

Data collection was done in both physical means and in online means.

Physical delivery of the questionnaire was done by the assistance of a research assistant. The research assistant was thoroughly briefed on the need of the research and how to administer the questionnaires. Online delivery was done by use of Google forms. Use of these two methods increased the response rate. Those who were issued

with physical questionnaires were not subjected to online filling to avoid duplication. Online delivery was the last resort if physical delivery was not tenable. The questionnaire was administered for a period of three weeks. In terms of the procedure, the respondents were required to respond to the questionnaire by selecting the appropriate ratings for the statements in the Likert scale.

Data Analysis

Data analysis is a process of converting and transforming raw data into statistics that can be interpreted to provide answers to research questions. According to Mishra et al.(2019), data analysis entails drawing of inferences that permit generalizations of findings. Data analysis is a multi-step process that commences with data cleaning. In this initial stage, data is checked for completeness and correctness. The responses were coded and collated in a summarized record. The coded data was transformed to a format that could be imported into the software adopted to analyse data. This study majorly employed descriptive statistics. In this respect, frequency statistics, measures of central tendencies and dispersion were computed. This was done by getting the averages of responses for all constructs. Inferential statistics was done in order to subtly establish the role of each predictor and the combination of predictors (idealized influence, inspirational motivation, intellectual stimulation, and individualized concentration) on organizational culture. Data analysis was done by use of SPSS software Version 2018. The linear regression model used was specified as:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Whereas,

Y= Organisational Culture

X₁= Idealised Influence

X_2 = Inspirational Motivation

X_3 =Intellectual Stimulation

X_4 =Individual Consideration

β_0 is constant and β_{01} – β_4 coefficients of idealised influence, inspirational motivation, intellectual stimulation and individual consideration respectively.

ε is Error Term

Diagnostic Tests

There are several assumptions that were examined when undertaking regression analysis. This included normality, linearity, multicollinearity, and heteroskedasticity. Normality in regression was considered on residuals. In essence, residuals were expected to show normal distribution in which the errors from predicted and observed values were void of noise. Normality of residuals reflects normal distribution of residuals so that the results of regression analysis are unbiased (Feng et al., 2020; Schmidt & Finan, 2018). Normality of residuals were undertaken using the Shapiro Wilk test in which a sig value of >0.05 signifies normal data distribution, while any sig-value of <0.05 signifies that the data is not normally distributed.

Linearity assesses the existence of linear interlinks among variables. In regression analysis, linearity assumptions evaluate whether input variables influenced the response variable in a linear form. The deviation from linearity was used to assess linearity. Where p-value of linearity is more than 0.05, where data analysis 95 % confidence interval (Hayes & Montoya, 2017). The last diagnostic test applicable for cross-sectional data in this study was the multicollinearity test where predictors have linear relationships with each other. In regression, predictors are expected to be independent of each other. Multicollinearity inflated standard errors, and this can alter

the coefficient of determination. In this study, multicollinearity was examined by using Variance Inflation Factor (VIF). Rule of thumb is that VIF of less than 10 evidence absence of high linear correlation between predictors as proposed by Lavery et al. (2019).

Ethical Considerations

The research ensured that the high standards of ethical considerations were adhered to. Ethical considerations are standards or norms followed in the conduct of research to ensure professionalism during and after dissemination of results (Arifin, 2018; Sloman et al., 2019). The researcher obtained research authorization from Pan African Christian University Graduate School and further a permit to conduct research was obtained from the National Commission for Science Technology and Innovation (NACOSTI). The researcher adhered to confidentiality and anonymity standards by ensuring that no information was shared to any other party. Respondents were not coerced to provide any information for this research. All respondents irrespective of their differences were respected and discrimination of any form was not allowed. The researcher was committed to ensuring that all forms of communication were done in a transparent manner. Truth formed part of the strong pillar in this research. Truthful communication is a key consideration in research that involves communities of people (Tanya, et al., 2020).

The researcher ensured that information from various scholars and online sources was duly acknowledged and author's contributions were properly referenced. Informed consent was equally applied during this study. This was done through proper selection of the respondents to be involved in the research. Individual and organization's names were not included in the questionnaires.

Chapter Summary

Chapter three entailed presentation of methods and procedures of data collection and analysis. The chapter is an integral section of this study because it presented the actionable points; research philosophy used, design of research, population, sampling and data analytical procedures. Ethical standards adopted by the researcher throughout the study bring the chapter to a grand close. Data analysis and presentations of findings open the next section of this study.

CHAPTER FOUR: DATA, RESULTS, INTERPRETATION AND DISCUSSION

This chapter presents the response rate, demographic data of the respondents, descriptive analysis on objective-by-objective basis, inferential analysis and systematic discussions on findings. The four key sections provide a comprehensive understanding of the study's findings.

Response Rate

This shows the target respondents who were included from the different commercial banks that were listed on the NSE.

Table 4: Response Rate

Status	Number	Percentage
Obtained Response	113	71.1
Unattained Response	46	28.9
Total	159	100

Note. Author Computation (2024).

Table 4 presents the study's response rate. It shows that the target respondents who included the managers of different commercial banks that were listed on the NSE, received 159 questionnaires from the researcher, 113 of which were fully completed and used in the study. The Table shows that the study's response rate was 71.1%, and this was higher than the requisite level of above 50%. According to Fincham (2008), a response rate of 50% is considered acceptable in social science research, and rates above 60% are considered good. Similarly, Baruch and Holtom (2008) found that the average response rate for organizational research surveys is 52.7%, with a standard deviation of 20.4%, indicating that a response rate of 71.1% is indeed above the requisite level.

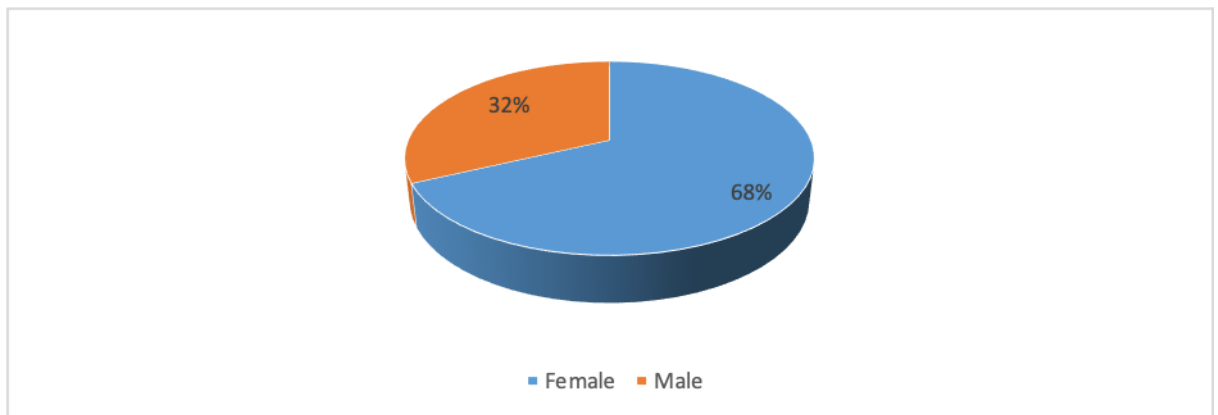


Figure 2: Respondents' Gender

Note. Researcher (2024).

Figure 2 presents the outcome of the obtained respondents' gender. It shows that 68% were female and 32% were male. This means that most of the managers from the different commercial banks that were listed on the NSE in Kenya are female, which could possibly be explained by the demographic divide of employees within the Kenyan banking industry.

