



Intra Africa Journal Hub (IAJH)

INFLUENCE OF LEADERSHIP STYLES ON PERFORMANCE OF TRANSPORT PARASTATALS IN KENYA

Rosemary Wanjiru Kamau¹, Mary Mbithi², James Nzili³
^{1,2,3} Kenya Methodist University

DOI: iajournalhub.org/E-book/RJuuRi5ixHu063DdC61b3ce7eaa

ABSTRACT

Transport parastatals in Kenya continue to suffer from inefficiencies, financial mismanagement, and governance lapses, largely attributed to weak and ineffective leadership practices. Despite the critical role of leadership styles in shaping organizational culture, accountability, and innovation, many parastatals remain entrenched in autocratic and politically driven approaches that undermine performance and erode public trust. The purpose of this study was to establish the influence of leadership styles on the performance of transport parastatals in Kenya. The study was guided by the Full Range Leadership Theory and Agency Theory, which emphasize the importance of transformational, transactional, and participative leadership in enhancing accountability and organizational outcomes. A descriptive explanatory research design was adopted, targeting a population of 104 managers drawn from 13 transport parastatals. Stratified random sampling was applied, and Yamane's formula was used to determine a representative sample of 83 respondents, comprising 35 top managers, 28 middle-level managers, and 20 supervisory managers. Data were collected using structured questionnaires, while descriptive statistics, correlation analysis, and multiple regression were employed for data analysis. Correlation results showed a strong positive and significant relationship between leadership styles and performance ($r = 0.646$, $p < 0.05$). Regression findings revealed that leadership styles significantly predicted organizational performance ($\beta = 0.421$, $p < 0.05$). The study concludes that leadership style is a critical determinant of performance in transport parastatals. It recommends institutionalizing transformational and democratic leadership development programs, while also strengthening leadership accountability frameworks to enhance efficiency, transparency, and service delivery.

Keywords: Leadership Styles, Organizational Performance, Transport Parastatals, Corporate Governance

INTRODUCTION

Leadership is a central determinant of organizational success, shaping vision, strategy, and accountability across institutions worldwide. In the context of corporate governance, leadership styles, ranging from transformational to autocratic, play a critical role in influencing employee behavior, organizational culture, and the efficiency of service delivery (Northouse, 2021; Bass & Riggio, 2016). Globally, transport state-owned enterprises (SOEs) illustrate this dynamic. For example, Germany's Deutsche Bahn and Japan Post Holdings have achieved competitive efficiency by institutionalizing participatory and transformational leadership practices, while India's railway sector continues to face bureaucratic inefficiencies linked to rigid, autocratic leadership approaches (Kumar & Singh, 2021; Yamamoto, 2022). These global patterns demonstrate that leadership practices directly determine whether public transport enterprises achieve sustainability and competitiveness.

In Africa, the performance of state corporations has been closely tied to the leadership styles embraced by their executives. Positive cases, such as Uganda's National Roads Authority (UNRA), show how participatory leadership fosters accountability and timely project completion (Uganda Government, 2020). In contrast, authoritarian and politically motivated leadership in South Africa's Transnet and South African Airways has been associated with financial crises and operational inefficiencies (Moyo, 2020). Similarly, Nigeria's Federal Road Safety Corps has improved public trust and service delivery through collaborative and transformational leadership practices (Akinlabi & Ogunnaike, 2022). These regional experiences highlight how leadership styles either enable or undermine the performance of parastatals tasked with delivering critical infrastructure and services.

In Kenya, transport parastatals such as Kenya Airways, Kenya Ports Authority (KPA), and Kenya Railways Corporation (KRC) are integral to economic growth, trade, and regional integration. However, their performance has been inconsistent, with leadership deficiencies often cited as a key factor behind their struggles. Kenya Airways has faced recurring financial distress linked to leadership strategies that prioritized short-term survival over strategic reform (Otieno, 2020). At the same time, procurement irregularities and inefficiencies at KPA have been associated with non-participatory leadership, while KRC has experienced project delays and resource mismanagement despite undergoing reforms (Chirchir, 2022). The Office of the Auditor General (2020) further revealed that leadership oversight weaknesses significantly contributed to misallocation of resources in major infrastructure projects such as the Standard Gauge Railway. These examples underscore the centrality of leadership in shaping organizational outcomes in Kenya's transport sector.

Despite the strategic role of transport parastatals in advancing Vision 2030 and regional trade integration under the African Continental Free Trade Area (AfCFTA), empirical investigations into the effect of leadership styles on their performance remain limited. Most existing studies on parastatals in Kenya focus broadly on corporate governance or financial management, with little attention to leadership practices as a distinct determinant of organizational performance (Gikonyo, 2018; Oloo, 2021). This scholarly gap makes it difficult for policymakers and boards to identify and institutionalize effective leadership practices that can enhance service delivery and organizational accountability. Consequently, leadership remains a weak link in governance reform initiatives in the transport sector.

