

Case study

STRATEGIC LEADERSHIP PRACTICES ON ORGANIZATIONAL PERFORMANCE: A CASE STUDY OF KENYA PORTS AUTHORITY

ABSTRACT

Organizations like Kenya Ports Authority were set up to achieve specific goals. For instance, one of the goals of the Kenya Ports Authority is to facilitate seaborne trade both for Kenya and other land-linked countries worldwide. This will lead to the improvement of Kenya's economy and the creation of business. Part of the reasons for this failure has been inefficiencies in operations, berthing congestion, loss of cargo, mismanagement of funds, poor utilization of resources, and political wrangles. Most of the research done on Kenya, especially Kenya Ports Authority researched on the effects of strategic leadership on organizational performance and that is why this research would like to study. The research used a descriptive survey method with a target population of 2021 which was withdrawn from the seven divisions of Kenya Ports Authority namely: Legal service, Human Resource and Administration, Operation, Engineering service, Finance, Corporate Service, and Infrastructure Development divisions where data was analyzed from the Kenya Ports Authority performance report from 2014 to 2021 on the financial reports from the year 2014 to 2019. The study concluded that communication of the strategic direction affects the performance of an organization positively, Core competence is the major booster in organizational performance; Proper human capital development indeed leads to an increase in organizational performance and Organizational culture is also crucial in organizational performance. The study recommends that Kenya Ports Authority should apply strategic leadership in their organization to increase performance positively.

Key Words: Strategic leadership, Organizational performance, Kenya Ports Authority, Strategic direction, Core competence, Human capital development, and Organizational Culture.

INTRODUCTION

1.1.Introduction

1.2. Background of the Study

Each organization was set up and strive to achieve specific goals. The organization's leadership role is very strategic and critical in the realization of the successful vision, mission, and organizational objectives (Gusmão, et., al., 2018). Strategic leadership enables organizations' potentiality to envisage, anticipate, and sustain resilience and inspire others to develop the strategic capacity of an organization and a prosperous future (Monte, 2016). It is multi-functional and is about shaping individuals and organizations to address the demands of the current business environment. Strategic leadership also requires internal and external business management skills and involves complex information collection (Deeboonmee & Ariratana, 2014). Strategic leadership is a major factor in an organization's performance by strategic decision-making, the commitment of organizational structure, and control of organizational processes (Nyamao, 2016). The company's quality is the transformation of resources into products or services to yield some results. The main significant goal of companies is to enhance their performance to attain business competitiveness (Arslan & Staub, 2013). The firm's leaders are working tirelessly to improve operational performance that contributes the highest level of achievement of success (Aramat, 2013).

Kenya Ports Authority has embraced technology, capacity-building ahead of demand, and human resource training and growth to drive its global maritime sector. The Authority has a master plan that aligns up with the Port Master plan and down with the business plan, development strategies, patterns of operation, and day-to-day action plans. KPA has automated the majority of internal processes and continuous pieces of training and developing human resources to meet industry needs and policies in place. KPA's strategy is to sustain competitive advantage through advanced human resources expertise and streamlined internal processes, ultimately leading to quality of service and customer loyalty (Wanga, 2018).

From a global Studies perspective, Zubair, et., al., (2018) did a study in Malaysia document about strategic leadership's role on SMEs' organizational efficiencies. The findings that were obtained indicated that leadership vision had an impact on performance in a positive manner.

Specifically, the study noted that imagination on the part of leadership was the main driver of the positive impact on SMEs. Hence, leadership should be innovative to have a positive impact.

Elif and Ugur (2018) did an investigation Turkey's financial sector about the effects of strategic leadership on organizational performance, strategy operation together with orientation and findings showed that workers' emotional intelligence in the financial sector positively impacted their output and the job stress balance of emotional intelligence – performance relationship within the context of the research.

Waleed and Zainon (2018) did an investigation within Jordan Industrial Estates company about the influence of strategic leadership on organizational performance. The study concluded that the achievement of organizational success requires significantly greater human resources and human capital development through strategic leadership practices when leading employees. Having operations internally and externally is key when it comes to creating a proper plan for the strategic leadership and thus leading to efficiency.

In Regional Studies, Obioma (2019) investigated the relationship between strategic leadership and performance of small and medium enterprises in Rivers and Bayelsa States of Nigeria. The study found out that there was indeed a positive relationship between the strategic leadership and performance of SMEs in Rivers and Bayelsa States. The results showed that organizations should adopt strategic leadership with good strategic plans which improve performance growth, social performance, and customer satisfaction. Also, the strategic leadership of an organization should be flexible in decision making by promoting creativeness and innovative ideas to solve problems that impact positively in organizational performance.

In local studies, Nyamao (2016) looked at the impact of strategic leadership on the growth of small and medium-sized enterprises in Kenya. In conclusion of the study, it maintained that communication of strategy completely impacted the production of SMEs in Kenya. To produce good results, the researcher suggested the effective application of centralized organization controls. As a result, this study was wished to investigate and pinpoint the effect of strategic leadership practices on organizational performance at the Kenya Ports Authority.

1.3. Statement of the Problem

The Port of Mombasa is supposed to manage the increase of both importation and exportation of loose and containerized cargo in the acceptable global dwell time of not more than 3 days.

The reason for taking this research was the underperformance experienced within Kenya Ports Authority since 2005. These inefficiencies drastically dropped the importation and exportation of containers since 2005 by 10% every single year regardless of low GDP growth rates in 2015 up to 2019 that made International Shipping Lines operating at the Port to be concerned (KPA2017). From the research done by the East African Logistics Performance Survey (2016, 2018), Drewry Consultants (2017), and Sanga (2018), the results showed that indeed KPA is experiencing performance challenges. These research findings pointed out that the inefficiencies which are experienced in Port of Mombasa is caused by the long docking and discharging time frame of more than 5 days rather than 3days which is the maximum dwell time of ship docking according to international ship docking discharging time frame, mismanagement of funds, loss of cargo, berthing congestion, political wrangles and poor utilization of resource.

