

# TRANSACTIONAL LEADERSHIP STYLE AND STRATEGIC PLAN IMPLEMENTATION: THE MODERATING ROLE OF ORGANIZATIONAL CULTURE

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## **Abstract**

The main objective of this study was to establish the influence of transactional leadership style on strategic plan implementation as moderated by organizational culture in private sugar manufacturing firms. Descriptive and correlational research designs were used. A Structured questionnaire was used to collect primary data from a sample of 144 respondents in private sugar manufacturing firms in western Kenya. Descriptive and inferential statistics were used to analyze data. Findings revealed a significant and positive relationship between the transactional leadership style and strategic plan implementation. Further organizational culture did not moderate the relationship between transactional leadership style and strategic plan implementation. The study recommends for leaders in private sugar manufacturing firms to capitalize on transactional leadership style through rewarding staff who accomplish required goals, specifying standards to be adhered to and intervening when issues arise in order to foster effective strategic plan implementation. The current study contributes to the existing literature as it underscores the value of transactional leadership style in accentuating strategic plan implementation in private sugar manufacturing firms. Further it delves into the moderating effect of organizational culture on the relationship between transactional leadership style and strategic plan implementation.

**Keywords:** Organizational Culture, Strategic Plan Implementation, Transactional Leadership Style

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## **1. INTRODUCTION**

Leadership is an influence process that assists groups of individuals toward goal attainment (Northouse, 2015). Leadership being the life blood of organizations, its significance cannot be underestimated. Effective leaders should catapult their firms towards success. According to Lussier and Achua (2013), leadership is the influencing process of leaders and followers to achieve organizational objectives through change. Leadership was identified as an essential factor that influenced implementation of strategy through provision

of a clear direction, latest communications, staff motivation and setting of a culture and values that enhance an organizations performance (Griffins, 2011). Odero and Wanyama (2020) proved that leadership communication and commitment influenced strategic plan implementation. Okwachi, Gakure and Ragui (2013) studied Kenyan SMEs in Kenya and found that leadership practice had a direct relationship with implementation of strategy and thus managerial practices greatly affected strategic plan implementation in Kenya.

There are various leadership styles such as transformational, democratic, laissez-faire, servant and transactional. Empirical studies have suggested that leadership style can facilitate the improvement of performance and influence both the employees and organizational outcomes (Okwu, Obiwuru, Akpa & Nwankwere, 2011; Koech & Namusonge, 2012; Aziz, Abdullah, & Tajudin., 2013). Leadership style also affects implementation of strategies as evidenced in various researches (Kyalo, Katuse & Kiriri, 2016; Ngure, 2013 & Kivasu 2015). Transactional leadership is one of the most effective leadership styles as it rewards employees for good performances and punishes them for bad performances (Karami et al., 2014). This could encourage the workers to be better and to be more aware of their work. As originally described by Burns (1978) transactional leaders are those who identify their followers expectations and respond to through establishment of a close link between efforts and reward.

A major reason for strategic management emergence during the last quarter of the twentieth century was to focus on implementation of strategies in companies (Cater & Pucko, 2010). According to Pearce and Robinson (2013) strategy implementation being the last phase, determines what organizations may become. Kalali (2011) reiterated that strategy implementation involves the translation of a chosen strategy into organizational action in order to realize the achievement of strategic goals and objectives. Many companies fail to implement strategies because in order to actualize a strategic plan to drive business growth, specific actions are required. Rama and Rao (2011) concurred that the potential of a strategy is undermined because of weak implementation resulting to an organizations poor performance. Carter and Pucko (2010) reiterated that 60 to 80 % of firms in the world performed extremely well in formulation of strategies but either failed or struggled during implementation process. Demirkaya (2015) reiterated that the essence of having a strategic plan to improve firm performance as well as competitiveness of firms had been considered by public, private including third-sector organizations.

The sugar manufacturing industry has played a critical role in Kenya's economy and has contributed approximately 15 % to the agricultural GDP in the country (KSI, 2009). It ensures food security, provides sustainable livelihoods and improves rural lives for Kenyans. The sugar industry ensures food security, improves rural lives and provides sustainable livelihoods for millions of Kenyans.