Given the persistent inefficiencies, mismanagement, and governance lapses in transport parastatals, examining the influence of leadership styles on their performance is both timely and necessary. Leadership styles such as transformational and democratic approaches have the potential to strengthen accountability, enhance employee engagement, and improve service efficiency, while autocratic and laissez-faire styles tend to undermine organizational performance (PwC, 2021). This study, therefore, is anchored on the Full Range Leadership Theory and Agency Theory to empirically establish how leadership practices influence the performance of Kenya's transport parastatals. The findings are expected to provide insights that can inform leadership development programs, governance reforms, and policy interventions aimed at enhancing the effectiveness of state-owned enterprises.

Statement of the Problem

The performance of transport parastatals in Kenya is critically dependent on effective leadership, which is expected to provide vision, accountability, and inclusivity in decision-making. Ideally, leadership styles such as transformational and democratic approaches should enhance efficiency, innovation, and stakeholder trust, thereby optimizing the performance of organizations like Kenya Railways Corporation (KRC), Kenya Ports Authority (KPA), Kenya Airways, and Kenya Civil Aviation Authority (KCAA). However, audit reports and independent analyses reveal that leadership in these parastatals is often characterized by autocratic and politically influenced practices, leading to procurement irregularities, project delays, financial instability, and declining competitiveness (PwC, 2021; OAG, 2020). For instance, weak leadership oversight at KRC and KPA has hindered infrastructure projects such as the Standard Gauge Railway and Mombasa Port modernization, while poor strategic leadership at Kenya Airways has contributed to recurrent financial crises. Despite the strategic importance of these institutions, limited empirical studies examine the influence of leadership styles on their performance. Without such inquiry, ineffective leadership practices may persist, undermining governance reforms and Kenya's broader economic aspirations.

Objective of the study

The objective of the study is to establish the influence of leadership styles on the performance of transport parastatals in Kenya.

Research Hypothesis

H₀: Leadership styles do not have a statistically significant influence on the performance of transport parastatals in Kenya.

H₁: Leadership styles have a statistically significant influence on the performance of transport parastatals in Kenya.

LITERATURE REVIEW

Theoretical Review

Full Range Leadership Theory (FRLT)

The Full Range Leadership Theory (FRLT) was developed by Bernard Bass and Bruce Avolio in 1994, building on James MacGregor Burns' 1978 work on transformational leadership. The theory proposes that leadership styles exist on a continuum ranging from transformational, transactional, to laissez-faire leadership, each influencing organizational outcomes differently (Bass & Avolio, 1994). Transformational leaders inspire followers through vision, motivation, and intellectual stimulation, while transactional leaders emphasize structured exchanges of rewards for performance. Laissez-faire leadership, on the other hand, is characterized by avoidance of responsibility and minimal decision-making. Scholars have applied this theory across diverse contexts. For instance, Odumeru and Ifeanyi (2013) applied FRLT to evaluate organizational effectiveness in Nigerian banks, while Tura and Bacha (2021) employed the theory to examine leadership and employee commitment in Ethiopian public enterprises.

The FRLT assumes that leaders can employ multiple leadership styles depending on organizational needs, and that transformational leadership yields superior results in dynamic environments (Northouse, 2021). However, one limitation is that it tends to idealize transformational leadership while underestimating the potential effectiveness of transactional approaches in certain bureaucratic contexts (Anderson & Sun, 2017). In relation to this study, FRLT is relevant because it provides a comprehensive framework for analyzing how different leadership styles—transformational, transactional, and laissez-faire, impact the performance of transport parastatals in Kenya. It guides the assessment of whether leadership practices in institutions such as Kenya Airways and Kenya Ports Authority align with leadership approaches that promote efficiency, accountability, and innovation.

Agency Theory

Agency Theory was first articulated by Jensen and Meckling in 1976 to explain the relationship between principals (owners/shareholders) and agents (managers) in organizations. The theory posits that agents may pursue their own interests at the expense of principals, leading to agency problems such as mismanagement, resource diversion, and inefficiency (Jensen & Meckling, 1976). Leadership plays a central role in minimizing agency costs by aligning managerial decisions with organizational and stakeholder objectives. Studies in both private and public sectors have utilized this theory. For example, Mbalamula (2022) applied Agency Theory to assess corporate governance practices in Tanzanian SOEs, while Oloo (2022) used it to examine governance and performance of Kenyan state corporations.

The theory assumes that effective monitoring, incentives, and leadership practices can mitigate conflicts of interest and ensure managers act in the best interests of stakeholders. However, its limitation is that it largely views human behavior as opportunistic and self-serving, overlooking intrinsic motivations such as ethics and public service commitment (Daily et al., 2003). The relevance of Agency Theory to this study lies in its emphasis on leadership accountability and oversight in managing public resources within transport parastatals. Since leadership styles directly influence how managers make strategic decisions and engage with stakeholders, the theory

helps explain the consequences of weak leadership, such as procurement irregularities at Kenya Railways Corporation or mismanagement at Kenya Airways, on organizational performance.

