Leadership strategy and organisational resilience among Kenyan listed banks

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**Abstract**

This study aimed to test the effect of leadership strategy on the organisational resilience of banks listed on the Nairobi Stock Exchange. The study was anchored on Full-Range Leadership Theory (FRLT) complementarily with meta-leadership as relevant theoretical lenses. The study sampled 277 respondents holding senior managerial positions such as Chief Risk Officers, Managing Directors, Directors of Strategy, Internal Auditors, Heads of Marketing, Heads of Operations and Branch Managers. Data was collected using a self-administered Likert-type online questionnaire. Structural equation modeling was employed for statistical analysis. Partial Least Squares was performed with SmartPLS 3. Results showed that the relationship between leadership strategy and organisational resilience was statistically significant at t-value of 31.665 (p<0.05), with leadership strategy explaining 68.5% of the variance in the organisational resilience of listed banks in Kenya (R²=0.685).

The study concluded that leadership strategy significantly predicted bank resilience. The study has affirmed leadership strategy as a novel theoretical concept for explaining organisational resilience to systemic disruptive shocks. Multiple future research directions are proposed. This study advanced leadership strategy as a distinct paradigm in leadership thinking by examining its predictive power on organisational resilience by using systemic disruptive shocks as testing grounds within the context of Kenya’s banking sector.

**Keywords:**
- Systemic Disruptive Shocks,
- Enterprise Resilience, Leadership Strategy, Leadership Theory

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**Introduction**

Enterprises across the globe have witnessed jolts of varying magnitudes due to cataclysmic episodes. The rising occurrence of these events and what they portend for organisations has generated quite some attention in recent decades. Hardly a decade after the world economy was hit by the 2008 global recession, a deadly and highly contagious virus by the name Covid-19 broke out and quickly spread to all corners of the world and became a health crisis, triggering an unprecedented global economic shutdown (Essuman et al., 2020). As a result, it did not just become a health crisis; the world economy suffered a significant scale shock (Sohrabi et al., 2020). At least three other pecuniary shocks preceded Covid-19 in the late 1990s (Buckley et al., 2020). Among these were: Asian fiscal shocks (Sayaseng, 2020) and the European debt crisis (Buckley et al., 2020). Others include acts of terrorism such as the 9/11 terror attack in America (Masood et al., 2020), accidents such as the Beirut chemical explosion (Hasham, 2021) and natural catastrophes such as the Indian Ocean tsunami, which shattered Indonesia and caused disruptions in more than a dozen other nations. These occurrences are behind most banking crises that have attracted organisational leaders' interest in enterprises resilience and rekindled interest in exploring the pro-policy and behavioural aspects of leadership construct to re-centre leadership within the organisational ecosystem and respond to the persistent cataclysmic threats (Oktari et al., 2020).

Classical leadership theories base their anchorage on the notion that leadership as a construct is related to the leader's attributes, dexterity, flair, and character (Pasmore & Woodman, 2017). Collectively, these descriptors represent leadership stature (Aithal & Aithal, 2019), leadership charisma (Vergauwe et al., 2018), leadership traits (Judge & Bono, 2001; Lord et al., 2017), leadership habits (Covey, 2003), and leadership competencies (Megheirkouni et al., 2018). Although traditional thinking has largely dominated...
literature production on leadership, several attempts have been made in recent history to introduce behavioural dimensions to disconnect the concept of leadership from the concept of leader (Pasmore et al., 2009). Some recent dimensions introduced into leadership literature included cross-functional team interactivity (Mbaya, 2017; Munyaka et al., 2017; Trusler, 2018), multi-sectoral collaboration (Aarons et al., 2016), and communities of practice (Cleveland & Cleveland, 2018; Hsieh & Liou, 2018).

The persistent attempts to induce policy and behavioural dimensions to mainstream leadership were also viewed as the primary source of advancement in leadership strategy as a nascent paradigm. In essence, leadership strategy advances the notion that strategy is time. Time is innovation for rather than immediate enterprise wellbeing measures such as performance. However, literature on leadership strategy to enable adaptation in periods of catastrophe from leadership strategy typically deployed in a static or minimally dynamic environment is time. While the fundamentals of leadership may overlap the two sets of definitions, one distinguishing feature that sets leadership strategy as the total of policy decisions, and actions leaders promote to realise desired transformative agendas.

The overarching advancement of leadership strategy, as apparent in the thoughts of Ireland et al. (2014), Muthimi and Kilika (2018), and Pasmore and Woodman (2017) provide ground for the utilisation of leadership strategy as a promising policy tool for the realisation of desired organisational outcomes through a multiplicity of metrics that active leadership strategy targets to achieve desired state of organisation, including actionable impact on organisation’s profitability, shareholder value, market power, innovation leadership, and firm resilience (Pullungan et al., 2018; Suryaningsitga et al., 2019).

Muthimi and Kilika (2018) assert that a general idea exists that extant literature is devoid of theoretical and empirical accuracy, which can inform the operationalisation and measurement of leadership strategy to realise policy aims. This is a potential explanation for the inability of existing leadership theory to estimate enduring organisational failures. The perspective advanced by Muthimi and Kilika (2018), built on a general direction in the scholarship to enhance the precision of leadership models in responding to attendant environmental encounters, seemingly has inspired the employment of a pro-policy mix of behavioural leadership ideas that migrate the focus of leadership literature from social to behavioural attributes (Chandivita et al., 2015). However, knowledge creation is still nascent on this front, and multiple gaps exist in the sensemaking of leadership strategy and informing its behaviour domains (Dos Santos et al., 2016).

