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Strategic Leadership Practices and Performance of Regulatory State Corporations in Nairobi County, Kenya

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ABSTRACT: Many regulatory state corporations in Kenya have faced declining performance, undermining their sustainability. This study aimed to determine the influence of strategic leadership practices—specifically strategic direction, talent development, innovativeness, and Strategic Cognitive Capacity—on the performance of regulatory state corporations in Nairobi County. Guided by Strategic Leadership Theory, Human Capital Theory, Innovation Diffusion Theory, and Resource-Based View Theory, the study adopted a descriptive research design. Data was collected from 184 management employees across 46 state corporations using stratified and simple random sampling. Primary data was gathered via questionnaires and analyzed using SPSS version 24, employing descriptive and inferential statistics, including multivariate linear regression.

Findings indicated that all four leadership practices significantly influenced performance, explaining 75.4% of its variation. Talent development emerged as the most impactful factor (β = 0.412, p = 0.000), followed by innovativeness, Strategic Cognitive Capacity, and strategic direction. Correlation analysis supported these results, with talent development showing the strongest positive relationship (r = 0.835, p = 0.004). The study concluded that investing in talent development, innovation, and cognitive skill enhancement, alongside strategic planning, can significantly improve organizational performance. It recommended strengthening these areas and proposed future research on external environmental factors, additional performance variables, and longitudinal studies for deeper insights.

I. Introduction

1.1 Background of the study

Strategic leadership is described by Hitt et al. (2019) as the capacity of a leader to foresee, predict, preserve flexibility, and enable others to bring about strategic change. The ability of management to articulate their strategic vision for the business or a specific division of it as a means of motivating people to strive towards that vision is referred to as strategic leadership. The use of technique to manage personnel is a definition of strategic leadership. According to Freedman and Tregoe (2018), it is thought to have the power to persuade organizational members to accept change.

With the help of resource allocation and the expression of a strategic vision, strategic leadership enables the organisation to create a structure. When dealing with extremely challenging issues that are influenced by other organisations and events, strategic leadership might be used. It serves multiple purposes, including collaborating with others to manage change that the current business environment seems to bring about exponentially. To effectively manage complex information, strategic leadership must be able to adapt to and integrate both internal and external settings (Hambrick & Mason 2018).

Aznar, Ikram, Rashid, and Saqib (2016) made the organizational case that strategic leadership is a successful business process by creating effective strategies and utilizing internally motivated personnel. Performance results from leadership's goal of empowering organisational stakeholders and motivating them to work together to achieve the company's goal. In addition to enabling corporate leaders to effectively influence their followers to contribute to the accomplishment of the goals and objectives of the organization, strategic leadership practices also shape the formation of strategic intent, which influences successful strategic practices in an organization. Strategic leadership, according to

Covin and Slevin (2017), is the capacity of a leader to anticipate, preserve flexibility, and enable subordinates to implement strategic change as required. According to Shao (2019), SL refers to a leader's capacity to foresee problems, preserve flexibility, think strategically, and collaborate with subordinates to bring about changes that secure the organization's future. According to Golensky and Hager (2020), SL is multifunctional and refers to managing people as well as companies to handle the difficulties posed by the current international business environment. According to Norzailan, Othman, and Ishizaki (2016), strategic leadership also involves proficiency in managing both internal and external corporate operations.

1.1.1 Global Perspective of Strategic Leadership Practices

In their 2010 study, Asree, Zain, and Razalli looked into how strategic leaders affected the operational strategies of U.S. service companies. The study made use of research methodology and design science. According to the findings, strategic leadership improved organizational performance as shown by the unit cost per client. According to Shoemaker, Krupp, and Howland's (2019) study of the essential qualities of a top U.S. corporate strategic leader, a strategic leader challenges the status quo, can foresee risks and opportunities, can analyze complex and contradictory details, and can act quickly. The study used a quantitative methodology. The study's methodology was a case study. Mahdi and Almsafir (2019) used a quantitative analysis method to examine the role that strategic leadership plays in enhancing the competitiveness of the academic sector participants in Malaysia. The findings imply that strong strategic leadership significantly enhanced long-term competitiveness in the educational industry. Like this, Strand (2018) investigated how strategic leadership affected multinational corporations' ability to sustain themselves. Enterprises in Britain and discovered that organizations with bureaucratic structures in place that are committed to organizational sustainability performed better than those whose leaders had not created the role.

Strategic leadership practices are methods organizational leaders use to visualize and collaborate with their juniors for improved future organizations. Strategic leadership practices enable leaders to nature the establishment of strategic commitments, and mission and inspire fruitful strategic activities and execution (Kirimi &Minja, 2018).

Further strategic leadership practices help the executives yield strategic competitiveness and average returns. They enable leaders to cope with strategic pressures, change and manage organizational resources (Collins, 2018).

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1.1.2 Regional Perspective of Strategic Leadership Practices

In South Africa, Aznar, Ikram, Rashid, and Saqib (2016) made the organizational case that strategic leadership is a successful business process by creating effective strategies and utilizing internally motivated personnel. Performance results from leaderships goals of empowering organizational stakeholders and motivating them to work together to achieve the company's goal. A strategic leader should foster an organizational culture and set of agreed values, as well as control employee behavior. They should place a strong emphasis on ethical behavior inside the workplace and work to instill this behavior within the culture of the firm. The principles that identify long-term influences that go beyond the firm serve as the foundation for the ethics that direct employee behavior. According to Holman (2018), a company can operate free from intervention from the regulatory environment by upholding ethical principles since it adheres to ethical rules and standards.

In Nigeria, Pearce and Robinson, (2017) showed how strategic leaders adopt and implement strategic practices differs from one organization to another in particular on the specific strategic plan. Strategic leaders play a critical role in aligning employees and organizational resources in the same direction. There are several strategic leadership practices adopted by organizations. A strategic leader should define the organizations' strategic direction based on long-term vision. He or she must maximize the use of the firm's internal resources and capabilities to realize set goals in a competitive environment.

