

**Effect of Transformational Leadership on Organizational Performance: Case of The
National Council of Churches of Kenya**

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Student's Declaration

I declare that this is my original work and has not been submitted to any other university or student's institution other than International Leadership University, Kenya for academic credit.

Signed  _____

Date 20th April 2026__

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Approval

This research has been submitted for examination with our consent as the appointed supervisors.

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Date 20th April 2026

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Dedication

I dedicate this work to my lovely wife, Christine and our lovely children and grandson Leo for all their support, love, care, concern and encouragement during this academic journey and towards the achievement of this goal.

Abbreviations

AACC	-	All Africa Conference of Churches
AMECEA	-	Association of Member Episcopal Conferences in East Africa
ANOVA	-	Analysis of Variance
CEO	-	Chief Executive Officer
CSR	-	Corporate Social Responsibility
FBO	-	Faith Based Organization
GOK	-	Government of Kenya
ILF	-	International Leadership Foundation
KPRRA	-	Kenya Institute of Public Policy Research and Analysis
NACOSTI	-	National Commission for Science, Technology and Innovation
NCKK	-	National Council of Church of Kenya
NCPD	-	National Council for Population and Development
RBT	-	Resource Based Theory
SSA	-	Sub Saharan Africa
TOT	-	Trainer of Trainers
USA	-	United States of America
WB	-	World Bank

Abstract

This study investigated the effect of transformational leadership on organizational performance, using the National Council of Churches of Kenya (NCCCK) as the case organization. The research was prompted by increasing organizational underperformance, stagnation, and closure in Kenya over the past seven years, trends that have also affected faith-based organizations. Guided by Transformational Leadership Theory, the study examined four constructs- idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration- as independent variables. Organizational performance was assessed through service delivery, human resource development, employee motivation, and achievement of strategic goals. The Resource-Based Theory complemented the study by emphasizing the strategic role of internal human capital in enhancing competitive advantage. A mixed-methods approach and cross-sectional descriptive design were used to collect data from senior and lower-level NCCCK managers through a semi-structured questionnaire incorporating a five-point Likert scale. The conceptual framework illustrated the relationship between transformational leadership and organizational performance, while the empirical review drew from global, continental, regional, and Kenyan FBO contexts. Findings revealed that transformational leadership significantly improves organizational performance by strengthening motivation, enhancing human resource capacity, improving service delivery, and aligning organizational culture with long-term strategic priorities. The study contributes to leadership scholarship and offers practical insights for faith-based institutions seeking to strengthen leadership capacity, foster innovation, and cultivate continuous learning. Overall, the study affirms transformational leadership as a critical driver of organizational performance and a strategic pathway for revitalizing FBOs in Kenya.

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Definition of Operational Terms

Transformational leadership: A leadership style in which leaders possess charisma to provide intellectual stimulation, individualized consideration, and inspirational motivation to followers (Northouse, 2016; Avolio, 1994).

Organizational Performance: The ability to implement corporate mission, vision, services, policies and set objectives (Yukl, 2013).

Chapter One: Introduction and Background to the Study

Introduction

This chapter presents the background to the study by outlining the effect of transformational leadership on organizational performance at the global, continental, regional, and local levels. It further discusses the statement of the problem, study objectives, research questions, and the context of the study.

Background to the Study

Transformational leadership was first introduced in 1978 by political scientist James MacGregor Burns. The concept was later expanded by Bernard Bass in 1985 to incorporate both leader and follower behaviours within organizations (Bass & Avolio, 1993). Growing interest in understanding the root causes of organizational challenges has led scholars to examine the relationship between transformational leadership and organizational performance (Yukl, 1998).

Transformational leadership emphasizes both personal and professional growth among leaders and employees. These individuals become key drivers of organizational competitiveness, which explains the increasing scholarly attention on the link between transformational leadership and organizational performance. This study, therefore, investigates the effect of transformational leadership on organizational performance by examining four core constructs: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Barna, 1997; Day, 2014). The aim is to determine the effect of each component on organizational performance (Muia, 2013). Existing studies indicate that transformational leadership significantly influences organizational performance. Addressing gaps such as scarcity of skilled human resources, weak leader- employee relationships, and inadequate teamwork is essential for achieving

organizational objectives, improving service delivery, and enhancing product quality (Mobley, 2003; Mosadragh, 2003).

Globally, scholars advocate for the application of transformational leadership components to enhance organizational performance (McCauley & Velsor, 2004). Research consistently shows that the four transformational leadership constructs positively influence follower motivation. Studies by Bass and Avolio (1993, 1994), Podsakoff et al. (1990), and Judge and Piccolo (2004) demonstrate that transformational leadership fosters strong personal and organizational values, enhances intrinsic motivation, and empowers employees to uphold organizational goals. Additional evidence from Bono and Judge (2003), Wang et al. (2011), and Nwagbara and Alhassan (2021) confirms that transformational leadership strengthens performance, builds empowered leadership pipelines, and supports long-term organizational sustainability.

Analysing the effect of transformational leadership constructs on organizational performance enhances organizational operations by strengthening structures, administrative procedures, accountability in resource management, and teamwork within departments (Clampitt & Dekoch, 2022). This study contributes new knowledge to the scholarly discourse on transformational leadership.

A study conducted in Nairobi County on the effect of transformational leadership on employee performance in selected performing organizations found that leadership practices significantly influence organizational outcomes (Muia, 2003; Hall et al., 2008). The study involved five faith-based organizations and a sample of 60 respondents. Findings showed strong agreement with the presence of idealized influence (15%), inspirational motivation (7%), intellectual stimulation (11%), and individualized consideration (20%). However, the study

focused on performing organizations rather than faith-based organizations, creating a contextual gap. Recommendations included entrenching transformational leadership, enhancing training and capacity building, and developing young leaders for future organizational roles. The study also emphasized modelling organizational performance around the four transformational leadership behaviours to enable leaders to influence employees more effectively.

Ndonye (2018) examined leadership approaches and their impact on church growth at Nairobi Gospel Centres International. The study revealed that ineffective leadership and weak organizational structures hinder church performance. It further established that excessive concentration of responsibility at the top leadership level overshadows junior leaders, while poor planning limits organizational growth and contributes to declining spiritual development. The study recommended adopting transformational and balanced leadership approaches to support projected growth. It also highlighted gaps such as lack of teamwork, weak collective accountability, and insufficient integration of emerging leaders. These findings contrast with studies among African-American churches, where leaders demonstrate strong commitment to organizational objectives through transformational leadership behaviours (Malphurs, 2003). The next section discusses transformational leadership from global, continental, regional, and local perspectives.

Transformational Leadership Globally

Transformational leadership is instrumental in raising human hope, motivation, moral strength, and the capacity to overcome challenges, fear, and recurring insecurity within organizations (Elders Report, 2023). This leadership model has been recognized for its ability to alleviate poverty, enhance organizational performance, and advocate for marginalized groups (Schrier, 2013).

A study on achieving innovative firms through human and social capital in Malaysia's automobile industry identified transformational leadership as the most significant factor influencing organizational performance (Samad, 2020). This was attributed to selfless leader–employee relationships and the integration of both internal and external organizational functions. The study recommended that leaders embrace transformational leadership to foster creativity and develop distinctive organizational competencies. Data collected from 150 respondents out of 200 questionnaires indicated that idealized influence ($\beta = 0.49$) had the strongest effect on organizational performance, while inspirational motivation ($\beta = 0.21$) had the lowest. These findings affirm that transformational leadership is a critical component in building high-performing organizations. Furthermore, transformational leadership is considered a key tool in organizational development because it encompasses responsibilities related to achieving objectives, implementing policies, and executing programmes (Kallock & Artman, 1986). This leadership approach enables chief executive officers to navigate difficult times, challenges, and organizational hardships (Weber, 2004).

Uludag and Kilic (2021) conducted a similar study examining the effect of transformational leadership on organizational performance within the Cyprus Security Forces. Their findings rated transformational leadership as a sustainable leadership tool that liberates subordinates' ideas, encourages diverse perspectives, and enhances the quality of human capital. Data from 1,229 respondents revealed that employees' values, emotions, creativity, and individualized considerations are central to organizational success. The study confirmed that transformational leadership enhances idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass & Avolio, 1999; Garcia-Morales et al., 2008). These findings align with Avolio's (1994) assertion that transformational leadership is

shaped by individual perceptions and risk-taking behaviours. Reger (2001) recommends further research to determine the adequacy of transformational leadership in managing complex organizations. This is critical because the quality of leadership directly influences organizational performance (Furnham, 2002).

Transformational Leadership in the African Continent

Transformational leadership has the potential to empower the African workforce, harness unique talents, and promote long-term initiatives aimed at addressing recurring global challenges (Robinson, 2023). It presents unique skills that support organizational performance and growth (Savchick, 2021). This leadership approach aligns with the World Bank's (2021) objective of mobilizing nations to contribute to the global development initiative of creating one billion jobs by 2050. Faith-based organizations, however, face challenges in positioning trustworthy leaders and modelling future generations for global leadership (Northouse, 2022).

Haruna's (2021) study on transformational leadership in Nigerian churches validated transformational leadership as a vital tool for church growth. The study identified poor leadership character and lack of mission and vision as major contributors to organizational decline. Study population was church leaders and ministry workers in selected Nigerian Christian denominations. Sample size was 150 participants and mixed methods- interviews and questionnaires- was used to collect and analyze data. Assessment of leadership skills, delegation, teamwork and organizational growth was done. Transformational leadership was validated as essential for church growth. Leaders lacking transformational skills demonstrated weak character and poor stewardship. Major challenges were lack of delegation; weak teamwork; limited knowledge sharing and low creativity. African FBOs were found to be less competitive due to leadership skill gaps.

Haruna (2021) and Samad (2020) emphasize the need for leaders to delegate responsibilities and empower followers to build strong teams within church organizations. Embracing transformational leadership develops human capital and prepares future generations for leadership roles. Transformational leadership also empowers African leaders to participate in continental transformation by strengthening human resource capacity and improving the economic status of countries below the poverty line (Garang, 2005).

Transformational Leadership in Eastern and Horn of Africa

Scholars such as Gonye and Moyo (2013) and Carson (2024) argue that the Eastern and Horn of Africa region lacks transformational leadership, resulting in juvenile governance, chaos, internal conflicts, poverty, and rising numbers of refugees. These conditions may reflect the absence of transformational leadership. Gatu (2020), Harrison and Salem (2017), and Issa-Sulwe (2022) concur that there is a significant disconnect between leaders and citizens in the region. This study therefore encourages leaders to participate actively in poverty alleviation, regional peacebuilding, human resource capacity development, and the promotion of harmony within the Eastern and Horn of Africa region.

Umuganwa's (2021) study on the effect of transformational leadership on project performance at African New Life Ministries in Rwanda revealed low levels of transformational leadership practice within the church organization. The study recommended specialized training for employees to enhance transformational leadership competencies and improve organizational performance. It further encouraged employees to work diligently to sustain competitive performance within and beyond the church setting. The study population included project managers and project staff in Rwanda. Sample size was 200 participants and quantitative research approach was applied. Likert-scale questionnaires were used to collect data. The study

established the relationship between transformational leadership components and project performance. Results showed that transformational leadership application was low (4.0). Project managers scored poorly in applying transformational leadership (2.0). Both leaders and employees lacked transformational leadership skills. Weak leadership negatively affected project performance.

These findings affirm lack of initiatives to prevent organizational collapse, ensure accountable leadership transitions, and address dictatorship and human suffering in the region (Kanyogonya, 2000). This highlights a significant gap in both continental and global leadership necessary for achieving sustainable development goals.

Transformational Leadership in Kenya

Studies indicate that more than 9,754 church and civil organizations in Kenya have closed in the past eight years, highlighting the need to investigate the causes, hindrances, transitions, and challenges affecting organizational performance (Kimemia, 2024; Cowling, 2023). Okubaso (2024) found that the Kenyan government authorized the closure of more than 25 organizations, prompting further inquiry into the underlying causes. This study critically examines leadership approaches and identifies strategies that may safeguard the future of competitive organizations through sustained performance (Kenya Institute of Public Research and Policy Analysis [KIPRRA], 2024). Muia (2013; 2021) evaluated transformational leadership among five selected Kenyan faith-based organizations. Population included leaders and employees in FBOs. Sample size was 250 participants and methodology used was quantitative survey. Four transformational leadership components were measured. Results showed inspirational motivation 7%, intellectual stimulation 11%, idealized influence 15% and individualized consideration 20%. Leadership training gap was 26.7%, indicating weak

structures and overshadowing of junior leaders were common. Thus, transformational leadership is taught academically but poorly practiced.

