# ORGANIZATIONAL LEADERSHIP AND PERFORMANCE OF CO-OPERATIVE BANK OF KENYA

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## ABSTRACT

The banking industry in Kenya operates in an ever changing environment which is often manifested by innovative technology and demands of their customers forcing them to keep on changing their strategies so as to enhance their performance. The effects of dynamic environment have led cooperative bank to face challenges in achieving their expected performance due to high competition posed by the other commercial and non commercial banks. Therefore, in a highly uncertain and changing environment the bank needs to effectively implement their strategies. This study aimed at assessing the influence of organizational leadership on Co-Operative Bank of Kenya's performance. The study was anchored by resource based view theory, leadership contingency model theory, stewardship theory and the path goal theory. Descriptive survey research design was utilized. The target population was comprised of 148 respondents involving the top level management, middle-level and Lower-level managers. Data was collected using questionnaires and analysed using both descriptive and regression statistics. The study established that organizational leadership had a positive and significant influence on organizational performance. The study concludes that organizational leadership determines the strengths and weaknesses of different employees and delegate work accordingly. The study recommends that the leadership of the bank should create an organizational culture where people know they are valued, heard, empowered and encouraged.


***Key Words:*** *organizational leadership, performance, Co-operative Bank of Kenya*

## INTRODUCTION

Today's turbulent business environment is characterized by uncertainty and inability to predict the future is extremely challenging and thus requires the development of new competencies. Therefore, it can be argued that environmental characteristics have a significant influence on organization's strategic orientations (Suikki, Tromstedt & Haapasalo, 2016). According to Keats and Hitt (2017) the complex industry environment is seen as multidimensional, with numerous and differentiated effects on various organizational characteristics and processes. Therefore, organizations must continue to adjust to their markets by remaining dynamic and changing their strategies as changes in their environments dictate.

According to Miller and Cardinal (2014), the use of strategic management enables firms define their strategies which provide a central purpose and direction to its activities to people who work in the firm and often to the outside world. Strategic planning and implementation enables firms to adapt under conditions of external pressure caused by changes in environment. Firms can and often do create their environment besides reacting to it. Strategic planning and management helps firms develop competitive strategies (Johnson & Scholes, 2012). In developing strategy, firms carry out an analysis of their environment, their industry and competitors and gauge how they can outperform their competitors

## Organizational Leadership and Performance

Organizational leadership has been shown to be the main driver behind employee behaviors in the areas of service quality. Commitment in the workplace can take various forms and, arguably, have potential to influence organizational effectiveness (Babakus, Yavas & Karatepe, 2015). Leadership is critically important because it affects the condition of the organization. Cascio, Mariadoss and Mouri (2017) argue that any organization requires effective leaders who can positively influence their followers by increasing employee engagement in order to support business performance.

Organizational performance comprises the actual output or results of an organization as measured against intended goals and objectives (Will, 2015). In other words, the author observe that organizational performance can be understood by how well an organization is doing to achieve its goals. It is very important for the owners or managers of an organization to know the performance rate of their organization to be able to know what changes they can introduce. Gustafson, Sainfort, Eichler, Adams, Bisognano and Steudel (2016) argue that without the knowledge of the performance, it will be difficult for the executives of the organization to know when exactly changes are needed in the organization.

Organization performance is about how effectively managers use the available resources to satisfy customers' needs and accomplish organization's goals. However, poor organizational performance forms the basis for the organization management to think of strategic change process. This maybe reflected from the profit margin or market share of the organization (Muogbo, 2013). Short and Palmer (2016) observe that when the management of an organization is faced with this situation, they will start the search for better management or organizational strategies that will be able to improve the situation of the organization.

The performance of an organization must be calculated not only based on marketplace share, return on investment and the profitability, but there is a need to encompass both the qualitative and quantitative restrictions of measurement (Markiewicz, 2015). Al-Haddad and Kotnour (2015) indicate that organizational performance entails goal accomplishments through the transformation of inputs into outputs. This therefore, means that the performance is based on financial and non-financial aspects of the organization.

Angle and Perry (2015) indicate that every organization seeks to be more effective and achieve superior results. Efficiency is linked to an organization's ability to design a unique model of embracing business opportunities through exchange relationships and its therefore an important way in which the organization interacts with its environment to generate a sustainable growth. Guajardo (2015) argue that to create organizational effectiveness, business leaders need to focus on aligning and engaging their people, the people management systems, and the structure and capabilities including organizational culture to the strategy.