The Port of Mombasa acts as a backbone of commerce not only in Kenya but also connecting hinterland nations like Rwanda, Burundi, Uganda, the Democratic Republic of the Congo, Southern Sudan, and to the else parts of the world. The delay in ship docking and discharging speedily renders a lot of loss observed across the entire great lake region. Strategic leadership is appropriate to re-examine and apply strategies to the company that continuously suffers losses like poor management, uncompetitive products and services, and wrong corporate service into a profitable company (John, 2017). Therefore, this study is wished to examine and pinpoint the effect of strategic leadership practices on organizational performance at the Kenya Ports Authority.

1.4. Purpose of the study

The main purpose of this study was to investigate the effect of strategic leadership practices on organizational performance at the Kenya Ports Authority.

1.5. Objectives of the study

1. To assess the effect of communications of strategic direction on organizational performance in Kenya Ports Authority.

2. To ascertain the effect of adopting core competency on organizational performance in Kenya Ports Authority.
3. To investigate the effect of human capital development on organizational performance in Kenya Ports Authority.
4. To establish the effect of sustainability of organizational culture on organizational performance in Kenya Ports Authority.

1.6. Research Hypothesis

The research tested the ensuing null hypothesis:

1. Hypothesis One

H₁₀: Communications of strategic direction do not have a statistically significant effect on organizational performance in Kenya Ports Authority.

2. Hypothesis Two

H₂₀: Adopting core competency does not have a statistically significant effect on organizational performance in Kenya Ports Authority.

3. Hypothesis Three

H₃₀: Human capital development does not have a statistically significant effect on organizational performance in Kenya Ports Authority.

4. Hypothesis Four

H₄₀: Sustainability of organizational culture does not have a statistically significant effect on organizational performance in Kenya Ports Authority.

2. LITERATURE REVIEW

2.1 Empirical Literature Review

Monte (2016) did an investigation concerning the effect of strategic leadership on the performance of commercial banks in Kenya and discovered elements of strategic leadership like mission and vision shape a strong synergistic impact on organizational efficiency. This study found that managers of the operations, human resources, and finance sections are being dominated by the which indicates that resource distribution on the banks in the Kenya sector is inadequate. The study also suggested that banks sectors in Kenya adopted a mission and vision which only articulates the impact and the significance of various aspects of performance like the contribution of return on assets and return on equity. Furthermore, the researchers discovered that most of the employees who are working on these banks are those who have been working and have experiences in the banking industries, few are new in the sector and there is no further training to be taken to acquire new skills. The study was done in financial firms and therefore the researcher discovers that there was a need for this study to be done in non-financial institutions in the future.

A survey conducted by Nyamao (2016) on strategic leadership practices and performance of five-star hotels in Nairobi county, Kenya. The researcher found that leadership on strategic direction impacted the performance of hotels positively. The study also evaluated the employees on their understandings of vision, mission, objectives, and core values and the researcher found that the majority of the employees understand their vision, objectives, and core values but few understand their mission which the researcher recommended that strategic leaders who offer strategic direction should bring out organization's direction as per the constitution of vision, mission, the organizational objectives and core values with clear codes of conduct and ethical practices. Furthermore, the researcher recommended that more studies should be carried out on strategic leadership and their influences on the performance in the hotel sector in the other 46 counties of Kenya together this would lead to getting a bigger picture on the strategic leadership of hotels in the country. In addition, the researcher further suggested evaluation of factors beyond strategic leadership like strategic direction, human capital development, strategic control, government policies, internal and external environment among others should be investigated. Studies like longitudinal with cross-sectional are further recommended by the researcher to explore and find out how strategic leadership affects the performance of an organization because

strategic leadership is experiencing frequent dynamics and that is why there is a need to be studied frequently. Finally, the researcher proposed additional methods of data collection like conducting interviews and developing semi-structured questionnaires that should be considered in the future so that the researcher would get proper information.

Mapetere (2012) researched the strategic role of leadership in strategy implementation in Zimbabwe's state-owned enterprises and the result showed that strategic leadership is not being utilized fully to implement strategies on those enterprises. Leaders of enterprises are not role models and are committed to using their skills to craft strategies and communicate the strategic direction of the organization's vision. Also, the work shows that the contextually centered in Zimbabwe and concentrated on leadership behavior.

Research done by Mui, et., al., (2018) on examining the impact of strategic leadership on organizational performance of small-medium enterprises in Malaysia and the crucial independent variables to measure the strategic leadership were leadership vision, strategic direction, core competencies, developing people, and innovation capability and the dependent variable was organizational performance. The outcome of the research showed that strategic leadership is indeed very important in contributing to organizational performance.

Recommendations from the researchers maintained that executives including the CEO and management of organizations should practice and apply strategic leadership practices and focus on innovation capability on their daily operations to achieve high performance and competitiveness in their organizations.

Researchers also suggested that there is a need to extend the formation and purpose of a succession of strategic leaders to point out the changing of the internal environment of an organization, set up by exploiting it thoroughly since strategic leadership practices not only for the short term but as well as for long-term measurements and this will result to the competitive advantage of organizational performance.

Also, the researchers wished the sample size to be studied could be increased from the top management of different organizations and industries and this would lead to accurate results in determining the impact of strategic leadership on organizational performance.

The combination of business leaders and top executives for organizations should be considered when there is formulation and execution of strategies because they are the people who are directly impacting their organizational performance.

These researchers further suggested that the increase and use of other variables should be considered because there are many of these variables which are practicable which resulted in positively impacted organizational performance.

Last but not least the researchers suggested that extension of research should be done beyond the SMEs to MNCs globally to gather more solid data that will verify the impact of strategic leadership on organizational performance in the global market.

2.2 Theoretical Framework

Numerous studies have centered on strategic leadership and how it influences the success of organizations. Kombo&Tromp (2006) defined a theoretical framework as a group with matching views constructed from theories, figured out to explain the laid down assumptions obtained from, and backed up with assumptions about the phenomenon of an investigation. Again Kombo&Tromp (2006) emphasized that theories furnish with measurements and examples of what is attached in the framework which guides the work and aid to interpret the assumptions. The researcher will use three supportive theories in this study, namely; Strategic leadership theory, the Path-Goal Theory, and the Transformational leadership theory.