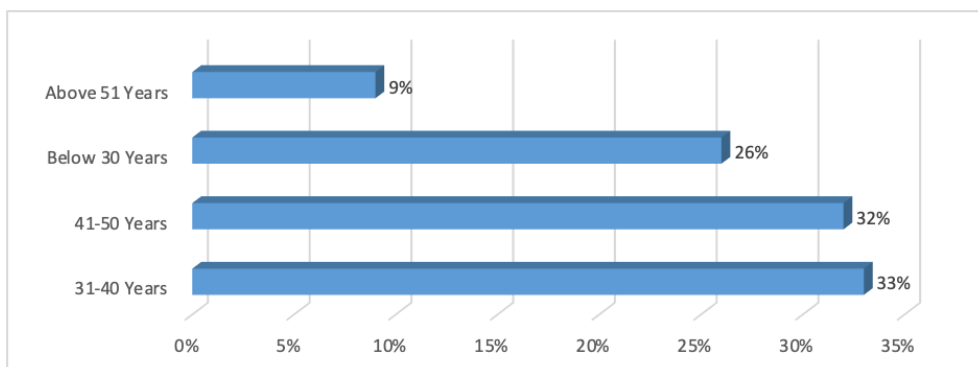


Figure 3: Age of Respondents

Note. Author (2024).

Figure 3 indicates that 33% of the respondents were aged between 31-40 years, 32% were aged between 41-50 years, and 26% were below the age of 30 years, while 9% were above the age of 51 years. This means that most of the managers from the

different commercial banks that were listed in the NSE in Kenya were above the age of 30 years.

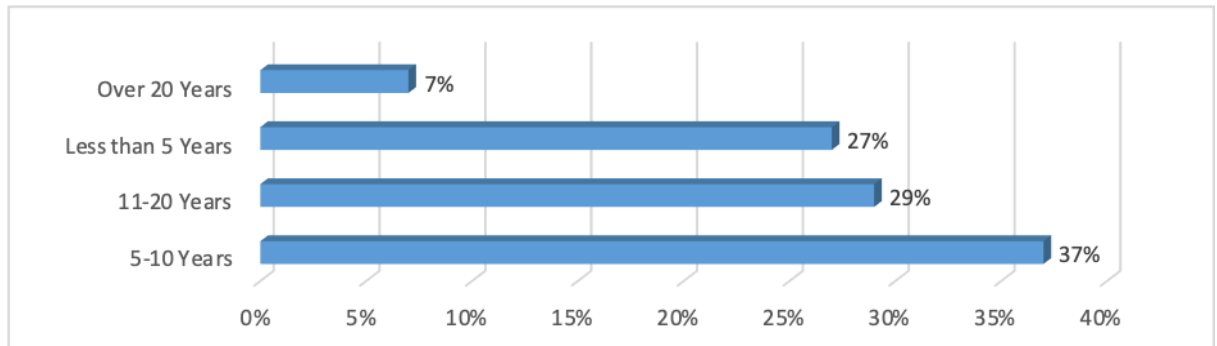


Figure 4: Work Duration at Respective Banks

Note. Author (2024).

Figure 4 indicates that 37% of the respondents had been with their bank for 5-10 years, 29% for 11-20 years, and 27% for less than 5 years, while 7% had been with their respective banks for over 20 years. This means that most of the managers had been with their respective banks for more than 5 years, giving them ample experience and making them suitable for this study.

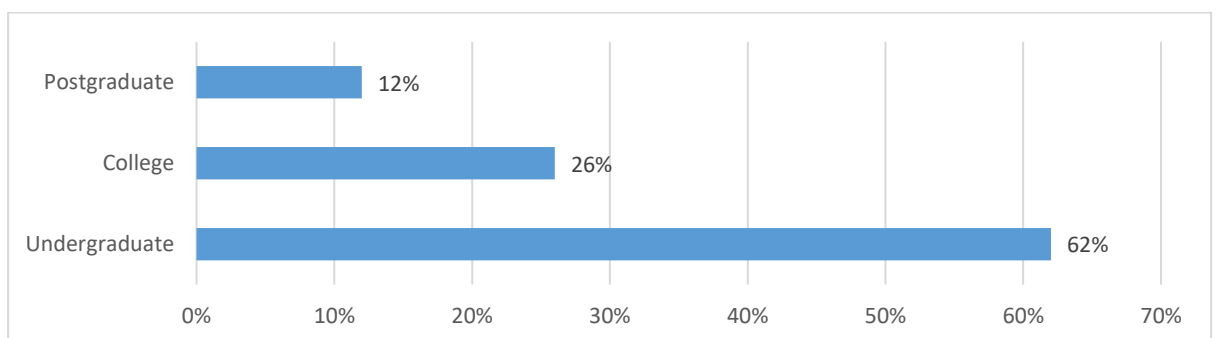


Figure 5: Education Level

Note. Author (2024).

Figure 5 indicates that 62% of the respondents had attained undergraduate degrees, 26% had college diplomas, and 12% had attained their postgraduate degrees. This

means that most of the managers from the different commercial banks listed in the NSE had a strong educational background making them suitable for this study because they had the capacity to comprehend the research questions.

Descriptive Analysis

Table 5: Descriptive Analysis for Idealised Influence

	SD	D	N	A	SA	Mea	Std
	%	%	%	%	%	n	Dev
I understand the value of being charismatic leader	0	0	5.3	54.9	39.8	4.35	.579
I strive to show empathy to all my employees	0.9	0.9	5.3	52.2	40.7	4.31	.695
I understand the value of leading by example	0	0.9	4.4	52.2	42.5	4.36	.613
I lead from the front when it comes to work commitment	0	0.9	5.3	50.4	43.4	4.36	.628
Purpose driven leadership style is an important aspect of leadership	0	0.9	3.5	48.7	46.9	4.42	.608
I understand the value of identifying my team needs	0	0	1.8	57.5	40.7	4.39	.525

Note: Author (2024).

Table 5 indicates that managers understood the value of being charismatic leaders as agreed to by 94.7%, while 5.3% were neutral. All the other constructs were equally rated above 70%. According to Andriani et al. (2018), a transformational leader in an organizational setting is able to handle employees' needs and match them with those of the organization. Such a leader therefore is able to walk with the employees with charisma. Tung et al. (2021) also opine that, the charisma of a transformational leader

is paramount in changing people as it establishes the need to change, improve and be concerned with the affairs of the organisation. For instance, it positively promotes intentions, actions and values among followers. This is because, it promulgates a system of change in the entire organization where followers are able to deliver their tasks in line with core values established.

The managers strived to show empathy to all their employees as shown by 92.9% of the respondents, while 5.3% were neutral, and 1.8% disagreed. This outcome agrees with Heaphy et al. (2021) who observed that the Leader Member Exchange theory idealizes that there are high quality exchanges which are as a result of trust that is built between them. In this respect, the leader is able to manifest loyalty, empathy and goodwill in which the followers reciprocate thus creating a good environment. Dzandu et al. (2017) opine that, the leader should consider the intrinsic and extrinsic needs of each follower and attend to them. Where empathy, concerns and needs of all members are put into consideration, a positive organizational culture can be achieved.

The managers understood the value of leading by example as agreed to by 94.7%, while 4.4% were neutral, and 0.9% disagreed. Al-Quraan (2016) states that, in practising idealized influence, a leader must demonstrate cognizance of core values and ethical behavior. It means that a leader should have the zeal to lead by example and push the followers towards good performance by instilling work ethics. According to Malik et al. (2017), idealized influence builds trust between leaders and their associates which improves their cordial relationship at the work place. Thus, where a leader is able to instil high consideration in ethical behavior, by leading as an example, the chances of success is high. Sutanto et al. (2021) state that, this is

manifested by sheer will of taking risks, responsibilities and ethical undertakings such that the followers can draw examples from the leaders.

The managers led from the front when it came to work commitment as shown by 93.8% of the respondents, while 5.3% were neutral, and 0.9% disagreed. These results are in tandem with those of Le et al. (2021) who observed that, ideally, where people feel that their sentiments, needs, ideas and feelings are aptly considered, they are likely to have trust with the leadership and boost their commitment to their work. The study by Malik et al. (2017) showed that the employees' job happiness and organizational commitment were found to be significantly correlated with idealized influence, intellectual stimulation, and customized consideration. Afshari's (2022) study also showed that idealized influence was found to have a statistical influence on the organizational commitment of the employees.