### 1.1 Statement of the problem

Despite the fact that millions of Kenyans depend on the sugar industry as a source of livelihood, it has stagnated in regards to its gross domestic product contribution which has remained at averagely 10% for over 10 years (Kenya Economic Survey 2016). The sugar industry has faced several challenges such as poor governance and management, inadequate funding and inadequate research as well as extension services, irregular factory maintenance, slow adoption of newer and more appropriate technology (KSI, 2009). Thus to alleviate the challenges and ensure effective strategic plan implementation this study proposes that transactional leadership style as moderated by organizational culture would enhance strategic plan implementation.

Studies have been done touching on transactional leadership style in different countries such as Thailand (Zumitzavani & Udchachone 2014); Malaysia (Aziz *et al* .2013); Nigeria (Ojokuku, Odetayo & Sajuyigbe, 2012) thus presenting a contextual gap. Kyalo, Katuse and Kiriri (2016) conducted a study to establish the influence organizational leadership had on strategy implementation.in Kenya's tourism industry, Ngure (2013) focused on influence of leadership style on the implementation of strategies at Co-operative Bank of Kenya, Kivasu (2015) carried out a study on leadership styles and implementation of strategy among non-governmental organizations in Nairobi City County, Kenya, Kihara, Bwisa and Kihoro (2016) who examined the relationship between leadership styles practiced during strategy implementation and the performance of SMEs in Thika Sub-County in Kenya. Thus the studies were one in different sectors.

Moreover, some studies have indicated conflicting findings with regards to the influence of transactional leadership style. Kivasu (2015) and Atito (2017) found that it positively and significantly influenced implementation of strategy while Musyoka (2017) established that it had no influence on strategy implementation.

It is clear that in the mentioned studies the effect of transactional leadership style has not been evaluated independent of other leadership styles. Leadership studies focusing on moderating effect of organizational culture have been done in different contexts such as Yemen's public sector (Gelaidan, 2012) and SME's in Kenya (Asiimwe, 2015) and not in private sugar manufacturing firms in Kenya and the studies also did not have strategic plan implementation as their dependent variable thus providing a contextual and conceptual gap. Minimal attention has been given to relationship amongst transactional Leadership style, organizational culture and strategic plan Implementation in private sugar manufacturing firms in Western Kenya. This presents a contextual and conceptual gap in literature which this study seeks to fill.

## 1.2 General Objective

The purpose of this study was to investigate the the influence of transactional leadership style on strategic plan implementation as moderated by organizational culture in private sugar manufacturing firms

### 1.2.1 Specific Objectives

- i.To determine the influence of transactional leadership style on strategic plan implementation in private sugar manufacturing firms
- ii.To examine the moderating effect of organizational culture on the relationship between transactional leadership style and strategic plan implementation in private sugar manufacturing firms

## 2. LITERATURE REVIEW

### 2.1 Theoretical Review

#### 2.1.1 Transactional Leadership Theory

Burns (1978) posited that transactional leaders are those who have the intention of influencing follower's self-interests. Leaders focus on task assignment, working standards and follower compliance. Leaders also influence subordinate performance through offering rewards and punishing those who fail to comply. According to Bass (1985) transactional leaders 'pursue a cost-benefit economic exchange to meet material and physical needs of subordinate's in return for negotiated contract obligations from the subordinates. This theory is linked to transactional leadership style.

#### 2.1.2 Denison Model

Denison's model identified four dimensions of culture as consistency, mission, adaptability and involvement that could drive firms superior performance (Pisano, 2010). Involvement trait constitutes team orientation, empowerment and capability development. Firms that put high value on employees working cooperatively, employee skills development and employee initiatives score highly on the trait. Adaptability trait is concerned with how the firm is coping in relation to the external changes and contingencies. Its components are customer focus, organizational learning and creating change. Adaptable firms are risk takers and learn from errors they made, have the experience and ability to create change and are customer driven. (Denison, 2000). This theory is relevant in that teamwork and adaptability are cultural traits that may enable a firm to achieve remarkable performance.

## 2.2 Conceptual Review

### 2.2.1 Transactional Leadership Style

According to Bass (1997) transactional leadership style has three dimensions that include Contingent reward, management-by-exception (active) and management-by-exception (passive). Contingent reward is anchored on a system of bargaining exchange where the leader and subordinates enter an agreement for subordinates to accomplish the firms goals and subsequently the leader rewards them. Leaders should ascertain the expectations and take cognizance when goals are actually achieved. In active management-

by-exception the leader specifies standards to be complied with, what amounts to ineffective performance and may punish those subordinates who fail to comply with those set standards. This style implies that the leader should closely monitor for mistakes and errors and take corrective action as quickly as needed. In passive Management-by-exception leaders do not specify agreements, clarify their expectations and standards though they will intervene when certain problems arise. This style fails to respond to situations and problems in a systemized manner. Transactional leadership was found as being appropriate in Nigerian SME sector (Obiwuru *et al*, 2011) and also the manufacturing sector (Udoh & Agu, 2012).