Ndonye (2018) Assessed leadership gaps in Kenyan faith-based organizations. Population included church leaders, ministry workers and administrative staff. Sample size 300 participants. Mixed method was adopted involving qualitative interviews and quantitative surveys. Analysis of leadership structures and training needs showed leadership training gaps (26.7%). This indicates lack of structures to support group responsibilities, junior leaders overshadowed by senior leaders and need for leadership development programs.

Mbugua (2019) investigated transformational leadership as a determinant of organizational success in a Kenyan megachurch. Population included pastors, ministry leaders and church staff at Mamlaka Chapel. Sample size was 80 participants. Methodology used was case study design, where interviews and questionnaires were used to collect data. Assessment of idealized influence and capacity building was conducted. Results showed that transformational leadership is the main determinant of organizational success. Further, idealized influence and continuous capacity building were strong predictors of performance. Leaders are encouraged to identify visionary individuals for digital-era leadership.

Transformational Leadership Constructs

This study applies transformational leadership components to evaluate leaders' ability to influence, inspire, enhance collective intellectual capacity, foster creativity, and implement measures for developing future leaders (Barna, 2012). The study further seeks to determine the effect of each construct on organizational performance (Annan, 2015; Wiseman, 2010). There is a need to examine organizational leadership to assess the extent to which transformational leadership has been embraced in implementing viable programs, particularly within strong

cultural contexts (Bolman & Deal, 2003). The following section discusses the four constructs of transformational leadership.

Idealized Influence.

Idealized influence equips transformational leaders with the capacity to inspire followers and sustain collaboration across teams (Yukl, 2013). This construct supports the evaluation of leaders' ability to model honesty, uphold strong values, demonstrate foresight, and exercise persuasive influence. It also enables assessment of leaders' willingness to listen, learn, and guide teams toward achieving organizational objectives, especially during challenging periods (Bolman & Deal, 2003). The study by Bolman and Deal (2003) on global organizational leadership and change used conceptual and theoretical analysis. It identified transformational leadership as a critical tool for reviving stagnant organizations and navigating complexity. Idealized influence is measured to determine its effect on organizational performance (McCauley, 2004). Understanding leaders' influence and their support for skilled personnel is essential for promoting a strong organizational culture.

Inspirational Motivation.

Inspirational motivation refers to a leader's internal drive to articulate a compelling vision for the organization's future, supported by new ideas, innovation, and appropriate human resources (Robinson, 2023). This construct enhances clarity in the application of transformational leadership, promotes creativity, improves service quality, and strengthens capacity building and talent development. Inspirational motivation challenges chief executive officers to manage change by adopting open-minded analysis as a means of reviving stalled strategies. Motivation involves a leader's ability to ignite employees' talents, passion, and drive, enabling junior leaders to reach their highest potential. Given the challenges affecting

organizations, this study examines leaders' ability to resolve issues within their institutions.

Since initiative-taking is a hallmark of quality leadership, it is necessary to explore how leaders multiply accountable successors who can sustain organizational performance (Berkley, 2005).

Intellectual Stimulation

This study strongly encourages the development of intellectually grounded leaders who can guide organizations, expand qualified human resources, and strengthen learning institutions. It is important to determine whether leaders willingly share their experience and knowledge to accelerate project completion (Prime, 2005). Intellectual stimulation also involves assessing how leaders share global experiences with junior staff as part of continuous learning. This construct examines the effect of enhanced learning, problem-solving approaches, and the use of new technologies as expected in transformational leadership (McCauley, 2004). Measuring the intellectual relationship between leaders and followers is essential for expanding thought processes, encouraging innovation, and increasing confidence in the workplace (D'Souza, 2004).

Individualized Consideration

Transformational leaders initiate and sustain organizational performance by articulating future projections, sharpening the skills of the workforce, offering symbolic guidance, and coaching emerging leaders (Berkley, 2005; D'Souza, 2004). It is necessary to evaluate leaders' growth, their networks, and the mechanisms through which they share leadership knowledge (McCauley, 2004). Developing leaders is a critical organizational responsibility. However, there remains a gap in the availability of transformational leaders capable of influencing national, regional, and continental development (Adadevoh, 2014; Elders, 2007). This study encourages organizations to anchor leadership development on emerging young leaders and to focus on improving employee performance (Osido, 2016).

Organizational Performance

Organizational performance refers to a leader's ability to coordinate staff, groups, relationships, and resources to ensure effective service delivery and sustain competitive products through sound leadership principles and techniques (Ramdeo & Singh, 2020; Yukl, 2013).

Enhanced transformational leadership skills, stakeholder engagement, and staff involvement contribute to steady organizational performance. Leaders are expected to achieve organizational goals in alignment with the board-approved blueprint. To strengthen organizational performance, chief executive officers must improve staff productivity, refine talents, expand intellectual capacity, and conduct periodic internal assessments (Zausmer & Bradley, 2018).

These concerns highlight the need to investigate why some organizations are closing down while others are relocating to different countries (The Kenya Times, 2025).

The National Council of Churches of Kenya

The National Council of Churches of Kenya (NCCCK) is a century-old ecumenical body of Christian churches and organizations founded in June 1913 during the United Missionary Conference held at the Scottish Mission in Thogoto, Kenya. The conference affirmed the desire to work as a united church to improve the lives of the people. NCCCK's focus includes nurturing, mentorship, transforming lives, and building a sustainable society. Its headquarters are located in Nairobi, Kenya (NCCCK, 2023). The Council links and coordinates affiliated churches in Kenya and collaborates with regional and global organizations.

Since its formation, NCCCK has played a significant role in national advocacy. It supported the unity of the Alliance of Protestant Missions (1918), protested against Female Genital Mutilation (1919), and represented African interests in the Devonshire White Paper, which declared Kenya an African native land (1923). It established the Alliance School (1926),

set up health facilities for Africans, and opposed compulsory unpaid labour (1930–1939). NCCCK advocated for the rehabilitation of World War II soldiers (1940–1949), facilitated visits to detention camps and campaigned for the end of the emergency law (1959). More recently, it pushed for constitutional reforms (2010–2019) and played a key role in mediation and safeguarding the 2017 general election.

NCCCK is headed by a General Secretary who serves a six-year term, renewable once. Its strategic plan aligns with this study due to its emphasis on staff development and organizational performance. It is a transformational organization that advocates for the well-being of citizens and non-citizens. Its affiliated churches and organizations promote ecumenical fellowship, capacity building and the creation of a just, sustainable and holistic society (AACC, 2014). The Council comprises 37 communions and serves over 35 million individuals. It collaborates with secular and interfaith partners to advance positive societal change (NCCCK Report, 2024).

This study seeks to determine the effect of long-term transformational leadership on NCCCK's century-long existence. The aim is to affirm NCCCK's role in holistic transformational leadership development, guided by its motto, *For Wananchi* (Citizens). This case provides a benchmark for improving organizational performance by examining leader- employee culture as a pathway to achieving desired results (Duggal, 2015).

Statement of the Problem

The closure of more than 9,779 organizations in Kenya over the past eight years raises significant concern and calls for an investigation into the underlying causes of this decline (Business Registration Service, 2023). The increasing number of organizations laying off workers, coupled with deteriorating performance indicators, further highlights the urgency of this issue (Kimemia, 2024; Cowling, 2023). According to Okubaso (2024), the Kenyan government

has been unable to halt the closure or relocation of organizations, prompting questions about the leadership styles currently in use.

Although multiple leadership approaches exist, each influencing organizational performance differently, there is a need to examine specifically how transformational leadership affects performance outcomes. Organizational performance encompasses effective service delivery, human resource development, employee motivation and achievement of strategic goals (Mhlanga, 2022; Peltz & Wilson, 2020; Ray, 2012). Existing studies reveal persistent leadership challenges within faith-based and church-led organizations, including low intellectual capacity (26.7%), declining spiritual growth, dominance of top leadership, inadequate delegation and weak teamwork (Ndonye, 2018). These findings point to gaps in leadership development and succession planning. Further, Samad (2012) identified inspirational motivation as the weakest transformational leadership component (0.21), while Muia (2013) highlighted deficiencies in human resource development and recommended the entrenchment of transformational leadership practices. Uludag and Kilic (2021) also emphasized the need for research on how leadership knowledge and experience are transferred to future generations. Collectively, these studies underscore the need to investigate how employees apply transformational leadership knowledge, experience and influence to enhance organizational performance.

Despite these concerns, limited research has examined the effect of transformational leadership on the performance of the National Council of Churches of Kenya (NCCCK), a century-old faith-based organization with significant national influence (Kiiru, 2019). This study therefore sought to determine the effect of the four transformational leadership constructs on NCCCK's organizational performance, using the NCCCK Strategic Plan (2019–2028) as a performance benchmark (NCCCK, 2022). Accordingly, the study addresses a critical knowledge

gap by examining the relationship between transformational leadership and organizational performance within faith-based organizations (FBOs), with specific focus on NCKK.

Purpose of the Study

The purpose of this study is to examine the effect of transformational leadership components on organizational performance, with specific emphasis on the National Council of Churches of Kenya (NCKK). The study focuses on assessing the extent to which NCKK leadership applies the four transformational leadership constructs- idealized influence, inspirational motivation, intellectual stimulation and individualized consideration (McCauley & Velsor, 2004).

The study contributes to scholarly understanding of how nurturing leaders, cultivating ethical values and developing emerging leaders influence organizational performance (Bryman, 2011). It also aims to motivate practitioners to adopt transformational leadership approaches in strengthening organizations, learning institutions and governance structures within devolved government systems (Osido, 2016).

Additionally, the study supports the Council of Governors' call to address leadership and transition challenges within county governments (Council of Governors, 2022). It responds to recommendations that institutions must intentionally nurture influential leaders capable of contributing to Africa's development (Asobee, 2022). The study further acknowledges the urgent need to empower women and youth leaders to eradicate poverty, enhance innovation, promote creativity and strengthen coaching and mentorship capacities (Aseka, 2005).

Objectives of the Study

The overall objective of this study is to evaluate the effect of transformational leadership on organizational performance at the National Council of Churches of Kenya (NCKK), Nairobi.

The specific objectives are:

1. To determine the effect of idealized influence on organizational performance at NCKK.
2. To establish the effect of inspirational motivation on organizational performance at NCKK
3. To determine the effect of intellectual stimulation on organizational performance at NCKK.
4. To find out the effect of individualized consideration on organizational performance at NCKK

Research Questions

The study was guided by the following research questions:

1. What is the effect of idealized influence on organizational performance at NCKK?
2. What is the effect of inspirational motivation on organizational performance at NCKK?
3. What is the effect of intellectual stimulation on organizational performance at NCKK?
4. What is the effect of individualized consideration on organizational performance at NCKK?

Significance of the study

The significance of this study lies in its examination of the effect of transformational leadership on organizational performance and its potential influence on organizational closure, relocation or stagnation. The findings will enrich emerging transformational leaders and provide chief executive officers with insights to accelerate policy implementation, strengthen human resource development, enhance leadership skills, improve decision-making processes and influence future leadership.

The study will benefit scholars, students of leadership, learning institutions, faith-based organizations, corporate entities, devolved governments and churches seeking to improve organizational performance through transformational leadership.

Assumption of the Study

The study assumes that respondents provided accurate and honest information. It also assumes that some employees may have been unwilling to complete the survey fully. Assumptions are considered facts presumed to be true, including the belief that some respondents were graduates, although this could not be verified due to the absence of credential-verification policies and guidelines (Boyer, 2019).

Limitations of the Study

The study was limited to NCKK and encountered challenges such as time constraints during data collection, difficulty verifying the honesty of respondents and financial limitations throughout the research process.

Delimitations of the Study

The study was delimited to members of the governing council, top leaders, mid-level leaders and staff of NCKK within Nairobi County. A mixed-methods approach was used to assess the variables and extract relevant information from NCKK staff.