Hambrick and Mason (1984) advanced the Strategic leadership theory and built it from Upper Echelon's theory which is characterized by leadership impact on organizational performance (Vera and Crossen, 2004). The upper echelon theory by Hambrick and Mason (1984) believed that the influence of strategic choice, direction, and outcomes are based on the top management's priorities and actions for the organization. Selznick (1984) pointed out that strategic leadership is about the leadership of an organization together with the evolution of an organization, including its changing aims of capabilities. The importance of strategic leadership is to be capable to learn, change, and managing wisdom applications (Boal & Hooijberg, 2001). Also, Boal & Hooijberg (2001) defined strategic leadership as a tool that emphasizes employees for an organization who have overall responsibility including both heads of organization and top management team.

The work of a strategic leader is to establish strategic decisions, develop and convey the future's vision of an organization, generate crucial competencies and capabilities, advance organizational structures, processes, and controls, establish effective organizational cultures, and setting of ethical organizational value systems (Hunt, 1991; Ireland & Hitt, 1999). The leadership of an organization that got a clear vision and likes their organization to have greater capacity in the

future has greater focus. This means the strategic leaders perceive and see the environmental dynamics of their organization and then scan the dynamics in terms of their vision (Boal & Hooijberg, 2001).

The strategic leadership theory is very significant to this study because it explains and narrates the work of a leader and the way leader manages dynamics by establishing clear strategic decisions, developing and conveying the future's vision of an organization, generating crucial competencies and capabilities, advancing structures of organization, processes, and controls, establishing of effective organizational cultures and setting of ethical organizational value systems.

Robert J House evolved the path-goal theory in 1971 and modified in 1996. The path-goal theory emphasized the three tasks that an effective leader can do to increase the performance, satisfaction, and motivation of employees. These tasks are; an effective leader clarifies how the performance goals of an organization can be achieved by clearing obstacles that prevent employees from achieving performance goals and rewards those employees who achieve these performance goals. Dixon and Hart (2010) maintained that leaders who use path-goal leadership rewards and encourage their followers towards goal achievement are effective in performance achievement. The path-goal theory helps the management of an organization to choose and communicate the appropriate strategic direction to employees and the organization. An increase of motivation of subordinates is being achieved by implementing path-goal theory, which clarifies ways towards which organization performance is possible. Therefore, strategic leadership theory is so important and has been a tool of influencing an organizational performance positively by leaders inspiring fellow employees to follow their organizational strategic direction. Path-goal theory applies to this research because it explains and focuses on the leadership role of motivating employees on achieving an organizational goal.

Both Paths - goal theory and strategic leadership practices are declared to be the right solution. On that note, a clear correlation exists between the path-goal theory and strategic leadership practices because both types of leadership theories are solution-oriented. This theory underpins the subject of the effect of strategic leadership practices on organizational performance and therefore there is a need to be studied and verified.

Transformational leadership theory was founded by Bass in 2005 which explains leaders are the one who motivates the employees of an organization to work hard and beyond their expectation and this leads to remarkable performance since competition in the market is high. Because of this market competition, new suggestions concerning leadership have been derived and this new suggestion is the suggestion of transformational leadership. This theory of Transformational leadership justified the importance of the influence of leaders on employees of an organization and several studies have expressed their views on the link between the transformational leader and other employees. The main goal of transformational leaders is to provide alternative solutions to problems by encouraging and impacting employees to perform beyond their expectations. On the negative note, transformational leadership actions are being observed as insignificant because sometimes it leads to high levels of employee frustrations, and thereby it will lead to low-performance outputs. All departments or divisions in the organization engage in this type of leadership. Transformational leadership is vision-oriented, inspiring, managerial leadership qualities and they are risk-taker and darer.

Transformational leadership boosts and promotes innovativeness and creativity among the employees of an organization by encouraging new ideas and concepts from employees without criticizing them publicly for their mistakes. These transformational leaders also pay attention to the problems and the way they can bring solutions to these problems without blaming workers for their wrong actions. Transformational leadership will help to inspire KPA employees to be always vigilant and find out the appropriate methods of performing tasks that will rescue the resources of the company and this will end up the increase of efficiency in performance and market share.

Transformational leadership is described as an approach where managers or leaders communicate a clear vision of the organization to their employees and encourage followers to execute tasks beyond their expectations.

This theory is suitable for this study because it tells how leaders should collaborate with their employees to achieve innovation, creativity, and teamwork for organizational performance.

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3. RESEARCH METHODOLOGY

3.1 Research Design

The descriptive research design was suitable to be used in this study because it draws attention to a bigger population and permits reports on the situation as they happen at present (Khotari, 2004). Again, the design was suitable because it focuses on the current circumstances concerning the effect of strategic leadership practices on organizational performance at KPA.

3.2 Target Population

The researcher targeted 121 target population who were: Senior managers, head of departments, and supervisors who are working in Port of Mombasa of Kenya Ports Authority as strategic leaders from the seven divisions namely: Legal service, Human Resource, and Administration, Operation, Engineering service, Finance, Corporate Service, and Infrastructure Development division.

3.3 Sampling Techniques and Procedure

A simple random and stratified sampling tool utilized to pick the respondents from the target population because Mugenda and Mugenda explained that sampling is a procedure of picking a section of the population through which all elements in the sampling frame have the same opportunity of being picked.

3.4 Research instruments

A questionnaire tool was used by the researcher to gather the primary data in this study. Each construct on the questionnaire was developed by the researcher to answer the study's goal.

3.5 Testing for validity and reliability

A pilot test was used in this study to determine the purpose, correctness, and fitness of the study's design and instrumentation.

3.5.1 Testing of Validity of the Research Instrument

The constructs and the content validity of this study was used to measure the degree of the validity of data which is being collected through a questionnaire that represents the study's goal. The questionnaire was split into separate validity parts to make sure that every part evaluates information for a specified purpose, associated with this study's conceptual framework. The survey was carefully checked by the supervisor to ensure the material was accurate.