## Co-Operative Bank of Kenya

The Co-operative (Co-op) Bank of Kenya Limited operates as an incorporation under the Kenyan Company Act and is likewise authorized to provide banking services under the Banking Act. Before its incorporation in the banking industry, the Bank was at first enrolled under the Co-operative Societies Act in 1965. However, its status and operations as a cooperative ended on 27th June 2008 when it was incorporated under the Companies Act by the Bank's Special General Meeting to fulfil the set standards for placement in the Nairobi Stock Exchange (NSE) (Co-operative Bank of Kenya, 2017).

The Bank opened up to the world and was recorded on 22nd December, 2008. The Bank operates three backup enterprises including Kingdom Securities Limited, which is a stockbroking firm with the bank and controlling 60% stake. It also owns Co-opTrust Investment Services Limited, the reserve the board auxiliary completely claimed by the bank. The third firm is called Co-operation Consultancy and Insurance Agency Limited (CCIA), the corporate money, monetary warning, and limit building auxiliary entirely possessed by the bank.

Co-operative Bank of Kenya has started a pile of new systems with an introduction towards continued global development, limit working in ICT framework, corporate social investment, reestablished client center, associations and items, and human capital administration. The bank’s loans grew by 16.1% translating to Ksh213.7 billion. The bank also registered a significant growth in its deposits which rose by 12.4% translating to Ksh267.4billion. Co-Operative Bank of Kenya South Sudan made a net profit of just Ksh11.5 million from its four branches. Although the bank registered a significant rise in its profit margins, it also experienced an upsurge in its non-performing loans. Currently, the banks control a huge clientele with 144 branches and over 6 million account holders (Co-operative Bank of Kenya, 2017).

## STATEMENT OF THE PROBLEM

Co-Operative Bank in Kenya is as of now working in an increasingly unique business condition created by a strong clientele and standards established by Central Bank of Kenya thus affecting their objectives. To counter these changes, Co-Operative Bank requires legitimate strategy plan and implementation to improve performance and guarantee manageability. Throughout the years the performance of Co-Operative bank in Kenya has been an issue of concern (Muriuki, 2016). Similarly, the recent decline in the performance of Co-Operative Bank of Kenya has raised concerns in all corners of the banking sector. On August 22, 2017, Co-Operative Bank of Kenya reported it's the Half Year 2017 results with after-tax profit declining by 10.4% to Sh 6.64 Billion. Total interest income declined by 10.3% to Sh 19.26 Billion while net interest income also fell by 7.2% to Sh 13.4Billion (Co-Operative Bank of Kenya, 2017). The bank attributed the decline to the tight operating environment especially with the capping of interest rates, general economic slowdown, currency devaluation and hyperinflation in South Sudan. Also, while some of Co-Operative Bank's products and services such as Co-Operative Bank of Kenya M-Benki, Advantage Banking, and Co-Operative Bank of Kenya Internet Banking have experienced successful implementation, some of the bank products and services stalled due to poor planning and implementation, thus, leading to the poor organizational performance of the bank. In this manner, so as to accomplish its proposed targets, it needs to viably execute its picked procedures to support its upper hand and remain a beneficial bank in the area. Strategy implementation which includes making an interpretation of the procedures plans enthusiastically. Is tied in with allotting adequate assets, corporate correspondence which includes appointing duties regarding explicit undertakings or procedures to explicit people or gatherings and setting up a level of leadership is critical as the performance of an organization depends primarily on strategy execution (Thompson and Strickland, 2003). For success to be achieved, there must be a proper strategy implementation mechanism to overcome the challenges that are often encountered during implementation (Johnson and Scholes, 2003). Few studies have been carried out on strategy implementation and performance or organizations. In respect to resource allocation and performance, studies undertaken include Aral and Weill (2007); Luke (2015); Ruhara and Moronge (2016). However, these studies were conducted for non-profit organizations and also for commercial banks in Nigeria. Thus, there exists a contextual gap as the findings of these studies cannot be generalized for the Co-Operative Bank of Kenya. Similarly, regarding corporate communication and performance, studies undertaken include Rappert and Wren (2010); Bobby (2013); Ahmed (2014). However, the findings of these studies were centered on Microfinance Institutions and startup companies. Therefore, the findings of these studies cannot be applied to the Co-Operative Bank of Kenya. Furthermore, in respect to organizational leadership, the studies conducted include Kieu (2010); Zehir, Ertosun, Zehir, and Müceldili (2011); Ojokuku, Odetayo, and Sajuyigbe (2012); Edoka (2012). However, these studies were conducted in the context of IT firms, multinational companies, Nigerian banks, and government parastatals respectively. Similarly, the above-mentioned studies did not consider the operating environment and its moderating impacts on the relationship that exists between the implementation of a business strategy and performance. A huge research gap exists in Kenya on how the performance of bank is influenced by the implementation of organizational strategy. Owing to the significant role of a business strategy and its effect on performance, this research aims at filling the gap investigating how strategy implementation influences Co-operative Bank performance. Furthermore, the operating environment of commercial banks is characterized by uncertainties of various factors such as interest rates, inflation rates, and exchange rates among others. Therefore, this study also studied the moderating impact of the operating environment on the link between organizational leadership and Co-op Bank of Kenya's performance.