Chapter Summary

This chapter presented the introduction and background to the study, including an overview of transformational leadership and its application globally, continentally, regionally, and within Kenya. It outlined the statement of the problem, purpose of the study, research objectives, research questions, methodology, significance, assumptions, delimitations, and limitations. The next chapter presents the literature review.

Chapter Two: Literature Review

Introduction

This chapter presents the theoretical and empirical literature related to the effect of transformational leadership on organizational performance, guided by the research objectives outlined in Chapter One. The review covers Transformational Leadership Theory and Resource-Based Theory, followed by a critical analysis of the four transformational leadership constructs. The chapter also includes an empirical review, a conceptual framework illustrating the relationship between independent and dependent variables, a critique of the reviewed literature, a summary and the identified research gaps.

Theoretical Review

The theoretical review provides an overview of the Transformational Leadership Theory and the Resource-Based View (RBV), both of which inform the study's examination of how transformational leadership influences organizational performance.

Transformational Leadership Theory

Transformational Leadership Theory was first introduced by James Downton in 1973 to explain leadership that inspires followers. James MacGregor Burns later expanded the concept, defining transformational leadership as a process through which leaders motivate followers to pursue a shared vision and achieve organizational goals (Burns, 2014). Bernard Bass further developed the theory by clarifying how transformational leaders inspire trust, admiration and respect among followers, thereby accelerating the achievement of desired outcomes. Yukl (2010) acknowledges Burns for pioneering the theory, which has since influenced leadership practices in business, organizational management and political governance.

Transformational leadership reflects a leader's willingness to enhance organizational performance, strengthen organizational culture and influence junior leaders to deliver quality service both individually and within teams (Black et al., 2019). The theory emphasizes the leader's ability to communicate organizational vision, instil collective team spirit and guide teams toward accomplishing tasks within set timelines. Transformational leaders articulate strategic projections, communicate policies and specify actions required to achieve organizational goals. The theory is credited with improving performance, strengthening financial outcomes and generating value for investors, shareholders and stakeholders. Transformational leaders also convert challenges into opportunities and build legacies that shape future leadership (Malphurs, 2003).

Transformational leadership often challenges leaders to take on difficult tasks, embrace risks and view failure as an opportunity for renewal (Bolman & Deal, 2003). It energizes employees, enhances their capacity to lead and equips them to address challenges that hinder organizational performance. Transformational leaders identify attainable objectives and implement transformative strategies effectively (Wiseman & McKeown, 2017). The theory empowers human capital, strengthens the workforce, promotes long-term initiatives and offers sustainable solutions to recurring organizational challenges (Hybels, 2002). As challenges increase, transformational leaders nurture potential visionaries capable of driving change and innovation within diverse communities (Adair, 2009).

The theory also highlights the importance of integrating diaspora expertise, expanding networks and fostering community participation and technological innovation (Ojo, 2014). Transformational leaders inspire alumni and stakeholders to support institutions through skills development, technological advancement and revitalization of stagnant organizations. Such

leadership is essential for achieving Kenya's Vision 2030, the World Bank's gender empowerment objectives and global human resource development initiatives aimed at creating one billion jobs by 2050 (General Secretary, 2021). The World Bank (2021) projects that by 2075, one in every three workers globally will be African, underscoring the need for transformational leadership to develop skilled human capital. This is particularly relevant given Kenya's high youth unemployment rates- 41% in Nairobi, 37% in Mombasa and 23% in Murang'a, Nyandarua and Kitui counties (NCPD, 2023).

Northouse (2022) notes that organizations face significant leadership challenges and emphasizes the need to refine and equip emerging leaders with the capacity to assume trustworthy leadership roles. Transformational leadership provides strategic guidance, leadership skills and sustainable solutions for organizations facing complex challenges (Bolman & Deal, 2003). It calls for collective commitment to stimulate change, pursue high-risk ventures, uphold core values and promote sustainable development (D'Souza, 2003). The theory enhances junior leadership skills and coordinated workflow, which are essential for organizational performance.

Although initially applied to political leadership, transformational leadership has significantly influenced the growth of institutions and organizations (Barna, 1997). Transformational leaders and followers provide direction during change processes, although the approach may sometimes be less practical. While transformational leadership improves organizational performance, Yukl (2010) argues that it may overlook structural, cultural and technical processes that are critical to organizational viability. New goals may also overshadow long-term organizational projections.

Transformational leadership involves transforming individuals, teams and organizations by fostering meaningful changes in workplace morale, benefits and employee attitudes

(Malphurs, 2003). However, the high inter-correlation among transformational leadership behaviours raises concerns about construct validity and may exclude other leadership behaviours such as delegation, coordination and peer networking (Bass, 2006). Despite these limitations, scholars such as Malphurs (2003), Northouse (2022) and Yukl (2010) affirm that transformational leadership accelerates organizational performance, fosters growth and shapes future leaders. It strengthens teamwork, enhances organizational skills and contributes to the revival and sustainability of organizations.

Resource-Based Theory

The Resource-Based Theory (RBT) was developed between 1980 and 1990 by scholars such as Wernerfelt, Hamel and Prahalad to explain how organizations gain competitive advantage by strengthening internal resources rather than relying on outsourcing (Barna, 1997). It emphasizes the strategic management of organizational resources to enhance service delivery, productivity and competitiveness in dynamic environments (Penrose, 2009). The theory asserts that organizations achieve superior performance when they possess resources that are valuable, rare, inimitable and non-substitutable.

The Resource-Based Theory supports transformational leadership by enabling leaders to foster sustainable organizational growth and maintain competitive advantage through effective utilization of internal capabilities. Transformational leaders leverage RBT by developing human capital as a core resource for organizational performance (Mhlanga & Dzingirai, 2024). The theory strengthens transformational leadership by emphasizing the refinement of human resources, continuous influence, intellectual stimulation and the maintenance of organizational performance during restructuring processes. Together, RBT and transformational leadership

provide a comprehensive framework for chief executive officers to engage employees, revive organizational systems and achieve strategic goals and core values (Barney, 1991).

A key contribution of RBT is its focus on improving staff performance based on individual specialization, skills, talents, responsibilities and team motivation. It aligns with transformational leadership because both approaches accelerate organizational transformation through inspiration, empowerment and strategic resource utilization (Utami & Alamanos, 2025). Organizations that apply RBT effectively increase value addition, achieve capital targets and strengthen market competitiveness. Leaders who adopt RBT strategies tend to thrive in performance, produce competitive human resources, embrace innovation and integrate modern technology.

Since transformational leadership aims to transform organizations, RBT enhances this process by promoting competition, boosting performance, supporting technological advancement and driving continuous innovation (Gupta, 2025). As a result, organizations develop globally competitive workforces that contribute significantly to organizational value.

The Resource-Based Theory also emphasizes the importance of intangible assets such as capacity building, intellectual knowledge, organizational goodwill and stakeholder confidence. These intangible resources form the foundation of sustainable competitive advantage. Organizations that fail to develop human capital often experience high staff turnover, weakened influence and reduced capacity for innovation. Successful organizations, by contrast, are supported by strong human capital, technological advancement and innovative practices. Furthermore, RBT integrates effectively with transformational leadership to enhance staff development, organizational performance and community engagement through corporate social responsibility (CSR). Both theories contribute to refining internal human resources and support

transformational leadership roles such as inspiring, influencing, sustaining and developing leaders. However, caution must be exercised to ensure that RBT does not overshadow the transformational leader's vision to mentor and develop emerging leaders. While both theories strengthen organizational culture and support sustainable transformation, an overemphasis on strategy may divert attention from human capital formation.

Therefore, the two theories require balanced application to ensure that organizations appreciate diverse talents, skills and leadership styles that may not fit neatly within either theoretical framework. When applied together, RBT and transformational leadership provide a powerful foundation for enhancing organizational performance, particularly within faith-based organizations such as NCCK.

Transformational Leadership Components

Transformational leadership is a leadership theory conceptualized as a multidimensional construct and expressed practically as a leadership style characterized by four core components: idealized influence, inspirational motivation, intellectual stimulation and individualized consideration (Yukl, 2010). These components shape leader- follower behaviour by fostering influence, resourcefulness and constructive engagement within organizations (Mintzberg, 2019). Transformational leaders inspire junior leaders and employees, enabling them to form progressive teams that enhance organizational performance and innovation in competitive environments (Avolio & Yammarino, 2013).

Idealized Influence

Idealized influence involves building confidence, trust and serving as a role model for followers (Day, 2014). Leaders who demonstrate idealized influence inspire employees to pursue organizational objectives with commitment and integrity (Malphurs, 2003). This component

strengthens leaders' confidence and provides a foundation for anchoring radical organizational change. As a result, followers emulate positive virtues and develop proposals that contribute to vibrant organizational performance (Sarker, 2017).

According to Deitterick (2008), leaders often incorporate charismatic attributes such as vision, a sense of mission and the ability to instil pride, respect and trust among followers. Transformational leaders strengthen employees' capacity for collaboration, creativity and ethical performance (Yukl, 2010). These leaders possess strong foresight and persuasive influence, enabling them to build reputable and high-performing organizations. Blanchard et al. (1985) emphasize that influential leaders listen actively and maintain a learning attitude, which enhances communication and fosters a conducive work environment. Bolman and Deal (2003) highlight Franklin Roosevelt's leadership during the American economic recession (1939–1944) as an example of idealized influence- demonstrating resilience and inspiring citizens during hardship. Similarly, transformational leaders today must address complex organizational challenges with courage and strategic insight (Kotter, 1999).

Idealized influence promotes gender equity by increasing opportunities for women leaders and addressing systemic barriers (Van Velsor et al., 2010). Through influence and awareness, leaders expand human capital and strengthen organizational capacity (D'Souza, 2003). Hooft (2013) identifies the need for globally minded leaders capable of driving strategic plans, while Ojo (2014) emphasizes the importance of skilled leaders who can withstand organizational pressure and develop effective policies. The South Sudan Peace Agreement (2005) illustrates the power of idealized influence in uniting conflicting groups- including the church, the Sudan People's Liberation Movement and other factions- to rebuild their nation (NCKK, 2023). Transformational thinking enabled diverse groups to agree on shared cultural and national

values (Gatu, 2016). A study by Gatu (2016) on Kenyan church leadership and self-reliance movement (*Jitegemee*) used historical and narrative analysis. It advocated for internal resource mobilization and reduced dependency among Kenyan FBOs. Idealized influence encourages learning programs that transform destructive ideologies into constructive leadership (Museveni, 2000). At its core, idealized influence reflects high moral reasoning and strong perspective-taking abilities.

Inspirational Motivation

Inspirational motivation enhances team spirit and supports the implementation of organizational blueprints, strategic plans, technological integration, innovation and skills development (Holbeche, 2012). According to Adair (2009), inspiration is a mental stimulation that helps leaders realize their potential, find meaning in their work, refine creative processes and lay strong foundations for organizational success. Inspirational leaders build reputable organizations, establish effective systems and demonstrate a willingness to create lasting legacies (Cybellium, 2024).

Transformational leaders challenge emerging leaders to balance short-term and long-term goals while maintaining competence and integrity (Annan, 2015). They share personal stories of resilience, family influence, community engagement, faith and mentorship- stories that shape their leadership styles and inspire others (Wiseman & McKeown, 2017). Michelle Obama's "Let's Move" initiative exemplifies inspirational motivation by encouraging honesty, discipline, and community engagement (Obama, 2021).

Organizations require inspirational leaders to guide recovery from economic stagnation and social disruption. Barack Obama's leadership during the "Great Recession" (2007–2010) demonstrates how transformational leadership can restore hope and rebuild communities. As a

young leader, he spearheaded faith-based community programs focused on job training, leadership development and social transformation (Obama, 1988). His administration later created more than 11.3 million jobs, illustrating the power of inspirational leadership in national recovery (Chideya, 2007).

Inspirational motivation helps organizations counter scepticism, revive stalled strategies, and recover from past failures. Leaders who demonstrate this component are sensitive to follower needs and community expectations. Inspirational motivation also aligns with the African Union Agenda 2063 (Aspirations 1, 6, and 7), which calls for people-driven development and global engagement (Bialostocka, 2018). Through collaboration and shared vision, leaders can strengthen organizational growth (Bradford et al., 2011). As Braton (2020) explains, motivation is a leadership approach that enhances creativity, performance and skill development. Transformational leaders embrace challenges as opportunities for open-minded analysis and organizational renewal. Motivational leadership ignites personal talent and passion, enabling junior leaders to reach their highest potential (Kotter, 1999). Transformational leaders accept the possibility of failure as part of growth and remain committed to resolving issues that hinder organizational performance (Peale, 2003). They foresee future opportunities, demonstrate self-motivation and create interactive learning spaces that empower others. Ultimately, they serve as stepping-stones for successful leadership.

