

# LEADERSHIP, STRATEGIC CAPABILITY AND THEIR INFLUENCE ON THE PERFORMANCE OF EAST AFRICAN COMMUNITY ORGANS AND INSTITUTIONS

Dissertation Manuscript

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Doctor of Philosophy (DBA)

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April, 2023

# Approval of the Thesis

# LEADERSHIP, STRATEGIC CAPABILITY AND THEIR INFLUENCE ON THE PERFORMANCE OF EAST AFRICAN COMMUNITY ORGANS AND INSTITUTIONS

This Thesis by Bosco Nsabimana has been approved by the committee members below, who recommend it be accepted by the faculty of Unicaf University in Malawi in partial fulfillment of requirements for the degree of
Doctor of Philosophy (PhD)
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#### Abstract

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The study is focused on an evaluation of leadership, strategic capability and their resultant influence on performance of EAC organs and institutions. The study was undertaken between December, 2018 and April, 2023 involving staff of EAC organs and institutions in the categories of executive, professional and general staff. The study is based on transformational and transactional leadership theory to understand leadership dynamics in an organisation while resource dependency theory and stewardship theory to help in the understanding of existing capabilities and the nature of their deployment to influence desired outcomes.In terms of data collection, Questionnaires are used to collect data from professional and general staff while interview schedule is used to collect data from executives. A descriptive research design is used to generate inferential statistics while explanatory research design is used to provide explanations behind such relationships. Quantitative data is analysed using SPSS while Qualitative data is thematically analysed and presented as narratives for all study objectives. Results of the study show a strong relationship between leadership, strategic capability and performance. A few conclusions are made which include; that the performance of an organisation does not entirely depend on leader's attributes but other organisational resources and leadership is not limited to follower influence but also deployment of organisational resources. In terms of impacts of the study, the understanding of leadership as a concept is affected and the misconception on the perceived role of the leader in determining performance of an organisation is clarified. The proposed resource driven leadership model can guide restructuring efforts by organisations to ensure that leaders are well equipped to perform to stakeholder expectations. Recommendations for future research resulting from this study include; integrating strategic capability in leadership studies that relate to performance and undertaking further studies to confirm the proposed resource-driven leadership model.

Keywords: Leadership, Strategic Capability and Organisation Performance

# Declaration

This is to attest that this research title, "Leadership, Strategic Capability and Their Influence on Performance of East African Community Organs and Institutions," is my own work and original in all its forms. It has never been produced before, but where words, expressions and formulae of other peoplehave been used, it was clearly indicated and acknowledged as such either in quotation marks or proper citation.

Signed	
Bosco Nsabimana	

**APRIL**, 2023

# **Dedications**

This work is dedicated to the family of late David Karadoga for continuous support rendered to me even after the death of my parents. I owe them a lot for parental care extended to me even after I turned into an independent family man. My beloved wife Patricia and children; Blair Vicky, Isaiah and Darlene deserve the praise. I delegated my fatherly responsibility to my wife as I embarked on this challenging but rewarding journey while children missed my fatherly guidance.

May the good lord reward them for their support, prayers and guidance throughout my academic journey to excellence.

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Bosco Nsabimana

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## List of Abbreviations

ANOVA Analysis of Variance.

AU African Union

CASSOA Civil Aviation Safety and Security Oversight Agency

EAC East African Community

EACA East African Competition Authority
EACJ East African Court of Justice
EADB East African Development Bank

EAHRC East African Health Research Commission

EAKC East African Kiswahili Commission

EASTECO East African Science and Technology Commission

EALA East African Legislative Assembly
EFA Exploratory Factor Analysis
EFA Exploratory Factor Analysis

EU European Union

HLM Hierarchical linear modelling

HMRA Hierarchical multiple regression analysis

HRM Human Resource Management

IC Intellectual Capital

ICT Information Communication Technology

IT Information Technology

IUCEA Inter-University Council for East Africa

KMO Keisher Meyer Olkin

LMX Leader-Member Exchange Theory
LVBC Lake Victoria Basin Commission
LVFO Lake Victoria Fisheries Organisation
MCAR Missing Completely at Random

MEACA Ministries responsible for East African Community Affairs

MVA Missing Value Analysis

PCA Principal Component Analysis

PGT Path Goal Theory
PhD Doctor of Philosophy
RCM Rotated Component Matrix
RDT Resource Dependency Theory

Secretariat The East African Community Secretariat
SPSS Statistical Package for Social Sciences
UREC Unicaf Research Ethics Committee (UREC)

VIF Variance Inflation Factor

## **CHAPTER ONE**

## INTRODUCTION

# 1.0 Introducing the Research

The purpose of this study was to examine the extent to which Leadership and strategic capability influence performance of East African Community (EAC) organs and institutions.

The study was undertaken between December 2018 and January 2023 after careful observations of how organizations are managed, and the impact leaders have the on performance of their organizations. The study considered staff of EAC organs and institutions spread in different EAC member countries as its study population. These are clustered into two groups where the first group is composed of EAC staff in the categories of professional and general staff representing 95% of the study population and the second group composed of Executive staff who are heads of EAC organs and institutions representing 5%. Data was collected using questionnaire and interview guide respectively. A total of 114 (one hundred fourteen) fully filled questionnaires were received while 12 (twelve) interviews were conducted.

The study employed four research questions to understand the extent to which leadership and strategic capability influence performance of EAC organs and institutions. The research questions are; What role does leadership play in influencing performance of the EAC organs and intuitions?, What role do leaders in EAC organs and institutions play in deploying organizational capabilities to achieve the desired performance?; What are the factors determining leadership effectiveness and how do they influence performance of EAC organs and institutions; and What role do organizational capabilities play in influencing the organizational performance of EAC organs and institutions?

To appreciate theoretical underpinnings of study variables, the Transformational and Transactional Leadership Theory was used to understand the concept of leadership while Resource Dependency Theory and Stewardship Theory was used to understand the concept of strategic capability and how stewards deploy different organizational resources to influence performance of the organization.

The study revealed that leadership and strategic capability positively influence performance and performance of an organization does not only depend on leaders attributes but other organizational factors. The study contributes to literature by proposing a resource driven leadership model that redefines leadership by incorporating the resource component.

The study was undertaken in the East African Community which is a regional intergovernmental organization of the Republics of Burundi; Democratic Republic of Congo (DRC) Kenya; Rwanda; South Sudan; Uganda and the United Republic of Tanzania with its headquarters in Arusha, Tanzania. The overall objective of the EAC is "to develop policies and programs aimed at widening and deepening co-operation among the Partner States in political, economic, social and cultural fields; research and technology; defence; as well as security, legal and judicial affairs – for their mutual benefit". Although the EAC has different structures through which it operates, much of the technical work is done by organs and institutions of the Community.

The EAC thus has three organs which include the East African Community Secretariat (EACS) that ensures that regulations and directives given by the Council of Ministers are properly implemented and provides the Council of Ministers with strategic recommendations for consideration, the East African Court of Justice (EACJ) that ensures adherence to the law and interpretation, application and compliance with the EAC Treaty, the East African Legislative

Assembly (EALA) that performs legislative, appropriation, representative and oversight roles for the Community. The EAC further has nine specialized institutions which are; Civil Aviation Safety and Security Oversight Agency (CASSOA), East African Development Bank (EADB), East African Health Research Commission (EAHRC) East African Kiswahili Commission (EAKC) East African Science and Technology Commission (EASTECO), Inter-University Council for East Africa (IUCEA) Lake Victoria Basin Commission (LVBC), Lake Victoria Fisheries Organization (LVFO) and East African Competition Authority (EACA).

The EAC is situated in Eastern African along the equator neighbouring the Indian Ocean in west extending to Atlantic Ocean in the east. Its population is approximately 400 (four hundred million people and the main economic activity is agriculture although tourism, industry and mining are picking up. Kiswahili is the widely used language although English and French are used as official languages in most member countries. The EAC is multilingual and a number of languages are used even within individual countries.

# 1.1. Background of the Study

The understanding of leadership is as old as humanity and has been used in all spheres of life whether at family level, group, organizational and internationally. Conceptually, leadership is a role associated with people who influence others or cause influence for an action to be taken. At an organizational level, leadership is looked at in terms of the level of guidance and influence given to subordinates to deliver organizational outcomes (Northouse, 2016). Leadership is a concept commonly used in our daily lives but can be complex to understand more especially when it comes to organizational functioning.

Leaders are expected to direct subordinates and resources in the delivery of services and products needed by consumers which is not the case more especially in organizations that are

highly micro-managed by shareholders. Most human resource practitioners point at employee empowerment as the only way organisations can get best outcomes from its workers. However, little has been said as to whether leaders have powers they need to perform or if they need empowerment like any other staff in an organisation to deliver organisation's outcomes effectively. Parnell (2018) observed leader's ability to effectively influence and deploy organizations resources as one sure way organizations can achieve set objectives and become competitive.

Empowering organizational leaders therefore and allowing them freedom to manage organizational resources is critical in ensuring that organizations achieve set objectives. Different researches Sarrows & Woodman (1993) and Goleman (2000) have established leaders influence on performance although they consistently paid much attention on establishing how leadership attributes and performance are interconnected. This has created an impression which is actually backed by the generally agreed definition of leadership that is centred on one's ability to influence others. Little emphasis has been given to organizational resources and capabilities that any leader may require to make things happen in an organization.

Lack of information about the mediating role played by other organisational factors to influence performance makes it difficult to ably understand what roles leaders play in achieving organizational performance. Aware that no organisation exists in a vacuum and therefore prone to different environmental elements that may threaten its existence makes it very urgent to explore means and ways in which organisations can exist and serve its stakeholders. This can only be possible by undertaking research to understand how leadership can ably mitigate such threats. Relatedly, Park and Kim (2015) observed that changes in environment make it difficult for leaders to perform to expectations of stakeholders. These changes are bound to occur as long as an organisation continue to exist. It is the duty of leaders to explore means and ways of

surviving in dynamic environments. However, little research has been undertaken to establish the extent of damage arising from changes in environment to organisations and propose possible measures that can be put in place to mitigate such adverse impacts at an organisational level. Based on the above observations and the fact that most organisations have structures that make it difficult for leaders to operate, this research looked at the mediating role played by strategic capabilities in strengthening the existing link between leadership and performance. Whereas Hit et al. (2002) believed that organizational leaders influence performance of an organization, Northouse (2016) noted that much of emphasis has been put on personal attributes that are not sufficient to explain the underlying factors that actually determine performance of an organization. Mishra and Koehler (2008) further noted that leadership is about what an individual involved is able to do and not necessarily possetssion of different leadership traits. Basing on the above observations and what other researchers in the field of leadership and performance have opined, this research determined to establish the mediating role of organizational capability in the understanding of the connectedness between leadership and performance.

This research therefore intends to establish the facilitative role played by other organisational factors and how they influence both leadership and performance in the East African Community (EAC) organs and institutions. Aware that leadership in EAC is at different levels where the overall leadership is by Summit composed of heads of state of member countries whose role is to guide on the direction the EAC should follow, and the Council of Ministers is the main policy making organ that ensures that projects and programs of the Community are implemented as planned. The technocrats at different levels in EAC organs and institutions are the ones that drive the EAC integration process. The challenge however has been the ad-hoc nature of Council that make it difficult to swiftly react to changes that require quick actions that

technocrats badly need to implement different programs. Park and Kim (2015) noted the need for organisations to develop strategies that respond to the needs of ever changing business environment occasioned by internal and external triggers. In the context of the EAC, this cannot be done by an organ that is ad-hoc in nature yet supposed to ensure that projects and programs run smoothly to deliver required outcomes. Although EAC organs and institutions are organizations with complex systems composed of different entities that work together to respond to whichever changes that occur, it is difficult to respond to emergencies due to the nature of its mode of operation.

Further, the required agility necessitates an environment where all actors in the management process are able to act and respond to the demands of work environment (Park et al., 2019). The dilemma is whether technical leadership team in EAC organs and institutions in their current arrangement can steer their organizations to achieve their visions given the demands of a fast-changing society where service delivery is a major concern and not processes. Zgarni and Lamia (2019) proposes strategies that highlight steps for adopting to changes and how available resources will be used to position the organisation amidist challenging environment. to be taken. It is in the best interest of the EAC organs and institutions that the decision-making organ considers empowering those who are in leadership positions to communicate its vision and implement different strategies aimed at achieving its desired performance. Parnell (2018) looked at the leader's ability to effectively direct resources towards achievement of organizational objectives as key when it comes to organizations survival and competitiveness. Given the prevailing organisational climate, the survival of EAC organs and institutions is threatened considering the existing leadership arrangements that consolidate much power to the Council of ministers leaving less if any to lower-level managers who are champions of integration agenda.

## 1.2 Statement of the Problem

The Treaty for establishment of the EAC spells out a structure that is so bureaucratic that technocrats in organs and institutions of the community who are charged with a duty to implement the integration agenda lack powers to deploy resources to areas that matter as and when needed for the benefit of its citizens. It has increasingly become difficult to deal with bureaucratic processes resulting from ambiguous organizational structures and decision-making processes. This ambiguity stands in a way of self-organized innovative behaviours hence making it difficult for organs and institutions to flourish as observed by (Aaron et al., 2006).

The EAC organs and institutions may not be able to adequately respond to threats that come along with changes in environment when decision making process is slow and existing structures do not provide for any form of flexibility. This practice demonstrates a typical example of a static organization with rigid structures and processes that hardly provide for behaviours that promote innovation and excellence. In EAC, powers to decide and guide implementation of all the activities of the Community are vested in the Council of Ministers which leaves heads of institutions and organs with little or no powers at all to deploy organizational resources where they are most suitable as and when changes in environment dictates. This makes it difficult for organs and institutions to react to changes in environment timely hence resulting into non-implementation of planned activities as highlighted in the (EAC report on review of the performance of the 4<sup>th</sup> EAC Development Strategy 2011/2012-202015/16).

red to compete favourably and serve her stakeholders to their expectations, there is need to consider empowering its leaders in different organs and institutions at different levels to deploy available resources and competencies to areas that add value to the organization.

Schein (2019) concurs that giving a leader freedom to mobilize and utilize organizational resources is critical in delivering the desired organisational performance. However, information

behind leader's failure to perform to stakeholder's expectations has remained scanty. This is evidenced in studies by (Fuller et al. 1996 and Judge and Piccolo, 2004) on different leadership approaches that established the relationship between leadership and performance but with varying results. This probably point to the fact that leadership is not the only determinant of organizational performance and therefore performance outcomes are determined by different factors in an organisation. The results of such studies therefore cannot be generalized to other organizations. Ascertaining the mediating role played by other organizational factors is therefore believed to bring to light what leaders need to do to influence performance of an organization. Introducing organizational capabilities in leadership studies give rise to a new set of knowledge on how leaders can effectively utilize organizational capabilities to enhance performance of their organizations.

# 1.3 Purpose of the Study

The purpose of the study is to examine the extent to which Leadership and strategic capability influence performance of an organization. Most of the literature on leadership and performance surrounds leadership styles and leaders' attributes and how they influence follower performance. Management of organisations within the ever-changing business environment seem to require more than leaders' attributes and styles they employ in managing their followers which calls for an investigation on how a mix of different leadership attributes, styles and other organizational factors can effectively respond to the changes in surrounding environment to better performance in organisations.

The different styles fronted by different leadership theorists provide a good starting point in the understanding of what contributes to organizational performance but a lot remains desired to understand the actual determinants of organisational performance fully. It is of no doubt that

leadership attributes contribute to organisational performance, but it is important to note that they are part of many other factor that determine whether an organization succeeds or not. This therefore creates a need to explore which other factors in addition to leadership attributes that help a leader to perform to expectations of stakeholders.

The study aimed at identifying and quantifying salient organizational aspects that help leaders to contribute to the achievement of organizational objectives effectively. This will be achieved using a mixed-methods approach utilizing both qualitative and quantitative means in gathering data essential in the understanding of how different leadership attributes affect strategic capability deployments and their eventual effect on performance of an organization.

The study will further analyse people's perceptions, attitudes, work ethics and actions perceived critical in building an organization that promotes innovation, creativity and commitment which are believed to focus individual efforts towards achievement of organizational objectives. The entire staff population in the EAC organs and institutions in the categories of executive, professional and general staff will be considered for the study.

## 1.4 Research Aims

The aim of this research is to establish the extent to which leadership and strategic capability influence performance of East African Community organs and institutions.

# 1.5 Research Objectives

The study specifically addresses four key research objectives which are;

- 1. To assess the role of leadership and its influence on performance of the EAC organs and intuitions.
- 2. To investigate the role played by leaders deploying organizational capabilities to achieve the desired performance;

- 3. To determine factors affecting leadership effectiveness and examine their influence on the performance of EAC organs and institutions;
- 4. To ascertain the role of organizational capabilities and how they influence performance of the EAC organs and institutions.

# 1.6 Nature of the Study

The study will employ a mixed methods research approach in appreciating how leaders in EAC organs and institutions mainly lower-level leaders interact with available resources and Transformational and Transactional leadership competencies to influence performance. assumptions by Bass (1985) will be used as a basis for understanding the concept of leadership and leadership attributes identified by Avolio et al. (1999) will be used to measure leadership in EAC organs and institutions at various levels. Research questions pertaining to leadership will be asked to bring out leadership styles and attributes exhibited across the four leadership levels in the EAC. Questions regarding different strategic capabilities available in the EAC organs and institutions will be used to identify key strategic resources and competencies that give organizations an advantage over others when they are properly deployed. Performance of an organization will be looked at in terms of financial and non-financial outcomes that arise out of proper utilization of organizational resources. In line with Bromwich and Scapens (2016), to benefit from a wide range of data sources, both qualitative and quantitative approaches will be used to collect data on different research aspects to understand and provide detailed answers to different research questions.

Questionnaire survey will be used as the main data collection method while interviews will be used to supplement quantitative data mainly by exploring reasons for and behind relationships that exist between different variables. Questionnaire survey will target professional and

general staff category in EAC organs and institutions while executive staff who are heads/accounting officers of institutions and organs will be interviewed. Quantitative data will provide information critical in establishing the existing relationships while interview data will provide deeper understanding and interpretation of study variables and how they related to each other. Interview data will supplement data collected using questionnaires. Although Nachmias and Nachmias (2003) observed that questionnaires are preferred data collection instruments because they are easier to use and research participants find them easy to provide required information especially where answers are predetermined, they do not provide detailed information like interviews. Further, there is tendency for respondents to rush through the questionnaires consequently ending up with wrong answers.

To be able to process data collected from field, quantitative data will be coded and entered into computer data sheet using a computer software programme (SPSS) to generate reports, graphs, plots, correlations and other data required for analysis. Correlation tests will be run to establish the relationship between different study variables where leadership is the independent variable, strategic capability a mediating variable and performance a dependent variable. Since strategic capability is a mediating variable and cannot support a correlation test from its mediating position, multiple regressions will be performed to get its direct relationship with performance in line with Burns and Grove (2005). Factor analysis will be used to determine factors that influenced leadership performance in an organisation while hierarchical linear modelling (HLM) will be used to determine the combined effect of leadership and strategic capabilities on performance of the EAC.

# 1.7 Significance of the Study

The study will assess organizational factors that directly and indirectly influence overall organizational outcomes aware that no organization can operate without key resources and competencies. Despite progress made in EAC integration processes, there remain unanswered questions as to whether EAC organs and institutions have delivered on all the commitments outlined in the Treaty. After twenty (20+) years of service, there remains significant challenges in implementation of different pillars of integration which point to challenges that need to be addressed. Bass and Avolio (1990) identified different leadership attributes that influence leader's ability to perform but they do not independently account for performance of an organization. It is therefore prudent to undertake this research to help identify which other factors influence performance of an organizational.

This study further investigated the contribution of resources and competencies to organizational performance and how they affect leadership performance in general. This will provide insights on how the East African Community organs and institutions and other organizations with similar establishment can reorganize themselves in a way that allow organizational leaders to effectively and efficiently deploy organizational resources and competencies to achieve the desired performance outcomes.

The study will propose a leadership model anchored on organizational capabilities to provide a basis for future leadership studies aimed at improving performance and long-term sustainability of the organization.

# 1.8 Research Questions

The study will investigate the following specific research questions:

1. What role does leadership play in influencing performance of the EAC organs and intuitions?

This research question is intended to provide answers to the first study objective by considering the role played by leaders in ensuring organizational performance. This will build on the already determined personal attributes that help leaders to influence followers and examine other organizational factors that influence and determine leadership behaviours and how they eventually influence organizational results.

- 2. What role do leaders in EAC organs and institutions play in deploying organizational capabilities to achieve the desired performance?
  - The second research question seeks to satisfy objective two of the study by considering the role played by leaders in deploying organizational resources and competencies. This research question will help in establishing whether leaders in EAC organs and institutions adequately deploy available capabilities to deliver to stakeholder expectations.
- 3. What are the factors determining leadership effectiveness and how do they influence performance of EAC organs and institutions?

The third research question seeks to ascertain the determinants of effective leadership in EAC organs and institutions. This research question will help in clearing the ambiguity that exist mainly in the understanding of leadership concept that is viewed from leader-follower relationships. This question will help in furthering the understanding of what role leaders and what determines their performance as two distinct but related phrases. This research question will therefore satisfy the needs of objective three that seeks to explore the determinants of effective leadership in achieving organisations performance objectives.

4. What role do organizational capabilities play in influencing the organizational performance of EAC organs and institutions?

The last research question seeks to examine roles played by organizational capabilities in delivering organizational outcomes. Organisational capabilities are looked at as the abilities of an organisation to deploy resources and competencies to achieve the desired outcomes effectively. These resources may include physical resource, human resources, financial resources, and intellectual capital which are considered critical for existence and survival of an organisation. The research question will therefore help in examining the deployment of EAC resources and competencies influence different organisational outcomes.

# 1.9 Research Hypotheses

The study will test four hypotheses establish whether there exists a relationship between variables.

- H<sub>0</sub>1 Leadership plays no role in achieving the desired performance of EAC organs and institutions.
- 2. **H**<sub>1</sub>**a** Leadership plays a role in achieving the desired performance of EAC organs and institutions.
- 3. **H<sub>0</sub>2** Leadership plays no role in deploying organizational capabilities of EAC organs and institutions.
- 4. **H<sub>1</sub>2** Leadership plays a role in deploying organizational capabilities of EAC organs and institutions.
- 5. **H**<sub>0</sub>**3** There are no major determinants of effective leadership from EAC organs and institutions organizational performance attainment perspective.

- 6. **H**<sub>1</sub>**3** There are major determinants of effective leadership from EAC organs and institutions organizational performance attainment perspective.
- 7. **H**<sub>0</sub>**4** Organizational capabilities plays no role in influencing the organizational performance of EAC organs and institutions.
- 8. **H<sub>1</sub>4** Organizational capabilities plays a role in influencing the organizational performance of EAC organs and institutions.

# 1.10 Scope of the Study

To effectively evaluate leadership, strategic capability, and their influence on performance of EAC organs and institutions, the study considered only serving staff as its study population in the categories of executive, professional and general staff. Although staff that once served in the EAC have information beneficial to the study, they are not considered due to challenges related to tracing their current places of domicile. External stakeholders who are the EAC citizens considered as beneficiaries of services offered by EAC organs and institutions will not be considered by the study although they are important in such studies. The study therefore restricted itself to internal stakeholders who are the current staff of the EAC organs and institutions.

To better understand different concepts under consideration, the study will mainly use the transformational and transactional leadership approaches to explain leadership attributes and behaviours used by leaders to influence followers complemented by stewardship theory to provide the understanding of the relationship between the leader and follower. Resource dependency theory (RDT) will provide a general understanding of organisational resources on how they can be used to better performance of an organisation.

The study will be undertaken in EAC organs and institutions spread in the republics of Uganda, Kenya, Tanzania, Rwanda, and Burundi.

## 1.11 Dissertation Structure

This dissertation is organised in five chapters as follows; chapter one introduces the topic at glance, states the problem at hand and the need for conducting this research guided by the study objectives.

Chapter two covers the theoretical framework for the study providing a theoretical basis for all variables under consideration. Transactional and Transformational Leadership approaches were used to explain how transformational and transactional leaders influence follower motivation and its impact on organizational outcomes. Stewardship Theory provided complementary information in the understanding of the relationship between stewards and agents in delivering organisational outcomes. Further, Resource Dependency Theory (RDT) provided a general understanding of the role played by organizational resources and how different resources can be a source of competitive advantage to an organisation. Performance of an organisation was measured using reporting parameters used by most organisations but customised to match EAC specific operating environment.

Chapter three concerns the methodology used detailing the appropriate research method and design, study population, sampling methods used, data collection methods, data collection instruments used, validation protocols for the tools, ethical considerations, conceptual framework, measurement of study variables, and data analysis methods used.

Chapter four highlights steps taken to build confidence in the study followed by presentation of results in line with the study objectives. Evaluation of findings follows with minimal discussions on each study objectives and finally the summary of the chapter highlighting key points.

Chapter five presents discussion of findings, recommendations for future research and what EAC organs and institutions should do to enhance the role of leadership at different levels in EAC for better organisational outcomes. Conclusions arising from the study and implications of the study on both academia, community, and organisations.

#### **CHAPTER TWO**

## RELATED LITERATURE REVIEW

# 2.0 Introduction

This chapter presents a theoretical snapshot of literature related to Transformational and Transactional leadership theory, strategic capability, and performance of an organization. The study deals with two separate but related constructs critical in measuring performance of an organization basing on different theoretical assumptions. Three different theories are considered important and therefore reviewed to provide theoretical underpinnings for the study. Transformational and transactional theories by Bass (1985), Stewardship theory Donaldson & Davis (1991) and Resource Dependence Theory by Barney (1991) will be studied only that leadership theory by Bass (1985). The choice of the three theories is determined by relatedness to the variables under the study where leadership theory provides theoretical understanding of the role of the leader in influencing performance of an organisation while resource dependency theory elaborates on the importance of organisational resources to the survival and competitiveness of an organisation. Stewardship theory further elaborates on the relationship between the agent and the principal who is the owner of the business that directly speak to the relationship between the leader and the follower. The literature review further focused on works of different scholars in areas of leadership, strategic capability and performance and other institutional reports to provide better understanding of study variables under consideration.

## 2.1 Theoretical Framework of the Study

The study is based on leadership theory, resource dependency theory and stewardship theory.

Transformational and transactional approaches to leadership incorporates views of trait,

behavioural, contingency, situational approaches to leadership and the views of other theories considered critical in the understanding of different study variables. It is on this basis that Transactional and Transformational Leadership Theory initiated by Burns (1978) and expounded by Bass (1985) was used to explain how transformational and transactional leadership approaches affects follower motivation and its impact on organizational outcomes. Review of other leadership theories and approaches pointed to the fact that most if not all had an element of either transformational or transactional leadership style which convinced the researcher that studying both transactional and transformational leadership theories would provide a broader understanding to the concept of leadership and how it influences organizational outcomes. Literature revealed that transformational and transactional leadership approaches are interrelated and therefore studying only one theory leaves a lot unattended to which makes appreciation of leadership concept difficult. For example, Northouse (2016) observed that a transformational leader works with and rewards his followers an attribute that is highly used by transactional leaders which makes the study of leadership more meaningful when both approaches to leadership are studied together. In addition, stewardship Theory looks at the relationship between stewards and agents in delivering stakeholder expectations which directly relate to transactional and transformational leadership assumptions. The role of leaders who are stewards in organizations and the role they play in delivering to stakeholder expectations contributes towards better understanding of views fronted by leadership theorists. Resource Dependency Theory (RDT) on the other hand provides a general understanding of the role played by organizational resources and how different resources are source of competitive advantage when properly deployed by leaders. Studying the above theories therefore provides important theoretical literature required in understanding different variables under the study.

# 2.1.1 Transformational and Transactional Leadership

Transformational and Transactional Leadership theories have evolved overtime starting with the works of Downton (1973) and later recognized in the works of a political sociologist Mc Gregor, (1960). Both leadership types were linked to leaders need to influence followers to achieve their desires at the same time achieving their personal needs. Since inception of leadership theory to the most recent revisions, one thing that has kept resurfacing is leader's need to relate with followers to create necessary attachment to the organization.

Transformational leadership as a leadership approach gained popularity among researchers. For example, Lowe and Gardner (2001) reviewed articles in leadership quarterly and established that in every three published articles, one was either about transformational leadership or charismatic leadership. Such level of research interest points to the fact that transformational leadership is at centre stage in both leadership and management studies.

Transformational leadership concerns deliberate efforts towards changing follower feelings, motives, and perceptions by making their personal concerns part and parcel of the organization such that any effort undertaken within an organization addresses both individual and organizational concerns. This approach of leadership make both the leader and the follower look at the organization as part and parcel of their lives where any challenge or threat on the organization is taken as a threat to everyone in the organization. This brings about commitment that builds an organizational culture centred on behaviours intolerable to anything that negatively affect performance of the organization Schein (2019). Organizations have witnessed cases where their leaders seem to have follower concerns in their actions but when in actual sense are self-centred. Lin et al. (2017) associated such kind of leadership to Pseudo transformational leadership where leaders pursue their own agendas in the pretext of helping communities or groups which they lead. At an organizational level, leaders tend to give

personal work to their followers in the names of training and mentoring but do not share the proceeds from such kind of work. A good example can be drawn from higher institutions of learning such as universities and other colleges where lecturers give assignments to facilitate their commercial research tasks but do not give any form of reward to students when they are finally paid. Such kind of leadership is exploitative in nature and should be avoided. Transactional leadership on the other hand relates to leaders influence on followers because of what a leader gives or promises to give in anticipation of getting what they desire (Northouse, 2016). This type of leadership though criticized by many as traditional and irrelevant to the needs of today's business environment, is in actual sense very popular in corporate world where employers give contracts to their employees which spells out expectations from each party. For example, people go to work every day expecting either a daily or monthly pay depending on agreement made at the beginning of employee- employer relationship. This arrangement is transactional in nature only that today's leaders have found ways of introducing perks that are over and above the agreed rewards believed to influence follower behaviours Saad et al. (2018). There is increasing trend where businesses employ people to do work for specific number of hours and when the assignment is accomplished rewards are given as agreed. Such kind of arrangement is transactional in nature and has continued to be practiced and found to be effective way of work arrangements. What seem to be clear is that the current business environment has forced leaders to integrate elements of transformational leadership into transactional leadership to have a hybrid version that addresses the needs of current employee and the organization.

Cassar et al. (2017) highlighted the importance of good relationship between the leader and subordinates in delivery of organizational results. The existing relationship is based on reciprocal principal where each of the two parties involved must give in anticipation of

mutual connections that meets the needs and wants of either party, the leader must demonstrate their ability to win follower trust by helping them to exploit their full potential while contributing to achievement of organizations vision. Similarly, Karia et al. (2019) opined that transformational leaders help followers to understand the importance of fulfilling their tasks and how their tasks relate to organizations big picture. He further intimated that followers are inspired to develop feelings of belongingness and ownership of the organization if their leaders show commitment and concern to their needs and aspirations. Schein (2019) underscores the importance of leaders in creating a sense of awareness among organizational members on their contribution towards achieving the collective vision. When followers become aware of their expectations and how they are linked to organizations big picture, they become more committed and involved in organizational activities Morgeson et al. (2010). The free interactions that exist between leaders and their followers help them to bond as one unit which make it possible to focus their energies on organizational objectives.

Transformational leadership theory identifies four attributes that leaders use to influence followers. They include; idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. The contingent rewards and management by exception active/passive are attributes used by transactional leaders to manage follower expectations. Cassar et al. (2017) looks at transformational leaders as role models who communicate high expectations to followers and encourage them to be creative and innovative to respond to the needs of the organization. Such leaders support their subordinates to achieve their best and the impact of organizational outcomes is more sustainable since workers focus on organizations bigger picture rather than their individual benefits. On the other hand, transactional leaders tend

to produce expected results as per the agreed targets and the leader is more concerned about agreed results and not the likely attachment workers might develop in due course as they deliver agreed targets. The follower lacks affection to the organizational processes and cannot therefore identify with them since they are as a result of strict directives and not an involving process where the worker is in charge (Saad et al., 2018). The driving factor is reward which is either positive or negative depending on the results given. Transactional leaders pay less attention to organizational processes and only intervene when things are not working according to expectations. This leadership approach employs contractual relationships where leaders and followers agree on terms and conditions of a given assignment which must be strictly complied with for the contract to be honoured. The exchange process yields desired results as long as rewards that are being given are perceived to satisfy the needs of the follower (Northouse, 2016). The eventual relationship is therefore based on give and take affair where leaders agree to give a specific reward on accomplishment of certain tasks. Contingent rewards are emphasized by transactional leaders and are believed to stimulate performance among followers. Rewards are given to those that meet performance expectations while those that fail to meet performance expectations are reprimanded (Laohavichien, et al., 2009). Even though contingent rewards produce agreed results, leaders must be aware of the nature of their organizations before employing this leadership style since outputs do not necessarily correspond to good performance or reputation. For example, in a service organization where the nature and quality of service determine the type of relationships between customers and an organization, entering into agreements that caters for number of customers served instead of quality of services offered may not give good returns to an organization in terms of long-term relationship with clients. Davis et al. (1997) shares the same view that contingent reward generates agreed expected level of output but with potential to limit followers to produce

beyond expectations. The use of sanctions further demotivates followers who fail to achieve set targets but with potential to improve their performance when necessary, support is provided. In addition, the passive nature of transactional leaders where they only come in when errors are committed make it difficult for employees who require guidance to perform. This type of management has no place in today's competitive world since it is counter-productive and does not benefit either the organization or the follower when errors are made. Management by exception active on the other hand involves continuous engagement and monitoring of followers in the undertaking of organizational activities to identify and correct possible errors before they occur. This should be encouraged to meet the increasing performance needs of organizations.

In summary, the two theories are very relevant and important in providing necessary leadership techniques required by today's managers to build organizations that are resilient to changes and respond to stakeholder aspirations.

# 2.1.2 Stewardship Theory

Stewardship theory looks at the relationship between the owners of the organisation and workers Donaldson & Davis (1991). This is in line with the management philosophy at EAC where owner (Member states) employs technocrats (employees) to deliver on its objectives. The nature of operations in today's organisations demonstrate an application of stewardship theory only that some organisations are run by their owners mainly when they are still in forming stages but eventually given to outsiders to manage when they expand and become complex (Davis et al., 1997). The theoretical underpinnings of this theory therefore provide insights into the role played by organizational managers and the level of freedoms allowed to these managers by principals to deploy resource and competencies to achieve organization's desired goals. For

the case of EAC, the principals employ technocrats in various capacities to implement integration agenda. The theory suggests that stewards are supposed to act in a way that make it possible for their organisations to achieve set goals (Zahra et al., 2008). Whereas the principal expects good performance from their organisations, it is through principal-steward engagement that such good performance can be achieved. Principals must therefore realise that creating an organisational environment where stewards are given power and freedom to determine what needs to be done is key in achieving set objectives (Davis et al., 1997). The principal should therefore strive to provide all the necessary support needed by stewards in achieving set goals. The relationships between stewards and owners cement loyalty of stewards towards the organization hence focusing their energies and abilities towards achievement of organizational objectives (Wendy et al., 2007).

Since principals have a leeway to choose who their stewards should be, empowering their workers to ably serve their interests is critical. When stewards are clear with what needs to be achieved, their behaviours are directed towards achieving set objectives (Davis et al., 1997). The resultant behaviours arising from the level of freedom allowed to the stewards by principals, determine the nature and type of outcomes the organisation is likely to have. Lehrer and Segal (2020). opined that when stewards are involved in decision making and given freedom to respond to environmental changes as and when they occur without interference from principals, performance of an organisation improves. The theory further attaches steward's level of motivation to achievement of higher-level needs which can only be achieved when stewards are facilitated with conducive work environment that makes it possible for them to exploit their full potential (Zahra et al., 2008). However, Davis et al. (1997) noted that motivation among stewards can be sustained in organisations when systems and structures

support teamwork and other behaviours and cultures that look at an organisation as one unit where every effort should be focused.

Lehrer and Segal (2020) further note stewards derive satisfaction from fulfilment of their duties. He further observed that organizational interests are put at the fore front when organizational behaviours that collectively deliver organizational goals are promoted. Stewards derive motivation and inspiration to work harder to meet the needs and aspirations of principals for the benefit of the Community as a whole. Consequently, good performance resulting from collective effort is jointly enjoyed by stewards and general stakeholder-ship (Davis et al., 1997). In summary, to ably sustain good working relationships and achieve desired performance, owners of organizations must put in place systems and structures that empower stewards and promote stewardship related behaviours.

# 2.1.3 Resource Dependency Theory

Resource dependency theory (RDT) provides an understanding of how organizations are highly influenced by surrounding environments (Pfeffer & Salancik, 1978). To understand the nature and behaviour of organizations, one needs to look at all factors that surround the functionality of an organization. The theory dwells on the influence caused by external factors with potential to destabilize operations of the organization if no sufficient attention is given. Looking at organizational performance without due consideration of internal and external factors gives a wrong indication of what influences performance of an organization. Although organisation cannot determine how external environment should be, leaders should endeavour to plan and find ways of surviving in a changing environment. The ability of the leader therefore to exert sufficient power and authority over internal and external factors through adequate planning and decision making helps in reducing their adverse effects (Marsden et al.,1994).

The theory further explains how organizations depend on different resources for their survival. Accordingly, Naom et al. (2013) opined that organizations that depend on external resources for their survival are more likely to become threatened and more dependent if the resources needed are scarce and protected within a given environment. Pfeffer and Salancik (2003) indicated that, organization's independence is determined by availability of critical and highly used resource by an organization. Lack of critical resources make organisations dependent on those that possess such resources. This results in unhealthy competition to the extent of threatening survival of dependent organizations. Although this is an avoidable phenomenon, organizations need to look for survival options save for depletion or restricted resources. Building strong relationships with other organizations is therefore one way of dealing with such dependences but the more sustainable way would be exploring innovation and creativity to come up with substitute resources.

Although RDT highlights ways in which organizations can use to gain independence on key resources and how best they can work with other organizations that own resource critical for their survival, measures such as taking over organizations that control such resources through mergers and acquisition, acquiring ownership of such resources that help organizations to be less dependent are only applicable to organizations with capacity which is only available to big institutions. Even though such initiatives resolve the uncertainty that surrounds survival of dependant organisations, Naom et al. (2013) advised resource dependent organizations to consider least constraining working mechanism to guide the relationship between the dependent organization and owners of critical resources. Mechanisms such as entering into binding contracts and agreements with organizations that own resources can in a way provide some level of security and confidence to an organization. There are tendencies by organizations that own critical resources to limit their supply hence affecting operations of the resource

constrained organizations. Leaders should therefore minimize the risk of failure by developing substitute resources and backups necessary to meet their operational needs. For example, organizations that highly depend on consultancy services, need to document work process and key procedures taken during any consultancy assignment and build capacity of internal staff to undertake future consultancy assignments.

Considering the theoretical background presented above, it is evident that each of the theories presents a good theoretical backing for the study, but critical examination of leadership theory brought out elements of other theories, it was found important to use leadership theory in the understanding of what role leader's plays in resource deployments and the eventual impact on performance. Further, it is important to note that there are many leadership theories, but this study concentrated on transformational and transactional leadership theory because of two main reasons. The first reason is that the two theories have received much attention by researchers and therefore much literature exist for reference purposes and two; the other leadership theories I have come across are either describing some attributes of transformational or transactional leadership which made the researcher feel that much value will be attained by using transformational and transactional leadership theory to understand leadership in general.

Literature reviewed about leadership and performance seem to have fallen short in explaining what specific roles leaders play other than describing attributes of different leaders and what leadership styles to use. Factors that make leaders behave the way they do in organizations have not been investigated in most if not all the research studies I have come across. The study is therefore based on theoretical under pinning's of Bass (1985) leadership theory to understand the role played by leaders in the EAC and the level of interaction that exist between different resources to achieve the desired performance.

#### 2.2 Theoretical Literature Review

# 2.2.1 Leadership Overview

Leadership as a term has been used since the creation of mankind. According to the Bible, when God created man, he gave him authority to take leadership of all that had been created. In every situation, where humans are involved, there has been always an element of leadership. That is why we have leaders that arise out of situations or the work that they do.

Leadership as a concept can be looked at in different ways depending on applicability and usability. In informal settings, leadership ability is usually attributed to personal characteristics and capacity to mobilize others to undertake given tasks. At a more formal level, leadership ability is judged from individual traits, formal trainings and experiences acquired while performing related assignments. Different theories such as Leader Member Exchange Theory (LMX), Situational Theory, Trait Theory, Great Man Leadership Theory and Path Goal Theory (PGT) have looked at the concept of leadership differently but what seem to be commonly observed is that leaders arise out of prevailing circumstances, processes, and the need to put things right. In terms of situations, Northouse (2016) opined that individual commitment, dominance, intelligence, and self-confidence as main considerations when selecting a leader. For processes, a leader is identified depending on what needs to be done and therefore someone's experience and training is considered. Leadership can therefore be considered as an ability that can be acquired through assimilation and training by those aspiring to be leaders. Certo (2002) considered leadership as ability to influence follower behaviour to deliver a given task which resonates with Cole (2002) understanding of leadership where a team member undertakes to influence other in accomplishing specific tasks under certain conditions at a given time which concurs with Ursula (2020) definition that considers the relationship between two

people where one leads, and another follows. All the definitions seem to agree that the leader's ability to influence followers is key in achieving organizations objectives.

Leadership is one of areas that has been widely studied in management and sociology, but most researchers seem to agree that Leadership is a process and not an event where leaders influence their teams to take ownership of ongoing processes and activities to deliver set objectives. Wren (1995) considered leadership as a process of exerting influence on group members to have a shared purposes and goal to successfully handle organisational challenges. Morgeson and Karam (2010) adds that motivating followers to partake in the undertakings of an organization creates a sense of ownership and belongingness with its positive effects on employee engagement. Kotter (1996) share that the ability of leader's to condition follower's attitude to buy into the organization's vision, mission, and objectives as key element in achieving desired performance. Although different theories try to bring out the role and nature of relationships that exist between leaders and followers, transactional and transformational leadership approaches highlighted different aspects of leadership that are commonly used in organisations.

# 2.2.1.1 Transformational Leadership

Transformational leadership approach first appeared in the writings of Downton (1973) and received recognition and emphasis by Burns (1978) as an important leadership style to be given attention by organizational leaders, Bass (1985) refined transformational and transactional leadership approaches to leadership bringing out different behaviours that leaders can utilize to relate with their followers. Different researchers have acknowledged the value by the brought about leadership approach towards achievement of set objectives. Iqbal et al. (2012) looked at transformational leadership in terms of developing followers into more capable workers to fully exploit their potential and positively affect organizational performance. Employees are more

likely to perform better and get motivated when they are empowered to perform to their full potential. In organizations where transformational leadership approach is practiced, employees easily connect with their leaders and the organization consequently building an inclusive culture where followers attach more value to things that benefit the entire organization than individuals (Xifang & Jiang, 2018). Susan and Nicola (2010) considered transformational leadership as an inspiring management style that arouse individual need to identify with an organization hence working towards realization of its vision. Leaders play an important role in building strong networks and connections that create an environment of belongingness that is key in focusing followers towards attaining performance requirements of an organization. They further pointed out that when followers feel valued and cherished, they develop feelings of belongingness and attachment to the organization which positively affect their motivation levels and commitment to perform beyond their expectations. Followers become more focused and aim at achieving everything possible for the organization. According to Morgeson et al. (2010), in organizations where leaders and followers consider each other as partners in delivering organizational mandate, performance levels tend to be much higher than the expected. This is because workers do not consider work as a requirement for their engagement but as an obligation which they must accomplish to achieve organizational objectives. As such, a leader should continuously engage to create awareness among organizational members on the value of achieving organizational objectives and the need for all workers to direct their efforts towards attaining organisational goals. Tucker and Russell (2004) concur that transformational leaders help subordinates to rediscover themselves and understand better the role they play in achieving organizational objectives. Aarons (2006) shares the same view that leader's ability to direct followers on organization's desires and future plans positively stimulate behaviours that supportive achievement of organizational objectives. Sharing beliefs and expectations therefore

help followers to have a common understanding of leader's ambitions and aspirations. Followers become more focused and dedicated to deliver organizational objectives when they understand their roles and what contribution they make towards achieving organizational objectives (Morgeson et al., 2010). Leaders at all levels should endeavour to put in place mechanisms that help followers understand the vision to support its implementation (Lattuch & Dankert, 2018). Even though there is a challenge where leaders at different levels of leadership act independent of each other hence causing confusion among workers can be be handled by proper coordination (Yukl, 1999). He added that in situations where lower-level leaders try to influence followers to work towards achieving their departmental or unit level goals, it is the duty of senior management to give direction and guidance on how they should otherwise focus on overall goal of the organisation. Such kind of disconnect may be costly to the organization in addition to creating opposing groups pursuing different goals when they are supposed to work together as a team complementing each other. It is of no doubt that organisations have different departments and units performing different tasks, but they all contribute to one organizational vision. This therefore calls for teamwork and ensure complementarity among different teams. Porter (2008) rightly observed that approaching organizational activities independent of each other without considering interdependencies that exists between teams cause unnecessary chaos and confusion rather than leveraging existing synergies to pursue a common vision. To overcome challenges arising out of such chaos, Morgeson et al. (2010) proposed creating an environment that promote free interactions between leaders and followers where different needs and aspirations of individual leaders are shared and harmonised. To further avoid instances where leaders work independently instead of complementing each other, regular review meetings are encouraged where different leaders in an organisation reflect on what they do and share experiences where necessary to deliver on organizational objectives collectively.

Schein (2019) proposed building to attain set objectives collectively the vision and desire by the organisation to collectively attain set objectives. Nonetheless, lack of clear and detailed framework on how leaders influence followers to forego personal aspirations make it difficult to focus surbodinates on achieving organizational goals (Gary Yukl, 1999). This makes operationalization of transformational leadership style difficult without specific reference on what specific behaviours and actions that are required for one to be able to influence followers while balancing the needs of the organisation positively.

Generally, the theory identifies different approaches that can be used by leaders at different levels in an organization to influence followers but does not explicitly bring out which ones work best at each level in an organisation. For example, even though it is easier for the Chief Executive to direct and influence followers due to the power and authority enshrined into their position, the same might not be true for a head of unit in an organization. Leadership at lower levels helps in focusing individual workers on what needs to be done which may be a different case when it comes to strategic leadership in an organisation. Finally, full implementation and reliance on transformational leadership remains a challenge due to lack of information on how different transformational attribute can be applied in a dynamic organisational environment. Most research undertaken on leadership paid attention on transformational leadership attributes which surround follower -leader's relationships without developing a framework within which such relationships can be effectively used to exploit available opportunities within environment to achieve organisations objectives. However, the theory remains relevant more especially where a leader aims at influencing follower behaviours to transcend their own interest and pursue interest and aspirations that are organizational.

### 2.2.1.1.1 Transformational Leadership Behaviours

Transformational leadership theorists identified different behaviours that can be used by leaders to manage and influence relationships. Different aspects identified by Bass (1985) include idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. These attributes are believed to influence follower behaviours depending on circumstances and the type of work being done. A deep analysis of transformational leadership behaviours points to the fact that they are more comprehensive and seem to encompass every organizational behaviour which makes it difficult for a leader to exhibit all of them at the same time (Northouse, 2016). For example, a leader might be committed and exercising exemplary leadership but falls short on some technical skills to help followers who lack such specific skills to perform better into their positions. Application of idealized influence works well for those with leadership traits but when it comes to individualized consideration, the leader should have the technical knowhow to assist the follower to perform. The need for diverse knowhow to assist the application of different leadership attributes fronted by transformational leadership theorists makes it difficult for a leader to fully exploit all the attributes as required given that today's organisations require different skills and expertise that cannot be found in one person.

#### a) Idealized Influence

Antonakis (2001) considered idealized influence in terms of leader's strong attachment to the organization. As such, leaders are often looked at as role models to their followers. They exhibit high levels of self-discipline and are morally upright which makes followers want to emulate whatever they do (Mishra and Koehler, 2008). Such leaders find it easy to associate with followers which provides suitable environment for building strong relationships. This makes it possible to share organisation's goals and what needs to be done to achieve the vision. The

resulting influence is attributed to leader's organizational citizenship behaviours and how followers perceive such behaviours. Consequently, Morgeson et al. (2010) opined that followers are more likely to associate and develop strong attachment to the organization when a leader is perceived to exhibit strong behaviours that are organisational rather than self-centred behaviours aimed at benefiting individual interests. Leader's ability to mobilize followers to pursue organizational goals has a lot to do with his conduct and commitment to the organisation. This plays an important role in building a culture of selflessness where all the attention and abilities are directed towards achievement of organizations objectives.

Leaders need to champion communication and implementation of the vision in liaison with followers to foster a sense of ownership. This makes it possible for followers to identify with and eventually work towards its successful implementation. Avolio et al. (2002) looked at follower's psychological conviction arising from leader's passion on implementation of organizational vision as source of inducement to support implementation of set objectives. Relatedly, a study conducted by Stone et al. (2003) revealed that followers develop emotional attachments to the organization when their leader demonstrate total commitment to implementation of organizations activities.

# b) Inspirational Motivation

In relation to idealized influence, the leader is believed to be a source of motivation to their followers (Cassar, et al., 2017). This inspiration is attributed to the leader's ability to lead by example. The leader influences and motivates followers by encouraging active participation in vision implementation and consequently focuses their efforts on achievement of organizational objectives. Morgeson et al. (2010) looked at leaders as a source of inspiration when they demonstrate actions and behaviours that followers perceive to be organizational.

Transformational leaders therefore build teams that collectively work towards achievement of organizational objectives. Research has shown that leading by example and involving followers in vision building and implementation plays a big role in instilling organizational citizenship behaviours that looks at the organizations big picture rather than individual benefits (Shamir et al., 1993). In today's competitive environment where survival is associated with how best different resources within the organisation are efficiently deployed, having leaders that do not value the importance of teamwork in achieving set objectives negatively affect its performance.

The emotional connectivity between leaders and followers help the leader to freely communicate the vision and agree on how the same can be pursued to the benefit of the Community (Cassar, et al., 2017). When followers share similar understanding of the direction to be taken, it becomes easy to pursue different activities required to achieve the vision (Gennaro et al., 2014). LMX theorists share the same observation that meaningful connections between the leader and followers lead to positive organizational outcomes.

# c) Intellectual Stimulation

Intellectual stimulation is favourable in organizations whose structures and policies allow flexibility and innovation to facilitate search for solutions improving organisations functioning. Organizations that are static where rules do not provide for flexibility limit followers in terms of how far they can innovate without breaking rules (Ghoshal &Bartlett, 1995). Innovation and creativity bring forth new ideas and solutions about how things can be done to increase chances of survival in cases of changes in business environment. To increase chances of survival and productivity, Smith and Tushman (2005) urges leaders to support their followers to exploit their full potential to meet individual and organizational needs.