Leadership strategy has also been hailed as a potential patch for the apparent scholarly gap in the link between leadership strategy and enterprise resilience (Chan, 2018). Organisational resilience entails sustained organisational health that encompasses structural and dynamic robustness rather than immediate enterprise wellbeing measures such as performance. However, literature on organisational resilience has routinely focused on engineering structures and healthcare facilities. Therefore, little is known about the contribution of leadership strategy to bank resilience to cataclysmic events.

**Literature Review**

**Theoretical and Conceptual Background**

Leadership strategy literature offers a rainbow of meaning that coalesces around two distinct ecological settings. The dominant view is characterised by minimal environmental dynamism. Contributors to this view include Bradley (2018), who offers a simplistic definition of leadership strategy as the style leaders employ to instigate transformation or realise organisational aims. This definition is shared by Dele et al. (2015) and Mansaray (2019); both opine that leadership strategy is deployed to steer organisations into sustainability. Building on this line of thought, Korbi (2015) construe leadership as the amalgam of actions that orchestrate strategic change. This argument finds corroboration in the works of Mahdi et al. (2015), who maintain that leadership strategy is the total of all strategies employed by organisational leaders to achieve organisational sustainability.

However, crisis contexts invite a re-imagination of leadership strategy that classical leadership theories fail to appreciate adequately. Leadership strategy during a catastrophe entails unleashing all the options open to leaders to chart organisation’s path into a whole new and prospering concern (Kimball, 2019), the fusion of decisions and actions to safely navigate an organisation past cataclysmic shocks (Doğantant & Akoğlan, 2019), actions implemented by leaders to sustain effectiveness in turbulent environments (Donkor & Zhou, 2019), conversations initiated by leaders to inspire various stakeholders towards a course of action required to restore stability (Hanslik, 2018), the mix of approaches that leaders set up to stabilise an enterprise shaken by disruption (Hill, 2016), the capability to swing from static plans to pragmatic actions that robustly arrest the immediate situation (Johannessen, 2018), the combination of leadership styles employed to manage crises (Krishnan et al., 2018), resiliency options pursued by leaders to restore homeostasis (Kohtakangas et al., 2015), the management of stakeholder relationships to confer a sense of normalcy in the unfolding disruption leading to survival through crisis (Nyenswah et al., 2016), and the variation of leadership styles to suit the evolving nature of crisis to enable adaptation (Turgeon, 2019).

While the fundamentals of leadership may overlap the two sets of definitions, one distinguishing feature that sets leadership strategy in periods of catastrophe from leadership strategy typically deployed in a static or minimally dynamic environment is time. Time is
a luxury that leadership during moments of disruptive jolts do not have. This calls for re-examining the distinctive features of leadership strategy for enterprises amid cataclysmic turmoil. Leadership strategy in dynamic environmental contexts can be synonymous with change leadership, where effective organisational transformation begins with creating a sense of urgency (Kotter, 2012). In contrast, cataclysmic events are the source of emergency, a feature that has resulted in the partial likeness of leadership strategy with crisis leadership (Garcia, 2015).

Similarly, attempts at conceptualising leadership strategy have gravitated towards the same idiosyncratic path that distinguishes crisis leadership from change leadership. In dynamic environmental contexts, leadership strategy conjures up notions of transformational leadership characterised by inspiration, motivation, stimulation and empowerment of organisation members to achieve organisational aims (Brandt, 2020; Ward, 2019). In the perspective of Davidson (2018), for instance, leadership strategy is underpinned by transformational and supportive leadership conduct. Brandt (2020) similarly takes a multidimensional view of leadership strategy constituting ethical, transformational and servant leadership.

The preceding scenario is contrasted with leadership strategy in a cataclysm where decision-making on the fly, crisis communication, and swift response have existential implications (Johannessen & Stokvik, 2019). Such a leadership strategy is often defined by vigilance, focusing on crisis resolution and deployment of situational leadership style (Bowers et al., 2017). Leadership strategy effectiveness in this sense is a function of planning, forethought on potential crises, getting the job done and fulfilling a symbolic need for direction and guidance (Browder, 2018). Effective leaders during cataclysm times are high on systems thinking, metacognition and contextual intelligence (Kimball, 2019). They demonstrate vigilance through environmental scanning, regular training and extensive pre-crisis preparation, communication strategy, strategic innovation, self-composure, and are decisive. They also alter leadership styles to fit the unfolding situation, build trust and confidence during a crisis and adapt styles that conform to the new state after jolts have subsided (Fragouli, 2020). Such a leadership strategy is powered by collaboration and crisis communication networks, enabling the spotting, rallying, and consolidation of response resources necessary to respond effectively to the catastrophe (Johansson & Bäck, 2017). It entails realising positive results from problem definition, framing, flexibility, creativity, quick information dissemination, resource allocation and facilitation of appropriate response (Fusch et al., 2018).

