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EFFECT OF LEADERSHIP COMPETENCIES ON PERFORMANCE OF STATE CORPORATIONS IN KENYA

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EFFECT OF LEADERSHIP COMPETENCIES ON PERFORMANCE OF STATE CORPORATIONS IN KENYA

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Abstract

Purpose: The main objective of the study was to establish the effect of leadership competencies on performance of state corporations in Kenya.

Methodology: The study adopted a cross-sectional survey research design.

Findings: Results revealed that all the leadership competencies had a positive a significant relationship with the financial performance of state corporations in Kenya. However, the magnitude of the influence was different for the specific leadership competencies. Social awareness leadership competency had the largest effect followed by self-awareness leadership competency then social skills leadership competency and finally the self-management leadership competency. Results also revealed that self-awareness leadership competency and social skills leadership competency had a positive a significant relationship with the non-financial performance of state corporations in Kenya while self-management leadership competency and social awareness leadership competency had a positive but insignificant relationship. However, the magnitude of the influence social skills leadership competency was higher than that of self-awareness leadership competency. Further, the results showed that organization size only had a positive and significant moderating effect on the relationship between leadership competencies and non- financial performance of state corporations in Kenya.

Unique contribution to theory, practice and policy: Leadership competencies affect the development, functioning and management of state corporations thus improving the performance of these organizations. Hence, the study findings and recommendations of the study would be an eye opener to these corporations and provide them with the opportunity of improving its self-management leadership competencies. The findings of this study will also facilitate the availability of information for regulatory bodies such as CMA and NSE (in case of listed state

corporations such as Kenya Power and Lighting Company) or supervisory bodies such as Inspectorate of State Corporations, Controller and Auditor-General. The study will provide invaluable input on its self-management leadership competencies of state corporations which they will adopt in formulating laws and regulations affecting its self-management leadership competencies. Strengthening leadership competencies at corporation level might be a viable option for Kenya as a country which is faced by major Leadership competencies challenges characterized by corruption and misallocation of resources.

Keywords: *Leadership Competency, Organization Size, Financial Performance, Non-financial Performance*

INTRODUCTION

Background

The dynamics, complexity and diversity, now characteristic of operational environment, are diffusing into the organization needs making increasing demands on management and leadership competencies at all organizational levels (Gregersen, 2010; Harvey & Buckley, 2011).Increasing understanding of different aspects of governance, needs of various factors and their changes will help organizations to meet the new challenges brought by globalization, whether their primary operation environment is domestic, international or global. The development of leadership competencies should be based on the global business strategy which determines what kind of presence is desirable, how many and what types of jobs, projects, task forces, and other types of interactions exist (McCall & Hollenbeck, 2012). Competency development process should start from an analysis of the dynamics of the environment and the core competencies, continuing to identifying the profiles of resources and ending with identification of necessary competencies for specific jobs/functions (Suutari, 2010).

A competence in general can be understood as the ability of an individual to activate, use and connect the acquired knowledge in the complex, diverse and unpredictable situations. Competencies encompass knowledge, expertise, skills, personal and behavioral characteristics, beliefs, motives, values (Zakaria & Taiwo, 2013). Leaders have to ensure that changes in an organization are accepted and implemented in a way resulting not only in better job performance but also in general understanding and satisfaction of all. Leadership competencies are skills and behaviors that contribute to superior performance of leaders. By using a competency-based approach to leadership competencies, organizations can better identify and develop their next generation of leaders (Koman & Wolff, 2008).

Leadership competencies are observed when a person demonstrates the competencies that constitute self-awareness, self-management, social awareness and social skills at appropriate times and ways in sufficient frequency to be effective in the situation. Most frequently in existing competency, frameworks which indicates that emotional intelligence represents a major component of global leadership competency. Much in line with these are personal attributes which underpin, and determinate how and when, knowledge and skills will be used (Cannavaciulo *et al.*, 2003).

Understanding various attributes of leadership competencies and their interaction is essential for organizations performance and in order for these organizations to work effectively in today's global business environment. The level of this understanding is related to possession of international competencies within an organization (Gupta & Govindarajan, 2011). Although the need to develop leaders with adequate competencies has become obvious in recent years (Morrison, 2013; Suutari, 2010), there is still a significant gap between the international human resource requirements of a competent leaders and their organization's objectives realization (Adler & Bartholomew, 2012; Engle *et al.,* 2013, Morrison *et al.,* 2013).