### 2.2.2 Organizational Culture

According to Schein (2011) corporate culture comprises of shared values, beliefs including norms which influence employees' way of thinking, their feelings and behaviour in the workplace. Surroca, Tribó, and Waddock, (2010) concerted that organizational, culture reinforced behaviors that could be enhanced using incentives and controls thus affecting organizational performance. In this study organizational culture had teamwork and adaptability as its indicators. Adaptability involves translation of business environment demands into action considering that organizations survive as open systems in a complex and uncertain environment (Amah, 2012). Employees are encouraged to be innovative and creative. Involvement involves building human capability and creating a shared perception of ownership and also responsibility throughout the firm (Uygur, 2009). According to Pisano (2010), team orientation is an aspect of involvement. An effective leader skilled in nurturing team unity and encourage team work may drive team success. According to Ahmad (2012) effective organizations empowered their people, encouraged teamwork and the development of human capability at all levels. Studies have ascertained that organizational culture impacts on strategy implementation (Ahmadi, Salamzadeh, Daraei & Akbari, 2012; Mutie & Irungu, 2013; Odero & Mbithi, 2016).

### 2.2.3 Strategic Plan Implementation

Strategy implementation entails conversion of an organization's strategic plan into action and consequently into results (Thompson & Strickland, 2014). It's an action phase in the strategic management process involving operationalizing strategies that have been formulated. Bowman (2011) highlighted that strategic plan implementation failed to attain maturity level since the factors that influenced the process of implementation worked either independently or even collectively thus frustrating the process. Implementation of a chosen strategy requires the managers to break down that strategy into a series of activities and actions that leads to the achievement of the intended goals and objectives (Jooste & Fourie,

2009). Further, reviews need to be conducted to ascertain the milestones attained. In this study strategic plan implementation had achievement of objective and progress reviews as its indicators.

## 2.3 Empirical Review

### 2.3.1 Transactional leadership style and strategic plan implementation

A study conducted in Thailand's hospitality industry proved transformational leadership style as positively impacting on organizational performance while transactional leadership style had a weak though positive link and passive/avoidant had a negative link to organizational performance (Zumitzavani & Udchachone, 2014).

Okwu, Obiwuru, Akpa and Nwankwere (2011) studied Nigerian SMEs and focused on transformational and transaction leadership styles. Findings revealed that transactional leadership style was more appropriate in driving performance than the transformational leadership style. On the contrary a study carried out in Nigerian banks established that transformational leadership style was positively and significantly related to the bank's performance while transactional leadership style had a negative and insignificant relation to bank performance (Ojokuku, Odetayo & Sajuyigbe, 2012).

Amirul and Daud (2012) investigated the relationship between transactional leadership and leadership outcomes in 325 companies. The results indicated that transactional leadership was positively related to performance outcomes. However, the study did not have any link with strategy implementation and did not consider the moderating effect of organizational culture.

Mapetere et al. (2012) carried out a study on strategic role of leadership in strategy implementation in Zimbabwe's State Owned Enterprises. The study revealed there was partial strategy success due to low leadership involvement in in strategy implementation. Aziz *et al.* (2013) studied the effect of leadership styles on the business performance of SMEs in Malaysia. Findings revealed that both transactional and transformational leadership were positively and significantly related to performance though transactional was highly related compared to transformational. This study however, relied on secondary data to derive the association between the leadership styles and the performance of SME's in Malaysia.

Koech and Namusonge (2012) conducted a study on the influence of leadership styles on organisation performance. The study focused on transactional, transformational and laissez faire leadership styles. The study was conducted in States Corporation at Mombasa, Kenya. The result of the study showed that transactional and transformational were correlated to performance but laissez faire leadership was not significantly correlated to organizational performance. Based on the findings the study recommended that managers should discard laissez faire leadership by becoming more involved in guiding their subordinates, managers should formulate and implement effective reward and recognition system. However, the study

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does not have any link with strategy implementation. Further, this study was conducted among government owned companies thus the study findings may not be applicable to private sugar manufacturing firms. Further, the study did not test for the moderating effect of organizational culture.