Empirical Review

Leadership Styles and Performance of Transport Parastatals

Ng'ang'a and Omwenga (2021) explored how transformational leadership drives innovation and enhances service delivery in transport parastatals. The study employed a mixed-methods approach, targeting 100 employees and leadership teams from various transport parastatals. Data were collected through structured questionnaires and in-depth interviews and analyzed using descriptive statistics and thematic analysis. The findings revealed that transformational leadership fosters a culture of continuous improvement, promotes the adoption of innovative technologies such as digital ticketing systems and green transport solutions, and enhances employee motivation. However, the study did not examine how transformational leadership influences stakeholder trust and long-term organizational adaptability. This study will address this gap by investigating the role of transformational leadership in fostering stakeholder trust, aligning leadership vision with long-term organizational adaptability, and assessing how these factors contribute to the sustainability of Kenyan transport parastatals.

Mutua and Wanjiru (2019) examined the relationship between transactional leadership and operational efficiency in transport parastatals. The study used a quantitative survey-based design, targeting 120 operational managers and employees. Data were collected using structured surveys and analyzed using regression models. The results indicated that transactional leadership enhances efficiency by setting clear performance targets, enforcing accountability measures, and rewarding compliance with structured incentives. However, the study also found that excessive reliance on transactional leadership can hinder creativity and limit long-term strategic innovation. Despite these findings, the study did not assess the sustainability of transactional leadership practices over extended periods. This study will bridge this gap by evaluating the sustainability of transactional leadership in the context of evolving transport sector demands, assessing its long-term impact on employee adaptability, and determining the balance between structured leadership and innovation in Kenyan transport parastatals.

Omondi and Otieno (2022) investigated how democratic leadership fosters stakeholder engagement within transport parastatals. The study employed a qualitative case study design, targeting 60 employees and external stakeholders. Data were collected through interviews, focus groups, and document reviews and analyzed using thematic coding. The study found that democratic leadership enhances stakeholder trust, promotes participatory decision-making, and increases employee commitment by fostering inclusivity. However, the study did not evaluate how democratic leadership influences decision-making speed and efficiency, particularly during high-pressure situations. This study will address this gap by analyzing the practical challenges of implementing democratic leadership in high-stakes decision-making, particularly during operational disruptions and policy shifts, to determine the effectiveness of participatory governance models in Kenyan transport parastatals.

Mwangi and Njeru (2019) explored the implications of laissez-faire leadership in transport parastatals, focusing on both its benefits and challenges. The study utilized a case study approach, targeting 50 senior managers and department heads from various transport parastatals. Data were gathered through structured interviews and observational studies and analyzed using thematic

analysis. The findings suggested that laissez-faire leadership can promote innovation and autonomy in highly skilled teams but can also lead to inefficiencies, lack of accountability, and unclear role expectations in organizations with complex operations. However, the study did not assess how laissez-faire leadership can be balanced with other leadership styles to optimize performance. This study will fill this gap by exploring hybrid leadership models that integrate laissez-faire leadership with structured governance mechanisms to promote both autonomy and accountability in Kenyan transport parastatals.

Muriithi (2022) examined the role of autocratic leadership in crisis management within transport parastatals. The study employed a mixed-methods research design, targeting 80 senior executives and crisis management teams. Data were collected through surveys and in-depth interviews and analyzed using regression models and thematic analysis. The findings showed that autocratic leadership is effective in making quick decisions during crises, such as operational disruptions, regulatory changes, or financial instability. However, prolonged reliance on autocratic leadership was associated with decreased employee morale, resistance to change, and limited innovation. The study did not explore how transport parastatals could transition from autocratic leadership during crises to more adaptive leadership approaches in stable conditions. This study will bridge this gap by investigating leadership transition strategies that enable transport parastatals to shift from crisis-driven autocratic leadership to participatory and transformational leadership models that sustain long-term organizational resilience and adaptability.

RESEARCH METHODOLOGY

Research Design

The study adopted a descriptive explanatory research design, which was appropriate for examining the causal relationship between leadership styles and the performance of transport parastatals in Kenya. This design allowed both the description of leadership practices and the testing of hypotheses through statistical analysis.

Target Population

The target population consisted of 104 senior, middle-level, and supervisory managers drawn from 13 transport parastatals in Kenya, including Kenya Railways Corporation (KRC), Kenya Ports Authority (KPA), Kenya Airways, and Kenya Civil Aviation Authority (KCAA). These managers were selected as they are directly involved in leadership and governance processes influencing organizational performance.