Leaders are believed to trigger followers thinking to approach challenges in a way that elicit creativity which help in solving organizational problems (Avolio et al., 2002). By stimulating individual's intellect, followers are made to explore different opportunities by looking at things differently as they look for better ways of solving organizational problems. It is on this basis that leaders should allow followers freedom to exercise their intellectual power which influence their level of commitment to the organization (Gennaro et al, 2014). Nevertheless, leaders are faced with a challenge arising from organisation's strict reliance on policies and procedures that dictate how work is undertaken and behaviours expected from workers without providing for flexibility in administration of such policies. In such circumstances, leaders find themselves with no option but to limit operations within the confines of existing rules as they pursue amending the rules to provide for required flexibility where possible.

#### d) Individualized Consideration

Under individualized consideration, leaders provide personalized support depending on one's need. To be able to understand what individual followers need, leaders create an environment where they freely interact with their followers and any performance related challenges identified Morgeson et al. (2010). Leaders provide support to followers in different ways, but the most common method is by attaching less experienced individuals to more senior and experienced colleagues for coaching and training purposes or directly offer the required support themselves. Followers are encouraged to learn new things more especially in areas where their performance is wanting. For this to happen, there must be a conducive environment where followers are free to express their weakness such that needed support is arranged.

Northouse (2016) opined that when transformational leaders jointly undertake activities with followers, they create an environment where followers view leaders as teammates and not

bosses. This makes it possible to easily consult which is key in achieving set objectives. Leaders build capacity of followers through mentoring and coaching. This enables followers to perform different tasks both individually and in teams. Wageman (2012) shares the same view that leaders provide continuous individualized support to followers to ensure that task are performed accordingly. To effectively provide this support, leaders identify strength and weaknesses of each follower and establish improvement strategies that can be used in helping followers to improve their performance.

Even though Gary Yukl (1999) pointed to the overraping nature of some leadership attributes presented by different leadership scholars that arise from conceptual overlaps, There is need for leaders to apply any of them effectively to achieve the intended results. For example, it is very hard to define the lower limits of idealized influence and upper limits of inspirational motivation which seem to be talking about the same thing hence making it difficult for a leader to effectively transit as and when required.

### 2.2.1.2 Transactional Leadership

Transactional leadership is based on the mutual agreement between the leader and a follower on what needs to be done with its corresponding compensation. The exchange process involves things that are considered of value to the follower in return of services to be offered (Laohavichien et al., 2009). Whereas the focus of the leader is to achieve the desired output, the follower aims at getting the best reward that fulfils their wants Xifang & Jiang (2018). This exchange process is therefore a win-win situation where a leader gets work done in exchange of what the follower needs. Researchers therefore view this leadership approach as an exchange process that is based on needs and aspirations of a leader and follower. Different researchers consider transactional leadership to be centred on the agreement between leaders and followers

that most organizations tend to subscribe to although they enrich it with some transformational attributes to make followers feel appreciated at workplace. Leaders prescribe work to be done and agree on what rewards to be paid (Northouse, 2016). Transactional leaders bargain with followers on what rewards to be given on accomplishment of agreed tasks. It is however evident that a leader's referent power to pay, influences a follower's behaviour in the negotiation processes (Bass, 1990). The administration of rewards is dependent on how leaders perceive the resultant motivation that supports achievement of results even though rewards are mainly in form of money, valuable things or any payment in kind that meet the needs of the followers (Gennaro et al., 2014). In public organizations, rewards are prescribed according to the nature and level of the job holder but in more performance driven organizations, some rewards are attached to the extra output that a worker can deliver. While negotiating for the reward to be paid, the leader considers tasks to be performed, follower needs and aspirations to prescribe rewards to be offered on accomplishment of agreed assignments. Task accomplishment is used to determine whether a follower qualifies for agreed rewards or not even when it does not prescribe an additional reward to a follower who transcends expectations. This kind of relationship limits individual followers to what has been agreed upon which in essence hampers creativity and innovation that is critical in meeting the ever-changing needs of an organization (Davis et al., 1997). More so, in circumstances where a follower is a strong negotiator, a lot of time is wasted in negotiations as they attempt to come up with better and balanced reward (Northouse, 2016). The bargaining process therefore affects the resulting relationship more especially when one party involved feel cheated (Gennaro et al., 2014). There are higher chances for a leader to use referent reward power to dictate what needs to be done and the kind of reward to be paid which in most cases is accepted by the follower due to their

vulnerability and need to meet their needs. This creates an imbalance in the entire exchange process which in turn affects the resulting relationship.

### 2.2.1.2.1 Transactional Leadership Behaviours

Bass (1985) identified transactional behaviours exhibited by leaders in organizations which are used to influence followers. Although organisations are different in their value prepositions, most leaders have been found to exercise transactional leadership behaviours since they are better appreciated by followers (Xifang & Jiang, 2018).

# **Contingent Reward**

Rewards are expectations resulting from follower's effort when tasks have been undertaken. The leader and follower agree upfront on what needs to be done and rewards to be given on accomplishment of specified amount of work. This type of leadership is common with casual workers mostly without any form of written contract/agreement but whose payment is dependent on the amount of work done. For example, in a local sand mining environment, individual truck loaders are paid for each truck loaded and the amount paid is predetermined. The amount of money one gets at the end of the day is therefore dependent on the number of trucks loaded. Contingent reward also is exercised in formal settings where formal employment is offered. Most organizations world over employ workers with employment contracts that spells out rewards to be paid either hourly, daily, weekly, or monthly with matching list of duties to be performed which has elements of transactional leadership style.

Transactional leaders emphasize rewards to stimulate followers to achieve set targets (Xifang & Jiang, 2018). Whenever followers perform to the expectations of their leaders, the agreed rewards are paid but where followers fail to perform to expectations, sanctions and punishments are prescribed. Transactional leaders decide on what reward to give on completion of specific

tasks and a follower agrees to perform to the leader's expectations. Although this is a widely practiced form of leadership both in government and private sector, rewards that are based on mere completion of agreed tasks without considering needs and aspirations of both the individual and the organisation should as much as possible be avoided.

# a) Management by Exception (Passive and Active)

This leadership style is associated with activism and dormantism. Activism relates to leaders who take active participation in the undertaking of organizational activities while dormantism relate to leader's inactiveness in management of the organization. In organizations where leaders are actively involved in operations, mistakes are identified in time and corrective action taken before things go wrong (Iqbal et al., 2012). Contrary to this, where leaders play a passive role in managing the affairs of their organizations, mistakes happen and go unnoticed until the leader is awakened by deteriorating quality standards.

Leaders who employ passive approaches to management allow freedom to followers to work independently and only come in when deviations occur. Yukl (1999) questions the essence behind waiting for mistakes to be made before the leader intervenes. Leaders should not intentionally hold back waiting to sanction or praise their followers. Leaders should rather be supportive to followers if they are to achieve the desired organizational outcomes. Contrary to this, management by exception active presupposes leader's active participation in the undertaking of follower duties. Leaders continuously monitor followers as they engage in their work and provide feedback as and when required. This type of management however flourishes in an environment where systems and processes are clearly defined (Antonakis et al., 2003). Leaders that actively participate in implementation of activities build follower capacity which helps the organization to perform to expected levels. Although Yukl (1999) consideres

management by exception active and passive as two different behaviours that cannot be used by applied by the same leader, they do not necessarily have to be applied at the same time but according to the need and nature of surbordinates involved. Aware that organisations employ workers with different levels of expertise, those that are highly skilled need freedom in performance of their duties while those that are less technical might require constant supervision and direction from their leaders.

# 2.2.2 Leadership at the East African Community

The EAC like any other organisation with goals to achieve has leadership structures that facilitate delivery of set objectives. The highest level of leadership in EAC is Summit which is composed of heads of governments in EAC member countries in line with Article (10) of the Treaty for establishment of EAC. The Summit provides overall direction and any other support required to achieve integration objectives. Management and decision-making functions are delegated to the Council of Ministers that monitor implementation of projects and programs by the organs and institutions of the Community. Similarly, Council of Ministers recruit staff to ensure that the set objectives are achieved. Council plays a facilitative and monitoring role to ensure that right things are done according to plans and expectations of stakeholders.

The Council of Ministers is the policy making Organ and all operations of EAC organs and institutions are guided by its directives and decisions and are binding in nature except to those organs prescribed by the Treaty. Jeffery (2000) noted the involvement of member states in all matters of policy formulation and implementation. Regional policies are made and implemented by national governments although the level of adherence is affected by local environments which at times affect implementation of different programmes (Borghetto et al., 2010). The level of importance attached to regional policies and laws and how they are integrated into

national institutional framework facilitates program implementation (Börzel, 2002). EAC integration agenda is more likely to be achieved when member states view regional institutions and organs whose laws, policies and decisions are considered superior to the national laws.

The Coordinating Committee being an arm of Council of ministers has a primary responsibility of ensuring that regional integration is enhanced and that activities of the Sectoral Committees are well coordinated. The coordination committee is composed of accounting officers from line ministries in member countries with agendas for discussion during any seating of the Council.

Sectoral Committees also serve as technical arms of Council that scrutinise programmes and activities before, they get to coordination committee for consideration. Depending on expertise required and the need to provide guidance on some technical issues, the composition is normally from sector specific experts from member countries. Involvement of member countries in management and implementation of projects and programmes improve transparency, accountability, commitment, and ownership. Accommodating all stakeholders in the running and management of an organisation is key in achieving overall goals (Newman et al., 2006). Involving stakeholders increases the level of knowledge and expertise required for smooth running of the organization (Wolf, 2001). To that end, leaders should ensure that stakeholder participate in the management and implementation of projects and programs hence increasing their chances of success and sustainability. It is generally agreed that the more stakeholders disagree and lack consensus in implementation of different programs, the more likely they will fail to deliver on their performance expectations (Oorschot, 2015). It is therefore better for different EAC stakeholders to unite and work together for the best interest of integration.

The East African Court of Justice (EACJ) is an organ of the EAC established under Article (23) of the Treaty as a principal judicial Organ of the Community that ensures adherence to the law and interpretation, application, and compliance with the EAC Treaty. It is headed by the Judge President who heads the Appellate Court and the lower court headed by the Principal Judge. The registrar takes care of day-to-day management of the court but responsible to the Judge President. Within the structure of the court, there are other officers who ensure that work at the court go on smoothly to effectively deliver on its mandate.

The East African Legislative Assembly (EALA) is established under Article (48) of the Treaty as a Legislative arm of the Community to perform legislative, appropriation, representative and oversight roles for the Community. It is composed of members elected by member states with other ex-officials as prescribed by the Treaty.

The East African Community Secretariat (EACS) is the executive Organ of the Community that ensures that regulations and directives given by the Council of Ministers are properly implemented and provides the Council of Ministers with strategic recommendations for consideration. The Secretary General is the principal executive and accounting officer of the Community with deputies heading key sectors appointed by the Summit. The Secretariat is composed of directorates that are headed by directors reporting to the deputy secretary general of line sector in which such a directorate falls. All proposals from different directorates are presented by respective deputy secretary general in executive meetings to discuss and considers before recommending to Council for adoption.

There are other institutions of the Community that are specialised in nature which are; Civil Aviation Safety and Security Oversight Agency (CASSOA), East African Development Bank (EADB), East African Health Research Commission (EAHRC) East African Kiswahili

Commission (EAKC) East African Science and Technology Commission (EASTECO), Inter-University Council for East Africa (IUCEA) Lake Victoria Basin Commission (LVBC), Lake Victoria Fisheries Organisation (LVFO) and East African Competition Authority (EACA).

Each of these institutions has a clear mandate that is well-articulated in protocols for their formation and overall leadership is provided by either the Board of Directors or the Commission depending on the nature of establishment. The day- to- day management of these institutions is by the executive secretary/director who is assisted by deputies in execution of the institutions mandate. Although the heads of these institutions are accounting officers who are supposed to make strategic decisions for effective and smooth running of their organisations, the overall EAC structure makes it difficult where they largely depend on Council for decision making. Whereas Provan and Milward (1995) concurs that the effectiveness of any structure is dependent on how management is organised, the structure of EAC organs and institutions makes decision making processes and eventual implementation of projects and programs in EAC difficult. Contrary, Kickert (2005) agitated for more autonomous structures where leaders at different levels have liberty to exercise their powers to allocate resources according to the needs and aspirations of their organizations, the structural arrangement at EAC make it difficult to realize such flexibility that is important for knowledge creation and implementation of new ideas critical to achievement of set objectives.

These institutions are structured in directorates, each composed of at least one department that is technical in nature. Proposals made by different departments are concretised and adopted at institutional level before they are presented by the executive secretary/director to the board for consideration. Even though in other organisational settings Boards are decision making organs, the situation is different in EAC institutions where decisions of the board are subjected to

Council scrutiny before they are considered contrally to urguments presented by Bhimani (2008) on board operation. Even though the staff of EAC organs and institutions come from respective member states, they don't represent interests of countries where they come from but work as agents focusing on projects and programs of the Community. In this regard, member states agree on mechanism within which agents operate and ensure that workers are rewarded accordingly (Holmstrom & Milgrom, 1994). Nevertheless, the analysis of existing organizational structure revealed that many positions remain unfilled which affect implementation of different projects and programs of the Community. Lack of human resource capacity affects proper implementation of commitments made by shareholders hence affecting overall output. Unless EAC mobilizes necessary human resources required to implement different EAC activities, realization of its integration agenda will be hard to achieve.

# 2.2.2 Strategic Capability

Strategic capability is the ability of an organisation to plan and implement strategies that make it possible to react to changes in environment without causing major disruptions in business process. Prahalad (1983) considered it as the ability of an organisation to cope with demands of ever-changing work environment. Consequently, organisations attain this capability through the following.

a) Evaluation of both internal and external environment to assess what weaknesses and strength exist within the organisation and work on weaknesses by capitalising on strength to gain more ground and competitiveness. Organisations strengths can as well be a basis for fixing all the weaknesses which gives an organisation a firm ground for future expansion and better services delivery to stakeholders. No organisation exists in a vacuum and therefore is prone to external pressures of which they should continuously

scan to establish existing opportunities and threats. Knowing the extent of external pressures and the likely impacts on performance helps organisations to come up with strategies that respond to eventualities. Further, based on opportunities within external environment, organisations can strategize on how to exploit those opportunities to build the necessary resilience that shields the organisation from adverse pressures that may arise from ever changing business environment.

- b) Exercising flexibility in the way organisations operate is another way organisations can build their capacity to respond to changes. Certain situations demand that organisations relax on adherence to strict rules and regulations that sometimes stifle operations in situations where order and chaos have to be balanced for the survival of an organisation. Strategic capability is therefore about being able to swiftly change the status quo and respond to the needs of the organisation as and when need arises.
- c) Employing different approaches while reacting to the needs of the organisation is a capability that every organisation striving for growth and competitiveness requires. Although every organisation plans with an assumption that everything will happen according to the plan, in many cases things change along the way due to unforeseeable factors that come into play within the business environment. These changes are as result of increased competition from similar organisations, emergency of new technologies that affect work processes, internal and international legislations, globalisation, pandemics, and economic downturn that affect operations of an organisation. It is important therefore that organisations adapt different approaches to handle different situations since no single approach can best address all organisations concerns.

- d) Timely response while reacting to challenges is key in ensuring that organisations remain afloat. Although it is evident that providing quality services to stakeholders helps the business to remain relevant and competitive, the time within which these services and products reach the intended beneficiary tells a lot about the future and ability of the organisation to handle competition amidst changes in business environment. Being efficient does not override being effective. Organisations should strive to become efficient and effective at the same time to ensure competitiveness and survival.
- e) Finally, organisations will not be strategically capable if their managers cannot allocate resources needed for operations. Allocating resources both human and financial in areas that need them most is critical for survival and profitability of the business. This however calls for discipline and strict guidelines within which organisational resources are utilized.

Considering the above prerequisites fronted by Prahalad (1983) for an organisation to be strategically capable of meeting stakeholder expectations and survive competition, one would conclude that strategic capability is about being able to timely identify the needs of an organisation and use the available resources to effectively and efficiently deliver services required by its customers.

### 2.2.2.1 Strategic Capability Defined

Strategic capabilities are key resources and competences an organization needs to effectively deliver to stakeholder expectations Parnell (2018). These capabilities are found from within and outside the organization. It is important to note that capabilities that are within the organization are easier to control and deploy compared to external capabilities that organizations have less or no control over them. Although organizations have capabilities that help them to survive and

perform to expectations of stakeholders in a stable business environment, these capabilities might not be in position to support the organization in cases of serious shocks that require change of strategies and processes for survival. Further, organizations possess capabilities that make them competitive. Unlike survival abilities, these capabilities help in building the resilience of an organization to withstand most of the shocks that would ordinarily collapse the organization. These capabilities are therefore strategic in nature to the extent that when properly developed they give an organization superior performance (Wang et al., 2022).

Organizations of different sizes need some minimal resources to survive. This is because an organization does not exist in vacuum and its existence means some resources have to be committed and will need more to be sustained. The dynamic nature of work environment dictates that organizations keep on reacting to changes as they occur which calls for significant amount of resources to be properly deployed if organizations are to survive and deliver to stakeholder expectations (Parnell, 2018). Consequently business shocks resulting from changes in environment can only be suppressed by strategic planning and proper deployment of available resources and competences

#### 2.2.2.2 Organisational Resources and Competencies

Resource and competencies are key elements used by organizations to achieve set objectives. This is because they are major drivers in production of goods and services required to meet stakeholder's expectations (Seram et al., 2019). Organisational leaders must therefore develop available resources and competencies to perform better than their rivals. Even though the study of Spanos et al. (2001) generally agreed that both internal and external resources provide competitiveness to an organization, internal resources were found to be a source of

competitiveness more than external resources (Parnell, 2018). This study therefore looks at both internal and external resources and how they influence performance of an organization.

# 2.2.2.3 Organizational Resources

A resource is anything of value that an organization owns which directly and indirectly contribute to its survival and competitiveness. Parnell (2018) considered resources as assets owned by organizations that facilitate production of goods and services. Availability of these resources therefore help in achieving set objectives and delivering superior performance (Spanos et al., 2001). The contribution of these resources to organization's performance and competitiveness varies depending on the extent to which competitors have access to such resources (Rumelt, 1991). Nevertheless, it is generally believed that when a given resources is readily available to competitors, its ability to give an organisation a competitive advantage entirely depends on how it is deployed in an organisation.

Organizational resources are of different types, but the most accepted categorization is the one that considers resources as tangible and intangible. Resources are tangible in sense that one can see, touch and verify them while others can be intangible where they cannot be seen, touched or verified using conventional means (Seram et al., 2019). These resources were further grouped as internal and external. As earlier pointed out, these resources contribute to performance and competitiveness of an organisation. Conversely, the studies of Rumelt (1991), McGahan et al. (1997) and Roquebert et al. (1996) concluded that internal factors contribute more to organizational performance than their external counterparts. Subsequently Ruzzier (2007) clarified that among internal resources human and organizational resource were reported to have higher influence on organizational performance. This however does not mean that other resources such as financial and physical assets do not add value to the organization. Based on

assumptions of the resource-based view of the firm, it is difficult for physical resources to meet the requirements of rarity, non-substitutable and imitable at the same time. From the above observation, it is therefore imperative to understand which resources that are source of competitive advantage to an organization for sustained competitiveness and survival.

Since organizations own both tangible and intangible resources whose usage depend on the nature of the organization, developing both types of resources in line with organizations strategy gives more potential to organization's competitiveness and sustainability.

# 2.2.2.3.1 Tangible Resources

Organizational resources that can be touched and verified are categorized as tangible resources. They include office premises, factories, Information Technology (IT) equipment, motor vehicle, office equipment, plant and machinery, buildings, human resources, physical cash among others. These resources are of value and can be verified at any particular time. Organizations significantly invest in physical resources but there availability does not necessarily guarantee competitive advantage. This is because other organizations can easily acquire them (Parnell, 2018). Tangible resources therefore may lead to superior performance when they are strategically deployed.

Human capital plays a key role in deployment of other resources for effective running of the organization. Nwachukwu et al. (2019) concurs that effective management of human resources is increasingly becoming more important than ever before. This is because of its ability to exhibit other intangible resources that are key in production process. As much as human resources are physical, they come with skills and competencies that are invisible which organisations can utilise to gain competitive advantage. Leaders in organizations of all sizes agree that highly motivated and competent employees are vital in achieving organizational

objectives. Gannon and Boguszak (2013) shares similar observations that human resources are key strategic resources with ability to influence organizational outcomes. Organizational leaders should therefore strategically manage and deploy human resources since they are responsible for deployment of other resources in production of goods and services needed by customers. Tangible and intangible resources can be in a form of physical, financial, human and intellectual capital that organizations own and exploit for survival and competitiveness.

# 2.2.2.3.2 Physical Resources

Physical resources include all those organizational assets that can be seen and verified. Grant (2002) looked at physical resources in terms of type and level of technology used to facilitate production of goods and services. Physical resources are part of wider tangible resources that include human resources, financial resources and other physical assets of the organization. Since human resources and financial resources are discussed separately, this section focuses on physical assets of the organization other than human and financial resources and how they relate to performance. Physical resources such as plant and equipment, machines, building's, motor vehicles and other movable and immovable assets can be a source of competitive advantage and improved performance when they are strategically aligned to business processes. This is because they provide supportive infrastructure for production of goods and services. Yang et al. (2007) thus proposed to organisations to adapt the use of technology that is efficient and cost saving to improve production processes. Technologies make the deployment of physical resources more in an effective and efficient manner which makes an organisation more productive. These resources are important for any organization to deliver on its set objectives since they provide required infrastructure upon which other organizational processes are based. There continue to exist a challenge where organizations attempt to increase productivity and customer satisfaction at the same time reducing investments in physical assets with associated overheads. Ordinarily, reducing overhead cost would mean reduced production but Ruzzier et al. (2007) agitates for the use of improved technology to minimize overheads at the same time increasing productivity. Leaders should therefore aim at reducing costs of operations by opting for improved technologies that require less overhead costs but effectively managed to increase productivity and profitability.

#### 2.2.2.3.3 Financial Resources

The term financial resource is normally used in reference to financial capital as a factor of production. Finances in form of money or its equivalent is used to procure other factors of production used in production of required goods and services Flink & Molina (2021). Financial resources are comprised of all those resources including cash and other cash equivalents which organizations use to own and deploy other resources. Shigang and Guozhi (2016) looks at financial resources as life blood for organizations since they facilitate acquisition and deployment of other factors of production. To get maximum value of financial resources, Higgins (2007) advocates for proper management of finances is a must to reduce financial related risks that have been the main source of business failures. Bible et al. (2006) coincides that availability of financial resources does not only guarantee survival of an organization but also its competitiveness. This is due to its ability to finance acquisition and development of other critical factors of production. Danso and Adomako (2014) agrees that financial resources are critical in delivering better results to an organization. He further noted that, organizations with strong financial muscle are able to acquire other resources needed in production of goods and services on short notice which is key for organization's competitiveness. Optimizing the use of finances therefore help in maximizing profitability and improved service quality. Related

to observations of Inmyxai et al. (2010) organizations that put into good use their finances are able to invest in areas with highest returns that translate into higher profitability. Financial resources therefore drive other operational areas of the organization since they facilitate quick business decisions required to survive in a fast changing business environment. Dollinger (1999) intimated that financial resources can easily be converted into other needed resources to support organizations growth strategies. In fast changing business environment where businesses are unpredictable, proper management of finances to support innovations with potential to predict and respond to organizations threats is inevitable for survival (Neneh, (2016). Based on the above, Coombs et al. (2006) urged organization's leaders to use finances to boost production and mitigate challenges related to business failures and insolvency.

# **2.2.2.3.4 Human Capital**

Human resources are personnel with their different set of skills, experience and competencies that are available for organizations to exploit and deliver on set objectives (Taylor, 1998). Aware that labour is an important factor of production, no organization can exist without human resources that put into use other factors of production. Rose and Kumar (2007) coincide that human resources help in delivery of excellent services and calls for organizations to optimally utilize human resources for maximum outputs. Morgan et al. (2004) shares the same view that human resources positively influence performance even in dynamic situations where organizations struggle to survive. Notwithstanding the above, human resources are of different types and each organization should choose its human resources depending on the nature of work to be performed. Different categories such as skilled, semi-skilled and unskilled with their age distribution determine the nature and type of work that can be performed by those different categories.

Effective management of human resources therefore facilitates achievement of organizational objectives since they link other organizational processes (Susan & Nicola, 2010). For example, in an organization that is labour intensive, having a young population of workers is more likely to influence performance compared to having an aging staff population. Likewise an organization with skilled workforce where performance of activities require specific skills set and expertise is more likely to perform better that those organizations that lack such skills and expertise. Jensen et al. (2013) calls for innovative human resource practices that ensures that human resources have the right skills and competencies and create an environment that is supportive for effective delivery of their duties.

Human resources in addition to harbouring skills and competencies required, they deploy other organizations resources for effective functioning (Gannon & Boguszak 2013). This important resource therefore needs to be managed strategically to be more productive and serve to stakeholders expectations. Managers in different organizations should however be aware that although human resources are important to the organization, they are highly mobile and therefore a very difficult resource to manage. This can threaten survival and competitiveness of an organization if not well managed (Rodriguez et al., 2003). Organisations are therefore faced with a puzzle as to whether emphasis should be put on developing human capital or other resources valuable to the organization to achieve the desired performance. This challenge is however complicated by the ever changing work environment occasioned by rapid changes in technology, globalization, growing competition both local and international which has made dependence on other resources very unpredictable (Snell et al., 1999). Taylor (1998) concurs that constant changes in business environment threaten organizations that depend on other factors of production as source of their competitiveness and sustainability. This is because technology keeps on changing requiring new inputs and ways of doing things. Dependence

therefore on human capital despite its mobility related challenges not forgetting the huge costs in development and training remain the only sure way to guarantee sustainability and competitiveness more especially in service oriented industries. Aware that intangible resources are source of competitiveness and considering the fact that some scholars referred to it as organizations intellectual capital of which much of it originates and resides within people, the only sure way to guarantee smooth functioning of the organization lie with proper management of human resources. This is nevertheless most applicable to knowledge based organizations whose performance entirely depend on the quality of human resources in terms of skills, abilities and attitudes necessary for service delivery.

Resource based view of the firm considered a resource to be a source of competitive advantage when it is of value, limited in supply and none substitutable (Barney, 1991). Depending on skill set and the organization's niche, human resource meet this criteria more especially in service oriented sectors where specific skills and expertise accumulated in a specific sector over a long period of time make them valuable, rare and hard to come by. Snell et al. (1999) looked at human resources in terms of value creation and the level of distinctiveness it brings to the organization.

In summary, human capital is important to any organization but the specific set of skills and abilities needed depend on the nature of the organization and the market being served. Human capital cannot work in isolation of other resources which necessitates organisations top leadership to strike a balance between different resources that are required for efficient and effective running of the business.

### 2.2.2.3.5 Intangible Resources

Intangible resources on the other hand cannot be seen and at times difficult to verify. They include organization's knowledge and processes, experience of different workers, organizational culture, brand name, location, reputation and existing relationships among others. Marr et al. (2005) considered intangibles encompassing all those resources that cannot be touched or seen but add value to an organization. This however is normally gained over time. Bulińska-Stangrecka and Bagieńska (2020) regarded intangible resources as a source of superior performance when properly natured and deployed. Accordingly, Zollo and Winter (2002) noted that intangible resources are source of superior performance and therefore organizations with such resources need to put in place measures to sustain and develop them further. Policies and systems should be developed to safeguard the development and utilization of intangible resources. Taylor (1998) held that skills and expertise endowed by employees should be well kept since they are used in deployment of other organizational resources to delivery required services to customers. Pettigrew (2002) added that organizational processes facilitate achievement of objectives and when such processes are very complex, it becomes very difficult for competitors to understand how organizations products are developed hence making it hard for outsiders to replicate. Capabilities brought about by the complex linkages among organizational activities in production of goods and services are organization specific which are embedded in processes that no one can take away from the organization (Parnell, 2018). When a product or service results from a number of activities linked to each other, it becomes very unclear for competitors to identify which specific activity is responsible for given outcomes thus making it very complicated to copy.

Further, capabilities that arise out of system upgrades, high performance work system and continuous scanning of organizational environment to anticipate which changes that are likely

to occur helps in putting in place strategies to address such changes which promotes organizational stability and competitiveness (Eisenhardt & Martin, 2000). Organizations should therefore put in place mechanisms for detecting changes in environment and build capabilities in form of systems and processes that are more resilient to changes. It is therefore right to observe that some capabilities give rise to other capabilities which strengthen and make an organization more competitive. Capabilities such as powerful brand name, patented products and positive organizational philosophy are a result of other capabilities that are properly deployed. For example, in an organization where organizational citizenship behaviour is part of the culture, it is easy to implement cost saving initiatives that result in low cost production of quality products compared to an organization where such culture is lacking (Schein, 2019). Organisations should therefore focuse on such capabilities since they are more likely to give an organization superior performance (Parnell, 2018).

The above notwithsatanding, Bulińska-Stangrecka and Bagieńska (2020) opined that much of the organizational intangible assets form the bulk of organizations intellectual capital hence the focus of this discussion will be on intellectual capital and knowledge management to understand the organization's intangibles and how they contribute to performance.

### 2.2.2.3.6 Intellectual Capital

Intellectual capital (IC) is one of the key resources of an organization that compose much of intangibles but very important to organizations functioning and performance. Bontis (2002) considered IC as a collective sum of intangible resources in an organisation that facilitate attainment of organisational objectives and sustainability. IC as resource cannot be seen but facilitates implementation of organizations activities (Francesca et al., 2018). IC includes many organisational intangible resources such as; organizations patents and rights, organizational

knowledge, brand names, business processes and formulas and good will. These resources are capable of giving an organization a competitive advantage more especially those that are service oriented and knowledge based. Jensen et al. (2013) noted that effective development of strategies, deployment and conservation of these resources is a key for sustained performance of an organization.

Bulińska-Stangrecka and Bagieńska (2020) opined that intangible resources that are not easily available and are of value to an organization help an organization to perform better than its rivals. IC is one of such resources that an organization has exclusive rights which can be used to better its performance. Based on the above observations, organizations need to identify and understand which skills, competencies and processes that are critical in their operations to ensure their development and proper deployment to achieve set objectives. Effective utilization of organizational resources and competencies help organizations perform better and consequently give more value to stakeholders (Peteraf, 1993). In a knowledge-based organisation, IC is more valued than physical assets that are easily acquired by competitors (Ruzzier et al., 2007). This is because Intellectual Capital is internally developed and is specific to operations of the organisation. The distinctive nature of IC makes it impossible for other organisations to imitate which results into exclusive production of goods and services valuable to customers by only organisations that own it. Since IC is a combination of human employee skills, knowledge, experience, attitudes, relationships both within and outside the organisation together with conducive environment that facilitate effective functioning of the organisation, investing in promotion and development of IC is one sure way that intangible assets of an organisation can grow in terms of value (Jensen et al., 2013). Changes in market demand and consumer preferences require high level skills and expertise to provide needed solutions and fill gaps created by changes in teste and preferences (Walsh & Brendan, 2008). IC therefore grows

as more skills enhancement programs are introduced. Continuous sharing of new ideas on how to handle new challenges presented by external environment among workers is emphasised to grow IC of an organisation (Chen et al., 2004). IC is therefore derived from constant interaction of human capital with other organisational resources and the surrounding environment in attempt to deliver required services to stakeholders.

From the above understanding, managing IC involves giving a special consideration to; human capital, structural capital and relational capital as highlighted in (Hieu and Nwachuku, 2020).

- a) Human capital encompasses capabilities related to employee's knowledge, skills, experiences, attitudes, and motivation required to undertake tasks that result into goods and services of value to customers. Although human capital is an asset, its usage is only possible when employees with required skills and competencies are still engaged with an organisation. Human capital can therefore be considered as temporary asset of an organisation whose potential has to be optimally exploited while the employee still renders services to an organisation. The mobility nature of human resources should be noted by organisation's managers and should be given priority since developing required skills and competencies more especially in specialised fields require huge investments in training and other forms of skill transfer and acquisition processes. Proper management and deployment of human resources therefore help in optimising productivity of this valuable resource that is critical in achieving organisation's objectives.
- b) Another component of IC is structural capital that provides supportive infrastructure for human capital to flourish (Edvinsson et al., 1997). Policies and procedures and other workplace practices need to be structured in a way that make it possible for both employees and employers to fully engage and work towards delivering goods and

services considered of value to customers. Structural capital therefore focuses on creating conducive environment that make it possible for other resources of an organisation to function (Hieu and Nwachuku, 2020). Structural capital includes policies, systems, strategies and other forms of tacit knowledge that is owned and managed by the organisation. Structural capital makes it possible for human capital and relational capital to flourish since it creates an environment that supports their functioning.

c) Relational Capital relates to the way organisations relate both within and outside the organisation (Bontis et al., 2007). Communication is considered the life blood of any organisation since it facilitates exchange of ideas on how work should be done and enables reporting and feedback. Swart (2006) coincides that it is through communication that relationships with suppliers and other customers are built which enhances customer retention and loyalty that is important in sustainability and competitiveness of the business.

In summary, IC is a critical resource needed by organisations more especially in service orientated organisations like EAC whose focus is providing excellent services to its citizens. Although intellectual capital is hard to capitalise, its value can never be underestimated (Ruzzier et al., 2007). The value of Intellectual Capital is normally reflected in the unmatched quality of goods and services organisations can provide to their stakeholders and the long-term effect on profitability and sustainability of business ventures.

Leaders should appreciate that changes in work environment coupled with increased competition makes reliance on physical assets more difficult than ever before and therefore

should give more attention to Intellectual Capital as the only resource organisations can leverage with little or no interference from external pressures.

#### 2.2.2.3.7 Organizational Knowledge

Aware that knowledge is a form of intangible resources, proper management and utilization plays a critical role in success of an organization. Snell et al. (1999) looked at human capital in terms of knowledge endowments of an organization and the contribution of different skill sets required to make an organization competitive and successful. He further categorized knowledge into four knowledge bands which are idiosyncratic, ancillary, core and compulsory knowledge with their different contributions to productivity and competitiveness in an organisation as follows:

a) Idiosyncratic is the first set of knowledge that make an organization stand out but has less or no value addition required for competitiveness and survival. This type of knowledge is however very good for an organization pursuing differentiation strategy since its distinctive features are internally generated and based on organizational values that define what the organization stands for. However, Prahalad, (1983) held that eventhough this specific knowledge is important, it may not provide the needed value to customers in a competitive market more especially where goods and services are not standardized. The costs related to its development are high, yet such costs can go into acquisition of resources required for other organizational activities that give more value to stakeholders. This knowledge set though is good for bigger organizations with sufficient resources for operations and growth but not recommended for organizations that are still struggling with having the required number of personnel needed for key activities. He further suggested that this particular set of knowledge should be

embedded within other organizational processes and activities to increase their distinctiveness to reduce the costs associated with increased payroll resulting from unutilized personnel whose skills are not optimally being utilised.

b) Another set of knowledge common in organizations is that of low value and identity but facilitates organizational functioning. Snell et al. (1999) referred to this knowledge as "Ancillary human capital". This knowledge is normally generated as result of activities that take place within the organization which is key for operations but does not provide required value and distinctiveness for organizations to favourably operate in a competitive market. Different changes in business environment have increased the cost of doing business which makes it mandatory for managers to consider saving every penny on activities that do not add value to stakeholders (Rodriguez et al., 2003). This knowledge can easily be transformed and automated such that activities that depended on this knowledge type can be redirected and performed differently. For example, work that was being manually done can be performed by machines and costs related to maintaining human labour responsible for such activities set aside for other important activities of the organization. This knowledge is common with routine activities that are mainly administrative in nature and are associated with semi-skilled and unskilled workers (Prahalad, 1983). However, even though organizations aim at implementing cost saving measures in production of goods and services required by communities, cost saving should not put the organization into disrepute. Measures such as outsourcing or automating processes and activities that were previously performed by semi-skilled and un-skilled staff make some staff redundant and consequently jobless which affects the coesistance of the organisation and communities it serves. Putting into consideration the element of social responsibility and principles of social economic approach to

management, organization have to consider social and economic implications that are likely to arise in circumstances where ancillary human capital is dis-invested. The possibility of the Community and other customers shunning the organization can never be ignored while implementing cost cutting measures. It is therefore imperative that the organisation considers other appropriate means such as indirectly keeping the same workforce but under different management arrangement. This way, the organisation will safely relieve itself from the burden of unnecessary workforce and achieve the same organizational objectives while satisfying Community interests. This can be done by encouraging affected staff to organize themselves into a form of a company to offers similar services to the organization such that they are contracted as independent contractors to offer required services. The affected staffs remain working under new arrangement, but the organization saves resources in form of money and management time which can easily be redirected to other organizations processes.

c) The third set of knowledge identified by Snell et al. (1999) is that of high value and high uniqueness. All organizations whether small or big, public, or private need this form of knowledge for survival and competitiveness. It associates with high levels of efficiency and distinctiveness that differentiates company products and services from competitors. The process of developing this knowledge set is demanding and requires management commitment in form of finances and time. Although it is expensive to acquire, the benefits that accrue out of this knowledge are far much more than costs incurred in its creation and development (Razzaq et al., 2019). The persistent changes in work environment have necessitated organizations to focus on development and redevelopment of this knowledge to ensure that personnel are kept up to date to fully exploit their potential. Rodriguez et al. (2003) held that talent management programmes

that focus on effective talent identification, acquisition and development should be emphasized to acquire and develop skills needed by the organization to smoothly adapt to changes and favourably beat the competition.

d) Lastly, Snell et al. (1999) looked at knowledge that is of high value but common in organizations. This knowledge is very important like core human capital but can easily be acquired in open labour market. Development and management of this knowledge set is not as demanding as the previous one, but its mobility nature make it somewhat unreliable. Management should therefore ensure optimal utilization of this knowledge to get the best outcomes (Muhammad et al., 2019). It is important to note that some of this generic but very valuable human capital can be transformed to specifically target a particular market niche which can later be transformed into knowledge that is firm specific with a lot of value and uniqueness to the organization. For example, an organization can easily hire a qualified accountant to manage its finances without further training of any kind. Likewise, a financial consulting firm can hire the same accountant and develop that human capital into firm specific knowledge resource. This knowledge must be managed well to effectively deliver organizational objectives.

Bogner et al. (2007) considered different knowledgesets and proposes how it can stored, shared, and preserved to facilitate organizational functioning. This knowledge is either explicit or tacit and can be shared among different organizational employees to carryout different activities. Whereas explicit knowledge is codified and easy to share, tacit knowledge is hard to share since it is embedded within individuals and cannot be easily shared without individuals that poses it. It is therefore important for organizational managers to put in place measures of capturing, sharing, and storing knowledge that forms the basis for organizational functioning.

Hatch and Chris (2005) intimated that knowledge is the backbone of key organizational processes and activities responsible for production of goods and services required by stakeholders. Based on the above observations, organisations should take deliberate efforts to capture and develop knowledge with potential to improve their performance.

### 2.2.2.3.7.1 Knowledge Creation

Knowledge in organizations is created every time employees are engaged in a new activity that require sharing of ideas and experiences (Cappelli, 2008). Organizations use the existing knowledge in performance of their activities but where the available knowledge (explicit knowledge) is not sufficient for accomplishment of certain task, individuals involved innovatively look for new ways of accomplishing tasks thus creating new knowledge (Haas & Hansen, 2005). Encouraging team work facilitates sharing of knowledge while performing organizational activities. Leaders should therefore facilitate workers to acquire new knowledge and understanding through constant engagement with professional experts (Aime et al., 2010). Feedback from customers about quality of services being offered helps in improving existing knowledge (Chatman et al., 2005).

Tacit knowledge can be captured from those that own it by interviewing knowledge owners or documenting processes and procedures undertaken by individuals while performing tasks whose accomplishment depended on knowledge and expertise of those with tacit knowledge. Such documentation and process flows can always be referred to every time an organization encounters a similar experience. For example the EAC requires every staff to document all critical incidences in performance of their tasks (EAC Human Resource Rules and Regulations, 2006). However it is difficult to tell whether critical incidences recorded are actually critical in the undertaking of certain tasks which makes documentation of new knowledge difficult without careful review.

The above observation notwithstanding, documenting and storing concept notes and approaches used in undertaking certain activities can help in storing people's ideas and experience about unique activities.

Nohria and Tierney (1999) looked at that knowledge as a strategic resource that should be created, shared, stored and measures and mechanisms put in place to ensure its safe custody and made available in a form that can be retrieved every time it is needed. Yang et al. (2007) identified the use of information communication technology (ICT) to capture and store knowledge in a way that can easily be retrieved and shared.

# 2.2.2.3.7.2 Knowledge Sharing

Availing already acquired knowledge (explicit knowledge) to internal and external stakeholders facilitates undertaking of organizational activities (Gerdes, 2006). However, not all available knowledge is shared due to different knowledge sharing policies that exist within organizations that affect work completion and knowledge accumulation. Much of the new knowledge created in organization is based on already available knowledge. Knowledge considered confidential to an organisation is highly protected which limit the extent of sharing although insiders get it through different grapevine channels. In addition, grapevine communication help organizational members to tap into information which is hard to get through formal communication channels. Relatedly, Nonaka and Takeuchi (1995) reflected on the need for organizations to put in place mechanisms for sharing tacit knowledge by encouraging teamwork, understudy, coaching and inculcating a culture of information sharing within the organization. Accordingly, Spencer (2003) held that making available knowledge required to undertake different tasks within an organization and putting in place strategies that facilitate sharing of knowledge helps in generating new knowledge to an organization.

Tacit knowledge is on the other hand hard to share since it can only be shared by the individuals owning it. Organizations should therefore come up with innovative ways on how such knowledge can be shared within an organization and encouraging documentation of the same where possible.

### 2.2.2.4 Competencies

Competencies are skills, knowledge and knowhow endowed by an organization that facilitate deployment of other organizational resources to effectively deliver organization's set objectives Seram et al. (2019). Competencies are developed over time through learning and practice which make them organizational specific hence difficult to imitate. There has been some kind of agreement among different scholars that internally developed competencies provide better competitive advantage to the organization (Prahalad and Hamel, 1990). This attributed to the fact that most of the competencies are within human resources who are viewed as mobile hence not permanent to an organization. Under resource-based view of the firm, human resources cannot be considered among resources that give competitive advantage to an organisation due to their ability to move from one place to another hence breaching the principle of rarity. Despite this fact, human resources remain the most important resource an organization can have (Gannon & Boguszak, 2013). Since competencies have been found to be within employees themselves and built overtime, the more employees stay in an organisation, the more organisational competencies are accumulated. Organisation's systems and processes and the culture that support the development and efficient utilisation of available competencies help in development and deployment of available competencies in an organisation. Adelaide et al, (2001) classified competencies in terms of their tacitness, robustness, embeddedness, and consensus.

- a) In terms of tacitines, the level and magnitude of knowledge embedded within a given competency and its degree of sophistication that make it very hard to copy is considered. Aware that organizational knowledge takes time to accumulate, Collis (1991) concurs that competencies that are built on organization's knowledge are hard to copy and provide competitive advantage to an organization.
- b) Competencies that are robust make it possible for organization's employees to handle tasks in different operational environments. Robustness of competencies make it possible to approach change and innovation with confidence. This is because employees have a wide spectrum of skills and knowledge capable of handling different activities in different environments. He held that competencies that are not task specific can be transferred to other activities as and when need arises. These competencies help the firm to continue operating in changing environment without major disruptions.
- c) Embedded competencies are part of organizational processes, systems, and structures. These competencies are hard to copy and immobile which gives an organization competitive advantage when exploited. Examples of such competencies include; workflows, data bases, communication flow, cultures and value prepositions that guide how things happen in an organization.
- d) Lastly the extent to which management at all levels agree on the required competencies for effective operations determine the level and degree of knowledge generation in an organisation. Since managers are supposed to cascade the vision and mission down to implementers and ensure that organizations objectives are achieved, having consensus on which specific competencies their staff require to effectively implement organizational activities is key (Taylor, 1998).

Having looked at characteristics of competencies as per Adelaide et al. (2001) it becomes clear to conclude that competencies are either threshold or unique. Threshold competencies are minimum set of skills and expertise required for an organization to meet stakeholder requirements and continue operating and survives competition (Boyatzis, 2008). For example, in a retail store where sales attendants manually record sales. Capturing of customer information may delay service provision which affect the quality of relationships between the organisation and its customers. Automation of systems and training staff in different computer applications gives them knowledge on how to capture and processes sales information quickly consequently improving service delivery. This does not only meet the needs of increasing numbers of customers who require quick services but also create a reliable data base that the retail store can rely on for planning purposes. Having sales attendants therefore with skills and abilities to electronically capture customer requirements is key for the store to keep in operation and maintain its increased customer base.

Core competencies on the other hand are set of skills and knowledge required by an organization to effectively deliver on its objectives and remain competitive Seram et al. (2019). In line with Bratton (1998) observations, core competencies are needed by all workers to effectively deliver their duties. The organization is more likely to succeed and stand the test of time when its core capabilities are embedded in routines and processes Seram et al. (2019). These capabilities help an organization to consistently deliver required services to stakeholders even when environment changes (Grant, 1996). Additionally, Helfat et al. (2003) agreed that competencies help to coordinate deployment of other resources needed in implementation of organizational activities. Although individual competencies are mostly in employees and are highly mobile, Boyatzis (2008) noted that organizations should put in place mechanisms that make it difficult for such resources to move from one place to another more especially within

the same sector. One way of making that happen is through creation of working environment suitable for staff and providing competitive and sector specific rewards that make it difficult for employees to move to the competitor. In addition, in countries that have active and legally established employer's bodies can set regulations to guide workers on how one can move from one company to another more especially in the same sector. Although this might be challenging for organizations to restrict their staff from joining other organizations that are presumed to be competing for the same resources, recent developments in management of human resources where staff are being implored to become partners and collaborations by different organizations within the same industry to try and restrict employment of persons who leave competing organizations before a specific period of time elapses can in a way help in managing this important resource yet very mobile. This arrangement however is not supported by any legal regime in many countries and can easily be challenged in courts of law. Adelaide et al. (2001) opined that the only sure way organizations can avoid losing such competencies in cases of staff turnover is by embedding individual competencies into organizations processes, systems and practices such that they are possessed by teams and groups that cannot leave the organization at the same time.

### 2.2.2.5 Identifying Strategic Capabilities

To understand different resources and competencies that exist in an organization, leaders are required to undertake different activities that help in identifying which resources and competencies that exist whether threshold or unique with potential for superior performance (Parnell, 2018).

Organizations should be able to perform to the expectations of its customers and its services and products must deliver some value to those who consume them. Understanding how

organization's products and services are produced and how value is added at every level of production is critical for an organization. This is because resources are directed to areas that matter to the organization. Leaders should therefore undertake an analysis of activities at different levels of production to ascertain areas where value is created. Gadiesh and Gilbert (1998) remarked that the understanding of parties involved in value addition help organizations to develop mechanisms that put emphasis on areas that matter to the organization. It is imperative for organizations to map activities showing how they complement each other, and which activities are more important to the organization (Eden & Ackermann, 2000). Having activities that supplement each other helps in resource allocation hence avoiding wasteful deployment of organizational resources to areas where some process outputs are inputs for other processes (Parnell, 2018).

Since organizations are living in competitive environments, they should appraise their internal processes in relation to other organizations (Nwachukwu et al., 2019). This approach might be misleading since one organization may show an improvement in its performance both internally and externally when parameters that mainly concern quality and efficiency of production systems are wrongly picked. He urgued organisations to compare with the best in class in a given sector or industry since it gives an opportunity to an organization to identify areas that need improvement to be at par with the market. It is on this basis that Rondinelli and London (2003) urges organizations to analyse key processes for competing organizations that can easily be replicated or improved to suit their own. In line with Hill and Westbrook (1997) scanning business environment helps in understanding different organizational dynamics to inform strategies for competition. Begley and Boyd (2003) highlighted the importance of understanding organizations strength that can be used as a basis for competition and establishing existing weaknesses so that corrective measures are put in place. Leaders should

therefore capitalize on already existing strength to overcome weaknesses. Rondinelli and London (2003) advanced that, identifying available opportunities and factors that threaten the survival of an organization be considered in developing strategies that help organizations cope with ever changing business environment. Organisational leaders should thus put in place measures to address organizations weaknesses and strategies on how threats with potential to deter competitiveness will be addressed.

## 2.2.2.6 Managing Strategic Capabilities

Whereas identification of existing resources and competencies helps in handling and development of available capabilities in an organization, leaders at all levels should have knowledge of the existing resources and competencies for proper deployment and further development.

Pettigrew and Whittington (2002) held that some organizational capabilities lie in complex processes that exist within organizations. These capabilities cannot be easily imitated by other organizations but also very hard to be identified by managers themselves. This is because, understanding which processes, activities and resources that add value at every stage of product or service development is a complex process that not everyone in an organisation can easily understand. The ability of management to ably understand and identify capabilities within their organisations is very critical (Ambrosini, 2003). Recognising processes that help organizations to achieve set objectives help in deployment of scarce resources to those specific activities which facilitate achievement of set objectives. Ascertaining idle capabilities or underutilized capabilities and putting them into better use can improve overall performance of an organization (Maritan & Brush, 2003). Baker and Aston (2005) agreed that strategic capabilities are enhanced by developing and utilizing resources and competencies that have been neglected by others.

As earlier discussed, the survival of an organization depends on the quality of its human resources (Gannon & Boguszak, 2013). Since the functioning of an organization is directed by human resources, developing them into more capable resources is critical in the development of other factors of production. Targeted trainings may be undertaken to sharpen the already existing competencies and where possible develop new ones. Aaron et al. (2006) added that promoting innovation and policies that provide for employee flexibility help organizational members to develop new capabilities without disrupting organizational functioning.

### 2.2.3 Organizational Performance

To understand organizational performance, one needs to understand different actors involved in the delivery of goods and services. Ling and Hung (2010) looked at organizational performance as congruence of results achieved by different units within an organization over a specified period of time. Daft (2000) shares the same view that performance is the ability of an organizations deliver on set objectives.