Purpose driven leadership style was an important aspect of leadership as agreed to by 95.6% of the respondents, while 3.5% were neutral, and 0.9% disagreed. This is in agreement with Hosna *et al.* (2021) who observed that, with a clearly put across vision, employees are inspired to work towards achieving the best for the organizations. This is because, inspirational leaders are inarguably able to decipher the goals and create a sense of purpose for their associates. Additionally, inspirational leaders communicate challenges that work has, in a timely fashion, and this enables followers to plan and proactively deal with such challenges.

The managers understood the value of identifying their team needs as shown by 98.2% of the respondents, while 1.8% were neutral. According to Andriani et al. (2018), a transformational leader in an organizational setting is able to handle employees' needs and match them with those of the organization. It means that the leader is a good listener and over and above sharing the vision of the organization, is

able to keenly understand how and what need to be done to achieve the organizational objectives. Bakker et al. (2022) affirm that, transformational leadership does not look at the welfare of the leaders alone but rather considers needs of all followers.

Table 6: Descriptive Analysis for Inspirational Motivation

	SD	D	N	A	SA	Mea	Std
	%	%	%	%	%	n	Dev
I understand the value of creating sense of belonging for all employees.	0	0.9	5.3	45.1	48.7	4.42	.637
There are clear goals for teams and every employees throughout the organization	1.8	0.9	1.8	56.6	38.9	4.30	.718
The vision of the organization is articulated clearly	0	0.9	3.5	53.1	42.5	4.37	.601
I promote team spirit at all times in order to create cohesion	0	0	2.7	46	51.3	4.49	.553
The goals of the employees and those of the organization are supported in equal measure	0	0	9.7	53.1	37.2	4.27	.630
Workers are motivated through challenges that improve their skills	0.9	0.9	6.2	50.4	41.6	4.31	.708

Note. Author (2024).

Table 6 indicates that the managers understood the value of creating sense of belonging for all employees as agreed to by 93.8% of the respondents, while 5.3% were neutral, and 0.9% disagreed. This is aligned to the observations of Komakech et al. (2021) who state that, inspirational motivation is a trait that transformational leaders have where they motivate followers to work in line with the vision and mission of entities. Thus, it entails leaders instilling the sense of ownership in terms of driving change to achieve desired goals. Tung et al. (2021) assert that a transformational leader connects the followers to the vision and mission of the organization thus creating a sense of belongingness within the entity. At the centre of transformational leadership lies the sense of identity that introduces the followers to the organization so that they associate and feel part and parcel of the entity as it goes beyond the monetary gains. The charisma of a transformational leader is paramount in changing people as it establishes the need to change, improve and be concerned with the affairs of the organization.

There were clear goals for teams and every employee throughout the organization as shown by 95.5% of the respondents, while 2.7% disagreed, and 1.8% were neutral. According to Namusonge and Amuhaya (2018), inspirational motivation boosts the capacity of followers to align their goals with those of the leader and those of the organization in an efficient way. Ahmad et al. (2019) established that, inspired followers are self-driven and work in recognition of the goals and visions of the organization. Subtly, leaders need to align the strategic goals of entities with routine operations so that employees get to know what their tasks are meant to achieve. Hosna et al. (2021) posits that, with a clearly put across vision, employees are inspired to work towards achieving the best for the organizations. This is because

inspirational leaders are capable of deciphering the goals of the organization and create a sense of purpose for their associates.

The vision of the organization was articulated clearly as agreed to by 95.6% of the respondents, while 3.5% were neutral, and 0.9% disagreed. This result concurred with Komakech et al. (2021) who state that inspirational motivation is a trait that transformational leaders have where they motivate followers to work in line with the vision and mission of their entities. Thus, it entails leaders instilling the sense of ownership in terms of driving change to achieve desired goals. According to Sutanto et al. (2021), in such organizations, clear communication structures are in place because this builds confidence among the followers. Without sharing the vision and mission of the organizations to the associates, it may become difficult to establish a system that works as a unitary whole. In contrast, idealized influence makes employees seek to resemble the leader, identify with them and seek the goals of the organization as a team.

The managers promoted team spirit at all times in order to create cohesion as showed by 97.3% of the respondents, while 2.7% were neutral. This is in line with the observations of Bakker et al. (2022) that, one role of transformational leadership is to redesign the social systems in the organizations to promote cohesion and spirit of teamwork. Transformational leadership does not look at the welfare of the leaders alone but rather considers the needs of all followers. Thus, this type of leadership delves into promoting cultural change in the entire organization so that aspirations of each and every follower and those of the organization are achieved (Mercede et al., 2022; Sutanto et al., 2021).

The goals of the employees and those of the organization were supported in equal measure as agreed to by 90.3% of the respondents, while 9.7% were neutral.

Andriani et al. (2018) contends that, a transformational leader in an organizational setting is able to handle employees' needs and match them with those of the organization. Such a leader therefore is able to walk with the employees with charisma. Bakker et al. (2022) opine that transformational leadership does not look at the welfare of the leaders alone but rather considers the needs of all followers. Tung et al. (2021) aver that, the charisma of a transformational leader is paramount in changing people as it establishes the need to change, improve and be concerned with the affairs of the organization. For instance, it positively promotes intentions, actions and values among followers.

Workers were motivated through challenges that improved their skills as shown by 92% of the respondents, while 6.2% were neutral, and 1.8% disagreed. This outcome agrees with those of Hosna *et al.* (2021) who aver that, inspirational leaders communicate challenges that work has, in a timely fashion, and this enables followers to plan and proactively deal with such challenges. Khan and Saif (2022) also state that, such a leader challenges employees to come up with solutions to problems and answers to questions innovatively.

Table 7: Descriptive Analysis for Intellectual Stimulation

	SD	D	N	A	SA	Mea	Std
	%	%	%	%	%	n	Dev
The organization's leadership promotes creativity in performing tasks	0	0	6.2	54.9	38.9	4.33	.589
Employee innovativeness is rewarded	0.9	0.9	5.3	52.2	40.7	4.31	.695

Team decision making is promoted at all levels	0	2.7	6.2	58.4	32.7	4.21	.674
Organizational problems are solved through an ill-inclusive mechanism	0	0	9.7	46	44.3	4.35	.652
Employees are encouraged to think critically and challenge the status quo	0	0	5.3	48.7	46	4.41	.592
New ideas of dealing with challenges are welcome by management	0.9	0.9	5.3	54	38.9	4.29	.690
New ways of service delivery are encouraged by management	0	0	5.3	50.4	44.2	4.39	.589

Note. Author (2024)

Table 7 depicts managers who have understood the value of creating sense of belonging for all employees as agreed to by 93.8% of the respondents, while 5.3% were neutral, and 0.9% disagreed.

There were clear goals for teams and every employee throughout the organization as shown by 95.5% of the respondents, while 2.7% disagreed, and 1.8% were neutral.

The vision of the organization is articulated clearly as agreed to by 95.6%, while 3.5% were neutral, and 0.9% disagreed. This result concurs with Komakech et al.

The managers promoted team spirit at all times in order to create cohesion as shown by 97.3% of the respondents, while 2.7% were neutral.

The goals of the employees and those of the organization were supported in equal measure as agreed to by 90.3% of the respondents, while 9.7% were neutral.

Workers were motivated through challenges that improved their skills as shown by 92% of the respondents, while 6.2% were neutral, and 1.8% disagreed.

A significant 93.8% of the respondents concurred that the organization's leadership encouraged creativity in task execution, whereas 6.2% maintained a neutral viewpoint. This study outcome is in tandem with those of Cahyono et al. (2020) who found that, at the centre of intellectual stimulation is creativity and innovativeness. Transformational leaders permits employees to think of new ways of doing things, innovatively to promote efficiency at the work place. The employees are allowed to question, challenge existing policies and recommend newer practices that can improve output.

The majority of the respondents, accounting for 92.9%, indicated that employee innovativeness received recognition. A smaller number of 5.3% remained neutral whilst only 1.8% expressed disagreement. These results are in line with those of Khan and Saif (2022) who state that, intellectual stimulations serve to instil in followers ability to make decisions and work autonomously while in recognition of the common goals of the team. Transformational leaders not only focus on rewards, but also focus on individual welfare of their followers so that the followers exceed expectations. Moreover, transformational leaders consider the abilities of each of their followers individually, motivates them subjectively to enable them advance their work morale (Andriani et al., 2018; Ranji et al., 2021).