Sampling Technique and Sample Size

The study used stratified random sampling to ensure representation across managerial levels. Yamane's formula was applied to determine a representative sample of 83 respondents, comprising 35 top managers, 28 middle-level managers, and 20 supervisory managers.

Data Collection Instruments

Primary data were collected using structured questionnaires, which contained both closed and Likert-scale items to capture perceptions of leadership styles and organizational performance. The instrument was pre-tested to ensure validity and reliability, with Cronbach's alpha coefficients exceeding the 0.70 threshold.

Data Analysis

Data analysis involved both descriptive and inferential statistical techniques to examine the influence of leadership styles on the performance of transport parastatals in Kenya. Descriptive statistics, including frequencies, means, and standard deviations, were used to summarize respondents' demographic characteristics and perceptions of different leadership styles. Inferential analysis began with Pearson's correlation to establish the strength and direction of the relationship between leadership styles and organizational performance.

Multiple regression analysis was then conducted to determine the predictive power of leadership styles on performance, with coefficients, R^2 values, and significance levels reported to test the study's hypothesis. The regression model helped identify which leadership styles contributed positively or negatively to organizational performance, while ANOVA results confirmed the overall model's significance. Data were coded and analyzed using SPSS software, ensuring accuracy, consistency, and reproducibility of the findings.

Ethical Considerations

The study adhered to established ethical research standards to ensure integrity and protect participants. Informed consent was obtained from all respondents after explaining the purpose of the study and assuring them of voluntary participation. Confidentiality and anonymity were guaranteed by excluding personal identifiers from the data collection tools and analysis. The study also sought approval from the relevant institutional review board and research permit from the National Commission for Science, Technology and Innovation. Respondents were assured that the data would be used strictly for academic purposes and stored securely to prevent unauthorized access.

RESULTS AND DISCUSSIONS

Response Rate

Out of the 83 questionnaires distributed to managers across 13 transport parastatals, 78 were duly completed and returned, representing a high response rate of 94%. This rate was considered adequate for statistical analysis and enhanced the reliability and validity of the study findings.

Demographic Characteristics

The study captured responses from 78 managers across 13 transport parastatals, comprising 45% top-level managers, 36% middle-level managers, and 19% supervisory managers. In terms of gender, 58% of respondents were male while 42% were female, indicating a modest gender imbalance in leadership positions. The age distribution showed that 29% of respondents were between 30–39 years, 41% between 40–49 years, and 30% above 50 years, reflecting a workforce with substantial managerial experience. Regarding education, 67% of respondents held bachelor's degrees, 28% master's degrees, and 5% doctoral qualifications, demonstrating a relatively well-educated leadership base. The results also indicated that 53% of respondents had served in their organizations for more than 10 years, 32% for 5–10 years, and 15% for less than 5 years, suggesting that most leaders possessed deep institutional knowledge and experience relevant to organizational performance.

Descriptive Statistics for Leadership styles and Performance of Transport Parastatals

Table 1 reveal considerable variation in their perceived effectiveness, with each style exhibiting distinct implications for organizational performance and governance. Transformational leadership emerged as the most favorably rated style, with respondents assigning it a high mean score (Mean = 3.81; S.Dev = 0.51). This finding suggests that leaders who engage in inspirational motivation, individualized consideration, and intellectual stimulation are perceived as significantly enhancing employee morale and performance outcomes. Conversely, transactional leadership was rated less positively, with a mean score of (Mean = 2.68; S.Dev = 0.814). This comparatively lower evaluation implies that an emphasis on contingent rewards and task compliance may be insufficient for sustaining high performance in environments that require adaptability and intrinsic motivation.

Laissez-faire leadership, which emphasizes non-intervention and autonomy, received a moderate evaluation (Mean = 3.65; S.Dev = 0.799). The variability in responses suggests a dual perception: while some respondents appreciated the flexibility and autonomy afforded by this approach, others may have experienced it as a lack of support or direction. Democratic leadership was rated the highest among all the leadership styles assessed (Mean = 4.04; S.Dev = 0.831). This reflects a strong endorsement of participatory leadership approaches, where employees are actively involved in decision-making processes. Such engagement appears to foster a sense of ownership, accountability, and motivation among employees. The reception of autocratic leadership was notably mixed (Mean = 3.18; S.Dev = 0.748), indicating that its effectiveness may be context-dependent. Adaptive leadership, which entails situational flexibility and responsiveness, received a moderate level of endorsement (Mean = 3.43; S.Dev = 0.764). This finding suggests that while stakeholders recognize the importance of adaptable leadership in dynamic environments, its consistent practice may not yet be fully institutionalized across the sector.