According to Hsieh and Yik (2019), a strategic leader inspires followers to put forth effort and resolve to do their best work. The resources and talents that give a company a competitive edge are referred to as core competencies. Functional leadership abilities are crucial for a company to create distinctive goods with remarkable benefits and value to clients. Corporate managers and strategic leaders make choices with the intention of assisting businesses in establishing, preserving, enhancing, and capitalizing on their core strengths. According to Mutia (2015), leadership competencies are the culmination of the skills, abilities, knowledge, capacities, experience, talent, and traits that are crucial for employees. Employee development increases an organization's productivity and competitive edge. The levels of knowledge, skills, abilities, values, contentment, and total performance of employees are continuously raised through training, motivation, and development for strategic leaders. Strategic leaders find and keep qualified employees with the necessary knowledge, attitudes, and abilities. The Likert scale on staff training and development is used to measure the developing human capital variable, according to McIsaac, Park, and Toupin (2019).

According to Chikwe, Anyanwu, and Edeja (2016), strategic organizational control comprises evaluating top managers' performance-related actions using long-term and pertinent criteria. A strategy's implementation is ensured via strategic control. Strategic control enables leaders to analyze, monitor, and assess strategies that have been put into action while making constant adjustments to boost performance (Ndegwa, 2013). Therefore, through monitoring and assessment, strategic leaders are ready to spot nonconformities. This variable was evaluated in terms of how well line managers and their staff adhered to established controls inside the organizations.

Both a narrow and a broad perspective can be taken on the idea of organizational performance. Performance is a collection of financial and non-financial dimensions that allow strategic leadership to assess the degree of achievement of organizational goals, according to Singh et al. (2016) and Richard et al. (2019). According to Carton (2018), organizational performance is a gauge of how effectively managed organizations deliver value to their stakeholders and customers. The efficient and effective use of resources to accomplish organizational goals is the emphasis of organizational performance (Daft & Marcic, 2018). The cost of fundraising and its success are found to be a key performance indicator in public corporations due to the lack of ongoing financial deficits, cost and growth situations, and fiscal performance.

1.1.3 Local Perspective of Strategic Leadership Practices

State Corporations are business entities created by the government and managed by state laws to offer the public better and higher-quality goods and services. State corporations in Kenya were established and run by the State Corporation Act, Cap 446 (1987). In Kenya, 166 State corporations are currently divided among various ministries and regions (GoK, 2017). According to Godia (2017), state corporations are designed to promote local entrepreneurship, promote foreign investment through collaborative ventures, expedite the nation's economic growth, and correct current regional economic imbalances. To improve management, Omoro, Aduda, and Okiro (2015) note that state corporations in Kenya are divided into five categories: tertiary education and training institutions, commercial state corporations, public universities, regulatory institutions, and research. State corporations confront a variety of issues, such as financial theft, ongoing losses, soaring debts, and an ineffective investment portfolio.

According to Wanyama (2016), these issues were made worse by imprecise operational goals and guidelines as well as poor management practices. Additionally, according to the auditor general's report from 2017 that was presented to parliament, most state corporations had weak governance structures, low standards of standard enforcement, minimal organizational capacity, and little investment interest, all of which contributed to their poor performance when compared to private entities. The shortcomings mentioned above made it clear that the government entities' issues with their top leadership were due to their lack of foresight in operating by putting in place a process that generate the necessary adaptability to the current state of the market.

1.2 Statement of the Problem

State corporations are crucial in delivering services to Kenyans and supporting the government's goals, such as those outlined in the Vision 2030 (Walter & Vincent, 2018). However, recent statistics indicate that 70% of state corporations have reported operational deficits, and 60% exhibit poor performance metrics compared to private entities (GoK, 2023; Auditor General's report, 2023). This study aims to address these performance issues by exploring the influence of strategic leadership practices on the performance of regulatory state corporations in Nairobi County, Kenya (Wanyama, 2016; Godia, 2017). Recent debates on the performance of state corporations in Kenya have included discussions on privatization, mergers, and closures as strategies to improve efficiency, better management and reduce financial burdens on the government. (Kireri, 2021).

Some of the state corporations that have or almost collapsed due to poor performance and the government had to intervene and bail out in the last couple of years include Agricultural Finance Corporation (AFC), Kenya Meat Commission (KMC), Kenya Cooperative Creameries (KCC), Mumias Sugar Company, Uchumi Supermarkets, Kenya Airways, Kenya Broadcasting Corporation among others (Amayi, & Ngugi ,2017).

One of the critical attributes of any leadership team is to improve the performance of an organization and meet the goals of stakeholders. The leadership of an organization should pragmatically make decisions that make use of the operational capital that is now available, follow legal requirements, effectively communicate corporate goals, and train the workforce for professional preparedness (Coppin, 2017). To that aim, the leadership of the organization should make an effort to create policies and put plans into place that will have a beneficial impact on the performance of the organization over the long and short terms (Muhamad & Auzair, 2018). A leadership that is strategic in its decision-making is anticipated to bring together the organizational functional capabilities in such a way that it can foster a synergy between the available internal resources and external opportunities. By effectively utilizing the resources at hand, strategic leadership has the potential to visualize where the organization needs to be in the short and medium-term, as Becerra-Fernandez and Sabherwal (2019) noted. Different studies have been conducted on a global and local level to study the impact of strategic leadership on organizational outcomes. Although various researchers have investigated how strategic change affects organizational performance the performance of state corporations has received relatively little attention in the studies because the majority of the research has focused on profit-driven businesses. To fill the highlighted gaps, the current study seeks to determine the influence of strategic leadership practices on the performance of regulatory state corporations in Nairobi County, Kenya.