In Kenya effective leaders build a sense of community within the workplace, that they not only increase employee retention figures, but they also improve productivity because employees are more willing to follow effective leaders than non - effective individuals. They do not coerce, cajole, threaten, plead, or bargain with their followers. They inspire them to do what needs to be done (Mutung'a, 2006).

State corporations play a major role in most economies through the provision of public services. In Kenya, they play a significant role in enhancing equitable distribution of development gains and solve regional imbalance; indigenize the economy; provide secure employment; help government to implement and learn from implementation of industrial policy; and, accelerate economic growth through provision of important services such as electricity, water, sugar, seeds and research for agriculture, and marketing to mention but a few (Mwaura, 2007).

Statement of the Problem

Review of literature shows that most leaders in the state corporations have poor leadership competencies (Baruch, 2012). Despite their important socio-economic roles, most of the state corporations are characterized by inefficiency, losses, provision of poor and unreliable products and services, and lack of accountability, transparency and financial probity. A good example is the recent case of Mumias Sugar Company. Kariuki (2015) reported that Mumias Sugar has almost doubled its loss to Sh 4.6 billion in the 12 months to June 2015 blaming closure of factory and poor sugarcane delivered for the poor result. Announcing its 2015 financial results, Mumias Sugar said that the loss was atop 2014's reported loss of Sh 2.7 billion which ushered Kenya's leading sugar miller to its deathbed. Another example is the Kenya Airways case. According to Nation Juma (2015), Kenya Airways plunged into a record Sh25.7 billion loss after tax for the 12 months that ended in March, the worst performance in the country's corporate history. Hence, this study seeks to establish the effect of leadership competencies on performance of state corporations in Kenya.

Objective of the Study

The main objective is to establish the effect of leadership competencies on performance of state corporations in Kenya.

Specific Objectives

- To determine the effect of self-awareness leadership competency on performance of state corporations in Kenya.

- To establish the effect of self-management leadership competency on performance of state corporations in Kenya.
- To examine the effect of social awareness leadership competency on performance of state corporations in Kenya.
- To assess the effect of social skills leadership competency on performance of state corporations in Kenya.
- To establish the moderating effect of organization size on the relationship between leadership competencies and performance of state corporations in Kenya.

THEORETICAL REVIEW

Trait Theory

The trait theory attempted to identify specific physical, mental, and personality characteristics associated with Leadership competencies success, and it relied on research that related various traits to certain success criteria (Northouse, 2007). This theory argued that leaders are people who can fully express themselves while others cannot, and this is what makes them different from other people. A leader has the right combination of traits which makes him a good leader (Bass, 2000). The meaning of this theory is that the same leadership competencies attributes are applicable for leadership competencies on a battlefield, non-profitable organization, and profitable organizations. This theory is relevant to this study since it elaborates on the characteristics of a good leader. For instance, the theory posits that the character of a leader is what determines whether he/she will be a good or a bad leader. This theory addresses leadership competencies which is a variable in this study.

Internal Control Theory

This theory was derived by Dr. William Glaser with the science of perceptual Control Theory by William Powers'. This theory is based on the belief that all behavior is internally motivated. When management maintains a business environment that emphasizes an appropriate level of control consciousness, a company is likely to have an effective internal control system.

According to Bedard and Chi (1993), the internal control environment is reflected by management's policies that have control implications. Examples of such policies are: a well-publicized statement on conduct, enforcement of policies, tight budgetary controls, support of an effective internal auditing function and practices for hiring personnel with competence and integrity. Top management, the board of directors, and its audit committee are influential in creating an appropriate internal control environment through effective organization structure, sound management practices, adherence to appropriate standards of ethical conduct, and compliance with applicable laws and regulations (Public Company Accounting Oversight Board, 2004).

This theory is relevant to this study in that it reiterates that business environment which the management maintains influences the performance of an organization. Hence, possession of the appropriate leadership competencies would result to better organization performance of state corporations.

