

Effects of Strategic Leadership on the Performance of Africa Inland Church Theological Training Institutions in Kenya

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Abstract

In the recent past, some organizations have either collapsed or are on the verge of collapsing after they had failed to achieve their desired results. The result has been declining financial support, poor utilization of physical resources, and a culture that does not support organizational growth and development. One of the factors that has contributed to the poor performance of these organizations has been lack of strategic leaders. The aim of this study was therefore to determine the effects of strategic leadership on the performance of Africa Inland Church theological training institutions in Kenya. Data was collected using both open and closed ended questionnaires from 219 management members, employees and third year students of A.I.C theological training institutions in Kenya. The study made use of experimental research study design while respondents were sampled using multi-stage sampling technique. The study established that strategic leadership had a positive correlation with organizational performance ($R=0.242$, $p<.01$) and contributed to 5.9 percent of the performance in Africa Inland theological training institutions in Kenya

Keywords: - Strategic leadership; organizational performance; theological training institutions.

1.0 Introduction

Although organizations are started for the purpose of achieving some set objectives, this is not always the case with performance being cited as one of the challenges facing organizations today. Theological training institutions that are affiliated to Africa Inland Church have not been spared from this challenge of under-performance. Some of the areas that these theological training institutions have not performed well are in number of students joining them, lack of reward system for both students and employees, and lack of resources such declining financial support from donors besides lack of information technology facilities. This study was therefore anchored on strategic leadership in order to establish its effects on the performance of Africa Inland Church (AIC) theological training institutions in Kenya.

2.0 Background of the Study

Previous studies that had been conducted at the global, continental and local contexts had indicated that organizational performance has remained a major challenge in both secular and Christian organizations. One of the contributing factors for this under-performance has been lack of strategic leadership that previous scholars had shown to significantly contribute to the performance of organizations. For example, Alhyasat and Sharif (2018) proved that strategic leadership enhances and increases an organization's performance by developing people and social capabilities in Jordan. In the proceedings of the 10th Global Business and Social Science Research Conference held in Beijing, China, Hakimpoor (2014) reported that organizations that had strategic plans in place posted better results as compared to those that did not have. Hadrawi (2018) found strategic leadership to enhance organizational performance by influencing the social relationships and especially how employees' skills and knowledge are shared in organizations in Iraq Heavy Industry. These studies explain how the actions of top leaders in organizations contribute to their success or failure.

In the African Continent as well as in Kenya, various studies had also confirmed that strategic leadership heightens or decreases performance in organizations. In a study by Mapetere, Mavhiki, Nyamwanza, Sikomwe and Mhonde (2012), the results indicated that leaders were not fully involved in implementing the

strategies that organizations had put in place resulting in partial success of the plans. Dubilihla and Sandada (2014) found strategic leadership to possess the ability of improving performance of small businesses in South Africa. In the Kenyan context, Nzoka (2017) conducted a study on the Health Department in the Nairobi County Government to determine the effects of strategic leadership on service delivery with the results indicating that a good strategic direction with vision, mission and core values guide and enhance delivery of services to people resulting in increased efficiency of service delivery. The context of this study was AIC theological training institutions that are spread in different of Kenya.

2.0 Statement of the Problem

Although the purpose of starting organizations is for them to make profits and prosper in the businesses that they are engaged in, previous studies had shown performance as one of the major challenges facing both secular and Christian organizations such as Kenya Airways (Nderu, 2013), World Vision (Ng'ang'a, 2014) and Mumias Sugar (Ariga, 2018). From a global perspective, theological training institutions in the USA are facing performance challenges such as lack of preparation of priests in the area of effective leadership and management especially in Catholic theological schools (Magezi & Banda, 2017). Wagner (2010) mentions the use of an academic model of classical European universities as one of the reasons for the under-performance of theological training institutions. Wagner further alludes to the fact that this model equips theologians with theoretical knowledge that makes them unable to solve real life challenges affecting the people they have been trained to serve.