The promotion of team decision-making across all tiers was confirmed by 91.1% of the participants, 6.2% remained impartial, and a minority of 2.7% did not agree. According to Cahyono et al. (2020), intellectual stimulation is where a leader involves followers in decision making. In this respect, the leader is not authoritative, but welcomes the ideas and suggestions of followers in decision making. Khan and Saif (2022) aver that, considering that a transformational leader works to bring all on board, intellectual stimulations serves to instil in followers ability to make decisions

and work autonomously while in recognition of the common goals of the team. As such, in an organizational setting, a transformational leader presents employees with opportunities to decide on their own.

An overwhelming majority of 90.3% of the participants indicated that organizational issues were addressed through a comprehensive approach, while 9.7% held a neutral position. This outcome is in line with those of Afshari (2022) who notes that, through intellectual stimulation, followers delve into findings new ways, in contrast to conforming to existing views that may be outdated. Moreover, this creates an understanding between leaders and their followers because employee's ideas are put in consideration in decision making process. Employees are trained to think critically and offer solutions to challenges in a creative manners.

Employees were encouraged to think critically and to challenge the status quo as agreed to by 94.7% of the respondents, while 5.3% were neutral. According to Afshari (2022), intellectual stimulation ensures that employees are trained to think critically and offer solutions to challenges in a creative manner. Cahyono et al. (2020) also state that, transformational leaders permit employees to think of new ways of doing things, innovatively to promote efficiency at the work place. The employees are allowed to question, challenge existing policies and recommend newer practices that can improve output.

Management was receptive to novel approaches for tackling challenges, as affirmed by 92.9% of the respondents; 5.3% expressed no strong opinion, and 1.8% were of a different opinion. This is in agreement with Afshari (2022) who observed that, through intellectual stimulation, followers delve into findings new ways, in contrast to conforming to existing views that may be outdated. Moreover, this creates an understanding between leaders and their followers because employee's ideas are

put in consideration in decision making process. Employees are trained to think critically and offer solutions to challenges in a creative manner. Le et al. (2021) states that ideally, where people feel that their sentiments, needs, ideas and feelings are aptly considered, they are likely to have trust with the leadership and boost their commitment to their work.

New ways of service delivery were encouraged by management as agreed to by 94.7% of the participants, while 5.3% were neutral. According to Tung et al. (2021), the charisma of a transformational leader is paramount in changing people as it establishes the need to change, improve and be concerned with the affairs of the organization. For instance, it positively promotes intentions, actions and values among followers. This is because, it promulgates a system of change in the entire organization where followers are able to deliver their tasks in line with core values established. Cahyono et al. (2020) also affirmed that, transformational leaders permits employees to think of new ways of doing things, innovatively to promote efficiency at the work place. The employees are allowed to question, challenge existing policies and recommend newer practices that can improve output.

Table 8: Descriptive Analysis for Individual Consideration

	SD	D	N	A	SA	Mea	Std
	%	%	%	%	%	n	Dev
Managers coach team members individually to enable them offer their best to the organization	0	0.9	5.3	56.6	37.2	4.30	.611
The needs of each and every member of the team is attended to by management	0	0.9	5.3	55.8	38.1	4.31	.614
Mentorship programs are put in place by the organization	0	0	7.1	52.2	40.7	4.34	.607
Organizations rewards individual contribution to achievement of work goals	0	0.9	9.7	50.4	38.9	4.27	.671
Personal growth is considered instrumental at all levels in the organization	0	0	4.4	52.2	43.4	4.39	.574
The management encourages self-fulfilment for all members of the organization	0	1.8	3.5	53.1	41.6	4.35	.638
Personal values are put into consideration in goal setting	0	1.8	5.3	50.4	42.5	4.34	.663

Note. Author (2024).

Table 8 indicates that the organization's leadership promoted creativity in performing tasks as agreed to by 93.8%, while 6.2% were neutral.

Employee innovativeness was rewarded as shown by 92.9% of the respondents, while 5.3% were neutral, and 1.8% disagreed. Team decision making was promoted at all levels as agreed to by 91.1% of the respondents, while 6.2% were neutral, and 2.7%

disagreed. Organizational problems were solved through an all-inclusive mechanism as shown by 90.3% of the respondents, while 9.7% were neutral. Employees were encouraged to think critically and challenge the status quo as agreed to by 94.7%, while 5.3% were neutral.

New ideas of dealing with challenges were welcome by management as shown by 92.9% of the respondents, while 5.3% were neutral, and 1.8% disagreed.

New ways of service delivery were encouraged by management as agreed to by 94.7%, while 5.3% were neutral.

According to 93.8% of the participants, managers provided individual coaching to team members to enhance their contributions to the organization, with 5.3% maintaining neutrality and just 0.9% not in agreement. In line with Dzandu et al.'s (2017) study, individualized consideration aims at creating respect to all followers. In an organization, individualized consideration is vital as it boosts the work moral of employees which can enhance their output. The leader is a coach to each and every follower as they motivate them followers to improve and achieve their personal goals and those of the organization.

Management addressed the needs of all team members, as confirmed by 93.8% of the survey participants; 5.3% held a neutral view, and a mere 0.9% did not agree. The results are in line with Khan and Saif (2022) who opine that individual consideration is where a transformational leader attends to each of follower's needs, the leader is said to exhibit individualized consideration. This means that they do not treat all followers as similar but listens to each and promotes them to achieve more in their individual capacity. In addition, individual consideration is paramount as it ensures that the contribution of each follower is appreciated and valued.

The organization established mentorship programs, as indicated by 92.9% of the respondents, with 7.1% remaining neutral. The outcome concurs with Dzandu et al. (2017) who observed that in an organization, individualized consideration is vital as it boosts the work moral of employees which can enhance their output. The leader is a coach to each and every follower to motivate them to improve and achieve their personal goals and those of the organization. Khan and Saif (2022) aver that, leaders do not treat all followers as similar but listens to each and promotes them to achieve more in their individual capacity. In addition, individual consideration is paramount as it ensures that the contribution of each follower is appreciated and valued.

The organization acknowledges individual efforts towards the attainment of work objectives, as demonstrated by 89.3% of the participants, while 9.7% remained undecided, and a small fraction of 0.9% did not agree. This is in tandem with Khan and Saif (2022) who contend that individual consideration is paramount as it ensures that the contribution of each follower is appreciated and valued. Groza et al. (aver) that transformational leaders do not focus on overall goals, but considers the individual participation of each follower to achieve organisational culture. This is because leadership is not based on group basics but draws from individual contribution.

95.6% of the respondents recognized personal development as a key component across all tiers of the organization, with 4.4% holding a neutral position. This outcome is in line with Tarigah et al. (2020) who state that the leader member exchange theory idealises that a convergence of leader member goals is important if worthwhile relationships are to be achieved. The leader should focus on universal goals for all parties, known as sub-groups as opposed to imposing their goals on the followers. Dzandu et al. (2017) also opine that the leader is a coach to each and every

follower as they motivate them to improve and achieve their personal goals and those of the organization.

Management was reported to foster self-fulfilment among all members of the organization, with 94.7% of respondents in agreement, 3.5% remained neutral, and only 1.8% disagreed. According to Ohunakin et al., (2019), job satisfaction was significantly correlated with customized consideration, idealized influence, intellectual stimulation, and inspirational drive. Whilst the study delved into transformational leadership, the dependent variable was not organisational culture as it for the current study. Groza et al. (2021) assert that transformational leaders do not focus on overall goals, but considers the individual participation of each follower to achieve organizational culture. This is because leadership is not based on group basics but draws from individual contribution.