METHODOLOGY OF THE STUDY

The study used cross-sectional survey research design. The study's population was the state corporations in Kenya. The unit of observation was the 187 state corporations. The unit of analysis was a top manager who reports to the CEO in the state corporation. The study used both stratified sampling technique to come up with the sample. The sample size was 131 state corporations. The study used both primary and secondary data which was largely quantitative and descriptive in nature. Primary data was collected through questionnaire. A pilot study was conducted to measure the research instruments reliability and validity. Descriptive and inferential analysis was conducted to analyze the data. The data was presented using tables, graphs and charts.

RESULTS OF THE STUDY

Data analyzed was summarized in line with the research objective and appropriate frequency tables inserted for presentation.

Response rate

In this study, 131 questionnaires were administered. A total of 103 questionnaires were duly completed and returned. This represents a response rate of 78.63%. The Table 1 shows the response rate.

Table 1: Response Rate

Issued questionnaires	Returned Questionnaires	Response Rate
131	103	78.63%

Demographics

The respondents were required to provide about their gender, level of education, number of years in current employment and age of the respondents. Results showed that a majority of the respondent were male (54%) while the rest (43%) were female. Results also showed that 15% of the respondents had attained education up to college level while only 5% of the respondents had attained education up to post graduate level. Further, the study showed that 41% of the respondents had worked in their current employment for more than 5 years, 30% of the respondents indicated that they had worked in their current positions for 3 to 5 years, 24% of the respondents indicated that they had worked in their current employment for 1 to 2 years while only 5% of the respondents had worked in their current employment for less than one year. Results also showed 31% of the respondents were aged 51 years and above, 32% of the respondents were aged between 41 – 50 years, 27% of the respondents were aged between 31-40 years while only 10% were below 30 years.

Diagnostic Tests

The data was tested for conformity to the assumptions of the classical linear regression model by performing a reliability test, multi-collinearity test and a normality test in both SPSS 22 and STATA 11.

Reliability Analysis

Reliability of this instrument was evaluated through Cronbach Alpha which measures the internal consistency. Cronbach Alpha value is widely used to verify the reliability of the construct. The findings in Table 2 indicated that self-awareness leadership competency had a coefficient of 0.773, self-management leadership competency had a coefficient of 0.838, social-awareness leadership competency had a coefficient of 0.829, social-skills leadership competency had a coefficient of 0.849, organization size had a coefficient of 0.752 and performance of state corporations had a coefficient of 0.905. All variables depicted that the value of Cronbach's Alpha are above value of 0.7 thus the study was reliable (Castillio, 2009). This represented high level of reliability and on this basis it was supposed that scales used in this study is reliable to capture the variables.

Table 2: Reliability Coefficient

Variables	Cronbach's Alpha	Comment
Self-awareness Leadership Competency	0.773	Accepted
Self-management Leadership Competency	0.838	Accepted
Social-awareness Leadership Competency	0.829	Accepted
Social-skills Leadership Competency	0.849	Accepted
Organization Size	0.752	Accepted
Performance of State Corporations	0.905	Accepted

Multi-collinearity test

Preliminary results indicate that there was no multi-colllinearity between the independent variables and the dependent variable. This was supported by the fact that the pearson correlation coefficient for all the variables was less than 0.8. The pearson correlation coefficient for self-awareness leadership competency, self-management leadership competency, social awareness leadership competency and social skills leadership competency was 0.388, 0.470, 0.095 and 0.328 respectively all the values were less than 0.8 as shown in Table 3.

Table 3: Multi-collinearity Test using Correlation Analysis

Variables		Performance	Self Awareness	Self Management	Social Awareness	Social Skills
Performance	Pearson Correlation	1				
	Sig. (2-tailed)					
Self Awareness	Pearson Correlation	0.388	1			
	Sig. (2-tailed)	0.000				
Self Manage	Pearson Correlati	0.47	0.469	1		

ment	on					
	Sig. (2-tailed)	0.000	0.000			
Social Awareness	Pearson Correlation	0.095	0.426	0.679	1	
	Sig. (2-tailed)	0.341	0.000	0.000		
Social Skills	Pearson Correlation	0.328	0.136	0.694	0.797	1
	Sig. (2-tailed)	0.001	0.17	0.000	0.000	

Test for Normality of Residuals

The test for normality was first examined using the graphical method approach as shown in the Figure 1. The results in the figure indicate that the residuals are normally distributed.