1.3 General Objectives

The general objective of the study is to determine the influence of strategic leadership practices on the performance of regulatory state corporations in Nairobi County, Kenya

1.3.1 Specific Objectives

i) To examine the influence of strategic direction on the performance of regulatory state corporations in Nairobi County, Kenya

ii) To determine the influence of talent development on the performance of regulatory state corporations in Nairobi County, Kenya.

iii) To establish the influence of innovativeness on the performance of regulatory state corporations in Nairobi County, Kenya

iv) To evaluate the influence of Strategic Cognitive Capacity on the performance of regulatory state corporations in Nairobi County, Kenya.

1.4 Research Questions

This study was guided by the following research questions

i) What is the influence of strategic direction on the performance of regulatory state corporations in Nairobi County, Kenya?

ii) How does talent development influence the performance of regulatory state corporations in Nairobi County, Kenya?

iii) What is the influence of innovativeness on the performance of regulatory state corporations in Nairobi County, Kenya?

iv) How does strategic cognitive capacity influence the performance of regulatory state corporations in Nairobi County, Kenya?

1.5 Significance of the Study

The findings of this study benefit various entities including the government of Kenya and policy makers, the management of state corporations, academicians and other researchers. The findings offer valuable insights to inform policy decisions related to the governance and leadership structure of these organizations. By understanding the impact of strategic leadership on performance, the government can develop policies that enhance leadership capabilities within state corporations, contributing to improved service delivery and economic growth.

To the management of state corporations in Nairobi County, the study provides guidance for leadership development. The research outcomes assist in shaping leadership programs to improve the skills and competencies of leaders within these organizations. Additionally, the insights gained from the study helps identify areas for improvement, allowing management to implement changes in leadership styles, decision-making processes, and organizational structures to optimize overall performance.

Academicians stand to benefit from the study as it contributes to the academic literature on strategic leadership and organizational performance, particularly within the context of state corporations in Nairobi County, Kenya. This research adds to the body of knowledge on leadership practices and their impact on public sector organizations. Furthermore, the findings can inspire additional research, creating opportunities for academicians to explore different facets of strategic leadership, governance, and performance within state corporations and other public entities.

Other researchers can use the study as a basis for comparative analysis with similar studies in different regions or countries. This approach facilitates a broader understanding of the universal and context-specific factors influencing the relationship between strategic leadership and organizational performance. Moreover, the study provides a foundation for future research endeavors, allowing researchers to build on the findings and delve deeper into specific aspects of strategic leadership practices or performance measurement within state corporations.

1.6 Scope of the Study

This study focused on determining the influence of strategic leadership practices on the performance of regulatory state corporations in Nairobi County, Kenya. Specifically, the study examined the influence of strategic direction on the performance of regulatory state corporations in Nairobi County, Kenya, determine the influence of talent development on the performance of regulatory state corporations in Nairobi County, Kenya, establish the influence of innovativeness on the performance of regulatory state corporations in Nairobi County, Kenya and evaluate the influence of Strategic Cognitive Capacity on the performance of regulatory state corporations in Nairobi County, Kenya. The unit of analysis was 46 state corporations while the unit of observation was 340 management employees from the state corporations. Descriptive research design was used in this study.

1.7 Limitations of the Study

The study experienced several challenges throughout the research process. One of the main challenges was limited access to some respondents, particularly senior management staff in the regulatory state corporations. Their busy schedules and the sensitive nature of the study made them hesitant to participate, causing delays in data collection. To overcome this, the researcher employed persistent follow-ups through emails, phone calls, and in-person visits while assuring respondents of confidentiality and the academic purpose of the study. Flexible scheduling was also adopted to accommodate their availability.

Additionally, the study faced a low initial response rate as some respondents were either reluctant to complete the questionnaires or took longer than expected to respond. This threatened the desired sample size required for effective statistical analysis. The researcher mitigated this by allowing extended response periods and deploying research assistants to follow up and collect the questionnaires, which significantly improved the response rate.

Another notable challenge was the risk of response bias, particularly because the study sought opinions on sensitive issues such as organizational performance and leadership practices. Some respondents may have been inclined to provide socially desirable responses instead of expressing their honest views. To address this, the study guaranteed anonymity and carefully crafted neutral, non-leading questions to encourage truthful and objective responses.

Time constraints also posed a challenge, especially during data collection. Coordinating with respondents across different departments and locations within the state corporations proved time-consuming. However, the researcher managed this by implementing a phased data collection approach, which allowed flexibility and ensured comprehensive coverage without overwhelming the respondents or research team.

Despite these challenges, the study successfully collected reliable data through strategic planning, consistent follow-up, and adapting the data collection process to navigate the obstacles encountered.

II. LITERATURE REVIEW

2.1 Introduction

This chapter presents literature review on the influence of strategic leadership practices on the organization performance. It summarizes the information from other scholars who have carried out their research in the same field of study. The chapter begins with an overview of theoretical review, followed by conceptual framework and then empirical literature review. The chapter also presents the critiques of the literature reviewed and the research gaps.

2.2 Theoretical Review

Theories anchoring this study are covered in this section. The arguments elevated in these theories have been done in line with dependent and independent variables to illustrate relevance and application to the study. This research was conducted based on four theories, Strategic Leadership Theory, Human Capital Theory, Innovation Diffusion Theory and Resource-Based View Theory.

2.2.1 Strategic Leadership Theory

Strategic leadership theory is credited to House and Baetz in the year 1979. Strategic leadership, according to the theory, allows strategic leaders to establish and re-create explanations for their organizations' continued existence (Blackburn, 2019). In addition, the theory indicates that strategic leaders shape formation of mission and purpose and influence successful strategic actions for the creation and execution of strategies which generate competitiveness in their organizations. Also, the theory indicates that leaders have the ability to influence their followers to effectively aid towards attainment of pre-established goals as well as objectives (Kriger & Zhovtobryukh, 2013).