When assessing the overall influence of leadership styles on organizational performance, respondents expressed a generally positive outlook (Mean = 3.68; S.Dev = 0.679). This supports the broader theoretical consensus that leadership exerts a pivotal role in shaping performance outcomes, particularly in public service organizations where teamwork, accountability, and innovation are critical. Overall, the findings indicate that leadership practices within transport parastatals are perceived as moderately effective. The results highlight transformational and democratic leadership as particularly efficacious, suggesting that strategies promoting inclusivity, inspiration, and shared vision are best aligned with institutional goals. Meanwhile, the relatively lower ratings for transactional and laissez-faire approaches point to potential areas for leadership development and policy refinement.

The high mean score for transformational leadership supports Bass's (1990) argument that transformational leaders enhance organizational performance by inspiring and motivating employees. This is further reinforced by Bass and Riggio (2006) and Avolio et al. (2004), who associate transformational leadership with elevated motivation and job satisfaction. The results of this study are consistent with these assertions, as respondents indicated that transformational leadership contributed to exceeding performance expectations. In contrast, the low mean score for transactional leadership suggests deficiencies in areas such as performance-based rewards and clarity of roles. This finding aligns with Judge and Piccolo (2004), who noted the limited effectiveness of transactional leadership in complex settings like transport parastatals. Bass (1990)

also highlights the limitations of transactional leadership in promoting innovation or exceeding baseline expectations.

The moderate score for laissez-faire leadership may reflect inconsistent application. According to Skogstad et al. (2007), this leadership style can result in ambiguity and lack of support, which may explain the variability in responses. However, Liu et al. (2017) argue that laissez-faire leadership can be effective in fostering innovation, which might account for its moderate approval in this study. Democratic leadership's strong positive reception aligns with Jaskyte (2004) and Northouse (2018), who affirm the benefits of participative decision-making in improving employee satisfaction and commitment. The study supports this view, suggesting that democratic leadership significantly enhances organizational performance.

The mixed perceptions of autocratic leadership are consistent with Goleman (2000), who argues that while this style may be effective during crises, it generally undermines morale in routine operations. The divided responses may indicate inconsistent application across different organizational contexts, as suggested by Cheong et al. (2016). Adaptive leadership's moderate rating reflects its recognized potential yet limited application. This resonates with Heifetz's (1994) concept of situational flexibility and Yukl's (2010) assertion that adaptive leadership requires dedicated training and commitment to be fully effective. Finally, the general perception that leadership styles positively influence organizational performance aligns with Tannenbaum and Schmidt's (1973) and Bass's (1990) perspectives that effective leadership is critical to teamwork and productivity in dynamic organizational settings such as transport parastatals..

Table 1: Leadership styles on performance of transport parastatals in Kenya

Statement	Mean	Std. Dev
The leadership in your organization motivates employees to exceed expectations.	3.81	0.51
The leadership in your organization focuses on clear roles and rewards for performance.	2.68	0.814
The leadership in your organization allows employees autonomy in decision-making.	3.65	0.799
The leadership in your organization values employee input in decision-making.	4.04	0.831
The leadership in your organization makes decisions without consulting employees.	3.18	0.748
The leadership in your organization adapts its style based on situational needs to enhance effectiveness.	3.43	0.764
The leadership style in your organization positively impacts overall performance.	3.68	0.679

Descriptive Statistics Results for Performance of transport parastatals in Kenya

The analysis of organizational performance of Kenya's transport parastatals in Table 2 reveal considerable variation in their perceived effectiveness. Operational efficiency measured through the statement: "The organization's operations are managed efficiently, ensuring timely service delivery and optimal resource utilization," yielded a mean score of (Mean = 3.57; S.Dev = 1.009), indicating that respondents generally perceived the organizations as moderately efficient in their

operations. Although operational efficiency is recognized as a relative strength, the standard deviation reflects some divergence in views, suggesting that efficiency levels may vary across different institutions. Profitability assessed using the statement: “The organization's profitability has consistently increased by at least 10% annually over the past three years,” yielded a mean score of (Mean = 2.30; S.Dev = 0.902), which reflects a broadly negative perception of profitability trends among the surveyed parastatals. This result suggests that most organizations have struggled to maintain consistent financial gains, highlighting the need for more effective revenue generation and financial sustainability strategies.

The implementation of cost-effective strategies for sustainability was evaluated through the statement: “The organization adopts cost-effective strategies to ensure sustainability.” The score of (Mean = 3.62; S.Dev = 0.657) indicates a generally favorable perception of organizational efforts toward sustainability. The relatively low standard deviation suggests a strong consensus among respondents, implying that cost-effective and sustainable practices are widely adopted and embedded in operational frameworks

Customer satisfaction was examined using the statement: “The organization consistently delivers high-quality services to its customers, enhancing satisfaction.” The corresponding mean score was (Mean = 3.68; S.Dev = 0.679), which indicates a positive evaluation of service quality. This sub-construct emerged as one of the stronger areas, with the low variability in responses suggesting broad agreement on the effectiveness of customer service initiatives. The extent of safety compliance was measured using the statement: “The organization prioritizes safety and complies with relevant regulations and standards.” The responses resulted in a mean score of (Mean = 2.71; S.Dev = 0.773), reflecting a relatively low level of agreement and revealing mixed perceptions. The standard deviation indicates notable variability in views, suggesting inconsistencies in safety adherence and implementation across different organizations. This area appears to be a critical concern requiring targeted interventions.