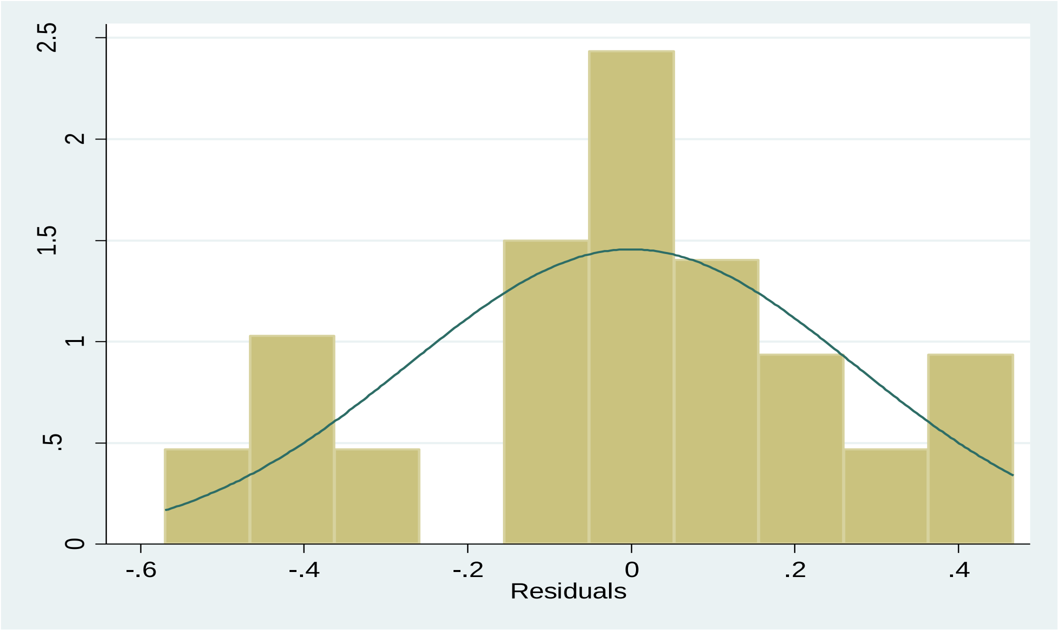

Figure 1: Graphical Examination of Normality of residuals

Multivariate Multiple Linear Regression

Relationship between Leadership Competencies and Financial Performance of State Corporations

The results presented in Table 4 present the fitness of model used of the regression model in explaining the study phenomena. The leadership competencies explained 58.2% of the financial performance of state corporations in Kenya. This is supported by coefficient of determination also known as the R square of 58.2%. This means that leadership competencies competency explain 58.2% of the financial performance of state corporations in Kenya.

Table 4: Model Fitness

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.773	0.598	0.582	0.47225

Table 5 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was statistically significant as supported by a p value of 0.000 which is lesser than the critical p value of 0.05. The $F_{cal=36.479} > F_{critical=2.4599 \text{ at } \alpha\ 0.05}$ which imply that leadership competencies (self-awareness leadership competency, self-management leadership competency, social awareness leadership competency and social skills leadership competency) are good predictor of the financial performance of state corporations.

Table 5: Analysis of Variance

Indicator	Sum of Squares	Df	Mean Square	F	Sig.
Regression	32.543	4	8.136	36.479	0.000
Residual	21.856	98	0.223		
Total	54.399	102			

Regression of coefficients results in Table 6 shows that is a positive and significant relationship between leadership competencies (self-awareness leadership competency, self-management leadership competency, social awareness leadership competency and social skills leadership competency) and financial performance of state corporations as supported by beta coefficient of 0.910, 0.472, 1.077 and 0.763 respectively. This was also supported by the t values whereby $t_{cal=6.876\ 4.039,\ 8.644,\ 5.742} > t_{critical=1.96 \text{ at a 95 percent confidence level}}$ which depicts that we reject the null hypothesis and accept the alternative. These findings agree with those of Laguna, Wiechetek and Talik (2012) who asserted that leadership competencies were significant predictors of success in running a business.

This implies that increase in self-awareness leadership competencies amongst the leaders in the top management would increase the financial performance of state corporations by 0.910 units. This also implies that increase in self-management leadership competencies amongst the leaders in the top management would increase the financial performance of state corporations by 0.472 units. This also implies that increase in social awareness leadership competencies amongst the leaders in the top management would increase the financial performance of state corporations by 1.077 units. Further, this implies that increase in social skills leadership competencies amongst the leaders in the top management would increase the financial performance of state corporations by 0.763 units.

