

Leadership Roles And Performance At The Office Of The Auditor General In Kenya

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Abstract- Kenyan state-owned corporations have recorded poor performance that is linked to bad management practices. These practices have created gaps that allow for corruption, nepotism and mismanagement and poor quality of services and products given to the public. The OAG has in the past also recorded poor performance and hence this study sought to assess the influence that leadership roles have on performance. The study was enriched by the institutional theory and employed descriptive research design. 238 respondents working across the 11 regional offices of OAG were included in the study and helped by filling the semi-structured questionnaire. The collected data was analyzed using SPSS where findings revealed showed high overall mean score of (M=3.921 and M=3.871) from descriptive analysis; correlation analysis showed leadership roles at a high of ($r = .897$) and regression coefficient was at $\beta = .338$. The study findings also showed that 89.6% of performance at the OAG is attributed to leadership roles. These findings led to the drawn conclusion that leadership role led to improved performance at the office of the auditor general. The performance at the OAG was measured in terms of timely delivery of reports, quality and comprehensive reports and public satisfaction with the services offered by OAG. While leadership roles included delegating and assigning roles, strategic planning and using different leadership styles that worked to manage work roles resulting in higher performance rates. The study recommended that to improve performance, firm management to use leadership roles and its elements.

Index Terms- Leadership roles, Strategic plans, Resource allocation, Change Management, Performance

I. INTRODUCTION

Organizational performance is affected by the changes in the operating environments including advancing technologies, high competitiveness, diversification of work environment, turbulence, cost of operations and globalization effect (Ramlawati & Kusuma, 2018). Poor performance in organizations is as a result of ineffective firm structure, practices and systems and for government institutions, the inefficient quality service delivery. Muthengi (2017) shared that in government institutions and departments, the performance is low as characterized by low

quality services, unmotivated employees, gaps in processing and delayed reports. Thus, organizations are seeking means that will reverse the poor performance. There are many measures that can be adopted but Anil and Satish (2016) noted that attaining high performance and competitiveness in organizations was through engaging strategic leaders. Kiprotich, Njuguna and Kilika (2018) noted that as public and private organization stem the tide of global competition, they have turned to use of modern technology and employing strategic leadership. But in some instances, the poor operational performance like at the Kenya Revenue Authority stems from bad leadership, resistance by staff, little financial resource allocation and inability to get modern technology.

On leadership roles, where Schechner (2017) noted it is based on strength and commitment to the organization is drawn from support of senior managers. It is also guided by the leaders and leadership aspects like belief system, guidance and directions and support and conviction. The leadership also supports the implementation of management reforms through availing the necessary resources, improving staff competencies through trainings, performance appraisals and quality management options (Jimoh, Oyewobi, Isa & Waziri, 2019). The leaders must be visionary and set trends and expectations from all subordinates and they must support the philosophy of quality management. The leaders should be able to convince the subordinates to embrace new working systems and operations and through trainings enhance staff competencies. Resource mobilization and allocation is dependent on leadership qualities and principles of leadership (Pambreni, Khatibi, Azam & Tham, 2019). For the senior managers to embrace and commit to quality management, they need to be trained and informed of its value and spearhead the process. Some of ways of encouraging quality management is through rewarding and punishing employees (Rahman, Othman, Yajid, Rahman, Yaakob, Masri, Ramli & Ibrahim, 2018). Thus, leadership role adopted measurement elements of strategic plans, allocation of resources and change management.

All organizations focus on performance as it informs their capacity to survive and succeed (Abdallah & Alnamri, 2015). It refers to attainment of organizational mission and vision by doing evaluations and assessments that compare output versus inputs. Thus, performance at the Office of the Auditor General (OAG) can be approached and measured in the context of how well or badly this institution executes its mandate. This study employed

indicators such as timeliness of the delivery of the report, delivery of quality audit reports, provision of forensic audit reports to other departments like the police service and other investigative units and meeting all stakeholders' expectations.

Based on past reports, the Kenyan state-owned corporations have recorded poor performance that is associated with bad management practices that allow cases of corruption, nepotism, and mismanagement (Koigi, 2016). Due to increased public outcry and demand for better services from the government, there have been reforms implemented to resolve the issue. Thus, this study focused on how leadership roles can be employed to improve performance at the Office of the Auditor General (OAG).