The disclosure inherent in the different sensemaking of leadership strategies in dynamic and volatile environments yields two conclusions. Firstly, while transformational leadership is effective for realising organisational sustainability in dynamic environments, crises necessitate different approaches to leadership. Secondly and most profoundly, leadership strategies in the face of systemic disruptive shocks amalgamate the combination of decisions and actions a leader takes to attain organisational resilience. In a nutshell, effective leadership strategies enable leaders to lead through complexity and ambiguity, lead remote teams, lead through influence, lead a workforce comprised of humans and machines, and lead quickly and promptly (Dalcher, 2020).

Although fragmented, the prevailing literature offers multiple perspectives on the operationalisation of leadership strategy. The current research projects leadership strategy as the fusion of a select set of leadership styles with elements of strategic management actions. To this end, a spectrum of attributes provides opportunities for the leadership strategy construct's unification. Within this spectrum are mission and vision, core values, quantitative adequacy of leaders in terms of numbers, seniority levels, and educational background, qualitative aspects of leadership such as talent repository, social intelligence, and attitudes, and capability aspects including awareness, creativity, and ability to adapt to change and survive in changing environment.

Strategic management literature suggests that resilient organisations are charted by a compelling mission, vision and values statements (Lededma, 2014). A well-defined mission and vision is cited as critical strategy element that fosters organisational resilience. This argument finds empirical support in the works of Bowers et al. (2017), who reported that identified shared values and common goals are predictors of effective organisational navigation through crises. Al-Balsushi (2019) and Lampinen (2020) reinforce these points by arguing that crises provide testing grounds for value alignment. Such organisations, for instance, embed resilience in their mission, vision, and values that together form their collective identity and distinguish them from other players in the marketplace (Campos, 2016). According to Johannessen and Stokvik (2019), such organisations are held together by ethics that take centre stage in the face of crisis and emergency operations. These scholars analysed organisational responses to the Oslo terror attacks and the Libyan civil war outbreak. They found that ethics was a key differentiator of resilient organisations from collapsing ones.

A quantitative element of leadership strategy is a talent repository that constitutes a pool of talented human resources capable of adapting to novel situations and self-drive to deploy knowledge in new ways (Crowley-Henry & Al-Aripp, 2018; Filimonau & De Coteau, 2019; Gorzeń-Mitka, 2016). Empirical research has previously demonstrated talent repository as a leadership strategy that links employee training and development to organisational resilience (Siddiqui, 2017). This is premised on the idea that those who hold leadership positions become handy during crises because leaders are needed more than managers during turbulence (Fener & Cevik, 2015). The critical need for talented leaders was brought to the fore by the Covid-19 crisis, where various leaders swung into action and effectively navigated through the disruption (Vaughn et al., 2020).

At the heart of leadership strategy effectiveness is social intelligence, reflected in behavioural facets of leadership strategy and connotes the capabilities linked to skills that promote collegiality (Ariaratana et al., 2015). This includes interpersonal and intrapersonal skills (Ulfig, 2019) and is foundational to studies carried out through the lenses of transformational leadership (Browder, 2018).
2018; Johannessen, 2018). Such leaders encourage adaptability by proactively preparing teams for various scenarios, including adversity and helping them navigate crises by building their sensemaking capacity, confidence, and ability to improvise solutions and engage in cognitive reframing (Stoverink et al., 2020).

Soft skill relates to behavioural aspects of leadership strategy and denotes the competencies associated with human skills that foster a collegial working relationship with other organisation members (Ariratana et al., 2015). Soft skills include effective communication and soft leadership (Ufijig, 2019). Research on the nexus between these leadership strategy dimensions and organisational resilience resides within the broader transformational leadership discourse (Browder, 2018; Johannessen, 2018). This discourse centres on interpersonal, communication skills, and emotional intelligence that foster social resilience.

Another quantitative indicator and measure of leadership strategy is the number of leadership positions (Stilwell & Pasmore, 2016). This indicator is anchored on the premise that people in leadership positions become handy during crises because organisations need leaders more than managers during hard times (Fener & Cevik, 2015). In the viewpoint of Vaughn et al. (2020), for instance, the critical need for talented leaders was spotlighted by the Covid-19 crisis and several other episodes of disruption where organisations look up to leaders who rise to the occasion in the face of existential threats and work tirelessly to navigate the disruption and lead organisations to safe territories.

Another behavioural dimension of leadership strategy is adaptability, which entails positive, proactive, and timely thinking. Adaptability enables leaders and teams to prepare for adversity and navigate through sensemaking, supportive coaching, clarifying goals and processes, building team confidence, building a team’s capacity to improvise, reframing, increasing psychological safety by speaking and acting appreciatively, shared leadership, leading by example and debriefing team members (Stoverink et al., 2020).

The study adopted a hybrid list of metrics, and the items used for the first time were adapted from previous empirical studies. Specifically, the research developed a combined range of measures from Pasmore et al. (2009), and Muthimi and Kilika (2018), as listed in Table 1.