## RESEARCH OBJECTIVE

To determine out the influence of organizational leadership on performance Co-operative Bank of Kenya.

## THEORETICAL LITERATURE REVIEW

### Resource Based View Theory

This study was based on Resource Based Theory by Penrose (1959). According to Grant (1991) the Resource Based Theory (RBV) approach to competitive advantage contends that internal resources are more important for a firm than external factors in achieving and sustaining competitive advantage. In this view, organizational performance is primarily determined by internal resources including physical resources, human resources and organizational resources. Grant (2010) observe that the resource based view of organizations present different perspectives on how best to capture and keep competitive advantage. A firm must strive to achieve sustained competitive advantage by continually adopting to changes in external trends and events and internal capabilities, competences and resources and by effectively formulating, implementing and evaluating strategies that capitalize upon those factors.

This theory was relevant to the study because RBV sees resources as key to superior firm performance. If a resource exhibits value, rare, immutability and organizational attributes, the resource enables the firm to gain and sustain competitive advantage. Organizations should look inside the company to find the sources of competitive advantage instead of looking at competitive environment for it. Sustained competitive advantage can be achieved more easily by exploiting internal rather than external factors as compared to organization input-output view.

### Leadership Contingency Model Theory

Fiedler (1964) presents the theory of Fiedler leadership contingency model theory in which the author proposes that effective strategy implementation depended upon the proper match between a leaders' ability to lead is contingent upon situational factors that include the leaders' capabilities, preferred style, and behavior, competency of employees. This theory propounded that leaders should adopt that style which best to the situation and immediately stimulate the employee performance.

This theory was relevant to the study as it shows that an effective leader has a responsibility to provide guidance and share the knowledge to the employee to lead them for better performance and make them expert for maintaining the quality of work during project implementation process and providing necessary support to project team members is such a great responsibility. The introduction of clear standards of leadership promotes the core values and maturity on their role and responsibility thus effective and efficient strategy implementation towards better organizational performance. This theory explains organizational leadership variable.

## Stewardship Theory

The most significant element of stewardship theory is trust. Stewardship theory is an substitute rather than association theory, and it has grabbed a fair balance among various organization scientists. While association theory develops the doubt of authoritative favorable position, which prompts the prerequisite for sheets to be dynamic in controlling and checking, stewardship theory acknowledge that boss, all things considered, should be trusted as extraordinary stewards (Huse, 2007).

Stewardship researchers understand the uncertainties in office theory about restricted mental stability. They understand and appreciate the existence of different kinds of motivation for executives: While some of the directors are likely to get their motivation from non-cash related inspirations, facing challenges and overcoming them, other get inspired by monetary rewards and expect to get common prizes for them to get satisfaction through their work. The boss should not be viewed as sly performing experts but as people pursuing to work outstandingly. Stewardship theory disregards the basic assumptions of contention of interest. As opposed to viewing administrators as peculiar, astute and egocentric, stewardship theory holds that manager is dependable, approachable, and collectivistic (Huse, 2007)

Davis, Schoorman, and Donaldson (1997) investigate the foundational principles that differentiate an office and stewardship theory-based classes of individuals concerning mental and situational factors that incline people to basic boss associations in attachments. Association theory incorporates a monetary model of a man who is looked in a general sense self-serving indirect; while stewardship theory hoists the man to act normally finishing and an aggregate piece in nature. These energetic instruments are connected to the tenets of motivation, social examination, relationship, and the use of force with regards to the dynamic relationship tended to in the two hypotheses. The situational factors discussed join organization point of view, culture, and power discrete. The multifaceted nature of organization associations are penniless down through association theory, and the choice of stewardship theory emphasize managerial motivation (IDM, 2015).