Different researches have been carried out on organisational performance but what seem to be a point of convergence is the understanding of performance in terms of financial and non-financial achievements. Much as both financial and non-financial measurements have been widely used, Gentry and Shen (2010) observed that financial measurements have been used to assess achievement of the financial objectives that fulfil the organisations economic goal. Considering different facets that include internal and external measures of performance would therefore give a broader understanding of organisational performance. Whereas productivity levels and the quality of what is produced helps to understand performance from internal perspective, revenue growth and volume of sales are key indicators of financial performance. From the above observations, it is clear that organizational performance is much bigger than the

traditional measurement method where business owners only focus on revenue growth to indicate good performance. Relatedly, Kaplan and Norton (1993) broadened the understanding of organizational performance by looking at financial performance, organizational processes, organizational learning and customer requirements as different perspectives through which performance can be assessed. Understanding the needs of customers and attempting to provide for them helps an organization to align its resources with activities and processes that results into needed outcomes.

To effectively establish whether an organisation is performing or not, one needs to consider the environment in which it is operating and its predetermined objectives. This way, one can be able to evaluate the level of achievement of set objectives. Although different parameters are used to evaluate performance depending on nature and type of an organisation, there seem to be a consensus on a few yardsticks identified by (Sink & Tuttle, 1989). He urged that, the level of innovativeness, competitiveness, creativeness, effectiveness, productiveness, efficiency and profitability come in handy to explain the nature of products offered and how they meet stakeholder's expectations while meeting financial aspirations of organizations. It is therefore important to consider different situations within which an organization operates to be able to understand its level of performance (Tangen, 2003). Measuring performance at different levels within the organization (individual, unit, department, and organizational level) is therefore the first step in understanding dynamics that surround organizational performance.

Determining organization's performance helps in establishing whether it is performing in accordance with set objectives or if there are changes that have occurred or challenges that make it difficult to achieve set objectives and propose corrective actions (Kaplan & Norton, 1996). Understanding challenges and changes in environmental helps an organization to revise

its strategies to position itself in a way that helps it to meet needs and aspirations of customers. Aware that organization's plan in advance where objectives with their corresponding targets are set, evaluating the level of achievement of set targets help in providing information critical in understanding whether the organizations is on the right track or not.

Depending on the nature of the organization, public organizations are purposed to deliver services and products needed by the Community free of charge or at a minimum fee while private organizations that are profit motivated have a sole purpose of maximizing profit. For one to understand performance, it's important to look at both financial and non-financial measures to ably understand organizational performance (Pun, 1995). Financial performance is easier to measure although some organizational factors/attributes that give an organization a competitive advantage such as brand name cannot be expressed in numbers. None financial measures on the other hand are very hard to express in numbers and can only be qualitatively stated. Relatedly, research has established that not all organisations are oriented towards financial excellence as desires and demands of stakeholders are different. Service-oriented organisations emphasise customer satisfaction as well as customer retention as indicators of organisational performance (Battor & Battor, 2010). In real life however, organisations strive for superior customer experience but the motive behind that is to attract and retain customers who positively influence their financial objectives. It is on this basis therefore that Sethibe and Steyn (2016) coincides that a single measure is not sufficient to explain performance of an organisation hence recommending a hybrid system where both financial and non-financial measures complement each other in the understanding of organisational performance.

Research findings indicate that there is no single factor that can be independently attributed to organizational performance (Antony & Bhattacharyya, 2010). For example, whereas financial

success is key indicator in profit-oriented organizations, it cannot entirely explain performance of an organization. The same applies to service-oriented firms where customer satisfaction is key in performance of such organization but it cannot explain sufficiently performance of an organizational alone. Kaplan and Norton (1992) held that, to understand performance of an organization, managers are required to evaluate financial ability, internal business processes, organizational learning ability and customer orientation approaches of an organization. Sethibe and Steyn (2016) agree that considering different performance parameters and their overall effect on general performance of an organisation puts one in a better position to understand performance.

For one to understand whether there is a change resulting from different performance driven interventions, one needs to know the status before interventions were implemented. This necessitates managers to have information about their organisations before introducing new measures to serves as baseline data upon which one bases to measure performance. Measuring performance is therefore considered as a series of steps taken in assessing whether set objectives were achieved (Antony & Bhattacharyya, 2010). He further observed that understanding how well and effective the organization delivers its products and services is key in establishing the level of organizational performance. Studies that focus on customer satisfaction and experience should therefore be encouraged in organisations.

#### 2.2.3.1 Financial Measures

The goal of any business entity is to make profit and get better returns on investment. A better return to shareholders is what every one considers before investing in any business venture (Robinson, 1995). Most profit oriented organizations focus on financial measures to establish

performance. This is mainly looked at in terms of volume of sales, profits, losses, debt and the share value viz -aviz the level of investments.

Financial success is therefore required for long-term survival of an entity since other performance drivers are anchored on finances (Flink et al., 2021). For profit -oriented organizations, the return on investment is critical and therefore measures that stimulate capital multiplication are encouraged and given priority. This observation is also applicable to not for profit organizations where financial success is achieved by ensuring efficiency, effectiveness and making sure that cost drivers are kept at the minimum. Relatedly, the number of interventions an organisation undertakes are dependent of the available budget. Securing enough financial resources therefore is very critical for even not for profit organisations since there performance is directly hinged to the budget performance.

Organizations deploy different resources through a budgeting framework where all needed resources for operations are aligned with tasks to be accomplished. Budgeting for activities to be implemented in an organization is normally done at the beginning of every financial year to align targets with available financial resources in an organization. To ensure better budget performance, Ndiwalana (2009) calls for involvement of employees in budgeting processes which positively influence their behaviours towards implementation of budgeted activities which in turn affects organisational outcomes. Budgets that are output based help in directing financial resources to only those activities whose outputs directly contribute to achievement of set objectives. Proper allocation of resources and increased motivation derived from staff involvement in resource allocation increase job commitment and increased performance.

Connected to the above, Eyong (2001) clarified that organizations are more likely to get increased funding from stakeholders when they provide accountability for resources availed to

them. Effective budget performance and disclosure mechanisms give confidence to stock owners about its performance prospects. Botosan (2005) habours the same view that disclosure of accounting information increases funders confidence in providing required liquidity to finance different organizational activities. Accordingly, Brealey et al. (2000) concurs that the ability of an organization to meet its financial requirements to implement targeted activities is a key indicator of performing organizations. Aware that for an organization to function requires different factors of production, financing the acquisition of those resources is key for organizations performance. Choudhury and Ahmed (2002) advances that reporting accurately on financial performance collaborates with and helps to understand other non-performance measures since they directly relate to each other.

Measuring organizational performance therefore without giving emphasis to financial measures would be misleading. Flink et al. (2021) looked at annual operating results, long-run solvency, age of plant and machinery and liquidity as main determinant of financial growth of an entity. Return on investment is mainly considered since it says a lot about how the organization is performing and its subsequent attractiveness to investors. Tsao and Lien (2013) agree that the organisations ability to increase share value and meet stakeholder's demands is an indicator of good organisational performance. Profit reflects the final returns after deducting costs incurred in production. Every organization, mostly private organizations, look at profit maximization as the overall goal (Rolstadas, 1998).

Knowing whether the company has made profit or not is insufficient to make conclusions on performance of an organization. For example, an organization might register declining profit margins as result of investing in its human capital and other organizational processes that result in provision of quality products and services to stakeholders. Judging therefore from reduced

profits without understanding organizations cost drivers and how such interventions lead to improved performance might not give a true picture of overall performance. Improving quality of services and products offered might not register immediate results but as customers start to appreciate the increased value of company's products and services, financial performance increases. Relatedly, Kermally, (1997) urged leaders to focus on how well they can deliver on their set objectives to fully appreciate performance of their organizations. He nevertheless noted that financial matrices do no necessarily point to improved future performance of an organisation since they do not put into consideration other measures such as quality of services offered, process efficiency and relationships between organizations and stakeholders that enhances customer satisfaction. These non-financial measures have a direct impact on financial performance overtime even though they are not reflected in books of accounts.

The financial value therefore increases when organizations adopt to information communication technology (ICT) that come with efficiencies that shade off costs and other wastages that were being previously incurred due to lengthy and mechanical processes that are less efficient (Jomaa, 2005). While the operational value of an organization is hard to quantify, it increases as result of increased productivity due to efficient utilization of human and other factors of production resulting from efficient processes and systems that facilitate quick production. Economies of scale arising from large scale production makes it possible for organizations to produce at minimal costs which offers an opportunity to organizations to supply goods and services to consumers at a price lower than that offered by competitors. Due to automation of processes, chances of error are minimized which translates into goods that are homogenous hence reducing defects that eat into company profit (Jomaa, 2005). The value of organization increases due to improved production and efficiencies that come with large market base that has

an impact on financial performance and improved returns to stakeholders. Producing at low cost improves organization's competitiveness in terms of quality and price. Customers are therefore able to enjoy quality products at low price. The use of ICT increases the value of human capital in the sense that human resources improve their skills as they interact with different ICT platforms. Considering the level of autonomy as result of adopting different ICT platforms, service delivery is eased and staff is more confident and positive about what they do. The overall organizational belief that innovation and creativity is the way to go make employees go beyond their skill limits while searching for better ways of serving customers. This in the end improves their knowledge base that directly increases organizations intellectual capital. Technology has been identified as a tool with potential to create more value to organization by saving costs on activities and processes that organization would have to perform without the use of technology. This saves costs and allows the organization more disposable incomes to spend on other initiatives that boost production and efficiency. When stakeholders consider goods and services offered to be of value to them, they buy more hence increasing the organizations turnover.

#### 2.2.3.2 Non-Financial Performance

Performance of an organization can be judged from the way stakeholder/customer requirements are met (Austin, 1996). Since organizations operate in a competitive environment, making stakeholder requirements a priority is key in ensuring that organizations achieve set objectives. Stakeholders are both internal and external clients of an organization. Internal stakeholders are staff and managers in an organization while external stakeholders are customers and suppliers of different inputs required for organization to implement different activities.

None-financial measures such as customer satisfaction, efficient organizational processes and competent human capital development have been considered as key considerations for organizational performance. Knowing targeted customers and determining how to provide for their needs is key in ensuring organizational success. Organizations exist for a purpose and this purpose can only be achieved when targeted beneficiaries yield satisfaction from services and products provided by organizations. In line with the above, Kajalo and Lindblom (2015) ponders on orienting the business towards the market is a key predictor of organizational performance. Ranaweera and Prabhu (2003) in their research revealed that customer satisfaction is critical for business success. They further observed that the biggest percentage of satisfied customers returns and there is a likelihood that they will tell others about the services and products offered by the business. Hennig (2004), added that customer care is essential for success of service-oriented organizations. Organizations must therefore ensure that the conduct of service employees is at its best since they influence customer ratings for the quality of services offered.

Kaplan and Norton (1992) urge leaders to identify key processes that spur achievement of set objectives. Leaders need to identify initiatives and processes that deliver the much needed value to customers (Niven, 2005). The highly changing business environment require improved processes to drive organizational activities (Fainshmidt et al., 2016). To achieve this, organisations should make good use of technology to serve stakeholders better since it has proved to be more efficient in delivering organizational results. Relatedly, Muller et al. (2005) contends that the survival of business is dependent on its ability to innovate and meet market demands. This is attributed to the ever changing consumer needs that call for swift responses to meet new demands. Vafaei et al. (2011) noted that the ability of organizations to continuously innovate to meet customer requirements directly improves performance of an organization.

Looking at innovation as ability of the organization to identify and work on initiatives aimed at improving service delivery is in itself a way to positioning an organization to a level that is more competitive and sustainable. Innovation can be in form of technological innovation and non-technological innovations which in most cases concern management of an organization (Chye et al., 2010). Technologically, innovation concerns organizations readiness to embrace new opportunities arising out of changes in technology to serve its clients better. Administrative innovations are about how senior management realizes the need to adopt new systems and structures capable of responding to needs of stakeholders and changes in environment (Liu et al., 2005)

Changes in work environment have made it difficult for business that does not embrace innovation to compete favourably and survive. Innovation in terms of approaching routines differently and identifying new technologies and adapting to new techniques to transform processes in which required goods and services are produced can help organisations efficiently and effectively deliver to customers expectations. Tang (2006) shares the same observation that innovation is about gathering information on how new products and services can be availed to customers and ensuring that such information is integrated into organizations processes to improve productivity and efficiency. Changes arising out of innovation are believed to add value to customers which improves customer relationship and overall performance of an organization. However, the level of innovation is dependent on industry and organization in question. For example an organization dealing with information technology (IT) products will have to be more innovative to match the pace at which IT materials keep changing while an organization that deals with construction equipment might not require swift technological changes (Massa & Testa, 2008). Although innovation result into new products and services, the

capacity of an organization to deliver new goods and services is dependent on the amount of knowledge within and outside the organization and how different organizational members are organized to tap into and share this knowledge resources. Steele and Murray (2004) added that most innovations result from changes that occur within the environment which forces organization to respond. The level of responsiveness therefore is determined by extent to which changes require actions for organizations to survive. However some organizations do not wait for changes to innovate but they make change part and parcel of their operations hence providing structures for innovation. For innovation to flourish in an organization, Loewe et al. (2006) identified organizational factors that facilitate innovative initiatives. Santos et al. (2007) observed that innovative drivers should be embedded in organizational culture where policies and systems are supportive to innovative behaviours. Supporting and promoting innovative related initiatives and behaviours facilitates production of products that meet stakeholder's expectations. De Jong et al. (2007) considered that promotion of behaviours and initiatives that support innovation require employees to continuously improve their knowledge base with critical skills needed. Employees are more likely to engage in innovative initiatives when they perceive that such innovative practices are supported by existing policies and will lead to job satisfaction. Consequently, the promotion of innovative behaviours in an organization does not only improve organizations performance but also job satisfaction among employees (Sadikoglu & Zehir, 2010).

Creating an environment that makes it possible for employees to freely undertake new innovative projects that breads into solutions that would ordinarily be difficult to attain if such innovative practices were absent (Loewe et al., 2006). Relatedly, Woodside (2005) reflected on the importance of organizations philosophy in influencing employee behaviours that promote

innovation. The mode and nature of work processes that value teamwork are more likely to generate new knowledge required in delivery of needed products. Investments in innovation facilitate development and acquisition of new technologies that improve productivity of an organization (Ghosal et al., 2009). Accordingly, Kjellberg and Wememan (2000) recognises increased innovative behaviours among employees coupled with organizational climate that support innovation to be responsible for capabilities that give organizations a competitive advantage. In competitive markets where product quality is the key determinant to success, organizations with innovative capabilities are more likely to offer products with more features that are appealing to customers. Baldwin et al. (1996) observed a trend where innovative organizations offer goods and services with added value to customers hence rendering them more competitive than their counter parts. Based on the above, organizations with ability and will to innovate provide better quality products and services that are valued by their clients. The more products and service choices that meet the changing needs of clients, the better the chances of increased market share that positively affects performance of an organization. This is further improved by the ability of organization's employee's to exploit technology to harness available opportunities is necessary for successful implementation of different organizational initiatives (Sadikoglu et al., 2010).

Accordingly, once a new performance improvement initiative has been identified, organizational members and other key stakeholders need to be oriented on how the new systems, processes and activities seamlessly work to improve performance of an organization (Antony & Bhattacharyya, 2010). Niven (2005) added that organisational performance is influenced by the level of skills and competencies within the organisation and the ability of leaders to exploit such competencies to undertake different tasks. Sandra (2003) agreed that

competent and committed employees strive to deliver to full potential that directly affect organisational performance.

Pfeffer (1998) findings that aligning employees with right skills and attributes to right jobs brings about high performance of individuals and teams. This is because they positively affect the overall performance of the organization. In the same vein, committed workers develop strong attachment to their organizations which positively impact their performance (Bulińska-Stangrecka & Bagieńska, 2020). Leaders should therefore ensure that every employee is involved in learning and adapt to organizational processes that give more value to the organisation. Xifang and Jiang (2018) stated that, new ideas are not only important to those who idealised them but sharing of ideas with other organisational members stimulates learning and development. Different human resource practices increase human capital which is responsible for implementation of different organizational initiatives (Alnajdawi et al., 2017). Even though Becker and Gerhart (1996) observed that human resource initiatives do not directly contribute to performance of an organization, Beatson et al. (2008) is of different view that human resource practices influence employee behaviour to perform. Looking at organizational performance, one would conclude that it is a bundle of processes and practices that lead into desired outputs. Going by this observation, and considering the views fronted by Briscoe (2009) one would say that human resource practices like any other organizational process go through the required stages to cause the required effect on performance.

Nwachukwu et al. (2019) observed that HRM practices positively influence employee commitment to organization consequently dedicating their service to achievement of organizational objectives. He further added that improved knowledge gained as result of different human resource interventions brings forth creativity and innovation that makes it possible for an organisation to increase productivity and competitiveness. Positive behaviours

among staff help in boosting performance of an organization (Kaufman, 2015). Relatedly, Podsakoff et al. (1997) had earlier observed that behaviours that are organizational, positively affect productivity of employees which in turn improves performance.

Customer satisfaction with its associated benefits such as retention and loyalty is achieved as result of targeted HRM practices that improve employee skills and attitudes needed to effectively serve customers. These HRM interventions indirectly improve performance of an organization since the more satisfied customers are, the more they are likely to return without forgetting the positive word of mouth that attract new customer to the organization (Huselid, 1995).

Organizational learning in terms of which new skills that are needed to meet emerging needs and reacting to challenges brought about by changes in environment can best be catered for by aligning HRM practices to strategy which affect performance of an organization Taylor (1998). These practices support innovation and creativity that bring forth new products on market or provide solutions to existing challenges which stabilizes work processes. This further increases organization productivity and competitiveness (Li et al., 2006).

Organizations are more likely to sustain and increase their customer base when their existing customers consider products and services offered to have more benefits than they actually pay for (Smith et al., 2014). Value to customers is therefore looked at in terms of functionality of the product and its ability to meet customers perceived need. Organizations should therefore identify customer needs and attempt to produce goods and services that satisfy those needs to sustain their businesses and become competitive. According to Lovelock (2002), organizations will only keep customers that find their products reliable, dependable, responding to their specific needs and the level of after sale service that is offered for products that are under

warrant. Customers in most cases consider the likely benefits from a given product/service before making final decisions to make a purchase hence organizations must identify specific needs of customers and package their services in that regard. Peter (1999) noted that organizations must focus on the needs of clients and continuously improve in order to beat competition. Antony and Bhattacharyya (2010) looked at quality in terms of satisfaction derived from the use or consumption of goods or services that is over and above anticipated value. Organizations should therefore endeavour to meet and exceed quality standards and expectations from stakeholders by continuously adding more product features that give more satisfaction to users. Such expectations from customers together with existing pressures both within and outside the organization affect its performance. When the organisation is able to cope with internal and external pressures, performance of an organization improves, and the reverse is true when conditions are unfavourable. Putting into consideration Porters (1991) model of competitiveness, the organization is more likely to struggle when customers bargaining power, threats from substitutes, levels of competition are high while the restrictions on entry are removed. This adversely affects performance of an organization. Porter noted that identifying different factors both within and outside the organization that affect performance and competitiveness helps in developing strategies that address negative impacts of environmental changes to reposition the organization to operate in changing environment while meeting stakeholder's expectations.

Mishra and Koehler (2008) looks at performance as in line with creativity where something new is brought to the market. Depending on the nature of products/services offered by an organization, very organisation should aim at bringing quality products to the market without necessarily affecting price changes. Organizations should therefore aim at improving their

processes such that any new feature added to product or service should not necessarily result into increased prices. Csikszentmihalyi (1999) shares similar views that the process of coming up with new products that meet customer requirements should not impede customers' ability to enjoy such products. To achieve this, organizations need to improve their knowledge and skills to be able to creatively produce goods and services that give better returns to the organization while addressing customer needs (Howkins, 2001).

According to Khan and Zaidi (2012) continuous improvement ensures sustainability of new innovations where different organizational processes are identified and improved to meet both customer and environmental demands. These planned interventions positively affect organizational performance (Aleu & Van, 2016). Organizations that consider improving there processes more often cut off processes that are less efficient hence reducing wastages (Sidhu et al., 2013). Improving technical skills to match new innovations make it possible for employees to implement new ventures with ease which increases labour productivity (McLean & Antony, 2014). Organizations should therefore endeavour to improve their businesses to ensure that production inefficiencies are reduced and where possible avoided completely to reduce on operational costs. Summers (2011) noted that reducing costs while optimizing productivity increases profit margin which businesses can redirect into other business processes to produce goods and services of value to customer or shared as dividends by owners. In the study conducted by Oropesa et al. (2016), it was observed that leadership commitment facilitates setting up of standards below which new innovations should not be supported. Support from different service level managers is considered critical for workers to remain focused while demonstrating behaviours that are organizational. This commitment results into zero tolerance to wastages while championing efficiency and effectiveness. Although increased productivity

while observing quality issues require a substantial investment both in human and other organizational processes, Cherrafi et al. (2016) in their study observed that improvement of organizational processes does not necessarily demand heavy investment in improving processes and changing existing technology but looking at current processes and simplifying those processes to make them more efficient and effective. This makes an organization to ably deliver more to stakeholders with limited budgets. However, Suárez-Barraza et al. (2011) noted that for such initiatives to work, the culture of the organization must be supportive where everyone involved must focus on improving processes and remove any existing inefficiencies.

According to Summers (2011), identifying what stakeholders need and focusing available resources to only processes and activities that add value to customer requirements help in achieving set targets while optimizing the use of organizational resources. He further observed that allocating resources to activities that do not help in meeting stakeholder expectations is a waste of organizational resources and should be avoided as much as possible.

Notwithstanding Melrose (1995) views that employee empowerment and creation of enabling environment that supports learning and growth is critical for building a high-performance culture that most organizations require to deliver results, Luqman et al. (2016) looked at organizations' performance in terms of how competitive it is to deliver customer requirements. No organization exists in vacuum and therefore competition is the order of the day of which leaders should take note of. Organizations that are able to deliver goods and services with more features at a cost relatively lower that their competitors are in better position to sell more than rivals. Walsh &Brendan, (2000) noted that when organizations become competitive, their macro-economic performance improves overtime due to their direct influence on profit. The

resulting efficiency in production of quality services needed by customers makes it possible for organisations to offer such services at competitive prices.

Efficiency resulting from optimal use of available resources and capabilities translate into low cost production while delivering goods and services needed by the market. The performance outlook of an organization can therefore be viewed from its ability to increase production and expand existing markets Antony and Bhattacharyya (2010). Production is enhanced by better method and technology employed in production process that lowers the cost of operation while significantly increasing outputs (Krugman, 1996). Related to observations of Bienkowski (2008) the increased output coupled with rapid expansion of new market frontiers improve organization's performance. Serving new markets bring services nearer to customers while improving organizations returns. There is need for institutional framework that is supportive to all efforts aimed at delivering products and services that are of value and competitive in a given market segment. Policies and systems that support production make it possible for all those involved in production processes to deliver according to stakeholder expectations. Producing goods and services that improve the living standards of customers is key in winning customer trust which in turn increase loyalty and continued support to the organization. Dijkstra et al. (2011) determined that the ability of the organization to sustain initiatives and operations that results into goods of value to customers is key in maintaining good performance. Relatedly, Huovari et al. (2001) observed the need for organizations to support and implement activities that improve the wellbeing of stakeholders to remain competitive.

Olsen and Connolly (2000) observed the need to develop a strategy that addresses issues that affect quality of services offered and their eventual effect on customer satisfaction. This is critical for profitability and sustainability of an organization. He further noted the importance of

effective implementation of the customer focused strategies to offer unique services that nobody else is offering. Nwachukwu et al. (2018) concur that such strategies that address concerns and needs of stakeholders lead to improved performance and business sustainability.

Accordingly, Brown et al. (2002) observed that, putting customers at the forefront, focuses employees towards building good relationships that do not only lead to delivery of services that meet customer demands but also improves performance at both individual and organizational level. Kim (2008) concur in his study that focusing attention on customer requirements leads into production of goods and services that are beneficial to those who need them. Getting back to reasons as to why organizations are established, meeting customer requirements is the main goal. In circumstances where customer requirements are not being meet, leadership should consider adjusting plans, processes, strategies and where possible structures to provide for more service levels, better processes that enhances production of goods and services that add value to customers (Minghetti, 2003). This was reiterated in the findings of Awino (2015) observing the importance of structures and systems in easing information flow and other resources needed to deliver services to customers to enhance organizations performance. Croteau and Li (2003) coincide that for organizations to provide unique and focused services to customers, knowledge responsible for provision of those services should be properly managed for maximum benefits. Information about what clients need helps in putting in place mechanisms on how to continuously innovate to produce products and services that meet customer expectations (Zahay & Griffin, 2004). Relatedly, Sin et al. (2005) established a direct relationship between knowledge management practices and performance. Sharing customer related information among organizational members helps different teams in their pursuit to develop products that meet specific needs of customers. This is made possible by employing technology as a tool that can be used to harness information generation and sharing about environmental factors that affect performance (Mukerjee & Singh, 2009). Providing quick solutions that integrate customer requirements with organizational processes in production of goods and services that are user specific. Organization's reputation is improved when goods and services provided meet customer demands. This improves loyalty since customers feel valued when organizations consider their needs as priority for survival and competitiveness. It is therefore important to note that the ability of an organisation to focus its resources on processes that add value makes it possible to perform better both financially and in other non-finance areas. Organizations are therefore urged to adopt a high-performance work culture to be able to adopt to changes as and when they occur (Schein, 2019). This helps organisations to ably operate profitably and sustainably. The viability of an organization therefore depends on its ability to implement activities that address the needs of customers while putting into consideration the needs of changing environment.

To survive competition and operate sustainably, organizations are increasingly adopting technology to automate their processes to provide real time solutions. The rate at which information from big customers is generated, processed, and stored has a significant influence on service delivery. The time within which a customer is served is determined by the ability of the service provider to capture customer requirements quickly and correctly (Linthorst et al., 2020). The use of technology has further eased work processes where employees do not necessarily have to be at station to work. Most work processes do not need physical presence and can therefore be performed away from the workstation. This has made it possible for organizations to adopt to flexible working hours which reduces the cost of labour while maintaining productivity. Such innovations increase options that are available for employees to

choose when and how they want to deliver on different tasks provided results are made available as and when required. This flexibility provides the required comfort and confidence by workers to remain in their jobs and perform to expectations of stakeholders. Related to Holbeche (2012) findings, the only sure way organizations can survive changes in environment and remain competitive is by redefining the way they approach business and offer services that are more competitive in terms of quality and specifically addressing the needs of customers.

Kirkman et al. (1999) looked at performance in terms of organizations ability to align strategies and available resources to market demands and being able to meet those requirements by optimally exploiting available resources. The quicker decision making processes helps in coming up with strategies that help organisations to perform better and survive competition. Today's environment where changes disorient the entire organization's plan can only be saved by having a flexible strategy that provides for change and innovation. Much of the changes impact on communities consequently affecting their way of life mainly their consumption behaviours and patterns. Organizations that do not provide for changes to accommodate new demands end up being out performed by those that are flexible and quick to react to changes in business environment (Owen et al., 2001).

Productivity of an organization is further looked at in terms of outputs in comparison with inputs. However, in public organizations, inputs might not necessarily yield expected or comparable out puts. Public institutions are funded not because they post good performance but because their services are public in nature and for the good of citizens. Looking at performance therefore in terms of what the organization is able to produce might not sufficiently explain performance of a public organization although it is a common measure for most private profit oriented institutions. In that regard, organizations define performance differently but mainly

depending on their nature and reasons for their existence (Kaczmarczyk & Murtough, 2002). The transformation of ideas into products and services is therefore greatly affected by the operating environment (Andriopoulos, 2001). Conducive environment enhances creativity and innovation that leads to excellence (Khandwalla & Mehta, 2004). This is achieved when organizations perform beyond the set standards.

Further, employee involvement in ownership and management of the organization aligns employee's interest with those of the organization. The level of participation and commitment is high where employee's rewards directly depend on general performance of the organization. Promoting shareholding by employees spreads risks and benefits between staff and shareholders which results into better organizational performance (Jones et al., 1997). He further observed that involving staff in decision making in addition to shared ownership greatly improve productivity of an organization.

## 2.3 Empirical Literature Review

### 2.3.1 The Role of Leadership in Achieving the Desired Performance.

Studies conducted by Bass (1990), Sarrows and Woodman (1993) and Goleman (2000) link leadership to organizational outcomes. Findings of Pradeep and Prabhu (2011) provide more proof that leadership and performance are positively related. The study of Rejas et al, (2006) indicates varying degrees of level of influence among different leadership styles on performance. Wageman (2001) indicated that transformational leaders coach followers to improve their skills and abilities to perform. This is because knowledgeable and competent workers are in better position to take up new assignments which does not only open a window for new challenges but also an avenue to try innovative ideas required to achieve organizational objectives (Klein et al., 2006). Organizations that value coaching for their staff benefit more

since productivity of workers improves with increased level of skills and competencies gained during the coaching process. This increases labour productivity that directly affect implementation of organizational activities (Carson et al., 2007). Xifang and Jiang (2018) viewed transformational leadership from the personality perspective and therefore difficult for leaders to pass on their behavioural traits to followers. The supposition that leaders possess certain characteristics that are special to them make it difficult to pass them over to followers despite wide acceptance of transformational leadership attribute (idealized consideration) where followers surbordinates are believed to emulate what their leaders do. Gennaro et al. (2014) noted that leader's active involvement in the undertaking of the organizational activities help in monitoring effectiveness of work processes and come up with corrective actions where necessary. This approach minimises loses associated with errors that affect service quality consequently improving performance. Every leader should take cognizance of this management practice and embrace it for the good of the organisation. Further, Judge and Piccolo (2004) held that leader's involvement in work processes help in coaching followers to perform better in their duties. This attribute assumes that leaders are competent in all areas of the organisation which is in a way misleading since no single person can be technically competent in all fields. However, the availability and support given by leaders remain critical in guiding followers to perform their task. It is important to note that in today's organizations where most leaders are administrators who may not know the technical ingredients of tasks performed in different departments, playing this role might be challenging. The leader therefore has to work with and through different professionals to have this role performed. Gennaro et al. (2014) ponders that leader's active involvement in the undertaking of organisational activities provides an opportunity for interaction, bonding, and socialization with followers. This helps in building a strong team capable of delivering desired organisational outcomes. Although the current

arrangements in organizations may not allow leaders to have this flexibility to fully engage with followers, attempts to create some time for engagements with followers is necessary to discuss and strategize on how best organizations outcomes can be achieved. Northouse (2016) emphasized the importance of strong teams in improving performance of an organization which results from collective approaches and actions on management of challenges. Relatedly, Gennaro et al. (2014) concurs that such collective efforts help followers to confront situations and come up with workable measures that improve performance of an organisation.

Relatedly, Morgeson et al. (2010) concurs that leaders empower their followers to perform their duties freely which creates an environment that help followers to work independently and make decisions that directly affect performance. This is important in building followers' capacity as future leaders. The value created by allowing followers freedom to exercise their innovative and problem-solving skills that are much needed to confront threats that come with ever changing work environments. Permitting follower's autonomy to independently act avails them with flexibility required to exploit their full potential which positively affects performance of an organization. Leaders should therefore treat followers individually by providing the required support in performance of their activities. Empowering followers helps them to learn and develop necessary expertise and competencies required to performance their duties (Avolio & Bass, 2002).

Related to Gennaro et al. (2014) observations, leader's active involvement in the undertakings of the organization helps in the monitoring of work flows and procedures which could later be documented into the organisations processflows and procedures for monitor performance in an organizations. Judge and Piccolo (2004) shares the same view that leader's involvement in work processes help in identifying followers that require support to be able to perform better in

their duties. Although this level of involvement is appreciated, organizations should strive to put in place systems that work without necessarily depending on leader's involvements for work completion. Transformational leadership therefore helps organisations to continuously learn and come up with new and better ideas that are put into use to achieve the desired performance (Noruzy et al., 2013).

To understand the role that leaders play in achieving organizations objectives, a hypothesis seeking to establish whether leadership plays a role in achieving the desired performance of EAC was examined and proven.

# 2.3.2 The Role of Leadership in Deploying Organizational Capabilities

Raymond (2003) observed that acquisition and utilization of right resources and competencies is key in achieving organizational goals. Nils (2016) added that proper management of resources and competencies help in providing an environment that enhance performance of workers. The study conducted by Keitany et al. (2014) concluded that proper deployment of resources and competencies optimized performance of an organization while meeting customer expectations at reduced costs. Organizations should put in place systems and procedures for proper deployment of resources and competencies if they are to save costs and deliver to stakeholders expectations.

Organizational productivity increases when organizational resources and competencies are deployed in areas that support organizational functioning. Despite the need for factors of production for an organization to function, the level of productivity and efficiency depend on how those factors are deployed. Financial resources (capital) being one of the factors of production help in acquiring and development of other organizational resources to support implementation of activities (Othman et al., 2015). Capital availability even though some researchers do not agree that it is the most important factor of production dictates acquisition of

other factors which later affect the overall deployment of other resources and competencies. In this regard, Flink et al. (2021) contend that availability of finances shape the delivery of services in an organization. Leaders should therefore focus their finances on activities and processes that add value to organizations to be more competitive and deliver to stakeholder expectations. Dollinger (1999) concluded that there should be a framework for controlling organizational finances to have a meaningful resource acquisition and deployment. Human resources being a key resource in an organization, its strategic deployment help organizations to achieve set objectives (Taylor, 1998). In the same vein, Parnell (2018) noted that, availability of skills and competencies critical in exploitation of strategic resources help in delivering desired performance. Although Barney (2008) considered human resources to be mobile and therefore easy to move from one organization to another, leaders should optimally use this critical resource for better performance. He observed that human resources are endowed with skills and competences which they move with whenever they leave the organisation which calls for maximum exploitation whenever they are available to an organisation. The ability of human resources to move from one organisation to another makes it very difficult for organisations that do not embed such skills and competencies into their systems and processes to compete favourably whenever such key resources leave for other organisations. The ability of the organisation therefore to integrate such competencies into organisations processes makes it possible for an organisation to continue functioning even when key human resources leave the organisation. Parnell (2018) advanced that processes and procedures used in deploying available resources and competencies help in ensuring better organisational performance. Prodromos et al. (2018) shares the same view that developing and redeveloping skills and competencies and aligning them to the strategy help in successful implementation of activities.

The leader's ability to facilitate team work helps in sharing ideas and experiences on how certain tasks are performed. Facilitating employee's to get affiliated to professional organizations enhances knowledge acquisition and understanding through constant engagement with professional experts in different technical areas that is important in functioning of the organization (Aime et al., 2010). Skills and competencies gained overtime help organizational workers to be effective and also relate well with customers who are key stakeholders. The ability of the leader to tap into such experience to improve service quality is of paramount importance to the organisation.

In the same vein, Chatman et al. (2005) noted that feedback from customers about services and products offered and what they think should be done better to improve the quality of services is key in improving existing work systems. Feedback is information that an organization bases on to improve service delivery. In cases where feedback from customers point to challenges related to lack of adequate information about the available products, it is the responsibility of the leader to have such information availed to customers. This information is normally explicit in nature and can easily be shared and used by both internal and external stakeholders. Knowledge that facilitate production of goods and services should be made available to all those engaged in production process. This is because it simplifies the undertaking of activities in an organization (Gerdes, 2006). Other knowledge sources should be shared with external stakeholders as means of getting services and products offered by the organisation known to the customers. This information should be shared in accordance with policies that govern information sharing in organizations. Knowledge considered confidential must be well kept though it find its self among organizational employees through different grapevine channels (Stewart, 1997). Leaders should therefore put in place mechanisms for sharing tacit knowledge by encouraging teamwork, understudy, coaching and inculcating a culture of information sharing within the

organization (Spencer, 2003). Taping into tacit knowledge and making it available to employees and putting in place strategies that facilitate sharing of knowledge help in generating more knowledge as a strategic resource for an organization.

The leader's role is therefore critical in ensuring that knowledge as a key resource is created, shared, stored and measures and mechanisms put in place to ensure safe custody of all knowledge created in an organization. All organizations knowledge should be made available in a form that can be retrieved every time it is needed to facility implementation of activities in an organization (Nohria & Tierney, 1999).

To investigate the role of leadership in deploying organizational capabilities, an assumption on whether leadership plays a role in influencing resource deployment in EAC organs and institutions was considered.

# 2.3.2 Determinants of Effective Leadership from Organizational Performance Perspective.

Different leadership theories point to the role of a leader in influencing performance of an organization. This has mainly been attributed to leader's ability to influence followers to deliver organizational results (Northouse, 2016). Although trait approach looks at a leader having characteristics that make him or her a better leader, different studies have identified different factors that account for leader's effectiveness. Actually, in today's organizations, before appointing one a leader, different requirements are enumerated which work as a basis for selection of such leaders. Being in possession of different requirements which in most cases include leadership experience and qualifications in specific fields make one stand a chance of being selected as a leader. However, being in possession of such requirements does not guarantee leadership excellence but a combination of different factors that are both internal and

external. Since external factors are out of organization's control but can only be managed by better planning, organizations need to optimally exploit internal advantages to hedge pressures that threated organizations survival (Porter, 1996). Organization's need to put in place policies, structures, systems and processes that create environment that is suitable for leaders to efficiently perform to stakeholder's expectations is a prerequisite for one to be effective. Aware that leaders work through other people is the starting point in providing an operational environment that enable followers to work towards achievement of organizations objectives. Related to views of Yoo and Alavi (2004), organizations should work towards providing conducive work environment that support employee's performance.

Bulińska-Stangrecka and Bagieńska (2020) pointed out effective communication between the leader and followers as a way work environment can be enhanced. This helps to focus all energies in delivery of organizations mandate. Communication is considered effective when it achieves its intended purpose. Aware that organizations exist to serve a specific purpose, communication should assist in focusing organizational members towards achievement of set objectives. Frankel et al. (2006) held that leaders have a duty to study their organizations and identify leadership styles and approaches that help their organizations to perform in dynamic work environment. He further observed that, visioning and vision sharing focuses followers to deliver the required performance. Effective leadership is therefore associated with vision creation and communication to mobilise followers to build the necessary confidence and passion required for strategy execution (Morgeson et al., 2010). Availing all the required information to followers concerning their work and involving them in strategy formulation and execution is key in ensuring good performance (Smothers & Jack, 2011).

Northouse (2016) coincides that an organizational culture that values learning and development of followers is a source of motivation that positively relate to good organizational

outcomes. A supportive culture that cherishes and celebrates achievement of results makes it easy for a leader to direct and implement initiatives that help delivery of organizational objectives. Schein (2019) shares the same observation that organizational culture influences values and aspirations of organizational members which in turn stimulate employee morale towards implementation of organizational activities. The existence of good will and freedom to exercise skills and abilities increases productivity of an organization.

Leaders focus on building relationships that help an organization to deliver on its mandate. Cross et al. (2002) noted the importance of relationships that exist between leaders and followers in influencing organizational outcomes. He further observed that, when work relationships are good, work accomplishments are enhanced but where toxic relationships exists, achievement of set objectives becomes a challenges. Leaders should therefore endeavour to cultivate a culture that promotes togetherness and values teamwork to help each organizational member realize their potential and how important their roles are in delivering the organizational mandate (Tucker & Russell, 2004). Aarons (2006) shares the same observations that when employees work as a team and the achievement of objectives are attributed to their effort, they become more committed to their work which directly impact organisational outcomes.

Northouse (2016) recommended structures that provide for cultural diversity that makes it possible for organizations to effectively operate in a changing work environment. Leader's ability to identify and work with followers with diverse needs and backgrounds help in building a strong team capable of delivering organizations objectives (Morgeson et al., 2010). Even though House et al. (2004) observed the closed nature of some cultures make it difficult for leaders to cultivate benefits associated with cultural diversity, the general view is that leaders who are able to work with people from different cultural backgrounds are able to integrate

different positive cultural attributes to form a strong organizational culture capable of transforming an organization (Schein, 2019). Related to observations of Geert (2006), effective leaders pick positive attributes from different cultural norms to build a strong organizational culture capable of delivering its mandate. Eventhough some cultures have negative attributes that affect team performance, it is important to note that there is no perfect culture that can be taken as benchmark. What is important is for leaders to identify with organizations objectives and any cultural element that positively impacts the goals of an organization is picked up. Relatedly, Duarte (2011) urged leaders to allow employees freedom to do their work with minimum interference to promote creativity and innovation necessary for providing solutions to problems that hinder achievement of organizational goals. For this to work well, Ryan and Tipu (2013) calls for creation of an environment where professionally competent employees with right skills and abilities can flourish to deliver desired results. The above notwithstanding, the studies conducted by Bass and Avolio (1994) and Judge and Piccolo (2004) revealed that poor attitude towards work by employees is a challenge commonly faced by organizations where total freedom is allowed to employees. Freedom to innovate and bring new ideas and products on board is good for an organization but such freedom should have limits beyond which it is prohibited. Antonakis (2001) shares similar view that express autonomy for employees to decide how work needs to be done results in inefficiencies and job dissatisfaction more especially when workers realize that some individuals within an organization do not perform to expectations yet they equally benefit from the organization. To overcome this challenge, result based management where employees are given targets backed with continuous performance assessment help organizations to monitor and manage employee engagements. Effective leaders have therefore been associated with their ability to set targets for their employees coupled with effective evaluation system for measuring achievement of organizational results and where

necessary corrective mechanisms put in place. Liang and Steve (2013) agreed that the ability of a leaders to set challenging targets for followers and puts in place mechanisms to facilitate achievement of set targets helps in delivering desired performance to stakeholders. Evaluation of follower's performance helps leaders in identifying gaps that affect organizational performance. Morgeson et al. (2010) observed the need for leaders to plan better for their organization by seeking information about strength and weakness of their followers whenever possible.

Employee empowerment equips followers with requisite skills necessary in performance of their duties. Wageman (2001) identified coaching as one of the aspects of effective leadership where followers are helped to learn and attain necessary skills required in performance of their duties. Amir et al. (2020) added that coaching employees is essential in aligning employee's aspiration to organizational objectives. This helps in building a team focused on delivering results. Klein et al. (2006) shares the same view that leaders who effectively coach their followers are able to delegate tasks and provide necessary guidance required to complete delegated tasks.

The level of follower motivation in an organization has a direct relationship with performance. Bass and Avolio (1990) concurs that the leader's ability to understand follower motivations and aspirations help in putting in place mechanisms that support collective actions that are aligned to organizational vision and mission. Morgeson et al. (2010) coincides that the need for leaders to motivate followers as an appreciation for different roles played in achieving the desired vision keep them motivated and focused.

Lattuch and Dankert (2018) further observed that creating a convincing vision that win followers trust help organizations in implementing different strategies aimed at delivering organizations mandate. The ability of the leader therefore to creatively vision and share with

followers his aspirations is key in mobilising necessary support for vision implementation. Northouse (2016) shares the same view that followers are likely to be loyal when leaders are perceived to be committed to the organization. Leader's commitment to the implementation of organizations activities therefore ignites follower's commitment to deliver organizational result.

To investigate leader's effectiveness in view of achieving EAC performance perspective, an assumption testing for whether there are major determinants of effective leadership from EAC's organizational performance attainment perspective was tested.

# 2.3.3 The Role of Organizational Capabilities in Influencing Organizational Performance.

Strategic capability has been defined differently by different scholars but what seem to be a general and a more accommodative understanding of strategic capability is that of the organizations ability to deploy its resources and competencies while balancing internal and external dynamics to meet stakeholder's expectations. Barney (1991) looked at strategic capability in terms of resources and competencies at the organisation's disposal while Parnell (2018) looked at it in terms of organisations ability to use available resources to cope with changing needs of business environment. From the above definitions, one may conclude that strategic capability is the ability of the organisation to strategically use its internal and external resources to exploit opportunities that come with the changing environment to meet stakeholder's expectations.

Since organisations need resource to deliver to stakeholder expectations, possession of critical resources and competencies are necessary to survive competition. Leaders should therefore use the available resources and competencies in areas that give better results to an organisation. Conversely, resource do not necessarily guarantee better performance hence organisations

should be able to appraise their existing processes to identify areas where key and critical resources should be deployed. Resources that are valuable but freely accessible by competitors do not give exlussive advantages to organizations that own them since competitors are able to use them in their production processes just like organisations that own them. Leaders should therefore categorize their resources according to value they bring to the organization and deploy them in a way that guarantees better performance.

Barney (1991) advanced that for a resource to guarantee long term success, it must be hard if not impossible to reproduce. Resources and competencies that are easily substituted only give short term advantages since competitors are able to acquire similar resources and build competencies that offer similar functionalities. Organizations with resources and competencies that are historical and as a result of complex processes that are grounded in culture are very difficult for competitors to copy (Haimanti, 2011). Leaders should therefore take advantage of such capabilities to produce goods and services needed by customers. Parnell (2018) intimated that even though complex and ambiguous processes are good capabilities for an organization to flourish, employees might find such complex processes too hard for them to comprehend hence difficult in getting best outcomes from such valuable competencies. Peteraf (1993) noted that the availability of these resources and competencies alone do not necessarily guarantee excellent performance but the ability of leaders at different levels in an organization to deploy and utilize them in efficient and effective manner help in the production of the required products at a more competitive price.

Developing strategies that put into consideration existing resources and competencies at organization's disposal help in designing programs and projects that are relevant and critical in delivering organization's mandate. This enhances organizations stability even when business

shocks are so severe that survival of an organization is at stake Park and Kim (2015). In the same vein, he urged leaders to identify critical resources and competencies that are not available within the organization to improvise means of getting them to competitively deliver to stakeholder expectations. Prodromos et al. (2018) agrees that organizations ability to strategically exploit available opportunities help in achieving desired outcomes. Accordingly, superior performance for an organization that owns valuable and rare resources is guaranteed as long as no other organization can replicate them or when the cost of replicating them outweighs the economic benefits of such resources and competencies. However, Parnell (2018) observed that organisation's superior performance is derived from strategic deployment and exploitation of resources and competencies that organisations are endowed with. Putting the two arguments into consideration, the ability of an organisation to identify key resources and competencies from a pool of different resources at its disposal and strategically deploying them in areas where value is created can lead to superior performance. Today's dynamic work environment necessitates organisations to acquire key strategic resources and competencies that support its key business processes (Rodney et al., 2007).

Relatedly, Meijaard et al. (2005) observed a positive correlation between structure and performance of an organization. From the understanding of strategic capability as wise deployment of resources and competencies of an organization and considering the classification of resources as tangible and intangible, organizational structure is one of the intangible resource that influence performance of an organization. Wang (2003) agreed that organizational processes and systems anchored on a structure and strategy are more likely to enhance performance of an organization. Sanchez et al. (2009) shares similar centiments that organization's resources and competencies give more value to the organization when they are properly anchored to the organizational structure. This is because structures spells out the chain

of command and how processes flow within an organisation. It is therefore important for leaders of organizations to align their resources and strategies to the organizational structure to realize better performance.

To examine the role of strategic capability in understanding performance of an organization, a hypothetical assumption that organizational capabilities play a role in influencing the organizational performance of EAC was investigated.

#### 2.4 Theoretical Framework

The figure below shows how transformational and transactional leadership attributes relate with strategic capabilities to influence organizational performance.

# Leadership

# Transformational Leadership

- Idealized influence
- Inspirational motivation
- Intellectual stimulation
- Individualized consideration

# Transactional Leadership

- Contingent reward
- Management by exception (active)
- Management by exception (passive)

# Performance

**Organizational** 

- Financial Performance
- Non-financial Performance

### **Strategic Capability**

# Organizational Resources & Competencies

- Tangible Resources
- Intangible Resources

The theoretical framework highlights three major components summarizing applicable theories to provide a better understanding of the study. The first component details leadership attributes critical in influencing followers in an organisation. These attributes/behaviours are fronted by transformational and transactional leadership theory which was found to incorporate most of attributes covered in most leadership theories. The transformational and transactional leadership theory by Bass (1985) highlights behaviours believed to influence followers to perform in an organisation.

The second component detail strategic capabilities arising from proper deployment of organisational resources and competencies. Resource dependency theory by Barney (1991) is used to understand the nature of resources and competencies in an organisation and how they can be used to improve performance. These resources are looked at in two forms. The tangible resources which one can see and touch and intangible resources that cannot be seen but very critical to an organisation.

The last component explains performance of an organisation in terms of financial and non-financial means of assessing performance of an organisation. Performance measures developed by Iselin et al. (2008) are used to understand the influence leadership and strategic capability on performance of an organization.

### 2.4 Identified Research Gaps

Research gaps are interest areas with insufficient information to explain fully the existence of a given phenomenon (Pearce et al., 2011). Conclusions and recommendations made by researchers are hard to decipher when the causal effect cannot be empirically supported. Organizations and independent researchers have continued to invest heavily in research to get

better understanding of different interactions that exist between different variables of interest for the purposes of informing policy and decision making. Pint

Different researchers; Fuller et al, (1996) and Judge and Piccolo (2004) tried to link leadership and performance but their results indicated varying and at times opposing conclusions in regard to the interactions between different leadership attributes and performance of an organization. Sinha and Kumar (2016) further observed that the influence of leadership on performance was limited to leadership attributes and how they influence follower performance without pointing out how leaders influence performance of organizations. Failure to provide satisfactory evidence on how leadership directly influence performance makes generalization of research finding to the wider population difficult.

The study therefore arose out of the need to understand why leaders do not perform to stakeholder expectations despite the growing body of literature on leadership and performance in organizations. Further, Avolio and Bass (2004) Wang, and Oldham (2016) and Sinha and Kumar (2016) focused their researches on leadership and performance, they majorly focused on leadership and follower behaviours that affect performance. In his conclusion, Sinha and Kumar (2016) noted the need for further research to determine how these behaviours affect performance of an organization. The study therefore in away aims at bridging the gap identified by previous researchers by identifying important elements other than leadership and follower behaviours established by previous researches that supplement leadership functioning in its quest to deliver to stakeholder's expectations. Further, this study is in line with Park and Kim (2015) observation highlighting different changes that have occurred in recent past that make it difficult to understand why leaders do not perform to stakeholder's expectations despite their high levels of training and facilitation. The study therefore introduced strategic capability as a

link between leadership and performance to fully understand the role played by leaders in achieving the desired performance in an organisation.

### 2.5 Summary

The review of literature was guided by the proposed theoretical framework focusing on three important theories. The transformational and transactional leadership approaches by Bass (1985) provided insights about leadership attributes and approaches used to influence followers in an organisation. The theory emphasises the need to maintain relationships between the leader and follower to achieve set objectives. It was noted that whereas leaders who practice transformational leadership approach tend to incorporate individual needs into the needs of the organisation for a better working relationship, transactional practitioners prioritise meeting their personal needs thereby inducing followers to accept rewards in exchange of the work to be done. The theory is being practiced in today's organisations although most organisations seem to be combining both approaches for better results.