In the process of goal setting, 92.9% of the respondents affirmed that personal values were taken into account, 5.3% had no definitive stance, whilst 1.8% did not agree. According to Bailey et al. (2019), the second fabric of Schein's theory is values which simply refer to how employees perceive themselves as members of an organization. It means that attitudes and approach to work, from the collective employee outlook determines organizational culture. Sawan et al. (2018) also state that, values are inner aspects that can be due to innate features of human beings. For instance, entities where majority of staff are women may adopt a different cultural look from an organization where most employees are men. In addition, the theory indicates that organizational culture is attained inherently and inadvertently as entities attempt to align themselves to fit in the markets.

Diagnostic Tests

Prior to performing inferential analysis, the study conducted diagnostic tests to assess the linear regression analysis' underlying presumptions to ensure that they were correct. Tests for normalcy, linearity, and multicollinearity were among them.

Table 9: *Normality Test*

	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
				c		
Idealized Influence	.219	113	.200*	.853	113	.102
Inspirational Motivation	.186	113	.200*	.952	113	.709
Intellectual Stimulation	.253	113	.200*	.964	113	.637
Individual Consideration	.163	113	.200*	.918	113	.179

Note. Author (2024).

Table 9 demonstrates that all the study variables - idealised influence, inspirational motivation, intellectual stimulation, and individual consideration - were normally distributed because the Shapiro-Wilk test's Sig. value was higher than 0.05, indicating that all the data was normally distributed. Managers coached team members individually to enable them offer their best to the organisation as shown by 93.8% of the respondents, while 5.3% were neutral, and 0.9% disagreed.

The needs of each and every member of the team was attended to by management as agreed to by 93.8%, while 5.3% were neutral, and 0.9% disagreed.

Mentorship programs were put in place by the organization as shown by 92.9% of the respondents, while 7.1% were neutral.

Organizations rewards individual contribution to achievement of work goals as agreed to by 89.3%, while 9.7% were neutral, and 0.9% disagreed.

Personal growth was considered instrumental at all levels in the organization as shown by 95.6% of the respondents, while 4.4% were neutral.

The management encourages self-fulfilment for all members of the organization as agreed to by 94.7%, while 3.5% were neutral, and 1.8% disagreed.

Personal values are put into consideration in goal setting as shown by 92.9% of the respondents, while 5.3% were neutral, and 1.8% disagreed.

The Kolmogorov-Smirnov test and the Shapiro-Wilk test were used to conduct the normality test for idealized influence, inspirational motivation, intellectual stimulation, and individual consideration. Table 10 demonstrates that all the study variables - idealized influence, inspirational motivation, intellectual stimulation, and individual consideration - were normally distributed because the Shapiro-Wilk test's Sig. value was higher than 0.05, indicating that all the data was normally distributed.

Table 10:Linearity Test for idealized influence

			Sum of	df	Mean	F	Sig.
			Squares		Square		
Organizational	Between Groups	(Combined)	7.585	11	.690	3.47	.000
Culture *		Linearity	5.565	1	5.565	4	.000
Idealized			2.2020	10	.202	28.0	.434
Influence	Within Groups		20.050	101	.199	35	

Total	Deviation	27.635	112	1.01
	from			7
	Linearity			

Note. Author (2024).

Table 10 demonstrated the outcome for the linearity test between idealized influence and organizational culture. It denotes that there was a linear association between idealized influence and organizational culture since the sig-value of divergence from linearity was 0.434 which was greater than 0.05 ($F(11, 112) = 1.017, p > 0.05$).

Table 11: Linearity Test for Inspirational Motivation

			Sum of	df	Mean	F	Sig.
			Squares		Square		
					e		
Organizational	Between Groups	(Combined)	12.239	10	1.224	8.10	.000
Culture *		Linearity	6.849	1	6.849	9	.000
Inspirational		Deviation	5.390	9	.599	45.3	.000
Motivation	Within Groups	from	15.395	102	.151	78	
	Total	Linearity	27.635	112		3.96	
						8	

Note. Author (2024)

Table 11 showed that the sig-value of divergence from linearity was 0.000 which was less than 0.05 ($F(10, 112) = 3.968, p < 0.05$). Imply there did not exist a linear association between inspirational motivation and organizational culture.

Table 12: Linearity Test for Intellectual Stimulation

			Sum of	df	Mean	F	Sig.
			Squares		Square		
Organizational Culture * Intellectual Stimulation	Between Groups	(Combined)	10.629	14	.759	4.37	.000
		Linearity	7.372	1	7.372	5	.000
		Deviation	3.257	13	.251	42.4	.153
	Within Groups	from	17.005	98	.174	83	
	Total	Linearity	27.635	11		1.44	
				2		4	

Note. Author (2024).

Table 12 denotes that there was a linear association between intellectual stimulation and organizational culture since the sig-value of divergence from linearity was 0.153 which was greater than 0.05 ($F(14, 112) = 1.444, p > 0.05$). This demonstrates the outcome for the linearity test between intellectual stimulation and organizational culture

Table 13: Linearity Test for Individual Consideration

			Sum of	df	Mean	F	Sig.
			Square		Square		
			s		e		
Organizational Culture * Individual Consideration	Between Groups	(Combined)	15.482	12	1.290	10.616	.000
		Linearity	10.823	1	10.823	89.059	.000
		Deviation	4.659	11	.424	3.485	.000
	Within Groups	from	12.153	100	.122		
	Total	Linearity	27.635	112			

Note. Author (2024).

Table 13 indicates that there did not exist a linear association between individual consideration and organizational culture since the sig-value of divergence from linearity was 0.000 which was less than 0.05 ($F(12, 112) = 3.485, p < 0.05$).

Table 14: Correlation Analysis between Transformational Leadership Variables and Organizational Culture

	Organizational Culture	Idealised Influence	Inspirational Motivation	Intellectual Stimulation	Individual Consideration
Organizational Culture	1				
Idealized Influence	.449**	1			
Inspirational Motivation	.000		1		
Intellectual Stimulation	.498**	.698**	.000	1	
Individual Consideration	.516**	.634**	.717**	.000	1
	.000	.000	.000	.611**	
	.626**	.503**	.591**	.000	
	.000	.000	.000	.000	

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

Note. Researcher (2023).

Table 14 shows that there existed a statistically significant linear association between idealised influence and organizational culture ($r=0.449$, $p<0.05$); inspirational motivation and organizational culture ($r=0.498$, $p<0.05$); intellectual stimulation and organizational culture ($r=0.516$, $p<0.05$); and individual consideration and organizational culture ($r=0.626$, $p<0.05$).

Since linearity results had indicated two variables as being linearly related (idealized influence and intellectual stimulation) and two variables as not being linear related (inspirational motivation and individual consideration). A correlation analysis test was conducted to assess the existing associations between the study's independent variables - idealized influence, inspirational motivation, intellectual stimulation, and individual consideration – and the dependent variable (organizational culture).

Table 15: Multicollinearity Test for between Transformational Leadership Variables and Organizational Culture

<i>Model</i>	<i>Collinearity Statistics</i>	
	Tolerance	VIF
(Constant)		
Idealized Influence	.474	2.111
Inspirational Motivation	.369	2.710
Intellectual Stimulation	.409	2.444
Individual Consideration	.575	1.738
a. Dependent Variable: Organizational Culture		

Note. Author (2024).

Table 15 demonstrates that the acquired VIF for all the variables ranged between 1 and 5, indicating that there were no signs of multicollinearity symptoms detected between the research variables.

b. Dependent Variable: Organizational Culture
Coefficients^a

	Unstandardized		Standardized		
	Coefficients		Coefficients		
Model	B	Std. Error	Beta	t	Sig.
1 Constant	1.872	.457		4.098	.000
Idealized Influence	.551	.104	.449	5.291	.000

a. Dependent Variable: Organizational Culture

Note. Author (2024).

Table 16 shows that the regression coefficients of idealized influence (Sig = 0.000 < p 0.05) was positive and statistically significant at the 5% level of significance and thus, it significantly influenced the organizational culture of Kenyan commercial banks listed in the NSE. The subsequent regression equation was deduced from the results:

$$Y = \frac{1.872}{(0.457)} + \frac{0.551X_1}{(0.104)}$$

From the statistical regression analysis provided above, it can be noted that idealized influence has a significant influence on the organizational culture of Kenyan commercial banks listed in the NSE. This denotes that a unit change in idealized influence would affect organizational culture by 55.1%. This therefore implies that idealized influence had a great influence on the organizational culture of Kenyan commercial banks listed in the NSE ($\beta=0.551$ $t(113) = 5.291$, $p<0.05$).