The study sought to respond to this research question:

- a) What are the effects of leadership roles on performance of the Office of the Auditor General in Kenya?

II. LITERATURE REVIEW

Theoretical Framework

Institutional Theory

The theory was formulated from the research work of Meyer and Rowan (1977) and it is based on social structure and aspects of an organization. It considers the schemes, rules, routines and norms established by the authority figures and leadership in the organization. The theory also dictates the social behavior based on the patterns of social relationships and how they are linked to the social and cultural environment for organizations and enterprises. According to Raynard, Johnson and Greenwood (2015) the theory operates on the approach of getting an understanding of the organizational structure and management practices that is linked to the social and economic pressures. The theory embodies the roles played by different systems within and around the organization. In general, the organization is affected by different systems including the political, social and economic systems and different stakeholders that direct the social behaviors, practices and routines.

The initial formulation of the classical institutional theory is based on integrating concepts of interest-driven behavior and as such it has problems associated with power, interests and conflicts. The context of modern of institutions is that they have complex functional and operating units and inter-connectivity of structures that apply institutional theory may not be easy or practical. The social context has also to grapple with the ever-changing social changes in the environment that businesses operate in (Mohamed, 2017). The theory covers the aspect of the role that leaders play in directing the activities, practices and social behaviors of the people within the organization. The institutional theory works with the foundation of social life in organizations as linked to the social behavior and institutional actors that work with leaders to formulate rules, norms and laws (Willmott, 2015). As such the theory is aligned to elements roles of leaders at the Office of Auditor General (OAG) and performance of the office in dispensing its duties.

Empirical Literature

Ibrahim and Daniel (2019) conducted a study on leadership and organizational performance. The study was based on Coca Cola Company in Abuja, Nigeria. The researcher focus was to link the concept of leadership and performance of firms by collecting

secondary data on the journals, internet and company information on its website. The study also used primary data from 250 respondents who are employees of Coca Cola and all the data was analyzed using Pearson moment product co-efficient and regression analysis. The study discovered that the adopted leadership style used by top managers, participatory leadership and delegation of roles and duties in the firm led to higher employee performance, achievement of set goals and positively impacted the organizational performance. The study concluded that organizational performance relied on leadership style, format employed in delegation of duties and roles and participation in leadership functions. Thus it is important for organizations to get the right leader.

Meraku (2017) investigated on role of leadership and its influence on organizational effectiveness. The researcher noted that the crisis in the world is about decision making that is guided by values held by the current crop of leaders in different organizations. The study then examines the leadership qualities and features of Albanian leaders and the case study of Plus Communication Company. The study collected primary data from 100 randomly selected employees from the organization to take part in the study. Revealing that aspects of effective leadership include categorical values, leaders' image, responsibility and work ethics of leaders and management style and vision have improved the effectiveness of handling job tasks. Some of the important qualities of an effective leader include honest and integrity, competence and credibility, motivational, visionary, good communicator, equality and one with a sense of humor. Adoption of participatory leadership style also led to higher organizational effectiveness. The study concludes that the leaders' features, qualities and styles are important for gaining organizational effectiveness.

Al Khajeh (2018) study was on leadership styles and its impact on organizational performance. The researcher noted that leadership is a determinant of the success/survival or failure/closure of any enterprise and the employed leadership style can differentiate between the two. The study examined the six main leadership styles namely transactional, autocratic, transformational, charismatic, bureaucratic and democratic and how they influenced organizational performance. The researcher collected both primary and secondary data by looking at past studies and survey that gave quantitative data. The findings showed that democratic, transformational and autocratic leaderships positively impacted organizational performance while bureaucratic, charismatic and transactional leadership styles had negative relationship with organizational performance based on few opportunities and freedoms to the organizational employees.

Kirui (2017) examined the role that transformational leadership had on organizational performance by looking at Kenyan State-Owned banks. The sought to consider what role transformational leadership with aspects like intellectual stimulation, individual consideration, inspirational motivation and idealized influence played in performance of organizations. The study used primary and secondary data and it targeted 137 employees in 22 branches of Post Bank and National Bank in Rift Valley Region. The collected data and was analyzed with the results showing that more than sixty three percent increase in bank performance were linked to transformational leadership and its elements. Further findings reveal that the aspects of

transformational leadership like motivation and stimulation led to noteworthy relationship to firm performance in the government owned banks in Kenya.

