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**Mediating Role of Collaboration on Transformational Leadership
and Performance Contracts in Road Agencies in Kenya.**



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Mediating Role of Collaboration on Transformational Leadership and Performance Contracts in Road Agencies in Kenya.

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Abstract

Purpose: Type of leadership that can be considered effective, in the current set of environments would demand collaboration, listening skills, influence, and flexible adaptation to the existing environment in contrary to command and control systems in organizations. This study investigated the mediating role of collaboration to the relationship between transformational leadership and performance contracting in road agencies in Kenya. Operationalization of variables included transformational leadership as independent variable, performance contracting as the dependent variable and collaboration as the mediating variable. This study was guided by theories of transformational leadership and public value.

Methodology: The study adopted mixed methods approach where data was collected through questionnaires and structured interviews and target population for the research was all staff members in top management and officers in job group 5 (five) and above for three road agencies in Kenya. The road agencies included Kenya National Highway Authority (KeNHA), Kenya Urban Roads Authority (KURA) and Kenya Rural Roads Authority (KeRRA). The study utilized descriptive and inferential statistics used data analysis where regression was computed to determine correlations between independent, mediating and dependent variables.

Findings: From the study findings and results, the relationship between transformational leadership and performance contracting in road agencies in Kenya was noted to be partially mediated by collaboration as p value was ($p < 0.05$). Collaboration was therefore noted as a very important component in an organization as employees are able to achieve their performance targets with ease as different sections and individuals support each in the process of performance contracting in road agencies in Kenya. This study recommends to policy makers in road agencies in Kenya to create a conducive environment of collaboration and teamwork as the same would enhance both individual and collective performance which ultimately influence levels of achievement of set targets in performance contracts in these organization.

Unique contributor to theory, policy and practice: This study recommends further areas of research in general or overall performance of road agencies in Kenya and teamwork building processes, role of leadership in teamwork and in achieving individual and organizational performance.

Keywords: *Vision, Mission, Public Value, Relationship.*

Introduction

Leadership and organizational performance

Leadership in organizations has a critical and central role in assisting teams and members to face challenges and to work towards realizing set organizational goals and targets (Abbas, 2010). Leaders in organizations are expected to promote changes through vision, mission and strategies that are beneficial to organizations. Organizations' leadership take charge of their operations as they set goals and objectives while steering them in achieving their results through strategies that are efficient and effective (Yazdanifard & Hao, 2015). The main construct for the study was transformational leadership which was considered as the independent variable. Transformational leaders are accorded respect by their followers as they put the interests of their followers before their own by inspiring them to think critically, promoting teamwork and development of each individual in organizations (Shelton, 2012).

Transformational leadership goes beyond aspects of incentives as regards performance in developing and encouraging followers to be intellectual, creative, and transforming individual concerns and needs in aligning them to organizations' mission. Transformational leadership influences followers in organizations by encouraging them to contribute to the needs of organizations consciously (Putri et al., 2020). This leadership style is considered to get performance of employees' over and above their expectations by motivating them and increasing their psychological empowerment (Khan et al., 2020).

Organizations are made of individuals who work in teams to achieve set goals and objectives. Individuals in teams and teams in organizations must work together to achieve overall targets. This can only be achieved and realized when team members themselves adopt a collaborative approach in performing their tasks and responsibilities in organizations (Assbeihat, 2016). Transformation of individuals or group through sharing of knowledge, skills and experience in organizations is mostly harnessed through collaborative culture in those organizations. Collaborative culture is common in organizations that embrace and adapt cooperation, trust, open communication, and existing diversities within their establishment. The culture of collaboration is enhanced through mutual trust amongst employees, cooperation and team spirit that ultimately enhances overall performance of organization (Ahmed et al., 2016). The concept of collaboration is underpinned in the belief that all of us together can be smarter than any of us alone especially when addressing the multi-faceted problems that are faced by organizations today. In this regard, leaders are supposed to use the power of influence but not positional authority in engaging an aligning individuals, focusing their teams in the same momentum and performance through collaboration (Hurley, 2011).

Most managers would rely on their title, positions, and budgetary control in ensuring that work or assignments are completed as expected. The foregoing leads to increased infightings in organizations and in most cases leads to loss of energy and a very painful bureaucratic process. This same level of energy would be used in leading others to collaborate and seek new solutions

to the identified problems (Ferrazzi & Weyrich, 2020). Collaboration or collaborative leadership is enhanced through activities of trust between members of teams who also practice mutual respect. Through collaboration, teams can be more creative, smarter, and capable than one person in the group in dealing with issues that are affecting organization. The leadership in place must therefore use influence and not authority and guide individuals focusing on teams in organizations which leads to shared inspiration that can assist teams to collectively attain set goals in the organization (Ang'ana & Kilika, 2022). Collaboration is a joint process where all parties involved have inputs and through the process, members can share resources that jointly can come up with solutions to be adopted for the identified problems. Collaboration is also related to result-based management in the execution of all activities at hand in the organization thus achieving the desired goals (Bedwell et al., 2012).