Intellectual Stimulation

Intellectual stimulation is a critical component of transformational leadership that empowers leaders and employees to think creatively, challenge existing assumptions and develop innovative solutions to organizational challenges. This study emphasizes intellectual stimulation as a foundational element for developing reputable transformational leaders capable of

enhancing organizational performance (Malphurs, 2003). A knowledgeable and enlightened human resource base forms the backbone of high-performing organizations and contributes significantly to global organizational development. Intellectual stimulation encourages leaders to apply acquired skills, embrace innovation and perform effectively in higher leadership roles (Senge, 2014).

Transformational leaders understand their organization's strengths, weaknesses, opportunities and threats to navigate complex environments (Bolman & Deal, 2003). Intellectual knowledge fosters curiosity, openness to new leadership strategies and a willingness to learn from others while embracing emerging technologies (Sebaly, 2017). It reduces feelings of inferiority among junior leaders and motivates them to assume greater responsibilities. Leaders who are intellectually stimulated acquire the skills necessary to complete projects initiated by their predecessors while minimizing internal conflict (Conger & Kanungo, 1988). Such knowledge strengthens collaboration, loyalty and trust within the organization (Prime, 2005).

Exposure to international experiences and continuous learning transforms leaders into self-authoring individuals who document, preserve and practice organizational culture (Hofstede et al., 2010). Continuous learning enhances decision-making, especially in complex situations, and builds courage for affirmative action during difficult times. A culture of learning fosters structured problem-solving, smooth transitions from physical to online operations and improved organizational performance (Van Velsor et al., 2010). Informed leaders engage in dialogue, build networks and share experiences that inspire others to take interest in organizational growth.

Hill (2018) affirms that high-performing organizations are led by devoted leaders who recognize and exploit hidden opportunities. Intellectual knowledge enabled Safaricom's founding CEO, Michael Joseph, to steer the company to over 50 million subscribers and

introduce the globally acclaimed M-PESA innovation (Githinji, 2014). Safaricom's corporate social responsibility initiatives, such as national education sponsorships, demonstrate how intellectual leadership can address societal challenges and build confidence among marginalized groups (D'Souza, 2003). Intellectual thinking advances knowledge, strengthens national intellectual capacity and produces bold leaders capable of confronting adversity (Senge, 2014).

Leaders have a responsibility to cultivate teams of thoughtful, creative and disciplined individuals. This includes setting expectations, offering rewards and fostering environments that encourage innovation (Barna, 1997). A leader's identity is reflected in their ability to solve problems and implement new strategies (Gujral, 2012). Intellectual synergy produces leaders who perform beyond expectations and overcome modern challenges such as exploitation, manipulation and mental stagnation. Historical examples include Henry Ford, Thomas Edison, and Harvey Firestone, whose intellectual collaboration revolutionized the automobile, communication and tire industries (Bolman & Deal, 2003).

Intellectual blending increases the number of high-performing leaders by cultivating new ideas, strengthening organizational structures and promoting practical transformation (Iacocca, 2011). Leaders unlock individual and team potential through continuous learning and reflective practice. To restore declining organizations, leaders must acknowledge mistakes and embrace new intellectual approaches (Corvellec, 2024). Knowledge adds value to team members and encourages brainstorming, which becomes a powerful tool for implementing organizational agendas.

Globally, ignorance, illiteracy and poverty remain persistent challenges, yet intellectual capacity strengthens the workforce and enhances organizational resilience (Hybels, 2009). Knowledgeable employees contribute to well-organized institutions capable of transforming

communities. Effective leaders align their thinking with transformational leadership objectives and apply acquired knowledge to improve organizational performance. Intellectual leaders seek honest counsel, value truth and mentor others without violating their rights (Cybellium, 2024). Knowledgeable followers often outperform those who merely seek power. Intellectual knowledge is a valuable asset found not in distant lands but within the committed learner (Van Velsor et al., 2010).

In transformational leadership, knowledge enhances service delivery and should not be viewed as a competitive weapon. To counter negative narratives- such as the “hopeless continent” label once applied to Africa- Christian leaders must embrace transformational leadership in alignment with the African Union Agenda 2063 (Priest & Barine, 2017). This will enable faith-based organizations to thrive and contribute meaningfully to societal development. Intellectual knowledge strengthens leaders’ capacity for logical reasoning, situational adaptation and strategic decision-making. A study conducted in the Niger Delta found that intellectually stimulated followers think creatively, make sound decisions, and solve organizational problems effectively (Nwagbara & Alhassan, 2021). Organizational challenges affect employees’ social, economic, environmental and political well-being. Intellectually stimulating leaders promote unity by integrating diverse perspectives to generate innovative organizational projects. This aligns with Bass and Avolio’s (1993) assertion that intellectual stimulation produces high levels of innovation among subordinates.

Intellectual stimulation plays a vital role in restoring declining educational and organizational systems. Organizations must track their alumni, employees and partners to strengthen intellectual growth. This enhances vocational skills, professionalism and leadership

capacity among emerging generations- ensuring a sustainable pipeline of human resources capable of advancing organizational and community development.

Individualized Consideration

Individualized consideration emphasizes the development of leaders by nurturing active, influential and responsible organizational actors (Berkley, 2008). Transformational leadership cultivates selfless, committed and accountable leaders who identify and mentor emerging talent, entrusting capable individuals with increasingly challenging responsibilities (Adadevoh, 2007). Through this component, leaders multiply their influence by instilling vision, values and leadership principles in upcoming leaders. Transformational leadership raises human hope, strengthens moral courage and empowers individuals to overcome fear and insecurity (Hybels, 2009). Delegated authority and responsibility contribute to poverty reduction, gender equity and the advancement of women and youth in leadership.

Historical examples illustrate the power of individualized consideration. Mahatma Gandhi's leadership influenced global figures such as Martin Luther King Jr., Nelson Mandela, and Desmond Tutu, shaping them into transformative leaders (Fernandez, 2009). Gandhi also inspired Farah Omar, a Somali activist who resisted colonial rule. His leadership style is widely admired, including by former U.S. President Barack Obama (Obama, 1988). Such examples demonstrate how personal mentorship and exemplary leadership cultivate future leaders who apply new skills to transform their organizations.

Theological scholars highlight the need to address harmful interpretations that perpetuate gender-based violence and limit women's participation in leadership (Wuehler, 2024). Transformational leadership provides a framework for empowering women and youth to assume meaningful leadership roles (Barna, 1997). Leadership development is achieved through

influence, identification of talent, close supervision and the cultivation of strong networks (Van Velsor et al., 2010). These efforts support gender empowerment in line with international policies (Kisia, 2015). Leaders are encouraged to expand Trainer-of-Trainers (TOT) programs to strengthen human resource capacity and equip the workforce with modern technological skills. Adadevoh (2014) and Annan (2007) agree that developing leaders is one of the most challenging tasks, which explains the shortage of transformational leaders capable of driving Africa's development, particularly in Sub-Saharan Africa. Research is necessary because today's leadership forms the foundation for future leadership and contributes to improving workforce quality (Osido, 2016). There is a need to evaluate leaders' ability to coach and inspire younger generations and to identify strategies for bridging the gap in developing resilient leaders who can transform organizations (Annan, 2015). Since transformational leader's champion organizational growth, institutional governance and team empowerment, expanding the pool of such leaders is essential.

A survey on African Christian leadership shows that pastors and Christian leaders play a critical role in addressing poverty and unemployment (Priest & Barine, 2017). Leaders are encouraged to mentor young people using available skills and resources. Research indicates that foreign Christian organizations such as World Vision, Compassion International and the International Committee of the Red Cross often have limited local participation, highlighting the need to develop local transformational leaders who can address community needs effectively (Maimbo et al., 2011). For Sub-Saharan Africa to achieve strong transformational leadership, Christian organizations must increase leadership development and education beyond the current 54.2% to build a competitive continent (World Bank, 2021).

The four components of transformational leadership collectively emphasize the need to develop human capital, delegate responsibilities and empower junior leaders to address organizational challenges. Existing leadership gaps must be bridged to refine, equip and develop potential leaders capable of transforming organizations. Such leaders can elevate organizational competitiveness, restore vision and enhance participation in corporate social responsibility (CSR). Transformational leaders avoid withholding knowledge, delaying service delivery, or limiting opportunities for intellectual growth. Instead, they foster environments where transformational leadership thrives, enabling both local and global organizations to grow sustainably.

Organizational Performance

Organizational performance refers to a leader's ability to articulate achievements, communicate organizational actions and ensure the attainment of strategic goals (Corvellec, 2024). It involves generating exceptional results, sustaining competitive advantage and achieving long-term organizational success (Deitterick, 2008). Transformational leaders play a central role in ensuring that organizational goals and objectives are realized within the stipulated timelines (Bakhshandeh & Rothwell, 2023). Effective organizational performance enables chief executive officers (CEOs) to meet stakeholder expectations, maintain competitiveness and deliver quality services and products. High-performing organizations create employment opportunities, provide essential services, produce competitive products, serve as community resource centres and actively participate in corporate social responsibility (CSR).

The International Leadership Foundation (ILF) identifies Africa as the only continent experiencing worsening leadership and persistent economic challenges (Adadevoh, 2007). This aligns with the World Bank Report (2024), which indicates a decline in Sub-Saharan Africa's

economic performance. Kenya's economy, for example, dropped from 7.6% growth in 2021 to 5.2% in 2024, with a modest projection of 5.7% for 2025. Seven Sub-Saharan African countries- Niger, Senegal, Rwanda, Ethiopia, Guinea, Guinea-Bissau, and Liberia- currently outperform Kenya economically, signalling faster growth trajectories (Omondi, 2024). These challenges underscore the urgent need for bold transformational leaders capable of revitalizing struggling organizations.

Transformational leadership provides the grit and strategic foresight needed to empower leaders, mentor younger generations and implement policies that support organizational recovery. By refining internal human capital, transformational leaders enhance organizational performance and guide institutions through periods of instability. Their influence is essential in restoring organizational culture, strengthening transparency and promoting learning to mitigate internal conflicts that undermine performance (Schein & Schein, 2017).

Transformational leadership also contributes to sustaining functional organizations by reinforcing accountability, innovation and strategic alignment (Clampitt & Dekoch, 2022). The application of transformational leadership skills can reduce crime, lower the cost of living, enhance technological adoption and encourage youth to explore natural and digital resources (Kipnis, 2002). Improved organizational performance counters negative attitudes such as intimidation, harassment and character assassination, which often hinder leadership development in some Christian organizations (Schnettger, 2019). Restoring organizational norms and culture enables leaders to enhance creativity, provide skill-development programs, create part-time job opportunities and offer career counselling. Boot camps and hybrid leadership programs can help new employees gain insights and accelerate organizational output (Robbins, 2025).

Many older organizations are currently in a midlife stage, having been established during the colonial era. Some founders or long-serving leaders may resist change, interfere with succession processes or hinder creativity (Clegg & Hardy, 1999). Such resistance can stifle leadership goals and block strategic projections. Transformational leadership encourages group learning, mentorship and collective responsibility during organizational crises (Schein & Schein, 2017). Distrust and low commitment often lead to the loss of talented employees, especially when better opportunities arise.

There is a growing need for transformational leadership during the transition from the baby boomer generation to Generation X and millennial leaders (Herring, 2019). Younger generations tend to prefer horizontal structures, flexibility and short-term goals (Gakenia et al., 2017). Kenya's Vision 2030 encourages CEOs to integrate specialized skills from experienced veterans to strengthen organizational culture and sustain reliable human resources (Government of Kenya, 2022). To survive midlife transitions, organizations must foster self-managed teams and adaptive leadership structures.

Modern organizations are increasingly digital-driven and require leaders who understand globalization, digital networks and technological integration (Buckman, 2004). Digital competence enhances transformational leadership effectiveness and strengthens employee relations. Strong organizational performance fosters vitality, creativity and innovation, enabling organizations to develop future designers, trainers and stewards. Recognizing employee performance motivates them to become visionary contributors to organizational stability (Senge, 2014).