The purpose of this theory in this research is based on its association with managerial behavior, organization culture, personnel competency, and resource allocation. In this case, the theory will play a central role in the research by determining if the leadership of a company focuses on others and promoting the well-being of the community as opposed to the self (IDM, 2015).

## The Path Goal Theory

This study will be guided by the path-goal theory which was first introduced by Martin Evans (1970) and then further developed by House (1971). The path-goal theory, according to House (1971), presents two basic propositions. Firstly, ‘one of the strategic functions of the leader is to enhance the psychological states of subordinates that result in motivation to perform or in satisfaction with the job'. In other words, leaders need to be cognizant of the necessary steps to clarify goals, paths, and enhance satisfaction through extrinsic rewards, which will in turn increase subordinates' intrinsic motivation. Secondly, House asserted that particular situational leader behavior will accomplish the motivational function. The path-goal theory recognizes four leadership behaviors to increase subordinates' motivation.

Northouse (2013) indicate that the path-goal theory can best be thought of as a process in which leaders select specific behaviors that are best suited to the employees' needs and the working environment so that they may best guide the employees through their path in the obtainment of their daily work activities (goals). Path-goal theory is a system of leadership that emphasizes the setting and achieving of goals. Leaders use a path-goal approach because it's designed to increase employee motivation, empower team members and boost productivity hence organizational performance. This theory explains organizational process variable.

## EMPIRICAL REVIEW

Rureri, Namusonge and Mugambi (2017) study carried out an assessment on the role of top management support practice on organizational performance. The study adopted a descriptive survey research design that collected both qualitative and quantitative data through structured questionnaires. Descriptive statistics was used to analyze quantitative data while qualitative data was used to supplement interpretation of quantitative data. Testing of hypotheses was done using Analysis of Variance (ANOVA). The study revealed that top management support practice statistically significantly predicted the performance of Steel Manufacturing Companies in Kenya. However, the study was carried on steel manufacturing companies in Kenya.

A study carried out by Muijs (2011) focused on the influence of leadership on organizational performance. This paper is a literature review of key papers addressing the relationship between leadership and student outcomes. Key authors and journals in the field were consulted. Leadership has a significant indirect impact on student outcomes, though the role of contingency and school context in shaping leadership is important. Moreover, there is some evidence for impact of transformational, distributed and instructional leadership. However, the study used literature data but the current study will use primary data which will be collected using questionnaires.

Lee, Park and Baker (2018) study examined the moderating role of top management support on employees' attitudes in response to human resource development efforts. Based on the Korean Human Capital Corporate Panel survey data, 3,899 responses from 159 large companies were analyzed by adopting hierarchical multiple regression analysis and a regression-based path analysis. The results indicated that HRD efforts positively affected organizational commitment through job satisfaction. In addition, job satisfaction had a moderated mediation effect on the interaction of HRD efforts and top management support on organization commitment. However, the study used cross-sectional research design which does allow making of inferences.

## RESEARCH METHODOLOGY

### Research Design

The design of the research purposes to outline a plan which the researcher utilizes to conduct the study (Mugenda and Mugenda, 2003). In the current study, the researcher utilized a descriptive research design. Descriptive research design plays a significant role in gathering critical information regarding decision-making, current practices, suggestions, factual data, general views, opinions, and the interaction between the research variables thus was effective in investigating the influence of organizational leadership on performance of Co-Operative Bank of Kenya.

### Target Population

The structure of the Co-Operative Bank of Kenya has classified management staff into three categories which include Top level management, middle-level and Lower-level managers. In this study, the target population consisted of 148 respondents who comprised of Co-Operative bank's staff working in the head office in Nairobi. The top-level management team comprises the smallest group at 15.54% of the total population. The middle-level managers comprise 32.43% while the lower level managers comprise the largest proportion of the total population at 52.03%, thus making the lower level managers the largest group.