Regression Analysis between inspirational motivation and Organizational Culture.

The second objective of the study was to establish the effect of inspirational motivation on organizational culture in commercial banks listed in the NSE. Table.16 presents the outcome of the linear regression analysis that sought to determine the

level of influence that inspirational motivation had on the organizational culture in commercial banks listed in the NSE.

Table 17: Regression Analysis between Inspirational Motivation and Organizational Culture

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.498 ^a	.248	.241	.43273		
a. Predictors: (Constant), Inspirational Motivation						
ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.849	1	6.849	36.575	.000 ^b

Residual	20.786	111	.187		
Total	27.635	112			
a. Predictors: (Constant), Inspirational Motivation					
b. Dependent Variable: Organizational Culture					
Coefficients ^a					
	Unstandardized		Standardized		
	Coefficients		Coefficients		
Model	B	Std. Error	Beta	t	Sig.
1 Constant	1.689	.430		3.927	.000
Inspirational Motivation	.594	.098	.498	6.048	.000
a. Dependent Variable: Organisational Culture					

Note. Author (2024).

Table 17 shows that the regression coefficient of inspirational motivation (Sig = 0.000 < p 0.05) was positive and statistically significant at the 5% level of significance and thus, it significantly influenced the organisational culture of Kenyan commercial banks listed in the NSE.. The subsequent regression equation was deduced from the results:

$$Y = \frac{1.689}{(0.430)} + \frac{0.594X_2}{(0.098)}$$

From the statistical regression analysis provided above, it can be noted that inspirational motivation has a significant influence on the organizational culture of Kenyan commercial banks listed in the NSE. This denotes that a unit change in inspirational motivation would affect organizational culture by 59.4%. This therefore implies that inspirational motivation had a great influence on the organizational culture of Kenyan commercial banks listed in the NSE ($\beta=0.594$ $t(113) = 6.048$, $p<0.05$).

Regression Analysis between Intellectual Stimulation and Organizational Culture.

The third objective of the study was to find out the effects of intellectual stimulation on organizational culture in commercial banks listed in the NSE. Table 18 presents the outcome of the linear regression analysis that sought to determine the level of influence that intellectual stimulation had on the organizational culture in commercial banks listed in the NSE.

Table 18: Regression Analysis between Intellectual Stimulation and Organizational Culture

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.516 ^a	.267	.260	.42726
a. Predictors: (Constant), Intellectual Stimulation				

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.372	1	7.372	40.383	.000 ^b
	Residual	20.263	111	.183		
	Total	27.635	112			

a. Predictors: (Constant), Intellectual Stimulation

b. Dependent Variable: Organizational Culture

Coefficients^a

	Unstandardized		Standardized		
	Coefficients		Coefficients		
Model	B	Std. Error	Beta	t	Sig.
1 Constant	1.592	.425		3.749	.000
Intellectual Stimulation	.621	.098	.516	6.355	.000

a. Dependent Variable: Organizational Culture

Note. Author (2024).

Table 18 shows that the regression coefficient of intellectual stimulation (Sig = 0.000 < p 0.05) was positive and statistically significant at the 5% level of significance and thus, it significantly influenced the organizational culture of Kenyan commercial banks listed in the NSE. The subsequent regression equation was deduced from the results:

$$\gamma = \frac{1.592}{(0.425)} + \frac{0.621\chi_3}{(0.098)}$$

The finding from the statistical regression analysis provided above demonstrates that intellectual stimulation has a significant influence on the organizational culture of Kenyan commercial banks listed in the NSE. This denotes that a unit change in intellectual stimulation would affect organizational culture by

62.1%. This therefore implies that intellectual stimulation had a great influence on the organizational culture of Kenyan commercial banks listed in the NSE ($\beta=0.621$ $t(113) = 6.355$, $p<0.05$).

Regression Analysis between Individual Consideration and Organizational Culture

The fourth objective of the study was to evaluate the role of individual consideration on organizational culture in commercial banks listed in the NSE. Table 18 presents the outcome of the linear regression analysis that sought to determine the level of influence that individual consideration had on the organisational culture in commercial banks listed in the NSE

Table 19: Regression Analysis between Individual Consideration and Organizational Culture

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.626 ^a	.392	.386	.38917

a. Predictors: (Constant), Individual Consideration

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.823	1	10.823	71.460	.000 ^b
	Residual	16.812	111	.151		
	Total	27.635	112			

a. Predictors: (Constant), Individual Consideration

b. Dependent Variable: Organizational Culture

Coefficients^a

	Unstandardized		Standardized		
	Coefficients		Coefficients		
Model	B	Std. Error	Beta	t	Sig.
1 Constant	.731	.421		1.735	.085
Individual Consideration	.820	.097	.626	8.453	.000

a. Dependent Variable: Organizational Culture

Note. Author (2024).

Table 21 shows that the regression coefficient of intellectual stimulation (Sig = 0.000 < p 0.05) was positive and statistically significant at the 5% level of significance and thus, it significantly influenced the organisational culture of Kenyan commercial banks listed in the NSE. The subsequent regression equation was deduced from the results:

$$\gamma = \frac{0.731}{(0.421)} + \frac{0.820\chi^4}{(0.097)}$$

The finding from the statistical regression analysis provided above clearly indicates that individual consideration has a significant influence on the organisational culture of Kenyan commercial banks listed in the NSE. This denotes that a unit change in individual consideration would affect organizational culture by 82%. This therefore implies that individual consideration had a great influence on the organizational culture of Kenyan commercial banks listed in the NSE ($\beta=0.820$ $t(113) = 8.453$, $p<0.05$).

Regression Analysis between Transformational Leadership Variables and Organizational Culture

A multiple linear regression was used to predict the influence of transformational leadership on organizational culture of commercial banks listed in the NSE based on the joint influence of transformational leadership variables idealized influence (X1), inspirational motivation (X2), intellectual stimulation (X3), and individual consideration (X4). This is demonstrated in Table 19.

Table 20: Regression Analysis between Transformational Leadership Variables and Organizational Culture

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.655 ^a	.430	.408	.38204		
a. Predictors: (Constant), Idealised Influence, Inspirational Motivation, Intellectual Stimulation, Individual Consideration						
ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.872	4	2.968	20.335	.000 ^b
	Residual	15.763	108	.146		
	Total	27.635	112			
a. Predictors: (Constant), Idealized Influence, Inspirational Motivation, Intellectual Stimulation, Individual Consideration						
b. Dependent Variable: Organizational Culture						
Coefficients ^a						
		Unstandardized		Standardized		
		Coefficients		Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	Constant	.160	.470		.341	.734
	Idealized Influence	.101	.130	.083	.782	.436
	Inspirational Motivation	.091	.143	.077	.640	.524
	Intellectual Stimulation	.153	.137	.127	1.121	.265
	Individual Consideration	.604	.125	.461	4.813	.000
a. Dependent Variable: Organisational Culture						

Note. Author (2024).

Table 20 shows that jointly, the regression coefficients of idealized influence (Sig = 0.436 > p 0.05); inspirational motivation (Sig = 0.524 > p 0.05); and intellectual stimulation (Sig = 0.265 > p 0.05) were positive, but jointly statistically insignificant at the 5% level of significance and thus, it implies that they insignificantly influenced the organizational culture of Kenyan commercial banks listed in the NSE. However, the coefficients of individual consideration (Sig = 0.000 < p 0.05) was positive, and statistically significant at the 5% level of significance and thus, it thus it positively and significantly influenced the organizational culture of Kenyan commercial banks listed in the NSE. Thus, the subsequent regression equation was deduced from the results:

$$\gamma = \frac{0.160}{(0.470)} + \frac{0.101\chi_1}{(0.130)} + \frac{0.091\chi_2}{(0.143)} + \frac{0.153\chi_3}{(0.137)} + \frac{0.604\chi_4}{(0.125)}$$

From the statistical regression analysis provided above, it can be noted that transformational leadership variables influence the organizational culture of Kenyan commercial banks listed in the NSE. This demonstrates that a unit change in idealized influence would affect organizational culture by 10.1%, while for inspirational motivation would be 9.1%, for intellectual stimulation would be 15.3%, and for individual consideration it would affect the culture by 60.4%. Transformational leadership factors positively contribute to the organizational culture of Kenyan commercial banks listed in the NSE even though individual consideration was the most significant variable.