Objective and hypothesis

The study objective involved investigating mediating influence of collaboration on the relationship between transformational leadership and performance contracts in road agencies in Kenya. The null hypothesis tested was that there is no significant mediating influence of collaboration on the relationship between transformational leadership and performance contracting in road agencies in Kenya.

Conceptual literature review.

Transformational Leadership

Transformational leadership appeals to moral values that are exhibited by followers where they raise their consciousness as regards ethics. This style of leadership allows followers to feel a sense of trust, admiration, loyalty, and total respect to the leader. Leaders also encourage and motivate followers to perform more than what is expected of them (Yukl & Mahsud, 2010). Transformative leaders transform and motivate followers in ensuring they are aware of the importance of task outcomes that are expected of them. They also assist followers in transcending their own self-interests for the sake of organization of the team while also activating their higher order needs. Transformational leadership style is the most used leadership in most organizations as it plays a critical role in performance of organizations. This leadership style (transformational leadership) enhances individual's and organizational outputs as it motivates followers to explore the available resources and new products for enhanced organizations' performance (Arif & Akram, 2018). Organizational performance can be largely fostered by transformational leadership through organizational learning, innovation, and culture. These three variables are considered to mediate the relationship between transformational leadership and organizational performance (Nguyen & Luu, 2019).

Transformational leadership has been used widely in organizations and it plays a critical role in performance as the same enhances individual and organizational levels of achievement of set goals. This leadership style creates an environment where followers are motivated, inspired

and supported which eventually leads to improved performance (Arif & Akram, 2018). Transformational leadership impacts on employees' behaviors and their commitment which ultimately influences work environment and overall performance of organization. Transformational leadership has a significant relationship with organizational innovation and their performance. This leadership style is also considered to be effective in empowering individuals who are given opportunity of performing their duties in an autonomous way thus enhancing learning and inspiration that assist followers in stimulating organizational performance (Rawashdeh et al., 2020). According to Njiri et al (2021), transformational leadership is composed of four main elements which include idealized influence or the charisma, inspirational motivation, intellectual stimulation and individualized consideration. All the four elements individually or combined do influence level of performance whether at individual or organizational level.

Performance contracting

Organizations globally are improving their effectiveness and efficiency through performance management as they set targets and achieve them within a specified period. Due to competitive environment where the organizations operate, they are faced with the challenge of improving their quality of services, the production process and customer satisfaction. The principle of performance management is based on the agreement by contract as opposed to management by command or coercion (Bommett, Kindiki & Too, 2014). Performance contracting as a management tool has been practiced in different countries of the world which started with United Kingdom in regulation of its energy sector. The concept was adopted in New Zealand to aid in pushing for reforms and enhance performance and management for all state and national functions (Sila et al., 2018). According to Gakure et al., (2013), the use of performance contracting concept has been witnessed in countries like Bangladesh, China, Korea, Pakistan and Sri Lanka, Argentina, Brazil, Bolivia, Chile, Colombia, Mexico, Venezuela, Uruguay, Malaysia, USA and Canada. United Kingdom introduced concept of performance contracting in the late 1990s as a Public Service Agreement (PSA) which outlined a set of performance targets that all government agencies had to act and report on. In Denmark and Finland, performance contracts have been practiced since 1987 and the same has played a critical role in ensuring efficiency and increasing control of the laid down policies in public sector. In Africa like in any other parts of the world, there has been a notable poor performance in public sector which has informed a comprehensive reform aimed at addressing these problems. Performance contracting tools were therefore adopted in countries including Ghana, Nigeria, Gambia, and Kenya from the year 2005 (Gakure et al., 2013).

East African Countries including Kenya, Uganda & Tanzania developed a framework for common achievements which included implementation of strategic plans for the period between 2012-2017. The foregoing was meant to ensure that appropriated work plans were developed and implemented for a comprehensive set of performance (Rael & Kiptum, 2017). In Kenya this performance management tool can be traced back to 1990 when the tools were designed with the

aim of realizing tangible impacts in the management of public services. This was meant to create new behavior and also change employees' attitude in work ethics in delivery of the entire public service. The foregoing would ensure faith on services delivered by Government to citizens and other development partners which included International Monetary Fund (IMF), World Bank among others (Gakure et al., 2013). Economic Recovery Strategy for Wealth and Employment Creation (ERS) of 2003-2007, documented key public reforms measures that included introduction of performance-based management practices in public sector and pegged promotion of individuals on performance. This performance management framework ensured that all Permanent Secretaries and Chief Executives of Parastatals were put on performance contracts (GOK, 2003). Performance based management concept has different components of management which basically constitute of definition of responsibilities and what is expected by either party in achieving agreed results. The tool articulates organizations' objectives while at the same time supporting management through innovation, monitoring, and having in place well established control methods (Kogei et al, .2013). This concept ensures that results are realized from individuals, teams and the whole organization through set objectives, goal and standards (Mutinda, 2017). The variable of performance contracts, dependent variable was operationalized through contract targets setting, contract strategy implementation and contract monitoring and evaluation.