Strategic leaders are also responsible for building and nurturing a culture of innovation and adaptability within their organizations. They must foster a shared vision and a sense of purpose among employees, encouraging them to be proactive and flexible in the face of change (Alam, 2017). This involves effective communication, empowerment, and the ability to inspire and motivate their teams to pursue common strategic objectives. Furthermore, Strategic Leadership Theory recognizes that leadership is not the sole responsibility of a single individual. Instead, it emphasizes the importance of developing leadership at all levels of the organization. This distributed leadership approach ensures that decision-making and strategic thinking are not confined to the top management, but rather, it permeates throughout the entire organization, enabling better responsiveness to changing conditions (Salman, Ganie & Saleem, 2020). This study used strategic Leadership Theory to assess the influence of strategic direction on the performance of regulatory state corporations in Nairobi County, Kenya.

2.2.2 Human Capital Theory

The proponent of human capital theory is Schultz (1961) but was developed extensively by Becker (1964). Schultz (1961) in an article entitled “Investment in Human Capital” introduces his theory of Human Capital. Schultz argues that both knowledge and skills are a form of capital, and that this capital is a product of deliberate enterprise growth. Therefore, an organization should invest in people through education and training. According to Schultz acquisition of knowledge and skills is compared to acquiring the means of production. The difference in earnings between people relates to the differences in access to education and health. In the theory Schultz argues that investment in training leads to an increase in human productivity, which in turn leads to a positive rate of return and hence of growth of organizations.

The theory stresses the value addition that people contribute to an organization. According to this theory people are regarded as assets and it stresses that investments by organizations in people will generate worthwhile returns. These must be retained in the organization if it has to perform well. The theory is associated with the resource based view of strategy developed by Barney (1991) who proposes that sustainable competitive advantage is attained by an organization if it has a human resource pool that cannot be imitated or substituted by its competition. Therefore, organization should always strive to attract the best talent through investment in training and development. This will always help retain the people who have the best skills that can create a competitive advantage for the organization that will improve its returns. These returns are expected to be improvements in performance, productivity, flexibility and the capacity to innovate that should result from enlarging the skills base and increasing levels of knowledge and competence. Human Capital Theory was used to assess the influence of talent development on the performance of regulatory state corporations in Nairobi County, Kenya

2.2.3 Innovation Diffusion Theory

Innovation Diffusion Theory, proposed by sociologist Everett Rogers in 1962, seeks to explain how and why innovations are adopted and spread within a population over time. This theory has been influential in various fields, including sociology, marketing, economics, and technology management. Innovation Diffusion Theory outlines a five-stage process through which individuals or organizations adopt innovations: awareness, interest, evaluation, trial, and adoption. Adoption refers to the decision to make full use of an innovation as the best course of action available.

According to the theory, the rate of adoption of an innovation is influenced by its perceived characteristics, including relative advantage (the degree to which an innovation is perceived as better than the existing alternatives), compatibility (the extent to which an innovation is consistent with existing values, needs, and experiences), complexity (the perceived difficulty of understanding and using the innovation), trialability (the ability to experiment with the innovation on a limited basis), and observability (the visibility of the results of using the innovation).

Innovation Diffusion Theory emphasizes the role of communication channels in disseminating information about innovations. Different communication channels, such as mass media, interpersonal networks, and opinion leaders, influence the diffusion process by shaping perceptions, attitudes, and behaviors related to the innovation. The adoption and diffusion of innovations occur within a social system characterized by norms, values, social networks, and institutions. The structure and dynamics of the social system influence the diffusion process, determining the speed and extent of adoption of innovations within the population.

The theory assumes that individuals or organizations within a population exhibit heterogeneous adoption patterns, with some adopting innovations early (innovators and early adopters) and others adopting later (early majority, late majority, and laggards). In addition, Innovation Diffusion Theory assumes that the adoption of innovations is a rational decision-making process influenced by perceived benefits, costs, risks, and social influences. Individuals or organizations weigh these factors before deciding whether to adopt an innovation. This study used innovation diffusion theory to establish the influence of innovativeness on the performance of regulatory state corporations in Nairobi County, Kenya