Discussion

The descriptive analysis indicated that the four independent variables have a positive relationship with organizational culture as per the responses on each of the constructs on the structured questionnaire. When subjected to the linear regression model, the four independent variables were positive but insignificant above the 5% confidence

level of significance. Only one independent variable; individual consideration was positively significant at .000. This denotes that a unit change in individual consideration would affect the organizational culture of commercial banks listed in the NSE by 60.4%.

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter provides the summary of findings, conclusions drawn from the results, and recommendations to policy makers and scholars. The first section focuses on an overview of the summary of findings drawn from data analysis. The second section examines the ramifications and implications of the study findings and conclusions. The chapter ends with recommendations to policy makers and suggestions of areas for additional study.

Summary of Findings

This study sought to determine the influence of transformational leadership on organizational culture in commercial banks listed in the NSE by assessing the effect of idealized influence, establishing the influence of inspirational motivation, examining the contribution of intellectual stimulation, and evaluating the role of individual consideration on organizational culture in commercial banks listed in the NSE.

Idealised influence and organizational culture of commercial banks listed in the NSE

The first objective of the study was to assess the effect of idealized influence on organizational culture in commercial banks listed in the NSE. In view of how the predictor variables transformational leadership variables - idealized influence, inspirational motivation, intellectual stimulation, and individual consideration;

influenced the dependent variables, the following patterns were discovered.

Individually, transformational leadership variables positively and significantly affected and influenced the organizational culture of commercial banks listed in the NSE. Idealized influence was noted to have a significant influence on the organizational culture of commercial banks listed in the NSE. Descriptively, the most significant variable was purpose driven leadership style being an important aspect of leadership. It was observed that there existed a statistically significant linear association between idealized influence and organizational culture, and that a unit change in idealized influence would affect organizational culture by 55.1%. This implied that idealized influence had a great influence on the organizational culture of Kenyan commercial banks listed in the NSE. The regression coefficients of idealized influence ($\text{Sig} = 0.000 < p 0.05$) was positive and statistically significant at the 5% level of significance and thus, it significantly influenced the organizational culture of Kenyan commercial banks listed in the NSE.

Inspirational motivation and organizational culture of commercial banks listed in NSE

The second objective of the study was to establish the influence of Inspirational motivation on organizational culture in commercial banks listed in the NSE.

Inspirational motivation was also noted to have a significant influence on the organizational culture of commercial banks listed in the NSE. Descriptively, the most significant variable was the managers promoted team spirit at all times in order to create cohesion in the banks. The results showed that there existed a statistically significant linear association between inspirational motivation and organizational culture, and that a unit change in inspirational motivation would affect organizational

culture by 59.4%. This also implied that inspirational motivation had a great influence on the organizational culture of Kenyan commercial banks listed in the NSE.

Similarly, the regression coefficient of inspirational motivation ($\text{Sig} = 0.000 < p 0.05$) was positive and statistically significant at the 5% level of significance and thus, it significantly influenced the organizational culture of Kenyan commercial banks listed in the NSE.

Intellectual stimulation and organizational culture of commercial banks listed in NSE

The third objective of the study was to examine the contribution of Intellectual stimulation on organizational culture in commercial banks listed in NSE. Intellectual stimulation was observed to have a significant influence on the organizational culture of commercial banks listed in the NSE. Descriptively, the most significant variable was that the employees were encouraged to think critically and challenge the status quo within the banks. The results showed that there existed a statistically significant linear association between intellectual stimulation and organizational culture, and that a unit change in intellectual stimulation would affect organizational culture by 62.1%. This implied that intellectual stimulation had a great influence on the organizational culture of Kenyan commercial banks listed in the NSE. The regression coefficient of intellectual stimulation ($\text{Sig} = 0.000 < p 0.05$) was positive and statistically significant at the 5% level of significance and thus, it significantly influenced the organizational culture of Kenyan commercial banks listed in the NSE.

Individual consideration and organizational culture of commercial banks listed in the NSE

The fourth objective of the study was to evaluate the role of individual consideration on organizational culture in commercial banks listed in NSE. Individual consideration was also noted to have a significant influence on the organizational culture of commercial banks listed in the NSE. Descriptively, the most significant variable was that personal growth was considered instrumental at all levels in the organization. The results showed that there existed a statistically significant linear association between individual consideration and organizational culture, and that a unit change in individual consideration would affect organizational culture by 82%. This also implied that individual consideration had a great influence on the organizational culture of Kenyan commercial banks listed in the NSE. The regression coefficient of intellectual stimulation ($\text{Sig} = 0.000 < p 0.05$) was positive and statistically significant at the 5% level of significance and thus, it significantly influenced the organizational culture of Kenyan commercial banks listed in the NSE.

Joint effect of the four independent variable on the dependent variable

The study data when examined using diagnostic tests to ensure that the collected data for transformational leadership variables; idealised influence, inspirational motivation, intellectual stimulation, and individual consideration was fit for analysis. The outcome showed that the study data for all the variables were normally distributed and did not have multicollinearity symptoms, moreover all the variables (independent and dependent) were linearly related. Jointly, the regression coefficients of idealised influence ($\text{Sig} = 0.436 > p 0.05$); inspirational motivation ($\text{Sig} = 0.524 > p 0.05$); and intellectual stimulation ($\text{Sig} = 0.265 > p 0.05$) were positive, but jointly statistically insignificant at the 5% level of significance and thus,

it implies that they insignificantly influenced the organizational culture of Kenyan commercial banks listed in the NSE. The outcome revealed that jointly, the level of influence for idealized influence, inspirational motivation, and intellectual stimulation remained positive, but insignificant, and only individual consideration remained positive and significant in influencing the organizational culture of commercial banks listed in the NSE.

Conclusions

Based on the study results and outcomes, the following conclusions are hereby drawn. Each of the independent variables analyzed individually had a positive and significant effect on the organizational culture of banks listed in the NSE. Idealized influence was significant to the organizational culture of Kenyan commercial banks listed in the NSE since it positively and significantly influenced it. The bank managers understood the value of being charismatic leaders and they strived to show empathy to all their employees. The managers understood the value of leading by example, thus they led from the front when it came to work commitment. Purpose driven leadership style was an important aspect of leadership since it valued identifying team needs.

Inspirational motivation was significant to the organizational culture of Kenyan commercial banks listed in the NSE since it positively and significantly influenced it. The bank managers understood the value of creating a sense of belonging for all employees, and there were clear goals for teams and every employee throughout the organization. The vision of the organization was articulated clearly, while team spirit was promoted at all times in order to create cohesion. The goals of the employees and those of the organization were supported in equal measure, and workers were motivated through challenges that improved their skills.

Intellectual stimulation was significant to the organizational culture of Kenyan commercial banks listed in the NSE since it positively and significantly influenced it. The organization's leadership promoted creativity in performing tasks by rewarding employees for innovativeness. Team decision making was promoted at all levels since organizational problems were solved through an all-inclusive mechanism. Employees were encouraged to think critically and challenge the status quo by bring in new ideas of dealing with challenges, and new ways of service delivery.

Individual consideration was significant to the organizational culture of Kenyan commercial banks listed in the NSE since it positively and significantly influenced it. This was the most positively significant variable in the joint regression analysis. The bank managers coached team members individually to enable them to offer their best to the organization thus ensuring that the needs of each and every member of the team was attended to by management. Mentorship programs had been put in place by the organization, as well as reward programs for individual contribution to achievement of work goals. Personal growth was considered instrumental at all levels in the organization and the management team encouraged self-fulfilment for all members of the organization since personal values are put into consideration in goal setting.