The stewardship theory emphasises the role of stewards in delivering organisations outcomes to better meet expectations of the owners who are the principals. Stewards are selfless workers who pride themselves in achieving organisational objectives. This resonates well with organisations that practice transformational leadership style where followers perform beyond their call of duty to meet organisations outcomes. This is echoed by Northouse (2016) observing that when followers are given the leeway to perform and are empowered, they focus all their energies on achievement of organisations set targets. Stewardship theory was therefore found to complement transactional and transformational leadership approaches to understand fully the relationship that exist between leaders and followers in organisations.

Resource dependency theory talks about resources and how organisations can survive with or without owning resources critical for their survival. It was noted that organisations that own resources needed for production of goods and services find it very easy to survive in a competitive environment but this does not necessary make them competitive. Resource give an organisation a basis for competition but the level of competitiveness results from how different resources are deployed (Porter, 1996).

Organisational resources are either physical or nonphysical. Physical resources include all those resources that can be seen such as office premises, machinery, moto vehicle etc. while nonphysical resource include all those other resources you cannot see but very important to the organisation. They include organisations knowledge which encompasses skills, competencies and other organisational processes that help the organisation to function. The alignment of these resources to the organisations big picture results into better productivity.

Performance is determined using different performance measures used by organisations. Literature on financial and non-financial performance measures gave a better understanding of how and what influences performance of an organisation. Measures used by profit-oriented organisations are therefore different from measures used by the non-profit making organisation. However budget availability was found to be a common measure for both types of organisations. Although a lot of literature was available on different study variables, none linked the three variables together and therefore the need to undertake this research and fill the missing link.

#### CHAPTER THREE

#### **METHODOLOGY**

#### 3.1 Introduction

Having looked at the purpose and objectives of the study and considering literature review and the conceptual framework, this chapter covers the appropriate research method and design used with corresponding tools for data collection. The details of study population and sampling methods believed to have an impact on acceptability of study findings are discussed.

Further, materials used in the conduct of research are discussed and the validation protocols for the tools performed. The chapter also discusses ethical considerations that every researcher must comply with as provided for by the university and other international research guidelines for the conduct of reputable researches. The chapter further discusses how different study variables are measured and procedures taken to operationalize different study variables. Lastly data analysis methods and tools used to analyse qualitative and quantitative data are fully discussed.

#### 3.2 Research Method

The study involved testing of hypotheses on how Leadership and strategic capability influence performance of EAC organs and institutions. The research employed mixed methods research to address study objectives. The study is premised on an assumption that continuous failure by leaders to perform to stakeholder expectations cannot be fully explained by leadership attributes exhibited by different leaders accompanied by deployment of different leadership styles but inability to put into consideration a myriad of different other factors that both internal and external to the organisations which affect effective and efficient deployment of different

resources and competencies at their disposal. This makes it difficult for them to swiftly react to challenges that come with the dynamic nature of work environment. The ability of leaders therefore to respond to changes as and when they occur minimizes the destructive effects that such changes come with. This is possible in an organisation with favourable work environment that empowers leaders at different levels to adequately plan and prepare for any challenge. The leader's ability to maximally and flexibly deploy organizational resources to meet performance requirements of the organization is therefore of paramount importance. The situation at EAC organs and institutions seem to be wanting considering the bureaucratic nature of decision making process and other approval processes which affect leader's effectiveness.

The study therefore looked at ways in which leadership in EAC organs and institutions can effectively deploy their resources to achieve the desired performance in the ever changing work environment.

# 3.3 Research Approach and Design

The study used mixed methods research that associates with qualitative and quantitative approaches (Turner& Turner, 2009). Mixed-methods approach is often used in circumstances where one method is not sufficient to address all study objectives (Bromwich & Scapens, 2016). Related to the views of Creswell and Plano Clark (2011), mixed methods approach helps in articulating different aspects of research that cannot be adequately explained using a single approach.

Research questions that are of how and why nature is best answered using qualitative means (Bansal & Corley, 2012). This approach therefore helps in providing insights on aspects of study variables that are hard to quantify yet important in influencing performance of an organization (Williams, 2007). East African Community organs and institutions with a multiplicity of cultures and other social norms required a deep understanding of how such

different social backgrounds influence its performance. Qualitative research approach therefore made it possible to collect data about different research aspects that are not directly addressed by different research questions but important to the research (Creswell & Plano Clark, 2011).

Quantitative Research approach was used to generate numerical data suitable for correlation and regression analysis whose results helped in coming up with inferences on the relationship between different studies variables (Inabinett & Ballaro, 2014). This research approach is preferred as a positivist approach in management research due to possibility to transform research data into usable statistics capable of testing hypotheses (Oldacre, 2016). This research method was therefore preferred due to its ability to generate inferences critical in testing hypotheses.

### 3.3.1 Research Design

Researchers use different research designs that are considered suitable depending on, study objectives, purpose, availability of resources and study population. This study used Descriptive and explanatory research designs in its attempt to fully understand the relationships between different variable under the study with the help of data source triangulation. This served as a strategy for complementing and validating research data collected using different means. Data collected using questionnaires was complemented with data collected using the interview protocol. This was very important in validating and filling any gaps arising from weaknesses of any of the data collection method used. For example, as much as quantitative method generated data used in testing hypothesis and establishing relationships between different variables, it fell short in providing explanations and reasons behind such relationships. Trochim (2002) shares similar views that every research method is prone to errors and therefore combining two or more different research methods bridges the gaps resulting from the use of only one method.

Quantitative research methods employed Questionnaires to collect quantitative data from both professional and general staff while qualitative research methods employed interviews to collect data from executive staff. The use of two methods complemented each other where weaknesses in one method were offset by the other. Although quantitative research approach addressed all study objectives whose responses are descriptive, they were not explanatory to provide full understanding about some phenomenon. Using qualitative research approach therefore helped in providing such explanations that were important to conclusively respond to all study objectives.

Descriptive and explanatory research designs were found to be the most suitable research designs for the study since the research questions could not be fully answered by data from either quantitative or qualitative research methods independently. Whereas quantitative research methods helped in collecting quantitative data on leadership, strategic capability and performance that are key in establishing their relationships and test hypotheses, qualitative research methods help in collecting detailed data that would otherwise not be possible to collect using quantitative means. Data collected using questionnaire was therefore validated and complemented data collected using interview to explain the real reasons why leaders perform the way they do in organisations.

### 3.4 Study Population

The study population was the staff of EAC Organs and Institutions in the categories of executive staff, professional staff, and general staff. The study population was appropriate in providing information relating to the understanding of the relationships between leadership and strategic capability and how they independently and jointly influence performance of EAC organs and institutions. Study participants at all levels in EAC organs and institutions staff

establishment are considered knowledgeable about the role played by leaders in deploying different organizational resources to attain set goals.

# 3.5 Sample of Research Study

According to Creswell (2012), a sample that is representative enough can be used to generalize facts about the entire population. In circumstances where resources are not sufficient to adequately study the entire population, a sample that represent most elements of the study population can be used (Onyeka, 2013). Studying an entire population can be challenging in situations where resources are not readily available although Onwuegbuzie et al. (2017) urges researchers to consider an entire study population in cases where the study population is small, and researchers can easily mobilize resources or when the researcher does not expect high response rate. Considering the research methodology employed the nature of respondents and the area of study, total population sampling will be used to study staff in EAC organs and institution. It is envisaged that the nature of work in EAC organs and institutions where staff travel a lot will affect the response rate and therefore a decision to consider the entire study population. Faul et al. (2009) and Kristensen and Israelsen (2014) remarked that it is of paramount importance to study the entire population to achieve reliable results.

The staff population in EAC organs and institution are summarised in the table below.

Category	Total population	Sample population	Sampling method
Executive staff	16	16	Total Population Sampling
Professional staff	208	208	Total Population Sampling
General staff	94	94	Total Population Sampling
TOTAL	318	318	

#### 3.6 Materials/Instruments of Research Tools

Creswell (2012) classified qualitative data collection methods into observation, interview, questionnaires, document review, and audio-visual materials but there are other research instruments that researchers use in their studies. For the purpose of this research, interviews and questionnaires were used as main data collection tools.

Data on all research questions was collected using questionnaires and interviews. The questionnaire had four sections; the first section required respondents to provide personal biodata while section two, three and four addressed study variables.

Section two addressed leadership attributes that relates to EAC leaders both past and current. This was aimed at collecting data that helped in answering objective number one, two and three of the study, section three addressed strategic capabilities that make it possible for the EAC organs and institutions to survival and compete. This provided data required in answering objective number four. Section four addressed the performance measurements at the EAC organs and institutions. This section provided data that is used to measure outcomes on the impacts of different variables on the performance of EAC organs and institutions.

To measure leadership, different leadership attributes identified by Avolio et al. (1999) were used. These attributes were amended and reconstructed in relation to study objectives. Statements were constructed using different leadership attributes upon which options were provided to choose from. The questionnaire used a scale of one to five ranging from strongly disagree, to agree respectively. Respondents were to tick or cross in the box against the option that best represented their opinion about current/ previous leaders.

To understand different strategic capabilities that existed in EAC organs and institutions, capabilities identified by Simon et al. (2011) were used. Only capabilities that were in line with

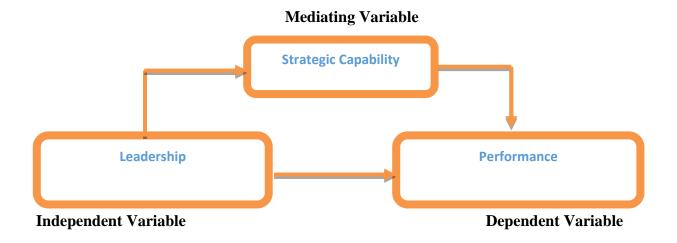
EAC organs and institutions structural arrangement and work method were restated to match the study objectives. The questionnaire used a scale of one to five ranging from Very high extent to very low extent respectively. Respondents were to tick or cross in the box against the option that best represent their opinion on the extent to which different capabilities ensured the survival and competitiveness of the EAC organs and institutions.

To understand the level of organisational performance, different reporting dimensions highlighted by Iselin et al. (2008) were used. Different performance indicators were restated in relation to study objectives. The questionnaire used a scale of one to five ranging from strongly disagree to strongly agree respectively. Respondents were to tick or cross in the box against the option that best represented their opinion about the extent to which they agreed with different performance indicators in relation to EAC organs and institutions performance drivers.

The questionnaire was sent to the supervisor for review and later to the Unicaf Research Ethics Committee (UREC) for approval. To ensure that the questionnaire upholds to the general principles of research, it was first tested for validity and reliability. Content validity was performed by giving the questionnaire to five experts who were randomly selected and asked to check for question relevancy in relation to variables under consideration. The questionnaire was ranked on a five point scale ranging from not relevant to very relevant which helped in computing validity index. Questionnaires were designed to collect data from professional and general staff of the EAC organs and institutions who were considered knowledgeable about study subject. Questionnaires were therefore considered appropriate and easy to use expecting high response rate from respondents. This is in line with Nachmias (2003) observations that questionnaires are easy to use and generate a lot of data on different study variables.

An interview schedule was developed based on research objectives aimed at addressing questions of what, how and why. Each objective carried two open ended questions that sought for answers and explanations on the influence of different study variables on performance. The interview schedule was sent to the supervisor and later to the UREC for approval. Kvale (1996) considers interviews appropriate for collecting ideas, views and opinions from one or two people. Respondents were engaged with the help of an interview schedule to collect data on all study variables. The interview schedule ensured that similar questions are asked across the board. During interviews, the duty of the researcher was not only to listen to interviewees but also to watch for gestures that communicate the exact feeling of the respondent about the subject matter which is in line with Cohen et al. (2013) observations. The interviewees shared their opinions on how they perceived Leadership, Strategic Capabilities and performance at the EAC organs and institutions. The researcher endeavoured to get as much information as possible by asking open ended questions that sought deeper understanding on different study variables but within the framework of the interview schedule. This interview technique is in line with Bryman (2001) observations that an interview provides an opportunity to the researcher to ask follow-up questions in case the interviewee has information outside the confines of the schedule but relevant to the study.

#### 3.7. Conceptual Framework



The conceptual framework above explains the relationship between leadership and performance and how leadership is mediated by strategic capability to influence performance. Strategic capability is further used to predict performance of an organization.

# 3.8 Operational Definition of Variables

Operationalization of the study variables was based on the theoretical approach presented in literature review and methodology used. For the purpose of this study, three variables which are leadership, strategic capability and performance were considered.

Leadership as variable is composed of two constructs which are transformational and transactional leadership as per the leadership theory by Bass (1985). The construct of transformational leadership was tested using different leadership attributes used by leaders to influence followers. Consequently, idealized influence, inspirational motivation, intellectual stimulation and individualized consideration were used to measure transformational leadership style at EAC organs and institutions. A total of 18 (eighteen) questions/items were used which were arrived at after unpacking different leadership attributes considered by transformational

theorists. Questions that related to different leadership behaviours were asked and data aggregated to measure transformational leadership as a whole.

The construct of transactional leadership was tested using transactional behaviours of contingent reward and management by exception (passive and active). A total of 15 (fifteen) questions/items were used to measure transactional leadership as a whole.

The second study variable of strategic capability was looked at based on two construct of resources and competencies which were measured using strategic capabilities developed by Simon et al. (2011) and customized to fit into the study scope and purpose. Strategic capability was tested using 14 (fourteen) questions/items that looked at resources and competencies that are either tangible or intangible that are available for the EAC organs and institutions to exploit and achieve set objectives.

The last study variable of organizational performance consisted of two constructs of financial and non-financial performance measures. Both constructs were measured using performance indicators developed by (Iselin et al., 2008). Financial performance was tested using 5 (five) questions/items while non-financial performance was tested using 9 (nine) questions/items making a total of 14 (fourteen) questions that measured performance as a variable. Exploratory factor analysis was performed on all the study variables to determine which questions mapped to each variable and the contribution of each variable to the study objectives.

#### 3.9 Ethical Considerations

Research ethics are principles and guidelines that regulate the conduct of the research when people are involved. According to Oliver (2003) principles and guidelines help in ensuring that the conduct of research does not infringe on the rights and freedoms of participants. Individuals involved in research should adhere to research ethics and guidelines that are internationally recognized. For the purpose of this study, research ethics guidelines issued by Unicaf

University were used to guide the entire research process. Before undertaking data collection, research ethics forms were completed and approved by Unicaf research ethics committee (UREC).

According to U.S. Department of Health and Human Services (2014), conducting research ethically does not only protect participants from harm but also gives credibility to the entire research processes. Researchers should therefore adhere to different ethical considerations to avoid any possibility by participants to involve in any activity that does not adhere to acceptable ethical considerations. This was done to mitigate possibilities of interfering with rights and freedoms of study participants (Aerd Dissertation, 2018).

To protect study participants who are employees of the EAC organs and institutions serving under different legal instruments that prohibit them from sharing organizational information without permission, approval was sought from the Deputy Secretary General to waive the requirement for research purposes as enshrined in the EAC Staff Rules and Regulations (2006) for research purposes. Securing permission to allow participants to provide required data was however not sufficient for the ethical conduct of the research. Participants had to willingly accept to take part in the research process. This was achieved by giving information concerning the research processes and how it was optional for them to participate in addition to providing informed consent form which they were at liberty to complete and return or not.

Research data will be kept confidentiality for five years after approval of the research project by Unicaf University. However, any research participant that required access to his/her data was allowed although this was limited to early stages of research since all research data was coded in a way that made it difficult to segregate as observed by (Shamoo & Resnik, 2015).

This research did not envisage any risks to participants hence there was no need to elaborate on risks that were likely to be experienced while participating in research. Further there was no

compensation, or any other form of benefits extended to those who participated in the research. Although there were no risks associated with the conduct of this research or any form of inducements given, it was necessary to give information on the conduct of research and how participation was purely voluntary. Even though it is a good practice for participants to consent formally using prescribed form, it was not mandatory for one to sign the consent form. Consent was therefore considered implied for those who participated in the research process without necessarily signing consent forms. Nevertheless, information regarding rights and obligations of participants during the research process was availed in an informed consent form as per Aerd dissertation (2018). The design of the questionnaire and interview schedule further ensured that some information regarding how questions were to be filled and how they were free not to provide answers where they felt uncomfortable was provided.

Informed consent form had information regarding the background and need for the study, freedom to participate at liberty, confidentiality, risk, and benefits if any, how to fill the questionnaire and providing responses for the interview schedule and contacts of both the researcher and the University. Although information about risks and benefits are standard in a consent form, it is important to note that no risks and benefits to study participants were involved.

Different research environments require the researcher to provide consent forms and receive formal consent from participants. However according to Drysdale et al. (2015), Inabinett and Ballaro (2014) and Rogers (2016) some researches mainly surveys of which this is among, are free to use implied consent if anonymity of participants is maintained. The study therefore envisaged to use both formal and implied consent where participation in research would not be limited to those who sign informed consent forms. The fact that the questionnaire was anonymous where respondents were not required to sign and indicate their names, participants

were assured that their data would be confidentially handled. Participants were therefore provided with both questionnaires and consent forms to fill and return to the researcher.

### 3.10 Data Collection and Analysis

The study employed two data collection approaches. These were the questionnaire survey and interview schedule. For the purpose of this study, no single data collection instrument existed that could cater for different variables being in the study since no similar study had been undertaken before. It was therefore necessary to unpack different study variables and identify different parameters to be used in measuring different components of the research. Questions were developed based on identified parameters and scales developed that helped respondents in examining the extent to which they agreed with those questions/statements. Attributes for different variables were incorporated into one data collection tool which was approved by UREC before data collection. The developed questionnaire was used to collect data on leadership, strategic capability and performance in EAC organs and institutions. Data on leadership attributes that describe leaders at the EAC organs and institutions whether current or past was collected using an amended multifactor leadership questionnaire comprising of thirty-four leadership attributes which helped in answering the first three research questions.

Data on strategic capability was collected using a set of strategic capabilities identified by previous researchers and aligned to the EAC organs and institutions business environment. Data on which strategic capabilities that ensured the survival and competitiveness of EAC organs and institutions was collected using a questionnaire comprising of fourteen questions that answered the fourth study objective.

Data on performance as a dependent variable was collected using performance indicators extracted from Iselin et al. (2008) and restated in line with study objectives. A questionnaire

comprising of fourteen questions was used to assess EAC organs and institutions performance indicators.

Qualitative data was collected using an interview schedule as the secondary data collection tool addressing all study objectives. Both tools were validated and approved by the supervisor and the UREC before data collection.

Validation of tools was done using face validity and content validity which was performed by the supervisor and Unicaf Research Ethics Committee and some other experts in the field of study.

Construct validity was done using exploratory factor analysis in SPSS software on 30 cases as pilot to prove that data collection tools were suitable for use.

Reliability using Cronbach alpha test was used to test for the consistence and reliability of the questionnaire. Cronbach alpha of 0.7 was used as minimum for reliability. All study variables were to have a reliability score greater than 0.7 to be considered (Calzone et al., 2016). All questions however that did not meet the minimum threshold were retained in the questionnaire.

### 3.10.1 Methods of Data Analysis

Data validation was performed after data collection to ensure that right data has been collected and coded before analysis. Frequency distributions, maximum, minimum and range were performed on all the data to identify wrong data input on each data set. Out of range data and missing Data was identified and managed accordingly. Missing data was managed by performing using missing value analysis (MVA) and missing completely at random (MCAR) to establish data that was partially or completely missing. Missing data was therefore replaced using linear interpolation before further management and analysis of data. Z scores were further used to identify outliers and managed accordingly based on -2.4≤Z-score≤2.4 as data set for

analysis. Data outside the range was adjusted. Accordingly, Z-Score<-2.4 data was increased to the nearest whole unit on the scale while those with Z-Score>2.4 were reduced to the nearest whole unit on the scale. Statistical Package for Social Sciences (SPSS) was used to generate descriptive statistics for demographic characteristics and study variables in terms of frequency distribution, means, standard deviation, variance and inferential statistics that include exploratory factor analysis (EFA), rotated component matrix of factors. Components with Eigen values ≥1, Keisher Meyer Olkin (KMO) greater or equal to 0.7 and factor loadings greater than 0.4 were extracted and aggregated to obtain variables to be used in testing of the hypotheses.

In order to undertake quantitative analysis, both parametric and non-parametric tests were performed based on data. To ascertain the use of parametric tests in the analysis, the diagnostic tests were limited to normality, linearity, multicollinearity, and homogeneity.

Normality tests that included PP and QQ plots, histograms with normal curve, stem-leaf, were performed to establish whether data was normally distributed for all the study variables or not. Skewness and Kurtosis of less than 2 was used as an indicator of normally distributed data on all variables while Shapiro Wilk test indicating sig>0.05 on endogenous variables was used as an indicator of normally distributed data.

Linearity test was performed using scatter plots with lines of best fit between leadership, strategic capabilities, and organizational performance. Baseline regression model between study variables was used to indicate linear relationship between leadership, strategic capability, and organizational performance.

Multicollinearity was tested using Variance Inflation Factor (VIF) test in regression model. Any figure exceeding 10 indicated high multi-collinearity between independent variables while figures less than 2 were taken as indicators of no multicollinearity at all.

Homogeneity test was performed using Leven test and significant values greater than 0.05 were taken to indicate that data was homogeneous and extracted from the same population. Having performed the requirements of the parametric tests and research data found suitable for further processing, the parametric analysis of correlation and regression were performed.

Auto-correlation tests were performed on all study variables after confirming that data on all the variables was normally distributed, linearly distributed, lacked multicollinearity and homogeneous.

The correlation analysis was performed on all the study variables to evaluate the existing relationships. To establish whether the independent and mediating variables relate to the dependent variable, it was necessary to perform correlation test to establish the level of existing relationships.

Hierarchical multiple regression analysis (HMRA) was performed to ascertain the impact of both independent and mediating variable and their combined effect on the dependent variable. Demographic data from interviews was triangulated with quantitative data and analysed together to get descriptive statistics while data on different variables was integrated at evaluation stage to provide better understanding of different variables under the study. The interview data was thematically analysed using In VIVO by noting of responses from study participants on different research questions and reconstructing responses in line with study objectives. Related data were linked to each other and grouped under one category. Finally, themes were developed that formed the basis for discussion in line with Patton (2005) observations.

# **3.11 Summary**

The chapter discussed the research approach and design where mixed methods research approach was used due to the nature of the study and research objectives.

The research design was Descriptive and explanatory research designs that was found to be most suitable for the study due to its flexibility in detailing different aspects of the study and explaining the existing relationship between leadership, strategic capability, and performance of an organisation.

The chapter also elaborated on study population which was the staff of the EAC organs and institutions and their suitability in the research study. Key among the attributes of the study population was their ability to read and write and the knowledge about the organisation. A whole population was considered since it was believed to be small with possibility of not achieving 100% response rate.

The chapter also details how research was conducted and how different research ethical issues were addressed. Although the study did not envisage any risks and participation in the study being purely voluntary, Information about the study was provided to enable participants make an informed choice. Relevant approvals were secured before data collection. In regard to data collection and analysis, the research carried out data validation before analysis. Demographic data from qualitative tools was analysed together with quantitative data while qualitative data on different study variables was manually analysed and integration of data done at evaluation stage to supplement data collected by questionnaires.

#### CHAPTER FOUR

#### DISCUSSION OF RESEARCH FINDINGS

#### 4.0 Introduction

The purpose of Mixed-methods research was to highlight and establish the extent of connectedness between leadership roles and deployment of resources and competencies and how they influence performance of the EAC organs and institutions. To ascertain this level of influence, four different research questions were used to find out whether leadership and strategic capability had a direct influence on performance or if there was a mediation effect that either enhances or hinder performance of the EAC organs and institutions. The study collected data using questionnaires and interview schedule to gain as much information as possible on how leaders in EAC organs and institutions interact with available resources and competences to influence performance outcomes. All EAC staff from organs and institutions were included in the study but divided in two clusters. The executive staff who are heads of institutions and organs were interviewed using a structured interview guide while the professional and general staff filled the questionnaire survey protocol. This helped is collecting information about their understanding on different study variables and how they interact to each other.

Data from questionnaires was coded and entered in the SPSS for analysis while data from interviews was transcribed for thematic analysis. In line with Boyatzis (1998), Codes were developed by picking statements that directly answered the research questions and related codes further grouped together to form categories that were refined into themes as final outputs for discussion. It is important to note that some codes could go through the entire process and become themes.

This chapter presents Descriptive Statistics of Age, years of service and number of years at EAC presented as biographic data of respondents. In addition, descriptive Statistics established the spread of data on different study variables. Exploratory factor analysis on all study variables was used to extract the most important components or constructs that measured the study variables. All tests performed confirmed all alternative hypotheses and rejected all null hypotheses.

The chapter starts with trust worthiness highlighting steps taken to build confidence in the study followed by presentation of results in line with the study objectives. Evaluation of findings follows with minimal discussions on each study objectives and finally the summary of the chapter highlighting key points.

#### **4.1.1** Trustworthiness of Data

Data was collected using different research protocols and subsequent detailed analysis performed to ensure dependability of research data. Quantitative data gathered using questionnaire survey protocol was triangulated with qualitative data to fill information gaps that could not be fully filled with either data collection method. According to Fusch et al. (2018) when two research approaches are used, either data from one of the approaches is used to fill gaps arising from challenges encountered during data collection. Narratives and reasons behind some actions and events are better captured when qualitative means are used. However, quantitative data makes it possible to test for hypotheses and establish the existing relationships. Data source triangulation therefore helps in complementing quantitative data with qualitative data as observed by (Hussein, 2009).

To ensure that data collection tools were dependable, questionnaires were formulated, reviewed and considered by the supervisor before submission to UREC for approval. The committee gave

inputs to the tools which were incorporated before granting final approval. Data collection tools were further subjected to different tests to ensure that they uphold to the minimum acceptable principles of research. This involved testing for their validity and reliability before data collection.

After data collection, questionnaires were physically inspected to ensure that all questions were answered and those without answers identified. All questionnaires were coded before entering data into SPSS and finally crosschecked with physical questionnaires to ensure that system data corresponded with physical data. Missing data was identified using missing value analysis. This was done to confirm that all the data is captured and what is missing in the system is replaced using linear interpolation. For this research study, outliers were managed using Z scores although they were minimal. Data was therefore analysed to establish whether study variables are related.

The demographic data arising from interview protocol was integrated with quantitative data and analysed together while qualitative data on key research questions was manually analysed and coded in vivo where key phrases and statements were taken as presented by respondents (Pope & Mays, 2000). Similar codes were grouped together and presented as themes that formed the basis for research discussions.

#### **4.1.2**Testing for Assumptions

In order to apply parametric statistical tools, different assumptions were tested in line with Osborne & Waters (2002). Tests for normality, linearity, multi-collinearity, and Homogeneity were performed before undertaking regression analyses.

## 4.1.2.1Normality Test

Testing for normality helps researchers to determine whether data is spread normally (Kristensen & Israelsen, 2014). Descriptive statistics are used to ascertain how data is spread across all study variables. Results in table 4.1 shows a normal data distribution of all the study variables with a skewness and Kurtosis statistics between -1 and +1.

Table 4. 1 Descriptive Statistics for Study Variables (N=114)

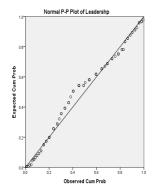
					Std.					
	Minimum	Maximum	Mean		Deviation	Variance	Skewnes	S	Kurtosis	
				Std.				Std.		Std.
	Statistic	Statistic	Statistic	Error	Statistic	Statistic	Statistic	Error	Statistic	Error
Leadership	1.07	4.50	2.9903	.07012	.74869	.561	492	.226	.083	.449
Strategic	1.57	5.00	3.1949	.07276	.77689	.604	.165	.226	254	.449
Capability										
Performance	1.00	5.00	2.8509	.07609	.81246	.660	.243	.226	300	.449

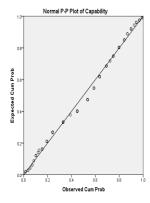
Descriptive Statistics of skewness and kurtosis were used to establish the distribution of data on the study variables. Results in table 4.1 shows a fairly normal data distribution of all study variables with skewness and Kurtosis statistics between -1 and +1.

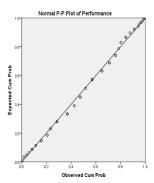
## a) Normality Test Using PP Plots, QQ Plots and Histograms

Probability plots, QQ Plots and histograms showed a fairly normally distributed data on all study variables.

Figure 4.1 P-P Plot for Leadership, Strategic Capability and Performance

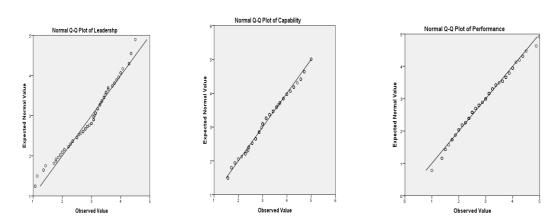






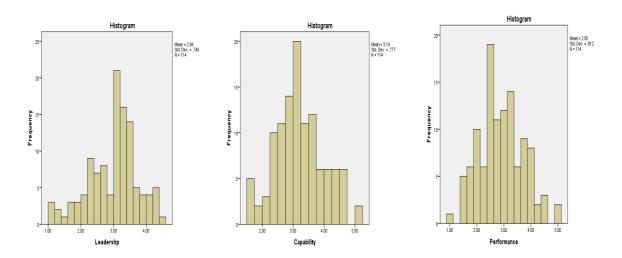
P-P plots were used to establish whether data distribution on different study variables was homogenous. This was important in establishing whether data was collected from the same population as shown in figure 4.1. P-P plots were found to be concentrated on the line of central tendency which was a clear indication of normally distributed data.

Figure 4.2 Q-Q plot for Leadership, Strategic Capability and Performance



Q-Q plots were further used to ascertain whether research data was normally distributed. From figure 4.2, the line of best fit rans diagonally from the lower left corner of the graph to the right ascending upwards. The convergence of data towards the line is an indication of normally distributed data. The absence of data scattered away from the line confirmed non-existence of abnormally distributed data.

Figure 4.3 Histograms for Leadership, Strategic Capability and Performance



Histograms were further used to graphically represent data. Data was normally spread and there were no striking deviations from its normal shape. Histograms in figure 4.3 converge towards the centre which is a sign of normally distributed data.

## b) Tests of Normality Using Shapiro-Wilk

A Shapiro-Wilk test was used to determine whether the sample came from a normally distributed data. The test revealed that data on all the endogenous variables were fairly normally distributed. Table 4.2 and 4.3 indicated that sig values of Shapiro-Wilk test are above 0.05 which confirmed that data collected was normally distributed for all variables.

Table 4.2 Tests for Normality

	Kolmogoro	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk				
	Statistic	Df	Sig.	Statistic	Df	Sig.			
Leadership	.122	114	.000	.972	114	.017			
Strategic	.099	114	.008	.983	114	.152			
Capability									
Performance	.079	114	.074	.988	114	.428			
Lilliefors Signif	Lilliefors Significance Correction								

Using Shapiro-Wilk test all the endogenous variables were fairly normally distributed as shown in table 4.2 and sig>0.05.

Table 4.3 Shapiro-Wilk Tests

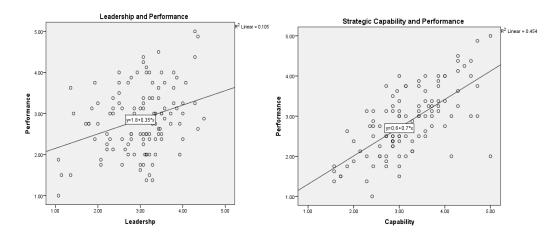
		Kolmogor	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Gender	Statistic	df	Sig.	Statistic	df	Sig.	
Leadership	Male	.113	78	.016	.980	78	.275	
	Female	.175	36	.007	.940	36	.051	
Strategic	Male	.133	78	.002	.975	78	.131	
Capability	Female	.094	36	.200*	.975	36	.561	
Performance	Male	.124	78	.005	.977	78	.181	
	Female	.133	36	.112	.963	36	.260	
illiefors Signifi	cance Correc	ction						

Shapiro-Wilk test for all variables indicated fairly normally distributed data as shown in table 4.2 and sig>0.05.

## 4.1.2.2 Linearity Test

According to Kristensen and Israelsen (2014), scatter diagrams with lines of best fit are used to ascertain linearity of data. Data was found not to be near to each other but tending to concentrate in the centre which signified general normal distribution of data presented in scatter diagrams in figure 4.4.

Figure 4.4 Scatter Diagrams on Leadership, Strategic Capability and Performance



Graphical presentations using scatter diagrams with lines of best fit indicated a fairly distributed data for all study variables as presented in figures 4.4.

#### **Analysis of Variance (ANOVA)**

Further baseline linear regression test was performed to test for linearity between variables. The Sig of 0.000 which is less than 0.05 indicated a linear model of relationships as indicated in table 4.4.

Table 4.4 ANOVA for Linear Regression

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34.963	2	17.481	48.967	.000 <sup>b</sup>
	Residual	39.627	111	.357		
	Total	74.590	113			

a. Dependent Variable: Performance

b. Predictors: Strategic Capability, Leadership

Using baseline linear regression to test for linearity between variables, the level of significance was found to be less than 0.05 an indication of a linear model of relationships as shown in table 4.4.

## **4.1.2.3** Multicollinearity

Multicollinearity results from high levels of inter-correlations between two or more independent variables. Although multicollinearity tests are used to establish whether independent variables are interrelated, they may result into erroneous results in attempt to determine how best each independent variable influences each other in a model. This is brought about by relatedness of independent variables that results into wider confidence intervals that make it difficult to come up with concrete conclusions.

Table 4.5 Linear Regression for Coefficients

		Unstand	dardized	Standardized			Collinearity	,
		Coeffic	ients	Coefficients			Statistics	
Model		В	Std. Error	Beta	Т	Sig.	Tolerance	VIF
1	(Constant)	.315	.287		1.097	.275		
	Leadership	.140	.079	.129	1.769	.080	.905	1.105
	Strategic	.663	.076	.634	8.719	.000	.905	1.105
	Capability							

a. Dependent Variable: Performance

From table 4.5, VIF was determined by regressing independent and mediating variables against each other to assess the strength of existing correlations. VIF of 1.105 is an indication of no multi-collinearity between the leadership and strategic capability since only VIF exceeding 10 was considered to indicate high multi-collinearity between independent variables.

**Table 4.6** *Collinearity Diagnostics* 

				Variance Proportions		
			Condition			Strategic
Model	Dimension	Eigenvalue	Index	(Constant)	Leadership	Capability
1	1	2.935	1.000	.00	.01	.01
	2	.039	8.623	.00	.72	.58
	3	.025	10.770	.99	.27	.41

a. Dependent Variable: Performance

Table 4.6 indicates condition index values of less than 15 which is a sign of lack of multi-collinearity. By observing each low under condition index, you realize that only one low has a value of 10.770. According to Hair et al. (2013) in cases where more than two values under condition index are above 0.90, one can assume the presents of a collinearity problem but

where only one value is above 0.90, there exists no close relationship amongst independent variables.

## **4.1.2.4** Test of Homogeneity

Leven test is normally used to establish whether data samples are homogenous. Although Levene (1960) proposed the use of only mean in determining the homogeneity of data samples, Brown and Forsythe (1974) extended the test to include median/trimmed mean as indicated in table 4.7. Levene test revealed that data samples are homogenous as all sig>0.05.

 Table 4.7 Homogeneity of Variance

		Levene Statistic	df1	df2	Sig.
Leadership	Based on Mean	.930	1	112	.337
	Based on Median	.396	1	112	.530
	Based on Median and with adjusted df	.396	1	108.440	.530
	Based on trimmed mean	.796	1	112	.374
Strategic	Based on Mean	6.325	1	112	.013
Capability	Based on Median	5.921	1	112	.017
	Based on Median and with adjusted df	5.921	1	110.280	.017
	Based on trimmed mean	6.330	1	112	.013
Performance	Based on Mean	.342	1	112	.560
	Based on Median	.236	1	112	.628
	Based on Median and with adjusted df	.236	1	109.793	.628
	Based on trimmed mean	.364	1	112	.547

Having ascertained that all the variables under the study complied with all parametric tests and having confirmed that data collected met all the required assumptions, further analysis was performed to answer each study objective.

#### 4.1.3 Reliability and Validity of Data

Reliability is used to mean the level of accuracy or precision for an instrument to consistently give the same results. Researchers test for reliability of research instruments to gain some level

of comfort that their tools will help them collect data that is dependable. To establish whether tools were consistent, different reliability checks were performed before data collection.

The survey protocol and interview schedule as the main data collection instruments were checked to establish their ability to collect data in line with study objectives.

The questionnaire survey protocol was checked for reliability at pilot level and at the main data level. Cronbach's alpha coefficients of 0.7 and above was used to measure consistency and reliability of different variables (Osborne & Waters, 2002). The table 4. 8 shows how reliability of study variables was measured.

Table 4.8 Measuring Reliability at Pilot and Main Data

ITEMS	Reliability Statisti	cs-Pilot	Reliability Statistics-main data		
	Cronbach's Alpha	N of Items	Cronbach's Alpha	N of Items	
Transformational Leadership	.966	18	.963	18	
Transactional Leadership	.876	16	.888	16	
Leadership	.960	34	.963	34	
Strategic Capability	.848	14	.898	14	
Financial Performance	.709	4	.783	5	
Non-Financial Performance	.841	9	.872	9	
Organizational Performance	.859	14	.900	14	
OVERALL RELIABILITY	.866	109	.895	110	

Source: Primary data

The tool was checked for reliability at pilot level and at main data collection level as shown in table 4.8. All the Cronbach's alpha coefficients were above 0.7 an indication that the scales on measuring the items of the indicators were consistent and reliable.

#### **4.1.3.1** Validity

Face validity and content validity was performed on both the questionnaire survey protocol and interview schedule. The researcher developed both data collection tools and submitted them to the supervisor for validation. The supervisor made observations to both data collection tools which were incorporated and submitted to UREC for consideration and approval. Data collection tools were further subjected to four experts in the field of study to ensure that data

collection instruments meet the standards and also the content in the instruments is sufficient to measure different study variables.

In addition to face validity and content validity, the researcher validated all study constructs by performing Exploratory Factor Analysis (EFA) to extract all factors with higher influence on study variables. Factor loadings of 0.4 and above were used to establish the convergent and discriminant validity as shown in table 4.9, 4.10 and 4.11.

Table 4.9: Validation of Leadership Variable at Pilot and Main Data Using Rotated Component Matrix

Rotated Component M (Pilot)	atrix for	Leadership	Rotated Component Matrix (Main Data)	for Lea	adership
Questions	Compone	ent	Questions	Component	
	1	2		1	2
The Leader always available to give guidance	.900		The leader recognizes performance	.885	
The leader emphasizes organizational mission	.895		The leader treats individuals according to their performance requirements.	871	
The Leader makes timely decisions whenever required	.891		The leader helps subordinates to learn and improve	.867	
The leader helps subordinates to learn and improve	.873		The leader communicates rewards with clarity	.845	
The leader shares organizational values with subordinates	.869		The leader is a good role model	.828	
The leader helps subordinates to fix errors	.864		The leader rewards performance	.820	
The leader respects subordinates	.837		The leader has confidence and exercises power and responsibly	.714	
The Leader suggests alternative approaches	.802		The Leader reprimands failures		.994
The leader is interested in ones mistakes		.838	Eigen Value	4.875	1.028
The Leader reprimands failures		.550	% of Variance	60.944	12.85
Eigen Value	6.048	1.412	Cumulative % of Variance	60.944	73.794
% age of Variance	60.48	14.12			
Cumulative % of Variance	60.48	74.60			
Kaiser-Meyer-Olkin Measure of Sampling	.762				

Adequacy.					
Bartlett's Test of	126.487				
Sphericity ,Approx. Chi-					
Square					
Df	28				
Sig	.000				
Determinant	.0135				
Extraction Method: Principa	al Componer	nt Analysis.			
Rotation Method: Varimax with Kaiser					
Normalization.					
a. Rotation converged in 3 i	a. Rotation converged in 3 iterations.				

Table 4.9 reveals that, out of thirty four (34) questions that were asked at pilot, only ten (10) questions loaded highly to leadership variable with eigen value of 6.048 which is higher than the threshold of four (4) are considered important to the research. Although only ten (10) factors met the required significant levels, the entire thirty four questions were taken to the field for data collection. After data collection, exploratory factor analysis was performed to determine which questions are mapped to leadership variable and their contribution to study objectives. Only eight (8) factors were found to load highly to leadership with eigen value of 4.875 and above and were considered for further analysis.

All factors that had a factor loading of more than 6 at main data were considered reliable for the research study. From the factor analysis, out of the (8) factors that loaded highly to leadership with eigen value of 4.875, only one was for transactional leadership which implies that transformational leadership style is more practiced in the EAC organs and institutions.

Table 4.10 Validation of Strategic Capability Variable at Pilot and Main Data Using Rotated Component Matrix

Rotated Component Matrix Capability (Pilot)	for Strategic	Rotated Component Matrix for Strategic Capability (Main Data)		
Question	Component	Question	Component	
Stakeholder involvement	.819	High level of efficiency	.835	
Stakeholder focused	.910	Practical solutions	.827	
Expert opinions to stakeholders	.771	Value for money	.795	
Value for money	.694	Effective Communication	.754	
High level of efficiency	.875	Credibility	.744	
Effective Communication	.713	Skills development	.715	

Practical solutions	.673	Readily accessible cervices	.684
Networking/Partnerships	.697	Knowledge management	.663
Eigen Value	4.788	Eigen Value	4.555
% age of Variance	59.849	% of Variance	56.944
Cumulative % of Variance	59.849	Cumulative % of Variance	56.944
Kaiser-Meyer-Olkin	.818		
Measure of Sampling			
Adequacy.			
Approx. Chi-Square	139.521		
Df	28		
Sig	.000		
Determinant	.132		
Extraction Method: Principal			
Component Analysis.			
a. 1 components extracted.			

Table 4.10 indicate that out of fourteen (14) questions that were asked at pilot, only eight (8) questions loaded highly to strategic capability variable with eigen value 4.788 which is higher than the threshold of 4. After pilot test however, the entire fourteen questions were taken to the field for data collection. After data collection, exploratory factor analysis was performed to determine which questions are mapped to strategic capability variable and their contribution to study objectives. Only eight (8) factors were found to load highly to strategic capability with eigen value of 4.555 and were considered for further analysis.

Table 4.11 Validation of Performance Variable at Pilot and Main Data Using Rotated Component Matrix

Pilot			Main data					
Question	Compo	nent	Question	Component				
	Non- Finan cial	Fina ncia l		Non- Finan cial	Financial			
Work methods and process flows that improve service delivery exist.	.918		Stakeholders are satisfied with our services	.891				
Time within which services are offered is commendable	.889		Time within which services are offered is commendable	.851				
Stakeholders are satisfied with our services	.850		There is continuous improvement to better service delivery to stakeholders.	.825				
There is continuous	.844		The organization consistently	.760				

improvement to better service delivery to stakeholders.			delivers Quality services to its stakeholders.		
The organization consistently delivers Quality services to its stakeholders.		.806	Stakeholders provide the required financial resources for operations		.914
Employees derive satisfaction from their work.		.757	My organization has sufficient budget for executing activities.		.907
EAC has zero tolerance to wastages, to reduce cost		.684	Eigen Value	2.864	1.855
Eigen Value	3.268	1.87 2	% of Variance	47.727	30.922
% of Variance	46.68	26.7 4	Cumulative % of Variance	47.727	78.649
Cumulative % of Variance	46.68	73.4 2			
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.834				
Approx. Chi-Square	146.2 15				
Df	28				
Sig	.000				
Determinant	.0871				
Extraction Method: Principal Analysis. Rotation Method: Varimax Normalization.	•				
a. Rotation converged in 3 ite	rations.				

According to table 4.11, out of thirteen (13) questions that were asked at pilot, only seven (7) questions loaded highly to performance variable. However, all the fourteen question were taken to the field for data collection. After data collection, exploratory factor analysis was performed to determine which questions are mapped to performance variable and their contribution to study objectives. Only six (6) factors were found to have loaded highly to performance and were considered for further analysis. Further, factor analysis revealed that out of six (6) questions that loaded highly on performance, only two were for financial performance. The

implication of this is that non-financial performance measures are mainly used to asses performance at the EAC organs and institutions.

Having performed most of the required analyses, research data was considered valid and reliable ready for further analysis. Descriptive statistics were run to come up with constant data and regression analysis to bring out relationships that exist between different variables (Lianying & Zhen, 2014).

# 4.1.4 Results of Findings Including Graphical Illustrations

Having performed all the required analyses, and confirmed that data collected is valid and reliable, results of descriptive statistics, regression analysis and thematic analysis for qualitative data obtained using interview research protocol for all study variables were performed. A total of 114 respondents returned their questionnaires out of the whole sample of 302 staff that received questionnaires. A total of 12 interviews were done with respondents under executive category out of the total sample of 16 executives. The response rate was 38% and 75% for those who responded to questionnaires and interviews respectively giving an average response rate of 56%. The slightly lower response rate for questionnaires confirms the need to consider a whole population more especially where the researcher is not sure about the expected response rate. Onwuegbuzie et al. (2017) observed that researchers may decide to study the whole population in situations where study population is small or when they anticipate low response rate. Data collection having been undertaken during Covid19 pandemic times when most of the countries had instituted Covid19 preventive measures including total and partial lockdowns made it difficult for some staff to return their questionnaires even after being reminded severally. However, the lower response rate of 38% for questionnaire protocol was compensated by the high response rate of 75% achieved under the interview protocol. Further, the results of normality tests indicated normally distributed data which confirms that data was from the same study population and can therefore be generalised.

In line with Lianying and Zhen (2014), descriptive statistics helped to understand the outcomes of regression analyses and established the link between different study variables. Probability standard of 0.05 was used as a measure of significance where all the values below 0.05 confirmed the strength of the relatedness while values above 0.05 indicated insignificant or no relationship between the variables. Presentation of results followed the arrangement of study objectives/ questions and or hypotheses.

#### 4.1.4.1 Demographic Characteristics of the Respondents

This section covered gender, job group and level of education as the categorical demographic characteristics detailed in table 4.12 for the categories covered by the questionnaire and interview protocols respectively.

In terms of gender distribution, the total numbers covered by both the questionnaire survey and interview protocols are presented in figure 4.5.

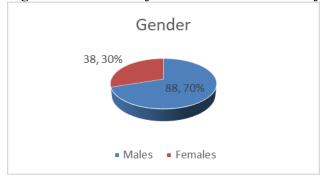


Figure 4.5 Pie Chart for Gender Distribution of Respondents

From the figure 4.5, most respondents were male with 70% of the total population that responded to both questionnaires and interviews while female respondents accounted for only 30%. This was an indication that male employees are dominantly employed in EAC organs and

institutions. This however correlates well with the existence of gender policy in EAC organs and institutions where a special consideration is given to female candidates who get the pass mark during interviews.

When it comes to the level of education, majority were master's degree holders (74%) followed by bachelor's degree (12%), Diploma (5%) and PhD (9%) as per the pie chart below.

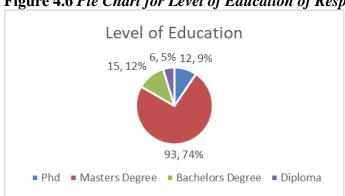


Figure 4.6 Pie Chart for Level of Education of Respondents

From the figure 4.6, it is clear that EAC organs and institutions employ high calibre staff. This was very critical to the research since their level of education implied possession of the minimal level of understanding required for one to read and understand the questions asked and consequently giving the required answers. The details in table 4.12 show that the lowest qualification for executives was a master's degree an indication that executives were highly qualified with sufficient knowledge to effectively run their organizations.

The job group distribution showed majority being professional (84, 66.7%), generalists (30, 23.8%) and executives (12, 9.5%) as shown in the histogram below and per the table 4.12.

Figure 4.7 Histogram for Job Group for Respondents



The highest number being for professional staff category point to the fact that EAC organs and institutions mainly employ technocrats to undertake different activities aimed at spearheading integration agenda as per figure 4.7.

Table: 4.12 Demographic Characteristics of Respondents under Questionnaire Survey Protocol and Interview Protocol (N=114 and 12 respectively)

	Respondents Survey Proto	_	estionnaire	Interview Protocol (N=12)			
Demographic Profile	Item	Frequenc y	Percent	Item	Frequency	Percent	
Gender	Male	78	68.4	Male	11	91.5	
	Female	36	31.6	Female	1	8.5	
Level of	Diploma	7	6.1	Diploma	0	0	
Education	Bachelors	15	13.2	Bachelors	0	0	
	Masters	86	75.4	Masters	6	50	
	PhD	6	5.3	PhD	6	50	
Job Group	General	30	26.3		12	100	
_	Professional	84	73.7	Executive			

Source: Primary data

Table 4.12 presents demographic characteristics of the respondents. Findings revealed that in terms of gender males are more employed in EAC while in terms of the level of education, EAC mostly employs people with master's degree. It is further observed that professional staff form the bulk of employees at EAC.

#### 4.1.4.2 Descriptive Statistics of Age, Years of Service and Number of Years at EAC

The age of respondents, years of service and years EAC has been in service is captured in table 4.13. According to research data, average age was 46, lowest being 25 and eldest at 60 years. This indicated that the respondents were mature and old enough to independently respond to the questions in the survey protocol. The average years of service was found to be 7 minimum being 1 year and a maximum of 17. This implied that on average most respondents had served for 7 years and therefore had a good understanding, experience, knowledge and information required by the study. Table 4.15 captures research data from the executive category who were interviewed. This included the age, number of years of service and the years in which EAC has been in service. The average age for executive staff was 52.5 with minimum age being 49 years while the maximum being 56 years. This was an indication that executives were mature enough to provide necessary leadership required to achieve the set objectives. The average years of service was 4 years with the minimum being 3 years and maximum being 5 years. This was an indication that executives interviewed had served for a good number of years and were able to respond to interview questions appropriately. EAC has been in operation for 20.5 corresponding to the time new EAC was established.

Table 4.13 Descriptive Statistics (N=114)

	Minimum	Maximum	Mean		Std. Deviation	
	Statistic	Statistic	Statistic	Std. Error	Statistic	
Age	25.00	60.00	46.2368	.66022	7.04920	
Years of service	1.00	17.00	7.1228	.35312	3.77026	
Number years EAC	20.00	28.00	20.1053	.07818	.83474	
has been in existence						

Source: Primary Data

The table 4.13 shows descriptive statistics for respondents covered under questionnaire research protocol. It indicates that the average ages for employees in EAC organs and institutions was 46

years, average number of years served were 7 and the organization has been in existence for over 20 years.