### Sample Size and Sampling Procedure

The principles sampling outlines the sampling unit, sampling diagram, sampling procedures and the sample size for the study. The sampling diagram explains the list of all masses units from which the sample was recruited and selected (Cooper and Schindler, 2003). Stratified sporadic sampling system was used since the number of inhabitants in interest is not homogeneous and could be subdivided into groups or strata to get a representative sample. According to Mugenda and Mugenda (2003), a satisfactory sample size is one that at least represents 10% of the target population. The researcher considered half of the populace as the study sample to satisfy the Mugenda and Mugenda (2003) threshold. 74 respondents were used in the study where the participants were proportionately distributed in all levels of management was selected from the target population. 14.86% of the sample size comprised of respondents from the top management followed by middle-level managers which comprise of 32.44% while the lower level managers are the largest population comprising of 52.70%.

### Data Collection Instruments

This study, for the most part, made use of primary information where the study received the use of questionnaires and meeting schedules to acquire information from sample respondents.

Questionnaires are a decent and effective method for gathering data rapidly and moderately economically (Bell, 1997). The questionnaire was used for information gathering because it offers considerable advantages in the administration. It also presents an even stimulus conceivably too substantial numbers of individuals simultaneously and provides the investigation with an easy amassing of information. Gay (2002) maintains that questionnaires play a key role in giving subjects the opportunity to share their supposition or opinions and furthermore to give suggestions. It is also unidentified. Privacy promotes confidentiality and enhances the development of sincere responses that are unrealistic in a meeting. This study received the use of questionnaires containing close-finished questions to almost certainly catch more data from the respondents on the influence of strategy on the performance of the organization. The close-finished question was based on a 5-point Likert scale. Questionnaires were administered to all extend the executives officials. The study questionnaire comprised of two sections; section A captured respondents' demographic characteristics, section B focused on the impact of leadership on Co-operative Bank performance.

## Pilot Study

According to Kothari (2004), a pilot test is necessary for testing the reliability of data collection instruments. The aim of the pilot study was to test the reliability of the questionnaires. Pilot study was conducted to detect weakness in design and instrumentation and to provide proxy data for selection of a sample. The pilot study was conducted to 10 respondents who did not participate in the actual study. Mugenda and Mugenda (2003) alludes that validity represents the extent by which results obtained from the analysis of the collected data represent the phenomena under study.

Validity is a credibility computation of systematic or inherent errors in measurement. The research purposed to examine the validity of the questionnaire through the opinion of the research project supervisor and a field test to measure the face and content validity. The examination utilized both contents and constructs validity with the aim of discovering the validity levels of the instruments. One of the most significant areas of interest in validity measures is the content validity which purposes to develop an introduction from test scores to a huge space of things like those on the test. As indicated, content validity tests the extent by which the collected data can be interpreted as representative of the entire target populace. As alluded by Gillham (2008) the information collected should be easily generalized to represent the populace and should be illustrative of the bigger space of learning.

Boit, Wangare,and Magero, (2009) states that realiability insists on the ability of another researcher following the same process and getting the same results. In other owords, it is about consistency of research and the unwavering quality to maintain a level of consistency in their development of results with a significantly same level of necessity that, at any rate on a fundamental level, another researcher, or the same researcher on another occasion, can repeat the research and achieve practically identical proof or results, by targeting a similar or same study populace. According to (Kothari, 2006), a measuring instrument of a study is dependable only if it offers the chance to provide consistent results. Usually, the inward consistency of a measurement scale is assessed by using Cronbach's coefficient alpha (Cronbach 1951). Nunnally and Bernstein (1994) suggest that a measurement scale having a Cronbach's coefficient above 0.70 is satisfactory as an inside consistent scale so that further analysis can be possible. The study assessed the reliability of the research instruments to determine ability to evoke desired, steady and stable outcomes. A standout amongst the most well-known reliability coefficients is the Cronbach's alpha that measures the uniformity by testing the interdependency of the test objects and their individual identification with every other factor in the aggregate test, which then represents the inside rationality of information. The reliability of a study is represented as a coefficient which ranges from 0 to 1. When the coefficient is high it show a high reliability of the test and vice versa. According to Gugiu et al. (2017), a standard least estimation of alpha of 0.7 is suggested. All the alpha values in this study was 0.865 which was above 0.7 meaning that the data collection instruments were stable and consistent, hence reliable.