Collaboration

Leaders must always show that willingness to make those strategic choices and investments of networking and collaboration constantly and always and also create that virtuous circle of collaboration (De, 2010). Organizations are made up of individuals who work together in teams which must always collaborate. Collaboration concept in an organization would consist of establishment of goals and reasons for its existence. Secondly team will collaborate in gathering requisite data and information, for assigned roles, for leadership positions as designed, and negotiated level of commitment as undertaken. At the third stage teams collaborate in analyzing the collected data which is processed and interpreted to inform expected results or goals in organizations. Implementation stage is very key in collaboration where teams move to motion and starts to perform as per the outcomes of the previous stages of collaboration (Assbeihat,2016). Collaboration is required among members within internal organizational boundaries where they define goals appropriately and resolve all issues encountered in organizations. Collaboration, process helps in pooling tangible and information-based resource, sharing of ideas and information. Through the same process of collaboration, the element of diversification of talents and capability of the team members is also realized. Team members are able to access and tap into skill sets of individual persons in these teams thus enhancing performance in organizations (Carolyn, 2006).

Organizations are made of different functional areas or units which are bestowed with different mandates to ensure overall performance of organizations. Collaboration is essential within the functional areas and among members of different teams. These levels of collaboration

will ensure achievement of overall organizational goals within specified timelines. Collaborative processes and leadership in organizational context is composed of those techniques that are meant to drive organizational agenda ahead by getting desired outcomes through collective efforts and intelligence. The concept is anchored in the power of teams or groups, performance and their inputs as being greater than the input of an individual. The process is persuasive in that leaders in organizations will influence colleagues for their valuable inputs and collectively attain desired organizational goals (Ang'ana & Kilika, 2022). Organizations are currently embracing collaborative styles of management where collaboration, multidisciplinary and interdisciplinary functional teams are the norms. The process of teamwork and collaboration allows members to know each other in teams and to discover themselves better to take responsibilities in relation to others and promoting their ideas. The same also assist in the ability to listen and question ideas of others in organization and in group (Laberge,2016).

Collaboration in organizations entails aspects of having right mentality and reducing all charges related to operations of organization while establishing requisite harmony and connection between employees in organizations and also managing any emerging conflicts (Maalouf, 2018). Teams or functional areas in organizations cannot work separately as they are all interlinked. Organizations structures are made of different sections of departments which may include planning, design, procurement, project implementation department, maintenance, monitoring and evaluation, audit and finance. All these sections must collaborate for the common goal of organization as they are all interlinked and one feed to the other. Through this study, collaboration was operationalized through the indicators of trust building, employees' commitment and shared understanding.

Empirical literature review

Soieb et al., (2015), investigated the mediating role of collaboration between relationship of employees' engagement and leadership styles for Government officers working in different Ministries in the federal Territory of Putrajaya. The study adopted quantitative research method where 400 questionnaires were distributed to approximately 400 respondents. Two hundred and forty-three (243), responded to the distributed questionnaire and the collected data was analyzed using Structural Equation Modelling (SEM). The study established that there is significant effect of leadership on collaboration, that collaboration significantly affects employees' engagement, and that collaboration has a mediating effect on the relationship between leadership styles and employees' engagement. There were notable methodological, contextual and conceptual gaps between the study and the current study. Gachiengo, (2018), investigated effects of interorganizational collaboration on the performance of courier firms in Nairobi County. Particularly the study was to investigate effects of resource-based, cost-based and relational based collaboration and performance of courier firms in Nairobi County. The theories that guided the study included the Transaction Cost Theory, Resource Based View Theory, and the Resource Dependency Theory. The research philosophy adopted in the study was positivist and both the descriptive and explanatory research design. The study adopted unit of analysis of 141

courier firms and used the stratified sampling methods which grouped the organizations into strata by using licensing. The data was mainly primary and the same was collected by use of self-administered questionnaires. Data analysis was carried out through descriptive and inferential statistics. The study established that resource-based, cost-based and relational based collaboration had a positive impact on the performance of organizations. There were methodological and contextual gaps between that study and the current study.

Paolucci et al., (2018), investigated effects of transformational leadership on team effectiveness. They carried out a diagnostic analysis of the effects of this type of leadership on three criteria of team effectiveness which included improvement process for team, viability and group experience quality. They also investigate mediating role of teamwork/effectiveness of team commitment. This study was carried out in different organizational context in Portugal where two types of questionnaires were administered to team members and their leaders. A total of 445 members were surveyed. Study hypotheses were tested through structural equation modelling and the results thereof revealed that effective team commitment or collaboration mediates the relationship between transformational leadership and the quality of the performance of teams and their experiences. The reviewed study was based on the team effectiveness and its commitment. The current study was based on the mediating effects of collaboration between transformational leadership and performance contracting in road agencies in Kenya.