Table 6: Regression of Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	0.105	0.218	0.479	0.633
Self-Awareness Leadership Competency	0.910	0.132	6.876	0.000
Self-Management Leadership Competency	0.472	0.117	4.039	0.000
Social Awareness Leadership Competency	1.077	0.125	8.644	0.000
Social Skills Leadership Competency	0.763	0.133	5.742	0.000

Financial Performance of State Corporations = 0.105 + 0.910 (Self-Awareness Leadership Competency) + 0.472 (Self-Management Leadership Competency) + 1.077 (Social Awareness Leadership Competency) + 0.763 (Social Skills Leadership Competency)

Moderating Effect of Organization Size on Financial Performance

Results in Table 7 shows that organization size does not have any moderating effect on the financial performance of state corporations. This can be explained by the fact that the p value of 0.209 which is greater than the critical p value of 0.05. This was supported by the t value whereby $t_{cal=1.265>}$ $t_{critical\ =1.96\ at\ a\ 95\ percent\ confidence\ level}$ which depicts that we accept the null hypothesis.

Table 7: Moderating Effect of Organization Size on Financial Performance

Variable	B	Std. Error	t	Sig.
(Constant)	1.435	0.294	4.876	0.000
Composite Leadership Competencies	0.137	0.306	0.448	0.655
Moderating Effect of Organization Size	0.114	0.09	1.265	0.209

Relationship between Leadership Competencies and Non-Financial Performance of State Corporations

The results presented in Table 8 present the fitness of model used of the regression model in explaining the study phenomena. The leadership competencies explained 14.7% of the non-financial performance of state corporations in Kenya. This is supported by coefficient of determination also known as the R square of 14.7%. This means that leadership competencies competency explain 14.7% of the non-financial performance of state corporations in Kenya.

Table 8: Model Fitness

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.425	0.18	0.147	0.20207

Table 9 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was statistically significant as supported by a p value of 0.001 which is lesser than the critical p value of 0.05. The $F_{cal=5.393\ >}$ $F_{critical\ =2.4599\ at\ \alpha\ 0.05}$ which imply that leadership competencies (self-awareness leadership competency, self-management leadership competency, social awareness leadership competency and social skills leadership competency) are good predictors of the non- financial performance of state corporations.

Table 9: Analysis of Variance

Indicator	Sum of Squares	Df	Mean Square	F	Sig.
Regression	0.881	4	0.22	5.393	0.001
Residual	4.001	98	0.041		
Total	4.882	102			

Regression of coefficients results in Table 10 shows that is a positive and significant relationship between social awareness leadership competency and social skills leadership competency and non-financial performance of state corporations as supported by beta coefficient of 0.119 and 0.241 respectively. This was also supported by the t values whereby $t_{cal=2.237,\ 4.235} > t_{critical\ =1.96\ at\ a\ 95\ percent\ confidence\ level}$ which depicts that we reject the null hypothesis and accept the alternative.

These findings concur with those of Avery (2004) who observes that the quality of leadership competencies directly and greatly influences an organization‘s performance. These findings are also with those of Yulk (2006) who posits that there is a fundamental and definitional link between leadership competencies and performance as it involves communicating to people their worth and potential.

This implies that increase in social awareness leadership competencies amongst the leaders in the top management would increase the non-financial performance of state corporations by 0.119 units. This also implies that increase in social skills leadership competencies amongst the leaders in the top management would increase the non-financial performance of state corporations by 0.241 units.

Results in Table 10 also show that there exist a positive but insignificant relationship between self-management leadership competency, self-awareness leadership competency and the non-financial performance of state corporations. This was also supported by the t values whereby $t_{cal=1.62,\ 1.587} < t_{critical\ =1.96\ at\ a\ 95\ percent\ confidence\ level}$ which depicts that we accept the null hypothesis. This implies that self-management leadership competency and social awareness leadership competency have no influence on the non-financial performance of state corporations.