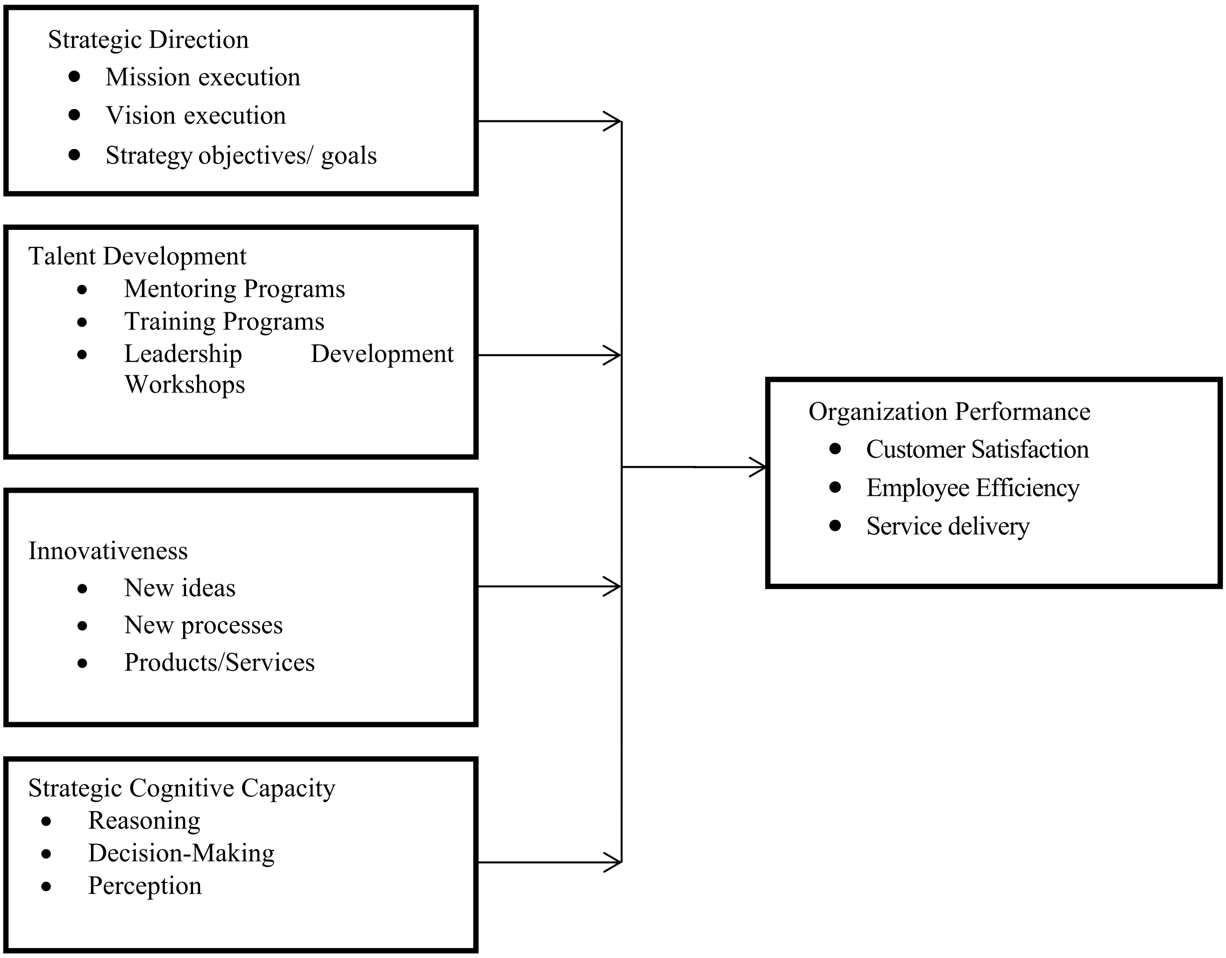
2.2.4 Resource-Based View Theory

The resource View theory of a firm helps to identify and appraise a firm's strategic resources relative to its competitors. According to Brown and Squire (2016); Mbithi et al. (2017) and Ovidijus (2013), the RBV approach can be traced back to Penrose in 1959, who described a firm as a collection of productive resources, and thus it is more than just administrative (Brown & Squire, 2016). According to Ovidijus (2013), the theory was further developed by Wernerfelt in 1984. It stems from the principle that the source of the firms' competitive advantage lies in their internal resources, as opposed to their positioning in the external environment. Barney (1991), one of the contributors to RBV theory of the firm suggests that the firm's structure; human capital that is the skills, judgment, and level of intelligence of the employees; and human resource management systems are key sources of competitive advantage to an organization. RBV theory is of the view that Strategic Management Models can lead to sustained competitive advantage by enhancing competencies through the development of a unique strategic market orientation of the organization.

Eniola and Entebang (2017), in their study, noted that the resource-based view theory of the firm proposes that competitive advantage emanates from the assets and several resources owned by an organization that are of key value in comparison to those of its competitors. The Resource-Based View (RBV) suggests that the sustainable exceptional performance and competitive advantage of any organization are due to the accumulation and utilization of resources, managerial choices, factor market imperfections, and strategic industry factors (Dharanaj & Beamish, 2016). Resource-Based View Theory was used to evaluate the influence of Strategic Cognitive Capacity on the performance of regulatory state corporations in Nairobi County, Kenya.

2.3 Conceptual Framework

The conceptual framework indicates that the study hypothesizes and strategic leadership practices influence strategic direction, innovativeness, core competencies, and organizational control. Independent variables in this study were strategic direction, talent development, innovativeness, and Strategic Cognitive Capacity, while performance of state corporations was the dependent variable.


Strategic Direction
Mission execution
Vision execution
Strategy objectives/ goals
Talent Development
Mentoring Programs
Training Programs
Leadership Development Workshops
Innovativeness
New ideas
New processes
Products/Services
Strategic Cognitive Capacity
Reasoning
Decision-Making
Perception
Organization Performance
Customer Satisfaction
Employee Efficiency
Service delivery

Independent Variable Dependent Variable

Figure 2.1: The conceptual framework

2.3.1 Strategic Direction

Strategic direction encompasses the effective execution of mission, vision, and strategic objectives or goals. The mission statement, defining an organization's fundamental purpose and core values, serves as the foundation for its existence. Executing the mission involves aligning daily activities and decisions with this overarching purpose. This alignment ensures that all levels of the organization understand and work towards fulfilling the mission, enhancing organizational coherence and effectiveness. The execution of the mission necessitates the development and implementation of strategies, policies, and processes that resonate with the organization's core values, with periodic assessments and adjustments to adapt to changing environments (Shiyanbade, 2020).

The vision statement, outlining the desired future state an organization aims to achieve, serves as a motivational guide for long-term decision-making and goal-setting. Executing the vision involves translating the aspirational elements of the vision statement into tangible actions, providing a roadmap for strategic planning. The execution of the vision requires setting strategic goals aligned with the vision, developing action plans, and fostering a culture that embraces the envisioned future. Regular monitoring and adjustments are crucial to ensure that progress aligns with the intended direction (Aidhaheri, Ameen & Isaac, 2020).

Strategy objectives or goals are specific, measurable targets that support the overall mission and vision. These objectives represent actionable steps an organization takes to move towards its desired future state. Executing strategy objectives involves implementing plans and initiatives designed to achieve specific outcomes, realizing the broader vision while addressing challenges and opportunities in the external environment. Key activities include setting SMART objectives, allocating resources effectively, monitoring progress through key performance indicators (KPIs), and making necessary adjustments based on feedback and environmental changes (Muthaa, 2018).