Table 1: Indicators of Leadership Strategy

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantity: timing, location, level</td>
<td>Quantitative: number, levels, functions, reporting relationships, business units</td>
<td>Leadership Direction: vision, mission, values</td>
</tr>
<tr>
<td>Quality: sourcing, experience, locational distribution</td>
<td>Qualitative: demographic, background, experience</td>
<td>Leadership Quantity: leaders count, seniority, education</td>
</tr>
<tr>
<td>Behavioural: competency, knowledge, language</td>
<td>Skills and behaviour: skills, competencies, knowledge</td>
<td>Leadership Quality: talent repository, social intelligence, attitude</td>
</tr>
<tr>
<td>Aggregative: alignment to culture, problem-solving, collaborative decision-making, strategy formulation</td>
<td>Culture strategy: collaboration, engagement, responsibility</td>
<td>Leadership Capability: awareness, adaptability, creativity</td>
</tr>
<tr>
<td>Culture: degree of dependence, values, ethics, leading style</td>
<td>Capability: implementability, problem-solving, response to threats, adaptation, innovation</td>
<td></td>
</tr>
</tbody>
</table>

Theoretical Framework

Full-Range Leadership Theory was used as the theoretical lens. The theory assumes that leaders fashion a range of leadership styles appropriate for various contexts. Within this range are two major variants: transactional and transformational leadership (Avolio, 2010). This theory has six dimensions: idealised influence, inspirational motivation, intellectual stimulation, individual consideration, contingent rewards and management by exception (Bass & Avolio, 1993; Deshwal & Ali, 2020). The first four dimensions relate to transformational leadership, which instigates progressive change by appealing to the collective good of the path being championed (Giddens, 2018). Idealised influence beats a desirable path that attracts followership; intellectual stimulation instigates creativity, individualised, consideration reflects social intelligence, contingent reward spotlight incentives, and management by exception stimulates proactivity (Alqatwenh, 2018; Megheirkouni, 2017; Megheirkouni et al., 2018; Raziq et al., 2018). An analysis of resilience leadership via these two leadership strategies suggests that emotional quotient, adaptive capacity, learning orientation, strategic lenses and shared leadership form the resilient leadership mix needed to navigate a cataclysm (Dartey-Baah, 2015).

Studies on leadership strategy during moments of cataclysm have poked holes in transactional and transformational dimensions of Full-Range Leadership for failure to put into perspective the magnitude, range and complexity of catastrophic events due to the high-stake nature and diversity of stakeholders involved (Marcus et al., 2015). The uniqueness of leadership during crises is further enhanced by the time-sensitive, high-stress emergency contexts and the uncertainty of the moment in contrast to dynamic operating environments that inspired the advancement of transactional and transformational leadership lenses (Marques-Quinteiro et al., 2019).
In an attempt to address this theoretical limitation, meta-leadership emerged as a model that enables leaders to chart a path toward the future by rallying inter-organisational and intra-organisational stakeholders toward a great purpose through coordinated planning and activity execution (Marcus et al., 2015, p. 10). This has led to identifying various attributes that define meta-leadership: organisational intelligence, collaborative leadership, preparation and planning, and intentional trust-building among important stakeholders prior to a crisis event (Saltz, 2017). Expounding further on meta-leadership, Marques-Quinteiro et al. (2019) suggest leadership strategy effectiveness manifest from mobilising a multi-prong cohesive reaction to chaos. That is, meta-leadership calls for the unification of multiple stakeholders to form a united front against disaster (Saltz, 2017). Thus, meta-leadership complemented FRLT to form a solid lens through which to make sense of the contribution of the leadership strategy paradigm to bank resilience.

**Conceptual Framework**

Leadership strategy was the independent variable comprising four composite metrics: leadership direction (vision, mission, and core values), leadership quantity (leaders’ headcount, seniority level, and level of education), leadership quality (talent, social intelligence, and attitudes), and leadership capability (awareness, adaptability, and creativity). Organisational Resilience was the dependent variable represented by nine dimensions: pre-crisis preparedness, within-crisis avoidance, agility, adaptation, cohesion, robustness, post-crisis restoration, transformation, and prosperity. The conceptual framework is reported in

![Conceptual Framework](image)

**Research Hypotheses**

The present research examined this relationship, making a novel contribution to leadership research by using catastrophic events as testing grounds. More specifically, the study sought to test the following hypotheses:

- **H0**: There is no significant effect of leadership direction on organisational resilience of listed banks in Kenya.
- **H0b**: There is no significant effect of leadership quantity on organisational resilience of listed banks in Kenya.
- **H0c**: There is no significant effect of leadership quality on organisational resilience of listed banks in Kenya.
- **H0d**: There is no significant effect of leadership capability on organisational resilience of listed banks in Kenya.

**Research and Methodology**

**Research Design**

A quantitative correlational design was adopted in this research. The analysis targeted senior managers and C-suite executives of banks listed in the Nairobi Securities Exchange, which, according to the Banking Industry in Kenya 2020 report, accounted for 89% of the banking industry by assets. The study sampled 277 respondents holding senior-level managerial positions such as Chief Executives, Chief Risk Officers, Managing Directors, Directors of Strategy, Internal Auditors, Heads of Marketing, Heads of Operations and Branch Managers. Data was collected using a self-administered Likert-type online questionnaire. The questionnaire tool was validated by comparing and contrasting the tool with several established empirical metrics. Instrument reliability was tested using Cronbach’s alpha (Dempster & Hanna, 2015). This is a coefficient on a scale of 0 to 1, with scores close to zero signifying unreliability, while scores equivalent to or exceeding 0.7 depict instrument reliability (Taber, 2018). Construct reliability was evaluated by generating composite reliability scores and corresponding alpha coefficients. Good reliability was obtained since alpha coefficients exceeded 0.7 (Sarstedt et al., 2019). Instrument reliability statistics are reported in **Table 2**.
Table 2: Reliability Statistics