Theoretical framework

The study was underpinned on the following theoretical frameworks that included the transformational leadership theory and the public value theory. Transformational leadership theory explained the independent variable (transformational leadership) and the mediating variable (collaboration) while the dependent variable (performance contracting) was explained through the public value theory.

Transformational leadership theory

According to Yukl (2013), transformational leadership is defined as the type of leadership that appeals to moral values of followers through enhancing their consciousness as regards ethical issues and their strengths in reforming and changing organizations. Transformational leadership is practiced by individuals who seeks to create prosperity and chart way forward for growth of organizations they lead. These leaders develop commitment and loyalty among managers and staff by encouraging them to embrace changes which will ensure organizations are able to move in new directions to higher levels of peak performance (Korejan & Shabazi, 2016). Transformational leaders are accorded respect by their followers as they put interests of followers before their own by inspiring them to think critically, promoting teamwork and their development of each individual in the team (Shelton, 2012). Transformational leadership theory aligns itself with greater good as followers are involved in the whole process. Through this leadership, leaders interacts with followers on various common values, goals and inspiration which impacts directly to performance of everyone and overall attainment of

organizational goals (Khan, et al., 2016). This theory was therefore be very important for the current study as provided elements of transformational leadership which include idealized influence, inspiration motivation, intellectual stimulation and individualized consideration which were regressed jointly to inform the relationship between independent, mediating and dependent variables.

Public value theory

This theory was developed in 1995 by Moore as an alternative to new public management theory and it was to provide public managers with the understanding of challenges, constraints, and opportunities in performing their duties and not being able to achieve expected outcomes that are publicly valuable. The theory aims at describing values that the corporations contribute to society. The same assists the Public Managers with the understanding of how their activities will contribute to the common good of society (Rael & Kiptum, 2017). This theory provides a focus on the role of public engagement with an emphasis that the public sector and its services are completely different from the private sector. The theory provides public sector managers with instruments that enable them to articulate their plans and goals of their organizations. It also helps managers in identifying what is most valuable in the service that they provide and consider to what extent management can improve that service. The theory further can be represented by the strategic triangle which consist of legitimacy and support, operational capacity and then the public value (Yotawut, 2018). The strategic triangle has got features of corporate strategies. Managers in public sector can use strategic triangle model in orienting their goals which must be based on three criteria that must be substantively valuable, politically sustainable, and also feasible administratively. These leaders must always ask themselves whether whatever the organization is producing is valuable regardless of the support from the political angle. Public values aims at ensuring prudent use of available resources and also the aspect of practicality of achieving the intended goals and the operational capability (Eli & Gerald, 2016).

Conceptual framework

The main aim of the study was to explore the mediating and role of collaboration the relationship of transformational leadership and the performance contracting in the road agencies in Kenya. The study was carried out by reviewing the available literature and the use of the available data (primary and secondary) from road agencies in Kenya. The foregoing was useful in bridging the identified gaps between theories and the practical aspects of transformational leadership and performance contracting in the selected organizations. The operational indicators of all variables of the study are as captured in the figure below as guided by the conceptual and empirical literature reviewed.