3.5.2 Testing of reliability of the Research Instrument

Cronbach's Alpha Model on SPSS was used by the researcher to measure the reliability and correctness of the data. Mugenda & Mugenda (2015) defined reliability as the measure of the degree where exploration tools produce results that are reliable or data after frequent trials. The internal reliability of the research instrument was tested with help of Cronbach's alpha test. The results are presented in Table 3.6.1

Table 1. Reliability

Variable	Number of items	Cronbach's alpha
Communications of strategic direction	5	.850
Adopting core competency	6	.890
Human capital development	4	.757
Organizational culture	5	.904

The result shows that sustainability of organizational culture has the highest acceptable reliability of .904, followed by Adopting core competency, .890, followed by Communications of strategic direction .850 while Human capital development had .757. Cronbach indicated that the acceptable reliability threshold is above 0.70.

3.6 Data analysis techniques and procedures

The data analysis was done using a quantitative way to generate descriptive statistics like mean, frequencies, and percentages were utilized for the achievement of accuracy. The results were transpired by the use of frequency tables, charts, and figures, and the regression equation is given below to seek the relationship between strategic leadership practices and organizational performance.

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

Whereby;

Y –Organizational Performance

X₁– Communication of Strategic Direction

X₂– Adoption of Core Competences

X₃– Development of Human Capital

X₄– Sustaining of Effective Corporate Culture

α– is the constant (intercept), and

β₁.....β₄the coefficients giving the direction and strength of the association between the independent and dependent variables

ε- Is the error term at 5% significance level

5. RESEARCH FINDINGS, ANALYSIS, AND PRESENTATIONS

4.1. Response Rate

The research targeted 72 respondents of which 45 of the questionnaires were answered correctly with an accurate level of 63%. The response rate from the senior managers, heads of departments was 100% and from the supervisors was 63%. As per Mugenda and Mugenda (2007), a response rate of 50% is adequate, 60% is good and above 70% is excellent. Therefore, this represented a rate of 63% which was considered enough to analyze the effect of strategic leadership on organizational performance at the Kenya Ports Authority.

4.2 Reliability

The internal reliability of the research instrument was tested using the Cronbach's alpha test. The results are presented in Table 4.1.2

Table 2: Reliability

Variable	Number of items	Cronbach's alpha
Communications of strategic direction	5	.850
Adopting core competency	6	.890
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4.3 Presentation of data analysis

4.4 The effect of Communication of Strategic Direction and Organizational Performance.

The first objective of the research was to observe the effect of communication of strategic direction on organizational performance of Kenya Ports Authority in the Port of Mombasa. Several statements about communication of strategic direction of organizational performance were presented to the respondents and were asked to consider to the extent they agreed or disagreed with each statement. Using Likert scale 1 to 5 where 1=Strongly Disagree, 2=Disagree, 3=Not Sure, 4=Agree, 5=Strongly Agreed, the respondents were asked to give their opinions to the following questions on the table. In table 4.2.5, the results of the respondents indicated that 70% agreed that their organization possesses a clear vision that assures determination of the strategic direction while 30% disagree that their organization possesses a clear vision that assures determination of the strategic direction. For those who disagreed with the statement, they explained that most of the subordinate staff don't know even their organizational vision statement something should be done to educate and make the subordinate staff understand their organizational vision statement.

The respondents of 60% agreed that through the communication of strategic direction, organizational goals and objectives can be achieved while 30% disagreed on the statement and 10% were not sure on the statement. Those who agreed on the statement emphasized that it's the role of leaders and supervisors to educate and relay on the importance of communication of strategic direction on the achievement of organizational goals and objectives to all employees on the organization.

Further to the results of the study, it revealed that 30% of the respondents agreed that leaders for their organization communicate the purpose for strategic direction to the stakeholders while 50% of the respondents disagreed that leaders for their organization communicate the purpose for strategic direction to the stakeholders and 20% not sure on the statement. According to those who disagreed with the statement, they explained that their leaders only communicate the purpose of strategic direction to the stakeholders when they experience poor performance on the organization instead, they keep on communicating the purpose of strategic direction to stakeholders frequently.

The outcome of the study revealed that 80% of the respondents agreed that their organization makes targets to be achieved at any given time, while 20% disagreed. According to those who disagreed they gave the reason that only those vessels which have bonuses to the employees will achieve the targets more easily than those vessels without bonuses something should be done to treat all vessels equally. On answering of the question whether their organization has a strategy that connects the vision with today's situation, only 14% agreed, 56% disagreed and 30% were not sure. According to those who disagreed with the statement, they emphasized that their organizational management develop a good strategic plan, but they are hardly implementing it.

80% of the respondents of the study agreed that communication of the strategic direction can assure better decision making in the organization while 15% disagreed on the statement and 5% were not sure. Also, on the statement where it asked the respondents whether there is an alignment of the employee's values with the core values of the organization, 90% of the respondents agreed while 10% disagreed.

Table 3. Communication of Strategic Direction

No.	Remarks	1 Strongly Disagree %	2 Disagree %	3 Not Sure %	4 Agree %	5 Strongly Agree %	Respondents %
1	Our organization possesses a clear vision that assures determination to the strategic direction.	0%	30%	0%	70%	0%	100%
2	Through communication of strategic direction, organizational goals and objectives can be achieved.	0%	30%	10%	60%	0%	100%

3	Leaders of our organization communicate the purpose for strategic direction to the stakeholders.	0%	50%	20%	30%	0%	100%
4	Our organization makes targets to be achieved at any given time.	0%	10%	10%	80%	0%	100%
5	Our organization has a strategy that connects the vision with today's situation.	0%	14%	56%	30%	0%	100%
6	Communication of strategic direction can assure better decision-making in the organization.	0%	5%	5%	80%	10%	100%
7	There is the alignment of employee values with the core values of the organization.	0%	20%	30%	50%	0%	100%

Source: research data 2021

4.5 The Effect of Adoption of Core Competence on Organizational Performance.

The figure below shows the results of respondents which indicates their opinions on the effect of adoption of core competence on organizational performance. Most of the respondents of 75% agreed that adoption of core competence on an organization is adequate to promote organizational performance while 25% said that adoption of core competence on an organization is not adequate to promote organizational performance. For those who agreed with the statement, they explained that the majority of the organization who adopt core competence as Safaricom limited company perform well than those who do not adopt core competence. Those who disagreed with the statement said that adoption of core competence on the organization is wasting of time and sinking into the extra budget which leads to reduction of profits of the organization.