<table>
<thead>
<tr>
<th>2nd Order Constructs</th>
<th>1st Order Constructs</th>
<th>Cronbach's Alpha</th>
<th>Composite Reliability</th>
<th>AVE ≥0.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership strategy</td>
<td></td>
<td>0.969</td>
<td>0.971</td>
<td>0.584</td>
</tr>
<tr>
<td>Leadership Direction</td>
<td></td>
<td>0.917</td>
<td>0.936</td>
<td>0.709</td>
</tr>
<tr>
<td>Leadership Quantity</td>
<td></td>
<td>0.882</td>
<td>0.911</td>
<td>0.631</td>
</tr>
<tr>
<td>Leadership Quality</td>
<td></td>
<td>0.934</td>
<td>0.948</td>
<td>0.751</td>
</tr>
<tr>
<td>Leadership Capability</td>
<td></td>
<td>0.907</td>
<td>0.928</td>
<td>0.683</td>
</tr>
<tr>
<td>Organisational resilience</td>
<td></td>
<td>0.951</td>
<td>0.959</td>
<td>0.604</td>
</tr>
<tr>
<td>Pre-crisis</td>
<td></td>
<td>0.886</td>
<td>0.921</td>
<td>0.746</td>
</tr>
<tr>
<td>Within-crisis</td>
<td></td>
<td>0.916</td>
<td>0.935</td>
<td>0.705</td>
</tr>
<tr>
<td>Post-crisis</td>
<td></td>
<td>0.846</td>
<td>0.895</td>
<td>0.616</td>
</tr>
</tbody>
</table>

The confirmatory factor loadings for leadership strategy compute the loading factors for all the 24 factors of the construct and measure their respective p-Values. These Factor loadings are reported in Table 3.

Table 3: Confirmatory Factor Loadings for Leadership Strategy

<table>
<thead>
<tr>
<th>Factor</th>
<th>Loading</th>
<th>p-Value</th>
<th>Factor</th>
<th>Loading</th>
<th>p-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision 1</td>
<td>0.776</td>
<td>0.000</td>
<td>Talent 1</td>
<td>0.832</td>
<td>0.000</td>
</tr>
<tr>
<td>Vision 2</td>
<td>0.860</td>
<td>0.000</td>
<td>Talent 2</td>
<td>0.855</td>
<td>0.000</td>
</tr>
<tr>
<td>Mission 1</td>
<td>0.916</td>
<td>0.000</td>
<td>Social Intelligence 1</td>
<td>0.871</td>
<td>0.000</td>
</tr>
<tr>
<td>Mission 2</td>
<td>0.844</td>
<td>0.000</td>
<td>Social Intelligence 2</td>
<td>0.875</td>
<td>0.000</td>
</tr>
<tr>
<td>Values 1</td>
<td>0.834</td>
<td>0.000</td>
<td>Attitude 1</td>
<td>0.898</td>
<td>0.000</td>
</tr>
<tr>
<td>Values 2</td>
<td>0.817</td>
<td>0.000</td>
<td>Attitude 2</td>
<td>0.868</td>
<td>0.000</td>
</tr>
<tr>
<td>Leader count 1</td>
<td>0.731</td>
<td>0.000</td>
<td>Awareness 1</td>
<td>0.808</td>
<td>0.000</td>
</tr>
<tr>
<td>Leader count 2</td>
<td>0.768</td>
<td>0.000</td>
<td>Awareness 2</td>
<td>0.784</td>
<td>0.000</td>
</tr>
<tr>
<td>Seniority 1</td>
<td>0.882</td>
<td>0.000</td>
<td>Adaptability 1</td>
<td>0.848</td>
<td>0.000</td>
</tr>
<tr>
<td>Seniority 2</td>
<td>0.832</td>
<td>0.000</td>
<td>Adaptability 2</td>
<td>0.852</td>
<td>0.000</td>
</tr>
<tr>
<td>Education 1</td>
<td>0.798</td>
<td>0.000</td>
<td>Creativity 1</td>
<td>0.833</td>
<td>0.000</td>
</tr>
<tr>
<td>Education 2</td>
<td>0.745</td>
<td>0.000</td>
<td>Creativity 2</td>
<td>0.831</td>
<td>0.000</td>
</tr>
</tbody>
</table>

The table shows that all of the item loadings for leadership strategy were greater than 0.50 and statistically significant (p<0.05), therefore, all the 24 indicators of leadership strategy are confirmed as valid factors for the construct of leadership strategy and its four components: leadership direction, leadership quantity, leadership quality, and leadership capability.

Method

The structural equations modelling technique was employed for statistical analysis. Hypothesis testing was performed using Partial Least Squares estimates, whereby Standardised Root Mean Square Residuals (SRMSR) were generated to ascertain model fit. A test of univariate normality was performed by computing kurtosis and skewness. Breuch-pagan/Cook-Weisberg test was undertaken to establish heteroscedasticity status, while multicollinearity was evaluated by way of the Variances Inflation Factor. Model health metrics were checked by examining Kaiser-Meyer Olkin’s sampling adequacy test and Bartlett’s sphericity test. Both factor loadings and p-values were established through Confirmatory Factor Analysis. Average Variance Extracted scores were determined through discriminant and convergent validity tests. Partial Least Squares of Structural Equation Modelling was performed through SmartPLS.