Kitonga (2017) examined how strategic leadership practices can affect firm performance when it comes to organizations that are not for profit making. The researcher noted that strategic leadership practices were important during the unpredictable operating environment that had become complex, volatile and uncertain. The focus was on aspects of strategic leadership

Conceptual Framework

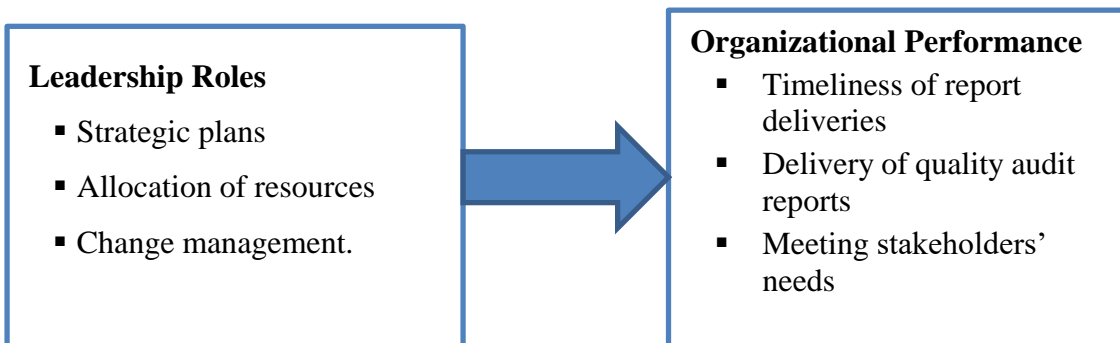


Figure 1: Conceptual Framework

III. RESEARCH METHODOLOGY

The research design gives complete outline of how the research was carried out and answered the research questions (Rahi, 2017). The study used descriptive research design, which answers the question of what, when and where of the research phenomenon. The population covered all the 1502 employees of OAG, but targeted only 807 permanent staffers working in the 11 regions across the country. Sampling technique helps select a small portion of the population that took part in the study (Etikan & Bala, 2017). Stratified sampling was employed and proportionate sampling was used where 30% from each group was chosen to take part in the study. The sample size of 238 was involved in the study.

Semi-structured questionnaire helped to collect primary data from the respondents who were given one-week to fill and return the questionnaires. A pilot test was done to check that the tool was valid and reliable and results found overall Cronbach Alpha of .809 which is above the set standard of 0.7 and indicated the research instrument was fit for use in the current study. All the quantitative data collected was cleaned and entered into SPSS for analysis. Descriptive analysis, regression and correlation analysis was conducted.

IV. FINDINGS AND DISCUSSIONS

Table 1: Leadership Roles

Statement	Mean	Std. Dev.
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The leaders are tasked with setting strategic plans	4.094	.972
The managers assign work roles to all junior staffs	3.951	.806
The delegation of work tasks is done by leaders in conjunction with other staffs	3.945	.724
The leaders run all affairs of the office on a daily basis	3.663	.831
The leaders are competent to handle any changes at the working space	3.8	.985
The leaders use different styles including democratic, transformational and autocratic styles	4.013	.667
The leaders motivate employees for attainment of organizational goals	3.972	.796
The leaders also work towards human capital development	3.934	.884
Aggregate Score	3.921	.833

Table 1 show that leadership roles affected performance at the office of the auditor general. This is based on overall score that was at a high (M =3.921 and SD = .833). Just as Ibrahim and Daniel (2019) revealed that when an organization is able to get competent and right leaders, then they can attain stated organizational goals. The value and role of leaders improves performance outcomes of organizations. In addition, Al Khajeh (2018) posited that different leadership styles affect organizational performance. Leadership styles including transactional, transformational, charismatic, autocratic, democratic and bureaucratic led to better firm performance. Kirui (2017) agrees that leaders are a source of inspiration and motivation that

influenced performance of the organization. Furthermore, Kitonga (2017) found out that strategic leaders are concerned with staff development, directing and controlling conduct of junior officers that result in better performance in organizations. Some of the best qualities include honesty, integrity, competences, visionary and great communicator, which Meraku (2017) revealed improves performance outcomes for firms.