Table 4.14 Descriptive Statistics of Age, Years of Service and Number of Years EAC Has Been in Existence (Executives).

	N	Minimum	Maximum	Mean
	Statistics	Statistics	Statistics	Statistics
Age	12	49	56	52.5
Years of service	12	3	5	4
Number of years EAC has	12	20	21	20.5
been in existence				

Source: Primary Data

Table 4.14, shows that the youngest participant was aged 49 years and oldest 56 years. In terms of years of service at the EAC, the minimum years of service were three (3) while the maximum numbers of service were five (5) while the time EAC has been in operation is 20.5 years. The above data is in line with EAC terms and conditions of service that provides for executives to serve for a maximum number of five years and the retirement age being sixty years.

#### 4.1.4.3 Pearson Correlation

Pearson Correlation was performed to certain whether leadership, strategic capability and performance were related.

Table 4.15 Correlation Matrix for Study Variables (N=114)

		Leadership	Strategic Capability	Performance
Leadership	Pearson Correlation	1		
	Sig. (2-tailed)			
Strategic Capability	Pearson Correlation	.308**	1	
	Sig. (2-tailed)	.001		
Performance	Pearson Correlation	.324**	.674**	1
	Sig. (2-tailed)	.000	.000	

Table 4.15 reveals a significant positive relationship between leadership and Strategic

Capability sig. 0.001, Leadership and Performance sig. 0.000 while Strategic Capability with

Performance sig.0.000). The sig. values for all study variables are below 0.05 an indication that a significant positive relationship among variables exist (Field, 2013).

#### 4.1.5 Role of Leadership in Achieving the Desired Performance

To ascertain the influence of leadership on performance in EAC organs and institutions, data from questionnaires was analysed and presented in different regression models while interview data was thematically analysed and integrated during discussion of findings.

# **4.1.5.1** Multiple Linear Regression

The Multiple linear regression analysis revealed a positive correlation between leadership and organizational performance (p> 0.001). The low significant values is an indication that leadership positively influence performance. Results further indicated that any change in leadership affects performance by 9.2% as per table 4.16. However, the R square is slightly less significant since it is below the threshold of 10% where anything below is considered weak. Performance of an organization is however influenced by many factors of which leadership is among. The nature of leadership at EAC organs and institutions where the structural rigidities constrain leadership partly explains the low influence on performance. This is considered in detail in the subsequent sections.

The study results indicated that leadership influence performance more when leaders recognise performance, treat individuals according to their performance requirements, help subordinates to learn and improve, communicate rewards with clarity, are good role models, reward performance, have confidence, exercise power and responsibility and reprimand failures. This level of influence is manifested by ensuring that stakeholders are satisfied with the organizations services, timely delivery of services, continuous improvement to better service

delivery, consistent delivery of quality services, providing the required financial resources for operations and ensuring availability of sufficient budget for executing activities.

Table 4.16 Model Summary for Multiple Regression

Model	Summ	ary								
				Std. Error	Change St					
		R	Adjusted	of the	R Square	F			Sig. F	Durbin-
Model	R	Square	R Square	Estimate	Change	Change	df1	df2	Change	Watson
1	.202ª	.041	.005	.81242	.041	1.148	4	108	.338	
2	.365 <sup>b</sup>	.133	.092	.77599	.092	11.379	1	107	.001	
3	.691°	.478	.448	.60502	.345	70.019	1	106	.000	2.158

a. Predictors: (Constant), LINT(Years of service), Level of education, Gender, LINT(Age)

Table 4.16 indicates a hierarchical regression considering 3 levels; 1-Model 1, first level, 2-Model 2, second level, Model 3, third level. It was observed that leadership and strategic capability positively relate to performance. The sig values of 0.001 and 0.000 respectively which are below 0.05 indicated a positive relationship between variables.

#### 4.1.5.2 Analysis of Variance

The analysis of variance was performed to establish whether there are some differences between variables.

Table 4.17 Analysis of Variance (ANOVA)

		Sum of				
Model		Squares	Df	Mean Square	F	Sig.
1	Regression	3.030	4	.758	1.148	.338 <sup>b</sup>
	Residual	71.283	108	.660		
	Total	74.313	112			
2	Regression	9.882	5	1.976	3.282	.009 <sup>c</sup>
	Residual	64.431	107	.602		
	Total	74.313	112			
3	Regression	35.512	6	5.919	16.169	$.000^{d}$
	Residual	38.801	106	.366		
	Total	74.313	112			

a. Dependent Variable: Performance

b. Predictors: Leadership, Strategic Capability

c. Dependent Variable: Performance

b. Predictors: (Constant), LINT(Years of service), Level of education, Gender, LINT(Age)

#### c. Predictors: Leadership and Strategic Capability

Table 4.17 indicates a hierarchical regression taking 3 levels; 1-Model 1, first level, 2-Model 2, second level, Model 3, third level. The significant level of influence between variables reveals the nature of consanguinity that leadership and strategic capability have in influencing performance (F=.3282, Sig=0.009) which is less than 0.05 and indication that the two variables positively correlate.

#### 4.1.5.3 Coefficients for Multiple Linear Regression

Table 4.18 revealed a significant relationship between leadership and performance with sig values of 0.001. Other demographic profiles such as Level of education and Years of service though important in influencing organisational performance were used as control variables and not predictors of performance since no single objective targeted them.

 Table 4.18 Coefficients for Multiple linear Regression

	Unstandardized Coefficients			Standardized Coefficients			95.0% C Interval f	onfidence for B	Correla	tions		Collinearity Statistics	
							Lower	Upper	Zero-				
M	odel	В	Std. Error	Beta	t	Sig.	Bound	Bound	order	Partial	Part	Tolerance	VIF
1	(Constant)	4.268	.693		6.159	.000	2.894	5.641					
	Gender	184	.173	106	-1.067	.288	526	.158	064	102	101	.903	1.108
	Level of	202	.136	150	-1.484	.141	472	.068	158	141	140	.865	1.156
	education												
	LINT(Age)	010	.012	086	843	.401	033	.013	118	081	079	.846	1.182
	LINT(Years	.007	.022	.035	.343	.732	036	.051	.003	.033	.032	.862	1.160
	of service)												
2	(Constant)	3.040	.755		4.024	.000	1.542	4.537					
	Gender	160	.165	092	969	.334	487	.167	064	093	087	.901	1.110
	Level of	179	.130	133	-1.372	.173	437	.080	158	131	123	.862	1.159
	education												
	LINT(Age)	007	.011	064	653	.515	030	.015	118	063	059	.842	1.187
	LINT(Years	.007	.021	.034	.351	.726	034	.049	.003	.034	.032	.862	1.160
	of service)												
	Leadership	.331	.098	.305	3.373	.001	.137	.526	.322	.310	.304	.988	1.012
3	(Constant)	1.017	.637		1.597	.113	245	2.279					
	Gender	108	.129	062	839	.404	364	.147	064	081	059	.899	1.113
	Level of	065	.103	048	632	.529	268	.138	158	061	044	.847	1.180
	education												
	LINT(Age)	008	.009	066	861	.391	025	.010	118	083	060	.842	1.187
	LINT(Years	.013	.016	.059	.784	.435	019	.045	.003	.076	.055	.861	1.161
	of service)												
	Leadership	.132	.080	.305	1.648	.001	027	.291	.322	.158	.116	.901	1.110
	Strategic Capability	.654	.078	.624	8.368	.000	.499	.809	.672	.631	.587	.887	1.127

a. Dependent Variable: Performance

Table 4.18 indicates sig values of above 0.05 for all demographic profiles which point to lack of relationships between study variables and different demographic profiles. However, this is due to the fact that there were no questions asked about how they influence performance and therefore not targeted during analysis. They only served as control variables.

#### 4.1.5.4 Interviews Results

In line with study objectives, a leader plays an important role in influencing organizational outcomes. Even though quantitative methods were used to collect the bulk of data from professional and general staff category, qualitative data collection methods were used to collect supplementary data using questionnaires. Interviews were used to collect data from executives who did not participate in questionnaire survey. Table 4.19 below summarizes data collected using interview protocol where executives were asked to identify the exact roles leaders in various EAC organs and institutions were playing to achieve the required performance expectations. Leadership at the EAC was found to be provided at five different levels of influence which are; the Summit level, Council level, Executive level and Directorate level. It is important to note that the first two levels are high level and do not take part in day today running of EAC organs and institutions but provide overall direction including making of decisions that determine how the EAC organs and institutions are run. Data was coded, categorized and themes developed into roles those leaders in EAC organs and institutions were playing to achieve the desired performance. Results indicated that, at Summit level, leaders provided impetus and overall political direction. Leadership at Council level was found to be responsible for vision setting, policy formulation, decision making, strategy formulation, resource allocation, and initiation of laws. Leadership at executive level was found to be responsible for communicating the vision, resource mobilisation, translating the vision into actionable targets, overall

supervision and motivation. The last leadership level considered by this study in EAC organs and institutions was at a directorate level which was responsible for follower mobilisation, ensuring follower commitment, building teams, nurturing subordinates and communicating departmental goals.

Table 4.19: Data Analysis for Interview Data on Role of Leadership in Achieving the Desired Performance

Role o	f leadership in achieving the desired performance					
Codes		Categ	ories	Themes		
Sumn	iit	Sumn	nit	Summit		
a.	Summit members provide Impetus required for EAC to	a.	Impetus	a.	Impetus	
	achieve its goals	b.	Overall political direction	b.	Overall political	
b.	Summit provides overall political direction	c.	Political good will		direction	
c.	There is political good will from EAC political leaders	d.	Influence			
d.	EAC leaders at least make statements about EAC	e.	Assenting to laws			
	integration in their public speeches					
e.	A good number of laws have been assented to					
Minis	terial level	Minis	terial level	Minis	sterial level	
a.	EAC ministers are responsible for coming up with the	a.	Visioning	a.	Visioning	
	visioning	b.	Strategy formulation	b.	Decision making	
b.	EAC minister approve the EAC development strategy.	c.	Resource allocation	c.	Policy formulation	
c.	Minister provide the required resources for EAC	d.	Policy formulation	d.	Strategy	
	operations	e.	Initiation of laws		formulation	
d.	All EAC policies are approved by the Council since	f.	Giving direction	e.	Resource allocation	
	policy formulation is one of its roles.			f.	Initiation of laws	
e.	Minister initiate executive bills which turn into laws when approved.			g.	Organising	
f.	Ministers provide overall guidance to EAC operations					

Role o	f leadership in achieving the desired performance						
Codes		Categ	ories	Then	nes		
Institu	itional level	Institu	utional level	Instit	Institutional level		
a.	Executives communicate EAC vision through different media channels.	a. b.	Communicating the vision Resource mobilisation	a.	Communicating the vision		
b.	The secretary general mobilise resources for the Community as per the EAC Treaty provisions.	c.	Translating the vision into actionable targets	b.	Resource mobilisation		
c.	Executives are supposed to translate the vision into actionable targets that are easy to implement.	d. e.	Allocating responsibilities Overall Supervision	c.	Translating the vision into		
d.	Executives allocate responsibilities to their different staff in different departments.	f. g.	Motivational Coordination	d.	actionable targets Overall		
e. f.	Overall Supervision of implementation of EAC activities Executives are supposed to motivate staff for better			e.	Supervision Motivational		
g.	performance.  Executives are supposed to ensure overall coordination of implementation of activities						
Direct	1	Direct	torates	Direc	torates		
a.	Directors and heads of departments are supposed to explain the EAC vision to their respective followers		Explaining vision to followers		Follower mobilisation		
b.	Heads of directorates and departments should mobilising followers to follow and buy into the EAC vision	b.	Mobilising followers to follow and buy into the	b.	Ensuring follower Commitment		
c.	Heads of directorates ensure follower Commitment		vision	c.	Team building		
d.	They build follower trust	c.	Ensuring follower	d.	$\mathcal{C}$		
e.	They take part in organising team building activities aimed at bringing together every team member.	d.	Commitment Building trust	e.	subordinates Communicating		
f.	They should lead by example to be followed by people	e.	Team building		departmental goals		
g.	Nurturing subordinates	f.	Influencing followers				
h.	Role modelling	g.	Nurturing subordinates				

Table 4.19 summarises roles played by leaders in EAC at different levels. It was established that at Summit level, leaders provide the required impetus and overall political direction while at ministerial level leaders are responsible for; visioning, decision making, policy formulation, strategy formulation, resource allocation, initiation of laws and organising. At institutional level, it was established that leaders are responsible for communicating the vision, resource mobilisation, translating the vision into actionable targets, overall Supervision and motivation of workers. At the last level of leadership which is directorate level, leaders were found to be responsible for follower mobilisation, ensuring follower commitment, team building, nurturing subordinates and communicating departmental goals.

## 4.1.6. Role of Leadership in Deploying Organizational Capabilities

The study established roles played by leaders in deploying resources and competencies in an organization to achieve set objectives. Quantitative data was analysed using different models while interview data was thematic analysed and presented as narratives.

#### **4.1.6.1** Multiple Linear Regression

The analysis revealed that there exist a positive relationship between leadership and strategic capability (p< 0.002) as per table 4.22. The results of analysis further indicated that any change in leadership influence strategic capability by 8.6% as per table 4.20 in the model summary. It was further established that leadership in EAC organs and institutions where leaders; recognizes performance, treat individuals according to their performance requirements, help subordinates to learn and improve, communicate rewards with clarity, are good role models, reward performance, have confidence and exercise power and responsibility and reprimand failures enhances organizational capabilities by; exhibiting high level of efficiency, providing practical

solutions, promoting value for money, Communicating effectively, being credible, developing skills, providing readily accessible cervices and managing knowledge better.

Table 4.20 Model Summary for Multiple Regression

				Std. Error	Change St	Change Statistics					
		R	Adjusted	of the	R Square	F			Sig. F	Durbin-	
Model	R	Square	R Square	Estimate	Change	Change	df1	df2	Change	Watson	
1	.165 <sup>a</sup>	.027	009	.78000	.027	.756	4	108	.556		
2	.336 <sup>b</sup>	.113	.071	.74833	.086	10.336	1	107	.002	1.917	

a. Predictors: (Constant), LINT(Years of service), Level of education, Gender, LINT(Age)

b. Predictors: Leadership

c. Dependent Variable: Strategic Capability

Table 4.20 indicate the level of significance among variables is 0.002 which is less than the standard 0.05. This signifies the existence of positive interactions between leadership and strategic capability. Results of analysis further reveal that any change in leadership affects strategic capability by 8.6%. The R-Square however of 8.6% is less than 10% which is considered low but this is consistent with research findings mainly on how leadership influence strategic capability in the EAC organs and institutions more especially at executive and directorate levels.

## **4.1.6.2** Analysis of Variance (ANOVA)

The ANOVA was performed to establish the linear relationship between leadership and strategic capability as per table 4.21.

Table 4.21 ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.841	4	.460	.756	.556 <sup>b</sup>
	Residual	65.707	108	.608		
	Total	67.547	112			
2	Regression	7.628	5	1.526	2.724	.023°
	Residual	59.919	107	.560		

HOIST	67.547	112			
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a. Dependent Variable: Strategic Capability

c. Predictors: Leadership

Table 4.21 reveals a linear relationship between leadership and strategic capability (F=.2.724, Sig=0.023). The sig value of 0.023 which is less than 0.05 is an indication that two variables are linearly related. Table 4.21 shows the level of relationships that exist between the two variables.

# 4.1.6.3 Analysis of Coefficients

The analysis of coefficients tries to explain how variables are related in terms of influence one variable has on the other.

Table 4.22 Analysis of Coefficients

#### Coefficients

				Standardi									
				zed			95.0%						
		Unstan	dardized	Coefficie			Confide	ence				Collin	earity
		Coeffic	eients	nts			Interva	l for B	Corre	lations		Statist	ics
			Std.				Lower	Upper	Zero-			Toler	
Model		В	Error	Beta	Τ	Sig.	Bound	Bound	order	Partial	Part	ance	VIF
1 (Constan	nt)	4.222	.665		6.346	.000	2.903	5.541					
Gender		102	.166	061	613	.541	430	.227	040	059	-	.903	1.108
											.058		
Level	of	196	.131	153	-	.137	455	.064	142	143	-	.865	1.156
educatio	n				1.497						.142		
LINT(A	ge)	002	.011	019	182	.856	025	.020	070	017	-	.846	1.182
											.017		
LINT(Y	ears	008	.021	040	389	.698	050	.033	045	037	-	.862	1.160
of service											.037		
2 (Constar	nt)	3.093	.728		4.247	.000	1.649	4.537					
Gender		079	.159	048	499	.619	395	.236	040	048	-	.901	1.110
											.045		
Level	of	174	.126	136	-	.168	423	.075	142	133	-	.862	1.159
educatio	n				1.387						.126		
LINT(A	ge)	.000	.011	.003	.028	.978	021	.022	070	.003	.003	.842	1.187
LINT(ye	ears of	008	.020	041	414	.680	048	.032	045	040	_	.862	1.160
service)											.038		

b. Predictors: (Constant), LINT(Year of service), Level of education, Gender, LINT(Age)

a. Dependent Variable: Strategic Capability

Table 4.22 reveals a significant relationship between leadership and strategic capability. The sig value of 0.002 point to a strong bond between the two variables. Other demographic profiles such as Level of education and Years of service were used as control variables since they were not targeted by any of the study objective. It is important to note that although demographic profiles such as years of service and level of education are believed to significantly influence strategic capability due to knowledge base that improves overtime, inclusion of demographic profiles require one to have an objective that targets the influence of such demographic data on strategic capability to come up with proper conclusions. The sig values above 0.05 for all demographic profiles therefore point to the fact that they were only used as control variables and not main predictors of strategic capability in EAC organs and institutions.

# 4.1.6.4 Analysis of Interviews Results

The results of the interview about what role leaders play in deploying organizational capabilities is captured in table 4.23. Data collected revealed that EAC leaders at different levels are involved in; planning for the organisation, making decisions, allocating resources and coordinating implementation of EAC activities.

Table 4.23 Analysis of Interview Data

Role of leadership in deploying organizational capabilities										
Codes	Categories	Themes								
a. Leaders are empowered to take	a. Authority to	a. Planning								
part in decision making process	deploy resources	b. Decision								
which determine resource	b. Financing	making								
utilisation and deployment	c. Resource	c. Coordination								
(authority to deploy resources)	allocation									
b. Leaders provide resources in	d. Decision									

	form of finance, human resource		making	
	and build capacity of teams	e.	Coordination	of
	(financing)		activities	
c.	Leaders decide on what needs to			
	be done and when it should be			
	done.(decision making)			
d.	Leader's participation in resource			
	allocation (resource allocation)			
e.	Central coordination of EAC			
	leadership helps in building from			
	the achievement of one institution			
	in helping the other to achieve its			
	objectives(coordination)			
	,			

#### Source: Field data

Table 4.23 summarises some of the roles played by leaders in deploying EAC resources and competencies. It was established that planning, decision making and coordination was key in deploying EAC resources.

# 4.1. 7 Determinants of Effective Leadership from Organizational Performance Attainment Perspective.

To establish the main factors responsible for good leadership at EAC organs and institutions, an exploratory factor analysis for all research questions on leadership was performed to extract the most important components or constructs that measured the study variables. Factors with loadings of 0.4 and above and eigen values higher than 1 were used to sieve out leadership factors that had more impact on performance as per table 4.24. The analysis indicated that effective leadership in an organization is determined by; leaders confidence to exercises power and responsibility, exemplary leadership, leaders ability to help subordinates to learn and improve, treating individuals according to their performance requirements, communicating rewards with clarity, rewarding performance, recognizing performance and reprimanding failures. The research further revealed that in organizations where effective leadership is practiced; organizations tend to have sufficient budgets to execute activities, stakeholders

provide required financial resources for operations, there is continuous improvements to better service delivery to stakeholders, stakeholder's satisfaction, there is timely delivery of services and quality services are provided to stakeholders.

 Table 4.24 Exploratory Factor Analysis for Leadership

ITEMS	Initial	Extraction
The leader has confidence and exercises power and responsibility	1.000	.525
The leader is a good role model	1.000	.702
The leader helps subordinates to learn and improve	1.000	.755
The leader treats individuals according to their performance	1.000	.759
requirements.		
The leader communicates rewards with clarity	1.000	.717
The leader rewards performance	1.000	.673
The leader recognizes performance	1.000	.785
The Leader reprimands failures	1.000	.988
Extraction Method: Principal Component Analysis.		

Source: Field Data

Factor analysis clearly indicated that leadership in EAC organs and institutions has confidence and exercises power and responsibility, provides exemplary leadership, helps subordinates to learn and improve, treats individuals according to their performance requirements, communicates rewards with clarity, reward performance, recognize performance and reprimands failures which effectively improves performance of their organs and institutions.

Table 4.25 Exploratory Factor Analysis for Organizational Performance

Organizational Performance	Initial	Extraction
My organization has sufficient budget for executing activities.	1.000	.869
Stakeholders provide the required financial resources for operations	1.000	.876
There is continuous improvement to better service delivery to	1.000	.752
stakeholders.		
Stakeholders are satisfied with our services	1.000	.819
Time within which services are offered is commendable	1.000	.735
The organization consistently delivers Quality services to its	1.000	.668
stakeholders.		
Extraction Method: Principal Component Analysis.		

**Source: Field Data** 

Effective leadership in EAC organs and institutions manifests into; improved performance in terms of sufficient budgets to execute activities, availability of required financial resources for operations, continuous improvement in service delivery, stakeholder's satisfaction, timely delivery of services to stakeholders and quality services provided to stakeholders.

## **4.1.7.1** Analysis of Interviews Results

The results of interviews undertaken to establish factors responsible for good leadership in EAC organs and institutions revealed that; joint coordination, overall performance, results based planning, stakeholder driven approach, high-level of accountability and effective evaluation mechanisms were some of the determinants of effective leadership in the EAC organs and institutions.

Table 4.26 Analysis of Interview Data

	minants of Effective ment Perspective	Leade	ership from EAC's	Organiz	zational Performance
Codes		Categ	ories	Them	es
a.	EAC Member states	a.	Joint coordination o	f a.	Joint coordination
	and Secretariat Jointly		EAC programs	b.	Overall performance
	coordinate of EAC	b.	Improved	c.	Results based
	programs at national		Performance		planning
	level.	c.	Output and impac	t d.	Stakeholder driven
b.	Improved		based planning		approach
	Performance of EAC	d.	Clearly spelt ou	t e.	High-level of
	over since its revival.		Performance		accountability.
c.	Planning based on		indicators	f.	Effective Evaluation
	Output and impact to	e.	Moderate stability		mechanisms
	the Community	f.	Stakeholder driver	n g.	Stable political
d.	Clear target setting in		approach		environment
	line with expected	g.	High-level o	f	
	outputs		accountability.		
e.	Successful	h.	Cross boarde	r	
	implementation of		movements		
	projects mainly under	i.			
	common market and				
	customs union.				

f.	Different organs and	
1.	institutions	
	collectively account	
	for achievement of	
	overall objectives	
σ	Generally EAC	
5.	delivers on time.	
h	Activities of EAC are	
11.	aimed at improving	
	the wellbeing of EAC	
	citizens	
i.	The fact that EAC	
1.	gets funding from	
	renowned	
	international	
	organisations is an	
	indication of highest	
	level of	
	accountability.	
j.	Appropriate	
J	assessment of needs	
	through Member	
	states consultations	
k.	Performance of	
	stakeholders	
1.	Clearly spelt out	
	Performance	
	indicators that are	
	easily monitored	
m.	Cross boarder	
	movements	
n.	Moderate stability	

Table 4.26 summarises some of the determinants of effective leadership in the EAC. It was established that; Joint coordination, overall performance, results based planning, stakeholder driven approach, high-level of accountability, effective Evaluation mechanisms and stable political environment factors considered key while analysing leadership effectiveness in an organisation.

## 4.1.8 Role of Organizational Capabilities in Influencing the Organizational Performance

To establish what roles resources and competencies play in determining performance of an organization, data from questionnaires was analysed and presented in different regression models while qualitative data was thematically analysed and presented as narratives.

### 4.1.8.1 Multiple Linear Regression Analysis

The analysis revealed a significant relationship between strategic capability and performance (beta= 0.624, p <0.000) as per table 4.27. Study results further revealed that any change in organizational capabilities influence performance by 34.5%. Organizational capabilities in terms of; high level of efficiency, provision of practical solutions, ensuring value for money, effective Communication, ensuring credibility, skills development, providing readily accessible cervices and Knowledge management influence organizational performance by; ensuring stakeholders satisfaction with organizations services, timely delivery of services, continuous improvement to better service delivery to stakeholders, consistent delivery of quality services to stakeholders, providing the required financial resources for operations and ensuring availability of sufficient budget for executing activities.

Table 4.27 Model Summary for Multiple Regression

					Change Statistics					
		R	Adjusted R	Std. Error of	R Square	F			Sig. F	Durbin-
Model	R	Square	Square	the Estimate	Change	Change	df1	df2	Change	Watson
1	.202ª	.041	.005	.81242	.041	1.148	4	108	.338	
2	.365 <sup>b</sup>	.133	.092	.77599	.092	11.379	1	107	.001	
3	.691°	.478	.448	.60502	.345	70.019	1	106	.000	2.158

a. Predictors: (Constant), LINT(Years of service), Level of education, Gender, LINT(Age)

b. Predictors: Leadership, Capability

c. Dependent Variable: Performance

The table 4.27 shows the correlation between strategic capability and performance with sig value of 0.000 that is below 0.05. This means that the two variables are related. Results further revealed that any change in Strategic capability influenced performance of an organization by 34.5% which signifies a very strong contribution of strategic capability towards performance. In fact, strategic capability as a mediating variable affects performance more than leadership. This is further indicated in mediation results in figure 5. Research findings further confirm this observation and more details will be given in the next sections of this chapter.

# 4.1.8.2 Analysis of Variance

Strategic capability and performance were tested to see whether there is any relationship that exist between them.

Table 4.28 Analysis of Variance

		Sum	of			
Model		Squares	Df	Mean Square	F	Sig.
1	Regression	3.030	4	.758	1.148	.338 <sup>b</sup>
	Residual	71.283	108	.660		
	Total	74.313	112			
2	Regression	9.882	5	1.976	3.282	.009°
	Residual	64.431	107	.602		
	Total	74.313	112			
3	Regression	35.512	6	5.919	16.169	$.000^{d}$
	Residual	38.801	106	.366		
	Total	74.313	112			

a. Dependent Variable: Performance

b. Predictors: (Constant), LINT(Years of service), Level of education, Gender, LINT(Age)

c. Predictors: Leadership, strategic Capability

Table 4.28 revealed a linear relationship between strategic capability and performance Sig=0.000 which is less than 0.05 that gives a maximum threshold for linearly related variables.

# 4.1.8.3 Analysis of Coefficients

The table 4.29 revealed a significant relationship between strategic capability and performance with beta=.624 and sig values of 0.000. Other demographic profiles such as level of education and years of service were only used as control variables and not predictors of performance. Although demographic profiles such as gender, years of service and level of education are believed to have a significant influence on performance, they were not used to determine their influence on performance.

Table 4. 29 Analysis of Coefficients

				Standa rdized Coeffi cients			95.0% Confid Interva B		Correla	ntions		Colline Statistic	•
N	Model	В	Std. Error	Beta	Т	Sig.	Lower	Boun	Zero- order	Parti al	Par t	Tolera nce	VIF
1	(Constant	4.268	.693	<b>-</b>	6.159	.000		5.641					
	Gender	184	.173	106	-1.067	.288	526	.158	064	102	- .10 1	.903	1.10 8
	Level of education	202	.136	150	-1.484	.141	472	.068	158	141	- .14 0	.865	1.15 6
	LINT(Ag e)	010	.012	086	843	.401	033	.013	118	081	- .07 9	.846	1.18 2

	LINT(Yea rs of service)	.007	.022	.035	.343	.732	036	.051	.003	.033	.03	.862	1.16 0
2	(Constant	3.040	.755		4.024	.000	1.542	4.537					
	Gender	160	.165	092	969	.334	487	.167	064	093	- .08 7	.901	1.11 0
	Level of education	179	.130	133	-1.372	.173	437	.080	158	131	- .12 3	.862	1.15 9
	LINT(Ag e)	007	.011	064	653	.515	030	.015	118	063	- .05 9	.842	1.18 7
	LINT(Yea rs of service)		.021	.034	.351	.726	034	.049	.003	.034	.03 2	.862	1.16 0
	Leadershi p	.331	.098	.305	3.373	.001	.137	.526	.322	.310	.30 4	.988	1.01
3	(Constant	1.017	.637		1.597	.113	245	2.279					
	Gender	108	.129	062	839	.404	364	.147	064	081	- .05 9	.899	1.11
	Level of education	065	.103	048	632	.529	268	.138	158	061	- .04 4	.847	1.18
	LINT(Ag e)	008	.009	066	861	.391	025	.010	118	083	- .06 0	.842	1.18 7
	LINT(Yea rs of service)		.016	.059	.784	.435	019	.045	.003	.076	.05 5	.861	1.16 1
		.132	.080	.305	1.648	.001	027	.291	.322	.158	.11 6	.901	1.11
	Strategic Capability Dependent	.654	.078		8.368	.000	.499	.809	.672	.631	.58 7	.887	1.12 7

a. Dependent Variable: Performance

Table 2.29, revealed a significant relationship between strategic capability and performance. However, the sig values that are above 0.05 for all demographic profiles indicate that such profiles do not significantly influence performance which may not be true. Such values are

attributed to the fact that demographic profiles were not targeted during analysis but only used as control variables.

# **4.1.8.4** Analysis of Interviews Results

From the table 4.30, study respondents enumerated the importance of resources and competencies in directing organizational outcomes. Results of the interview showed that EAC organs and institutions capabilities such as; brand name, government's support, skilled labour, strategic positioning, knowledge management, communication, teamwork, decision making processes, diplomatic immunities and privileges, participatory planning processes, pooled resources, working environment and IT driven processes influenced performance.

Table 4.30 Analysis of Interview Data

Ro	Role of organizational capabilities in influencing the organizational performance										
Co	Codes		tegories	Th	iemes						
	EAC is a big organisation that everyone would want to work with.	a.	Big organisation	a.	Brand name						
	EAC is an intergovernmental organisation established and supported by member governments.  EAC has presence in		Inter-governmental organisation	b.	Government support						
	every country either a ministry responsible for EAC Affairs or an institution of the Community.	c.	Regional presence	c.	Strategic positioning						
d.	Knowledge management about EAC integration makes it possible to track and implement long term programs.	d.	Knowledge management	d.	Knowledge management						
e.	Enjoys immunities and privileges that makes it easier to establish and	e.	Diplomatic Immunities and privileges	e.	Immunities and privileges						

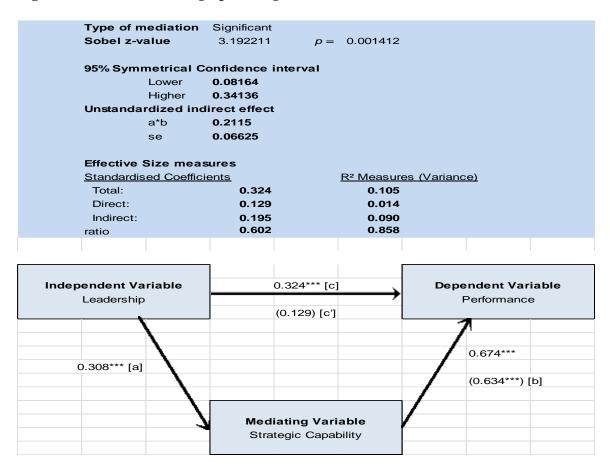
	C	I				
f.	function.  Decision making process that takes place at different levels that	f.	Participatory decisio making	n	f.	Decision making processes
g.	allows inclusivity. Autonomy where staffs have liberty to implement what they plan.	g.	Job freedoms		g.	Good working environment
h.	Collective participation in resource budgeting and resource allocation for implementation of	h.	Participatory plannin process	g	h.	Participatory planning process
i.	activities. Organisational environment that allow EAC play a coordination role in implementation of activities in Member states.	i.	Conducive lega environment.	ા	i.	Favourable laws
j.	Harmonisation of Member states laws for conforms to Regional laws.	j.	Regular monitoring an evaluation	d	j.	Imbedded M&E frameworks
k.	Regular meetings to discuss progress in implementation of activities (institutional,	k.	Availability of poole resources	d	k.	Pooled resources
1.	Council and summit) Financial resources contributed by member	1.	Availability Skille manpower base	d	1.	Skilled human resources base
m.	states. Highly skilled human resources sourced from EAC Member states	m.	Citizenry good will		m.	IT driven processes
n.	competitively. Willingness by citizens to move freely and work or	n.	Institutional autonomy			
О.	settle in other countries.  Making institutions autonomy to be able to deliver on their mandate.	0.	IT processes and systems	)		
p.	Management information systems makes it possible to quicken process.					

Table 4.26 summarises some of the EAC capabilities that influence its performance. They include; brand name, government support, strategic positioning, knowledge management, immunities and privileges, decision making processes, good working environment, participatory planning process, favourable laws, imbedded M&E frameworks, pooled resources, skilled human resources base and IT driven processes.

#### 4.1.9 Summary of Results

The results of analysis indeed confirmed the study assumption that leadership and strategic capability influence performance of the organization. All regression models pointed to the fact that each of the variable had a relationship with performance in EAC organs and institutions whether relatively weak or strong. Considering the demographic characteristics of the study population, there is no doubt that data was collected from a population that is not only highly educated with ability to effectively respond to all the questions but also mature enough to give their independent views on different study aspects. The use of mixed methods research approach made it possible to triangulate data from the survey tool with interview data which gave a comprehensive understanding of how leadership and strategic capability affected performance of EAC organs and institutions.

Figure 4.8 Mediation Medgraph Using Soble Test



The snapshot of data analysis presented in figure 4.8 revealed that leadership and organizational capabilities positively affect performance of an organization. Leadership affected performance positively but this relationship is made stronger when mediated by strategic capability. Although strategic capability played a mediating role, it was found to have a much higher influence on performance than leadership. The mediation results therefore clearly indicate undoubted relationship between leadership, strategic capability and performance in EAC organs and institutions.

# **4.2 Evaluation of Findings**

This section presents explanations and understanding of the results presented in the previous section. Evaluation of findings follows systematically where data on every objective is discussed conclusively before moving to the next objective. Based on analysis conducted, the understanding of the established levels of interaction between leaders, organizational resources and how they influence performance outcomes is discussed.

The analysis of data on all the four research questions/hypotheses generally confirmed the null hypotheses despite leaving out key population whose input would have given much more weight to conclusions made.

# 4.2.1 Role of Leadership in Achieving Desired Performance of EAC

The common perception when it comes to organizational performance is that leadership is key and main influencer of performance in any organizational setting. Results of different analyses confirmed that leadership positively influenced organizational performance. However, the level of influence was not as high as previously perceived. The study further confirmed that leaders who recognize staff performance and treat them according to their individual input tend to affect performance positively. According to Prouska et al. (2016) performance is one of the factors that leaders recognise and reward. In line with LMX leadership theory, organisational employees are categorised into in-grows and out-grows where the later perform according their contract obligations while the former take on added responsibilities as well. The in-grows who perform beyond their call of duty are rewarded and recognised by their leaders while those that restrict themselves to their contractual obligations are ignored. LMX assumptions are valid in many public organisations including EAC organs and institutions where leaders find it easy to work with those that are willing to give an extra effort whenever call of duty demands. It is a common

practice that leaders recognise performance of those that put extra effort to achieve set objectives. This enhances motivation for those that put in more effort which directly influence performance outcomes. In line with LMX assumptions, traces of different treatments to staff mainly resulting from work relationships between the leader and subordinates were identified. However, some staff complained of unequal treatment when it comes to allocating official travel that attract allowances to which respondents referred to as rewarding those in circles (in-grows). Although Dansereau et al. (1975) observed that the in-grows do more work and the same should be rewarded, todays changing work environment require that organisations work as a team and not in different pockets where some individuals take lead while others lag behind.

Structuring and departmentalisation is based on functions to be performed. This implies that every staff that is recruited has a key role to play without which an organisation cannot not fulfil its mandate effectively and efficiently. Most general staff pointed out the issue of segregation by their leaders when it came to allocating work that attract allowances yet they play a bigger role in facilitating the entire team. Even though it was established that general staff at EAC organs and institutions are administrative, they assist technical officers in performance of their duties. This is because their qualifications and experience does not limit them to providing logistical and administrative support services to technical teams. Leaders should therefore find a way of bringing every other person on the same level for effective and efficient execution of the organisations mandate. Since organisational performance is a product of overall collective effort, EAC organs and institutions stand to achieve better results when they accord each and every staff fair treatment. Despite the fact that general staff wished to be treated the same way as technical staff, this might not be possible since staff are categorised according to professional expertise

and work to be performed. Different staffs therefore do different things which call for individualised treatment.

The study further established that helping subordinates to get used to their work and consequently improve their performance was key in achieving organisational objectives. Avolio (1999) observed that transformational leaders pay close attention to the needs of their followers to build necessary capabilities to undertake different activities in their organisations. Leaders develop their followers to be able to perform to their full potential. In line with Manganyi et al. (2021) observations, when workers are helped to develop their hidden potential, they become more productive, motivated and give more and above what the organisation expects from them. Helping workers to learn and improve require planned and unplanned activities aimed at equipping followers with necessary skills, attributes and abilities to perform better. These may be in form of training whether on job or arranged trainings delivered by external consultants or even by attaching the concerned worker to a more experienced colleague. Coaching and handling delegated responsibilities together with freedom to exercise ones innovative power and encouraging team work was found to facilitate group learning. Most organisations prefer using individual trainings and coaching to help subordinates learn and improve but this is dependent on availability of resources and the nature of the organisation. However, different training methods can be used to improve employee skills. In circumstances where EAC organs and institutions are under staffed, using internal human resources to mentor those who lack the necessary expertise might be difficult. However, developing employee skills and competencies internally helps in aligning employee skills to internal processes. This leads to the development of a strong knowledge base that cannot be attained with available off shelf programmes offered in the market. This is because off shelf programmes are generic and not specific to organisations

internal operations which might not help employees to deliver on their set targets. The above notwithstanding, EAC organs and institutions implement generic trainings for all staff more especially at the beginning of the planning period where sessions to guide staff on how to develop objectives and set targets are arranged by the planning department and delivered to all the staff. This initiative helps in preparing staff to prepare their respective annual plans.

The benefits of employee training notwithstanding, budget deficits and freezing of training budgets in EAC organs and institutions complicated the already complex situation with dare staffing challenges. Some organs and institutions were relaying on short term trainings to equip their staff with different skills that help them multi-task but the situation deteriorated with freezing of training budget. Although people recruited into the service of the Community are of high calibre as evidenced from their education levels and experience going by recruitment guidelines, they come with specific skills that cannot help them perform multiplicity of tasks that are not within their line of profession. This therefore calls for training and retraining programmes to help staff perform different roles. In addition, the ever changing work environment require staff to upgrade their skills and competencies more often to match the prevailing market demands.

Although the above observations are in accordance with Carson et al. (2007) it is unfortunate that the practice is different at EAC organs and institutions. The skills set that employees come with at the time of recruitment might not be sufficient given the prevailing changes in work environment and the need to realign employee skills with organisations operations. He further observed that developing employees help in having workers equipped with modern skills to deliver on organisational objectives.

Individualised consideration was identified as an important leadership factor that leaders in EAC organs and institutions should consider to support their followers to perform better, the same was not being implemented fully due to challenges related to understaffing and increased workload. Northouse (2016) noted that leaders support followers by providing individualised attention through coaching and mentorship until followers become fully acclimatised with tasks at hand. Leaders treat individuals differently depending on their specific skill gaps. Although individualised treatment is important in developing capacity of individual followers with performance gaps, it works in organisations with sufficient staffing requirement unlike the EAC organs and institutions where the existing staffing levels cannot allow available staff in leadership positions to have some time to train followers in areas where they need assistance. This is because leaders spend much of their time working on their individual assignments. However, in departments where staffing is not a problem, leaders mentor their followers more especially at operational levels. Manganyi et al. (2021) attest to the fact that workers who are offered individualised assistance by their superiors tend to improve and perform beyond their expectations and consequently help in meeting performance expectations of the organisation.

The study noted that leaders who are role models behave and act in a way that is admirable by followers which is considered as one of the attributes required by leaders. Leaders are expected to be role models in the sense that they practice what is required of them and exhibit behaviours believed to be organisational. In line with Mishra and Koehler (2008) observations, transformational leaders are able to influence their followers when they are perceived to demonstrate aspirations that reflect the vision and mission of the organisation. For EAC to achieve its vision which is; '' the prosperous, competitive, secure and politically united East Africa,'' leaders at all levels need to commit themselves towards realising the vision and pay

allegiance to the EAC organs and institutions. EAC organs and institutions are regional organisations employ staff from member countries who at times tend to balance both regional and national interest yet they are supposed to pay full allegiance to their organ or institution. Actually regulation (6) of the EAC Staff Rules and Regulations state that ''staff of the Community shall pay their royalty exclusively to the Community and not to other authority.'' The implication of this is that all staff of the Community should strive to achieve integration objectives irrespective of which country they come from.

When leaders of EAC organs and institutions become champions of regulation (6) of EAC Staff Rules and Regulations, their followers will find it easy to emulate them by paying true allegiance to their respective organs and institutions. This will facilitate delivery of intended destiny to East Africans. Antonakis (2001) held that followers are attracted to leaders who exhibit high standards in performance of their duties and are morally upright. The African proverb which states that "fish rots from the head" confirms the above observation that as long as the leader is focused, the entire team reciprocates and the vis-vas. In relation to EAC organs and institutions, as long as the leaders of these organs and institutions are focused on delivering to the expectations of East Africans, staff in different Organs and Institutions will give their best in delivering the mandate of their respective organisations. Accordingly, Xifang and Jiang (2018) opined that followers get attracted to their leaders when they behave and act in a way that prioritises the needs of both the organisation and individual followers. However there were cases where leaders were observed to be pursuing different goals resulting from lack of strategic guidance and direction from those who are supposed to set the pace. For example it was noted that when lower level leaders who are technical propose initiatives with impact to integration agenda, they are not funded at all or allocated minimal resources that make implementation of such initiatives difficult. In the end, leaders who are supposed to lead implementation of such initiatives become disoriented and start pursuing individual agendas.

It was further noted that leaders who are confident and exercised power with responsibility influenced followers to cause positive changes within their organizations in accordance with Tucker and Russell (2004) observations. Although leadership has been looked at in terms of leader's ability to influence followers in the undertaking of organisations activities, for a leader to be able to influence followers, they should have powers to control and direct resources. Leadership at EAC is exercised at different levels i.e. Summit, Council, Institution/organ and Directorate level but it is at Summit and Council level that power and authority is exercised and their decisions are directional and binding. At an institutional/organ and directorate level, the level of influence is not much and therefore authority and confidence reduces which makes it difficult to influence staff to undertake different activities. Mishra and Koehler (2008) opined that leaders should be confident in their interactions with subordinates to cause the necessary influence less followers portray it to mean lack of commitment to the implement the vision.

From the perspective of EAC organs and institutions leadership, one wonders whether leaders at organ/institutional and directorate level have power and authority to yield necessary influence required for followers to undertake different initiatives necessary for causing transformation in EAC. It was observed that heads of institutions and organs have no powers to allocate resources to activities deemed very critical as result of changes in environment. For example, the recent covid19 outbreak affected operational mechanisms of the EAC organs and institutions but the heads of organs and institutions could not easily allocate resources to react to changes without seeking approvals from the Council of Ministers. Morgeson et al. (2010) noted that leader's confidence in their ability to mobilise necessary resources for implementation of the vision and

create an environment where organisational energies are directed towards achieving the desired future is important for organisation's success and continuity. In circumstances where those with responsibility to lead the implementation and communication of the vision lack necessary confidence, pursuing followers and providing guidance for vision execution becomes difficult. This puts an organisation in a state where followers lose focus on the direction that the organisation wants to take. The resulting inefficiencies arising from lack of clear guidance and undefined centre of power and authority affect achievement of set goals (Antonakis, 2001). The subsequent operational challenges leads to allocation of resources to activities that do not contribute to the benefits of integration. This in actual sense does not only result into wastages of resources but also job dissatisfaction with its related costs to an organisation.

Reprimanding failures and rewarding performance was found to be an important aspect of leadership at EAC organs and institutions. Reprimanding failures is associated with transactional leaders whose main focus is results. EAC organs and institutions like any other organisation does not tolerate failures though it does not condemn it. There were no reported cases where employees were reprimanded as result of failure to meet the set targets although some general staff complained of unfair treatment when it comes to allocating activities that attract allowances. Although staff rules and regulations provide for procedures to institute punishments to those whose performance is found wanting, there were no cases referred to the established committee responsible for handling such cases. Accordingly, Karia et al. (2019) held that leaders who practice management by exception passive reprimand followers when they don't meet agreed performance expectations. This is in line with EAC organs and institutions practice when it comes to renewing staff contracts where performance of the concerned staff is evaluated to inform the next course of action. Regulation (22) of EAC Staff Rules and Regulations (2006)

require that for one to remain in service of the Community, the minimum performance requirement must be attained, further, regulation (32) of EAC Staff Rules and Regulations (2006) provide for continuous assessment where performance gaps are identified and filled for one to effectively perform. This helps in ensuring that staff performs according to agreed terms and conditions of employment. The practice at EAC organs and institutions however does not recognise performance even though performance related rewards such as salary enhancement at the end of every annual assessment period is provided for in staff rules and regulations. Although different organisations implement their rewards and sanctions policies differently, the form in which those perceived not to be performing to expectations are treated different depending on the level of non-compliance. However, the bottom line is for leaders to help those with performance challenges to improve and also avoid harsh treatment which could affect the morale of those performing to expectations.

Northouse (2016) observed that transactional leaders who employ management by exception passive wait for performance deviations before they could come in with corrective measures which are in most cases negative reinforcement. Such kind of leaders might cause a bad situation to become worse more especially where efficiency in terms of quality services and timely delivery are important aspects for customer satisfaction and sustainability of business operations. In the first place, it is the duty of leaders to make sure that right things happen at the right time and in the right place which implies that those responsible for supervision are supposed to provide full support as and when work progresses. Mistakes and omissions in work completion does not only result from employee inefficiencies but also ineffectiveness on the side of the supervisor who is supposed to ensure that activities are implemented as planned and following the required processes and procedures. Organisations like EAC organs and institutions with

staffing challenges might not have enough capacity to provide supervisory support to ensure that staff are guided accordingly, reprimanding failures in such organisations instead of helping them to learn and improve only puts the organisation in a worse situation. Aware that staff recruitments can take more than five years due to bureaucratic practices and retrogressive processes in the EAC organs and institutions, leaders can only think of improving abilities of those with performance gaps instead of reprimanding them. Organisations can only keep high calibre staff when they embrace systems and policies that support poor performers to continuously improve and become better.

The EAC organs and institutions like any other organisation employs its staff with contractual entitlements such as salary and other rewards for work to be performed. A snapshot of EAC Staff Rules and Regulations (2006) point to the fact that EAC organs and institutions values the welfare of its staff. Considering the total compensation package offered to staff and putting into account different welfare programmes in EAC organs and institutions, one would confirm that EAC practices transformational leadership style with focus on improving the welfare of its staff. This was further confirmed by factor analysis where most factors that loaded highly were under transformational leadership. Although the total compensation side point to transformational leadership practices, when you look at the nature of contracts offered by EAC organs and institutions, they specify work to be done and amount to be paid annually which is a typical attribute of transactional leadership where leaders pay followers in accordance with expected work accomplishments. This observation further confirms Mohammed et al. (2020) observations that it is difficult to tell where transformational leadership ends and where transactional leadership starts. There is a tendency of mixing the two approaches of leadership by most organisations to better address the needs of current workforce. Further, rewards offered whether

in kind or financial is a key attribute in both transactional and transformational leadership style. What is important however is to appreciate the fact that rewards are used to recognise performance and leaders should be encouraged to reward their followers whenever a plausible milestone has been achieved. One of the reasons why people work for organisations is for the purposes of financial and non-financial rewards which they are supposed to get from their employers. To ensure that EAC organs and institutions keep workers who are contributing to their development agendas, it is a requirement that only staff who meet performance requirements get their contracts renewed in accordance with regulation (22) of EAC Staff Rules and Regulations (2006). This regulation impliedly point at rewarding performance since rewards are given in accordance to the contract provisions. Another category of rewards offered are those in line with LMX assumptions of in-grows where those perceived to be performing beyond their call of duty are given incentives in form of paid travels. Although this kind of motivation is considered as a reward, it is aimed at facilitating those who are supposed to perform specific duties in places outside their duty stations. Whenever good performance goes unnoticed and poor performance tolerated, morale of good performers is affected this reduces organizations productivity. Related to observations of Aaron (2006) leaders are supposed to recognize those that perform their duties with a distinction and those whose performance is wanting cautioned. It is through such actions that performers aim at improving further their performance and those with performance challenges try to work on their performance challenges. He associated the role of a leader to that of conditioning employee behaviours in a way that positively contribute to organizational outcomes. This observation directly relates to Xifang and Jiang (2018) understanding of leadership which most leadership scholars including Northouse (2016) subscribed to.

#### **4.2.1.2** Leadership Structure at East African Community

Leadership at EAC was found to be at different levels where the most notable levels where influence was believed to be high were the Summit, Council of Ministers, institutional level and Directorate. It is important to note that the first two levels do not take part in the day to day running of organs and institutions. The Summit is the highest organ of the Community composed of sitting presidents of member countries in accordance with Article 10 (1) of the Treaty for establishment of EAC. Council of Ministers is the second top-most organs composed of ministers from ministries responsible for EAC affairs in member countries. Article 13 of the EAC Treaty provides for the establishment of the Council with subsequent articles providing for its composition and functions to be undertaken in guiding the integration agenda. At organs/institutions level, leadership is composed of accounting officers who are the heads of EAC organs and institutions. Heads of organs are appointed by the Summit except the speaker of the East African Legislative Assembly (parliament) who is elected from qualifying members of The heads of EAC institutions are appointed by the Council through a the Assembly. competitive recruitment process while the head of Secretariat (Secretary General) and the head of the East African Court of Justice (Judge President) are appointed by the Summit. All heads of EAC organs and institutions are appointed/elected on a five year tenure non-renewable on rotational basis among EAC member countries. At directorate level, leadership is composed of heads of directorates who take overall leadership at sector level that is composed of different departments. All these leaders have different contributions to make to achieve EAC organs and institutions objectives.