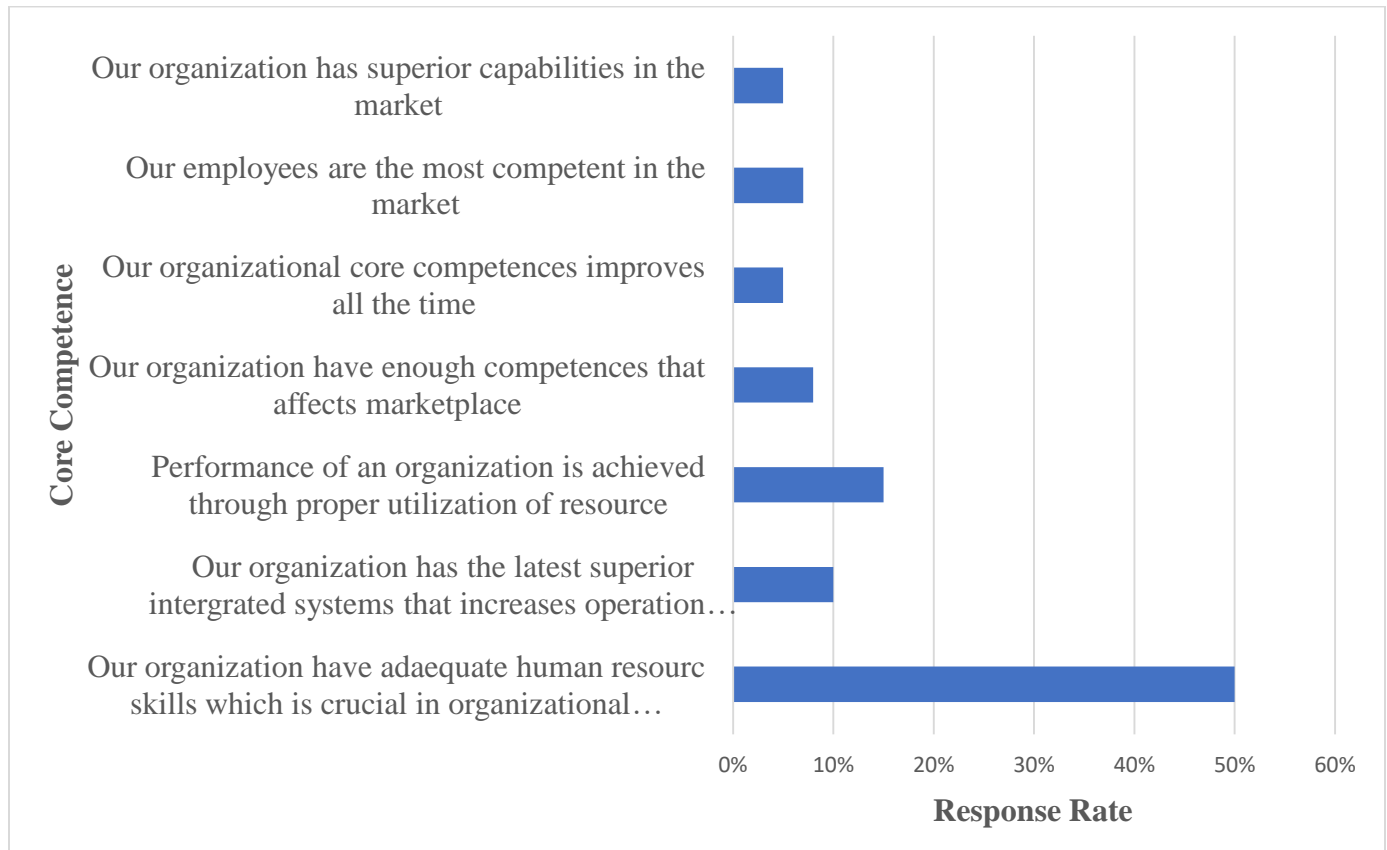
Table 4. Adoption of Core Competence and Organizational Performance

Effect of adoption of core competence on organizational performance.	Frequency	Percentage (%)
Agreed	145	75%
Disagreed	48	25%
Total	193	100%

The effect of Core Competence on Organizational performance.

The figure below shows the outcome of the respondents on the effect of core competence on organizational performance. From the outcome of the respondents, 50% agreed that their organization has adequate human resource skills which are crucial in organizational performance, 10% of the opinion from the respondents showed that their organization has the latest superior integrated systems that increase the operational performance of an organization while 15% thinks that performance of an organization is achieved through proper utilization of resource. Furthermore, the respondents of 8% agreed that their organization has enough competence that affects the marketplace, while 5% opinion agreed that their organizational

competencies improve all the time, 7% of the results from the respondents agreed that their employees are the most competent in the market and 5% of the respondents agreed that their organization has superior capabilities in the market.



Source: Research data 2021

Figure1: Core Competency and Organizational Performance

4.6 The Effect of Capital Development on Organizational Performance.

The effect of capital development on organizational performance is the third objective of the study and respondents were served with the questionnaires containing information regarding the effect of capital development on organizational performance, and they were asked to fill the questionnaires according to the Likert scale of 1: strongly disagree, 2: Disagree, 3: Not sure, 4: Agree, 5: Strongly Agree and give their views on the below statements. From the table below 4.2.7, the respondents of 55% agreed that their organization involves employees in learning

based on shared knowledge through knowledge management, 25% of the respondents agreed that their organization recognizes the employee's skill gaps with what is required for their positions, while 10% agreed that their organization reviews employees skills with what is required for their positions. On the opinion of whether their organization is committed to human capital development to get a return the respondent of 5% agreed on the statement and also 5% agreed on the statement that their organization allows employees to build up initiatives that are difficult for their rivals to copy.