Table 10: Regression of Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	1.764	0.093	18.872	0.000
Self-Awareness Leadership Competency	0.092	0.057	1.62	0.108
Self-Management Leadership Competency	0.079	0.05	1.587	0.116
Social Awareness Leadership Competency	0.119	0.053	2.237	0.028
Social Skills Leadership Competency	0.241	0.057	4.235	0.000

Non - Financial Performance of State Corporations = 1.764 + 0.119 (Social Awareness Leadership Competency) + 0.241 (Social Skills Leadership Competency)

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Moderating Effect of Organization Size on Non-financial Performance

Results in Table 11 indicate that organization size has a positive and significant moderation effect between leadership competencies and the non-financial performance of state corporations in Kenya. This was supported by a p value of 0.002 and a beta coefficient of 0.084. This was also supported by the t values whereby $t_{cal=3.106} > t_{critical =1.96 \text{ at a 95 percent confidence level}}$ which depicts that we reject the null hypothesis and accept the alternative. This findings agree with those of Kinoti's (2012) who established a moderating effect of organizational characteristics measured in terms of age and size of the firm and type of industry and ownership on the corporate image and performance of ISO 9000 and 14000 certified organizations in Kenya.

Table 11: Moderating Effect of Organization Size on Non-financial Performance

Variable	B	Std. Error	t	Sig.
(Constant)	1.673	0.089	18.88	0.000
Composite Leadership Competencies	0.35	0.092	3.799	0.000
Moderating Effect of Organization Size	0.084	0.027	3.106	0.002

Non - Financial Performance of State Corporations = 1.673 + 0.350 (Leadership Competencies) + 0.084 (Moderating Effect of Organization Size)

Overall Multiple Linear Regression

The results presented in Table 12 present the fitness of model used of the regression model in explaining the study phenomena. The leadership competencies explained 53.5% of the overall performance of state corporations in Kenya. This is supported by coefficient of determination also known as the R square of 53.5%. This means that leadership competencies explain 58.1% of the overall performance of state corporations in Kenya.

Table 12: Model Fitness

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.747	0.558	0.54	0.27954

Table 13 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was statistically significant as supported by a p value of 0.000 which is lesser than the critical p value of 0.05. The $F_{cal=30.880} > F_{critical =2.4599 \text{ at } \alpha\ 0.05}$ which imply that leadership competencies (self-awareness leadership competency, self-management leadership competency, social awareness leadership competency and social skills leadership competency) are good predictor of the overall performance of state corporations.

Table 13: Analysis of Variance

Indicator	Sum of Squares	Df	Mean Square	F	Sig.
Regression	9.652	4	2.413	30.88	0.000
Residual	7.658	98	0.078		
Total	17.31	102			

Regression of coefficients results in Table 14 shows that is a positive and significant relationship between leadership competencies (self-awareness leadership competency, self-management leadership competency, social awareness leadership competency and social skills leadership competency) and overall performance of state corporations as supported by beta coefficient of 0.501, 0.196, 0.598 and 0.502 respectively. This was also supported by the t values whereby t cal=6.394, 2.838, 8.110, 6.381 > t critical =1.96 at a 95 percent confidence level which depicts that we reject the null hypothesis and accept the alternative.

These findings agree with those of Mehrdad, Sven and Viguerie (2010) who conducted a statistical analysis of the relationship between managerial quality and revenue growth, across a global sample of more than 5,000 leaders in 47 listed companies. The study confirmed that talent matters: executives of high-growth companies have a higher level of competency than those of low-performing firms. But the study also made it clear that having good leaders is not good enough; only excellence makes the difference. Companies with outstanding leadership teams have a high correlation with revenue growth, while those with solid but unexceptional leaders have no correlation at all.

This implies that increase in self-awareness leadership competencies amongst the leaders in the top management would increase the overall performance of state corporations by 0.501 units. This also implies that increase in self-management leadership competencies amongst the leaders in the top management would increase the overall performance of state corporations by 0.196 units. This also implies that increase in social awareness leadership competencies amongst the leaders in the top management would increase the overall performance of state corporations by 0.598 units. Further, this implies that increase in social skills leadership competencies amongst the leaders in the top management would increase the overall performance of state corporations by 0.502 units.