#### 4.2.1.3 Leadership at Summit level.

The Summit is the highest organ and therefore the topmost level of leadership in the Community. Its composition is made up of sitting presidents of respective member countries in accordance with the Treaty for establishment of EAC. The mode of operation is through meetings which happen once in a year unless one of the Summit members request for an extra-ordinary Summit meeting as per the Treaty requirements. Article 12 of the EAC Treaty provides for the meetings of the Summit. The chairmanship is rotational and each year the Summit is supposed to elect its chair to steer their meetings. Research findings revealed however that Summit does not meet regularly as provided for by the Treaty. It was noted that some Summit chairs spearheaded summit for more than a year contrary to Treaty provisions. This was mainly attributed to delays in holding Summit meetings that are supposed to elect the new chair. Despite the shortcomings, the EAC Summit provides the impetus as per Article 11 (1) of the EAC Treaty in additions to other functions. Declarations made by the Summit determine the kind of direction EAC has to take and the effort required making things happen. Although Northouse (2016) considers such kind of leadership as dictatorial, the nature of operations at EAC organs and institutions require that some decisions are directional in nature to receive the required treatment from those who are supposed to undertake implementation of different projects and programs.

Summit provides overall political direction required for EAC organs and institutions to achieve its Vision and Mission. What is agreed at the Summit level becomes binding and is implemented as such. One respondent mentioned that "a single Summit declaration to immediately remove all non-tariff barriers is sufficient to end the debate on why goods and services cannot move freely despite different provisions in protocols that have been signed by member countries". The above

observation emphasises the weight carried by decisions or directives of the Summit. They are considered final and have to be implemented with the speed and urgency they require.

The conducive political environment enjoyed by EAC member states has also made it possible for achievement of major integration milestones. Another respondent intimated that ''as much as there have been traces of political tensions between some EAC countries, it had not reached a level of full blown war which would have been unavoidable without EAC integration framework''. The EAC Treaty under Article 6 (b) provides for ''peaceful co-existence and good neighbourliness'' which all member states must observe thus providing an enabling peaceful environment for EAC organs and institutions to thrive. EAC integration process has registered significant progress more especially under Common Market and Customs Union as evidenced by integration of some customs systems, common external tariff and single customs territory among member states. EAC currency is expected in 2024 and the current negotiations to inform the constitution making process for the EAC Confederation underscores the role that the Summit has played in delivering the key pillars of integration.

# 4.2.1.4 Leadership at Council Level.

The Chairperson of the Council is elected annually on rotational basis from Ministers or Cabinet Secretaries from MEACA. The meetings of Council are stipulated in Article 15 of the Treaty with two ordinary and any other extra ordinary Council meeting upon request by the chair or any member state. The Council operates through the Coordinating Committee and Sectoral Committees. The Coordination Committee considers work of Sectoral Committees/senior officials and recommend to Council for consideration. The Sectoral Councils seat in the same arrangement as Councils where they begin with sector experts who are senior official considering reports and requests made by institutions and organs and report to coordination

committee who are accounting officers from any of the sector ministries with specific agendas and later report to the session of ministers for consideration. Reports of Sectoral Councils are considered by the main Council during its ordinary meetings. Council is mandated by the Treaty to perform different duties and any other duty as directed by the Summit.

# **Vision Setting and Communication**

Functions of the Council under Article 14 of the Treaty notwithstanding, this study established that vision setting is the key role of the Summit, but the mandate of communication and implementation is by the Council. Depending on the political guidance by the Summit, the Council communicates the direction to be taken by the Community. The Community aspires to: "be a prosperous, competitive, secure, stable and politically united East Africa", which is cascaded to lower levels through development of short term and long term plans aimed at delivering the vision. Activities and programmes of organs and institutions are aligned towards achievement of the EAC Vision. In line with Morgeson et al. (2010), sharing the vision enables stakeholders to understand what the organization stands for and what role they need to play to achieve the vision. This further focuses different organizational energies to the achievement of the desired goal. Followers are more likely to commit to the vision when they are made aware of the desires of the organization. In the context of the EAC organs and institutions, there are different documents highlighting the EAC vision but these documents are either not widely distributed to the stakeholders or not disseminated at all hence limiting the amount of information reaching the concerned stakeholders about EAC integration agenda. This hinders the much needed buy-in from all stakeholders in implementation of the Community programs. Council being an ad-hoc organ with no fulltime office to coordinate communication of EAC vision to different stakeholders, EAC organs and institutions are expected to play this role of vision communication through their leaders at different levels. There is need for leaders to try as much as possible to make the EAC vision a daily song that each stakeholder must get familiar with to trigger the necessary energy and support required in implementing all integration activities. Although this research was limited to only staff of EAC organs and institutions, a few EAC citizens who are the major stakeholders who were asked to talk about the EAC out of curiosity were not able to tell what EAC was all about. This was done to gauge the level of awareness among the presumed beneficiaries but it was very surprising that none new about it. Even though further research is recommended to be extended to wider stakeholder ship, the quick survey indicated that leaders of EAC organs and institutions have a lot to do more especially in educating EAC citizens about integration agenda and what role they need to play to ensure its successes.

# **Policy Formulation:**

Longest (2002) considered government policies as authoritative in that they come from bureaucrats who make decisions on the basis of their positions in government offices. Similarly, EAC Policies are initiated by experts in different working groups through vigorous consultations with member states before presentation to the Council of Ministers for consideration. Different stakeholders give inputs into the policy making process before consideration. It is however important to note that those in policy formulation need competencies in making policies that addresses the needs of the organization and its environment otherwise policies that do help the organisation end up being developed. Policies and procedures once passed help EAC stakeholders to put in place mechanisms that help in utilization, exploitation, consumption of certain rights, privileges and entitlements.

Policies made at regional level are meant to supersede national policies and should guide implementation of regional projects and programs. However, some of the regional policies are either undermined by member countries or have remained in use even when the activities they were meant to regulate have either been completed or the mode of implementation changed. This affects implementation of different activities whose policy guidelines are not observed or have become absolute. The laxity in updating and developing new policies hinder the smooth functioning of the EAC organs and institutions. This makes it challenging to respond to changes within work environment where swift and guidelines are needed. Effective implementation of the EAC policies will therefore require regular updates to cater for changes in business environment and also ensure that all stakeholders at all levels are made aware of the existence of those policies and guidelines. Expectations and the roles to be played by different stakeholders in the delivery of goods and services to East Africans has to be clearly outlined.

#### **Decision Making:**

Council is one of the key organs that make decisions which direct implementation of different EAC activities as per Article 14 (3) (a) of the EAC Treaty. Decision making in an organisation is made at different levels where the lower level decisions that are mainly operational are made by lower level managers while higher level decisions that are strategic in nature are made by executive management. Although decision making process in EAC is supposed to follow the same process, decisions that affect policy and have financial implication to the Community are the preserve of the Council of Ministers. Such decisions are made during Council meetings and their resolutions are binding to all stakeholders. McKenzie et al. (2009) observed that involving key stakeholders in decision making process enhances active participation in implementation of those decisions which positively affect performance of an organization.

Decisions made by Council are directional more especially if they are aimed at directing implementation of activities and programs of the EAC organs and institutions. It was noted that key stakeholders are directed on what needs to be done and report back on progress on implementation in the next meeting. The consultative nature and collective decision making process has proved to work well more especially in political organizations where different stakeholders have divergent views that are interest driven. Involving each and every stakeholder ensures that their views and aspirations are put into consideration. In line with the above observation, the decision making process at EAC is a vigorous one and takes a bottom up approach where decisions are derived from the recommendations of lower level units that are mainly implementers in EAC organs and institutions that require such pronouncements to facilitate implementation of different program activities. Although Brown and Blackmon (2005) observed that organization can only remain focused on achieving set objectives when decision makers align their decisions with the strategy of which EAC organs and institutions comply with, the danger however is in how decisions and directives are structured resulting into ambiguous pronouncements or too many decisions and directives that cannot be implemented. It was observed that for every single activity or program to be implemented, Council has to pronounce itself on what needs to be done which should not be done at that level. This is the highest level of micromanagement moreover by an organ that does not supervise implementation of activities on a full time basis.

Mitrovic et al. (2014) observed that the ability of an organisation to survive and continue serving its stakeholders entirely depends on the quality of decisions made by its managers. The decision making processes at EAC follows a structured processes where units present their submissions to different structures of the Council and at every level elaborate discussions take place that result

into some modifications that either strengthen or weaken recommendations as presented. Although this process is commendable, changes made during these meetings result into either desired decisions due to constructive discussions or undesired decisions that are hard to implement as result of ignoring expert opinions during meeting deliberations.

Pearce and Robinson (2011) observed that rapid changes in business environment call for leaders to swiftly make decisions that addresses such unforeseen events, the practice at EAC where leaders mainly at lower levels have no powers to make major decisions and considering the fact that decision making processes in EAC is constrained by bureaucratic processes that affect both decision making and implementation, EAC organs and institutions might not be able to swiftly react to changes as and when they occur. The implementation challenges resulting from delayed decision making negatively affect performance. Despite the above challenges, one would say that overall decision making process is considered participatory and to large extent reflects aspirations of implementers to facilitate implementation of EAC activities.

#### Strategy Formulation:

Strategy formulation is a function every top leadership of an organisation must perform to be able to align its activities with the vision and mission (Begley & Boyd, 2003). Although Mauricio et al. (2006) observed that strategies are approved by the organizations top leadership, failure to involve stakeholders at different levels in strategy formulation processes affects overall implementation and monitoring. In line with the above observation, EAC leaders who are supposed to provide direction in the strategy formulation process that guides implementation of activities do not play this role as required. It was observed that, in the development phases of the strategy document, a consultant is normally hired to guide the processes that involves holding of discussions with different stakeholders to get their views on what needs to be done to fast-track

achievement of integration agenda. However what seemed unusual was lack of engagement by the consultant with ministers who compose the Council as the topmost decision making organ of the Community and which actually approves the strategy document. Although the consultant engages with different sectoral and coordination committees that are working committees of the Council, the wise counsel and guidance from ministers still lacks in strategy formulation process. The Council of Ministers that is supposed to be the main driver in strategy formulation takes a back seat as she awaits for the strategy document to be presented for consideration and approval. What is very interesting is that even when the document is presented to the session of ministers for approval, they just consider without discussing it.

Porter (1996) looks at the role of leaders in strategy development as a more participative role other than taking decisions on whether the strategy is approved or not. EAC leaders must be champions in development of strategies to ensure that they are aligned to the vision and mission of the community. By the time of data collection, the EAC was implementing its 6<sup>th</sup> development strategy with key priority areas capable of driving the Community towards achievement of the lower middle income status which was considered a precursor to the achievement of EAC vision 2050. The strategy document was based on contributions from All EAC organs and institutions. This level of involvement confirms Tucker and Russell (2004) observations calling for different organizational teams to identify and highlight what role they play in implementing the organization's vision and mission. Although different organs and institutions take a leading role in development of the strategy, key stakeholders who are citizens of EAC mainly those from private sector are not involved as required. EAC organs and institutions as a coordination arm for integration agenda should bring key players in integration to discuss and agree on which strategies best suit the prevailing environmental conditions.

Mauricio et al. (2006) further observed that consulting stakeholders is a major criteria for development of plans and strategies which EAC organs and institutions should take serious. Involving stakeholders who are implementers and beneficiaries in the development of the strategy make it easy to implement. This is because stakeholders know what needs to be done and how best to do it for a given output/outcome to be achieved. Andersen (2004) agreed that involving all stakeholders in strategy formulation is key in achieving strategic objectives.

A development strategy is a long term plan that is implemented in phases. The practice at EAC organs and institutions is that each financial year some components of the development strategy are captured as short term plans which are Annual Operations Plan (AOP) in the context of EAC. At the start of every planning period, priority areas with their corresponding strategic interventions are prepared by different organs and institutions of the Community having put into consideration past performance and what else needs to be done to spur integration agenda before presenting to Council of Ministers through various committees for consideration. Council considers and approves sector specific strategies but clearly indicating how they contribute to the overall strategy. Nwachukwu et al. (2019) shares similar view that at the sector level, strategies are clearer and point out how they are linked to the overall strategy. Because strategic plans are long term and implementation has to be tracked regularly, EAC organs and institutions develop short term plans that are prepared annually but being derived from long term strategic plans with clear targets and indicators that can be monitored within any planning cycle. Prusak and Cohen (2001) held that annual plans are derived from the long term plans and are implemented progressively until all targeted interventions are implemented and evaluated. In line with the above observations, Council ensures that implementation of the strategic plan is on course through regular monitoring and reporting by different stakeholders. Monitoring of implementation of activities at EAC organs and institutions level is done by the planning directorate through monitoring and evaluation department which reports on semi-annual basis on the status of implementation of planned activities.

Further, a system has been developed to capture and monitor implementation of Council decisions and directives to both EAC organs and institutions and member states. Depending on progress reports on implementation of the strategy, the Council and Sectoral Councils make decisions and directives to guide further implementation of activities. The Council through risk and Audit Committee ensure that institutions and organs are in constant checks through regular auditing exercises to ensure compliance to all planning tools, policies and guidelines to see that projects and programmes geared towards implementation of integration agenda and deviations if any explained.

Checks and balances put in place by the Council are intended to help the EAC organs and institutions achieve their set objectives. Even though it was observed that not all organs and institutions of the Community have auditors even when they are provided for in their respective structures, the audit function is extended by the secretariat to institutions that lack auditors to ensure effective compliance to different requirements. Respondents appreciated the strategy formulation process in the EAC but faulted Council for not providing all the required resources for strategy implementation. Lack of funding to targeted priorities was identified as one of the reasons the EAC organs and institutions performed dismally on some strategic interventions which affected the performance of previous strategies. A case in point is a report on implementation of the 5<sup>th</sup> EAC development strategy where most strategic interventions went unimplemented. Although reviewers of the strategy pointed out that the strategy was very ambitious and not aligned to EAC resource envelope to fully support implementation of all

planned interventions, it was a wakeup call for smart planning where priorities and implementation modalities are identified in line with available resource envelope.

#### Resource Allocation:

The Council provides the required resources needed by the EAC organs and institutions to implement different integration programmes and projects. These resources are in form of human, financial and other non-financial resources. The role of the Council is to ensure that organs and institutions have the required resources to implement different tasks aimed at achieving integration agenda. Although human resources are critical in operations of an organisation as observed by Gannon and Boguszak (2013), research participants observed a critical human resource shortages in EAC organs and institutions with potential to derail the achievement of set objectives. It was further observed that most departments were manned by one person while others remain vacant when office holders end their tour of duty for quite a longer time. During data collection, the advert for recruitment of more than forty positions was placed which confirmed fears of serious staffing challenges. A thorough review of job analysis and evaluation report by EAC Ad-hoc Service Commission indicated that even with such number of vacancies being advertised, more positions remained unfilled which points to critical human resource gaps within the EAC organs and institutions. Research participants further intimated that staffing challenges had become chronic in EAC organs and institutions and was responsible for low paced implementation of integration projects and programs. Council as the main resource provider needs to prioritise human resource acquisitions for critical sectors to take lead in integration agenda. In addition to human resources, Council provides financial resources required to run different activities of the EAC organs and institutions. Financial resources of the organs and institutions are provided through equal contributions by the member states even

though some respondents had different sentiments on the adequateness of the budget provided by member states. For example, contributions from member states amount to less than 50% of the total budget which mainly caters for salaries and allowances paid to staff hence leaving programme activities entirely funded by development partners. This poses a serious risk to Community more especially where development partners change their priorities that are not in line with EAC priorities. Karadag (2015) observed that sufficient budgets are precursor for effective implementation of activities. This is mainly because financial resources are required for any activity to be implemented. EAC organs and institutions mainly operate through meetings and workshops which call for financial resources to cater for logistics and other allowances to participants. Actually respondents were very categorical that some member states were not remitting their equal contributions and those that are contributing were not sending their contributions timely despite EAC Financial rules and regulations (2016) requiring member states to fully make their contributions within the first six months of any financial year. In addition to member states contributions, EAC organs and institutions get funding from development partners which accounted for over 50% of the overall budget as reflected in appropriated budget for financial year 2021/2022 which staff felt was not the best way to finance the Community. However a good number of staff maintained that the budget provided to EAC organs and institutions was sufficient to implement its strategic interventions with prudent financial management measures. Delays in funds disbursement compromise basic budgeting principles that require resources to be made available as and when required for operations. This however is not the case with EAC organs and institutions where resources are not always available for planned activities due to late disbursements from member states.

#### Initiation of Regional laws:

The EAC being an intergovernmental organisation implements its activities in member countries. Smooth implementation of these activities requires a legal framework of regional nature that take precedent over national laws as per Article 8 (4) of the EAC Treaty. Regional laws are either initiated by executive or individuals through initiation of executive or private members bill to the regional parliament. The chair of Council presents executive bills to the assembly for discussion which when passed becomes Acts of Parliament after assent by the Summit. According to Han et al. (2001) laws facilitate implementation of different activities mainly those that require a legal framework. EAC organs and institutions strategy being a regional strategies whose implementation affect national policies and laws require enabling laws that are harmonised regionally for such activities to be implemented. Guiding harmonisation of national laws to facilitate implementation of regional programmes and activities is a process that require consultations both at national and regional level such that an enabling environment is created for such activities to take place. Laws such as immigration related laws and protocols have been harmonised across EAC Member states and have made it possible for EAC citizens to move across their boarders with minimal restrictions which in a way promote integration as the main objective of the EAC.

#### Organising:

The Council is responsible for approving structures within which EAC organs and institutions operate. EAC is organised in form of Organs and Institutions where each organ or institution is structured in a way that makes it possible to deliver on its mandate. An organizational structure highlights key units/departments that undertake key functions for which the institution/organ was established. Different units have different functions but they all contribute to the achievement of

the main objective. The structure makes things happen through observance of command of control where different levels in an organization function with clear reporting lines. According to Ahmetoglu et al. (2020) structures determine how organizations operate. Good structures facilitate smooth functioning of an organization while poorly structured organizations make implementation of activities difficult. EAC structure concentrate powers to the centre (Council) which makes decision making by other power centres in organs and institutions difficult despite some level of decentralization of decision making processes more especially at the initial stages of decision making process. Structures are capable of harvesting organizational behaviours that give rise to innovation and creativity that is necessary for the success of an organization (Aaron et al. 2006). It was observed that, for successful implementation of the EAC integration agenda, structures of EAC organs and institutions should be revised to put into consideration the changing environment to ably achieve set goals. Further, Ahmetoglu et al. (2020) observed that a structure that caters for internal and external environment is able to accommodate changes when they occur. Okhuyse and Eisenhardt (2002) noted that structures that are flexible and allow innovative behaviours that promote productivity and efficiency are more relevant to organizations with in a fast changing business environment. Based on the works of past scholars on forms of organizing and information given by respondents, it is imperative that a structure that makes it possible for individuals and teams to meet their performance expectations in a more coordinated and structured systems is designed for an organization (Ahmetoglu et al., 2020). MacIntosh and MacLean (2001) shares a similar view that organizations should strive to have structures that provide for flexibility needed by individuals to exercise freedom but within acceptable level. This enhances innovation as long as the general direction and stability of the organization is maintained. Aaron et al. (2006) contends that arrangements that allow flexibility,

promote innovations within approved structure make it possible to react to changes within environment where order and chaos are managed. Tetenbaum (1998) further noted the need for organizations to align their structures to strategies as and when needed to accommodate both order and chaos for organizations to perform to stakeholder expectations. Based on existing literature on forms of business organisations and the current arrangement of EAC organs and institutions, it is imperative that the decision making organ considers revising structures of EAC organs and institutions to allow more power to lower level leaders and provide for flexibility to all employees of the Community. This will help in exercising innovation and creativity as long as such innovations do not compromise achievement of set objective and are within the governing legal framework.

# 4.2.1.5 Leadership at Institutional/ Executive Level.

The EAC is composed of three organs and nine specialised institutions. The heads of organs and institution are executives who oversee the day to day management of their respective organs and institutions as clearly defined by the EAC Treaty and various protocols for establishment of specialized institutions. EAC organs have clear and direct reporting structure unlike specialized institutions that are semi-autonomous with clear mandate, management and staffing structure but with dual reporting structure. Whereas organs directly report to Council on administrative matters, institutions directly report to their boards and the Council through the Secretary General. Although these institutions have management boards which are in essence supposed to be the top decision making organs, their decisions are not final since they are subjected to Council for consideration and approval before they are implemented. Notwithstanding the corporate management principles that require management boards to play oversight roles and make decisions for their organization, the decision making process is different at EAC organs and

institutions. Management Boards play an important role in achieving set objectives but this role cannot be achieved fully with the existing institutional arrangements at EAC.

# Communicating Vision:

Communication is often regarded as a life blood of any organisation due to its facilitative role in sharing of knowledge, instructions and any other information required for smooth running of the organisation. Vision setting is the role of the Council as highlighted in the previous section but it is the duty of the executives/heads of organs and institutions to ensure that the vision is communicated to all stakeholders. Mohammed et al. (2020) shares a similar view that sharing the vision with stakeholders provides a better understanding of what the organisation stands for and what needs to be done to achieve the vision. When employees share a common understanding, they work as a team towards implementation of different programs and projects. The needed motivation and morale required for achievement of set objectives can only be attained when staff understands the roles they are supposed to play and how they contribute to the achievement of the organisation's bigger picture. In line with observations of Northouse (2016) leaders at the EAC organs and institutions must ensure that the overall vision is understood and what role followers need to play to achieve specific individual targets that contribute to the overall achievement of the vision. As the vision becomes clearer to the followers and individual roles defined, commitment is enhanced which is key in helping the organisation achieve the set objectives (Morgeson et al., 2010). They further observed that followers are able to comprehend and visualize the desired future, attach value to their work and aspire to achieve set targets when leaders affectively communicate their vision. Tucker and Russell (2004) further observed that communicating the vision to followers is important but not sufficient to cause the required acceptance and support from followers. He noted that, helping

followers by building their capacity to perform independently and contribute towards organizational success enhances performance of individuals and teams. Although some respondents expressed reservations on whether their respective leaders share organizations vision, leaders are supposed to ensure that subordinates understand the direction being taken by the organization to be able to contribute positively towards achievement of the set objectives.

#### Resource Mobilisation:

The Secretary General is the chief resource mobiliser for the Community. However, this role is delegated to different accounting officers of EAC organs and institutions to supplement what is contributed by member states towards implementation of EAC projects and programs. Different organisations whether private or public and even non-governmental organisations including faith based organisations consider availability of financial resources as a critical element in ensuring performance of an organisation both for operations and surplus for dividends. For profit motivated organisations, the availability of financial resources is used as a measure of organisational performance. Although Sethibe (2016) observed that financial performance is not the only measure used to asses performance of an organisation, it is generally agreed that top executives are mainly concerned with financial flows in an organisation. EAC organs and institutions being regional organisations whose activities are mainly funded by member states contributions and development partners, the amount of financial resources that come in a given financial year directly and indirectly affect performance of programs and projects. Assessing performance of EAC organs and institutions therefore without paying kin interest on available financial resources for operations would be misleading. Davidson (2003) observed that the leader's goals is to mobilise enough resources to meet operational demands of the organisation and increase return on investment. EAC organs and institutions being a public organisations that do not look at profit as main driver for activities focus on the value services offered and investments made bring to its stakeholders as a way of evaluating its performance.

Resources contributed by Member states have remained static for some years despite the ongoing growth and developments registered by the EAC organs and institutions. The establishment of specialised institutions to handle specific integration matters is an indicator of growth both in scope and in activities which come with increased demand for financial resources which EAC member states seems not ready to provide. Contrary to observations of Danso and Adomako (2014) EAC organs and institutions have registered a steady decrease in budgeted amount for operations despite increasing workloads as result of on-going work on implementation of activities aimed at realising the East African common currency by 2024. The on-going member states consultations aimed at drafting of the constitution for the political confederation shows that EAC member states are nearing their envisaged future of having a politically united East Africa which again poses a funding challenge in circumstances where member states are not willing to increase their contribution for EAC organs and institutions activities. However, the establishment of positions responsible for resource mobilisation in organs and institutions is an indication that the role of resource mobilisation is given adequate attention. The prevailing circumstances however where member states and the donor Community have increasingly experienced financial stress pose a risk to EAC organs and institutions operations. Efforts to mobilise more resources both internally and externally should be embraced but in cases where resources continue to dwindle, leaders must innovatively look for ways in which more value can be generated using the available resources. This argument is in line with Medne and Lapina (2019) observations on sustainability and continuous improvement in an organisation.

#### Translating the Vision into Actionable Targets:

Vision building is an important task in an organisation that leaders are expected to champion. Vision should be deep rooted in an organisation such that all organisations' strategies are geared towards its achievement (McGivern, 1998). According to Lattuch and Dankert (2018) vision is the desired future state of an organization. Knowing where you want to be is important but knowing how to reach there is very important. Although building a vision is as important as the organization itself, sharing the vision with those to implement it and making them understand how achieving the vision benefits both the implementers and the organization is very important. Aware that organizations are structured differently, knowing how different organization's components work together to achieve the set objectives is important for organizations. Communicating the EAC vision to its stakeholders both within and outside the organisation is critical in its successful pursuit but not sufficient to cause the necessary buy-in and action needed to achieve the vision. In line with observations of Boyatzis et al. (2015) having a vision and communicating it to those to deliver it is important but generating the necessary influence to implement different strategies for its implementation is of paramount importance. EAC organs and institution's executives therefore have a duty to translate the vision into both long term and short term plans or strategies with tangible targets that are actionable, specific and measurable whose successful implementation contribute towards achievement of the bigger EAC vision. Aware that vision and mission statements do not communicate specific ways in which broad goals can be achieved, Grant (1996) observed the need for leaders to develop both long term and short-term strategies with specific interventions whose activities form the building blocks that help the organization achieve the vision in long run. Translating the vision and mission statements and developing a plan with a set of coordinated activities that are linked to each other whose achievement clearly sets ground for other higher level activities is critical for organisations aiming to achieve set objectives. This clearly outlines steps being taken by the organisation towards achieving the desired future. Similarly, EAC organs and institution's operates a five year strategy that is broken down into five annual short-term strategies that are implemented and monitored. Going by the observations of McGivern (1998), the vision is the basis for both long term and short term plans. The EAC annual planning process brings together different organs, institutions and member states during pre-budget conference to discuss and agree on key focus areas with potential to deliver required services to EAC citizens. The priority areas identified during the pre-budget conference are linked to the long term development strategy that point to the key milestones in the EAC vision and mission statements. It was observed that communicating and implementing the vision require commitment at all levels in an organisation but what is clear is that EAC annual planning process is considered as an event that must take place every year without thoughtful consideration. For example, implementation of the strategy is a progressive process where one activity leads to implementation of the other and obviously resource demands for each level of implement are ought to be different. The practice at EAC organs and institutions for the last first years has been zero increments in financial resources yet priority areas and level of engagement keep increasing. This limits the extent to which activities are progressively implemented consequently dragging achievement of the set vision.

#### Motivation:

Most leadership studies have indicated that leaders motivate their followers to achieve organisational objectives. Xifang and Jiang (2018) observed that leaders who support their followers in performance of their duties help them to perform better and enjoy their duties.

Motivation is considered to be a source of hidden energy that is believed to influence ones performance. Motivating people at times involve going beyond agreements and giving above the expected. Although motivation does not necessarily mean giving out financial rewards, other forms of treatment are known to generate good results when they are used. The resultant motivation translates into positive changes where followers become loyal to their leaders and the organization. Although McGregor's Theory Y assumptions point to employee motivation as the only way an organization can get better benefits from its employees, Maslow's hierarchy of needs point to the fact that motivating staff works up to some level beyond which they get used to what is provided and develop a feeling of wanting more than what the organization can afford. Motivation is a complex phenomenon as the level of motivation is mainly influenced by the level of ones need. For example, EAC organs and institutions provide salaries that are far much better than what respective member countries provide to their staff. This motivates people from member states to work for the institution but when they finally join and get used to what is provided within the contractual framework, they start developing feelings of wanting more and consequently become demotivated. Some respondents highlighted low levels of morale resulting from failure by leaders in EAC organs and institutions to recognise staff performance despite different provisions in EAC Staff Rules and Regulations that provide for the same. To understand motivation therefore, one needs to look at its different faces and see which one gives better results to an organisation. Motivation can be self-induced which is intrinsic in nature or conditional which is extrinsic in nature. Smothers and Jack (2011) observed that creating an environment where workers participate in proposing solutions to issues that affect the organization and individuals creates feelings of belongingness and enhances the desire to help and support the organization to achieve its objectives. In addition, involving staff in problem

solving helps them understand the organization's abilities and weaknesses and therefore able to provide solutions that are within its ambits. When staff perceive the organization differently more especially when they develop a feeling that resources are available but managers are using them at the expense of the workers, they become resentful and unproductive. According to Chaurasia et al. (2019), intrinsic motivation is derived from workers personal positive feelings and passion towards what they do. These feelings however have a lot to do with how they perceive the organisational environment arising from how they are treated and facilitated to do the work. Even though intrinsic motivation is internal, it reduces over time when organisations fail to put in place better working conditions that makes it difficult for self-motivated individuals to perform. Continuous failure to recognise staff contributions to the organisation naturally affect those who are not motivated by financial rewards but just need appreciation of any form. "Respondents revealed that, apart from statutory emoluments granted at the signing of employment contracts, staff in EAC organs and institutions end their tour of duty without any other incentive granted which demoralises staff in due course". Although staff in EAC organs and institutions work under a contract of employment which prescribes their entitlement and obligations, Nwachukwu et al. (2019) observed that leaders should employ rewards to condition their staff to perform better. Motivating staff in today's business environment has no shortcut since it has proved to be the only way in which staff can be influenced to perform better. The contract of employment under which staff in EAC organs and institutions operate does not take away the need to motivate staff for better performance. The contract of employment only prescribes what a staff is entitled to but does not limit management to enhance what is provided for in the contract to motivate staff. The review of EAC Staff Rules and Regulations revealed that the Secretary General has a right to propose to Council new benefits and salary reviews for

consideration which does not regularly happen yet work and economic environment has greatly changed. Actually, transactional leadership approach that operate on the same principles have been found to be ineffective consequently integrating elements of transformational leadership to realise better performance. Organisational leaders who restrict themselves to what is provided by the contract of employment are in actual sense employing contingent reward system where one performs specific tasks for agreed payment. Although McGregor (1960) theory X relates to low levels of motivation as natural since workers dislike work and only performs their duties due to strict rules and regulations, good management practices require that some level of motivation is accorded to enhance staff performance. Leadership in EAC organs and institutions should therefore abide to staff rules and regulations that provide for regular reviews of benefits and entitlements to create an environment where people feel motivated and valued by the organization.

## 4.2.1.5 Leadership at Directorate Level.

EAC organs and institution's structures are departmentalised where different departments makeup a directorate headed by a director with other technical officer undertaking specific but different functions that contribute to the overall achievement of organisational objectives. At the level of the directorate, research data indicated that directors are responsible for explaining the vision to followers, mobilising followers, ensuring follower commitment, building employees trust, putting in place teams, influencing followers, nurturing subordinates, and communicating departmental goals effectively. Directors are part of lower-level leaders whose influence to followers can positively affect performance in EAC organs and institutions. Directorates are sector specific whose performance is a key for the overall objective to be met. Management of these sectors therefore can derail or amplify achievement of set targets.

#### Follower Mobilisation:

Aaron (2006) noted that leaders are well positioned to mobilize followers to undertake organizational objectives. Similarly, at the EAC organs and institutions, heads of directorates through departmental heads mobilise their respective staff in pursuing departmental objectives which collectively contribute to overall objectives and goals of the Community. Iqbal et al. (2012) observed that through regular contact with followers, leaders can impart values and aspirations of the organization which is critical in achieving set objectives. It was noted that follower mobilisation was being done through regular departmental meetings where staff report on their assignments and any challenges being experienced discussed and possible solutions agreed upon. Involving followers and making them take charge of their activities make them more committed and responsible which builds trust and confidence in an organisation and its leadership team. It was further observed that leadership in EAC organs and institutions dedicated the first day of the week for staff at different levels to meet and deliberate on issues that affect their work. During such meetings, solutions are deliberated on and where possible ways on how to overcome performance bottlenecks identified. Tucker and Russell (2004) shares similar observations that follower engagements help staff rediscover who they are and the role they play in achieving organizations objectives. This in addition provides an opportunity to leaders to listen and learn from their followers. The desires and aspirations of different workers are identified and steps taken to provide for them. The leader's ability to mobilise followers to pursue a shared vision stimulates behaviours that positively impact organizations performance Bass (1985) observed that followers are more likely to transcend their expectations when they are motivated and guided well in performance of their duties. Such mobilization efforts help followers to freely share with their leaders individual needs that affect performance.

#### **Ensuring follower Commitment:**

Leaders ensure that followers are dedicated to their work (Cross et al., 2002). Employee's devotion is derived from the level of commitment exhibited by supervisors towards achievement of organizational goals this is because followers are attracted to leaders who show total commitment towards implementation of organizational activities (Morgeson et al., 2010). Lin rt al. (2017) in his conceptualisation of pseudo transformational leadership observed that some leaders try to influence followers to behave in a way that helps them achieve their personal objectives that are not organisational. Such leaders use their reference power to cause such influence otherwise followers do not want to committee to leaders who are self-centred.

Aware that workers direct other organizational resources to achieve the set objectives, they are considered the most important resource an organization can have. Having human resources who are committed to the achievement of organizational goals is a sure way one can guarantee productivity and competitiveness. Gannon and Boguszak (2013) noted that workers make things happen in an organization and therefore are key determinants of performance outcomes. Attempts by leaders to condition their followers towards achievement of organizational objectives can never be over emphasized. Tucker and Russell (2004) urges organizational leaders to work towards ensuring follower's total commitment to their organizations which positively relates to organizational outcomes. Follower commitment leads to loyalty with its related assurances that employees will give their best to deliver organizational objectives.

EAC organs and institutions having different departments and directorates have to harness trust and loyalty amongst different employee categories to have the necessary support required in achieving the EAC vision. Similarly, Xifang and Jiang (2018) observed that committed employees make use of their skills and experiences to full potential which every leader must

exploit to achieve organizations objectives. In addition, when employees are committed to their organizations, they tend to give much more than expected and practice organization behaviours that best serve the interest of their organizations. Based on Cox (2004) observations, leaders in EAC organs and institutions should strive to empower followers through active involvement in decision making process and putting into consideration their views on how to improve organizational processes which ultimately create an environment where employees at all levels feel valued and appreciated.

#### **Building Teams:**

Staffs in EAC organs and institutions are of different professional backgrounds and experiences with cultural orientations from different countries that need to be managed well for better results. In every work unit where individuals work independently but contributing to the achievement of common objective, orienting them as a team to understand what others do that supplement their own work is key for a coherent and better organised team that can deliver on organisations objectives. This helps in identifying existing synergies that can be exploited to improve organisational performance. Team building activities further help in identification of individual weaknesses and strength to inform strategies on how to improve the existing weaknesses and exploit strength. Teams are seen as best avenues for training those that lack some skills since they are able to work with their senior colleagues. Morgeson et al. (2010) observed that leader's ability to identify team expectations help in mobilizing followers to deliver organizational results. House et al. (2004) shares the same observation that for leaders to get the best out of a multi-diverse worker force, team building is critical in orienting workers towards organizational objectives. The fact that employees in EAC organs and institutions have different expectations, leaders must find a way of managing those expectations to meet individual and organizational

needs. There are cases in organizations where different work units undertake their activities without knowing what other units in the same organization do. This denies the organisation the value of complementarity. It is therefore through teamwork and team building that such synergies can be identified and strengthened for better performance in an organization. Considering staff of EAC organs and institutions as major stakeholders who are supposed to be knowledgeable and therefore ambassadors of their organs and institutions, it is through team building that they get know more about what happens in different departments. This also promotes a culture of learning about the organization which builds staff confidence while interacting with external stakeholders.

Orienting members towards organization's vision require team building exercises where leaders give insights about the organization's expectations and how the team can collectively meet such expectations (Schein, 2019). Building a strong team facilitates the achievement of results although the study observed lack of prioritisation of team building related activities in EAC organs and institutions despite the fact that team building was identified as one of the best ways in which staff can be brought together to collectively plan for the organization. Leadership in EAC organs and institutions should therefore reconsider prioritizing staff development programs mainly team building considering the value it brings to the organisation. Morgeson et al. (2010) shares a similar view that through team building activities, members are able to internalize the vision and mission and forge a way forward on how to achieve it. As already pointed out, having a well-intended vision that is not clear in the minds of those pursuing it is like blinding a person and asking that person to go somewhere. Even if that person tries to walk, he/she eventually gets lost.

Team building therefore provides an avenue within which leaders clarify on vision and mission statements such that staff can have a clear vision of where the organization wants to be. Management of EAC organs and institutions should therefore reconsider allocating sufficient budget for team building exercises to benefit from different experiences, cultural orientations and understanding of how diversity affect group performance. It is evident that working as a team help leaders to involve followers in planning and decision making which is an effective way of managing a diverse workforce (Frankel & Denham, 2006). Considering the fact that EAC organs and institutions employs technocrats that are highly trained, the leader's ability to technically exploit such a multi-diversity of skills to deliver organizational outcomes is key. One can therefore conclude that EAC organs and institutions stand to benefit when different staff are encouraged to work as teams rather than as individuals to benefit from available diverse experiences.

#### **Nurturing Subordinates:**

The staffs of EAC organs and institutions are very competent by the virtue of how they are recruited. The standards for anyone to join the services of the Community are so high that the required experience and expertise that new recruits come with is an indication of high calibre staff that are capable of undertaking tasks that are in line with their technical expertise. However, qualifications and different skill sets do not necessarily translate into better performance but management ability to align such skills and experience to job requirements improves productivity of workers (Dess & Lumpkin, 2001). This view is shared by Wageman (2001) who observed that although highly qualified staff are precursor to performance, they need to be groomed by their leaders to align their skills with organizational processes. Lack of orientation of staff can be a liability to an organization more especially when they are deployed in areas that

do not match their expertise or when they are faced with processes, systems and procedures they are not familiar with. It is a common observation in many organizations where skilled staff perform below expectations due to lack of orientation to organisation's processes and procedures. Making sure that staff are deployed and helped to perform in areas where they fully use their technical expertise, skills and competencies increases their productivity that positively relates to achievement of performance expectations. Despite varying levels of expertise, orienting staff in organization's philosophy and its strategic approach to meeting performance targets is key in building synergies required by every organization that strives to be more effective at the same time increasing productivity (Klein et al., 2006). In this regard, leaders play an important role in deploying subordinates to areas where they are most suitable. The nature of resource deployment in an organisation determines performance outcomes. In line with above observation, the alignment of EAC organs and institutions human resources to different areas that create value leads to increased productivity and competitiveness. EAC managers therefore should take the necessary steps required in ensuring that staff at all level of the organization are placed in right jobs and given freedom to make use of their skills as long as they are properly guided on the boundaries within which they must function.

Tucker and Russell (2004) further observed that, nurturing staff to align their expertise with the needs of an organization is an attribute that every leader must possess. Developing staff of EAC organs and institutions more especially at departmental level helps the department to achieve its objectives that directly feed into higher level objectives. Wageman (2001) concluded that helping employees to improve and appropriately use their skills and competencies increase their motivation and inspiration towards meeting organizational objectives.

#### Communicating Departmental Goals:

In an organisational setting like that of EAC organs and institutions where open door policy is promoted, information sharing takes place in a structured manner. Internal communication at the directorate level involves increasing awareness among departmental staff about their individual expectations and the importance of achieving set targets both at individual and departmental level and how they link to overall strategy of the Community. There is a saying that information is power but information that is not in hands of those who need it is useless. Giving the right information to the right people at the right time facilitates delivery of organizational outcomes. Francesco and Gold (2005) added that effective communication at all levels of the organization help both internal and external clients get to know their rights, obligations and tasks they need to perform to achieve set objectives. In this regard, EAC organs and institution's strategic objectives can only be achieved when all key stakeholders understand their individual and group expectations that makes it possible by timely share information on what needs to be done. According to Kirkbride (2006) Communicating and understanding information by all the stakeholders is key for effective delivery of set objectives. In the same vein, EAC organs and institutions staff who are key internal stakeholders need to understand their visions and missions and how different units contribute towards their achievement. The understanding of both individual and unit contribution to the overall vision and mission makes it possible for organizations to map out activities to be performed at individual and unit level. This eliminates duplication and ambiguities that are common in organizations. Linked to Bobic and Davis (2003) observations, respondents highlighted the need for effective communication not only for communicating expectations from employers but also getting feedback from employees about issues that affect their performance. An effective communication system is required to ease the

giving of instructions and getting feedback. Communication is about making one to understand which can only be achieved when the intention of the communicator is clearly decoded by the receiver and the right feedback given.

In summary therefore leader's contribution towards delivering organizational performance is in line with Nwachukwu et al. (2019) who looked at organizations as a group made up of different units that undertake different tasks, but achievement of overall target can only be realised when each unit delivers to its expectations. Leadership at the EAC organs and institutions is structured and defined in accordance with different roles and responsibilities to be played at each level. Leaders play an important role in achieving EAC integration agenda where they are expected to guide resource allocation and implementation of different activities. One would therefore say that leadership at EAC organs and institutions is transformational in nature where high-level leaders come up with the vision, and ensure that the vision is shared and understood by followers at different levels and mobilize necessary resources to pursue it. Despite challenges related to resource allocation, when you look at the progress made so far on the four pillars of integration, one would quickly point to the fact that EAC organs and institutions are pursuing the EAC vision.

## 4.2.2 Role of Leadership in Deploying Organizational Capabilities in EAC

Study findings revealed that leadership and organizational capability are significantly related to the extent that they jointly influence performance more than the effect of leadership on performance alone. Findings established that leadership impacts organizational capabilities by delivering high level of efficiency, providing practical solutions, ensuring value for money, communicating effectively both within and outside the organization, guaranteeing credible systems and practices, continuous skills development, timely delivery of services and

Knowledge management. Organizational capabilities as earlier defined are abilities derived from the use of resources and competencies endowed by an organisation which aid effective deliver of its objectives. The study identified different capabilities that are both threshold and unique in nature at the EAC organs and institutions. Threshold capabilities were considered to be resources that help EAC organs and institutions to operate such as availability of; office space, financial resources, human resources, collaborations and partnerships, IT systems and equipment and other non-movable and movable assets. Unique resource that are strategic in nature with potential to give EAC organs and institutions competitive advantage are; brand name, political environment, highly skilled labour, strategic positioning, regional presence, knowledge management, integrated IT systems, team work, open communication, decision making processes, initiative, work standards, problem solving and high level of organization. Parnell (2018) noted that the level of strategic resource deployment is more important than the resources themselves. Leadership in EAC organs and institutions therefore need to deploy available resources and competencies where they are most needed to achieve the desired outcomes.

## Planning:

Planning is a process by which an organisation establishes what needs to be done and puts in place mechanisms and strategies to achieve set objectives. Developing plans that take care of all desired deliverables is a key leadership function in any organisation (Wendy et al., 2007). In the context of EAC organs and institutions, planning is participatory process that take place at different levels but ultimately harmonised to contribute to the overall development strategy. EAC organs and institutions possess different resources and competencies which have to be planned for to effectively deliver services to their stakeholders. Since planning process involves reviewing the implementation of previous plans before new measures are adopted, it is

considered as a monitoring process where collective measures can be taken. The quality of leadership however determines the nature of plans developed and the magnitude of resources to be deployed which directly influence the ability of EAC organs and institutions staff to adequately articulate short term measures that directly contributes to achievement of long term objectives. Since planning is done by those responsible for implementation, the level of commitment to implementation of planned activities should be high (Mayberry et al., 2008). On respondent remarked "EAC has got the best human resources capable of implementing plans of whichever magnitude but challenges that come along with planning itself and eventual implementation affect full exploitation of human potential". It is of no doubt that EAC organs and institutions attract capable human resources but the nature of their deployment has made the organization consistently depend on consultants to do work that can easily be done by the available staff. Parnell (2018) observed that planning and eventual resource deployment is critical for maximum results. Based on the above observations, leadership at EAC organs and institutions need to refocus on the nature of its planning processes and eventual resource deployments to achieve the best of outcomes.

## Decision making:

Decision making involves choosing the best option from different alternatives (Jayawardena et al., 2019). As highlighted earlier, the decision making organ in EAC is the Council which approves most of the actions to be taken in organs and institutions. Decisions are outcomes of complex but rewarding processes where decision makers consider the problem at hand and exhaustively ascertain its causes before enlisting different alternative options among which the best suitable alternative is picked. Although decision making process in EAC organs and institutions starts with technocrats making recommendations to Council on what needs to be

done, what is proposed by technocrats as the best way forward is not always accepted which in turn affect implementation of different activities and programmes. Considering the amount of work required in making decisions and the ad-hoc nature of the Council which is responsible for making decisions, EAC operational decisions including resource deployments needed to be made at lower levels to allow the Council more time for strategic decisions. Nutt (2005) observed that, decision making process in public organizations is quite cumbersome unlike in private organizations where decision making is somehow smooth and more straight forward. Similarly, decisions that are of policy nature and require EAC financial resources are specifically approved by Council which limit lower level decision makers from making operational decisions required for smooth implementation of activities. Although Rainey et al. (2005) observed that decision making in public organizations is complicated by the need to balance organization's interests with different political interests, negating lower level leaders to make decisions that relate to resource deployments in EAC organs and institutions affects their smooth operations that ultimately affect performance. He further noted that decision making process is slow in public organizations due to the need for decision makers to seek political guidance and consensus which in most cases result into ambiguous decision as they try to accommodate different political interest. Similarly, similarly decision making processes in EAC organs and institutions is bogged down by political interests, yet such decisions are supposed to address issues related to implementation of different programs and projects. To avoid unnecessary bureaucracies, unit level managers should be empowered to allocate resources to different activities using approved guiding principles and regulations. Related to Jayawardena et al. (2019) observations, decisions that guide day to day management of an organization should be done by line level managers to effectively deliver goods and services to stakeholders. To effectively decentralize decision

making power in EAC organs and institutions, Council should define limits within which lower level managers should exercise their decision making powers to provide for some level of flexibility while responding to unforeseen events where quick actions that cannot wait for Council to convene are required. Aaron et al. (2006), contends that guidelines that provide for flexibility help decision makers to effectively deploy different resources at their disposal in timely and meaningful manner as they react to changes within the operating environment.

#### Resource Allocation:

Resources at the organisations disposal directly influence the amount of work to be done. The overall allocation of EAC resources is by Council through the budgeting processes where both physical and none physical resource are appropriated to implement activities of the organs and institutions. In line with observations of Raymond (2003) Council decides on which resources to be deployed to different integration priorities depending on what is considered to give the best output. Basing on the importance of a given intervention, both financial and non-financial resources are allocated in line with observations of (Keitany et al., 2014). Council allocates different resources for key priority activities but the challenge has been failure to deploy resources in time which causes delay in implementation of prioritised activities. For example it was noted that funds disbursement for planned activities does not normally reach in time while recruitment of required human resources to implement different integration activities take years to be finalised. Such situations force leaders at EAC organs and institutions to reprioritise their activities to only focus on a few that can be done with available resources. Even though such reprioritisation is done at different levels, it has to be subjected to lengthy and bureaucratic approval processes by Council that affect overall implementation of activities. One respondent sited a case of budget re-allocation to fund urgent and critical activities that has to go through

different approval processes until it reaches Council for consideration. The lengthy approval processes stifle the proper functioning of EAC organs and institutions which is costly since different sessions of the Council have to spend resources in order to consider what has been proposed. Peter (1999) observed that changes in business environment makes it mandatory for organisations to restructure and drop their bureaucratic tendencies to effectively respond to changes. EAC organs and institutions seem to be stuck to old practices which are negatively affecting implementation of projects and programmes. Collins (1996) urges organisations to introduce systems and structures that are flexible to accommodate changes as and when they occur. EAC organs and institutions should review their procedures on resource utilization to allow some flexibility to lower level units to deploy available resources for optimum utilisation within agreed framework. Proper and efficient allocation of resource require leaders at various levels to have autonomy to deploy available resources in areas where optimal benefits are expected. Further, the declining funding from both member states and donors require revision of plans such that available resources are matched with activities to be implemented. This prevents scenarios where impressive plans are made but remain on paper which paints a bad picture to the organisation. Besides that, available resources are not efficiently used since they are spread to so many activities that cannot be completed.

#### Coordination:

EAC is composed of organs and institutions undertaking different tasks but contributing to one vision. According to Ekman et al. (2008), coordinating resource allocations and implementation of planned activities are critical to ensure that all tasks being undertaken are aimed at achieving the set objectives. Coordination of resource deployments is necessary to ensure that different departments function as a unit to avoid inadequacies in some area that affects the entire

organisation. Article 8 (b) of the EAC Treaty provides for coordination of institutions involved in implementation of integration activities which make it easier for EAC to operate. Based on the above article and observations of Rehfuess et al. (2009), leaders of the EAC organs and institutions need to coordinate its resource deployment in a harmonised way to ensure that available strength are fully utilized to exploit existing opportunities for further growth and development. It was further revealed that EAC secretariat and institutions majorly play a coordination role where actual implementation is done by member states themselves. Coordinating different stakeholders to implement planned activities require strong and committed leadership. EAC leaders must therefore exhibit strong desire to achieve integration agenda if they are to mobilise different resources both human and financial to successfully implement their planned projects and programs.

# **4.2.3** Determinants of Effective Leadership from EAC's Organizational Performance Attainment Perspective

Leadership studies have identified different leadership attributes that make a good leader. The key question however that remains unanswered is whether those qualities translate into effectiveness of people who poses them. An analysis of field data collected using questionnaire research protocol identified key determinants of effective leadership that influence performance. The leadership attributes that were found to affect performance of the EAC organs and institutions are; leaders confidence to exercise power and responsibly, leaders ability to lead by example, leaders ability to help subordinates to learn and improve, leaders readiness to reward performance, leaders ability to treat individuals according to their abilities, communicating rewards with clarity to followers, recognizing follower performance and reprimanding failures. Previous leadership studies have indeed established that the said leadership attributes influence

one's ability to lead but they do not determine leader's effectiveness. In addition to leadership attributes confirmed by this study, results from interviews revealed other organizational factors that contribute to leader's effectiveness. Factors such as; joint coordination of EAC programs, overall performance, results based planning, stakeholder driven approach, high-level of accountability, effective evaluation mechanisms and stable political environment were considered clear indicators of effective leadership.