Table 5: The Effect of Capital Development on Organizational Performance.

Statement	Frequency	Percentage
Our organization involves employees in learning based on shared knowledge through knowledge management	25	55%
Our organization recognize the employee's skill gaps with what is required for their positions	11	25%
Our organization reviews employees' skills with what is required for their positions	5	10%
Our organization is committed to human capital development to get a return	2	5%
Our organization allows employees to build up with initiatives that are difficult for our rivals to copy	2	5%
Total	45	100%

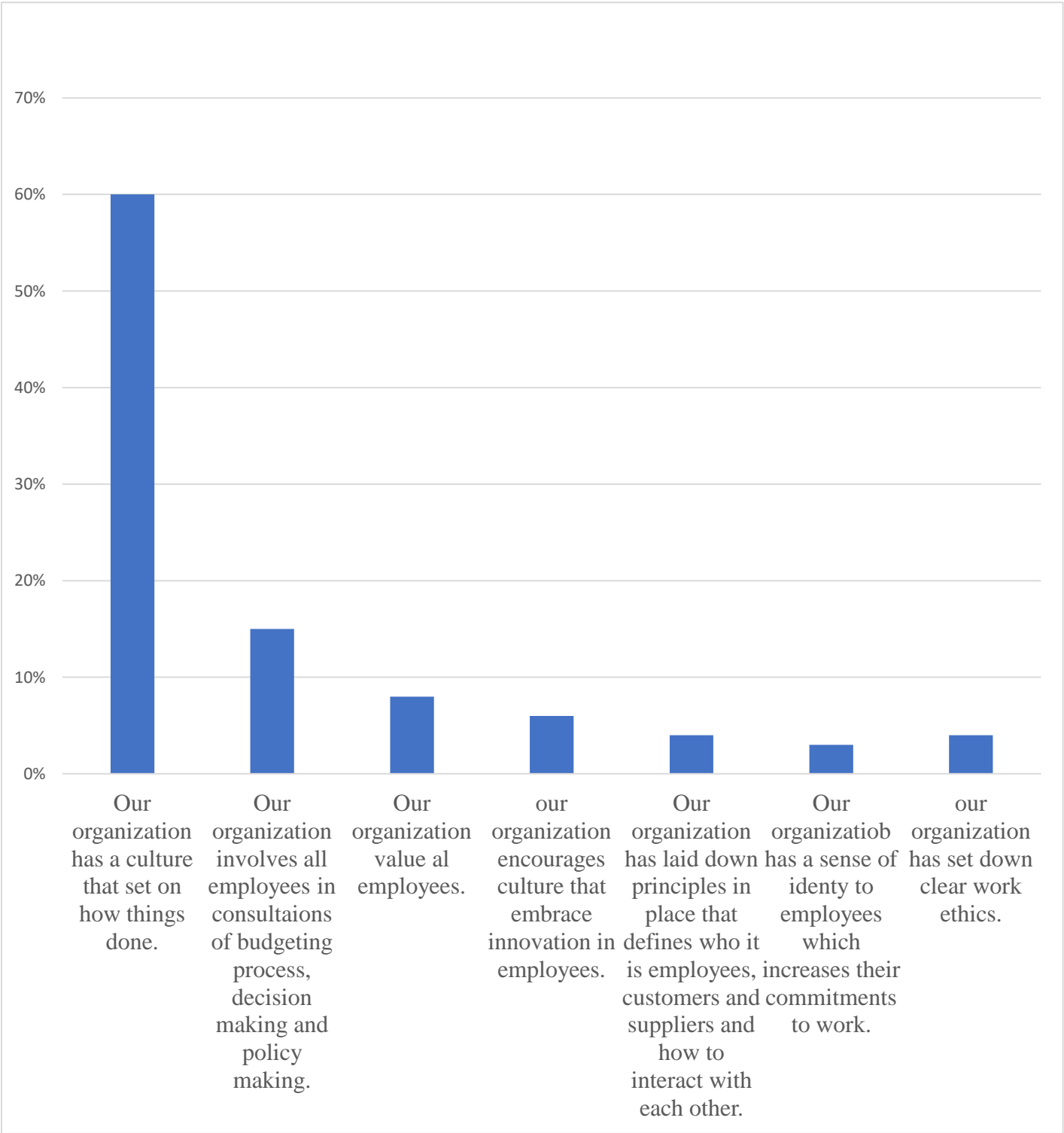
4.7 The Effect of Organizational Culture on Organizational Performance.

Respondents were served with questionnaires on the effect of organizational culture on organizational performance and the questionnaires were returned with the majority of them of 60% agreed that their organization has a culture that set on how things are done, 15% agreed that their organization involves all employees in consultation of a budgeting process, decision making and policymaking while 8% of the respondents agreed and pointed out that their organization indeed values all employees. The respondents of 6% furthermore agreed that their organization encourages a culture that embraces innovation in employees, 4% agreed that their

organization has laid down principles in place that defines who it is employees, customers, and suppliers and the way they interact with each other, 3% of the opinion agreed that their organization as a sense of identity to employees which increases their commitments to work and 4% agreed that their organization has set down clear work ethics.

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Fig 2: The Effect of organizational culture on organizational performance.



Source: Research Data 2021

Table 6: Organizational performance.