Arguably, the poor performance of theological training institutions is not a global phenomenon alone, with Africa not being exempt. For instance, the results of a previous study by Degbe (2015) found out that theological training institutions in Ghana had been facing a myriad of problems. Degbe further posits that the problems ranged from lack of adequate physical facilities and linkages between the concerned theological training institutions, staff members who were not qualified, lack of set standards and procedures, low funding and number of students. As Hadebe (2017) explains, the result of teaching African theologians using a curriculum that had not been contextualized besides being borrowed from the Western Countries had been graduates who were detached from their own local contexts compromising their ability to handle the challenges of the communities within which they lived.

As is also the case in Africa, the absence of properly contextualized theology in Bible seminaries has been problematic because of the critical cultural shift that must in all ways match the geographical North to South shift of global Christianity towards the African Continent as Wahl (2011) notes in a previous study. Naidoo (2013) explains how the curriculum that had been used to equip African church leaders had been found to be dominated by theological content, methods of instruction and language borrowed from the Western countries. The preceding literature from the African context confirms that theological training institutions have been facing various challenges that need quick interventions if they are to stay afloat.

3.0 Literature Review

3.1 Strategic Leadership

Since its inception, scholars who have been studying strategic leadership have been defining it differently to an extent that there is still no universally agreed upon definition about the concept. While defining strategic leadership; Hitt, Ireland and Hoskisson (2014) view it as a multifunctional construct that concerns itself with the management of people together with institutions in the process of solving problems that affect contemporary organizations known to be influenced by globalization alongside advancement of technology. From the above definition, strategic leadership can be conceptualized as the ability of a leader to have foresight of where the organization is heading and making plans on how to get there. Strategic leaders make plans and co-ordinate resources while providing a suitable environment for organizations to flourish in the businesses that they are involved in. Strategic leadership banks on planning and it is forward-looking in nature. The three aspects of strategic leadership that were considered in this study are strategic direction, organizational culture, and organizational resource portfolio.

3.1.1 Establishing Strategic Direction

The aspect of setting a strategic direction involves painting a picture of the desired future state of an organization. As Abdow (2018) alludes, setting the desired future of an organization is vital in making sure that strategies are crafted and outlined in the strategic plan to serve as a guide for an organization. Abdow cites strategic direction as a way by which leaders in organizations provide focus to the different departments and sections, communicate to their staff who eventually implement strategic plans and hence offer a control over the strategic process. Ng'ang'a (2018) explains strategic direction as involving mobilization, strategically allocating resources and providing leadership in times of innovation and change. Strategic leaders, through the aspect of strategic direction are able to visualize the future and clearly articulate it to their followers. According to Ng'ang'a (2018) and Mutia (2015), strategic leaders shape a firm's direction through the development of vision, mission, core values and objectives/goals.

3.1.2 Maintaining an Effective Organization Culture

Organizational culture has the potential of determining how successful or unsuccessful organizations will be. It portrays how things are done in such organizations (Ng'anga, 2018). Naidoo (2016) and Hoque, Aktaruzzaman and Mowla (2013) identify institutional culture as one of the most conspicuous aspects having impact in institutions of higher learning and that shapes the way an organization operates and performs. Organizational culture portrays the values that the management aim to preach and practice (Tseng, 2010). An organizational culture is revealed and communicated through symbols (Bolman & Deal, 2017) and determines how a firm's stakeholders are treated (Barney, 2012; Ivancevich, Konopake & Matteson, 2014). Organizational culture manifests itself in organizational values, policies and procedures, workplace climate, employee engagement, reward system and stakeholder engagement (Ng'ang'a, 2018).