Ngure (2013) focused on influence of leadership style on the implementation of strategies at Co-operative Bank of Kenya. The study revealed that the bank adopted transformational and participative (democratic) leadership styles. Further, leadership styles was found to have an influence on strategy implementation. The study adopted a case study research design which is a limitation as other banks and industries may have different dynamics that may alter the findings. Further, the study failed to consider transactional leadership style and the moderating effect of organizational culture.

Omuoso's (2013) study determined the extent to which organization culture, resource management, corporate social responsibility and leadership affected implementation of corporate strategy at Kengen. Implementation of Corporate Strategy was operationalized as increase in feed in power, shortened time frame for projects, increased return to shareholders, and reduction of costs due to elimination of delays. Having regards to leadership, the study concluded that it supported corporate strategy and that it may contribute to relative effectiveness in the implementation of corporate strategies. The study considered leadership generally unlike the current study which solely focused on transactional leadership style. Further, the study also focused on the direct influence of organizational culture on implementation unlike the current study which tested for the moderating effect of organizational culture.

A study conducted by Mumenya, Mokaya and Kihara (2014) at Bidco Oil Refineries Limited concluded that leadership influenced effective strategy implementation through flexibility, openness to change and adoption, encouraging consultations and also motivation. This study focused on leadership generally unlike the current study which focused on transactional leadership style.

Kivasu (2015) carried out a study to establish leadership styles adopted and the influence of leadership styles on the implementation of strategy among NGOs in Nairobi City County, Kenya. Questionnaires were used to collect primary data. Descriptive analysis was adopted using Frequencies, percentages, mean and standard deviation. Findings revealed that transactional, servant, situational and transformational leadership styles were adopted and. that leadership styles influenced strategy implementation in NGO's in Nairobi City County, Kenya

Ahamed (2015).sought to identify the determinants of strategy implementation at United Nations Humanitarian Air services in Somalia. Specifically the study focused on leadership, organizational resources and culture and they were all found to influence implementation. Regarding leadership it solely focused on the role of leaders such as setting of the organizational vision, employee motivation and effective communication unlike the current study which focused solely on transactional leadership style. Further the

study was carried out at United Nations Humanitarian Air services in Somalia unlike the current study which was conducted in private sugar manufacturing firms in Kenya.

Chege, Wachira and Mwenda (2015) sought to analyse the effect of leadership styles on implementation of organizational strategic plans in small and medium enterprises, while the study operationalized leadership styles as Autocratic, laissez-faire and democratic leadership styles, the study however was done in SMEs unlike the current study which was conducted in private sugar manufacturing firms in Kenya. Further the study did not focus on transactional leadership style.

Omira (2015) sought to examine the effect of organizational culture and leadership styles on the performance of Saudi Arabia's public organizations, through the mediating factors of organizational commitment and job satisfaction. Findings revealed that organizational commitment fully mediated the relationship between organizational culture and organizational performance, but organizational commitment partially mediated the relationship between leadership styles and organizational performance. Job satisfaction was found not to mediate the relationship between leadership styles and organizational performance and also it did not mediate the relationship between organizational culture and organizational performance. The study recommended that public organizations in Saudi Arabia should improve their organizational culture and also appoint managers who have transactional and transformational qualities.

Kihara, Bwisa and Kihoro (2016) conducted a study on leadership styles used during implementation of strategy and SME performance in Kenya. The findings revealed that transformational, transactional and passive/avoidant leadership styles used when implementing strategy positively and significantly influenced performance. Further the study found transactional leadership style as being the most dominant in SME's in Thika. Contrarily a study carried out in manufacturing SME's in Kenya by Mwangi (2016) found that transactional leadership style had a positive and insignificant effect on performance. Also Musyoka (2017) concluded that the supervisors of the hotel industry had transformational leadership styles and not transactional styles and thus transactional leadership style had no influence on strategy implementation. Atito (2017) confirmed that transactional leadership style positively and significantly impacted on strategy implementation of Stima Sacco and recommended for Sacco managers to capitalize on using transactional leadership style during strategy implementation. These studies were done in different contexts and showed conflicting results on the effect of transactional leadership style. Thus, on the basis of the above information, the following hypothesis can be established:

**H0<sub>1</sub>:** Transactional leadership style has no significant influence on strategic plan implementation in private sugar manufacturing firms

### **2.3.2 Moderating effect of organizational culture on the relationship between Transactional leadership style and strategic plan implementation**