Recommendations to policy makers

The following recommendations are offered regarding the effect of transformational leadership on the organizational culture of Kenyan commercial banks listed in the NSE in light of the study's results, and conclusions. Idealized influence was critical in affecting the organizational culture of commercial banks. Therefore the study recommends the managers of these institutions and other like-minded executives to adopt a purpose driven leadership style which was identified as

an important aspect of leadership. The managers should focus on providing the employees with clearly stated goals and objectives, while giving them purpose driven tasks.

On inspirational motivation, the senior bank managers and other leaders in all public and private sectors should focus on promoting employees' team spirit at all times in order to create cohesion in the banks. This would positively affect the organizational culture of the banks and would lead to the formation of better teams that would affect their performance. Motivated employees are likely to instil the same culture to their successors and this would lead to higher performance of the firm.

To improve on intellectual stimulation, all managers should encourage all their employees to think critically and challenge the status quo. This means that the banks should invest in training their employees and minimize the provision of repetitive task jobs as much as possible. Employees should be allowed to use their skills to achieve organizational goals and objectives. This likely to foster a culture of creativity and innovativeness amongst all stakeholders.

Individual consideration which was the most significantly positive variable in the relationship with organizational culture calls for bank managers to allow and encourage the personal growth of employees through enhanced training and development programs. The benefits thereof are likely to trickle and permeate the entire organization. Where organizations cannot provide the requisite training, employees should be allowed to seek skill improvement on their own, and a platform be provided for them to pursue a career growth path. This would translate to employee retention and talent management.

Areas for Further Research

This study focused on transformational leadership variables; idealized influence, inspirational motivation, intellectual stimulation, and individual consideration which independently and jointly affected the organizational culture of Kenyan commercial banks listed in the NSE. These limited the outcome to these specific variables, and did not account for other moderating variables that could significantly affect organizational culture. Therefore, more research could be directed towards other factors or account for moderating variables that could influence the outcome of the effect of transformational leadership variables on culture.

Secondly, the other leadership styles including democracy, transactional, servant leadership, authoritarianism, laissez-faire, and autocracy can also be examined with the aim of assessing their influence on organizational culture within banks listed in the NSE and the entire finance industry. This scope would enable commercial banks and other institutions to settle for and apply the best suited leadership style that provides an organizational culture that provides a conducive environment for optimal performance from employees.

Finally, the scope of the study was commercial banks listed in the NSE. There is a need for a similar study to be conducted in other commercial banks not listed in the NSE for comprehensive results. Moreover, the scope could be widened to cover the entire financial sector, before being extended to other industries within the country, region, and globe.

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APPENDICES

APPENDIX I: LETTER OF INTRODUCTION

Evalyn Anyango Oloo
C/O Pan African Christian University
15th April 2023
Dear Respondent,

My name is Evalyn Anyango a postgraduate student studying a Masters' degree in Leadership at Pan African Christian University (PAC.) In line with the requirements of examination of the Master's Program, I am supposed to undertake a research on any ideal topic in the scope of leadership. I have developed a topic on **the effects of transformational leadership and organizational culture of banks listed in the Nairobi Securities Exchange (NSE)**. I humbly request for your time and indulgence in filling the attached questionnaire to the best of your ability. The data and information gathered will enable me solve the research problem. My pledge to you is that this study is guided by the tenets of confidentiality and anonymity, thus all information is safe with me. It will not be used for other reasons than as per the scope of this study.

It is my hope that you will find a few minutes to respond. Kindly sign the space herein to give your consent that you will give relevant data for sole use in this study:

Participants Name: -----

Date:-----

Signature: -----

APPENDIX II: QUESTIONNAIRE FOR MANAGERS OF LISTED COMMERCIAL BANKS

This questionnaire seeks to collect information on transformational leadership and organizational culture; the case of commercial banks listed on the Nairobi Securities Exchange. It will only take a few minutes of your time and information obtained will be treated confidentially.

Instructions

Please fill questions by putting a single tick (√) on the applicable case

The questionnaire starts at question 1 and ends at question 30.

1. Kindly indicate your gender.

a) Male ()

b) Female ()

2. Age

a) Below 30 years ()

b) Between 30-40 years ()

c) Between 41-50 years ()

d) Above 50 years ()

3. Kindly indicate how long you have been working for the listed bank?

a) Less than 5 years ()

b) Between 5-10 years ()

c) Between 10-20 years ()

d) More than 20 years ().

4. Education

- a) College ()
- b) Undergraduate ()
- c) Post Graduate ()

5. Below are statements on transformational leadership and organizational

culture at the commercial bank. You are required to rate them, in respect to

their actual and fair representation of what you perceive as factual. Kindly rate

them in a scale of 1 to 5 where 1 is strongly disagree, 2 is disagree, 3 is neutral

4 is agree and lastly, 5 is strongly agree.

Idealized Influence	1	2	3	4	5
1. I understand the value of being charismatic leader					
2. I strive to show empathy to all my employees					
3. I understand the value of leading by example					
4. I lead from the front when it comes to work commitment					
5. Purpose driven leadership style is an important aspect of leadership					
6. I understand the value of identifying my team needs					
Inspirational Motivation					
1. I understand the value of creating sense of belonging for all employees.					
2. There are clear goals for teams and every employees throughout the organization					
3. The vision of the organization is articulated clearly					
4. I promote team spirit at all times in order to create cohesion					

5. The goals of the employees and those of the organization are supported in equal measure					
6. Workers are motivated through challenges that improve their skills					
Intellectual Stimulation					
1. The organization's leadership promotes creativity in performing tasks					
2. Employee innovativeness is rewarded					
3. Team decision making is promoted at all levels					
4. Organizational problems are solved through an ill-inclusive mechanism					
5. Employees are encouraged to think critically and challenge the status quo					
6. New ideas of dealing with challenges are welcome by management					
7. New ways of service delivery are encouraged by management					
Individual Consideration					
1. Managers coach team members individually to enable them offer their best to the organization					
2. The needs of each and every member of the team is attended to by management					
3. Mentorship programs are put in place by the organization					
4. Organizations rewards individual contribution to achievement of work goals					
5. Personal growth is considered instrumental at all levels in the organization					
6. The management encourages self-fulfilment for all members of the organization					
7. Personal values are put into consideration in goal setting					
Organisational culture					
1. Employee morale towards work commitment is high					

2. Employees shows healthy associations within themselves					
3. Employees are commitment to organizational vision and goals					
4. There is positive corporate togetherness					
5. The organization is team and people oriented					

.....The End.....

APPENDIX III: RESEARCH AUTHORIZATION AND ETHICS CLEARANCE

4TH MAY, 2023

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

**RE: RESEARCH AUTHORIZATION & ETHICS CLEARANCE LETTER FOR
OLOO EVALYN ANYANGO REG. NO: MALD/12625/0/18**

Greetings! This is an introductory letter for the above named person a final year student at Pan Africa Christian University (PAC University), pursuing the degree of Master of Arts in Leadership.

She is at the final stage of the programme and is preparing to collect data to enable her finalise on the Thesis. The Thesis title is ***“Transformational Leadership and Organisational Culture, The Case of Commercial Banks Listed on the Nairobi Securities Exchange”***.

We kindly request that you allow her obtain a research permit so as to proceed and conduct research within Commercial Banks Listed on the Nairobi Securities Exchange, Nairobi, Kenya.

Warm Regards,

Liliana

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APPENDIX IV: NACOSTI RESEARCH PERMIT

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Ref No: 942719	Date of Issue: 31/July/2023
RESEARCH LICENSE	
	
This is to Certify that Ms.. Evalyn Anyango Oloo of Pan Africa Christian University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Kisumu, Mombasa, Nairobi, Nakuru on the topic: TRANSFORMATIONAL LEADERSHIP AND ORGANISATIONAL CULTURE, THE CASE OF COMMERCIAL BANKS LISTED ON THE NAIROBI SECURITIES EXCHANGE for the period ending : 31/July/2024.	
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