## Data Collection Procedure

Top level management of the bank were contacted to affirm the intention for carrying out the study on the organization and to clarify the significant of the study and the commitment required from the management. Self-administration of the questionnaires was carried out whereby the questionnaires were dropped to each respondent and picked later after two weeks. The researcher made a follow up through phone calls and in addition, visited the respondents before the stated period to remind them on the importance of responding to the questionnaire.

## Data Analysis and Presentation

Before preparing the reactions, the completed questionnaires were altered for completeness and consistency. Descriptive analysis was utilized; this incorporates the utilization of weighted methods, standard deviation, relative frequencies, and rates. The researcher utilized SPSS software for statistical data analysis to display reaction frequencies, highlight reactions, and assemble the classification of different information by enabling the production of information clusters. Frequencies and rates of data were then abridged using descriptive measurements. Graphical representations and tables were used to show the data that was collected in order streamline the analysis process and improve understanding. The investigation made utilization of numerous relapse models with the aim of evaluating how strategy implementation influences performance and the directing impacts of the working condition on the connection between strategy implementation and performance of Co-Operative Bank of Kenya. The regression equation took the following form:

$$\mathbf{Y = \beta_0 + \beta_1 X_1 + \varepsilon}$$

Where: Y = Performance of Co-Operative Bank Limited; $X_1$ = Organizational Leadership; $\beta_1$ = Regression Coefficients; ε = Error term

## RESEARCH RESULTS

The aim of the research was to collect information from management staffs employed at Co-Operative bank head office in Nairobi. The top-level management team comprises the smallest group at 15.54% of the total population. The middle-level managers comprise of 32.43% while the lower level managers comprise the largest proportion of the total population at 52.03%, thus making the lower level managers the largest group yielding a sample size of 74 respondents distributed proportionately across all management levels were selected from the target population. Table 1 summarizes the study statistics. A total of seventy-four (74) respondents were targeted to participate in data collection; In this regard, the study had seventy (70) as the turnout rate translating into 94.59 percent questionnaire return rate. In this view, the study had a credible response which is good enough for the researcher to analyze the findings. The results corresponds with the outcomes of Baruch (1999), who had argued that rate of 60 percent is good, and (Dennis, 2003; Stephen, 2006), who argued that rate of 70 percent is very good.

**Table 1: Response Rate**

| Respondents Category | Sample (*n*) | Response | Percent (%) |
|---|---|---|---|
| Top-level Managers | 11 | 9 | 12.16 |
| Middle-Level Managers | 24 | 23 | 31.08 |
| Lower Level Managers | 39 | 38 | 51.35 |
| Total | 74 | 100 | 94.59 |

The analysis of data followed the research questions sequence as highlighted in the questionnaire as follows gender, age, the highest level of education and current position. For each question, the results obtained from the respondent's questionnaires were given. The results for each question are followed by a brief discussion. From the collected data, the researcher obtained the following statistics concerning the sampled respondent's demographics.

From the findings, out of 70 respondent's majority (55.71 percent) were male while 44.29 percent were female. It can, therefore, be said that there was a slight gender balance in the company although the number of male participants seemed to be slightly higher in this study. The gender distribution would be relevant in generalizing the results, it would have been of significance to examine which gender is more productive but since the distribution is fair, the generalizing results without attributing to either gender would be appropriate. The slight gender imbalance may be used to explain male dominance in administrative roles in many organizations in Kenya.

Age distribution is one key element of ensuring equitable distribution of the respondents with the purpose of determining which aspect strategy implementation affects the performance of Co-Operative Bank among different age groups. The implication of age becomes important in understanding the aspects of strategy implementation of choices such as organizational leadership, process, structure, and culture. Most of the respondents were aged Above 41 years another 28.1 percent (n=88) were aged between 31 to 35 years while some 18.5 percent (n=58) were aged between 31 to 35 years and another 17.3 percent (n=54) were aged between 26 to 30 years while only 7 percent (n=22) of the sampled respondents were aged between 18 to 25 years. Majority (52.4 percent) of the sampled respondents are youths (18 to 35 years) the study findings show that the remaining population (48.6 percent) were aged above 36 years old from the findings, it can be said that the companies have employed youthful employees who are deemed to be aggressive in innovating strategic new ideas in order to help the companies attain optimum performance.