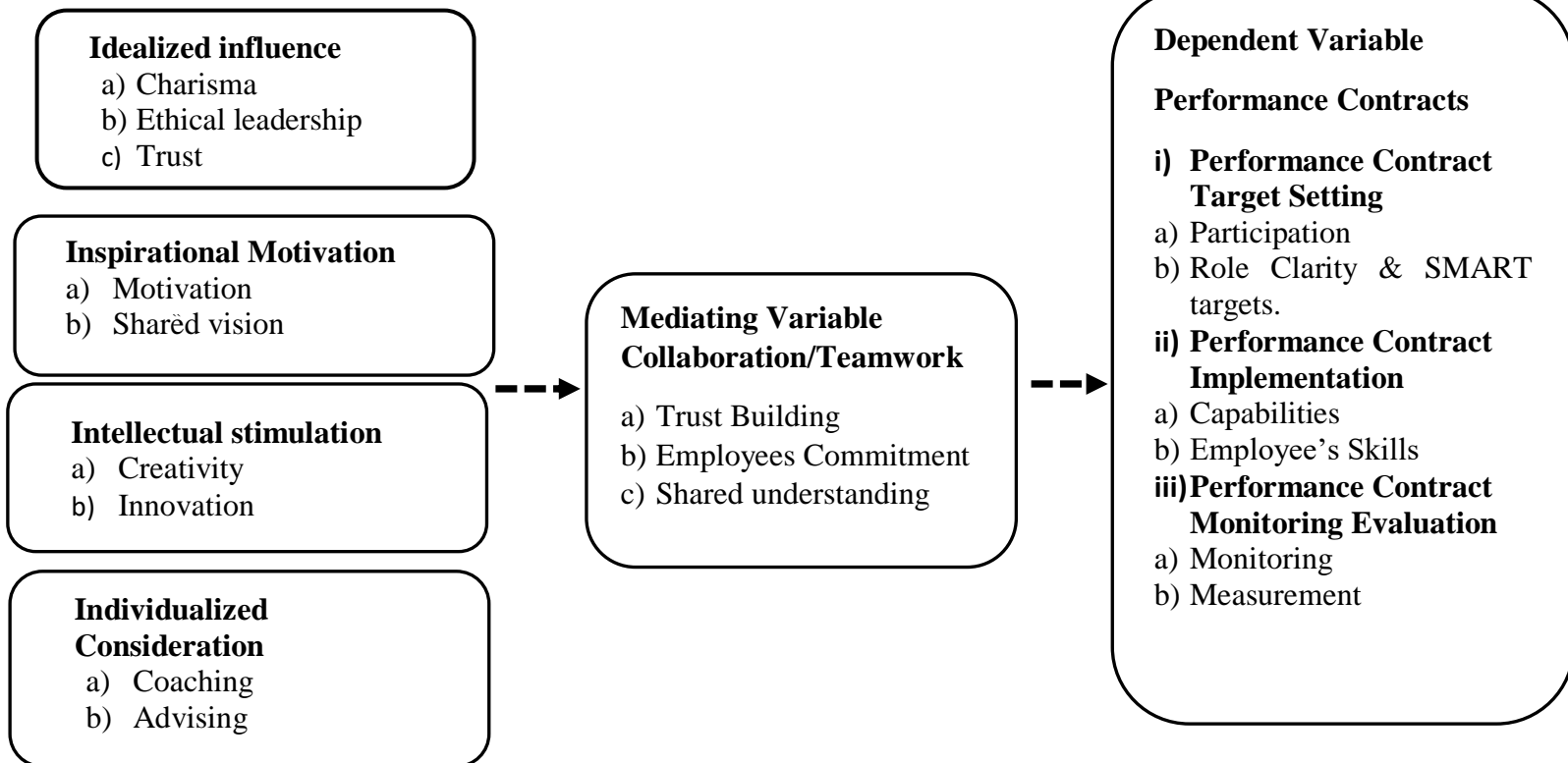
Population and study sample

The target population for the research was in the selected road agencies which were Kenya National Highway Authority (KeNHA), Kenya Rural Roads Authority (KeRRA) and

Kenya Urban Roads Authority (KURA). All staff in those organizations were considered as respondents and they included head offices personnel and other regional offices in the Country. The study focused on respondents from the selected road agencies in Kenya as they played a critical role in providing requisite data and information for the finalization of the research especially for the performance contracting. The foregoing was mainly due to their level of understanding of issues related to planning, design, development, rehabilitation and maintenance of roads in Kenya and more particularly in the three road agencies. The research used random sampling method as the same focused on the population for smaller samples from the big population. Each member of the subset carried an equal opportunity of being chosen as part of the target population. Random sampling was meant to be an unbiased representation of the total population and it was chosen for this study research as it enabled and facilitated collection of data from the total population (Taherdoost, 2016).

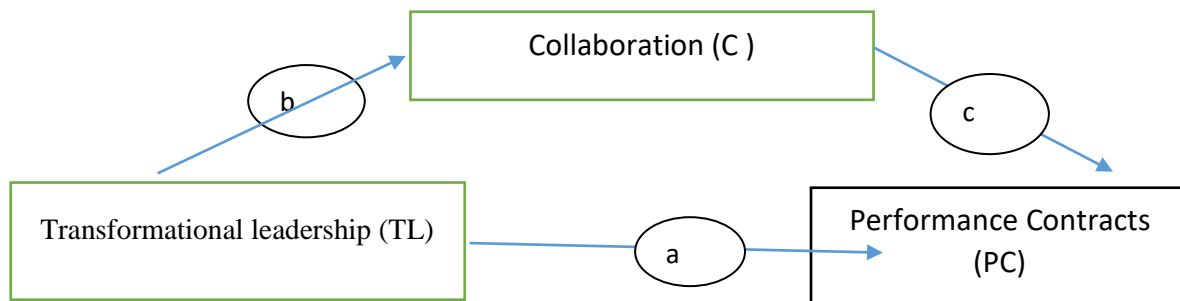
The study adopted a sample size of 214 respondents from the three road agencies. The sample sizes from KeNHA, KERRA, and KURA were 84, 87 and 43 respectively. The data was considered as the primary data and was collected through interviews and questionnaires. Questionnaires were administered to the cadres of officers from deputy directors, assistant directors/principal officers, senior officers and officers. Questionnaire as a tool of data collection was considered and adopted guided by the fact that it was easy to design and to administer to respondents in these organizations (Roopa & Satya 2012). The study also utilized structured interviews where senior members of management (director generals and directors) were interviewed in areas related to leadership, collaboration the performance contracting processes in these road agencies in Kenya. The study tested the hypothesis that there was no significant mediating influence of collaboration on the relationship between transformational leadership and performance contracts in road agencies in Kenya. The testing was carried out through the following steps.