Analysis and Findings

The study’s first objective was to investigate the effect of components of leadership strategy on organisational resilience among listed banks in Kenya. It was hypothesised that leadership strategy has no significant effect on the organisational resilience of listed banks in Kenya. This hypothesis was further decomposed into four first-order sub-hypotheses in line with the four dimensions of leadership strategy: leadership direction, leadership quantity, leadership quality, and leadership capability.

Inference of Leadership Direction and Resilience

The study hypothesised H01a as follows: there is no significant effect of leadership direction on organisational resilience of listed banks in Kenya. The test results show that empirical data fitted the model satisfactorily and had substantial predictive power, given that all three model fit criteria were satisfied, as reported in Table 4.
Table 4: Model Fit and Path Coefficient for Leadership Direction

<table>
<thead>
<tr>
<th>Fit Criteria</th>
<th>Model Score</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRMSR</td>
<td>0.031 (&lt;0.08)</td>
<td>Fit</td>
</tr>
<tr>
<td>Normed Fit Index (NFI)</td>
<td>0.969 (&gt;0.90)</td>
<td>Fit</td>
</tr>
<tr>
<td>GoF</td>
<td>0.606 (0&lt;=GoF&lt;=1)</td>
<td>Fit</td>
</tr>
<tr>
<td>β</td>
<td>0.720</td>
<td>Positive</td>
</tr>
<tr>
<td>Std Dev</td>
<td>0.055</td>
<td>NA</td>
</tr>
<tr>
<td>t-Statistics</td>
<td>12.800</td>
<td>Significant</td>
</tr>
<tr>
<td>p-Values</td>
<td>0.000 (P&lt;0.05)</td>
<td>Significant</td>
</tr>
</tbody>
</table>

The study found a positive path coefficient (β=0.720) between leadership direction and organisational resilience, implying that bank resilience increased with better vision, mission and values. Model path coefficients of leadership direction are depicted in Figure 2, while Figure 3 displays model t-statistics for leadership direction.

Figure 2: Model Path Coefficients of Leadership Direction
The two diagrammatic illustrations reveal that the relationship between leadership direction and organisational resilience was statistically significant at t-value of 13.078 (p<0.05), with leadership direction explaining 51.8% of the variance in the organisational resilience of listed banks in Kenya. Based on these results, the study rejected the null hypothesis and inferred that leadership direction significantly affects the organisational resilience of listed banks in Kenya in light of the study data. The model also reveals that mission has the highest factor loading (0.917) and leadership strategy has the highest path to organisational resilience through within-crisis (R²=0.972, t=196.7), implying leadership loyalty to the organisation’s mission is most critical to organisation’s survival during turbulent moments. In terms of the phased impact of leadership direction on organisational resilience, post-crisis resilience scored the second-highest coefficient, followed by pre-crisis resilience, implying that the leadership direction impact path on organisational resilience follows a sequence of within-crisis resilience, post-crisis resilience, and pre-crisis resilience.

Inference of Leadership Quantity and Resilience

The study hypothesised H0b as follows: there is no significant effect of leadership quantity on organisational resilience of listed banks in Kenya. The test results showed that empirical data fitted the model satisfactorily and had substantial predictive power, given that the model satisfied all three model fit criteria. The SRMSR was less than 0.08, the NFI was greater than 0.9, and the Goodness-of-Fit was greater than zero and less than one. The model fit test results are reported in Table 5.

<table>
<thead>
<tr>
<th>Fit Criteria</th>
<th>Model Score</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRMSR</td>
<td>0.030 (&lt;0.08)</td>
<td>Fit</td>
</tr>
<tr>
<td>NFI</td>
<td>0.978 (&gt;0.90)</td>
<td>Fit</td>
</tr>
<tr>
<td>GoF</td>
<td>0.618 (0&lt;GoF&lt;1)</td>
<td>Fit</td>
</tr>
<tr>
<td>B</td>
<td>0.778</td>
<td>Positive</td>
</tr>
<tr>
<td>Std Dev</td>
<td>0.029</td>
<td>NA</td>
</tr>
<tr>
<td>t-Statistics</td>
<td>25.826</td>
<td>Significant</td>
</tr>
<tr>
<td>p-Values</td>
<td>0.000 (p&lt;0.05)</td>
<td>Significant</td>
</tr>
</tbody>
</table>

The study found a positive path coefficient (β=0.778) between leadership quantity and organisational resilience, implying bank resilience increased with education, leader headcount, and leader seniority. The relationship between leadership quantity and
organisational resilience was statistically significant at t-value of 25.826 (p<0.05), with leadership quantity explaining 60.5% of the variance in organisational resilience of listed banks in Kenya. Based on these results, the study rejected the null hypothesis and inferred that leadership quantity has a significant effect on the organisational resilience of listed banks in Kenya in light of the data. The model also reveals that seniority, measured by years of experience and years in leadership positions, is critical to organisations, particularly during a crisis. Seniority is followed by leader education and leader count. The phased impact of leadership quantity is more accentuated during a crisis (β=0.972, R²=0.946, & t-Value=200.882), followed by post and pre-crisis impacts. Furthermore, organisational resilience during a crisis is driven by agility and cohesion. The model path coefficients and model fit tests are reported in Figure 4 and Figure 5.