3.1.3 Managing Organizational Resource Portfolio

An organization cannot function well without acquisition and allocation of the necessary resources for the support and production of goods. In line with this argument, Ng'ang'a (2018) broadly categorizes resources into tangible, intangible, human resource and organizational capabilities. According to Talaja (2012), tangible resources are mainly "identifiable and valuable and can be assigned some monetary value to include assets such as specialized equipment, geographical location, capital machines, land, and building" (p.53). Although resources contribute to a firm's success, they are not always readily available and especially when required by an organization. It is for this reason that Ivancevich, Konopaske and Matteson (2014) cite lack of resource support as one of the factors contributing to poor performance in organizations. Some of organizational resources are finance, human, technology, and physical resource (Ng'ang'a, 2018).

4.0 Organizational Performance

Since organizations are started for the purpose of achieving specific objectives, the measurement of their performance becomes a critical factor. According to Gusmao, Christiananta and Ellitan (2018), organizational performance is the total performance results achieved by an organization in accordance with its mission. In fact, measuring performance involves determining whether an organization's inputs can be matched with its outputs. On their part, Ivanov and Avasilcai (2014) wrote that in recent years and because of the dynamism of the environment where organizations compete, more and more organizations have developed a considerable interest for performance measurement. They add that some of the performance methods that previous researchers have used are Malcolm Baldrige model, the Performance Prism, European Foundation for Quality Management model, and the Balanced Scorecard (BSC) that this study adopted.

The BSC that has its focus of four performance perspectives was developed by Kaplan and Norton (Kaplan & Norton (2007). These perspectives are financial, customer, processes and learning and growth. According to Kairu, Wafula, Okaka and Akerele (2013), customer perspective measures the capability of the company to provide customers with quality services and products including efficiency of delivery and customer satisfaction. These authors further explained that it is the critical process to achieve both the financial and customer perspectives in an organization because it helps in identifying the key business processes in which the organization will achieve its objectives. Massingham, Massingham and Dumay (2019) posited that

learning and growth perspective focus on how employees can improve themselves and create more value to the organization.

5.0 Strategic Leadership and Organizational Performance

Various studies that had been conducted at the global level have linked strategic leadership with the attainment of organizational objectives. In one of these studies, Alhyasat and Sharif (2018) proved that strategic leadership enhances and increases an organization's performance by developing people and social capabilities in Jordan. Hadrawi (2018) found strategic leadership to enhance organizational performance by influencing the social relationships and especially how employees' skills and knowledge are shared in organizations in Iraq Heavy Industry. As Supriyadi (2012) explains, strategic leaders contribute positively to the performance of organizations in that they influence innovation, manage the accumulation of key resources such as technology, talent, facilities, procedures and culture as reported in a study that was done in Indonesia. In another study that was conducted in Nevada Casino industry, Schaap (2012) indicated higher levels of organizational performance for organizations that tie reward to the success of the strategy employed. These studies explain how the actions of top leaders in organizations contribute to their success or failure.

Lack of effective strategic leadership in organizations has led to their under-performance with several stakeholders being affected. According to Gusmao, Christiananta and Ellitan (2018), the Ministry of the Government of Timor-Leste had faced performance problems due to ineffective strategic leadership. Wassenhove (2011) found out that as a result of ineffective strategic leadership, donors were now more concerned with how humanitarian organizations were spending the financial aid given to them and the impact it had on the lives of the communities involved. In a study that was conducted in the Kenyan context, Kitonga, Bichanga and Muema (2016) found out that not-for profit organizations were facing internally related management challenges such as strategic planning, change management, leadership and external management problems that were related to relationships with government and communities due to ineffective strategic leadership. Further, Kabetu and Iravo (2018) reported that humanitarian organizations were faced with challenges related to how they were managing their operation chains with reducing financial resources, lack of skilled and insufficient employees as a result of ineffective strategic leadership.

6.0 Methodology

This study employed experimental research design survey with positivism being selected as the research philosophy for the study. Data was collected from 219 Management members, employees, and third year students of A.I.C theological training institutions in Kenya using both closed and open ended questionnaires. The three A.I.C theological training institutions were selected using multi-stage sampling method while the Management members, employees and students were selected using stratified random sampling method. Out of a target population of 489, 219 respondents were selected based on the Yamane (1967) formula. Questionnaires were distributed using research assistants and hand delivery. Once both quantitative and qualitative data was received from the field, it was cleaned, coded, and entered into a SPSS software before it was analysed and results presented.