Innovation adoption was assessed through the statement: “The organization fosters a culture of innovation by continuously adopting new technologies and improving services.” The mean score of (Mean = 3.49; S.Dev = 0.925) suggests that innovation is moderately embraced. However, the high standard deviation indicates varying levels of adoption, suggesting that while some parastatals are progressive, others lag in integrating innovative practices and technologies. The effectiveness of monitoring practices was gauged using the statement: “The organization regularly monitors and evaluates its performance against set benchmarks and targets.” The responses resulted in a mean score of (Mean = 3.43; S.Dev = 0.764). This indicates a moderate level of performance evaluation practices across the organizations. The data suggest that while some parastatals implement systematic monitoring, this is not uniformly practiced across the sector.

Table 2: Performance of Transport Parastatals in Kenya

Statement	Mean	Std. Dev
The organization's operations are managed efficiently, ensuring timely service delivery and optimal resource utilization.	3.57	1.009
The organization's profitability has consistently increased by at least 10% annually over the past three years.	2.30	0.902
The organization adopts cost-effective strategies to ensure sustainability.	3.62	0.657
The organization consistently delivers high-quality services to its customers enhancing satisfaction.	3.68	0.679
The organization prioritizes safety complies with relevant regulations and standards.	2.71	0.773
The organization fosters a culture of innovation by continuously adopting new technologies and improving services.	3.49	0.925
The organization regularly monitors and evaluates its performance against set benchmarks and targets.	3.43	0.764

Correlation Analysis

Leadership styles exhibited a positive correlation with performance ($r = 0.583$; $p < 0.01$), underscoring the pivotal role of leadership in shaping organizational success. This is echoed by Ng'ang'a and Omwenga (2021), whose study demonstrated that transformational leadership, characterized by innovation and proactive service delivery, enhanced performance in transport parastatals. Their emphasis on technological adoption and sustainability aligns with the strong positive influence captured in this analysis. In agreement, Kariuki and Mwangi (2020) found that transformational leadership significantly improved employee morale and productivity, further validating this study's finding that effective leadership correlates with better performance outcomes. However, like the present study, they did not explore the long-term sustainability of these effects or their influence on organizational culture, signaling an empirical and conceptual area for further research.

Table 3: Correlation Analysis

		Leadership Styles	Performance of Transport Parastatals
Leadership Styles	Pearson Correlation	1	.583**
	Sig. (2-tailed)		0.000
	N	84	84
	Sig. (2-tailed)	0.000	
	N	84	84

Bivariate Regression Analysis of Leadership Styles on Organizational Performance

As presented in Table 4, the model yielded an R value of 0.583, indicating a strong positive correlation between leadership styles and Performance of Transport Parastatals in Kenya. The R-squared value of 0.3399 reveals that approximately 33.99% of the variance in performance can be attributed to differences in leadership styles. After adjusting for the degrees of freedom, the adjusted R-squared was 0.3206, signifying a good model fit. The ANOVA results show that the regression model is statistically significant, with an F-statistic of 46.296 ($df = 1, 82$) and a p-value

of .000. This confirms that the model provides a better fit than one with no predictors and that leadership styles significantly explain the variance in performance across transport parastatals.

Table 4: Leadership Styles on performance of transport parastatals in Kenya

Model Summary	R	R Square	Adjusted Square	R	Std. Error of the Estimate	
	.583a	0.339889	0.320587		0.40306	
ANOVAa		Sum of Squares	df	Mean Square	F	Sig.
	Regression	8.764	1	8.764	46.29569	.000b
	Residual	15.523	82	0.189305		
	Total	24.287	83			
Coefficients		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
	(Constant)	0.487	0.455		1.071	0.292
	Leadership Styles	0.863	0.117	0.583	7.345	0.000

a Dependent Variable: Performance of Transport Parastatals in Kenya

b Predictors: (Constant), Leadership Styles

Hypothesis Testing

The regression coefficient for leadership styles was 0.583, with a p -value of 0.000. Given that the p -value is well below the 0.05 threshold, we reject the null hypothesis (H02) and conclude that leadership styles have a statistically significant influence on the performance of transport parastatals in Kenya. This indicates that the leadership approach adopted within the organization, especially transformational leadership, significantly impacts its performance outcomes. The regression results for leadership styles indicate a statistically significant positive influence on the performance of transport parastatals in Kenya, with a significant coefficient for leadership styles. This result supports findings from Mwangi and Njeru (2019), who suggested that laissez-faire leadership could promote innovation in specialized teams but could also lead to inefficiencies and accountability challenges in more complex organizations. The positive relationship between leadership styles and performance found in this study may reflect a broader application of leadership strategies, including transformational leadership, which encourages both innovation and accountability.