Statements	Frequency	Percentage
The setting of goals and objectives influences organizational performance.	23	50%
Organizational performance is being determined by vision and mission statements.	6	14%
The volume of cargo handling directly affects organizational performance.	4	9%
Our organization involves employees in achieving the objectives of the organization.	3	7%
The performance of an organization is affected by improved innovations, teamwork, and creativity.	4	9%
Our organization satisfies its customers by meeting their needs on time.	1	3%
An organization's efficiency and internal operation play a crucial role in organizational performance.	4	8%
Total	193	100%

Source: Research Data 2021

The above table shows how the respondents corresponded to the questionnaires served about organizational performance. 97 of the respondents agreed that set of goals and objectives influences organizational performance, 27 of the respondents pointed out and agreed that organizational performance is being determined by vision and mission statements, respondents of

18 indeed agreed that volume of cargo handling directly affects organizational performance, 14 of the respondents viewed and agreed that their organization involves employees in achieving the objectives of the organization, 17 of the respondents agreed that performance of an organization is affected by improved innovations, teamwork, and creativity, 5 of the respondents lauded and agreed that their organization satisfies their customers by meeting their needs on time and 15 of the respondents supported and agreed that efficiency and internal operation of an organization play a crucial role in organizational performance.

4.4 Correlation analysis

The table below is the correlation results that showed how the communications of strategic direction and organizational performance are positively related ($r=.230$, $p=.00$), adopting core competency and organizational performance are positively related ($r=.144$, $p=.019$), human capital development and organizational performance are positively related ($r=.689$, $p=.000$) and finally, sustainability of organizational culture and organizational performance are positively related ($r=.278$, $p=.000$). The result suggests that communications of strategic direction, adopting core competency, human capital development, and sustainability of organizational culture could influence the organizational performance in Kenya Ports Authority.

Table 7: Correlation Results

		Comms	Comptncy	HRM	Culture	Org P
Comms	Pearson Correlation	1	-.033	-.203**	-.075	.230**
	Sig. (2-tailed)		.591	.001	.224	.000
Comptncy	Pearson Correlation	-.033	1	-.067	-.025	.144*
	Sig. (2-tailed)	.591		.277	.685	.019
HRM	Pearson Correlation	-.203**	-.067	1	.330**	.689**
	Sig. (2-tailed)	.001	.277		.000	.000
Culture	Pearson Correlation	-.075	-.025	.330**	1	.278**

	Sig. (2-tailed)	.224	.685	.000	.000
Org P	Pearson Correlation	-.230 ^{**}	.144 [*]	.689 ^{**}	.278 ^{**}
	Sig. (2-tailed)	.000	.019	.000	.000

^{**}. Correlation is significant at the 0.01 level (2-tailed). ^{*}. Correlation is significant at the 0.05 level (2-tailed).

4.5 Regression results

4.5.1 Model Summary

A model summary result below indicates that $R=.588$, which showed that the four predictor variables, moderately correlate with the organization. The coefficient of determination; R square is .345, this indicates that the predictors collectively accounted for 34% of the organization's performance. The other remaining percentage is accounted for variables other than the ones in the model.

Table 8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.588 ^a	.345	.335	.656

a. Predictors: (Constant), Communication, Competency, HRM, Culture

4.5.2 ANOVA

Analysis of variance (ANOVA) results in table 4.5.1 indicates that the regression model linking communications of strategic direction, adopting core competency, human capital development, and sustainability of organizational culture as independent variables with organizational performance is fit for prediction ($F=34.158$, $p=.000$). This indicates that knowledge of the level of the predictor variables can result in the prediction of the dependent variable.

Table 9: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	58.760	4	14.690	34.158	.000 ^b
	Residual	111.387	41	.430		
	Total	170.148	45			

a. Dependent Variable: Organizational P, b. Predictors: (Constant), Communication, Competency, HRM, Culture

4.5.3 Regression coefficient

The result in table 4.12 indicates the regression coefficients of the three independent variables (and the constant). The regression model of

$$\text{Orgzational P} = 2.374 + .444\text{Commun} + .101\text{Competency} + .612\text{HRM} + .104\text{Org Culture}$$

The result shows that communications of strategic direction have a positive significant influence on organizational performance ($\beta=.444, p=.000$), adopting core competency have a significant positive influence on organizational performance ($\beta=.101, p=.021$), human capital development positively and significantly influence the organizational performance ($\beta=.612, p=.001$). The sustainability of organizational culture has a significant influence on organizational performance ($\beta=.104, p=.004$),

Table 10: Regression Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.374	.373		6.368	.000
Comms	.444	.067	.375	6.586	.000
Comptncy	.101	.044	.129	2.324	.021
HRM	.612	.181	.182	3.389	.001
Culture	.104	.036	.153	2.906	.004

a. Dependent Variable: Organizational Performance

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

$$Y = 2.374 + 0.444X_1 + 0.101X_2 + 0.612X_3 + 0.104X_4$$

Where;

Y = the dependent variable Organizational Performance

X₁ = Communications of strategic direction;

X₂ = Adopting core competency;

X₃ = Human capital development;

X₄ = Sustainability of organizational culture

4.9 Conclusions

The research results concluded that there is indeed a strong correlation between the independent variables and dependent variables. As per the research results, it can be concluded that communication of strategic direction affects the performance of an organization by; Possessing a clear vision which assures determination of the strategic direction, communication of strategic direction leads to the achievement of organizational goals and objectives, making achievable targets at any given time, developing strategies which connect to the vision with today's situation, better decision making in the organization through the communication of strategic direction and alignment of employees values with core values of the organization should be recommended always so that organizations can attain high level of performance.

Core competence is the major booster in organizational performance. This can be achieved by having adequate human resource skills which are crucial in organizational performance, having the latest superior integrated systems, proper utilization of resources, having adequate competencies that affect market place and contains superior capabilities in the market and these will increase the performance of an organization.

Proper human capital development indeed leads to an increase in organizational performance. For instance; involvement of employees in learning based on knowledge management by sharing

knowledge in an organization, employee skill gap recognition, review of employees' skills with what is required for their positions, commitment in human capital development, and allowance to employees to build up with initiatives that are difficult for rivals to copy impacts the performance of an organization.