Independent Variable
(Transformational Leadership)



Results and findings

Mediation influence of collaboration was tested using path mediation model developed by Baron and Kenny (1986) and the figure below represents the relationship which is composed of four steps as outlined below.



a) $PC = \beta_{02} + \beta_{11}TL + \epsilon_2$

Where PC = performance contracts (dependent variable) in road agencies in Kenya (path a)

β_{02} = Constant

- β_{11} = Coefficients or slope for TL
 TL = Independent variable (transformational leadership)
 ε_2 = Error Term

Performance contract was regressed on transformational leadership to establish the significant effect of the direct relationship.

b) $C = \beta_{02} + \beta_{22}TL + \varepsilon_2$

Collaboration was regressed on transformational leadership to establish the relationship between the two variables (path b).

Where C = Collaboration (mediating variable).

- β_{02} = Constant
 β_{22} , = Coefficients or slope for TL
 TL = Independent Variable (transformational leadership)
 ε_2 = Error Term

c) $PC = \beta_{02} + \beta_{33}C + \varepsilon_2$

Performance contracts was regressed on collaboration to establish the relationship between the two variables (path c).

Where PC = performance contracts (dependent variable)

- C = Collaboration (mediating variable)
 β_{02} = Constant
 β_{33} , = Coefficients or slope for C
 ε_2 = Error Term

d) $PC = \beta_{02} + \beta_{44}TL + \beta_{55}C + \varepsilon_2$

Performance contracts was regressed on transformational leadership and collaboration to establish the significant effects of that relationship (path b and c).

Where PC = performance contracts (dependent variable) in road agencies in Kenya

- TL = Independent variable (transformational leadership)
 C = Collaboration (mediating variable)
 β_{02} = Constant
 β_{44} , = Coefficients or slope for TL
 β_{55} , = Coefficients or slope for C
 ε_2 = Error Term

The regression model representing mediating influence of the mediating variable (collaboration) to the relationship between the independent variable (transformational leadership) and dependent variable (performance contracting) in road agencies in Kenya was represented by:

$$PC = \beta_{02} + \beta_{44}TL + \beta_{55}C + \varepsilon_2$$

The table below provided the summary of models used for testing the mediation relationship.

Table 1.0: Summary of mediating model

Model	Beta Coefficient significance		Conclusion
Model A	β_{11} ($\rho > 0.05$)		There was not conclusion on the mediation relationship
Model B	β_{22} ($\rho \leq 0.05$)		The relationship was mediated
Model C	β_{33} ($\rho \leq 0.05$)		The relationship is mediated
Model D1	β_{44} ($\rho \leq 0.05$)	β_{55} ($\rho \leq 0.05$)	There was existence of partial mediation for the relationship
Model D2	β_{44} ($\rho > 0.05$)	β_{55} ($\rho \leq 0.05$)	There was existence of full mediation for the relationship

Source: Baron and Kenny (1986)

- a) Testing the relationship between transformational leadership and performance contracts in road agencies in Kenya.

The above was conducted by developing a linear regression model to establish the relationship between transformational leadership and performance contracts process in road agencies in Kenya. The results are as summarized in table below.

Table 2.0: Model summary of step a, mediating testing

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	.642 ^a	.412	.409	.54618

The results from table above indicated that correlation factor or coefficient was 0.642 implying presence of positive and strong correlation between transformational leadership and performance contracting in road agencies in Kenya. The study further noted that adjusted R square (R^2) was 0.409 implying that transformational leadership predicted 40.9% of the outcomes for performance contracting processes in road agencies in Kenya. The rest of the performance contracting outcomes 59.1% were explained by other factors other than transformational leadership. The study further carried out the analysis for variance (ANOVA) to determine the model fitness and determining or predicting performance contracting processes in road agencies in Kenya. The results of the ANOVA analysis are as indicated in the table below.

Table 3.0: ANOVA results and findings for step a mediation test

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	36.843	1	36.843	123.505	.000 ^b
Residual	52.503	176	.298		
Total	89.346	177			

From the results summarized in table above the F-statistics was established to be 123.505 which was greater than the F-critical value of $F = 2.416$. The study therefore concluded that the model was a good fit to determine outcomes of the performance contracting process in road agencies in Kenya. The observed P-value for model was at 0.000 which the study noted that it was less than the significance level of 0.05 and concluded that the model was fit to determine the process of performance contracting in road agencies in Kenya. The beta coefficient for transformational leadership and performance contracting process was tested to establish level of significance and these findings are as summarized in the table below.