Contribution to Body of Knowledge

This study contributes to the body of knowledge by providing empirical evidence on how leadership styles influence the performance of transport parastatals in Kenya, a sector that has received limited scholarly attention compared to other state-owned enterprises. By applying the Full Range Leadership Theory and Agency Theory, the study expands theoretical discourse on the role of transformational, transactional, democratic, autocratic, and laissez-faire leadership in shaping organizational outcomes in public enterprises. The findings reveal that transformational and democratic leadership styles significantly enhance efficiency, accountability, and service delivery, while autocratic and laissez-faire approaches undermine performance. This advances governance and leadership literature by contextualizing global and regional perspectives within Kenya's transport sector, offering insights that bridge the gap between theory and practice. Moreover, the study provides policymakers, boards, and practitioners with evidence-based

recommendations for institutionalizing leadership development programs, thereby enriching both academic knowledge and practical interventions in public sector management.

CONCLUSION

Leadership style also has a significant influence on the performance of transport parastatals. Transformational and democratic leadership approaches were shown to enhance innovation, staff motivation, and inclusivity, factors that improve adaptability and service delivery. In contrast, transactional, autocratic, and laissez-faire styles were less effective, with autocratic and laissez-faire approaches limiting participation, feedback, and accountability. This outcome reinforces the relevance of the Full Range Leadership Theory (FRLT), which advocates for a balanced leadership approach that combines the visionary and participatory strengths of transformational and democratic leadership with the structured discipline of transactional leadership, while minimizing the weaknesses of autocratic and laissez-faire styles. Promoting this balanced model is essential for effective leadership within Kenya's dynamic and resource-constrained public transport sector.

RECOMMENDATIONS

Transport parastatals should focus on establishing leadership development programs that identify, support, and grow talented individuals from within the organization. This can be achieved through structured mentorship, hands-on learning opportunities, and performance-based coaching, which help employees gain leadership experience and confidence. The development approach should be rooted in transformational and democratic leadership principles, encouraging vision, inclusivity, and responsiveness. These values should be incorporated into training courses and employee evaluation systems to build strong, future-ready leaders. Promoting inclusive and collaborative leadership practices will further strengthen team performance and adaptability.

REFERENCES

- Adams, R. B., & Ferreira, D. (2020). The role of governance in organizational performance. *Journal of Corporate Finance*, 21(2), 243–267.
- Aguilera, R. V., & Cuervo-Cazurra, A. (2019). The role of corporate governance in the performance of state-owned enterprises. *Journal of International Business Studies*, 50(3), 421–441.
- Akinlabi, B., & Ogunnaike, O. (2022). Collaborative leadership and performance in Nigerian public institutions. *Journal of African Public Administration*, 14(2), 115–132.
- Anderson, M. H., & Sun, P. Y. T. (2017). Reviewing leadership styles: Overlaps and the need for a new 'full-range' theory. *International Journal of Management Reviews*, 19(1), 76–96.
- Avolio, B. J., Bass, B. M., & Jung, D. I. (2004). Re-examining the components of transformational and transactional leadership using the Multifactor Leadership Questionnaire. *Journal of Occupational and Organizational Psychology*, 77(4), 441–462.
- Babbie, E. (2020). *The practice of social research* (15th ed.). Cengage Learning.
- Baiman, S., & Rajan, M. V. (2016). The role of information and financial reporting in corporate governance and debt contracting. *Journal of Accounting and Economics*, 62(1), 234–264. <https://doi.org/10.1016/j.jacceco.2016.04.004>
- Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120. <https://doi.org/10.1177/014920639101700108>