Overall, organizational performance is anchored in transformational leadership- leaders who take risks, embrace technology and cultivate adequate skills. Scholars, development

agencies and national strategies such as Kenya Vision 2030 emphasize the need to develop African leaders capable of building competitive organizations. Persistent gaps in service delivery, leadership development and organizational sustainability highlight the need for transformational leadership, especially in faith-based organizations experiencing stagnation or closure.

Organizational performance indicators

This section discusses the four indicators used to measure organizational performance.

Service delivery.

Service delivery is a core indicator of organizational performance, reflecting how effectively an organization meets the needs and expectations of its stakeholders.

High-performing organizations provide timely, reliable and quality services that align with their mission and strategic objectives (Ramdeo & Singh, 2020). In faith-based organizations, such as the National Council of Churches of Kenya (NCCCK), service delivery includes advocacy, social support, peacebuilding and community development initiatives that demonstrate responsiveness to societal needs (NCCCK, 2023). Transformational leadership enhances service delivery by promoting accountability, innovation and a strong service culture among employees (Yukl, 2013). Leaders who articulate a clear vision and empower staff are more likely to sustain high standards of service and improve organizational reputation (Clampitt & Dekoch, 2022).

Human resource development.

Human resource development (HRD) is a critical dimension of organizational performance, focusing on the continuous growth of employees' knowledge, skills and competencies. Effective HRD practices- such as training, mentoring, coaching and leadership development- strengthen organizational capacity and support long-term sustainability (McCauley

& Velsor, 2004). Transformational leaders invest in HRD by identifying potential, providing learning opportunities, and creating an environment that encourages professional growth (Northouse, 2022). In the context of NCKK, human resource development is essential for building a pipeline of capable leaders who can sustain the organization's mission and adapt to emerging challenges in ministry, governance and community engagement (Osido, 2016). Organizations that prioritize HRD are better positioned to respond to change, improve performance, and retain talent (Schein & Schein, 2017).

Employee motivation.

Employee motivation is a key indicator of organizational performance, as motivated employees are more productive, committed and willing to go beyond minimum requirements (Peltz & Wilson, 2020). Transformational leadership positively influences motivation by inspiring employees with a compelling vision, recognizing their contributions and fostering a sense of purpose and belonging (Bass & Avolio, 1993). Motivated employees in faith-based organizations such as NCKK are more likely to serve with dedication, uphold organizational values and support strategic initiatives that benefit communities (Priest & Barine, 2017). Studies show that when leaders practice individualized consideration and intellectual stimulation, employees experience higher levels of intrinsic motivation, creativity and job satisfaction (Nwagbara & Alhassan, 2021).

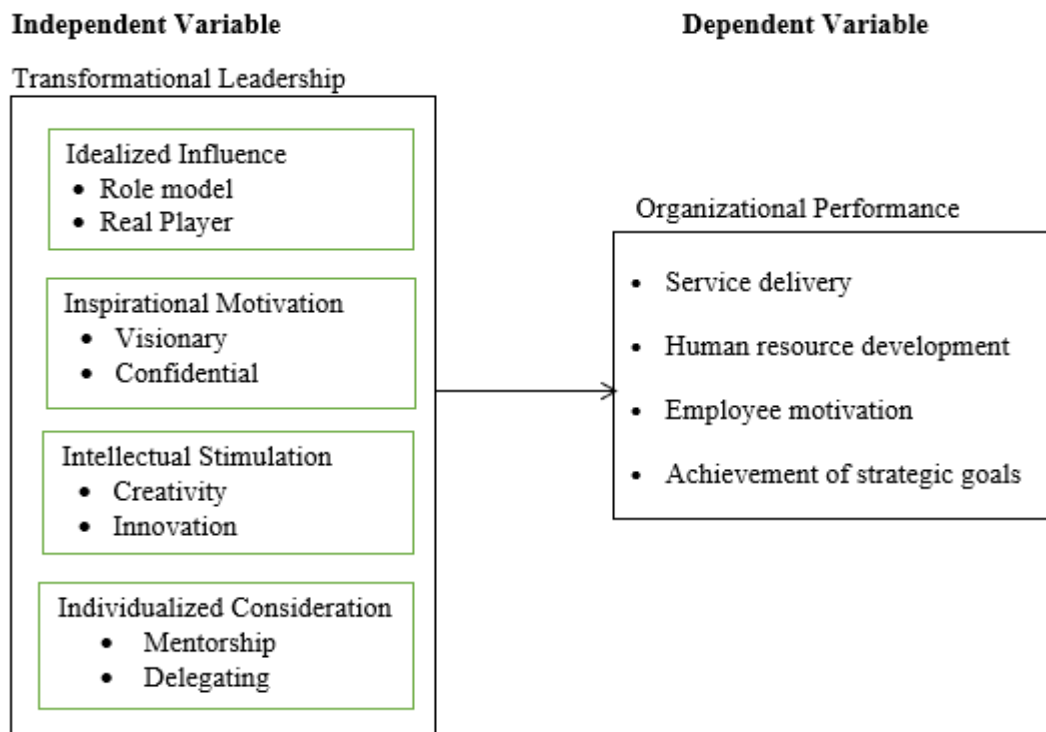
Achievement of strategic goals.

The achievement of strategic goals is a comprehensive indicator of organizational performance, reflecting the extent to which an organization fulfils its long-term plans and priorities. Strategic goals are typically articulated in documents such as strategic plans, vision statements and policy frameworks (Ravitch & Riggan, 2017). For NCKK, the implementation of

its Strategic Plan (2019–2028) provides a benchmark for assessing organizational performance in areas such as governance, advocacy, social transformation and institutional strengthening (NCCCK, 2022). Transformational leadership supports the achievement of strategic goals by aligning people, processes and resources with the organizational vision (Kotter, 1999). Leaders who communicate clearly, empower teams and monitor progress are more likely to realize strategic outcomes and sustain organizational impact (Bakhshandeh & Rothwell, 2023).

Conceptual Framework

Conceptual framework illustrates the relationship between transformational leadership and organizational performance in the context of the National Council of Churches of Kenya (NCCCK). It explains the effect of each of the four transformational leadership components on organizational performance. Transformational leadership is an independent variable, whose components include idealized influence, inspirational motivation, intellectual stimulation and individualized consideration. Organizational performance is the dependent variable, whose indicators include service delivery, human resource development, employee motivation and achievement of strategic goals at NCCCK (Ravitch & Riggan, 2017).

Figure 2.1*Conceptual Framework***Empirical Review**

This section discusses empirical evidence of transformational leadership and organizational performance in the global, continental, regional and local contexts.

Idealized Influence and Intellectual Stimulation in Asian Organizations.

Samad (2012) found that transformational leadership significantly enhances organizational performance in Malaysian logistics companies. Idealized influence (0.49) ranked highest, followed by intellectual stimulation (0.41), individualized consideration (0.38) and inspirational motivation (0.21). These findings demonstrate that transformational leadership strengthens competitive advantage and supports organizational goal attainment.

Samad (2012) examined the effect of transformational leadership on organizational performance in Malaysian logistics companies. The population included managers working in logistics and supply chain organizations. The sample size was 300 managers.

Quantitative research approach was applied and structured questionnaires measuring the four components of transformational leadership were used to collect data. Statistical analysis using regression and correlation was used. Results showed idealized influence = 0.49, intellectual stimulation = 0.41, individualized consideration = 0.38 and inspirational motivation = 0.21. Therefore, idealized influence was found to have a significant effect on organization performance.

Intellectual Stimulation and Performance in European Security Institutions.

Uludag and Kilic (2021) examined the Security Forces in Cyprus and established that intellectual stimulation improves organizational performance (9.46), while continuous knowledge development enhances outcomes (12.46). Employee motivation also increased through intellectual stimulation (11.02), underscoring the need for leaders and employees to embrace knowledge-driven transformational practices. The study investigated the effect of transformational leadership and knowledge management on organizational performance among the Cyprus Security Forces. The population was security personnel (leaders and employees) within the Cyprus Security Forces. Sample size 200, quantitative survey method was used and data collected using Structural Equation Modelling (SEM). Measurement was done on intellectual stimulation, knowledge development and performance indicators. Results showed that intellectual stimulation improved organizational performance (9.46). Knowledge development strongly enhanced performance (12.46). Employee motivation increased through

intellectual stimulation (11.02). Therefore, leaders and employees were identified as the most valuable organizational resources.

Transformational Leadership in Nigerian Faith-based Organizations.

Haruna (2021) established that transformational leadership is essential for church growth and sustainability in Nigeria. The study identified challenges such as inadequate delegation, weak teamwork, limited knowledge sharing and insufficient creativity- factors that hinder organizational competitiveness and long-term development.

Transformational Leadership and Project Performance in Rwanda.

Umuganwa (2021) found that transformational leadership practices were weak (4.0) among project managers in African New Life Ministries, with managers scoring low in application (2.0). Lack of transformational leadership skills among both leaders and employees negatively affected project and organizational performance, highlighting the need for leadership capacity building in East Africa.

Leadership Training Gaps and Organizational Structures in Kenya's Faith-based Organizations.

Studies by Muia (2013) and Ndonye (2018) revealed gaps in leadership training (26.7%), weak organizational structures and overshadowing of junior leaders. Muia (2021) found low scores in inspirational motivation (7%), intellectual stimulation (11%), and idealized influence (15%), with individualized consideration scoring highest (20%). These findings indicate limited practical application of transformational leadership within Kenyan FBOs.

Mbugua (2019) affirmed that transformational leadership is a key determinant of organizational success at Mamlaka Chapel, particularly through idealized influence and

continuous capacity building. Leaders are encouraged to identify visionary individuals capable of navigating the digital era.

Cross-contextual Synthesis of Empirical Findings.

Welcome (2023) observed transformational leadership as a driver of organizational change. Writing from a Nigerian context, Welcome (2023) presented a conceptual analysis showing that transformational leadership acts as a catalyst for organizational change. Because the study was theoretical, no empirical sample was used. The study was about Christian leadership focusing on transformational leadership in FBOs. It was focused on Christian leaders and ministry workers. Methodology was literature review including qualitative insights. Results showed that transformational leadership inspires employees and motivates staff through meaningful policies and decisions. They emphasize that transformational leadership inspires and motivates employees through meaningful policies and decisions. Senge (2014), Pearl (2003), and Peltz (2020) similarly argue that continuous learning enhances organizational performance. Mustafa et al. (2020) highlight the role of inspirational motivation in creating compelling visions that guide organizational change. They studied inspirational motivation as a driver of organizational change on employees in public and private organizations. They used quantitative survey and SEM analysis. The results indicated that inspirational motivation helps leaders create vision for change. It also showed that transformational leadership is essential when leaders face complex organizational challenges.

Isaacson (2011) illustrates through Steve Jobs' leadership that transformational leadership fosters creativity, innovation and effective delegation. However, Akpan and Ajuru (2022) caution that combining transformational and charismatic leadership may overstretch employees if not managed carefully. They examined the relationship between transformational

leadership and organizational performance on employees and leaders in selected organizations within Rivers State, Nigeria. The study used quantitative research methodology and regression analysis. Results showed that transformational leadership helps leaders achieve organizational blueprints and policies. They also observed that combining transformational and charismatic leadership may overstretch employees. Penrose (2009) notes that transformational leadership aligns well with Resource-Based View (RBV), enhancing human capital, productivity and service delivery. Both frameworks support competitive organizational development through strong vision and mission alignment.

Obama (1988) and Chideya (2007) observed that there is need for mid-level leadership development call for urgent development of mid-level leaders who can accelerate organizational transformation. Kimemia (2024) warns that Kenya faces a shortage of visionary leaders, contributing to organizational decline. Strengthening leadership capacity may support national development agendas such as Kenya Vision 2030 and Africa Agenda 2063.

Regarding talent development and mentorship in organizations, Barna (1997) and Berkley (2008) observe that many organizations lack inspirational leaders capable of nurturing talent, enhancing skills and building mentoring systems. Developing transformational leaders is essential for organizational value addition and employee empowerment. According to Adair (2009), organizations must cultivate creative transformational teams capable of driving strategic innovation in the 21st century leadership competencies. African visionaries such as Adadevoh (2024) and Annan (2007) advocate for nurturing emerging leaders to ensure organizational survival.