Organizational culture is also crucial in organizational performance. For instance, an organization that has a culture that set on how things are done, a culture that involves all employees in consultation of budget processes, decision making, and policymaking, valuing all employees, a culture that embraces innovation in employees, laid down principles in a place that defines who it is employees, customers, and suppliers and how to interact with each other and setting down clear work ethics impacts the performance of an organization. The research results concluded that

5. SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS.

5.1 Summary of the result Findings.

The response rate was 63%. About the reliability of the instruments, the result shows that sustainability of organizational culture has the highest acceptable reliability of .904, followed by Adopting core competency, .890, followed by Communications of strategic direction .850 while Human capital development had .757. Most of the respondents were between the age brackets of 30 and 40 years. On the response rate of the research objectives starting from the first objective which was to assess the effect of communication of strategic direction on organizational performance in Kenya Ports Authority, the outcome showed that indeed the majority of the respondents agreed that KPA possesses a clear vision which assures determination of the strategic direction although few disagreed with the statement and emphasized that there is need for stakeholders and subordinate staff to be educated about the importance of their organizational vision.

The correlation result indicates that communications of strategic direction and organizational performance are positively related with ($r=.230$, $p=.00$), adopting core competency and organizational performance are positively related ($r=.144$, $p=.019$), human capital development and organizational performance are positively related ($r=.689$, $p=.000$) and finally, sustainability of organizational culture and organizational performance are positively related ($r=.278$, $p=.000$). Communication of strategic direction can enable achievement of organizational objectives and goals agreed by a large number of respondents and they emphasized that this can be achieved through educating their subordinates its importance not only when inefficiencies arise in the organization but by all seasons. Also, the study revealed that targets are made and achieved mostly on those vessels with bonuses on the organization. The results of the study showed again that management of the organization is developing strategies that cannot be ever implemented.

On the response rate of the research objectives starting from the first objective which was to assess the effect of communication of strategic direction on organizational performance in Kenya Ports Authority, the outcome showed that indeed the majority of the respondents agreed that KPA possesses a clear vision which assures determination of the strategic direction although few

disagreed with the statement and emphasized that there is need for stakeholders and subordinate staff to be educated about the importance of their organizational vision. Communication of strategic direction can enable achievement of organizational objectives and goals agreed by a large number of respondents and they emphasized that this can be achieved through educating their subordinates its importance not only when inefficiencies arise in the organization but by all seasons. Also, the study revealed that targets are made and achieved mostly on those vessels with bonuses on the organization. The results of the study showed again that management of the organization is developing strategies that cannot be ever implemented.

The second objective of the research was to ascertain the effect of adopting core competence on organizational performance in the Kenya Ports Authority and the results of the study showed that the majority of the respondents agreed that adoption of core competence on organization promotes organizational performance. Few were of the contrary opinion and they explained that adopting core competence in the organization is a wasting of time and resources that leads to a loss in the organization. Furthermore, the results of the study, showed that most of the respondents positively agree that their organization has adequate resource skills with less late integrated systems and poor utilization of resources. Further results of this study showed that most of the respondents do have not enough competence that affects the marketplace together with less superior capabilities in the market.

The third objective of this research was to investigate the effect of human capital development on organizational performance at the Kenya Ports Authority. The outcome of the study displayed that majority of the respondents agreed on a positive note that their organization involves employees in learning based on shared knowledge through knowledge management but the majority of them disagreed that their organization does not recognize the employees' skill gaps with what is required for their positions. Those who disagreed with the statement explained that skill gap recognition is only done on biasness. Furthermore, the majority of the respondents disagreed with the statement that their organization is committed to human capital development to get returns and their organization also cannot allow employees to build up initiatives that are difficult for their rivals to copy.

The last objective of this study was to establish the effect of sustainability of organizational culture on organizational performance in the Kenya Ports Authority. From the outcome of the

results, 60% of the respondents agreed that their organization has a culture that is set on how things are done but cannot involve all employees in consultation of the budgeting process, decision making, and policymaking or value all employees. From the results, it was evident that the culture of the organization cannot permit a culture that embraces innovation in employees. Also, the organization has not laid down principles in place that defines who it is employees, customers, and how to interact with each other which has led to no sense of identity to employees which has resulted in the decrease of employees' commitments to work with no clear work ethics.

5.2 Recommendations.

As from the above results of the research findings and recommendations, the researcher recommends the following course of action to be taken to regain back the glory and performance of the Kenya Ports Authority.

Kenya Ports Authority should embrace gender balance in the organization from management to subordinates so that it can yield better performance.

Communication of strategic direction is good in an organizational performance when the vision is clear and understood; therefore, the researcher recommends that stakeholders and subordinates' staff be educated on the importance of their organizational vision, objectives, and goals consistently. Achieving targets is good for performance increase but KPA employees should be thought to meet the targets for both vessels who are not giving bonuses and those who are giving bonuses. Implementation of strategies boosts the performance of an organization and management of KPA should develop and implement strategies.

An organization that adopts core competence in their organization experiences good efficiencies and performance and KPA should adopt core competence by recognizing skill gaps in all employees and filling these gaps by taking their employees for training. Also, KPA should be committed to human capital development and build-up initiatives that are difficult for their rivals to copy so that their organization can increase its efficiency and performance.

KPA management team should embrace a culture that sets on how things are done by involving all employees in consultation of the budgeting process, decision making, and policymaking. Innovation is a great booster in the performance of the organization and KPA should encourage

employees to be innovative. Also, the management of the authority should encourage a culture that defines who it is employees and customers and clear work ethics.

5.3 Suggestions for Further Studies.

This study's scope was restricted in Kenya Ports Authority Parastatal, further studies should be expanded into the related study to be carried out on the other parastatals in Kenya and private sectors.

The study was important progress in this parastatal industry and targeted only the management team and supervisors, future suggestions of the study to be extended to the subordinate staff and its external clients for more feedback.

Since the study of the effect of strategic leadership practices on organizational performance was studied in the KPA, further studies like the influence of turnaround strategies in the parastatal would be studied in the future.

The study examined only variables of the effect of communication of strategic direction, adopting of core competence, and organizational culture, the researcher suggests that scrutiny for further studies of other variables like strategic controls, organizational structure, and intervening variables would be studied in the future.

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