- Bass, B. M. (1990). From transactional to transformational leadership: Learning to share the vision. *Organizational Dynamics*, 18(3), 19–31. [https://doi.org/10.1016/0090-2616\(90\)90061-S](https://doi.org/10.1016/0090-2616(90)90061-S)
- Bass, B. M., & Avolio, B. J. (1994). *Improving organizational effectiveness through transformational leadership*. Sage Publications.
- Bass, B. M., & Riggio, R. E. (2016). *Transformational leadership*. Routledge.
- Bett, M., & Wanjiru, S. (2021). The role of strategic engagement in improving public sector performance: Evidence from Kenya. *Public Administration Review*, 81(2), 123–135.
- Burns, J. M. (1978). *Leadership*. Harper & Row.
- Cheong, M., Yammarino, F. J., Dionne, S. D., Spain, S. M., & Tsai, C. Y. (2016). A review of the effectiveness of empowering leadership. *The Leadership Quarterly*, 27(4), 646–663.
- Chirchir, K. (2022). Leadership and performance in Kenya Railways Corporation. *African Journal of Transport and Governance*, 12(2), 87–102.
- Daily, C. M., Dalton, D. R., & Cannella, A. A. (2003). Corporate governance: Decades of dialogue and data. *Academy of Management Review*, 28(3), 371–382.
- Gikonyo, J. (2018). Governance reforms and performance of parastatals in Kenya. *Kenya Journal of Management Studies*, 10(1), 55–70.
- Goleman, D. (2000). Leadership that gets results. *Harvard Business Review*, 78(2), 78–90.
- Heifetz, R. A. (1994). *Leadership without easy answers*. Harvard University Press.
- Jaskyte, K. (2004). Transformational leadership, organizational culture, and innovativeness in nonprofit organizations. *Nonprofit Management & Leadership*, 15(2), 153–168.
- Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs, and ownership structure. *Journal of Financial Economics*, 3(4), 305–360. [https://doi.org/10.1016/0304-405X\(76\)90026-X](https://doi.org/10.1016/0304-405X(76)90026-X)
- Judge, T. A., & Piccolo, R. F. (2004). Transformational and transactional leadership: A meta-analytic test of their relative validity. *Journal of Applied Psychology*, 89(5), 755–768.
- Kariuki, E., & Mwangi, J. (2020). The impact of transformational leadership on public sector performance: Evidence from Kenya. *Kenya Journal of Management Studies*, 14(3), 112–127.
- Kothari, C. R., & Garg, G. (2019). *Research methodology: Methods and techniques* (3rd ed.). New Age International Publishers.
- Kumar, S., & Singh, P. (2021). Bureaucracy and inefficiency in India's railway sector. *Journal of Asian Public Policy*, 14(4), 476–491.
- Lewin, K., Lippitt, R., & White, R. K. (1939). Patterns of aggressive behavior in experimentally created social climates. *The Journal of Social Psychology*, 10(2), 271–299.
- Liu, H., Liu, Y., & Zeng, S. (2017). Does laissez-faire leadership promote innovation? *Journal of Business Research*, 76, 86–97.
- Mbalamula, C. (2022). Agency theory and governance in Tanzanian state-owned enterprises. *African Journal of Public Administration*, 16(1), 55–72.
- Moyo, T. (2020). Governance and performance of South African parastatals. *South African Journal of Governance*, 8(2), 99–113.
- Muriithi, J. (2022). Autocratic leadership and performance in state-owned enterprises in Kenya: A case of the transport sector. *Kenya Governance Review*, 16(1), 45–60.
- Mutua, S., & Wanjiru, E. (2019). Influence of transactional leadership on service delivery in Kenya's parastatals. *Public Sector Review*, 11(2), 89–104.

- Mwangi, L., & Njeru, A. (2019). Laissez-faire leadership and its effect on organizational performance. *East African Business Journal*, 23(3), 211–230.
- Ng'ang'a, D., & Omwenga, K. (2021). Transformational leadership and innovation in Kenya's public transport sector. *Journal of African Leadership*, 7(1), 1–15.
- Northouse, P. G. (2021). *Leadership: Theory and practice* (9th ed.). Sage Publications.
- Office of the Auditor General. (2020). *Audit report on state corporations in Kenya*. Government of Kenya.
- Otieno, P. (2020). Strategic leadership and financial distress at Kenya Airways. *African Journal of Business and Strategy*, 15(2), 134–150.
- Oloo, J. (2021). Corporate governance and performance of state corporations in Kenya. *Journal of African Public Administration*, 13(3), 121–137.
- Oloo, J. (2022). Governance and performance of Kenyan state corporations: An agency theory perspective. *Kenya Journal of Management Studies*, 16(1), 65–81.
- Omondi, J., & Otieno, L. (2022). Democratic leadership in public transport companies in Kenya: A pathway to performance. *International Journal of Public Administration*, 32(4), 303–317.
- PwC. (2021). *Governance and performance in Kenya's transport sector*. PricewaterhouseCoopers.
- Skogstad, A., Einarsen, S., Torsheim, T., Aasland, M. S., & Hetland, H. (2007). The destructiveness of laissez-faire leadership behavior. *Journal of Occupational Health Psychology*, 12(1), 80–92.
- Tannenbaum, R., & Schmidt, W. H. (1973). How to choose a leadership pattern. *Harvard Business Review*, 51(3), 162–180.
- Tura, D., & Bacha, E. (2021). Transformational leadership and employee commitment in Ethiopian public enterprises. *African Journal of Management*, 17(2), 201–217.
- Uganda Government. (2020). *Annual Report of the Uganda National Roads Authority (UNRA)*. Government of Uganda.
- Yamamoto, T. (2022). *Corporate governance in Japan: State-owned enterprises and their performance*. Palgrave Macmillan.
- Yukl, G. (2010). *Leadership in organizations* (7th ed.). Pearson.