Concerning economic and organizational stability, Macrotrends LLC (2025) reports Kenya's need to restore economic growth to 8.99%, requires bold and competent leaders. Schein

and Schein (2017) warn that internal conflicts and politics can undermine organizational performance, making transformational leadership essential. As Schnttger (2019) observes, countering negative organizational behaviours, requires transformational leadership, which stops negative attitudes, character assassination and blackmail- behaviours that hinder the rise of potential leaders. As leadership transitions from the boomer generation to Generation X and millennials, transformational leadership becomes increasingly critical.

Transformational leadership is widely recognized as a leadership style capable of reviving stagnant organizations, particularly those experiencing leadership deficiencies, declining performance, or economic hardship (Bolman & Deal, 2003). Many organizations across Africa continue to face challenges related to weak leadership pipelines, inadequate resource mobilization, and limited strategic innovation. As a result, transformational leadership becomes essential for rebranding, self-sustenance, and long-term competitiveness. Historical counsel from Kenyan church leaders such as Rev. Mutava Musyimi and Rt. Rev. John Gatu emphasized *Jitegemee* (self-reliance), urging organizations to strengthen internal resource generation and reduce external dependency (Gatu, 2016). This aligns with Schein and Schein's (2017) argument that organizations must leverage their founding leaders, alumni, and former employees to reinforce organizational mission, vision, and culture. Schein and Schein (2017) study on organizational culture and leadership used qualitative case studies and theoretical synthesis. It emphasized the role of founders, alumni and cultural stewards in shaping organizational performance.

To enhance organizational performance, institutions must also expand volunteer programs, increase internship opportunities, and extend internship durations to benefit from modern technological skills and innovation. Kundu et al. (2019), in a study involving 214

employees across Indian service-sector organizations, found that external placements and cross-organizational exposure significantly improved leadership competencies and innovation capacity. Their study used a quantitative survey methodology and regression analysis to demonstrate that structured leadership development programs enhance organizational performance. Data was collected using structured questionnaires. External placements and cross-organizational exposure significantly improved leadership competencies. Leadership development programs enhanced innovation and organizational performance. The study highlights the importance of structured leadership development and exposure for emerging leaders within FBOs.

Kenya Vision 2030 similarly emphasizes the need to mobilize experienced human capital-including retirees- to support struggling institutions through mentorship, consultancy, and volunteerism. This approach is particularly relevant for faith-based organizations such as NCKK, which depend heavily on leadership quality, institutional memory, and human capital development. Strong transformational leaders are well-positioned to drive these reforms. They inspire employees, mobilize resources, and create a culture of innovation necessary for organizational survival and growth.

Chapter Summary

This chapter has presented a comprehensive review of literature on transformational leadership, Resource-Based Theory, organizational performance, and empirical evidence from global, African, and Kenyan contexts. The review demonstrates that transformational leadership is a critical driver of organizational performance, particularly in environments facing leadership gaps, resource constraints and strategic stagnation. The empirical studies reviewed highlight the importance of leadership development, mentorship, innovation and internal resource

mobilization- factors that are highly relevant to the National Council of Churches of Kenya. The next chapter will present the research methodology used to examine the effect of transformational leadership on organizational performance within NCCCK.

Chapter Three: Research Methodology

Introduction

This chapter presents the research methodology adopted to examine the effect of transformational leadership on organizational performance at the National Council of Churches of Kenya (NCCCK), Nairobi. It outlines the research design, target population, sampling procedures, sample size, data collection methods, instruments used, data analysis techniques, and ethical considerations that guided the study.

Research Design

This study employed mixed methods approach of quantitative and qualitative methodology. It used cross-sectional descriptive design to investigate the effect of transformational leadership on organizational performance of NCCCK. According to Milelu (2019), descriptive and explanatory research designs are appropriate for studies seeking to describe phenomena and explain relationships among variables at a specific point in time. Creswell and Poth (2016) further emphasize that cross-sectional surveys provide a systematic approach for collecting data that reflect respondents' perceptions, attitudes and experiences.

This design was suitable for assessing the extent to which transformational leadership is practiced at NCCCK and how it affects organizational performance. The case study approach enabled an in-depth examination of the organization's leadership dynamics within its real-life context.

Target Population

The target population comprised all individuals serving under NCCCK as outlined in the NCCCK 8th Corporate Plan of 2024- 2028 (Kinyanjui, 2023). This included leaders and staff responsible for governance, administration and capacity development. Mugenda and Mugenda (2008) define a target population as the entire group of individuals or units to which a researcher

intends to generalize findings. For this study, the target population consisted of 201 individuals, including officers in the Office of the Secretary-General, members of the Governing Council, Board of Directors, regional leaders (bishops and senior pastors), management, departmental heads, employees and focus groups (NCKK, 2024).

A sample of 50 respondents, representing 25% of the total population, was selected as shown in

Table 3.1

Target Population

Category	Target Population	Percentage
Directors	6	12%
Management	10	20%
Regional Leaders (Bishops/Senior Pastors)	10	20%
Department Heads	10	20%
Employees	14	28%
Total	50	100%

Sampling Design

The sampling design ensured that each participant had an equal opportunity to be selected, thereby enhancing representativeness (Cooper & Schindler, 2006). The approach was intended to capture diverse perspectives across NCKK's leadership and staff.

Sampling Frame

The sampling frame consisted of all leaders and staff within NCKK who were eligible and willing to participate in the study. Kothari (2004) emphasizes that a sampling frame should accurately reflect the entire target population. Accordingly, the sampling frame included officers

in the office of the secretary-general; governing council members; board of directors; management; regional leaders (bishops and senior pastors); departmental heads, employees and volunteers.

Table 3.2

Sampling Frame

Category	Included in Frame	Description
Office of the Secretary-General	Yes	Senior administrative leadership
Governing Council	Yes	Policy and oversight leaders
Board of Directors	Yes	Strategic decision-makers
Regional Leaders	Yes	Bishops and senior pastors
Management	Yes	Operational leadership
Departmental Heads	Yes	Unit supervisors
Employees	Yes	Support and technical staff
Volunteers	Yes	Auxiliary support personnel

Sampling procedure

The study applied simple random sampling, as recommended by Mugenda and Mugenda (2003). This method ensured that every member of the target population had an equal chance of selection, reducing bias and promoting fairness. The procedure enabled the researcher to reach open-minded and willing respondents across all levels of the organization.

Sample Size

The sample size comprised 25% of the 201 staff, resulting in 50 respondents. This proportion is considered adequate for descriptive studies and allows for meaningful analysis of leadership practices and organizational performance. The sample included officers in the Office

of the Secretary-General, Governing Council, Board of Directors, management, regional leaders, departmental heads, field staff and volunteers.

Data Collection

Data collection followed a systematic process to gather information on variables related to transformational leadership and organizational performance. Flick (2014) notes that systematic data collection enhances the reliability and validity of findings. Both primary and secondary data were used. Questionnaires were administered to respondents for primary data, while secondary data relied on library materials, organizational publications and periodical reports.

Data Collection Instruments

The study utilized open-ended questionnaire, document analysis and review of periodical reports as the primary data collection instruments (Thomas, 2013). These instruments were appropriate for capturing both quantitative and qualitative insights on leadership practices at NCKK.

Data Analysis

Data were analyzed and interpreted according to the research questions. Mugenda (2003) emphasizes that data analysis should provide meaningful answers aligned with the study objectives. Narrative analysis was used to interpret qualitative responses from questionnaires and documents. Quantitative data were summarized and organized according to each objective, following the guidance of Kothari (2004).

Ethical Considerations

Ethical standards were strictly observed throughout the study. Mugenda (2012) stresses the importance of protecting participants' rights and confidentiality. Participation was voluntary

and respondents were not coerced in any way. The researcher ensured that no harm, disgrace or discomfort was inflicted on participants. Permission to conduct the study was obtained from General Secretary of NCKK; International Leadership University (ILU) and National Commission for Science, Technology and Innovation (NACOSTI). All data collected were treated with confidentiality and used solely for academic purposes. The dignity and privacy of participants were respected throughout the research process.

Chapter Summary

This chapter has presented the research methodology used in the study, including the research design, target population, sampling design, sampling frame, sampling procedures and sample size. It also described the data collection instruments, data analysis procedures and ethical considerations. The next chapter presents the findings, data analysis and interpretation.

Chapter Four: Data Presentation, Analysis and Interpretation

Introduction

This chapter presents the findings, analysis, and interpretation of data collected for the study titled “Effect of Transformational Leadership on Organizational Performance: A Case of the National Council of Churches of Kenya”. Both quantitative and qualitative data were analyzed. Descriptive and inferential statistics were used for quantitative data, while thematic analysis was applied to qualitative responses.

Response Rate

A total of 50 questionnaires were administered to NCCCK staff members. Out of these, 46 were completed and returned, representing a 92% response rate, which is adequate for analysis. Mugenda and Mugenda (2003) assert that a response rate of 70% and above is sufficient for reliable social research.

Table 4.1

Response Rate

Response Category	Frequency	Percentage (%)
Returned	46	92
Not Returned	4	8
Total	50	100

Demographic Information of Respondents

Demographic characteristics included gender, age, education level and duration of service at NCCCK. These variables help contextualize the respondents’ perspectives on leadership and organizational

Table 4.2*Demographic Information of Respondents*

Variable	Category	Frequency	Percentage (%)
Gender	Male	28	61
	Female	18	39
Age	25–34	10	22
	35–44	18	39
	45–54	11	24
	55+	7	15
Education Level	Diploma	8	17
	Bachelor's Degree	24	52
	Master's Degree	12	26
	Doctorate	2	5
Duration at NCKK	Less than 5 years	14	30
	6–10 years	20	43
	Above 10 years	12	27

The findings show that most respondents were male (61%), aged between 35 and 44 years (39%) and held at least a bachelor's degree (52%). The average duration of service was 7.3 years, indicating that respondents had adequate experience and understanding of NCKK's leadership dynamics

Descriptive Analysis

Descriptive statistics were computed for the four dimensions of transformational leadership- idealized influence, inspirational motivation, intellectual stimulation and individualized consideration- and their effect on organizational performance.

Table 4.3

Descriptive Statistics

Variable	Mean	Std. Deviation	Variance
Idealized Influence	4.21	0.79	0.62
Inspirational Motivation	4.15	0.83	0.69
Intellectual Stimulation	4.09	0.87	0.75
Individualized Consideration	4.22	0.81	0.66
Organizational Performance	4.18	0.85	0.72

Effect of Idealized Influence on Organizational Performance

The mean score for idealized influence was 4.21, indicating that NCKK leaders are perceived as ethical role models who inspire trust and commitment. Qualitative responses highlighted transparency, consistency and alignment with organizational values.

One respondent stated:

“Our senior leaders lead by example; their integrity makes us proud to be part of NCKK.”

Table 4.4*Idealized Influence and Organizational Performance*

Statement	Mean	Std. Dev
Leaders act as positive role models for staff members.	4.30	0.72
Leaders demonstrate high moral and ethical standards.	4.25	0.81
Leaders inspire a sense of purpose and shared mission.	4.18	0.77
Leadership builds trust and confidence among employees.	4.12	0.79
Organizational values are modelled by top leadership.	4.19	0.84

These findings support Bass (2006), who argues that idealized influence strengthens integrity and follower commitment.

Effect of Inspirational motivation on organizational performance

Inspirational motivation recorded a mean of 4.15, suggesting that NCCK leaders effectively communicate vision and inspire teamwork.

Table 4.5*Inspirational Motivation and Organizational Performance*

Statement	Mean	Std. Dev
Leaders communicate a compelling vision for the future.	4.24	0.81
Leadership motivates employees to achieve organizational goals.	4.17	0.83
Leaders encourage teamwork and collaboration.	4.28	0.70
Employees feel energized by leaders' optimism.	4.03	0.89
Leaders acknowledge and celebrate achievements.	4.02	0.91

These results align with Northouse (2022), who notes that inspirational leaders enhance employee engagement and organizational performance.

Effect of Intellectual Stimulation on Organizational Performance

Intellectual stimulation had a mean score of 4.09, indicating that NCKK leaders encourage creativity, innovation and critical thinking.