2.3.2 Talent Development

Talent development is a critical aspect of organizational success, encompassing various strategies and initiatives aimed at enhancing the skills, knowledge, and capabilities of employees. Three key components of talent development include mentoring, training, and workshops (Perez, 2020). Mentoring involves a relationship in which a more experienced individual, known as the mentor, guides and supports the development of a less experienced individual, the mentee. This personalized approach provides valuable insights into roles and industries, fosters confidence, and creates a sense of belonging within the organization. Regular one-on-one interactions, goal-setting, and feedback sessions are integral to mentoring, with the relationship often being long-term for sustained development and growth (Godwin, 2022).

Training is a structured approach to improving specific skills, competencies, or knowledge among employees. It can take various forms, including workshops, seminars, online courses, and on-the-job training. Training addresses both technical and soft skills, contributing to individual and organizational performance improvement. Programs are designed based on identified skill gaps, and evaluations help measure the effectiveness of the training, ensuring that employees have the necessary skills for their roles (Mbuba, 2022).

Workshops are interactive sessions focused on specific topics, allowing participants to engage in hands-on activities, discussions, and collaborative learning. They provide a platform for experiential learning, encouraging active participation and knowledge application. Workshops are effective for skill-building, problem-solving, and fostering teamwork. Facilitators guide participants through the material, creating an environment conducive to learning and skill acquisition. Workshops can be tailored to address specific organizational needs or challenges (Godwin, 2022).

2.3.3 Innovativeness

Innovativeness refers to the ability and willingness of individuals, teams, or organizations to generate and implement new ideas, processes, products, or services that create value and drive positive change. It involves a mindset of curiosity, creativity, and openness to experimentation, as well as the capacity to effectively translate innovative ideas into practical solutions. New ideas represent the foundational element of innovativeness, stemming from creative thinking and problem-solving. These ideas often emerge through brainstorming sessions, collaboration among team members, or inspired insights from individuals. They encompass novel concepts, approaches, or solutions to address existing challenges or capitalize on emerging opportunities within the organization or its external environment. New ideas serve as the catalyst for innovation, igniting the innovation process and guiding subsequent actions toward implementation (Mbuba, 2022).

New processes denote innovative ways of organizing, executing, or managing activities within an organization to enhance efficiency, effectiveness, or value creation. These processes may involve streamlining workflows, optimizing resource allocation, or redesigning operational procedures to achieve desired outcomes more effectively. New processes often arise from the identification of inefficiencies, bottlenecks, or areas for improvement within existing workflows, prompting the exploration of alternative methods or strategies to achieve desired objectives. Implementing new processes requires careful planning, stakeholder engagement, and ongoing evaluation to ensure alignment with organizational goals and objectives (Frimpong *et al*, 2018).

New products or services represent tangible manifestations of innovativeness, embodying novel solutions or offerings that address unmet needs or fulfill emerging demands in the marketplace. These innovations may take the form of groundbreaking technologies, disruptive business models, or value-added services that differentiate the organization from competitors and create value for customers. Developing new products or services requires a deep understanding of customer preferences, market trends, and technological advancements, as well as the ability to translate insights into tangible offerings that resonate with target audiences. Successful innovation in products or services often involves cross-functional collaboration, market testing, and iterative refinement to ensure alignment with customer needs and preferences (Keoye, 2018).

2.3.4 Strategic Cognitive Capacity

Strategic Cognitive Capacity, often referred to as cognitive aptitude or intelligence, represents an individual's mental capacity to learn, think, reason, problem-solve, and adapt to new situations. It encompasses a broad range of mental processes and functions, including memory, attention, perception, language, and decision-making. Strategic Cognitive Capacity plays a crucial role in various aspects of life, from educational achievement and professional success to overall well-being (Almohtaseb, 2020). One of the fundamental distinctions in Strategic Cognitive Capacity is between fluid intelligence and crystallized intelligence. Fluid intelligence represents our inherent capacity to think logically, adapt to new situations, and solve novel problems. It is closely related to abstract reasoning and our ability to manipulate information in working memory. In contrast, crystallized intelligence encompasses the knowledge and skills we acquire over time through education, learning, and experience. It reflects the application of our accumulated expertise in various domains (Muyela & Kamaara, 2021).

2.4 Empirical Review

2.4.1 Strategic Direction and Organization Performance

Shiyanbade (2020) study focused on strategic direction in local government system in Africa: Nigeria and Republic of Guinea. This study therefore compared strategic direction of local governance in the delivery of developmental social service in Nigeria and Republic of Guinea. The study revealed that strategic leadership of governance exists in terms of personnel administration of the study areas. Local Governments in Nigeria has 64.7% while Republic of Guinea has 62.7%. And, the difference in democratic selection of local governance in the two countries is captured mean values ($\bar{x}$) of 2.61 and 2.16 for Republic of Guinea and Nigeria respectively. The study concluded that strategic direction of local government has significant impact on transparency and accountability of local governance in Nigeria and Republic of Guinea.

Aidhaheri, Ameen and Isaac (2020) examined the impact of strategy direction on learning and growth of public sector in UAE represented by Abu Dhabi judicial departments. In order to produce reliable results, the researchers used a quantitative research design. The study targeted 403 employees in judicial departments in Abu Dhabi. As a result, a questionnaire was created and used to elicit responses from respondents on the impact of strategy formulation on the performance of the UAE public sector. The requisite quantitative data was gathered using a non-probability sampling technique. The study results indicated that strategy direction (vision, mission and objective) has significant positive impact on organizational performance.