#### Joint Coordination:

The ability of EAC organs and institution to coordinate implementation of planned activities with member states makes it possible to achieve the desired results. EAC organs and institutions coordinate implementation of integration activities as per Article 8 (b) of the EAC Treaty. In every member state, there are focal point officers for different sectors who jointly coordinate with EAC organs and institutions to plan and implement different activities. A lot of work is done at national level where member states do the work themselves through different ministries, departments and agencies. At regional level, organs and institutions bring together different stakeholders among sector specific experts to do the work and later subject it to national/regional validations to get more input from member states. In line with Ekman et al. (2008) observations, undertaking activities jointly helps in saving resources and time since the required technical, financial and other non-financial resources are availed regionally which would otherwise not be possible if a single entity was responsible. The principle of collectivism and ownership is achieved when member states take part in activities undertaken regionally. The ability of the leaders to play this role is an indicator of effective leadership. Despite different efforts put into coordination of different activities of EAC organs and institutions, some member states continue to miss out in some activities that are supposed to be undertaken jointly which poses a challenge

of delays in completion timelines. The delay in completion of activities is attributed to procedural processes while conducting business of EAC organs and institutions that require member states that did not participate in a particular activity to give inputs before conclusion of that assignment. Ekman et al. (2008) made further clarifications that undertaking activities jointly does not only ease implementation of different projects and programs but also pools together financial resources required to implement such activities. Some project are too costly to be implemented by a single unit but when such projects are jointly implemented it becomes easy for any of the parties involved. Examples of projects that require joint efforts are transboundary projects that are done in more than one member state for maximum benefits. Resource mobilization for projects that are jointly implemented tend to be much easier due to availability of technical expertise to implement such projects.

## Overall performance:

The effectiveness of leadership is measured against the overall performance of an organisation. Performance has been looked at in terms of customer satisfaction, internal processes, skills improvement and financial performance. The analysis of performance of EAC organs and institutions over time indicated a positive trend in performance on different integration pillars. The achievements made on common market, customs union, monitory union and the ongoing progress on political confederation process has improved service delivery thus making it easy to get services that are needed by East Africans. Antony and Bhattacharyya (2010) noted that meeting demands of customers is one way of ensuring growth and sustainability of the business. EAC organs and institutions have improved their work processes to ensure that services are available to stakeholders. Tremendous successes registered in both customs union and common market point to leadership effectiveness at EAC organs and institutions. For example, under

customs union, member states have harmonised their customs laws and integrated most of the systems that have eased movement of goods from one country to another. It was further observed that movement of trucks from the port of Mombasa to Kampala would take twenty one days (21) but with harmonisation of laws and integration of systems that facilitate quicker clearing of goods, the whole process takes around seven (7) days. The business Community is now able to save time and money which improves their business performance. In addition, commendable achievements made under common market have reduced the cost of doing business. For example, people can cross boarders freely with one clearing point that has improved work processes. This has facilitated movement of goods and services. Improved performance has however come with increased responsibility and demand for new skills that require continuous skill improvement. Despite this improvement, EAC organs and institutions have of recent minimised training and development of staff to match the gaps created resulting from adopting new systems and technologies aimed at improving service quality. Budget cuts for training programmes notwithstanding, learning and growth is still considered important more especially for departments in areas of customs and monitory union where technologies keep changing and there is need to keep staff updated with new innovations that come on board. Niven (2003) observed that, employee skills improvement helps in bridging the gap created as result of new technologies. Whereas EAC organs and institutions showed significant progress on all pillars of integration and is currently working towards having a common currency by 2024 and works on the last integration pillar having started with drafting of the EAC confederation constitution to work as a transitional vehicle towards political federation, the financial component seem not to be in tandem with the level of progress made. Whereas increase in activities should have a proportionate increase in funding, the situation is different at EAC organs and institutions

evidenced by gradual decline in total budget for activities for the last three years. Nwachukwu, et al. (2019) noted that organizational performance go with improved management of finances which seem to be different with EAC due to deficit budgeting year in year out that hamper implementation of key activities.

#### Results based planning:

Planning is about setting goals and establishing ways to achieve them. Planning whether at strategic or operational level puts into consideration internal and external factors that play key roles in delivering both long term and short term objectives (Nedelea et al., 2009). This study established that planning at EAC organs and institutions takes place at all levels starting with implementers who after considering different factors initiate what needs to be done based on approved long term plans. EAC organs and institutions implement activity based plans that define which outputs to be achieved as result of implementation of certain activities. According to David (2005) developing a good plan prepares an organization towards achieving set objectives since an organization's plan is a roadmap that shows how organizations delivers goods and services of value to customers. Similarly, the planning process at EAC organs and institutions take a bottom up approach where different units identify and agree on which sector specific priorities to focus on while undertaking strategic interventions that directly address needs of the society. Hooey (2003) further observed that planning based on results that the organization aspires to achieve directs organization's resources to areas where focus has been put. This concentrates organisation's energies in few areas that can yield the best results while keeping the organisation focused to the achievement of its overall objective. However, looking at the planning processes in EAC organs and institutions where planning and implementation take place at the same time, one wonders whether adequate effort is given to both processes that take

place at the same time yet require adequate attention and time to effectively delivery the required outputs. For example, while a new financial year for EAC organs and institutions starts in July of any calendar year and end in June of the following year, planning processes starts in September just two months into implementation of the previous plan. Aware that planning is a demanding activity that requires total commitment more especially from top management; one wonders whether full attention is given to both processes that in reality take place concurrently. "It is on the above basis that one respondent observed that for the EAC organs and institutions to remain focused, there should be a think tank comprised of highly technical and competent people whose role is to plan". Based on the above observation, it is prudent to have an independent unit within EAC organs and institutions whose role is to research, monitor and evaluate performance of all projects and programs in line with EAC development objectives and propose interventions that can help the achievement of set objectives while the technical team remains focused on coordination of implementation of activities. In this regard, planning and implementation at EAC organs and institutions is more of a ritual than a strategic activity that require strategic thinking for both leaders and technocrats. Mintzberg (1994) shares similar observations that planning in most cases is not strategic since it rarely involves strategic thinking. Although results based planning has been identified as a capability that influence leadership effectiveness, a study by Falshaw et al. (2006) showed that formal planning and performance were not significantly related. As such results based planning was considered a tool to guide development and implementation of objectives but does not necessarily guarantee achievement of those targets.

## Stakeholder Driven Approach:

Organisations exist to serve stakeholders. In the context of EAC, internal clients are EAC staff in organs and institutions while external stakeholders are EAC citizens in general including those

serving in different government departments, ministries and institutions and other development partners. Any activity that has full involvement of different stakeholders is supported and its chances of success are very high. Staffs of the EAC organs and institutions being major stakeholders in ensuring achievement of set objectives must be empowered by creating favourable environment for them to perform better. External stakeholders must be involved and consulted on which interventions best address their interests. Through involvement of immediate beneficiaries, projects and programs that target their needs are supported which contributes to their successful implementation. Carson and King (2005) share the same view that empowering employees who are major stakeholders' help in performing their duties. Stakeholder involvement in planning and decision making promotes ownership and belongingness which results into the required motivation to perform better (Mayberry et al., 2008). Addressing issues that affect stakeholders require leadership that puts interest of the people first. Parnell (2018) noted that identifying activities at different service levels that serve stakeholders needs. To achieve this, ascertaining areas where emphasis should be given to add value and increase productivity of goods and services needed by stakeholders is of paramount importance. In organisations that are market and profit driven, it is through addressing the needs of customers who are major stakeholders that their products and services are consumed which increases their chances of survival and competitiveness.

## High-Level of Accountability:

Accountability is regarded as the level of responsiveness to the actions and inactions of leaders and managers of the organization to their stakeholders (Eun et al., 2010). As such leaders are required to perform their duties in line with established rules and procedures while serving stakeholders. In that regard, EAC organs and institutions should ensure that accountability to

stakeholders for all the activities that management and staff carryout is done by explaining or making reports regarding implementation of those activities that advance interests of stakeholders.

Schillemans (2010) further observed that accountability concerns responding and providing answers to issues raised by stakeholders. In this regard, the performance of organs and institutions over the years where EAC has been considered as the fastest growing bloc on the African continent is a testimony itself that positive growth trends have been registered overtime. The level of openness in execution of its mandate where stakeholders are highly involved and engaged more especially in planning and decision making says a lot about adherence to accountability principles. In line with Bertelli (2004) observations, EAC organs and institutions accountability systems point to the level of effectiveness of EAC leaders. Internal systems exist where resources given to organs and institutions are accounted for in terms of different reports that are either financial or activity based that have been considered satisfactory over the years. Accordingly, Sanusi and Dwiputrianti (2013) opined that the level of openness to stakeholders is evidenced by good reports from auditors both internal and external coupled with international certifications that EAC has achieved over the years. This is a sign of presence of appropriate systems and processes that comply to international standards. The accountability systems are in tandem with observations of Eun et al. (2010) where governance instruments and other forms of partnerships clearly define roles, obligations, and the extent to which each party is accountable to stakeholders.

The ability of EAC organs and institutions to provide responses to the concerns of stakeholders point to the highest level of transparency which is a sound corporate governance practice that ensures that governing authorities disseminate all relevant information in a form that is easily

understood. EAC citizens are more likely to support integration efforts when they are made aware of the work that is being done by resources that member states and other development partners contribute. When resources provided by different stakeholders are used according purposefully and full accountability for all the resources provided, the organization wins the trust and cooperation of those that support it financially.

#### Effective Evaluation Mechanisms:

Planning and implementation of planned activities is important, but it does not tell you how far and how well the planned activities have been implemented. To overcome this lacuna, the use of monitoring and evaluation logical framework that links objectives to outcomes help in ascertaining whether program objectives are being met or not. The monitoring and evaluation logical framework that identifies different aspects of a program used to track implementation and achievement of results help in informing timely design of interventions addressing different elements that affect project implementation. Medeiros et al. (2005) observed that the use of logical framework helps in systematically collecting data on program targets and outcomes to ascertain whether planned interventions were achieved and if not collective measures are put in place. Relatedly, reports and other forms of accountabilities used by EAC organs and institutions are some of the output indicators to prove that work has been done. Although this does not conclusively tell how well work has been accomplished, organisations depend on internal M&E unit or outsource a private expert to assess the level of achievement of set objectives. This is done by analysing status of implementation of different activities and how well-planned outputs have been achieved and provide an implementation report on how the organisation is progressing towards achievement of set objectives. Similarly, EAC M&E unit developed a monitoring and evaluation tool used while updating status of implementation of planned activities. The tool helps

in tracking the exact level of achievement at the time of reporting which helps in putting up mechanisms to address any divergences that hinder achievement of set objectives. further, the EAC evaluation system assesses the extent of implementation of a given activity by analysing the entire results chain which help in understanding whether a given activity has achieved the intended objective. These evaluation mechanisms look at inputs, activities, outputs and outcomes to see if there is a direct relationship at different stages or if there is a disconnect between any of the expected results at each level of implementation so that corrective measures are made. The evaluation of different interventions in EAC organs and institutions are based on planned activities, expected out puts and the impact that each activity is expected to have to the intended beneficially. Midterm and end term evaluations are carried out on all EAC projects and programs which help in determining whether the organs and institutions are on track and which course of action is needed at any point to increase performance. While evaluating projects and programs, feedback from stakeholders can be a source of information with potential for future performance improvements.

#### Stable Political Environment:

The Treaty for establishment of the EAC lays out different areas of cooperation among them being cooperation on defence between EAC member states. Security is the backbone of any development programme since a secure political environment attracts investments both local and foreign in different areas that are important for integration. Related to Minor (2003) observations, investors select their preferred areas for investments basing on security situation of those countries. Insecurity affects trade and business, cross boarder movements and the economy. Investors have to gather data about political environment in areas of interest before making decisions to commit their capital (Guillet et al., (2011). The stability of EAC makes it

possible for local and foreign direct investments to freely invest their capital with presumed assurance that there will be no political turmoil that disrupts business operations that have an impact on profit and failure of business.

The Summit commitment to integration and security of EAC member states has created a favourable environment for foreign direct investments. Aldehayyat et al. (2011) observed that, countries or regions with less political risks attract investors due to assurances that their investments will enjoy a conducive environment necessary for their businesses to thrive. Similarly, the prevailing peace and security in EAC member states is a testimony of the presence of conducive political environment which investors can exploit to do their businesses. The existing conducive political environment has enabled free movement of labour and other factors of production which is key in attracting investors in EAC. Destructions brought about by wars and other internal and external aggressions destabilize different economic activities that are source of livelihoods to different population that in end affect the purchasing power of the population hence making the business environment less conducive.

## 4.2.4The Role of Organizational Capabilities in Influencing the Organizational Performance

The literature review and subsequent sections consistently indicated that organisation's capabilities arise out of efficient and effective use of resources and competencies within an organization. Aware that in every organization these capabilities are needed for completion of activities, this research established what role they play in influencing performance outcomes in the EAC organs and institutions. Organizational capability and organizational performance were found to be positively related which confirms the important role played by resources and competencies in determining performance in an organization.

Research data collected using questionnaire survey protocol revealed that; high level of efficiency, providing practical solutions to stakeholders, ensuring value for money, communicating effectively at all levels, ensuring credibility, regular skills development, readily accessible services and knowledge management are some of the capabilities which improve organizational performance. It was further established that these capabilities make it possible for an organization to ensure that stakeholders are; satisfied with organizations services, services are delivered in time, better service delivery to stakeholders accompanied with continuous improvement, consistent delivery of quality services to stakeholders, availability of required financial resources for operations and sufficient budget for executing activities. Analysis of data obtained using the interview protocol revealed other organizational capabilities that positively impact performance of an EAC organs and institutions. They include; brand name, government support, skilled labour, strategic positioning, knowledge management, communication, team work decision making process, diplomatic immunities and privileges, participatory planning processes, pooled resources, work environment and IT systems and processes that help EAC to achieve its objectives.

## High Level of Efficiency

Efficiency and effectiveness are one of the corporate governance principles that presuppose effective deployment of organisational resources to deliver required services to stakeholders. Mehra (2001) noted that, to improve loyalty and satisfaction, organizations should focus on endusers and provide services that meet their needs. Xingxing (2009) further observed that different measures should be put in place to ensure that resources are deployed in areas that result into production of goods and services that have impact on stakeholders. Organisations exist to serve a specific purpose but mainly providing goods and services to the customers who in turn pay for

them. Business oriented enterprises require good customers who pay for their products to survive. In this regard, EAC organs and institutions have put in place systems and processes to be followed to deliver the services that meet stakeholder expectations. According to Shemwell et al. (1998) organizations should aim at providing services of high quality to their customers. It is important to note therefore that what customers pay for is the value derived from consumption of a given product or service. Providing products and services of value to customers does not only provide the required satisfaction but also enhances sustainability and survival of the business. However it was noted that bureaucracy involved in organs and institutions in delivery of services to those who need them compromises timely delivery of services. Although different approval levels in EAC organs and institutions minimise the level of risk, they stifle processes and affect service provision to customers.

#### **Practical Solutions**

Organisations exist to address social or economic challenges in societies. Without social problems, there would be no motivation for organisations to be established in such communities. Basing on where EAC wants to be in future as provided in its vision, the achievement of such broad vision requires practical solutions that address all barriers to growth and development which negatively affect the quality of life of East Africans. EAC organs and institutions being organisations with different geo political environment require a system that allows different entities to work independently but depending on each other to respond to problems that affect the region. EAC member states even though are geographically connected and share a lot in terms of cultural and social factors, they are not free from external pressures exerted by the global politics, economy and changes in information communication technology which makes them prone to changes that occur outside their geographic environment. Providing products and

services that respond to the needs of stakeholders help in resolving challenges that arise from changes within the business environment. Medne and Lapina (2019) coincided that the survival and sustainability of EAC organs and institutions will depend on their ability to develop systems that provide solutions to local challenges while addressing performance demands of its citizens. It is important to note that every Community has its specific and unique needs which must be responded to using local solutions. Many foreign programs in EAC member states have failed to take off because they were conceptualised based on international standards which cannot work in certain local environments. Organisations must therefore consider the needs of societies in which they want to serve and propose solutions that meet requirements and standards of local population. Organisations that rediscover who their clients are and come up with solutions that address their needs find it easy to provide goods and services that are of value to them. Further, understanding the surrounding environment and building an organisation philosophy that puts into consideration operating environment helps in building an organisational culture that guides its endeavours to success. Maani et al. (2004) concluded that organisations that offer solutions that are based on local demands are able to solve their problems and perform better.

## Value for Money

Value for money was identified as one of indicators of organisations strength in terms of resources and competencies employed in delivering services to clients. Although value for money is looked at in terms of satisfaction derived from consumption of a product or service visà-vis price paid, public organisations of which EAC organs and institutions are among are assessed based on the quality of services offered to end consumers (Qin & Prybutok, 2008). For example, different government infrastructure projects might not directly present a positive return

on investment but they facilitate development of a number of economic activities that improve livelihoods of those who live in communities where such infrastructure projects have been constructed. Projects whose resources have been mobilised by EAC organs and institutions and implemented by member states have improved service delivery in communities where projects and programmes have been implemented. Projects such as one stop boarder post, regional roads, EAC single entry visa, electricity interconnectedness and EAC centres of Excellency are some of regional initiatives that have delivered value to the East Africans. Connected to Wang (2012) urguments, even though EAC citizens do not see the balance between financial resources invested in these projects and the benefits being accrued from the financial value of investments, the ease of service delivery resulting from the use of these services give comfort to stakeholders that resources used in putting such facilities in place are meaningfully spent. Delivering services of value to customers is of paramount importance in understanding the influence of strategic capabilities on performance of an organisation.

#### Effective Communication

Communication is considered the life blood of an organisation due to its ability to link different parts of the organisation. Communication takes different channels but the main ones used in different organisations such including EAC organs and institutions is verbal, written and internet based communication such as emails and intranet. Written communication is mainly used in official domains while verbal/oral communication is used to facilitate relationships both within and outside organisation. Communication facilitates giving of instructions by either communicating what needs to be done officially or in any other informal way. Poku et al. (2017) belives that communication enhances social capital which is key in organisation building mainly where open communication channels are encouraged in an organisation. Social capital is about

relationships that exist among individual members and the wider organisation which works as the glue that binds employees together. Such relationship goes beyond internal relationships to include external relationships where employees and customers are linked. There are instances where customers go to organisations just because of relationships they have with workers. When social capital in an organisation is high, there are chances that teamwork will be enhanced and the organisation will benefit a great deal from relationships between its employees and customers. Medne and Lapina (2019) opined that the ability for organisations to continuously improvement breaks barriers between people and departments hence creating teams capable of improving performance. In most cases, instructions are not well received because of poor communication methods and people naturally feel comfortable working with colleagues whom they share some interests. It is only through communication that workmates can freely interact and get to know each other's areas of interest and how they feel about others. Enhancing open communication between and among different EAC institutions and organs that are spread in different member states will not only break work barriers but also builds one EAC team focused on achieving integration agenda. Aware that EAC institutions are specialised undertaking specific functions aimed at contributing towards achievement of EAC vision, there is a lot that they share in common which when properly communicated can be jointly worked on to save on resources at the same time improving efficiency and effectiveness. With proper communication among different EAC organs and institutions, publicity of EAC as a regional organisation can be strengthened by having a shared platform where they can jointly communicate what they do to their stakeholders.

#### Skills Development

Developing employee skills is considered one of the indicators for performing organisations. This is mainly attributed to the fact that different activities require different skill sets to be performed. Skills are looked at in terms of technical and social skills required to perform in different departments in an organisation. According to Bulińska et al. (2020) social skills help employees interact with fellow employees and customers which is important in identifying what needs to be done and how to do it in response to different customer needs. Social skills are key in enhancing social capital both within and outside the organisation. This facilitates teamwork which is important in achieving organisation's objectives. According to Karia et al. (2019) it is leader's social skills that helps in mobilising and influencing followers to work towards achievement of set objectives. Attaining the needed buy-in by those who are responsible for implementing different activities in an organisation require more of soft skills than anything else. Technical skills in addition are required by employees to be able to perform different tasks. Technical skill, knowledge and competencies required for one to deliver effectively should be developed continuously to meet the changing workplace skill requirements (Taylor, 1998). Performance of EAC organs and institutions cannot be looked at without due consideration of skills and competencies that drive organisational processes and activities. When work processes change as result of new technologies or when new projects come on board that require specific set of skills that are not available from within, organisations are bound to search for those skills either by training current employees or recruiting from outside those with such skills. It is however more sustainable to equip those already within the organisation with the required skills than bringing in outsiders. It also brings in some sort of social cohesion and continuity when old staffs are prepared to take on new tasks. The ability of EAC organs and institutions to equip their employees with the right skills at any given time is a factor that should be given attention to harness staff capabilities for improved performance.

#### **Brand Name**

Brand is an intangible resource with potential to provide competitiveness to an organisation (Rao et al., 2004). Positioning an organization as a brand of choice is critical more especially in fast changing market environment where organization's uniqueness can easily be eroded (Rosenberg, 1996). Brand name is built over time resulting from product features that are offered which are of high quality. EAC as a regional economic block has gained popularity in the recent past locally and globally where a mere mention of EAC on international arena attracts attention. EAC as a brand is known for its vast opportunities for investors and excellent collaborations with developed world. EAC identifies its self as a regional bloc pursuing prosperity and strategic security for its citizens and entire continent of African. Different economic reports have identified EAC with high economic growth rates on African continent whose popularity among international organisations has grown overtime, although the value of EAC brand cannot be quantified in financial terms. Srivastava et al. (1998) observed that branding helps to increase market share of an organisation. Even though EAC is not involved in the selling of goods and services to customers, its market share can be perceived in terms of its ability to attract funding and investments comparable to other organisations. Also, the ability of EAC to attract new members on board is a positive sign that EAC is a brand to associate with. Although the processes of admitting new member states in terms of qualifications is somehow restricted, EAC has witness significant growth in terms of membership where the number of member countries has increased from the original three to seven and more are still coming including the Federal Republic of Somalia whose application is still under consideration. The most recent new entrant being the Democratic Republic of Congo (DRC) whose admission was sanctioned by 22<sup>nd</sup> extra ordinary Summit of EAC Heads of States in December, 2021. Relatedly, the recent Economic Partnership Agreement (EPA) between EAC and EU who's signing was postponed severally to allow all EAC member states to sign as a bloc is an indication that EAC value has increased hence making big institutions like European Union to value its contribution towards their development consequently requiring due attention it deserves. EAC as a brand has attracted large international bodies to fund EAC organs and institutions activities which point to the fact that EAC has become a brand to be associated with. This has helped EAC organs and institutions to easily mobilise partners to undertake different development projects that spur growth within the region.

## Government Funding

EAC gets funding for operations from member states through equal contributions and other resources mobilised from development partners. Government support is in form of resources and other favourable treatments that are accorded to organs and institutions of the community that are expressed in monitory and non-monitory terms. Prouzová and Špalek (2015) observed that organizations can get funding for their operations from different sources which is in line with funding modalities of the EAC. For example, EAC organs and institutions do not pay taxes for their transactions across member states and where revenue authorities require that taxes be paid, claims for refunds are made and money is channelled back to facilitate operations. On global scene, different multilateral organisations and other investment projects put emphasis on taxation clauses while seeking entry into some markets. This is an indication that taxes take a reasonable portion of an organisation's capital which can otherwise be used for further investments. Relatedly, Hladká and Hyánek (2015) observed that governments grant subsides to non-profit

making organizations to not only attract them but also as a way of promoting their work and also ensuring that they don't suffocate their activities by taking away money in form of taxes which could otherwise facilitate implementation of more activities. When it comes to EAC organs and institutions, not paying taxes helps in saving financial resources to implement programmes and projects. Similarly, Frumkin (2006) pointed out that non-profit making organizations supplement government work and therefore by taxing institutions that are not profit driven is like discouraging their work yet they supplement government efforts towards changing the livelihoods of ordinary citizens. By funding non-profit organizations is therefore an indirect way of funding government operations which should not be taxed. Related to EAC, donors contribute to the EAC budget directly and also support member states governments in implementation of different activities. Although there is general funding problem globally, support from EAC governments and donors have greatly contributed towards implementation activities to achieve the set objectives.

#### Skilled Labour:

EAC being a regional body benefits from wider human resource pool from different member states. It is a requirement for EAC to advertise for vacant positions regionally and select the best candidates among applicants from all the member states (EAC Human resource Rules and Regulations, 2006). The wider pools of human resources make it possible to select the best brains into the services of EAC organs and institutions. Although having the required skilled human resources is a prerequisite for any organisation to deliver to stakeholder expectations, Dess et al. (2001) noted that the best talent does not necessarily guarantee organizational competitiveness. Getting back to Barney (1991) observations on strategic resources and how they can be a source of competitive advantage, skilled human resources are source of

competitiveness when they are properly deployed and aligned to key functions and processes where value is created. Recruiting skilled human resources is not an end in itself but organizations should strive to continuously develop their human resources to match the current and present needs in terms of skill and competency requirements. The management of EAC organs and institutions should therefore ensure that staffs are continuously assessed and whenever they are found lacking, their skills are improved to ensure that right skills are aligned with organizations objectives. Roberts and Dowling (2002) shares similar sentiments that human capital development through continuous improvement of employee skills and abilities increases productivity of an individual and organization. In addition, social skills that promote social connections among staff help members to learn from each other which brings new breed of knowledge responsible for innovative solutions. Teamwork provides a learning environment where workers share different skills as they pursue different activities. In line with Capelli (2000) observations, employee interactions and free sharing of knowledge and experiences promote innovation and a culture where employees associate themselves with the organization that breeds into organizational commitment.

## Strategic Positioning:

Although strategic positioning is informed by the strategy being implemented, Panda (2021) observed that different other factors come into play while determining which strategy to pursue. Looking at the EAC organs and institutions, it becomes very difficult to tell which strategy they pursue without keenly looking at their visions and missions. EAC organs and institutions should consider pursuing a hybrid strategy that combines major strategic options that are mainly used by other regional and international organisations.

The structure and composition of EAC vision and mission make it clear that the EAC organs and institutions try to present themselves differently by promoting production at low cost and focusing on key sectors with higher multiplier effect to cause the needed transformation both in short and long run. The practice however in the market is that a company can choose to pursue either cost leadership, differentiation or focus strategies as a way of becoming competitive and ensuring sustainability. EAC seem to have combined different elements in the three strategies to pursue the integration agenda. The location and composition of EAC makes it possible to pursue a hybrid strategy to leverage on its wider market, resources and political commitment. For example, the fact that EAC is a regional organisation with presents in all the member states makes coordination of its activities easy compared to an organisation that operates from a single location while undertaking activities in different areas.

The presents of EAC organs and institutions in most of the member states in addition of ministries responsible for EAC Affairs that coordinates implementation of EAC related activities eases execution of different activities. It is cheaper to monitor implementation of regional programs from member states than from headquarters.

## Knowledge Management:

Knowledge is the foundation of all organizational processes upon which activities are based in production of goods and services. In an organization, knowledge is found in individuals, teams and processes and systems. At an individual level, knowledge acquired through training and experience is used in performance of organizational activities and this knowledge is increased overtime. At an organizational level, knowledge is seen as total sum of individual and other organizational knowledge resources that help in production of goods and services. Organizational practices, systems and processes are considered key sources of organizational

knowledge. Knowledge is an intangible asset but very valuable to an organization. The fact that it cannot be seen means that initiative aimed at making it available whenever needed should be emphasized by organizations.

Hatch and Chris (2005) observed that knowledge can be safeguarded through documentation and storage in different forms that can be retrieved whenever required to facilitate work related tasks. Similarly, EAC has processes for documenting new knowledge through different reporting mechanisms. Further, Bogner and Bansal (2007) noted that knowledge is created whenever a new activity is undertaken and processes within which it is done can be repeated. Documenting such processes therefore in a form that can always be referred to whenever similar activity is to be implemented helps in preserving such knowledge. Employees in an organization undertake different activities by applying acquired knowledge and other ideas to deliver the desired services. When new ideas and processes becomes acceptable in an organization, they are taken as new knowledge and documented as such for organizational use whenever a similar knowhow and processes are needed in implementation of activities. Knowledge that is documented into a form that can be reproduced is referred to as explicit knowledge and organizations highly depend on it but whenever it is not sufficient, team members discuss new ways of having work done and in the process new set of knowledge is created. This new set of knowledge can be used to update already existing knowledge or can be treated in its own form and used as such to undertake organizational activities. Organizations also use uncodified knowledge which is normally referred to as tacit knowledge.

There is a great deal of knowledge in organizations but the challenge is how to identify and exploit such knowledge resources. Tacit knowledge is normally within people who own it and can always be tapped into by using people with that knowledge to undertake different activities

that require such expertise. EAC like any other organization finds it challenging to transform tacit knowledge into explicit knowledge so that it becomes available to users. According to Gerdes (2006) tacit knowledge exist in form of people's knowledge, ideas, expertise and experience and therefore cannot be availed unless those who own it share it with others. The challenge in EAC has been how to keep tap into tacit knowledge so that it is availed to EAC organs and institutions whenever it is needed. To overcome the challenge presented by failure to capture and store knowledge for future use, The department of Information Resource Centre was in the processes of developing a policy that make it possible for the EAC organs and institutions to capture tacit knowledge and make it available for future use. This initiative is believed to help EAC organs and institutions to capture peoples experience, knowledge and memory that will help in future performance and continuity of EAC. In addition, EAC staff rules and regulations require staff members to document their work processes such that they are used for future reference. The challenge however has been implementation of this regulation otherwise it would effectively capture staff ideas and experience on how some tasks are performed. Related to Begley and Boyd (2003) observations, seeking new knowledge and proper management of knowledge provides an organization with long-term solutions to organization's challenges. EAC organs and institutions should therefore endeavour to capture tacit knowledge as and when an opportunity arises but the easiest way of getting this knowledge from those who own it is by encouraging teamwork so that it gets into the hands of most employees.

Well aware that human resources are mobile and can easily leave the organization, having this knowledge in hands of many workers since they cannot leave at the same time is the only assurance an organisation can have that such important knowledge set will remain in the organisation. Another option would be designing systems that captures ones knowledge while

undertaking activities. This way the organization will be able to capture and store knowledge which can be retrieved for future use.

#### Communication:

Communication is a key in delivering information about services and products available to stakeholders. Related to observations of Kirkbride (2006) sharing information about activities of an organization helps in focusing different teams to activities that are complementary hence avoiding duplication and wastage of resources.

Poor communication and lack of overall coordination in implementation of activities make different teams undertake activities that have already been done by other teams which can easily be avoided by sharing information. Ahmad and Huvila (2019) noted that open sharing of information about work processes help in putting resources where they are most needed and also avoids wasting energy and time repeating processes that have already been performed by other teams. Although EAC organs and institutions maintains an open door policy where information flows freely across different levels, Stewart (1997) noted that encouraging unregulated flow of information can be disastrous to the organization even when it works as a tool through which leaders get information that cannot be got through formal channels yet important to management.

#### Teamwork:

According to Devine et al. (1999) today's business environment has witnessed increasing trends towards team working. Powell et al. (2004) considered a team as a special purpose unit aimed at achieving certain objective. Teamwork is about working together to achieve specific tasks. Teamwork creates synergy that is required to undertake activities that would ordinarily be difficult to implement by individuals.

Teamwork brings together different expertise to perform tasks of mutual interest. EAC organs and institutions work towards achieving the overall vision and mission although each organ and institution has a specific mandate but all contributing to one vision. This implies that EAC has different units with specific roles that jointly contribute to the overall objective. Bringing together or by providing a platform where different units can jointly discuss and agree on how they can jointly and individually perform different activities to achieve both specific and overall objectivities is key in delivering needed services to East Africans. Bell and Kozlowski (2002) noted that working as a team facilitates sharing of knowledge about tasks to be performed which complements each other in performance of individual specific duties.

Campion et al. (1993) noted that involving everyone in major activities of an organization provides an opportunity to explain how different activities contribute to the overall objective. By understanding how ones effort directly or indirectly contribute to achievement of overall objectives does not only help in focusing individual employees but also builds royalty and trust in the organization. Relatedly, Wageman (1995) looked at team work as an avenue for sharing knowledge more especially where some individuals are more experienced than the others but work together to accomplish tasks that require expert knowledge. Actually teamwork is believed to provide favourable environment for mentoring and coaching where lower cadres learn from more senior colleagues. Workers learn better and acquire new skills and expertise when they work in teams more especially when the team is balanced with both highly skilled and semiskilled professionals (Aime et al. 2010).

Consequently, organizations are more likely to increase knowledge and abilities of their workers when they encourage team work more especially on new projects that require special expertise that not everyone in an organization has (Haas & Hansen, 2005). Through working in teams,

organization benefit a great deal through skills transfer and other benefits that come with teamwork such as coaching and training aimed at improving productivity of workers. With such, teamwork has been found to improve skills and experiences of team members that positively affect performance (Carson et al., 2007).

#### **Decision Making Processes:**

Decision making at EAC takes place at different levels which in a way makes decision making processes participatory and inclusive. Although Council makes most of the decisions, the process starts by implementers coming up with concept notes that are discussed at different levels until decisions are taken by the Council. Different levels scrutinise concepts and ideas for improvement before they are presented to Council for decision making. However there are instances where concepts are changed along the way and initial ideas lost which results in policies and decisions that do not address the needs of organs and institutions.

At the institutional/departmental level, decision making is generally participatory where meetings take place at different levels and key operational decisions taken to improve performance of individuals and units. Weekly meetings help in identifying challenges being experienced and decisions taken on how to mitigate identified challenges. EAC leaders involving stakeholders in making decisions that affect their work make it easy for such decisions to be implemented (Smothers & Jack, 2011). Decision making is a process of studying a problem and analysing possible solutions before coming up with the most suitable one. Although Council makes decisions for EAC organs and institutions, they are not always based on proper analysis. This arises from the fact that different committees that analyse different proposals from institutions and organs consider them as different entities and not part of the wider EAC. In circumstances where proper analysis of the problem is not done, Council is likely to make

decisions that do not address problems that affect implementation of EAC organs and institutions activities

#### Diplomatic Immunities and Privileges:

The EAC organs and institutions enjoys diplomatic immunities and privileges under Article 73 of EAC Treaty and different headquarter agreement by host countries. These immunities and privileges give preferential treatment to activities of EAC organs and institutions thus providing a conducive environment for operations. EAC organs and institutions are exempted from paying taxes for all their operations in member states which in a way supplement their financial resources. Relatedly, EAC staff on official missions are given preferential treatment where they are offered all necessary support by member states to effectively perform their duties.

Hladká and Hyánek (2015) observed that different agreements and protocols for establishments of regional organizations provide for special treatments to be enjoyed by the organization and its workers. Host governments have a duty to respect different protocols and treaties signed that provide favourable environment for an organization to function. For example, member states laws and different protocols on immunities and privileges provides that all EAC organs and institutions expenditures shall go un taxed and in implementation of their activities member states shall always avail any possible help that may be required for effective implementation of such activities. For example host countries provide EAC organs and institutions with free land where headquarters can be constructed at an appropriate time and such land should be prime having access to all utility facilities. Staffs of the EAC organs and institutions are further covered by the immunities and privileges under the EAC Treaty and Vienna convention on diplomatic relations which make their work easy while undertaking missions in different member states. Shi

(2019) noted that such privileges offer immunities to those performing diplomatic functions which in away create an environment suitable for meeting performance expectations.

## Participatory Planning Process:

Planning is a process where organisations or individuals identify what needs to be done to achieve set objectives. Planning involves prioritising since resources are never enough and besides not everything can be done at the same time. At an organisational level, development of the plan is a participatory process where different stakeholders participate in its development. Elbanna et al. (2014) noted that successful development and implementation of the strategic plan is critical in achieving organizations objectives.

The performance of an organisation entirely depends on the effectiveness of its plan. This is because planning involves detailing different activities to be undertaken, identifying measurement criteria and projecting outputs to be achieved. Poor planning therefore yields bad results while proper planning leads to achievement of targeted outcomes. Planning is a participatory process where those involved in planning do a lot of consultation before coming up with the desired plan (David, 2005). Relatedly, the planning processes in EAC organs and institutions is guided by the consultant who work with member states and staff to draft a strategy document that is validated at different levels until the final document is considered by the Council. Hooey (2003) observed that the planning team looks at different policy documents, governance instruments, past strategy documents and reports of the organisation while making a review of what has been done before proposing what needs to be done.

To understand whether the previous plan was fully implemented or if there are elements of the previous plan that need to be carried forward or retired at all if they are found not contributing to the achievement of overall organisational objective, the planning team has to undertake a

document review in addition to other methods of data collection. Similarly, Nickols (2016) noted that past strategy and other documents are reviewed to inform the new strategy documents. In line with EAC planning processes, each organ and institution undertakes midterm and end term evaluation of their respective strategies which brings out activities undertaken and how best they were performed in line with set targets. Activities that were not performed are analysed to establish whether they are still relevant or not before recommending whether they should be dropped or prioritised in the next strategy.

EAC organs and institutions develop five year development strategies which spells out what each institution and organ will perform in five years that contribute towards attainment of the overall EAC development objectives. Short term strategies in form of annual operations plans (AOP) are developed but aligned with long-term development strategy that are implemented for each year. These plans are generated at cost centre/unit level where implementers define what needs to be done at the unit level that has an impact on the overall goal. This planning philosophy is in line with Kopelman and Davis (2008) observations that in organizations where employees have liberty to plan and implement activities, better implementation and performance are expected. Cassar et al. (2017) shares similar views that in organizations where followers are involved in defining what needs to be done; they become part of it and implement it as their own initiative not imposed on them by their leaders. Organizations should therefore endeavour to involve their followers in planning and decision making more especially where subordinates are highly trained and technical in their work. EAC organs and institutions having highly technical employees, involving them in planning and implementation of activities enhances their performance.

#### Pooled Resources:

Organizations depend on different resources for their survival Taylor (1998). EAC organs and institutions like any other organization depend on resources to function. Member states contribute resources to run operations and are supplemented by other development partners to implement the EAC integration agenda. These resources are human, financial and other non-financial resources that help in implantation of activities. Human resources are sourced from different EAC member states through a competitive recruitment process where critical jobs are advertised and applicants who are qualified are selected through EAC recruitment process. EAC organs and institutions also gets some of its human resources through technical assistance by development partners where they facilitate experts to join EAC organs and institutions teams to work on specific projects. Human resources are the most important resources in an organization and must be used appropriately to achieve set objectives as clearly observed by (Gannon & Boguszak, 2013).

The regional nature of EAC avails it with a bigger market from where it gets its human resources who are able to move the organization forward. However, for human resources to work towards achievement of set goals, there has to be a conducive environment supported by a policy framework that guides the entire talent management process. For example when a new personnel is recruited, the whole processes of initiating the new staff into the organization and proper development and alignment to available jobs has to be done for enhanced performance. Although competent human resources are available in EAC organs and institutions despite staffing shortages, the human resource policies supporting overall performance management process that provide for the needed link between employees aspiration to the organizations big picture remain un implemented. This makes strategic alignment of human resources to different strategic areas

difficult. In addition, financial resources which are considered as the oil that lubricate the entire organization's support system without which nothing can happen are not always provided in time.

Member states in most cases delay disbursements and some completely fail to disburse their contributions which make implementation of planned activities difficult. Even though sufficient budgets should be made available for effective implementation of activities in an organisation, the situation seems to be different at EAC organs and institutions. It is of no doubt that EAC member states try as much as possible to provide required resources for implementation of different projects and programs but resources provided are much lower compared to its ambitious programs and the rate at which such programs are expected to be delivered. For example EAC has a target of having a common EAC currency by 2024 but required infrastructure to facilitate achievement of this target has not been put in place due financial challenges associated with the establishment of needed institutions. Financial resources are therefore necessary for the EAC organs and institutions to smoothly implement their projects and Programmes. Other physical resources that are material in nature such as land, building, motor vehicle and other factors of production which member states avail to the EAC organs and institutions are very important in performance of her duties. Member states provide those resources free of charge which are believed to facilitate smooth functioning of EAC organs and institutions that are based in member states. Proper management of these resources has a great role in the achievement of planned activities. Having observed that EAC organs and institutions lacks all the needed resources sufficient for implementation of all planned activities, and acknowledging the fact that resources are scarce globally, providing the needed quality service to EAC stakeholders requires effective and efficient utilization of available resources to achieve its

integration agenda. Leaders should therefore note that it is not the amount of resources that entirely define organizations performance but the nature and how available resources are used to achieve set targets.

#### Work environment:

EAC organs and institutions are supposed to work independently to deliver on their mandate but the current structural arrangement does not facilitate organs and institutions to operate independently. The EAC Treaty and different protocols for establishment of different organs and institutions are clear that those organs and institutions are either self-accounting or semi-autonomous where institutions have boards of directors that are supposed to make decisions and direct how resources of the institution should be used to facilitate achievement of their respective mandates. The practice however is different where boards do not make decision as whatever that is agreed by the board has to be subjected to Council for consideration. This creates confusion as to whether these boards have powers to undertake their roles or whether they are just there for formality. This contravenes cooperate governance principles as the role of the board is made redundant yet it is supposed to provide direction on how institutions should run.

"One respondent pointed out that EAC is like a multipurpose vehicle intended to deliver on a given mandate but the vehicle has not been able to function as required due to disintegrated and uncoordinated systems that makes delivery of required outputs difficult". The lapses in different protocols establishing different institutions creates a situation where different entities that are supposed to work in a more collaborative and coordinated manner work independently in a more costly and inefficient manner that does not deliver expected results.

In relation to Kopelman and Davis (2008) observations, organizations can perform better as long as limits within which they are required to operate have been defined and are supposed to work

within those limits. In line with the above observations, clarifying the role of boards and describing how boards relate to other policy making organs in EAC can improve their work hence creating an environment that supports work completion. Hannah and Lester (2009) concur that leaders who create an environment where employees are free to creatively develop solutions that predict future trend of events stand a chance of remaining stable when changes occur.

For EAC to survive and excel, leaders at different levels should be more open to their followers and be willing to listen to follower suggestions results in innovations that improve organizations performance (Panetta, 2012).

## IT Processes and Systems:

The first changing work environment require organizations including EAC organs and institutions to deploy information communication technologies (ICT) to leverage available opportunities. In line with observations of Yang et al. (2007), EAC being a regional organization with organs and institutions spread across the member states require more integrated ICT systems to be able to communicate internally in time to deliver the required services to stakeholders.

The Covid19 pandemic with its preventive related measures that resulted into total shutdown demonstrated the need for organizations to leverage the use of ICT for continuity in cases where physical presence is restricted. According to Peppard and Ward (2004) providing a quick link to organizational activities and being in position to access organizational data from every corner of the world with ease helps organizations to be more effective and efficient. Further, the use of ICT services give an organization a competitive advantage where integrated systems reduce the cost of doing business by centrally sharing all electronic resources instead of each unit managing its own system. Fukuyama (2004) urges organizations to invest in IT systems and processes to

promote innovation and exploitation of new technologies that improve stability and continuity of business performance. IT systems that are based on organizations workflows and processes improve efficiency and profitability of an organization (Smith & Tushman, 2005).

In conclusion therefore, it is clear that EAC has capabilities with potential to make it more competitive and deliver to stakeholder's expectations but Taylor (1998) observations point to the fact that resource availability in EAC organs and institutions do not necessarily guarantee competitiveness in their current form. There is therefore need for EAC management to create an environment favourable for effective deployment of these resources and competencies to deliver best outcomes to EAC citizens

#### 4.2.5 Combined Effect of Leadership and Strategic Capability on Performance

The study revealed that indeed both leadership and strategic capability are important and critical in the understanding of organizational performance. They have been found to give better results when they work in sync. Earlier studies had majorly focused on leadership in form of personal attributes and approaches on how they influence performance. Results however were limited at how different leadership styles and attributes influence followers and fell short of examining how leadership affects performance. Such studies ended up with conclusive statements pointing to positive relationships without explaining the actual drivers of performance in an organisation. Studies on strategic capabilities were also pointing to positive outcomes but very few studies had been taken looking at the combine influence of leadership and strategic capability on performance. This study therefore has been an eye opener not only to researchers and academicians but also project managers who need to cultivate the combined importance of the two variables for better results.

The study found out that when organizational leaders effectively deploy available resources and competencies, organizational performance improves in terms of; stakeholder satisfaction, timely delivery of services, continuous improvement, availability of financial resources and sufficient budgets for operations. Although measurement of outcomes was not completely conclusive, it gave leads on what organizations should expect when leaders strategically deploy available organizational resources to areas that matter to the organization.

## Stakeholder Satisfaction

Stakeholders are internal and external clients who support the existence of an organisation. In line with Ranaweera et al. (2003) the more satisfied the customers, the more likely they are to stay and support the organisation. Stakeholders are more likely to develop positive organisational behaviours that facilitate undertaking of different organisational activities when services offered are perceived to be of value to them. Goodwin and Gremler (1996) observed that, satisfied customers are likely to be royal to the organisation and reciprocate the good service by referring other customer for the same service. Considering EAC organs and institutions whose external customers are majorly citizens of member states, the more stakeholders become happy and satisfied with services offered, the more they will support EAC organs and institutions operations in their communities that directly impact on achievement of set objectives. In line with Khoshraftar (2011) observations, the quality of relationships between EAC organs and institutions employees and its customers influences the type and quality of engagement that exist that subsequently determine whether they take active role in implementation of different programs and projects. Stakeholder commitment to the organisation is therefore influenced by the level of satisfaction derived from different products and services offered by the organisation. EAC organs and institutions should endeavour as much as possible to provide services that are

most needed by citizens for them to take active role in implementation of EAC projects and programs.

## Timely Delivery of Services

The relationship between organisations and clients is built on the quality of goods and services offered and how effective and timely those seeking services from the organisation are served. It is common knowledge that even a high quality service if not offered in time to those who need it go dissatisfied. For example, in a hospital setting, what saves a bleeding accident patient is not the level of sophistication but the timely response given to the patient. Related to Meesala (2018) observations, the level of responsiveness in service delivery greatly influence the level of satisfaction and customer retention. Timely delivery of services does not only give an organization good reputation but also builds an internal culture where efficiency and effectiveness is cherished. It is important to note that reducing waiting time positively influence organization's ability to attract more customers. This is because when time between ordering and delivery of goods to customers is short, the organization is in better position of serve big numbers of clients in a short time which increases sales that consequently increase liquidity of an organization. Similarly, EAC organs and institutions objectives can only be achieved by responding to emerging challenges in time and what is promised is delivered in accordance with set timelines.

#### Continuous Improvement

EAC organs and institutions like any other organisation that offers services to its stakeholder's aim at continuous improvement of its services and processes to serve customers better. Continuous improvement go hand in hand with improved quality of products and services offered. Deming (1986) in his management model specifically point number two proposed

continuous improvement of products and services that help an organisation to become competitive and create more value to stakeholders. Human needs are never static but keep on changing which calls for continuous improvement to meet the changing demands of customers. Furthermore, organisations are in a dynamic environment which must change to adapt to needs of society. Deming further pointed out in his management model point number five that continuous improvement leads to improved quality and productivity which in turn reduces the cost of operations.

EAC organs and institutions being institutions of developing countries with systems and processes that are still undeveloped coupled with insufficient resources required for rapid transformation, the regional block need to save more and more resources by minimising wastages while increasing productivity of different resources. To effectively provide for changing needs of customers, work processes, skills and competencies must be improved to be more efficient and productive.

#### Quality of Services

Narteh (2015) looked at quality of goods and services offered by the organisation in terms of value that the customer derives from consumption of that product or service. Meeting customer expectations, providing services timely, offering products and services of high standard and care that is given to customers define the type of service offered by an organisation. Every organisation exists to serve customers and the quality of services offered determines whether customers will stay with the organisation or move to the competitor in search for better services (Wang, 2012). EAC organs and institutions focusing on improving the quality of life of its stakeholders strives to achieve quality standards in their processes that give rise to quality services and products offered. Connected to observations of Meesala (2018) EAC organs and

institutions face competition from their owners in the sense that if they cannot deliver the perceived value of integration, the owners (member states) might not see the need to continue pumping in resources that can otherwise be used to the benefit of individual member states. EAC organs and institutions must deliver services of value that an individual member state cannot provide otherwise the threat of collapse might be unavoidable. Related to findings of Sethi et al. (2020) EAC organs and institutions like any other organisation must ensures that best services are provided to clients and systems and processes meet quality standards. Relatedly, EAC organs and institutions are ISO certified and their systems and processes meet the required international standards which point to the quality of services offered to customers. The assurances from EAC organs and institutions that resources from development partners are put into good use make it possible to get grants and donations from development partners some of which cannot release their resources when proper systems and processes are lacking.

#### Availability of Sufficient Budget

Sufficient budget for operations is one of indicators of performance in most organisations. The survival and continuity of organisations has a direct relationship with its ability to attract sufficient resources for operations. Different activities are budgeted for and resources mobilised to support their implementation. Since financial resources are needed to finance all activities of an organisation, having enough resources that meet financial demands of an organisation influence performance Clarke et al. (2010). Relatedly to EAC organs and institutions operations, every financial year, plans, and budgets are made to allocate financial resources to all planned activities for implementation. Organisations use budgets to distribute financial resources to different operational areas and use the same budget as a yardstick to evaluate performance. In the EAC organs and institutions, financial rules and regulations require generation of performance

reports on regular basis to ascertain how different organ and institutions are performing. This reports assist in demanding for extra resources more especially when they have sufficiently used.

## **4.2.6** Summary of the Section

In summary, the section considered evaluation for the study findings. Data was from two main sources i.e. questionnaire and interviews. Quantitative data was coded and entered in the SPSS where different analyses were made. Qualitative data was thematically analysed, and themes presented as narratives for every study objective. Validity and reliability was checked using Cronbach's Alpha of 0.7 and rotated component analysis. The two approaches helped in establishing validity and reliability of data. Parametric tests were performed to establish whether data was in line with data distribution requirements of normal distribution and from the same study population. Having established that the collected data was meeting all requirements, multiple regressions were performed to establish whether there existed a relationship between leadership, strategic capability and performance. Indeed the results of regression analysis established that study variables positively influenced each other and both independent and mediating variables impacted performance of EAC organs and institutions. Qualitative data was coded and categories developed as explanations behind the existing relationships. Research findings were evaluated based on conclusions from data analysis and themes developed during thematic analysis.

#### CHAPTER FIVE

## **Summary, Conclusion and Recommendation**

#### 5.0 Introduction

This chapter discusses recommendations aligned to the findings of the research. Recommendations for future research and what EAC organs and institutions should do to enhance the role of leadership at different levels in EAC for better organisational outcomes. The chapter further discusses conclusions arising from the study and implications the study has both to academia, community and organisations.