Table 4.6

Intellectual Stimulation on Organizational Performance

Statement	Mean	Std. Dev
Leaders encourage employees to think creatively and critically.	4.16	0.82
Employees are supported to develop new ideas and innovations.	4.03	0.94
Leaders promote open discussion and feedback.	4.12	0.76
Leadership challenges staff to approach problems from new perspectives.	4.08	0.88
The organization rewards creative problem-solving.	4.05	0.90

These findings support Senge (2014), who emphasizes learning and adaptability as key drivers of organizational effectiveness.

Effect of Individualized Consideration on Organizational Performance

Individualized consideration recorded the highest mean score of 4.22, showing that NCKK leaders provide mentorship, coaching and personalized support.

Table 4.7*Individualized Consideration on Organizational Performance*

Statement	Mean	Std. Dev
Leaders mentor and coach employees individually.	4.20	0.74
Management recognizes and appreciates individual contributions.	4.28	0.81
Leadership supports employee professional development.	4.17	0.83
Leaders show concern for employees' personal well-being.	4.24	0.77
Supervisors provide fair opportunities for growth.	4.22	0.84

These findings align with Avolio and Yammarino (2013), who argue that individualized attention enhances employee motivation and retention.

Organizational Performance

The aggregate mean score for organizational performance was 4.18, indicating that NCKK demonstrates strong efficiency, teamwork, adaptability and service quality.

Table 4.8*Organizational Performance Indicators*

Statement	Mean	Std. Dev
The organization consistently meets its goals and objectives.	4.25	0.80
Employees exhibit high levels of motivation.	4.16	0.84
Communication across departments is effective.	4.08	0.89
The organization adapts effectively to change.	4.09	0.93
Leadership practices contribute positively to the organization's reputation.	4.33	0.79

Inferential Statistics

Inferential statistics were conducted to determine the strength and direction of the relationships between transformational leadership dimensions and organizational performance at NCKK. Pearson correlation and multiple regression analyses were used, consistent with recommendations by Sharma (2005) for examining associations and predictive relationships in social science research.

Correlation Analysis

A Pearson correlation analysis was conducted to examine the relationship between the four components of transformational leadership- idealized influence, inspirational motivation, intellectual stimulation and individualized consideration- and organizational performance.

Table 4.9

Correlation Analysis

Variables	II	IM	IS	IC	OP
Idealized Influence (II)	1	.781**	.723**	.692**	.762**
Inspirational Motivation (IM)		1	.745**	.714**	.788**
Intellectual Stimulation (IS)			1	.738**	.756**
Individualized Consideration (IC)				1	.803**
Organizational Performance (OP)					1

Note. $p < .01$ (2-tailed).

The results indicate strong positive correlations between all transformational leadership components and organizational performance, with coefficients ranging from $r = .75$ to $r = .80$. This suggests that improvements in any of the four leadership dimensions are associated with.

ANOVA Summary

ANOVA test was conducted to determine whether the regression model significantly predicts organizational performance.

Table 4.10

ANOVA Summary

Model	Sum of Squares	df	Mean Square	Sig. (p-value)
Regression	34.521	4	8.630	.000
Residual	9.788	41	0.239	
Total	44.309	45		

ANOVA results indicate that the regression model is statistically significant ($p = .000$), meaning the four transformational leadership dimensions collectively predict organizational performance at NCKK.

Multiple Regression Analysis

Multiple regression analysis was conducted to determine the individual contribution of each transformational leadership dimension to organizational performance.

Table 4.11

Multiple Regression Analysis

Predictor	β	Std. Error	t	Sig.
Idealized Influence	0.247	0.112	2.21	.032
Inspirational Motivation	0.236	0.108	2.18	.034
Intellectual Stimulation	0.198	0.095	2.08	.041
Individualized Consideration	0.272	0.102	2.66	.010

Model Summary: $R = 0.883$, $R^2 = 0.779$, Adjusted $R^2 = 0.765$, Standard Error of Estimate = 0.428. The model explains 77.9% of the variance in organizational performance ($R^2 = .779$). Individualized consideration ($\beta = .272$, $p = .010$) had the strongest predictive effect, followed by idealized influence, inspirational motivation and intellectual stimulation. This suggests that leaders who combine ethical conduct, vision, intellectual engagement and personalized mentorship significantly enhance organizational performance.

Thematic Analysis of Qualitative Data

Qualitative data were analyzed thematically to complement the quantitative findings. Five major themes emerged from open-ended responses and interviews.

Table 4.12

Key Themes, Subthemes and representative Quotation

Theme	Subthemes	Representative Quotes	Frequency (%)
Ethical Leadership	Integrity, transparency	“Our leaders are trustworthy and lead by example.”	22
Vision and Motivation	Clear vision, inspiration	“We are constantly reminded that our work is a calling.”	20
Innovation Culture	Creativity, openness	“We are encouraged to innovate and propose new ideas.”	18
Mentorship	Coaching, staff development	“My supervisor mentors me regularly.”	25
Empathy and Support	Care, inclusion	“Leaders genuinely care about our well-being.”	15

Interpretation of Themes

Ethical Leadership and Role Modelling: Respondents described NCKK leaders as ethical, transparent and trustworthy. This moral integrity strengthens organizational cohesion and credibility.

Vision and Motivation: Employees noted that leaders communicate a compelling vision and use faith-based motivation to align personal and organizational goals.

Innovation and Creativity: Respondents highlighted a culture that encourages creativity, experimentation and open dialogue- key elements of intellectual stimulation.

Mentorship and Capacity Building: Mentorship emerged as a dominant theme. Senior leaders invest in coaching junior staff, enhancing morale, competence and retention.

Empathy and Support: Leaders were praised for their pastoral care, especially during personal or family challenges. This emotional support fosters loyalty and organizational harmony.

These themes demonstrate how transformational leadership is practiced at NCKK and reinforce the quantitative findings that leadership style significantly influences organizational performance.

Chapter Summary

This chapter presented the findings, analysis and interpretation of both quantitative and qualitative data. It included descriptive statistics, inferential analysis (correlation and regression), and thematic analysis. The results demonstrate that all four dimensions of transformational leadership- idealized influence, inspirational motivation, intellectual stimulation and individualized consideration- positively influence organizational performance at NCKK. The next chapter presents the summary, conclusions and recommendations of the study.

Chapter Five: Summary, Conclusions and Recommendations

Introduction

This chapter presents the summary of findings, conclusions and recommendations derived from the study. The purpose of the study was to determine the effect of transformational leadership on organizational performance at the National Council of Churches of Kenya. The study focused on four dimensions of transformational leadership- idealized influence, inspirational motivation, intellectual stimulation and individualized consideration- and their effect on organizational performance.

Summary of the Findings

This section presents a summary of the results of the effect of transformational leadership on organizational performance of NCCCK.

Independent Variables-Four Components.

Idealized influence recorded a mean score of 4.21, indicating that NCCCK leaders are perceived as strong role models. Respondents affirmed that senior leaders demonstrate high moral standards, integrity, vision, trustworthiness and confidence. These attributes inspire employees and contribute to a culture of ethical leadership. The findings align with Adair (2009) and Annan (2007), who emphasize the importance of moral leadership in shaping future leaders. NCCCK leadership should continue anchoring its leadership development on idealized influence to nurture honest, dependable and visionary leaders.

Inspirational motivation scored 4.15, suggesting that NCCCK leaders effectively encourage teamwork, collaboration and shared vision. Respondents appreciated the clarity of vision and faith-driven motivation communicated by leaders. However, the study revealed lower scores in leaders' optimism and recognition of employee achievements. This supports Cybellium

(2024), who argues that inspirational motivation requires consistent celebration of accomplishments and positive reinforcement.

Intellectual stimulation recorded a mean score of 4.09, indicating moderate encouragement of creativity, innovation and open discussion. Respondents noted limited acceptance of new ideas and fewer opportunities for brainstorming and cross-departmental learning. Van Velsor (2010) describes intellectual stimulation as a “fortune in the heart of the learner,” emphasizing its importance for organizational competitiveness. NCKK should strengthen knowledge development, innovation forums and creative problem-solving to enhance performance.

Individualized consideration emerged as the highest-rated dimension with a mean score of 4.22. Respondents highlighted leaders’ willingness to mentor, coach, delegate responsibilities and support staff development. These findings align with Obama (2021) and Chideya (2007), who emphasize the importance of personalized leadership in nurturing future leaders. NCKK’s strong performance in this area demonstrates a leadership culture that values employee welfare, growth and work–life balance.

Dependent Variable- Organizational Performance.

The dependent variable, organizational performance, recorded a mean score of 4.18. Respondents acknowledged that NCKK leaders are practical, goal-oriented and committed to achieving organizational objectives (Gakenia et al., 2017). However, the study identified gaps in interdepartmental communication and employee motivation. Barna (1997) emphasizes that effective communication and morale-building are essential for competitive service delivery.

Discussion of Findings

The study revealed that transformational leadership is actively practiced at NCKK through the four components- idealized influence, inspirational motivation, intellectual stimulation and individualized consideration. These components collectively contribute to steady organizational performance. The discussion below interprets the findings in relation to existing theories and empirical literature.

Idealized Influence.

The study established a strong positive relationship between idealized influence and organizational performance. Leaders who model integrity, consistency and ethical behaviour inspire trust and commitment among employees. Respondents noted that NCKK leaders demonstrate transparency, accountability and responsible resource management. These findings affirm that moral leadership fosters a culture of accountability and sustainable performance in faith-based organizations.

Inspirational Motivation.

Inspirational motivation significantly influences organizational performance by promoting clarity of vision, teamwork and shared purpose. NCKK leaders motivate employees through faith-based values, devotions and mission-driven communication. This enhances morale, outreach effectiveness and organizational cohesion. Inspirational motivation is particularly important for re-engaging inactive staff and aligning them with organizational goals.

Intellectual Stimulation.

The findings show that intellectual stimulation contributes to innovation, creativity and adaptability. Transformational leaders at NCKK encourage employees to challenge conventional thinking and explore new ideas. However, the study revealed limited opportunities for

brainstorming, technology adoption and interdepartmental learning. Strengthening intellectual stimulation can enhance strategic planning, innovation and responsiveness to emerging challenges in the faith-based sector.

Individualized Consideration.

Individualized consideration was the strongest predictor of organizational performance. Leaders who mentor, coach and support employees foster a sense of belonging, reduce turnover intentions and enhance team cohesion. Respondents emphasized that NCKK leaders demonstrate empathy, care and personalized support- values consistent with Christian leadership principles. This dimension is essential for preparing future leaders and sustaining organizational growth.

Transformational Leadership and Organizational Performance

The study confirms that transformational leadership and Resource-Based Theory (RBT) complement each other in enhancing organizational performance. Transformational leadership strengthens human capital, nurtures talent and promotes innovation, while RBT emphasizes the strategic value of internal resources. Together, they enhance institutional stability, mission fulfilment and competitive advantage.

The findings demonstrate that transformational leadership significantly enhances organizational performance at NCKK. Idealized influence fosters trust and moral credibility; inspirational motivation strengthens vision and teamwork; intellectual stimulation promotes innovation and individualized consideration enhances employee development and retention.

This study contributes to the transformational leadership discourse by contextualizing it within a faith-based African institution, where spiritual values intersect with administrative leadership. It provides a model for integrating faith, ethics and professional management as pillars of organizational excellence.

Conclusion

Based on the findings, the following conclusions were drawn:

- Transformational leadership significantly influences organizational performance at NCKK. All four dimensions- idealized influence, inspirational motivation, intellectual stimulation and individualized consideration- positively affect performance.
- Individualized consideration is the strongest predictor of performance. Personalized mentorship, empathy and staff development are essential for organizational sustainability.
- Idealized influence enhances trust and ethical leadership. Leaders who model integrity strengthen organizational culture and credibility.
- Inspirational motivation improves teamwork and shared vision. However, NCKK needs to strengthen recognition and celebration of achievements.
- Intellectual stimulation remains underutilized. NCKK should increase innovation forums, brainstorming sessions and knowledge development initiatives.
- Transformational leadership is essential for faith-based organizations.

It aligns spiritual values with administrative competence, enhancing mission fulfilment.

Therefore, in detail, the study concludes that the four components of transformational leadership- idealized influence, inspirational motivation, intellectual stimulation and individualized consideration- are critical drivers of successful organizational performance. These components foster trust, respect, ethical conduct and moral credibility, which are essential for sustaining high-performing institutions.