Muthaa (2018) conducted research into the impact of strategic direction on enrolment, resources, quality, and production. The cross-sectional descriptive survey research design was used in this report. In addition, questionnaires were used to collect data. A cross-sectional research design was also used. 90 representatives of management, including the principal, two deputy principals, the financial officer, and the registrar, the middle level management, which included the heads of departments and the dean of students, and the lower-level management, which included the heads of sections, took part in the study in the three technical training institutions within Meru County (Meru National polytechnic, Kirua and Nkabune Technical Training Institute). The study discovered that the strategic direction of technical training institutions has a major impact on their success. Moreover, the implementation of government policy had a significant improvement in Technical Training Institutions' performance

Godwin (2022) study was about assessing the impacts of strategic direction on service delivery in Tanzania: The Case of City Council of Dodoma. The central problem of the study was that despite various strategic initiatives in Tanzania for the past five decades, lack of adequate fiscal and human resources autonomy has continued to be problematic in enhancing service delivery. Accordingly, the study used a mixed-method approach where both qualitative and quantitative data collection methods. The findings show that there has been decreasing fiscal and human resources autonomy for service delivery in the City Council of Dodoma (CCD). The findings reveal further that the level of local citizen satisfaction with service delivery is influenced by several factors such as perceptions on the level of understanding about the decentralization and devolution, relative powers possessed by the council officials, uneven access to services, provision of substandard services and poor infrastructure.

Mbuba(2022) study examined the impact of local government autonomy on the provision of public goods to the citizens at the grass-root. Local government refers to the government at the grass-root level Local government also means the interests of the rural and urban communities under it locally. Service delivery means services provided or delivered to the citizens at the grass-root by the government. The research approach adopted was cross sectional survey targeting purposively selected local government areas and data were generated from both primary and secondary sources. The study was anchored on structural functionalist theory. The findings of the study revealed that lack of autonomy of the Anambra state local government hindered the provision of public goods to people at the grass-root. The study also revealed that lack of autonomy of the local government negatively affected the growth of grassroots leadership and democracy as the people were not involved in managing their affairs as they are not given the opportunity to select their leaders.

2.4.2 Talent Development and Organization Performance

Frimpong *et al* (2018) conducted a study on the Role of Talent Management on Organizational Performance Focusing on Ghana Revenue Authority, Sunyani. The sample size adopted for the study was fifty respondents through the help of Simple random sampling techniques. Descriptive analysis factors like frequency tables, mean scores and percentages were generated and their interpretations thoroughly explained and interpreted. The study found out that, the most prominent role of talent management was that; it provide employees with satisfaction, learning and growth (Mean Score =1.90). The second most prominent role of talent management was that; it provides an opportunity to help employees to achieve their personal best (Mean Score =1.72). The third most prominent role of talent management was that it reduces employee attrition. Based on the findings of the study, the study recommended that organizations should offer favorable working conditions to their employees as the best talented employees who contribute to good organizational performance.

Keoye (2018) researched on the effect of talent management on organizational performance. This study adopted a descriptive research design. The study collected qualitative data using questionnaires and qualitative data using interview guide. The quantitative data was analyzed using descriptive statistics generated from Statistical Software for Social Sciences (SPSS) and the qualitative data was analyzed using content analysis. The study found out that the respondents opinion on talent management is that within an organization it is an international human resources strategy that seeks to identify, develop, deploy and retain talented and high potential employees. The reasons for employing talent management at Comply Ltd is because the organization leaders understand that having the right people in the right place at the right time to maximize business opportunities has become the most important factor in ensuring ongoing organizational success. The study findings went on to reveal that talent management improved employee attitude and behavior towards work. The study further revealed that the organization makes executives the primary talent managers.

Almohtaseb (2020) researched on impact of talent management on organizational performance. This study was carried out on the public health sector and was specifically focused on public health workers in Jordan. The study focused on 30 public hospitals in Jordan. A survey of 430 respondents that were made up of public health workers was used for the analysis. SEM in AMOS statistical analysis package was used is this study. The findings showed that a performance management system moderates the relationship between talent management and organizational performance. This suggests that performance management system can be used as a strategy to identify talented employees; integrate, re-strategize and strengthen management-employee relationship to improve their organizational performance

Muyela and Kamaara (2021) researched on the effect of talent management practices on employee performance in the civil service in Kenya. The study targeted 1069 employees in the ministry's department of industry, trade, and cooperatives. A sample size of 291 respondents was selected from the different departments using the Israel sampling formulae. Questionnaires were the main instruments of data collection and publications from the ministry's respective departments were the main source of the secondary data. Data was analyzed using SPSS version 22. Correlation coefficient was used to test for the strength of the relationship between dependent and the independent variables. Research findings were presented in form of graphs, tables, mean, frequencies and charts. The findings of the study revealed that talent development, talent retention, talent attraction and career development positively and significantly has effect on employee performance in the ministry of Industries, Trade and Cooperatives in Kenya. The study advocates the ministry to enhance its talent development practices since the practices leads to improved employee performances. The ministry should also focus on improving its talent attraction strategies since the practice positively and significantly has effect on performance of employees. Additionally, the study recommends the ministry to focus on improving its talent retention strategies since the practice positively and significantly has effect performance of employees.

2.4.3 Innovativeness and Organization Performance

In Australia, Perez (2020) studied a process model of evidence-based decision-making. Therefore, the study aimed to develop a process model explaining why some managers engage in evidence-based decision-making more than others. In terms of methodology, the study applied quantitative methods with a sample of 203 senior managers from the built environment sector, which is the inception, design, and development of office buildings. Subsequently, 17 in-depth interviews were conducted to complement the cross-sectional survey to ensure that the relevant facilitating conditions and barriers to evidence-based decision-making were captured appropriately within the model. The study's quantitative findings backed up the proposed evidence-based decision-making process model. According to the report, learning target orientations is a higher-order construct of the theory of expected action in predicting evidence-based decision-making. Furthermore, the study found that learning goal orientation and the theory of expected action explain unique variations in evidence-based decision-making. Learning goal orientation and subjective norms are the best predictors of the intention to follow evidence-based decision-making and its subsequent implementation

Stonebreaker and Howard (2018) conducted a study in South Africa on evidence-based decision-making, comprehension, and practice in management courses, and the findings were published in the journal Management Education. The information was gathered as part of the groups' evaluations of how students performed in the community and what improvements they wanted to make to be a stronger team for the final weeks of the semester. The responses were independently coded and classified after the data was coded. After that, an independent reviewer was assigned to use those categories to evaluate the responses. The findings showed that decision practices, decision knowledge, and other process development were not new concepts but applied in a learning environment where students were immersed in information-rich scenarios with extremely difficult problems. According to the findings, the activities provided a classroom environment that had the potential to make a significant difference in the students' outcomes.