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Several studies have highlighted the moderating effect of organizational culture in various relationships. Gelaidan (2012) conducted a study in Yemen's public sector to ascertain the moderating effect organizational culture had on the link between leadership style and employee commitment to change. The results demonstrated that organizational culture was vital as it moderated the association between variables of the study. Alharabi (2012) sought to investigate the moderating effect of organizational culture on the relationship between leadership styles and quality management practices in public hospitals in Saudi Arabia. Organizational culture was found to have a significant moderating effect on the relationship. Asimwe (2015) demonstrated that organizational culture moderated the link between leadership styles and top 100 SME's growth in Kenya. The study focused on laissez faire, democratic, transformational leadership and transactional leadership style and established that leader's behaviour and the culture of the organization determined business outcomes and thus affected business growth. These studies were done in different contexts not in private sugar manufacturing firms in Kenya and also did not have strategic plan implementation as their dependent variable thus providing a contextual and conceptual gap. Based on the above information, the following second hypothesis can thus be established:

**H0<sub>2</sub>:** Organizational culture has no significant influence on the relationship between transactional leadership style on strategic plan implementation in private sugar manufacturing firms

#### 2.4 Conceptual Framework

The conceptual framework for this study had transactional leadership style as the independent variable, organizational culture as the moderating variable and strategic plan implementation as the dependent variable. The conceptual framework is as depicted in figure 1.

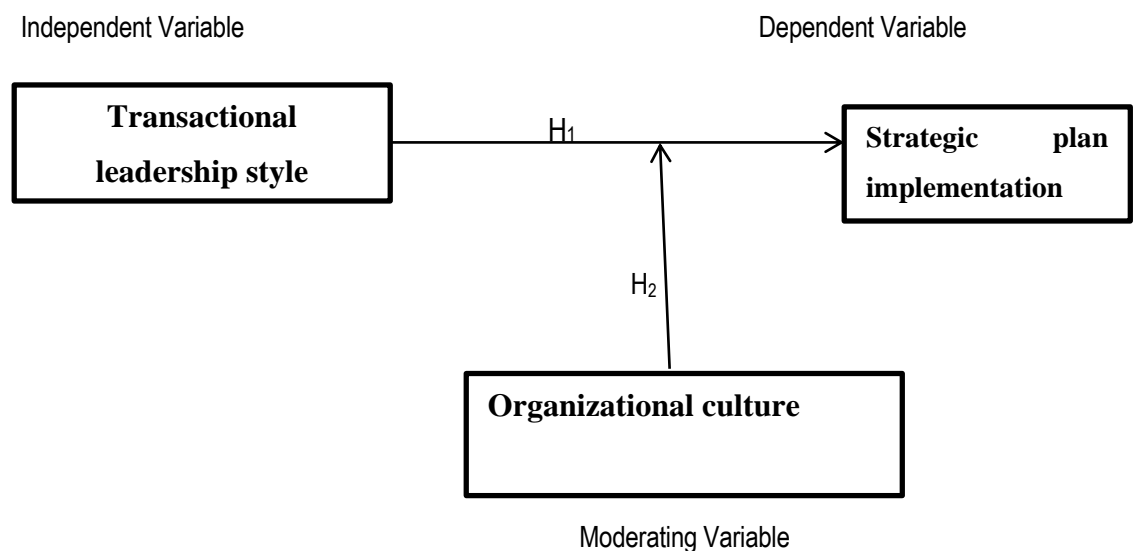


Figure 1- Conceptual Framework

### 3. METHODOLOGY

The study employed descriptive and correlational research design and targeted 219 respondents. Yamane's (1973) formula was used to calculate the sample size which was found to be 144. Primary data was collected using a structured questionnaire. The questionnaire was based on a Likert's scale ranging from 1 to 5 (strongly disagree to strongly agree). Statements in the questionnaire on transactional leadership style were adopted from Bass and Avolio's (1995) multifactor leadership questionnaire (MLQ), those of organizational culture were adapted from Denison (2000) and for strategic plan implementation they were adapted from literature (Kivasu, 2015; Odero & Mbithi, 2016). Data was collected from a sample of 144 respondents who included 12 top managers, 36 line managers (section heads) and 96 supervisors in the private sugar manufacturing firms in western Kenya that is West Kenya and Butali. It has been noted that for gaining insights into leadership effects on firm performance, multiple leadership levels should be examined simultaneously (O'Reilly, Caldwell, Chatman & Lapidz, 2010). The sampling techniques utilized were stratified sampling and simple random sampling. The study stratified the population into different levels of leadership positions such as top managers, line managers (section heads) and supervisors. Further simple random sampling was used to select the respondents from each stratum. A pilot study was conducted and the cronbach alpha for transactional leadership style, organizational culture and strategic plan implementation was 0.715, 0.774 and 0.700 respectively. Nunnally (1978) argued that the cronbach alpha value should not be less than 0.7. Data was analyzed using descriptive and inferential statistics. For descriptive statistics mean and standard deviation were used and for inferential statistics Karl Pearson's correlation and regression analysis were used. To assess the moderating effect, the study used Baron and Kenny (1986) hierarchical regression analysis method. The hierarchical regression formulae was:-