Globally recognized transformational leaders such as Barack Obama, Franklin Roosevelt, Nelson Mandela, Mwai Kibaki, and Michael Joseph exemplify how visionary leadership can shape future generations. Similarly, the National Council of Churches of Kenya has thrived into

the 21st century because of its consistent application of transformational leadership principles in its daily operations.

Anchored in the Resource-Based Theory, the study affirms that human capital development- through skills enhancement, innovation and creativity- is central to sustaining organizational transformation. Strengthening internal capabilities enables organizations to remain competitive and resilient in dynamic environments.

The study further concludes that transformational leadership is essential for building a global labour force, revitalizing declining economies and restoring collapsing or underperforming organizations. Sub-Saharan African countries, many of which face economic stagnation due to unstructured leadership, external influence and an influx of unskilled labour, would benefit significantly from embedding transformational leadership practices in their institutions.

Additionally, learning institutions and faith-based organizations require innovative approaches to resource generation, leadership transition and capacity building. Transformational leadership reinforces the understanding that leadership is not merely about directing others but about serving, empowering and enabling followers to realize their full potential.

There is an urgent need for organizations to address rising unemployment, poverty and leadership gaps by preparing future generations for global competitiveness. Transformational leadership provides a sustainable pathway for nurturing visionary, ethical and competent leaders who can drive organizational and societal progress.

Recommendations

Based on the study findings, the following recommendations are proposed:

- Strengthen leadership development programs focusing on integrity, ethical conduct and role modelling. Additionally, NCCCK should conduct periodic transformational leadership training sessions, workshops and forums to strengthen leadership competencies and improve service delivery.
- Enhance recognition and reward systems to improve employee morale and motivation.
- Promote innovation and creativity through regular brainstorming sessions, technology adoption and interdepartmental collaboration.
- Expand structured mentorship, coaching and leadership development programs to nurture emerging leaders and strengthen succession planning.
- Improve communication channels across departments to enhance coordination and service delivery.
- Invest in continuous professional development to build capacity in leadership, management and ministry-related competencies.
- NCCCK should encourage creativity, innovation, vision casting and knowledge development as strategies for exploiting talent and enhancing modern organizational skills.

Further Research

- Future studies should examine transformational leadership across other faith-based organizations in Kenya for comparative analysis.
- Researchers may explore the moderating role of organizational culture on the relationship between transformational leadership and organizational performance.

- A longitudinal study could assess how transformational leadership evolves over time within NCKK.
- Further research should investigate the impact of digital transformation on leadership effectiveness in FBOs.
- Future research should compare transformational leadership practices between faith-based and secular organizations to determine whether leadership impact differs across institutional contexts.
- There is need for studies examining leadership succession planning and sustainability in faith-based organizations. Such research would provide valuable insights into how transformational leadership nurtures future leaders and ensures continuity.

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Appendix I: Letter of Introduction

Dear Respondent,

Ref: Support on MALS project

I am a MALS student at the International Leadership University Kenya in Nairobi in my final year of my study. The University as part of my study requires me to undertake research. My topic of choice is to investigate the effect of transformational leaders on organizational performance: Case of the National Council of Churches of Kenya (NCCCK) as a partial requirement for my degree.

I'm therefore requesting kindly for your support in responding to the attached questionnaire.

Your accuracy and positive response will be important in the achievement of the objective of the research.

I would like to assure you that all information will be treated with strict confidence. The findings of the research will only be used for academic purposes and hopefully help improve the management of your organization.

Thank you for your time on this task.

Yours sincerely,

Simon Mbaya M'tabugi

Appendix II: Questionnaire

Section A: Respondent Demographic Information

(Please tick or fill as appropriate)

1. Gender: ☐ Male ☐ Female
2. Age Bracket: ☐ Below 25 ☐ 25–34 ☐ 35–44 ☐ 45–54 ☐ 55 and above
3. Education Level: ☐ Diploma ☐ Bachelor's Degree ☐ Master's Degree ☐ Doctorate
4. Position Held: ☐ Director ☐ Manager ☐ Department Head ☐ Staff ☐ Other (Specify)
5. Duration of Service at NCKK: ☐ Less than 2 years ☐ 2–5 years ☐ 6–10 years ☐ Above 10 years

Section B: Quantitative Questionnaire

Kindly rate each statement on a scale of 1–5, where 1 = Strongly Disagree and 5 = Strongly Agree

B1. Idealized Influence

No.	Statement	1	2	3	4	5
1.	My leaders act as positive role models for staff members.	☐	☐	☐	☐	☐
2.	Leaders demonstrate high moral and ethical standards.	☐	☐	☐	☐	☐
3.	The leadership builds trust and confidence among employees.	☐	☐	☐	☐	☐
4.	Leaders inspire a sense of purpose and shared mission.	☐	☐	☐	☐	☐
5.	The organization's values are modelled by top leadership.	☐	☐	☐	☐	☐

B2. Inspirational Motivation

No.	Statement	1	2	3	4	5
1.	Leaders communicate a compelling vision for the future.	☐	☐	☐	☐	☐
2.	The leadership motivates employees to achieve organizational goals.	☐	☐	☐	☐	☐
3.	Leaders encourage teamwork and collaboration.	☐	☐	☐	☐	☐
4.	Employees feel energized by leaders' optimism and enthusiasm.	☐	☐	☐	☐	☐
5.	Leaders acknowledge and celebrate employee achievements.	☐	☐	☐	☐	☐

B3. Intellectual Stimulation

No.	Statement	1	2	3	4	5
1.	Leaders encourage employees to think creatively and critically.	☐	☐	☐	☐	☐
2.	Employees are supported to develop new ideas and innovations.	☐	☐	☐	☐	☐
3.	Leaders promote open discussion and constructive feedback.	☐	☐	☐	☐	☐
4.	The leadership challenges staff to approach problems from new perspectives.	☐	☐	☐	☐	☐
5.	The organization rewards creative problem-solving and initiative.	☐	☐	☐	☐	☐

B4. Individualized Consideration

No.	Statement	1	2	3	4	5
1.	Leaders mentor and coach employees individually.	☐	☐	☐	☐	☐
2.	Management recognizes and appreciates individual contributions.	☐	☐	☐	☐	☐
3.	The leadership supports employee professional development.	☐	☐	☐	☐	☐
4.	Leaders show concern for employees' personal well-being.	☐	☐	☐	☐	☐
5.	Supervisors provide fair opportunities for growth and advancement.	☐	☐	☐	☐	☐

Organizational Performance

No.	Statement	1	2	3	4	5
1.	The organization consistently meets its goals and objectives.	☐	☐	☐	☐	☐
2.	Employees exhibit high levels of motivation and productivity.	☐	☐	☐	☐	☐
3.	Communication and coordination are effective across departments.	☐	☐	☐	☐	☐
4.	The organization adapts effectively to change and innovation.	☐	☐	☐	☐	☐
5.	Leadership practices contribute positively to the organization's reputation and impact.	☐	☐	☐	☐	☐

Section C: Qualitative (Open-Ended) Questions

1. How would you describe the general leadership approach at NCKK?

2. In what ways do leaders inspire or motivate you and your colleagues?

3. How does leadership encourage innovation and creativity in your department?

4. What mentoring or coaching opportunities are available to support staff growth?

5. In your opinion, how has leadership affected overall organizational performance?

6. What challenges hinder effective transformational leadership at NCKK?

7. How could NCKK improve its leadership and organizational performance?

8. Share an example of a leader who demonstrated transformational leadership qualities.

Section D: Additional Comments

Please share any further comments or recommendations regarding leadership and performance improvement at NCKK.

Appendix III: Permission from the National Council of Churches of Kenya

Dear Rev. Mbaya,

Greetings from the NCCCK.

We refer to your request and accept to have you use the NCCCK for your study. Kindly reach out to Fridah Mbaya on fmbaya@ncck.org who will assist you in carrying out the study.

Sincerely,

Rev. Canon Chris Kinyanjui

General Secretary

Appendix IV: Research Permit Request Letter



6th October, 2025

The Director General
National Commission for Science, Technology and Innovation (NACOSTI)
P.O. Box 30623-00100
Nairobi

Dear Sir/Madam,

RE:INTRODUCTION AND RESEARCH PERMIT REQUEST FOR SIMON MBAYA M'TABUGI REG NO 2629.

This is to introduce to you Simon Mbaya M'tabugi and to certify that he is a student at International Leadership University (ILU) Nairobi. He is pursuing the Master of Arts in Leadership Studies degree.

In order to qualify for the degree, he needs to carry out research and data collection pertaining to his Thesis research proposal titled – *Effect of Transformational Leadership on Organizational Performance: Case of National Council of Churches of Kenya.*

In that regard, Simon will require a research permit from NACOSTI to enable him to collect data. Your favourable consideration of his research permit application will be highly appreciated.

International Leadership University (ILU) is a Private Christian University which is regulated by the Commission for University Education (CUE). For any further questions you may have regarding to his research, please feel free to contact me through registrar@kenya.ilu.edu or call +254 713 845193

Yours Sincerely,

Dr. Mary Mwangi
University Registrar



Appendix V: NACOSTI License

 REPUBLIC OF KENYA Ref No: 758966	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION Date of Issue: 14/October/2025
RESEARCH LICENSE	
	
This is to Certify that Rev.. Simon Mbaya M'tabugi of International Leadership University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: EFFECT OF TRANSFORMATIONAL LEADERSHIP ON ORGANIZATIONAL PERFORMANCE: CASE OF THE NATIONAL COUNCIL OF CHURCHES OF KENYA, for the period ending : 14/October/2026.	
License No: NACOSTI/P/25/4180862	
Applicant Identification Number	Ag. Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
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THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013 (Rev. 2014)

Legal Notice No. 108: The Science, Technology and Innovation (Research Licensing) Regulations, 2014

The National Commission for Science, Technology and Innovation, hereafter referred to as the Commission, was established under the Science, Technology and Innovation Act 2013 (Revised 2014) herein after referred to as the Act. The objective of the Commission shall be to regulate and assure quality in the science, technology and innovation sector and advise the Government in matters related thereto.

CONDITIONS OF THE RESEARCH LICENSE

1. The License is granted subject to provisions of the Constitution of Kenya, the Science, Technology and Innovation Act, and other relevant laws, policies and regulations. Accordingly, the licensee shall adhere to such procedures, standards, code of ethics and guidelines as may be prescribed by regulations made under the Act, or prescribed by provisions of International treaties of which Kenya is a signatory to.
2. The research and its related activities as well as outcomes shall be beneficial to the country and shall not in any way;
 - i. Endanger national security
 - ii. Adversely affect the lives of Kenyans
 - iii. Be in contravention of Kenya's international obligations including Biological Weapons Convention (BWC), Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO), Chemical, Biological, Radiological and Nuclear (CBRN).
 - iv. Result in exploitation of intellectual property rights of communities in Kenya
 - v. Adversely affect the environment
 - vi. Adversely affect the rights of communities
 - vii. Endanger public safety and national cohesion
 - viii. Plagiarize someone else's work
3. The License is valid for the proposed research, location and specified period.
4. Neither the license nor any rights thereunder are transferable.
5. The Commission reserves the right to cancel the research at any time during the research period if in the opinion of the Commission the research is not implemented in conformity with the provisions of the Act or any other written law.
6. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research.
7. Excavation, filming, movement, and collection of specimens are subject to further necessary clearance from relevant Government Agencies.
8. The License does not give authority to transfer research materials.
9. The Commission may monitor and evaluate the licensed research project for the purpose of assessing and evaluating compliance with the conditions of the License.
10. The Licensee shall submit one hard copy, and upload a soft copy of their final report (thesis) onto a platform designated by the Commission within one year of completion of the research.
11. The Commission reserves the right to modify the conditions of the License including cancellation without prior notice.
12. Research, findings and information regarding research systems shall be stored or disseminated, utilized or applied in such a manner as may be prescribed by the Commission from time to time.
13. The Licensee shall disclose to the Commission, the relevant Institutional Scientific and Ethical Review Committee, and the relevant national agencies any inventions and discoveries that are of National strategic importance.
14. The Commission shall have powers to acquire from any person the right in, or to, any scientific innovation, invention or patent of strategic importance to the country.
15. Relevant Institutional Scientific and Ethical Review Committee shall monitor and evaluate the research periodically, and make a report of its findings to the Commission for necessary action.

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