Table 4.0: Coefficients for step a, mediation testing

	Unstandardized Coefficients		t	Sig
	B	Std. Error		
(Constant)	.662	.294	2.249	.026
Transformational Leadership	.813	.073	.642	.000

The regression model for the above results is as summarized in the equation below.

$$PC = 0.662 + 0.642TL + \epsilon$$

The above results indicated that by holding all other factors constant, performance contracting processes would be at 0.662. The standard beta coefficient for the model was also observed to be at 0.642 implying that when all other factors were at constant and there was a unit change in transformational leadership, then there will be a change of 0.642 in performance contracting in road agencies in Kenya. The p-value was also observed to be at 0.000 which was less than 0.05 significance level which implied that the variable was significant. The foregoing led to the rejection of the null hypothesis that there is no significant influence of transformational leadership to performance contracts in road agencies in Kenya. The study therefore concluded

that transformational leadership has a significance influence on performance contracting in road agencies in Kenya.

b) Testing the relationship between collaboration and transformational leadership

The second step was to establish the relationship between collaboration and transformational leadership. This process entailed regressing collaboration on transformational leadership which could assist in determining levels of variation in collaboration determined by transformational leadership. The results of the above analysis are as summarized in the table below.

Table 5.0: Model summary for step b, mediation tests

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.709 ^a	.503	.500	.45238

From the findings summarized in the table above, it was established that the factor of correlation was 0.709 which implied a very strong and positive correlation between collaboration and transformational leadership. The value of adjusted R squared (R^2) was at 0.500 which indicated that 50.0% of collaboration was determined by transformational leadership in road agencies in Kenya. On the other hand, the study established that the other 50.0% of collaboration was actually explained by other factors other than transformational leadership. Further the study also conducted ANOVA analysis and the results of the same are as summarized in the table below.

Table 6.0: ANOVA for step b, mediation test

	Sum of Squares	df	Mean Square	F	Sig.
Regression	36.487	1	36.487	178.295	.000 ^b
Residual	36.018	176	.205		
Total	72.505	177			

From the results in the table above the F statistic factor was observed as 178.295 which was greater than F-critical $F = 2.416$ and P-value was also observed to be at 0.000 which was less than 0.05 significance level and therefore the model was considered to be a good fit in determining the relationship between transformational leadership and collaboration in road agencies in Kenya. The coefficient beta analysis was also carried out and the findings are as indicated in the table below.

Table 7.0: Coefficients results for step b, mediation test

Model	Unstandardized Coefficients		Standardize t	Sig.
	B	Std. Error	Beta	
(Constant)	.762	.244	3.126	.002
Transformational Leadership	.809	.061	.709	.000

The above results were summarized in the linear regression equation below.

$$C=0.762+0.709TL + \varepsilon$$

Results in the table above indicated that the constant coefficient was at 0.762 implying that when all other factors were held constant and without transformational leadership, then collaboration levels in road agencies in Kenya would be at 0.762. The standardized beta coefficient was observed to be at 0.709 which indicated that when all other factors were held at constant and, an increase by one unit of transformational leadership, would results to 0.709 of collaboration in road agencies in Kenya. The P-value observed for transformational leadership was at 0.000 which was less than 0.05 significance level implying that transformational leadership was significant. The study therefore rejected the null hypothesis that transformation leadership has no significant influence to collaboration in road agencies in Kenya.

c) Testing the relationship between collaboration and performance contract

The study also regressed the relationship between collaboration and performance contracting in road agencies. The purpose of this analysis was to determine the level of variations in performance contracting that can be predicted by collaboration. The results of the above analysis are summarized in the table below.

Table 8.0: Model summary for collaboration and performance contract step c

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.643 ^a	.413	.410	.54568

From the results in the table above, the factor of analysis was observed to be at 0.643 indicating a very strong and positive correlation between collaboration and performance contracting in road agencies in Kenya. The results also indicated that the adjusted R, (R²) squared was 0.410 which implied 41.0% of all variation on performance contracting would be

predicted by the level of collaboration in road agencies in Kenya. The study also carried out the analysis of variance (ANOVA) for the two variables and the results were summarized in table below.

Table 9.0: ANOVA for step c, mediation test

Model	Sum of Squares	df	Mean Square	F	Sig
Regression	36.939	1	36.939	124.054	.000 ^b
Residual	52.407	176	.298		
Total	89.346	177			

The result from the table 4.39 above indicate that the F-statistic was 124.054 which was greater than F-critical $F = 2.416$. which implied that the model was fit to predict variations of performance contracting in relation to level of collaboration in road agencies in Kenya.

Table 10.0: Regression coefficients for step c mediation test

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
(Constant)	1.056	.259		4.084	.000
Collaboration	.714	.064	.643	11.138	.000

The results for table above were summarized in the regression equation below.

$$PC = 1.056 + 0.643C + \varepsilon$$

The model indicated that holding all other factors constant performance contracting process will be at 1.056. The study also observed that whenever there was a unit variation in collaboration, there was a 64.3% increase in performance contracting process in road agencies in Kenya. The foregoing findings indicated that collaboration is a key aspect in determining the outcomes of performance contracting in road agencies in Kenya.

d) Testing the relationship between performance contracting, transformational leadership and collaboration.