$$Y = \beta_0 + \beta_1 X_1 + \epsilon$$

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 OC + \epsilon$$

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 OC + \beta_3 X_1 OC + \epsilon$$

Whereby Y = strategic plan implementation

$\beta_0$  = Constant,

$\beta_1 \beta_2 \beta_3$  = Coefficients of determination

$X_1$  = Transactional leadership style

OC = organizational Culture

$X_1 OC$  = Product term/ interaction term of the moderating variable (organizational culture) with the study variable (transactional leadership style).

$\varepsilon$  =Error term

## 4. FINDINGS AND DISCUSSIONS

### 4.1 Response Rate

Out of the 144 questionnaires administered a total of 104 were properly filled and returned. This represented a response rate of 72%. According to Fincham (2008), a response rate of 60% is considered appropriate in research. Thus response rate was considered appropriate for further analysis.

### 4.2 Descriptive Analysis Results

**Table 1: Descriptive Statistics of variables**

	N	Minimum	Maximum	Mean	Std. Deviation
Transactional leadership style	104	2.75	5.00	4.19	.54
Organizational culture	104	2.25	5.00	4.12	.68
Strategic plan implementation	104	2.00	5.00	3.83	.70
Valid N (listwise)	104				

Source: Researcher's Results

Table 1 shows the results for descriptive statistics of transactional leadership style, organizational culture and strategic plan implementation. Descriptive analysis reveals that transactional leadership style had a mean value of  $M = 4.19$  and standard deviation of  $SD = 0.54$ , organizational culture had a mean  $M = 4.12$  and  $SD = 0.68$  and strategic plan implementation had a mean value of  $M = 3.83$  and standard deviation of  $SD = 0.70$ .

### 4.3 Inferential Analysis Results

#### 4.3.1 Correlation Analysis Results

Pearson correlation was employed to determine the association between transactional leadership style, organizational culture and Strategic plan Implementation in private sugar manufacturing firms in Western Kenya.

**Table 2: Correlation Matrix**

	Transactional leadership style	Organizational culture	Strategic plan implementation
Pearson Correlation	1		

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	Sig. (2-tailed)				
Transactional leadership style	N	104			
Organizational culture	Pearson Correlation	.686**	1		
	Sig. (2-tailed)	.000			
Strategic plan implementation	N	104	104		
	Pearson Correlation	.660**	.721**	1	
	Sig. (2-tailed)	.000	.000		
	N	104	104	104	

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Researcher's Results

Table 2 shows that transactional leadership style strongly correlates positively and significantly to Strategic plan Implementation in private sugar manufacturing firms in Western Kenya ( $r=0.660; p<0.01$ ). Also organizational culture strongly correlates positively and significantly to Strategic plan Implementation ( $r=0.721; p<0.01$ ).

4.3.2 Hierarchical Regression Analysis Results

Table 3: Model Summary<sup>d</sup>

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of Estimate	Change Statistics					Durbin-Watson
					the R <sup>2</sup> Change	F	df1	df2	Sig.	
1	.660 <sup>a</sup>	.436	.430	.53229	.436	78.779	1	102	.000	
2	.756 <sup>b</sup>	.572	.563	.46609	.136	32.033	1	101	.000	
3	.756 <sup>c</sup>	.572	.559	.46834	.000	.034	1	100	.854	1.778

a. Predictors: (Constant), transactional leadership style

b. Predictors: (Constant), transactional leadership style, organizational culture

c. Predictors: (Constant), transactional leadership style, organizational culture, transactional leadership style \*organizational culture

d. Dependent Variable: strategic plan implementation

Source: Researcher's Results

Regarding model 1 as depicted in Table 3 above the R value is 660 and value of R<sup>2</sup> is 0.436. This indicates that transactional leadership style explains 43.6% of the variance in Strategic plan Implementation in private

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sugar manufacturing firms in Western Kenya. The remaining 56.4% could be attributed to other factors not covered in the study.

