

INFLUENCE OF TRANSFORMATIONAL LEADERSHIP STYLE ON PERFORMANCE OF FIRMS IN THE TELECOMMUNICATION INDUSTRY IN KENYA

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ABSTRACT

Due to stiff competition and failure to gain enough profitable subscribers, some companies such as Yu Mobile owned by Indian Essar Telecom exited the Kenyan mobile phone market in 2014 while France's Orange, which had 70% stake in Telkom Kenya, exited for failure to turn profit in the seven years it operated in the Kenyan market. There was hence a need to establish the influence of transformational leadership style on performance of firms in the telecommunication industry in Kenya. The specific objectives of the study were idealized influence, inspirational motivation, intellectual stimulation and individualized consideration. A descriptive research design was adopted for this study.

The target population comprised of a census on all the 179 telecommunication firms. Structured questionnaires were used by the study. The findings revealed that all the study variables had a positive and significant influence on performance of the firms. The study recommends that i

n order for the firms in the telecommunication industry to improve their performance, there is a need to enhance idealized influence practices such as leaders in the enterprise having high ethical and moral conduct; the business embracing ethical behaviour among its workers,

employees embracing visionary leadership, company leaders having visionary attributes like brevity and Clarity, owner-manager's risk perception and their attitude towards risk management influencing the adequacy of the enterprise's risk management. The study recommends that there is a need for the firms in the telecommunication industry to enhance their inspired motivation practices such as shared vision between leaders and the employees in the company, having leaders that create clear understanding of expectations and demonstrate high commitment to the company's goals, having optimistic and enthusiastic talks from the leaders in the company, the company rewarding loyalty and commitment and also having a well-established reward strategy and systems in order to have a significant improvement in performance of telecommunication firms in Kenya.

Key Words: *Idealized influence, Inspirational motivation, Intellectual stimulation, Individualized consideration, Transformational leadership*

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