The study conducted a test to determine the model fitness for the relationship between performance contracting, transformational leadership and collaboration. The test was carried out

to predict the amount of variation that can be determined or predicted by the combined effect of transformational leadership and collaboration. The summary of the results is as indicated in the table below.

Table 11.0: Model summary for step d, mediation testing

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.695 ^a	.483	.477	.51372

The results in the table above indicated that the coefficient of determination was 0.695 implying that there was a strong and a positive correlation between the three variables which are performance contracts, transformational leadership and collaboration. The adjusted R squared (R^2) was observed to be at 0.477 which implied that 47.7% of performance contracting process was actually predicted by combined effect of transformational leadership and collaboration. The table below summarized the summary results of the ANOVA test. The results indicated that F-statistics was at $F=81.778$ which was greater than F critical $F = 2.416$ and the p value was 0.000 which was less than the significance level of 0.05. The foregoing indicated that the model was good fit to predict the relationship between the three variables.

Table 12.0: ANOVA for step d of mediation testing

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	43.163	2	21.582	81.778	.000 ^b
Residual	46.183	175	.264		
Total	89.346	177			

The study further carried out the regression modelling to determine the beta coefficients for transformational leadership and collaboration. The results of the test are summarized in table below. The above results are summarized in the regression equation indicated below:

$$PC=0.343+0.374TL+0.377C + \varepsilon$$

The results indicated that the p-values for transformational leadership and collaboration were both at $p=0.000$ which were less than the significance level of 0.05 ($p<0.05$) implying that the relationship between performance contracting, transformational leadership and collaboration was significant.

Table 13.0: Regression coefficients for step d, mediation test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.343	.284		1.205	.230
Transformational	.474	.098	.374	4.856	.000
Collaboration	.419	.086	.377	4.894	.000

The study rejected the hypothesis that there was no significant mediating influence of collaboration on the relationship between transformational leadership and performance contracting in road agencies in Kenya. The study thus concluded that the relationship between transformational leadership and performance contracting process was partially mediated ($p < 0.05$) by collaboration in road agencies in Kenya. The above conclusion was also arrived at through the findings of the structured interviews which indicated that collaboration played a critical role in the process of performance contracting in road agencies in Kenya. Through the structured interviews, all leaders (100%) indicated that collaboration is very key for performance of any organization. They opined that through collaboration and team work, different directorates, departments and sections are able to work together supporting and complimenting each other which ultimately leads to accelerated outputs especially for the set targets in performance contracting process.

They further indicated that collaboration can be fostered through teamwork and teambuilding activities, open communication between different sections and departments in all organizations and especially in road agencies in Kenya. The foregoing conclusion was in line with the results of a study carried out by Soieb et al., (2015), investigating the mediating role of collaboration between the relationship of employee engagement and leadership styles for Government officers working in different Ministries in the federal Territory of Putrajaya. The study established that collaboration had a significant mediating role between the relationship of employees' engagement and leadership styles for government officers in various ministries in the federal Territory of Putrajaya. The following observations was made.

Hypotheses	Findings	Decision	Remarks and conclusion
H06- There is no significant mediating influence of collaboration on the relationship between transformational leadership and performance contracts in road agencies in Kenya.	P<0.05	Reject the H ₀₆	The relationship between transformational leadership and performance contracts is partially mediated by (p< 0.05) by collaboration in road agencies in Kenya.

Conclusions, recommendations, policy direction and further areas of research.

The objective of the study was to investigate the mediating influence of collaboration on the relationship between transformational leadership and performance contracting process in road agencies in Kenya. The hypothesis that was tested was that there was no significant mediating influence of collaboration on the relationship between transformational leadership and performance contracting in road agencies in Kenya. The observed results indicated that the relationship between performance contracting, transformational leadership and collaboration was significance as the p value was $p < 0.05$ implying partial mediation of the relationship between transformational leadership and performance contracting in road agencies in Kenya. All leaders interviewed indicated that collaboration was very key for performance of any organization. They opined that through collaboration and team work, different directorates, departments and sections are able to work together supporting and complimenting each other which ultimately leads to accelerated outputs especially for the set targets in performance contracts.

From the above finding and results of both qualitative and quantitative, the study therefore rejected the null hypothesis that there was no significant mediating influence of collaboration on the relationship between transformational leadership and performance contracts in road agencies in Kenya. This study thus concluded that the relationship between transformational leadership and performance contracting in road agencies in Kenya was mediated by collaboration and teamwork. The findings and results indicated that collaboration and team work had a partial mediation effect to the relationship between transformational leadership and performance contracts in road agencies in Kenya. This study thus recommends that management of road agencies in Kenya should create a conducive environment of collaboration and teamwork as the same would enhance both individual and collective performance. The foregoing would ultimately influence levels of achievement of set targets in performance contracts in road agencies in Kenya. This study recommends further areas of research in general or overall performance of road agencies in Kenya and teamwork building processes, role of leadership in teamwork and in achieving individual and organizational performance.

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