Table 2: Organizational Performance

Statement	Mean	Std. Dev.
OAG has increased its timeliness in delivery of reports	3.768	.814
The reports are comprehensive	3.926	.986
The audit reports are of high quality	3.877	1.15
The stakeholders are satisfied as the OAG office meets their needs	3.7	.856
The OAG is able to fulfill its mandate	3.865	1.06
The OAG delivers forensic audit reports to other departments/ministries	4.09	.593
Aggregate Score	3.871	.909

Table 2 shares the findings after descriptive analysis was conducted on the dependent variable of the study. The respondents agreed that organizational performance improved as based on high scores of (M=3.871 and SD=.909). Researchers Abdallah and Alnamri (2015) agreed with this finding by noting that high performance score is important for survival of organizations. In addition Ireland, *et al.* (2014) agrees that firm performance relies on getting quality outcomes by learning on new trends, shifting internal processes and seeking to meet the customer and general public's needs and expectations. Similarly, Luo, *et al.* (2016) argues that performance is linked to the decision making processes that change behaviors leading to better service quality and meeting the goals of the organization. While Schechner (2017) revealed that performance is about effectiveness of organizations and capacity to meet its goals and the needs of its stakeholders.

Table 3: Correlation Analysis

		Organizational Performance	Leadership Roles
Organizational Performance	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	176	
Leadership Roles	Pearson Correlation	.897**	1
	Sig. (2-tailed)	.000	
	N	176	176

** . Correlation is significant at the 0.05 level (2-tailed).

Table 3 show findings that are positive and strong association between leadership roles and organizational performance at the office of the auditor general in Kenya. The association is based on obtained r values of leadership roles at (r =.897) an indication that leadership role (independent variable) and organizational performance (dependent variable) are moving

in the same direction. These results imply that when leadership roles increase so does organizational performance at the OAG.

Regression Analysis

Regression analysis was done to test the cause and effect between the variables and involved the model summary, ANOVA and regression coefficient.

Table 4: Model Summary

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate
1	.936 ^a	.876	.896	.05767

a. Predictors: (Constant), Leadership Roles

Table 4 shows that coefficient of determination was found to be .896 meaning that performance at the office of the auditor general is attributed leadership roles. Findings revealed that 89.6% of performance at the OAG's can be traced to leadership roles in this study.

Table 5: ANOVA

Model	Sum Squares	of Df	Mean Square	F	Sig.
1 Regression	1.233	1	1.233	102.75	.000 ^b
1 Residual	2.173	174	.012		
Total	3.406	175			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Leadership Roles

The ANOVA test was conducted at a significance level of 0.05 to assess if the regression model used is ideal. Results showed that F calculated was found to be 102.75 and F critical was 3.895 such that F calculated is greater than F critical showing the regression model was ideal and fit for use.

Table 6: Regression Coefficient

Model	Unstandardized Coefficients	Standardized Coefficients	T	Sig.
	B	Std. Error	Beta	
1 (Constant)	1.347	0.258	5.221	.000
1 Leadership Roles	0.338	0.138	0.402	.018

a. Dependent Variable: Organizational Performance

The resultant equation is:

$$Y = 1.347 + .338X_1$$

Where:

$$Y = \text{Organizational Performance and } X_1 = \text{Leadership Roles}$$

Table 6 showed that the study established leadership roles had significant and positive effects to performance at the office of the auditor general in Kenya, based on ($\beta=.338, p = 0.018 < 0.05$). The finding is echoed by Ibrahim and Daniel (2019) revealing participative leadership, delegation of duties and leadership styles were positively linked to organizational performance. Al Khajeh

(2018) showed that the different leadership styles improved organizational performance.

V. CONCLUSIONS AND RECOMMENDATIONS

Based on findings on that leadership roles affected the performance at the office of the auditor general; this research concluded that leadership roles had a big impact on performance outcome. It was also concluded that leaders set strategic plans, use different leadership styles, motivate junior staffers, develop, delegate and assign work tasks that led to the improved performance. The study concludes that leaders at the OAG led to its improved performance outcomes. the study also recommended that leaders take part in strategic planning, delegate and manage work duties for improved outcomes. The leaders are asked to motivate junior staff and employ different leadership styles to improve functioning at the organization and lead to high performance outcomes.

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