After adding organizational culture as shown in model 2 above in table 3 the R value changed to 0.752 and R<sup>2</sup> to 0.572. This indicated that 57.2 percent variation in Strategic plan Implementation was accounted for by the joint influence of transactional leadership style and organizational culture.

On addition of the interaction term in model 3 the R<sup>2</sup> was still 0.572 thus it neither increased nor reduced. Thus the joint influence of transactional leadership style, organizational culture and the interaction term had no impact on Strategic plan Implementation. The interaction term is obtained by multiplying the moderator (organizational culture) and predictor variable (transactional leadership style). The Durbin Watson test was carried out to establish whether there's autocorrelation and the results indicated a value of 1.778 which is within threshold of 1-3 as postulated (Alsaeed, 2005) hence no autocorrelation problem.

**Table 4: ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.321	1	22.321	78.779	.000 <sup>b</sup>
	Residual	28.900	102	.283		
	Total	51.221	103			
2	Regression	29.280	2	14.640	67.391	.000 <sup>c</sup>
	Residual	21.941	101	.217		
	Total	51.221	103			
3	Regression	29.287	3	9.762	44.509	.000 <sup>d</sup>
	Residual	21.934	100	.219		
	Total	51.221	103			

a. Dependent Variable: strategic plan implementation

b. Predictors: (Constant), transactional leadership style

c. Predictors: (Constant), transactional leadership style, organizational culture

d. Predictors: (Constant), transactional leadership style, organizational culture, transactional leadership style

\*organizational culture

Source: Researcher's Results

From the ANOVA Table 4 above it is observed that all the variables in the model had a significant effect on strategic plan implementation (P=0.000). Thus all the three models are feasible. Therefore, models 1, 2 and

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3 were statistically significant and could explain the variation in Strategic plan Implementation in private sugar manufacturing firms in Western Kenya.

**Table 5: Coefficients**

Model		Unstandardized		Standardized t		Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	.221	.411	.539	.591	
	Transactional leadership style	.861	.097	.660	8.876	.000
2	(Constant)	-.012	.362	-.032	.974	
	Transactional leader style	.408	.117	.312	3.491	.001
	Organizational culture	.518	.092	.507	5.660	.000
	(Constant)	-.318	1.705	-.187	.852	
3	Transactional	.485	.436	.372	1.113	.268
	Organizational culture	.604	.476	.591	1.270	.207
	Transactional leader style * organizational culture	-.021	.115	-.132	-.184	.854

Source: Researcher's Results

Model one tests the first hypothesis. Having regards to the coefficient findings in table 5 model 1 above, substituting the equation;

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon \text{ becomes}$$

$$Y = 0.221 + 0.861 X_1 + \varepsilon$$

A unit increase in transactional leadership style leads to 0.861 increase in strategic plan implementation and it is statistically significant. Hence the study found that transactional leadership style positively and significantly influenced strategic plan implementation in private sugar manufacturing firms in Western Kenya.

In model 2 the results revealed that transactional leadership style was significant in presence of the moderator (organizational culture). Transactional leadership style was positive and significant (p-value= 0.001). Organizational culture was also positive and significant (p-value= 0.000). Having regards to the regression findings in table 5 model 2 above, substituting the equation;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 OC + \varepsilon \text{ becomes}$$

$$Y = -0.12 + 0.408 X_1 + 0.518 OC + \varepsilon$$

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A unit increase in transactional leadership style and organizational culture leads to 0.408 and 0.518 increase in Strategic plan Implementation respectively and they are both statistically significant. Hence its plausible to conclude that both transactional leadership style and organizational culture positively and significantly influence strategic plan implementation in private sugar manufacturing firms in Western Kenya.

In model 3 transactional leadership style and organizational culture and the interaction term were put together. Transactional leadership style was positive and insignificant (p-value= 0.268), organizational culture was positive and insignificant (p-value= 0.207) and the interaction term was negative and insignificant (p-value= 0.854). Having regards to the regression findings in table 5 model 3 above, substituting the equation;

$Y = \beta_0 + \beta_1 X_1 + \beta_2 OC + \beta_3 X_1 OC + \epsilon$  becomes

$Y = 0.12 + 0.485 X_1 + 0.604 OC - 0.21 X_1 OC + \epsilon$

A unit increase in transactional leadership style and organizational culture leads to 0.485 and 0.604 increase in strategic plan implementation respectively though they are both not statistically significant. A unit increase in the interactive term (transactional leadership style \* organizational culture) led to 0.21 decrease in strategic plan implementation and it was not statistically significant.