Figure 4: Model Path Coefficients of Leadership Quantity
Inference of Leadership Quality and Resilience

The study hypothesised H0 as follows: there is no significant effect of leadership quality on organisational resilience of listed banks in Kenya. The test results showed that empirical data fitted the model satisfactorily and had substantial predictive power given that all three model fit criteria were satisfied, as reported in Table 6.

Table 6: Model Fit and Path Coefficients for Leadership Quality

<table>
<thead>
<tr>
<th>Fit Criteria</th>
<th>Model Score</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRMSR</td>
<td>0.046 (&lt;0.08)</td>
<td>Fit</td>
</tr>
<tr>
<td>NFI</td>
<td>0.953 (&gt;0.90)</td>
<td>Fit</td>
</tr>
<tr>
<td>GoF</td>
<td>0.666 (0&lt;=GoF&lt;=1)</td>
<td>Fit</td>
</tr>
<tr>
<td>β</td>
<td>0.769</td>
<td>Positive</td>
</tr>
<tr>
<td>Std Dev</td>
<td>0.035</td>
<td>NA</td>
</tr>
<tr>
<td>t-Statistics</td>
<td>24.523</td>
<td>Significant</td>
</tr>
<tr>
<td>p-Value</td>
<td>0.000 (p&lt;0.0)</td>
<td>Significant</td>
</tr>
</tbody>
</table>

This study found a positive path coefficient (β=0.769) between leadership quality and organisational resilience, implying that bank resilience increased with leadership talent, soft skills and attitude. The relationship between leadership quality and organisational resilience was statistically significant (p<0.05), with leadership quality explaining 59.1% of the variance in the organisational resilience of listed banks in Kenya. Based on these results, the study rejected the null hypothesis and inferred that there is a significant effect of leadership quality on the organisational resilience of listed banks in Kenya. The model shows that talent, soft skills and attitudes are almost ranked equally with tightly comparable factor loadings, indicating that the three qualities are indispensable leadership qualities that must co-exist in leading effectively. Attitude was ranked highest in its weight within leadership quality metrics adopted in this study. Furthermore, the phased impact of leadership quality on organisational resilience followed the same
sequence of within, post, and pre-crisis. The output of model path coefficients and model t-statistics are presented in Figure 6 and Figure 7.

Figure 6: Model Path Coefficients of Leadership Quality

Figure 7: Model t-Statistics of Leadership Quality

Inference of Leadership Capability and Resilience

The study hypothesised H01d as follows: there is no significant effect of leadership capability on organisational resilience of listed banks in Kenya. The test results show that empirical data fitted the model satisfactorily and had substantial predictive power, given that all three model fit criteria were satisfied, as reported in Table 7.
This study also found a positive path coefficient ($\beta=0.787$) between leadership capability and organisational resilience, implying that bank resilience increased with leadership environmental awareness, adaptability, and creativity. The relationship between leadership capability and organisational resilience was statistically significant at t-value of 27.451 ($p<0.05$), with leadership capability explaining 61.9% of the variance in the organisational resilience of listed banks in Kenya. Model path coefficients and t-statistics are presented in Figure 8 and Figure 9.
Based on the findings, the study rejected the null hypothesis and inferred that leadership capability has a significant effect on the organisational resilience of listed banks in Kenya. While all three leadership capability metrics factored high in their contribution to the aggregated construct of leadership capability, adaptability was the most critical metric for leadership during disruptive episodes, with a combined average factor of 0.856.

Inference of Leadership Strategy and Resilience

The study hypothesised H0 as follows: leadership strategy has no significant effect on the organisational resilience of listed banks in Kenya. The test results show that empirical data fitted the model satisfactorily and had substantial predictive power, given that all three model fit criteria were satisfied, as reported in Table 8.

<table>
<thead>
<tr>
<th>Fit Criteria</th>
<th>Model Score</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRMSR</td>
<td>0.036 (&lt;0.08)</td>
<td>Fit</td>
</tr>
<tr>
<td>NFI</td>
<td>0.970 (&gt;0.90)</td>
<td>Fit</td>
</tr>
<tr>
<td>GoF</td>
<td>0.632 (0&lt;GoF&lt;1)</td>
<td>Fit</td>
</tr>
<tr>
<td>( \beta )</td>
<td>0.828</td>
<td>Positive</td>
</tr>
<tr>
<td>Std Dev</td>
<td>0.026</td>
<td>NA</td>
</tr>
<tr>
<td>t-Statistics</td>
<td>31.665</td>
<td>Significant</td>
</tr>
<tr>
<td>P-Values</td>
<td>0.000 (p&lt;0.05)</td>
<td>Significant</td>
</tr>
</tbody>
</table>

A positive path coefficient (\( \beta = 0.828 \)) was established between leadership strategy and organisational resilience, implying that bank resilience increased with the aggregate indicators of leadership strategy, namely vision, mission, values, leader count, seniority, education, talent, social intelligence, attitude, awareness, adaptability, and creativity. It is worth noting that the composite \( \beta \) coefficient, which is 0.828, is higher than all the individual \( \beta \) coefficients, thereby reaffirming model independence and robustness. The relationship between leadership strategy and organisational resilience was statistically significant at t-value of 31.665 (p<0.05),
with leadership strategy explaining 68.5% of the variance in the organisational resilience of listed banks in Kenya. The estimates are reported in Figure 10 and Figure 11. Based on the findings reported for the aggregated coefficients of leadership strategy, the study rejected the null hypothesis. It inferred that leadership strategy significantly affects the organisational resilience of listed banks in Kenya.