The current research aimed at assessing the effects of strategy implementation on Co-Operative Bank of Kenya performance. In the pursuit to examine this, the sampled respondent's educational qualification was considered an important factor. Strategic leadership and management requires competency and therefore requires leaders who have an understanding of the strategic management practices and hence effective strategy implementation. For this case, this study investigated the participants' educational levels in order to determine their understanding of the variables under study and hence determine their ability to give valid responses. Past investigations have discovered that educational qualification expands work trainability prompting fulfillment and consequently performance (Njiru, 1999). Education and training are therefore critical for strategic planning and hence effective strategy implementation.

Data obtained show that majority (47.14%) of the sampled respondents had undergraduate educational qualifications, some (24.29%) had masters' qualification and another 17.14% having college diplomas and only 11.43% had Ph.D. qualifications in the field under practice. It was observed that the respondents with a college certificate/diplomas held a work experience of many years in strategic management. The discoveries also demonstrate that most of the participants were qualified enough to hold these positions making them the right target for this particular research. The study also illustrates that the majority of employees are trainable in their areas of work and hence conclusions made are from the informed workforce. Again, the majority of employees can relate with different strategy implementation aspects depending on the level of education and hence strategy implementation is well understood in the organizations.

The researcher also carried out the analysis of responses that were collected on the impacts of leadership on Co-Operative Bank performance with the aim of describing the sample as presented in Table 2.

**Table 2: Effect of Organizational Leadership on Performance of Co-op Bank**

| Statement | Mean | SD |
|---|---|---|
| Policies are in line with the vision of the bank | 4.43 | 0.492 |
| Policies are well communicated to employees | 4.22 | 0.723 |
| Meetings are well communicated to employees | 3.93 | 0.968 |
| There is a clear line of communication in the bank | 4.37 | 0.498 |
| Employees are duly notified of activities and upcoming events | 4.12 | 0.487 |
| Aggregate Score | 4.214 | 0.634 |

***Key:*** *Strongly Agree -5, Agree - 4 Neutral - 3, Disagree - 2, Strongly Disagree - 1*

The results displayed in Table 2 show that sample means for individual responses varied between 3.93 and 4.43 on the Likert scale. These values of sample translated to an agreement amongst respondents that the set of activities represented by the statements on Organizational Leadership were in essence undertaken Co-Operative Bank of Kenya. Moreover, the sample standard deviation for the separate responses varied between 0.487 and 0.968 demonstrating that the individual responses were clustered together around the values of the sample mean. Similarly, the aggregate scores for the sample mean and sample standard deviation for Organizational Leadership were 4.244 and 0.634 respectively.

The examination discoveries show that satisfactory leadership is required for compelling strategy implementation as it improves the organizational commitments in harnessing all its capabilities and resources towards the realization of similar objectives. The findings are consistent with Beer and Eisenstat (2000) observation that leadership is the central feature of strategy implementation. In this light, the actualization of any depends on the presence of the best administration who must stress the different interfaces inside the organization.

These findings are in line with Muijs (2011) study which focused on the influence of leadership on organizational performance and found that leadership has a significant indirect impact on student outcomes, though the role of contingency and school context in shaping leadership is important. Rureri et al. (2017) study revealed that top management support practice statistically significantly predicted the performance of Steel Manufacturing Companies in Kenya.

## CONCLUSIONS

The study concludes that organizational leadership determines the strengths and weaknesses of different employees and delegate work accordingly. The attributes a leader should have within an organization can vary from one situation to another. Excellent and competent leadership play a pivotal role in driving success in an organization and provide the direction to the organization on where they need to be and how to get there.

## RECOMMENDATIONS

The study recommends that leadership of the bank should create an organizational culture where people know they are valued, heard, empowered and encouraged. Create an open communication that is valued and encouraged. The bank managers should be able to coax the best performance out of each individual on the team, and be interested in their individual personal and professional development. The banks leaders must have a vision for the future, ability to solve problems regarding employee relations and productivity as well as make decisions that affect the direction of the organization.

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