**4.4 Discussion**

Regarding correlation results transactional leadership style had a strong, positive and significant correlation to Strategic plan Implementation ( $r=0.660; p<0.01$ ). Similar findings were echoed by Asiimwe (2015) who found that transactional leadership style had strong positive and significant correlation with SMEs growth ( $r=0.702, p=0.007 <0.05$ ). Koech and Namusonge (2012) and found a low but significant correlation between transactional leadership and performance. Similarly Zumitzavani and Udchachone (2014) found out that transactional leadership style has a weak positive correlation to performance of hospitality industry in Thailand.

Transactional leadership style was found to impact on strategic plan implementation. Therefore, the null hypothesis that transactional leadership style has no significant influence on strategic plan implementation in private sugar manufacturing firms in Western Kenya was rejected. These findings implicate that transactional leadership style is instrumental for effective strategic plan implementation. Similar sentiments have been echoed by Kivasu (2015) and Kihara, Bwisa and Kihoro (2016) who showed that transactional leadership significantly impacted on strategy implementation. On the contrary Musyoka (2017) established that it had no influence on strategy implementation. Also Ojokuku, Odetayo and Sajuyigbe (2012) demonstrated that transactional leadership style had a negative and insignificant association to bank performance. The study findings contributes to literature on transactional leadership style which previously

focused on transactional leadership style and organizational performance (Koech & Namusonge, 2012; Mwangi, 2016; Okwu, Obiwuru, Akpa & Nwankwere, 2011) and also focused on other sectors other than in private sugar manufacturing firms such as tourism industry, NGO's, Commercial banks and SME's (Kyalo, Katuse & Kiriri, 2016; Kivasu, 2015; Ngure 2013; Ojokuku, Odetayo & Sajuyigbe, 2012). The findings demonstrated that organizational culture also influenced strategic plan implementation jointly with transactional leadership style. Thus the findings on organizational culture have been corroborated by other studies (Ahmadi, Salamzadeh, Daraei & Akbari, 2012; Odero & Mbithi, 2016). The culture of teamwork and adaptability directly impacts on strategic plan implementation.

Intriguingly, the findings revealed that organizational culture did not moderate the relation between transactional leadership style and strategic plan implementation. The study failed to reject second hypothesis that organizational culture has no significant influence on the relationship between transactional leadership style and strategic plan implementation. The findings contradict those of Asiiimwe (2015) who demonstrated that organizational culture moderated the link between leadership styles and top 100 SME's growth in Kenya.

## 5. CONCLUSION AND RECOMMENDATION

The study confirmed that transactional leadership style influenced strategic plan implementation in private sugar manufacturing firms in Western Kenya and that organizational culture failed to moderate the relationship between transactional leadership style and strategic plan implementation in private sugar manufacturing firms in Western Kenya. The finding affirms the transactional leadership theory which postulates that contingent rewards, active and passive management may enhance performance through implementation of strategic plan. The current study contributes to the existing literature as it underscores the value of transactional leadership style in accentuating strategic plan implementation in private sugar manufacturing firms in Western Kenya. Indeed, leaders in Private sugar manufacturing firms should continuously enhance their transactional leadership skills in order to foster effective strategic plan implementation as it enables them to strengthen their staffs' goal commitment as the leader clarifies on how goals may be attained and rewards those who attain the goals which subsequently motivates staff therefore fostering effective strategic plan implementation.

## 6. SUGGESTIONS FOR FURTHER STUDY

The study focused on transactional leadership style as a key ingredient of successful strategic plan implementation. Thus further studies should consider other leadership styles such as transformational, servant and laissez faire. Further research can be done on the influence of each transactional leader aspect on implementation. The study focused solely on private sugar manufacturing firms in Western Kenya thus there is also need to replicate the study in state-owned sugar manufacturing firms and also in other



industries. Further research can be undertaken that can include other factors that may influence strategic plan implementation such as financial resources, technological resources, human resource, organizational structure etc. The study focused on organizational culture as the moderating variable thus more research may be done on other moderating variables such as external factors which include economic, legal and political factors. Lastly, the findings of the study indicated that organizational culture did not moderate the relationship between transactional leadership style and strategic plan implementation thus further studies may be conducted to establish whether there are any specific organizational culture dimensions that may have a moderating effect.

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