7.0 Results

Table 1.1 below present results of descriptive statistics between strategic leadership and organizational performance.

Table 1.1: One Sample t Test for Strategic Direction

	N	Mean	SD	t	CV	Sig
This institution follows a defined set of policies and procedures	167	3.85	.935	0.53	0.24	.000
This institution has a clear vision, mission, core values and goals	167	3.83	.898	0.55	0.23	.000
This institution has a strategic plan in place	167	3.68	1.158	0.41	0.31	.000
This institution implements its strategic plans	167	3.59	1.120	0.41	0.31	.000
This institution's goals are aligned to specific and measurable targets	167	3.51	1.113	0.40	0.32	.000

The results shown in table 4.8 above indicate that majority of the responses had a mean above 3.0 which implied that majority of the respondents seemed to agree with the statements that were presented to them. The highest mean was recorded in the statement, “This institution follows a defined set of policies and procedures” with a mean of 3.85 while the lowest mean was recorded in the statement, “This institution’s goals are aligned to specific and measurable targets” with a mean of 3.51. The statements that, “This institution has a clear vision, mission, core values and goals” had a mean of 3.83. “This institution has a strategic plan in place” had a mean of 3.69 while, “This institution implements its strategic plans” had a mean of 3.59.

The results further indicate that there are statistically significant responses across the three AIC Bible Colleges on the level of strategic direction with a relative high t-value ($p < 0.05$). The highest CV was recorded in the statement, “This institution’s goals are aligned to specific and measurable targets” ($CV = 0.32$); an indication that there were high variations in responses regarding the statement presented to them. The lowest CV was recorded in the statement, “This institution has a clear vision, mission, core values and goals” ($CV = 0.23$), an indication of agreements of responses from respondents. The statement with the highest mean was on policies and procedures tallied with the results of a previous study by Njoroge (2013) that was carried out to investigate the factors which influenced the growth of indigenous firms in Murang’a County. The study found out that policies and procedures related to product and market development, future planning by the management, the style of setting goals influenced the growth of the indigenous firms studied.

Table 1.2 below presents the results of correlation analysis between strategic leadership and organizational performance.

Table 1.2: Correlation Analysis for Strategic Leadership and Organizational Performance

		Organizational Performance	Strategic Leadership
Organizational Performance	Pearson Correlation	1	.242**
	Sig. (2-tailed)		.002
	N	167	166
Strategic Leadership	Pearson Correlation	.242**	1
	Sig. (2-tailed)	.002	
	N	167	167

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

The results presented in table 4.18 above indicate that there is a moderate and positive correlation between strategic leadership and organizational performance ($R=0.242$, $p<.01$). This could imply that although organizational performance increased in direct proportion to strategic leadership in the three AIC Bible Colleges studied, the increase was moderate. These results are in line with the findings of previous studies by Palladan, Abdulkadir and Chong (2016); Hakimpoor (2014); Lear (2012); Opoku (2016) and Nzoka (2017) who found out that organizational performance was positively correlated with strategic leadership. Nthini (2013) found a positive correlation between strategic leadership on organizational performance in Commercial and Financial State Corporations in Kenya.

8.0 Conclusion

The unpredictable business environment in which organizations are operating in today has made the practice of strategic leadership and the measurement of performance a necessity and not an option. Further, results of previous studies indicate that many organizations had been facing performance challenges in the hands of leaders who are unable to shape their future destiny. Some of the challenges are declining number of students, declining financial support from donors, and poor utilization of resources among others. These challenges call for leaders who are able to set the strategic direction, maintain an effective organizational culture and managing organizational resource portfolio of their organizations in order to continue achieving their objectives. The results of this study confirms the results of previous studies that indeed strategic direction has a positive effect of organizational performance.

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