## **5.1 Implications of Research Study**

Evaluating leadership, strategic capability and their influence on performance on performance of an organisation brought to light many important aspects that past researchers had ignored overtime. Although leadership is viewed in terms of leaders influence on followers, this study reveals that leadership is not limited to influencing followers but being able to utilise different resources and competencies to accomplish a given task. The implication of this therefore is that leadership as a concept has been narrowly defined and has to be broadened to incorporate leader's ability to effectively deploy available resources and competencies to deliver desired outcomes.

The study further reveals that leaders are not solely responsible for performance of an organisation. Understanding the entire organisational environment makes one to appreciate a number of factors that performance of an organisation. Viewing performance of an organisation from a leadership perspective is therefore misleading. Concerned stakeholders have therefore to consider the organisational operating environment to ably ascertain why organisations perform the way they do.

The study further enhances the understanding of how leadership interfaces with different organisational resources to improve performance. Leadership empowerment has been identified as key ingredient for organisational success. Having flexibility to deploy organisational resources in key but not enough to guarantee good performance but being able to align resources with set objectives help an organisation to deliver to the expectations of the stakeholders. Organisations therefore stand to benefit a great deal by empowering their leaders and also ensuring accountability of resources availed to them.

Although this study has established a number of organisational factors that influence leadership performance, not all of them are applicable to all organisations. Leaders should therefore identify which factors work for best and focus on them for better returns.

The introduction of strategic capability as mediating the relationship between leadership and performance opens new window of research to understand why some organisations fail while others succeed even when they have all the resources required to perform. The revelation that strategic capability influences performance more than leadership its self raises more interest more especially in the current business environment where leaders are not performing to the expectations of stakeholders.

## 5.1.1 The Role of Leadership in Achieving the Desired Performance of EAC

Analysis of outcomes reiterated the importance of the study and confirmed the presumed problem that needed attention for continued existence and competitiveness of EAC organs and institutions. Although existing literature provided important insights on the study subject, it was not sufficient to explain the root cause of leader's inability to cause the necessary change needed by stakeholders.

The first objective of the study looked at what leaders do to meet performance targets in EAC organs and institutions. The study employed different research techniques to establish what role leader's play in achieving organizational performance including review of literature relating to leadership and performance as discussed in chapter two. Every organization has a leader/s who plays a crucial role in directing the organization towards achievement of set goals. It was established that EAC organs and institutions have leaders at different levels playing different roles aimed at achieving set objectives as discussed in chapter 4. Although the roles of a leader are clear at any level, the structure of EAC distributes these roles in a way that hinder smooth functionality at some levels. Ahmetoglu et al. (2020) contends that good structures facilitate achievement of results while bad ones stifle achievement of set results. Whereas this research established that leadership at EAC takes place mainly at four different levels i.e. Summit, Council, Executive and directorate, the Treaty establishing the EAC provides for the roles of the Summit, Council and Executives only which leaves directors with no legal basis to perform some roles as leaders. Executives as much as their roles are prescribed in Treaty provisions and associated protocols, the freedom to exercise these roles remain limited as they have to seek Council approval more especially on matters of policy and resource allocation. This in a way constrains smooth functioning of executives as they cannot make quick decisions that go with work demands.

It is very surprising that even on matters of recruitment and renewal of contracts, the secretary general has to seek approval to recruit positions where budget has been approved and is legally empowered to recruit. On matters of budget execution, executives however much are referred to as accounting officers do not determine how much to spend and where to spend. It is only the Council that approves budget ceilings for different activities. Similarly, at the directorate level,

the story is not different. Although Okhuysen and Eisenhardt (2002) observed that organizations should have flexible structures for quick decision making, the situation is actually worse since directors in EAC organs and institutions have to seek guidance and approval from executives who in practice have no powers to decide what needs to be done.

The role of Council as prescribed by Treaty and other guiding policies at EAC is very broad to the extent that even operational issues are deemed to be handled by Council. For example, Council gives policy guidance and allocates different resources to facilitate EAC organs and institutions operations which are a good approach but the challenge however is that Council is presumed to have taken over the role of managers where the operational issues are also brought to Council for consideration. Although it is a good practice to have higher level decisions taken by such top decision making organ, operational issues that emanate from day to day functioning of the organization should be handled by lower level leaders. Xifang and Jiang (2018) noted that, the leader's ability to determine and deploy organizational resources positively influence performance a fact that EAC leadership needs to adhere to.

In accordance with Ahmetoglu et al. (2020) observations, the structure of EAC organs and institutions is responsible for existing rigidities that stifle work processes that pose a risk of failure in situations where some actions that need to be taken quickly fail due to the need for Council approval that does not always come in time. Based on the above observations EAC organs and institutions are in a dare need of decentralizing the decision making processes to facilitate work engagements. Although research findings indicate that leaders positively influence organizational performance which confirms existing literature, it highlights gaps that hinder leaders from effectively executing their duties more especially at lower levels. MacIntosh and MacLean (2001) proposes restructuring organizations to provide for more flexibility but

define limits within which such flexibility should be exercised. In that regard, Council of ministers should cede some powers to lower level leadership but maintains the overall supervisory mandate to keep in check what happens across EAC organs and institutions. By empowering executive and lower level leaders to reasonable deploy available resources as and when need arises; the organs and institutions will be able function smoothly and respond to effects of changes in environment in timely and efficient manner.

The study further established that the influence of leadership on organizational performance is enhanced when it is mediated by strategic capabilities. In the previous chapter, strategic capability is defined as the ability by an organisation to effectively deploy its resources and competencies endowed by an organization to meet its performance demands (Barney, 1991). In the context of research findings, since performance of leaders is enhanced by strategically exploiting resources and competencies within an organization, it remains a dream in an environment like the one of the EAC organs and institutions where leaders more especially at executive and directorate level lack power and authority to deploy resources.

Achieving enhanced performance derived from proper deployment of available strategic resource is difficult with a structure that is so bureaucratic and protective. Although no study had been undertaken to specifically establish the linkage between leadership and organizational capabilities, findings of Parnell (2018) point to the fact that proper resource deployment enhances organizational performance. Aware that resources cannot deploy themselves, the role of the leader is key in the understanding of the organisation's performance. The mediation role played by organizational resources to enhance leadership performance was ascertained and should be given attention in any organisational setting. Further still, previous leadership studies looked at the role of the leader as an influencer of followers to achieve organizational outcomes.

Basing on that understanding and considering the fact that human resources are part of resources needed by an organization to function, denying leaders powers to deploy resources is like making a leader to lead an organization without resources.

In terms of contribution to literature, this research has established that other organisational resources supplement leadership attributes and behaviours to influence organisational performance. Leaders should therefore embrace and exploit organisational factors that make it possible for them to perform better. Establishing other organisational factors that enhances leadership performance is a new addition to leadership literature that has been mainly concentrating on leadership attributes and behaviours used by leaders to influence followers.

## 5.1.2 The Role of Leadership in Deploying Organizational Capabilities of EAC

The second objective considered the role played by leaders in utilizing resources in EAC organs and institutions. Whereas most researches focused on leadership approaches and their effect on performance, they mostly looked at leadership attributes and how they affect organizational outcomes. Consequently, different leadership approaches have been associated with good performance but little information exists elaborating how leaders deploy different resources of an organization to influence performance. It is of no doubt therefore that leaders are not solely responsible for performance of an organization but rather part of wider organizational factors that influence performance outcomes.

Nils (2016) observed that proper deployment and utilization of organizational resources leads to good performance outcomes pointing to the fact that leaders being managers in organizations are charged with a responsibility to effectively put into use resources and competencies available in the organization to achieve performance requirements of an organisation.

This study revealed that in organizations where; leaders recognizes performance, treat individuals according to their performance requirements, help subordinates to learn and improve, communicate rewards with clarity, are good role models, reward performance, have confidence and exercise power and responsibility and reprimand failures are able to direct organizational capabilities to achieve; high level of efficiency, practical solutions, value for money, effective Communication, credibility, skills development, readily accessible cervices and Knowledge management. Although these findings look exciting more especially in organizations where structures allow leaders to freely deploy available resources for operations, the current establishment in EAC organs and institutions where decision making and resource allocation is a preserve of Council does not allow such promising results to be achieved.

Leadership attributes identified by this study point to transformational and transactional leadership approaches which confirms the appropriateness of the theoretical approach used. The study established that leaders in EAC organs and institutions employ both transformational and transactional leadership styles although transformational approach is mostly used. Whereas leadership theory by Bass argues that leaders to exercise freedom in deploying resources to areas that give better returns to the organization, the practice in EAC organs and institutions is different since decision making is a preserve of Council that should be consulted before important actions are taken. ''One respondent observed that leaders in EAC organs and institutions only carry titles with no authority to take even the simple decision. An executive stated that EAC is like a multipurpose vehicle established to undertake different tasks but leaders who are supposed to champion implementation of activities lack authority and power to deliver on their different mandates''.

The inability by executives and directors to freely deploy organizational resources makes implementation of different Programmes and projects difficult. In the previous section, it was stated that decision making is a preserve of Council mainly for policy and financial matters which puts lower level leaders in a fix more especially in areas that require quick decisions yet they have to await for Council approval. This prolongs the time within which services are delivered to stakeholders contrary to observations of Meesala (2018) that quick response to customers' demands positively influence their satisfaction. Although EAC organs and institutions do not compete with any organization for customers, the quality of services offered should be of high quality and delivered timely.

In terms of contribution to literature, this study has established that leaders need to strategically deploy available resources and competencies to create more value to the organization. It was further established that leadership performance increases when resources and competencies are strategic capability deployed in areas where value is added in an organisation. The mediating role of strategic capability was found to strengthen performance of leaders in an organization. The study opened doors to those interested in understanding more on how leadership interfaces with different organizational resources to improve performance of the organization. Although some studies such as Nwachukwu et al. (2019) hinted on the key role human resources play in deploying other resources of the organization, it did not bring out specific roles played by leaders in influencing performance outcomes. This study therefore established that leadership positively relates with organizational capabilities and their combined influence to performance is more compared to the influence of leadership to performance independently. Although Karia et al (2019) tried to explain how leadership attributes influence performance, little attention was given to organizational resources which help the leader to perform. This study therefore presents an

opportunity for future researchers to identify key organizational resources and competencies that leaders should focus on to improve performance of an organization.

# **5.1.3** Determinants of Effective Leadership from EAC's Organizational Performance Attainment Perspective

The third objective established what makes a leader perform to the expectations of the stakeholders. Although the first objective helped to determine the relationship between leadership and performance, the third objective identified the determinants of effective leadership. Although it was established that; recognizing performance, treating individuals according to their performance requirements, helping subordinates to learn and improve, communicating rewards with clarity, being good role models, rewarding performance, being confident and exercising power and responsibility and reprimanding failures, joint coordination of organisational programs, maintaining steady performance, planning based on results, delivering needs of stakeholder, high-level of accountability and effective evaluation mechanisms are factors that determine effectiveness of a leader were found to be factors that help leaders influence performance positively in an organization, the environment must be favourable for this to happen. "One executive revealed that leaders can never be effective in all areas of operations since they cannot have sufficient knowledge on all organizational activities. He emphasized the need to have a think tank of different professionals who are supposed to think and guide management on the best approaches to use when it comes to organizational management and running".

This research therefore opens doors to other researchers to study organizational factors and processes that leaders can acquaint themselves with to improve their leadership potential.

In terms of contribution to literature, this study has added six organizational factors to the already established personality and behavioural factors identified by Bass (1985) which future researchers can explore to confirm or refute based on the known theory building approaches. It is exciting that this study has tried to identify organizational factors which current and future leaders can interest them in to become better leaders.

## 5.1.4 The Role of Organizational Capabilities in Influencing the Organizational Performance of EAC

The last objective examined roles played by resources and competencies in influencing performance. The impact of organizational capabilities was slightly elaborated on in the previous objective but what is intriguing is that the least thought about factor when it comes to studies of leadership and organizational performance has proved to cause better performance outcomes than leadership itself. The study revealed that organizational capabilities positively influence organizational outcomes.

Having established that organizational capabilities greatly influence performance in EAC organs and institutions, it is the duty of leaders to use the available resource to better their organizational performance. ''One respondent observed that EAC organs and institutions have required resources in terms of excellent human capital and even the budget required to perform different activities but the challenge has always been an ineffective structure that does not allow the available human resources to perform to their full potential''. Considering observations of Gannon and Boguszak (2013) that human resources can determine failure or success of an organization, EAC organs and institutions performance would actually be at its peak if the available human resources were adequately facilitated and deployed. In fact this study established that performance of leaders is greatly improved when organizational capabilities are brought into play in their endeavours to achieve the desired performance. Having identified that

EAC organs and institutions have capable human resources, their strategic deployment would be of great help when it comes to improving performance in EAC organs and institutions. It's not surprising that organizational capabilities have been found to greatly influence organizational performance since previous researchers such as Taylor (1998) had already indicated that resource are key ingredients in achieving organizational objectives. Barney (1991) noted that organizations with superior resources are able to achieve better performance than their rivals but what has not been clear in literature is how these resources are used by organizations that bring about better performance to the organisation.

This study therefore brings to light how organizational resources can be deployed to effectively deliver the required performance. Related to observations of Parnell (2018), it is the duty of EAC organs and institutions and other organizations of different sizes to acknowledge the fact that organizational resources are not enough to cause the desired performance but how well resources and competencies are deployed determines the achievement of the goals and objectives of an organisation. The study actually established that leaders perform better when they interact well with different organizational resources in their attempt to meet stakeholder expectations.

In terms of contribution to literature, this study has made two key findings. Strategic capability greatly influences performance of an organization to the extent that it influences performance more than leadership itself. What sets a side this research is its ability to establish and explain how different organizational capabilities lead to improved performance of an organization. Previous researches about organizational resources and performance can therefore be updated by qualifying them to include the exact roles played by different resources to influence performance of an organization. In summary, this study has capacity to influence how organizations are run for better performance.

#### 5.2: Recommendations for Application

The study was undertaken to establish whether there exist a relationship between leadership and strategic capability and how they influence performance. A number of recommendations resulting from study findings have been made.

Restructuring of EAC organs and institutions: The study observed a structural problem originating from the Treaty for the establishment of the EAC that make decision making so bureaucratic to the extent that leaders who are charged with a duty to implement different projects and programs cannot freely deploy resources to the benefit of EAC citizens in line with Peter (1999) observations that organisations need to align their structures with the strategy for efficient operations. The performance of EAC organs and institutions is not expected to improve unless drastic measures are taken to address structural issues that make implementation of programs and projects difficult.

The new forms of organising that puts into consideration the traditional forms of organising and linear methods to organizing seem to be a better bet for today's organisations (Sanchez and Pettigrew, 2003). EAC organs and institutions implements traditional structures based on supposition that orderly organizational functioning reduces tension and uncertainty. Although this model theoretically works, the current business environment require flexible structures where self-organized behaviours that promote innovation can flourish (Aaron et al., 2006). It is therefore upon EAC leadership and any other organization of similar set up to adjust their structures to provide for some level of flexibility to respond to the needs of today's ever changing work demands. EAC organs and institutions structures in their current form mainly top leadership cannot deliver the integration agenda. Whereas top leadership provides direction to the technical team, having a team that cannot make key decisions that affect implementation of

projects drags integration process. EAC employees at every level should be in a position to react to different work demands innovatively provided they remain within the confines of operating procedures. Brodbeck (2002) urges organizations to try and align their structures to accommodate demands of ever changing work environment if they are to swiftly react to changes as and when they occur.

Review of EAC policies. Reviewing of policies to provide for flexibility that guide operations in EAC organ and institution as well as facilitate program implementation is important. The study established that the policy making organ which is at the same time responsible for making all policy and financial decisions does not operate on full time basis but EAC organs and institutions that are expected to drive integration process lack powers and authority to make decisions that facilitate their work. It is prudent therefore that EAC organs and institutions top leadership considers reviewing existing policies to provide for flexibility and empowering lower level leaders to make decisions that facilitate implementation of activities. This will improve service delivery as observed by Meesala (2018) that the timeliness in delivery of services to those who need them determine their level of satisfaction which is likely to be hampered considering that decisions and directives of the Council that facilitate implementation of EAC organs and institutions projects and programs but the ad-hoc nature of Council affects decision making process that make it difficult for lower level units responsible for service provision to operate and timely deliver services to its stakeholders.

Leadership empowerment. EAC top leadership to consider empowering lower level leaders to make decisions that facilitate implementation of activities in line with Jayawardena et al. (2019) observations those routine and operational decisions should be made by lower level leaders for an organization to function smoothly. Centrally to the practice at the EAC organs and

institutions, anything that is likely to commit financial resources has to be taken to Council for consideration and approval before anything else is done. This bureaucracy wastes time, resources and technically make those with duty to run organization powerless. EAC organs and institutions and any other organization of similar structure and arrangement need to look into their decision making processes and delegate decision making powers that affect operations to lower level managers. Right from the statement of the problem to the results of the study, lack of power and authority by lower level leaders in EAC organs and institutions has been identified as a major hindrance in deploying resources and competencies to achieve the EAC objectives.

Carson and King (2005) observed that empowering staff to be able to perform freely creates an environment suitable for innovative practices that positively impact performance. As noted earlier, lack of empowerment more especially for lower level leaders originates from the Treaty which gives powers to the Council that would have ordinarily been left to lower level leaders for effective operations. For example, after Council has approved budgets for different organs and institutions, its duty would be overall supervision and demanding accountability from different responsibility centres as per Marshall (2002) observations. However the Council mingles itself in operations to the extent that they have to approve which activities takes place and when even after they have approved budget with its activities. This creates unnecessary bureaucracy in implementation of activities with little or no value addition to the organs and institutions of the Community.

Amending the EAC Treaty. EAC top leadership should consider amending the Treaty where necessary or by means of decision making to devolve some powers to lower level organs for effective implementation of projects and programs and only Council retains strategic decision making function. Leadership at different levels should thus be tasked to disclose how resources

given to them are spent to facilitate achievement of EAC mandate. This arrangement allows Council time to concentrate on a few strategic issues since they operate on ad-hoc nature which increases operational flexibility for EAC organs and institutions. Botosan (2005) observed that, such disclosure mechanisms save costs while improving on efficiency of organizations.

Reviewing EAC planning processes. Although EAC organs and institutions planning process were praised in the previous chapter, organizations of that nature might not benefit from a planning process mostly driven by implementing units. Maleka (2014) noted the tendency by implementing units to plan what they want to implement and not necessarily what is likely to take the organization to the next level. It is of no doubt that EAC organs and institutions employ competent people but when it comes to issues that define how the organization moves towards achieving a given agenda, there is a need to have a dedicated highly competent team to have such plans in place. He further opined that failure by senior management team to have enough time to direct planning processes affect the outcomes. In comparison to EAC member states, they have national planning bodies that look at how their governments have been progressing and where focus should be put for them to achieve their set targets. EAC organs and institutions should take a similar approach and institute a body of highly qualified individuals in different disciplines solely responsible for research and setting agenda for the EAC in addition to advising different implementing agencies on how to take on different aspects of EAC integration.

Establishing an independent body to take charge of EAC planning or strengthening the current planning department with multi-sectoral team to take charge of planning will create harmony and proper coordination of activities in addition to implementing activities that create more value to the Community.

Timely disbursement of resources. The study findings further pointed to delays in funds disbursement to implement planned activities which affect overall performance. Odongo and Datche (2015) observed that effective budgeting helps in translating plans into projects and Programmes that deliver required services to the Community. It is however important to note that effective budgeting does not only means having quality budgets in place but also implementations of budgeted activities according to the plan which is not always the case with EAC organs and institutions.

Identification of critical resources. Leaders at EAC should therefore identify resources critical to their organization's functioning and prioritize their deployment to achieve their desired results. Related to observations of Raymond (2003) having established that EAC organs and institutions are endowed with variety of resources ranging from high calibre human resources to financial and other non-financial resources, the ability of leaders at various levels to freely deploy these resources to areas where they are most suitable to positively impact their performance is still lacking. The current structure of EAC organs and institutions make it difficult for leaders at lower levels to freely allocate resources. Such bureaucracies should be removed to allow lower level leaders some autonomy and flexibility to deploy resources in areas that bring best returns to EAC organs and institutions.

In summary, research findings revealed different areas of concern where EAC organs and institutions and other organizations of different sizes can work towards streamlining their operations. It was observed that empowerment of leaders at every level and providing required resources both human and financial should be emphasized. Every organization desires for better performance so addressing organizational issues that hamper performance is a step in the right direction.

### **5.3: Recommendations for Future Research**

The research study examined interactions between leadership and strategic capability and how they impact on performance of EAC organs and institutions. Having examined leadership theory by Bass (1985) and other researchers in the areas of leadership and performance such as Avolio and Bass (2004) and Sinha and Kumar (2016) the simple conclusion was that most researchers focused on the impact of leadership traits on follower behaviour. Park and Kim (2015) intimated that there are myriad factors that affect performance as result of changes in business environment. Having observed that most researches addressed leader's personal characteristics and how such characteristics help them influence followers to perform, this research focused on how leaders interact with other organizational resources to provide an understanding of why some leaders perform differently despite possession of leadership attributes that are normally considered key for effective leadership.

The following recommendations can provide a basis for future research.

Incorporating strategic capability in leadership and performance equation. To shed more light on environment required to improve performance in organizations, it was observed that influencing follower's behaviours was not enough since there are many other factors that determine performance outcomes. For example, as result of good leadership, followers might adopt behaviours that are organizational resulting into good performance but changes in environment require that such loyal employees adopt to new technologies to positively respond to changes. Follower behaviours that are organizational are therefore a good foundation upon which other initiatives aimed at sustaining good performance in an organization can be based.

As already pointed out, different studies have established the relationship between leadership and performance based on personal attributes and how they influence followers but little information

has been availed on how follower behaviours impact performance (Sinha et al., 2016). In real world, there seem to be an agreement that no single leadership approach works for all organizations. Douglas McGregor's Theory X and Y are two theories analysing human behaviour towards work that are applicable in today's work environment but opposing each other. The implication of the two theories being applicable but requiring different approaches point to the fact that organizations are complex and there is no uniform formulae for managing organizations for effective results. Although studies on organizational behaviour try to identify actions that are counterproductive and those that are organizational, one would say that the management approach used by organizational leaders influence the kind of behaviours individuals within the organization are likely to exhibit and how such behaviour affects performance. Understanding leadership therefore from an angle of influencing followers to deliver organizational results raises a question of whether all organizational behaviours are productive. Notwithstanding Bass (1985) observations on the importance of leaders in satisfying the needs of followers, Maslow's hierarchy of needs shows that human needs are insatiable. However much leaders try to put into consideration needs of followers, they reach a point where their needs cannot be satisfied by the organization. Since organizations exist to serve a particular purpose, there is need to balance the needs of followers and those of the organization. Current studies in organizational development (OD) talk of deliberate efforts that put human resources at the centre of organization building, but organizations should be able to perform better in order to support such efforts that caters for the wellbeing of employees.

Leadership should therefore concern itself with performance to empower the organization to provide for the needs of its workers. Previous researches fell short of measuring organizational performance in relation to leadership roles towards influencing follower's behaviours. Related to

Sethibe (2016) little information if any exists about performance parameters arising out of leadership roles in organizations. This explains why some studies on leadership and performance show opposing levels of influence among different leadership approaches which presents a challenge when it comes to generalization of results to different organizations.

This study being focused on the EAC organs and institutions tried to establish some of the reasons why leaders do not perform to expectations of stakeholders despite being availed with most of the resources required to perform. This addressed observations of Hartnell et al. (2016) that little information exist about leadership effectiveness in organizations. Relatedly, Park and Kim (2015) observed that despite existing large pool of literature on leadership and performance little was being said about what leaders needed to better their performance.

The results of the study were clear that strategic capability greatly influence performance of an organization and in fact aids performance of a leader which confirms earlier observations that performance of an organization cannot be understood by simply looking at the leadership attributes that most previous researchers focused on. Future researches should therefore focus more on integrating strategic capability in leadership models to predict performance of an organization.

Validation of the proposed resource driven leadership model. The study confirmed the conceptual framework proposed for this study and proposed a model that can be developed further to come up with a leadership model capable of turning around performance of different entities. The proposed model is summarized in the resource driven leadership model in figure 4.9.

Moderate influence (0.324)

Leadership
Transformational
Transactional

Moderate Influence (0.308)

High influence (0.632)

Organisational
Performance
Financial
None- financial
High influence (0.674)

Figure 4.9: Resource Driven Leadership Model

Source: Field data

The resource driven leadership model above tries to explain how organizational performance can be achieved when leaders interacts with different resources to achieve set targets. The model present's a moderate influence (0.324) that leadership has on performance and a high influence (0.632 when leadership interacts with strategic capability to influence performance. The model further shows high influence (0.674) on performance when resources and competencies are strategically aligned with organizational objectives. The model is in line with study findings that showed higher influence on performance when leadership and strategic capability are combined. The study further revealed a little known secret that strategic capability even from its mediating position influence performance much more than leadership as presented in the previous chapter. However, it's important to note that this model looks at leadership from the perspective of transformational and transactional leadership only yet they are other leadership approaches that have been found to influence follower performance positively. Although theories such as; trait theory, leader member exchange theory, great man theory, situational theory, economic theory, behavioural theories and other classical theories were found to have attributes of transformational and transactional leadership approaches does not entirely mean that all their assumptions are addressed by the two theories studied. Future researchers should therefore consider expanding the scope of leadership in their endeavour to expound and improve on the leadership model proposed in this research.

Further, researchers looking at providing solutions to social problems in different fields should consider qualitative data collection means for main data collection and where possible supplement it by quantitative data. Related to Alexander (2002) observations, quantitative data is easier to collect and analyse to test hypothesis but it does not tell the exact feelings of people about a given research phenomenon. This study employed a mixed methods research design in line with Bromwich and Scapens (2016) observations to understand the extent to which leadership, strategic capability relates with performance of an organization but data analysis on all study objectives was done separately and therefore could not be reported on simultaneously. This resulted into reporting by analysis method used instead of having a one single output for the results and discussed as such. For example quantitative data was analysed to establish different relationships that existed between variables but qualitative data was only captured as narratives providing explanations on different study phenomena's. Although Trochim (2002) noted that every research is prone to errors, future researchers should consider using research methods that put into consideration both aspects and also provide for a single analytical method for combined outputs. This will reduce on errors that are likely to arise as result of having two data sets about the same phenomenon but being reported differently.

Future research should consider both internal and external stakeholders for researches measuring performance of an entity. The study population considered by this research was adequate but when you look at stakeholders as both internal and external, it points to the fact that the study population lacked a particular group that was key for this research. Although this study

considered the entire population of the EAC organs and institutions staff which is commendable, Onwuegbuzie et al. (2017) held that a sample that is all inclusive yields better results. Considering the fact that EAC organs and institutions stakeholders are both staff and EAC citizens, it is obvious that a big category of respondents was left out which has an impact on generalisation of results. This is attributed to the fact that examining organization's performance without putting into consideration views of beneficiaries was an oversight which future researches should focus on. Future researches should consider involving external stakeholders and include their views in similar studies to better understand roles played by leaders in EAC organs and institutions in influencing performance. Defining performance from the perspective of service providers without getting information from service consumers was an oversight that future researches should address.

The study involved three variables where leadership was independent variable, strategic capability as mediating variable and performance as dependent variable. The study established that these variables positively relate to each other but most importantly strategic capability plays a strong mediating role in influencing performance of EAC organs and institutions. Strategic capability influenced performance even from its mediating role which should raise interest for future researchers to establish whether such high influence can be felt when deployed as an independent variable.

More research is necessary to build on what this study has established to come up with clear guide on how leaders should interact with different resources to give better outcomes. This could actually help future leaders in determining expenditures of the organization basing on available critical resources and competencies mainly where they are sure will yield into better results. This

however does not take away the uniqueness of organizations and their unique resource requirements.

In summary, this study has demonstrated its ability to contribute to literature and has at the same time given insights that can help in solving performance challenges that today's organizations are experiencing.

### **5.4 Limitations**

Data collection was done at a time Covid-19 pandemic was gaining momentum in most EAC countries. This affected free movement more especially to the researcher who had to go to different EAC institutions in Uganda, Kenya, Tanzania, Rwanda and Burundi. This limitation further affected the response rate since getting back questionnaires from staff who had travelled and got locked up before returning to their stations was a challenge. Although this challenge significantly affected the response rate for the population that responded to questionnaire research protocol, those who were covered under interview research protocol were reached on telephone and interviews conducted. This resulted into a response rate of 75% which was significant.

## **5.5: Conclusions of Research Study**

The study was undertaken with a view of establishing whether there exist a link between leadership, organisational resources and competencies and how they interact to influence performance of an organization. The study employed a descriptive and explanatory research design to establish the existing relationships and also provide explanations behind those relationships. All alternative hypotheses were accepted and null rejected. The study was conceptualized after a careful and consistent observation of performance related challenges most

organizations were experiencing, leaders of those organizations were highly qualified and competent although their performance could not reflect their high level qualifications and experience.

The study by Sinha et al. (2016) further observed the consistency in leadership studies identifying leadership attributes that influence follower behaviours to perform without detailing how such behaviours lead to improved performance. He consequently recommended for an indepth study on how different leadership attributes affect performance of an organization. This study has partly responded to his recommendations by employing strategic capability to mediate leadership and performance. This helped in establishing how different leadership approaches, styles and attributes help to interact with different resources in an organisation to achieve set objectives.

The study has to some extent responded to gaps in literature by pinpointing the exact reasons as to why leaders in different organizations both public and private continue to sluggishly perform to stakeholder expectations despite efforts by owners to provide required resources.

It was further established that indeed leadership and strategic capability positively influence performance of an organization. This however requires an environment that allows leaders at all levels in an organisation to freely deploy resources in critical areas within the framework of the organisation.

Even though the methodology used was in line with Creswell and Plano Clark (2011) to articulate different elements of the study, analysis of data presented some challenges as data collected from survey questionnaires could not be analysed together with interview data. The two data sets could not be seamlessly analysed since it required different analysis methods. This resulted into separate presentation of findings yet the use of mixed methods research is primarily

for bridging gaps from one data collection method to give better and complete results which in this case could not be fully synchronized in early stages of data presentation. In future, statisticians should interest themselves in finding an analysis tool that synchronizes qualitative and quantitative data sets and analyses it as one unit to avoid multiple errors related with interpreting different results.

It is not surprising that despite the voluminous data available about leadership types, styles, attributes and roles, it has been observed that much of the literature surrounds leaders influence on follower's behaviour and little if any is said about organizational factors that help both a leader and followers to perform (Sinha et al., 2016). Although leaders play an important role in influencing follower's performance, there is need for a wide range of resources required to achieve organizations outcomes. Understanding the leader's role therefore in deploying resources that act as a vehicle towards the desired performance should not be left unmentioned when it comes to understanding the role of a leader in influencing performance of an organization.

Imploring future researchers to undertake further studies to establish how different leadership behaviours affect performance of an organization while paying attention to other organizational factors that influence leadership performance. Future leadership studies should therefore as much as possible try to incorporate the element of resources and their utilization in understanding the contribution of leadership to organizational performance.

The study brought to light that although there are many leadership styles and attributes available for leaders to use, not all of them are suitable for their organizations. Probably this partly explains why there are varying results in studies earlier pointed out in chapter one which makes generalization of findings difficult. Leaders should therefore depending on nature of their

organizations try to figure out what best suits their organizations rather than selecting leadership styles based on what researchers say is better or what other organizations say works for them. For example Northouse (2016) observed that organizations that are highly technical can do well with transformational leadership style and the same might not do well with unskilled workforce. Even within a particular leadership style, not all attributes prescribed are relevant to every organization. Different situations therefore call for different approaches and leaders must be aware of that fact and change whenever need arises.

The role played by leaders in allocating different organization's resources is critical for the success of any business. Although Rehfuess et al. (2009) emphasized the role of leaders in deploying organizational resource and the same is a common perception that leaders in all organizations have power and authority to deploy organizational resources. This study established that not all leaders more especially the ones in EAC organs and institutions and probably those in other organizations with similar establishment have liberty to freely deploy organizational resources.

The study further established that leader's performance is enhanced when it is mediated with strategic capabilities. Findings of this research confirm Nwachukwu et al. (2019) observations that strategic deployment of resources influences organization's productivity and competitiveness. Aware that strategic capabilities are defined in terms of abilities gained as result of effective deployment of resources and competencies endowed by an organization to meet set objectives, Barney (1991) pointed out that the leader's ability to deploy them where they are most suitable is key in influencing performance of an organization.

In today's volatile environment where swift actions are needed to react to changes, the leader's role and ability to deploy resources is critical (Park and Kim, 2015). Leaders need to understand

that leadership is not only about influencing followers but to put all organizations resources in areas that create value to the organization.

The determinants of effective leadership are both leader's personal characteristics and organisational factors. Literature on leadership has tried to establish qualities of a good leader but little research has been done to establish what makes leaders with those qualities to deliver to expectations of stakeholders (Hartnell, et al., 2016). The therefore identified organizational factors and processes that make it possible for a leader to be effective. For example the study identified; joint coordination, overall performance, results based planning, stakeholder driven approach, high-level of accountability, effective evaluation mechanisms and stable political environment as some of other factors that can influence effectiveness of a leader. Identification of organisational factors that affect leadership performance enhances leader's traits to overcome performance challenges that most organisations have been experiencing.

Sinha et al. (2016) observed that exhibiting traits suitable for leadership is important but does not necessarily determine ones effectiveness. One would therefore conclude that other organizational processes and systems as established by this research compliment different leadership attributes identified by previous researcher to become an effective leader.

This research further revealed that organizational resources and competences aid a leader to perform better. However, the challenge is the existence of structures that make it difficult for leaders at all levels to deploy different resources to areas that give better outcomes. The research identified different capabilities that makes it possible for organizations to; satisfy their stakeholders, deliver services timely, improve on service delivery, offer quality services, induce stakeholders to provide required financial resources and budget are always available to execute

activities. It is evident that even though the above organizational outcomes are not conclusive, they point to good performance.

Although this study started before the outbreak of Covid-19 pandemic, the large part of the study was undertaken during and post Covid-19 lockdown phases. Before the pandemic, leadership practices involved physical engagements between the leader and followers through meetings, team building activities and other physical interactions to ensure that followers get to know what the organisations stands for and what needs to be done to achieve set objectives. This was the normal practice world over but this changed as soon as Covid-19 preventive measures came in. During the early stages of Covid-19 pandemic, most countries were under lockdown and organisations temporarily closed. Physical encounters between workers and their leaders literally stopped. This made it difficult for leaders employing traditional means of physically administering their leadership functions.

Most organisations had not experienced such kind of phenomenon and did not know how to keep their organisations functional in such challenging times where focus changed from meeting set targets to saving one's life. No policies were in place in most organisations to guide work processes when employees are not physically present at their stations. This presented new realities in organisational management posing a very big challenge to leaders trying to find ways and means of remaining functional. A few institutions including the EAC organs and institutions remained operational but with minimal staff on station as majority had been locked down in their homes due to travel restrictions that hindered their movements to their offices.

During the post-lockdown phase, organisations seem to have accepted the new realities of work engagements as they are not sure of when Covid-19 will come to an end or whether a similar situation will not return. Organisations are reviewing and developing policies and guidelines on

how to handle such instances should they occur again. Leveraging on existing information communication technology to ensure that work goes on even when staff are out of station has helped a great deal even when the cost of internet in most African countries is still alarming. Organisations are slowly but steadily adopting to the new trend where virtual engagements have become more common than ever before. It is the duty of leaders to appreciate these new realities and invest significantly in ICT systems to support work processes since it has proved to be a key ingredient in organisations functioning.

# **5.6 Summary**

The relationship between leadership and performance was found to be stronger when mediated by strategic capability. This emphasises the role of resources and competencies in the understanding of the role played by leaders in influencing performance of an organisation.

The mixed methods research design helped in identifying leadership aspects that influenced deployment of organizational resources to foster performance. The interaction between a leader and different organisational resources and how they influence performance of EAC organs and institutions was found to be highly significant. The study findings identified gaps in EAC Treaty whose provisions concentrate powers to Council including powers that are much needed by lower level managers to function smoothly. This was found to be the main reason leaders at EAC organs and institutions find it challenging to perform to stakeholder's expectations. The study results further revealed that leaders at various levels have critical roles to play but when it came to resource deployment, the practice is different.

The EAC Treaty gives powers to the Council to make decisions regarding resource deployments leaving other leaders at organ/ institutional and departmental level with little or no power to freely allocate resources to areas most suitable to effectively deliver set objectives. In fact, earlier

findings by John (2011) point to the fact that leader's ability to exercise freedom to allocate resources help in achieving organizational outcomes. However, the practice is contrary in EAC organs and institutions where lower level leaders responsible for implementation of different activities lack powers to allocate resources. Whereas this research has established that leadership is critical for the success of an organization, the mediation of strategic capability amplified the relationship between leadership and performance and also influenced performance of an organization much more than leadership itself.

The inclusion of organizational capabilities to understand the role of leaders in influencing organizational outcomes therefore come in handy to widen the scope covered by leadership theorists that only focused on personal characteristics and behaviours to explain one's ability to lead and perform. Understanding organizational capabilities that facilitate work processes cannot be ignored while looking at organization's end products. Relying on personal abilities therefore cannot comprehensively explain one's ability to handle organizational dynamics that influence performance.

Performance outcomes cannot be authoritatively attributed to leadership since leaders work through other people who require supportive environment to deliver organizational objectives. Understanding roles played by each leader regardless of the level in resource deployment helps in building an organization that effectively deploy its resources to achieve overall objectives. Although the Treaty for establishment of EAC identifies different levels of leadership, this study established that other leadership levels not identified in the Treaty help a great deal in influencing performance of the EAC organs and institutions. Notwithstanding praises that are normally given to top leadership when it comes to organisation's good performance, such good results are a product of different organisational resources without which nothing can happen. As

such, leaders are believed to be behind organizational performance yet a lot takes place within the organisation which outsiders do not understand. Little information is available about how leader's interaction with organizational resources improves their performance requirements.

Strategic capability has therefore been found to be a great companion for leadership performance. This research established that empowering leaders to deploy resources and competences available in an organisation to areas considered critical results into; stakeholder satisfaction with organization's services, timely delivery of services, continuous improvement to better service delivery to stakeholders, consistent delivery of quality services to stakeholders, providing the required financial resources for operations and ensuring availability of sufficient budget for executing activities. To maintain this level of performance, leaders have to continuously manage existing resources and competencies in line with organizational performance demands. In accordance with McKenzie et al. (2009) observation, allowing leaders at different levels some flexibility to deploy resources and competencies greatly influence organizational performance.

In terms of recommendations for action, this research established that Identification of critical resources, timely disbursement of resources, reviewing EAC planning processes, amending the EAC Treaty, leadership empowerment, review of EAC policies and restructuring of EAC organs and institutions would help leaders in EAC organs and institutions to deploy available resources to better influence performance outcomes effectively.

In terms of recommendations for future research, it was established that incorporating strategic capability in leadership and performance equation, validation of the proposed resource driven leadership model, considering qualitative data collection means for main data collection for researches looking at providing solutions to social problems, considering both internal and

external stakeholders for researches measuring performance of an entity and confirming high influence of strategic capability on performance when deployed as an independent variable would not only provide better understanding of the influence of leadership, strategic capability on performance of an organisation.

This study was not free from limitations since data collection was done at a time Covid-19 pandemic was gaining momentum in most EAC countries hence hindering free movements by the research to different study areas.

In summary, this study achieved its set objectives with potential to cause a systemic shift on how organizations are led and also trigger researchers to revisit earlier studies on leadership and performance to incorporate elements of resources as key players in determining leader's performance. The study was worth taking in terms of knowledge creation with possibilities of affecting the concept of leadership as a whole and how it relates to organizational management.

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### **Appendices**

# Appendix 1: Self-Administered Questionnaire and Interview Guide

## SELF-ADMINISTERED QUESTIONNAIRE

This questionnaire comprises of four sections. Section one is comprised of personal data, section two gives description of your leader as you perceive him or her, section three highlights different strategic capabilities the East African Community organs and institutions (EAC) can exploit to drive its performance ambitions while section four measures the extent to which performance is measured.

You are requested to answer all questions in this questionnaire but if any item appears ambiguous or irrelevant, you are free to leave it blank. Please answer this questionnaire anonymously and I assure you that your responses will be kept with strictest confidentiality.

SECT	ION ONE: PEI	RSONAL BIO	DATA OF THE RI	ESPONDENT	
1)	Gender:	Male []	Female []		
2)	<b>Age:</b> []				
3)	Job Group:	General[]	Professional [ ]	Executive[]	
4)	Level of educa	tion: Secondar	ry Education[]	Diploma[]	Bachelor's[]
		Master's	[]	PhD [ ]	
5)	Years of service	ce at EAC: []			
6)	Number of year	ars EAC has be	en in existence: []		

# SECTION TWO: LEADERSHIP ATTRIBUTES THAT RELATE TO YOUR CURRENT/PREVIOUS LEADERS

East African Community has leaders at different levels that provide leadership in executing its mandate. Please indicate the extent to which you agree with different leadership attributes that relate to your current/previous leaders. Please tick or cross in the box against that best represent your opinion about your current/ previous leaders. Pleased indicate your level of agreement with the way he/she/they lead where, 1= Strongly disagree, 2=Disagree, 3= Neutral, 4 =Agree and 5=Strongly agree

No	Leadership attributes that relate to your current/previous leaders	1	2	3	4	5
2.1	The leader is selfless and puts ahead organizations interests					
2.2	The leader respects subordinates					
2.3	The leader has confidence and exercises power and responsibly					
2.4	The leader shares organizational values with subordinates					

2.5	The leader is a good role model				
2.6	The leader emphasizes organizational mission				
2.7	The leader preaches positivity				
2.8	The leader is confident in what he/she does				
2.9	The leader communicates effectively				
2.10	The Leader encourages subordinates to focus on important issues				
2.11	The leader evaluates expectations				
2.12	The leader consults colleagues				
2.13	The leader proposes new ideas				
2.14	The Leader suggests alternative approaches				
2.15	The leader handles each Individual in a unique way				
2.16	The leader capitalizes on subordinates' strength				
2.17	The leader helps subordinates to learn and improve				
2.18	The leader treats individuals according to their performance				
	requirements.				
2.19	The leader communicates rewards with clarity				
2.20	The leader gives support based on one's input				
2.21	The leader rewards performance				
2.22	The leader recognizes performance				
2.23	The leader monitors deviations from laid down procedures				
2.24	The leader is interested in ones mistakes				
2.25	The leader helps subordinates to fix errors				
2.26	The Leader reprimands failures				
2.27	The Leader offers guidance only when problems become serious				
2.28	The Leader takes action whenever things go wrong				
2.29	The Leader encourages new innovations				
2.30	The Leader reacts to problems when they become consistent				
2.31	The Leader actively participates in work processes				
2.32	The Leader is always available to give guidance				
2.33	The Leader makes timely decisions whenever required				
2.34	The Leader gives timely responses				

# Section Three: EAC capabilities that ensure its survival and competitiveness

East African Community organs and institutions like any other organization has capabilities that are strategic in nature that positions it to perform better even in challenging operational environment. Please indicate the extent to which different EAC capabilities ensures its survival and competitiveness. Where 5= Very high extent, 4= high extent 3= moderate extent, 2= low extent and 1 = very low extent

No.	EAC capabilities that ensure its survival and competitiveness	1	2	3	4	5
3.1	Stakeholder involvement					
3.2	Stakeholder focused					
3.3	Expert opinions to stakeholders					
3.4	Unmatched professional services					

3.5	Readily accessible cervices				
3.6	Value for money				
3.7	High level of efficiency				
3.8	Effective Communication				
3.9	Skills development				
3.10	Employee retention				
3.11	Credibility				
3.12	Practical solutions				
3.13	Networking/Partnerships				
3.14	Knowledge management				

# **Section Four: Organizational Performance**

Performance of an organization is defined basing on both financial and nonfinancial measures. Please indicate the extent to which the following statements highlight different performance indicators that relate to EAC performance drivers. Where, 1= Strongly disagree, 2=Disagree, 3= Neutral, 4 = Agree and 5=Strongly agree

No.	Financial Performance Measures	1	2	3	4	5
4.1	My organization has sufficient budget for executing activities.					
4.2	Stakeholders provide the required financial resources for operations					
4.3	EAC follows cost reduction measures to improve financial liquidity					
	existence.					
4.4	EAC's stakeholders get the required value from our services					
4.5	EAC has zero tolerance to wastages, to reduce cost					
	Non-Financial Performance Measures					
4.6	There is continuous improvement to better service delivery to					
	stakeholders.					
4.7	Stakeholders are satisfied with our services					
4.8	Work methods and process flows that improve service delivery exist.					
4.9	Time within which services are offered is commendable					
4.10	The organization experiences low staff turnover					
4.11	Employees derive satisfaction from their work.					
4.12	The organization consistently delivers Quality services to its					
	stakeholders.					
4.13	The use of information technology has greatly improved service					
	delivery.					
4.14	Employees are capable of performing to stakeholder expectations					

# **Appendix II:INTERVIEW GUIDE**

The interview schedule will guide the researcher in asking questions to the East African Community organs and institutions (EAC) executive staff and permanent secretaries from the Republic of Uganda, Kenya, Rwanda, Burundi, Tanzania and South Sudan to seek their understanding, perception and interpretation in regards to the extent if any Leadership and Strategic Capability Influence Performance of an organization. During the interview, the researcher will endeavour to probe as much as possible to get valid response from the interviewees. This interview schedule will be administered to ensure that the same questions are asked to all respondents.

#### SECTION ONE: PERSONAL BIO DATA OF THE RESPONDENT

1.	Gender:	Male [ ]	Female []

2. Age: []

**3. Job Group:** General[] Professional[] Executive[]

**4. Level of education:** Secondary Education[] Diploma[] Bachelor's[]

Master's [ ] PhD [ ]

5. Years of service at EAC: []

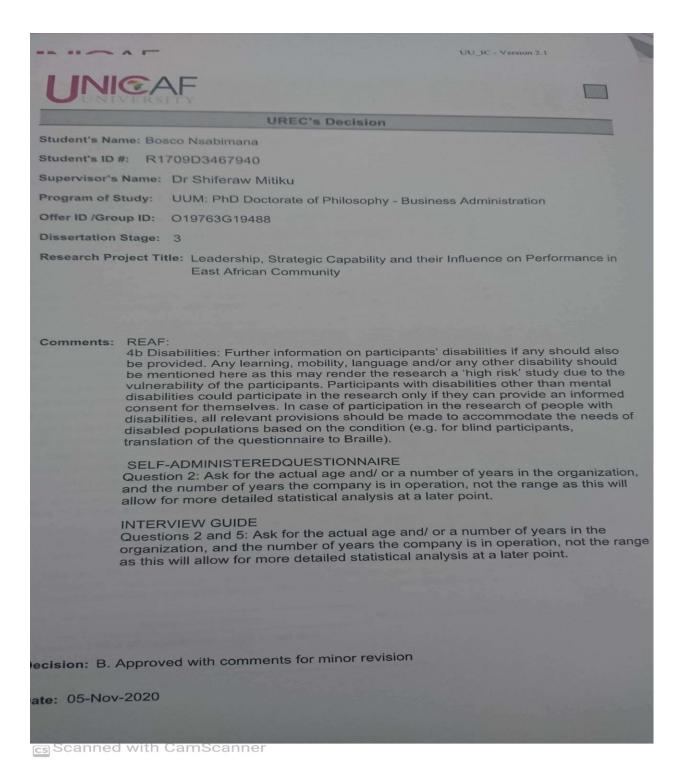
6. Number of years EAC has been in existence: []

# **SECTION TWO: INTERVIEW QUESTIONS**

- 1. In your opinion, what roles do you think leaders in EAC at different levels should play to ensure achievement of EAC desired goals?
- 2. Are leaders empowered to execute such roles and if not what should be done to empower leaders at different levels?
- 3. How has leaders at different levels been enabled to use resources at their disposal both financial and none financial to achieve the desired objectives?
- 4. What do you think are some of the challenges leaders face in executing their roles and what needs to be done to avert that?
- 5. How would you measure the effectiveness of different leaders at different levels in achieving EAC objectives?

- 6. What do you think has been the contribution of different resources at the disposal of EAC to drive its integration ambitions?
- 7. Are there other resources both financial and none financial lacking in the community but critical to its integration agenda?
- 8. What measures can be put in place to ensure that such resources are availed?

# **Appendix III: Official Approval by UREC**



# **Appendix IV: Informed Consent Form**

	Informed Consent Form
	Part 1: Debriefing of Participants
Student's N	The state of the s
	-mail Address: nsababosco@gmail.com
Student ID	11270353407540
Supervisor'	The state of the s
University (	Campus: Unicaf University Malawi (UUM)
Program of	a second of this soprily in Business Authinistration
Research P	roject Title: Leadership, Strategic Capability and their Influence on Performance in East African Community (EAC).
Provide a sexplain why 150 words).	Date: short description (purpose, aim and significance) of the research project, an and how you have chosen this person to participate in this research (maximum
organization resources to other organiz	o influence performance of the EAC. The study will identify and quantify salient all aspects by establishing leadership styles that affect deployment of organizational foster its performance. The study expected to provide insights on how the EAC and cations can empower their leaders to deploy their organizational capabilities to achieve
organization resources to other organizathe desired pattributes keywhere leader guide organiz he target polinistries res	al aspects by establishing leadership styles that affect deployment of organizational foster its performance. The study expected to provide insights on how the EAC and
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#### Informed Consent Form

#### Part 2: Certificate of Consent

#### This section is mandatory and should to be signed by the participant(s)

Student's Name: Bosco Nsabimana

Student's E-mail Address: nsababosco@gmail.com

Student ID #: R1709D3467940

Supervisor's Name: Dr.Shiferaw Mitiku

University Campus: Unicaf University Malawi (UUM)

Program of Study: Doctor of Philosophy in Business Administration

Research Project Title: Leadership, Strategic Capability and their Influence on Performance in

East African Community (EAC).

I have read the foregoing information about this study, or it has been read to me. I have had the opportunity to ask questions and discuss about it. I have received satisfactory answers to all my questions and I have received enough information about this study. I understand that I am free to withdraw from this study at any time without giving a reason for withdrawing and without negative consequences. I consent to the use of multimedia (e.g. audio recordings, video recordings) for the purposes of my participation to this study. I understand that my data will remain anonymous and confidential, unless stated otherwise. I consent voluntarily to be a participant in this study.

Participant's Print name.	
Participant's Signature:	
Date:	
If the Participant is illitera	
I have witnessed the accindividual has had an opposition consent freely.	urate reading of the consent form to the potential participant, and the ortunity to ask questions. I confirm that the aforementioned individual has
Witness's Print name:	
Witness's Signature:	
Date:	
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