Table 14: Regression of Coefficients

Variable	**B**	**Std. Error**	**t**	**Sig.**
(Constant)	0.934	0.129	7.226	0.000
Self-Awareness Leadership Competency	0.501	0.078	6.394	0.000
Self-Management Leadership Competency	0.196	0.069	2.838	0.006
Social Awareness Leadership Competency	0.598	0.074	8.11	0.000
Social Skills Leadership Competency	0.502	0.079	6.381	0.000

Overall Performance of State Corporations = 0.934 + 0.501 (Self-Awareness Leadership Competency) + 0.196 (Self-Management Leadership Competency) + 0.598 (Social Awareness Leadership Competency) + 0.502 (Social Skills Leadership Competency)

Moderating Effect of Organization Size on Overall Performance

Results in Table 15 shows that organization size does not have any moderating effect on the financial performance of state corporations. . This can be explained by the fact that the p value of 0.771 which is greater than the critical p value of 0.05. This was supported by the t value whereby t cal=0.292 > t critical =1.96 at a 95 percent confidence level which depicts that we accept the null hypothesis.

Table 15: Moderating Effect of Organization Size on Overall Performance

Variable	B	Std. Error	t	Sig.
(Constant)	1.554	0.166	9.362	0.000
Composite Leadership Competencies	0.243	0.173	1.411	0.161
Moderating Effect of Organization Size	0.015	0.051	0.292	0.771

Hypothesis Testing and Discussion

This section presents the hypothesis testing of the study variables. The rule of thumb was to reject the null hypothesis if the independent variable had a significant relationship with the dependent variable. The significance was tested at a critical P value of 0.05. Results for the hypothesis testing are as presented in Table 16.

Table 16: Hypothesis Testing and Discussion

Objective No	Objective	Hypothesis	Rule	P value Financial Performance	P value Non-financial performance	P value Overall	Comment
Objective 1	To determine the effect of self-awareness leadership competency on performance of state corporations in Kenya.	H01: Self awareness leadership competency does not influence the performance of state corporations in Kenya.	Reject H01 if p value for any aspect of performance of state corporations <0.05	0.000	0.108	0.000	The hypothesis was rejected for financial performance and overall performance but was not rejected for non-financial performance.
Objective 2	To establish the effect of self-management leadership competency on	H02: Self management leadership competency does not	Reject H02 if p value for any aspect of	0.000	0.116	0.006	The hypothesis was rejected for financial

	performance of state corporations in Kenya.	influence the performance of state corporations in Kenya.	performance of state corporations <0.05				performance and overall performance but was not rejected for non-financial performance.
Objective 3	To examine the effect of social awareness leadership competency on performance of state corporations in Kenya.	H03: Social awareness leadership competency does not influence the performance of state corporations in Kenya.	Reject H03 if p value for any aspect of performance of state corporations <0.05	0.000	0.028	0.000	The hypothesis was rejected fully.
Objective 4	To assess the effect of social skills leadership competency on performance of state corporations in Kenya.	H04: Social skills leadership competency does not influence the performance of state corporations in Kenya.	Reject H04 if p value for any aspect of performance of state corporations <0.05	0.000	0.000	0.000	The hypothesis was rejected fully.
Objective 5	To establish the moderating effect of organization size on the relationship between leadership competencies and performance of state corporations	H05: Organization size does not have any moderating effect on the relationship between leadership competencies	Reject H05 if p value for any aspect of performance of state corporations	0.279	0.002	0.771	The hypothesis was not rejected for financial performance and overall performance but was

	in Kenya.	and performance of state corporations in Kenya.	<0.05				rejected for non financial performance.

CONCLUSIONS

The study concluded that all the leadership competencies had a positive a significant relationship with the financial performance of state corporations in Kenya. However, the magnitude of the influence was different for the specific leadership competencies. Social awareness leadership competency had the largest effect followed by self-awareness leadership competency then social skills leadership competency and finally the self-management leadership competency. The study also concluded that self-awareness leadership competency and social skills leadership competency had a positive a significant relationship with the non-financial performance of state corporations in Kenya while self-management leadership competency and social awareness leadership competency had a positive but insignificant relationship. However, the magnitude of the influence social skills leadership competency was higher than that of self-awareness leadership competency. Further, the study concluded that organization size only had a positive and significant moderating effect on the relationship between leadership competencies and non-financial performance of state corporations in Kenya.

RECOMMENDATIONS

The study recommended that state corporations should adopt a culture of conducting trainings on leadership competencies. This could go a long way in ensuring better financial performance of the state corporations.

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