The model shows that leadership quality ranked highest within the leadership strategy circumference with a slope of 0.947 and a determination coefficient of 0.896, followed closely by leadership quantity, leadership capability, and leadership direction.

Figure 10: Model Path Coefficients of Aggregate Leadership Strategy
Figure 11: Model t-Statistics of Aggregate Leadership Strategy

Conclusions

The study has affirmed leadership strategy as a novel theoretical concept for making sense of the contribution of leadership to the attainment of organisational resilience. Leadership strategy is a confluence of leadership and strategy, illustrating the determined drift from attribute-based aspects to action-outcome viewpoints, resulting in a lead-manage spectrum. This resonates with the idea advanced by Steeger (2017) that a repositioning of leadership strategy as a policy tool for navigating through a cataclysm is necessary. The study has solidified the argument that times of systemic disruptions call for integration of both leadership and strategy, validating, to a great extent, the Full-Range Leadership model of Bass and Avolio (1993), which roots for the optimisation of the total leadership system, allowing integration of meta-leadership into the Full-Range Model. The study has demonstrated traces of meta-leadership, with attributes such as organisational intelligence, situational awareness, and anticipation signified in statistical analyses in alignment with Marcus et al. (2015). The theoretical proposition tested in this study builds on the pioneering works of Pasmore et al. (2009) and Muthimi and Kilika (2018), pointing to a re-conceptualisation of leadership strategy as an advancement of their scholarly contributions.

The empirical analysis has effectively built on Pasmore et al. (2009) and Muthimi and Kilika (2018), among others, to advance the construct of leadership strategy by conceptualising and empirically validating leadership strategy as an emergent paradigm of leadership thinking distinct from strategic leadership and other legacy theories. By empirically validating leadership strategy factors and testing the validity and prediction of the construct, the study has supported a discourse typically raised in leadership strategy that leaders should possess specific characteristics to drive organisational resilience, such as social intelligence, creative thinking, problem-solving, and adaptive mindset. It demonstrates that existing leadership theories should adapt more quickly to cataclysm.

With respect to the different dimensions, leadership direction inspired within-crisis agility, potentially acting as a source of energy to inter-and intra-organisational stakeholders. Organisational resilience throughout the crisis cycle is founded on a clear, compelling and empowering mission, vision and values. This points toward the resilience grid, characterised by a continuously evolving corporate identity, strategic refitting, vision flexibility and transformative mien. Thus, it behoves leaders to position resilience thinking at the heart of strategy formulation. The ingredients of resilience thinking are talent, social intelligence and resilience attitudes. The established predictive power of leadership quantity underscores the salience of the leadership mix, spurred by the strategic renewal of the upper leadership echelons by rejuvenating and reconstituting the C-suite to build an offensive front against turbulence and environmental chaos.
Similarly, the demonstrated significance of leadership quality vindicates the maintenance of a leadership pipeline ready for deployment at short notice. It is clear from the study that leadership strategy in times of cataclysm invites open-mindedness to embrace adjustment of the corporate plan to adapt to emergent situations and, if necessary, re-invent the entire organisation. Subsequent to this is the revelation that leadership threat response strategy, problem-solving capability and leadership adaptability characterise the critical markers of leadership adaptability.

Suggestions for Further Studies

This research attempted to test the concept of leadership strategy as a policy tool for attaining organisational resilience in an emerging economy. However, it has also left several conceptual, contextual and methodology gaps that open ground for continued research. The research sample was extracted from senior management of listed banks to exclude all other banking sector staff and stakeholders. While the study empirically validates leadership strategy as a distinct paradigm in leadership thinking and practice, it offers a one-sided view of the leadership strategy-organisational resilience nexus. Therefore, replication of this study using a more diverse sample representing the whole spectrum of banking sector stakeholders is proposed to enhance the reliability of statistical estimates. In addition, the present study was conducted exclusively in the banking sector.

For this reason, it is problematic to generalise the research findings to other business sectors in as much as cataclysmic events transcend industries. Therefore, similar research should be carried out in other sectors of the economy to facilitate comparison. Another methodological limitation is that the study was deployed among large corporate entities, yet most enterprises in Kenya and most parts of the world are small and medium enterprises (SMEs). Therefore, there is a need to extend leadership strategy research to the SME space.

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Author Contributions: Conceptualization, methodology, Data Collection, formal analysis, writing—original draft preparation, writing—review and editing by author. Author has read and agreed to the published the final version of the manuscript.

Institutional Review Board Statement: Ethical review and approval were waived for this study, due to that the research does not deal with vulnerable groups or sensitive issues.

Data Availability Statement: The data presented in this study are available on request from the corresponding author. The data are not publicly available due to privacy.

Conflicts of Interest: The author declares no conflict of interest.

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