Tajeddini (2019) analyzed the influence of learning orientation and innovativeness on performance of public organizations. This paper draws on theory from innovation and learning orientation in conjunction with a strategic-centered model to carry out a survey-based study of 127 senior level managers (e.g. CEOs, planning, finance, HR and marketing managers) of POs and/or their cluster companies in six major developed and developing cities of Iran. The research findings show that learning orientation and innovativeness leads to better PO performance and should be encouraged. More specifically, the results suggest that higher levels of learning orientation and innovativeness led these organizations to higher levels of delivery speed, cost improvement, and quality confidence in firm future PO performance.

Yıldız, Faruk Baştürk and İlknur (2021) focused on the Effect of Leadership and Innovativeness on Business Performance. Theory and research suggest that both leadership and innovativeness have important consequences for business performance. However this relationship is not the same because of sector, location, size and other variables. The leadership styles undertaken are transformational and transactional leadership. This study is designed as explanatory and its data gathering method is questionnaire. 576 people working in service sector and industry sector from Istanbul comprise the case study. The results show that two leadership styles and innovativeness have positive effect on business performance. It is found that innovativeness, transformational leadership and transactional leadership have higher effects on business performance, respectively.

Njoroge and Nyaga (2022) researched on continuous improvement practices and organizational performance of large manufacturing companies in Kenya: A Case Study of Nairobi Bottlers Limited. The researcher discovered a good association between evidence-based decision making, customer focus, process approach, employee engagement, and organizational success. The study indicates that each of the four independent variables analyzed impacted the performance of manufacturing companies.66.4% of the organizational performance of Nairobi Bottlers Limited can be accounted for by the four independent variables that were investigated, as indicated by the adjusted R2=0.664. The researcher suggests further research be carried out to examine the other 33.6%. Continuous improvement practices have been shown to have an impact on the organizational performance of manufacturing organizations

2.4.4 Strategic Cognitive Capacity and Organization Performance

In Dubai, Alosani, Yusoff and Al-Dhaafri (2019) assessed the effect of innovation and strategic direction on organizational performance of Police. The study targeted 150 employees in Dubai police station. The study employed primary data that was obtained by the use of a questionnaire. The study discovered that strategic direction and innovation have significant effect on organizational performance. These results back up the RBV theory that creativity and strategic direction provide useful insight into managers' role in incorporating these elements into their daily activities, resulting in competitive advantage and thus maintaining business performance. The results suggest that creativity and strategic direction are essential drivers of organizational success because they can prompt the company to take creative and constructive measures.

Sinaga and Purba (2019) conducted a study on the Influence of Organizational Culture, Leadership,Strategic Cognitive Capacity, and Work Motivation on Employees Performance. The research findings revealed the performance of employees in the Office of Communication and Information (Diskominfo) of North Sumatra Province directly affected by Organizational Culture, Leadership, Strategic Cognitive Capacity and Work Motivation. Based on the hypothesis testing it concluded: there is a direct influence of organizational culture on work motivation, there is a direct influence of leadership on work motivation, there is a direct influence on cognitive abilities on work motivation, there is a direct influence on organizational culture employee performance, there is a direct influence of leadership on employee performance, there is a direct influence of cognitive abilities on employee performance, and there is a direct influence of work motivation on employee performance

Sinaga (2019) conducted a study on the Influence of Organizational Culture, Leadership, Strategic Cognitive Capacity, and Work Motivation on Employees Performance.
This study was aimed at finding: The influence of organizational culture on work motivation; the influence of leadership on work motivation; the effect of Strategic Cognitive Capacity on work motivation;) the influence of organizational culture on employee performance; the influence of leadership on employee performance; the effect of cognitive abilities on employee performance; and the effect of work motivation on employee performance. The research findings revealed the performance of employees in the Office of Communication and Information (Diskominfo) of North Sumatra Province directly affected by Organizational Culture, Leadership, Strategic Cognitive Capacity and Work Motivation

Murphy (2019) researched on Relationship between Strategic Cognitive Capacity and Job Performance. Research on both the stability of skilled performance and the ability requirements of tasks is inconsistent with this model. Our article describes an alternative model that ascribes a critical importance to ability during stages where workers are learning new tasks and performing unfamiliar functions (i.e., transition stages) but less so during stages where workers are performing well-learned, familiar tasks (i.e., maintenance stages).

2.5 Critique of Existing Literature

Various scholars who have carried out empirical studies on devolution have repeatedly called for a better understanding of how strategic leadership relates to organization performance (Ali et al.2021; Mulandi & Christine, 2022; Mustafov, 2021; Ghuman & Singh, 2018; Bossert et al., 2023). Despite the large number of studies that have been carried out to better understand devolution in Kenya, there still exist some research gaps on the influence of strategic leadership on the performance of regulatory state corporations in Nairobi County, Kenya that need further research to help build knowledge in this field. Notably, most researches and literature on devolution have limited applicability on a developing country like Kenya. This situation calls for re-examination of evidence in view of the features that are unique to the country. In addition, the impact of some important attributes such as strategic leadership (strategic direction, talent development, innovativeness and Strategic Cognitive Capacity) need to be fully examined. It is also evident that most of the studies reviewed in this paper tested other predictor variables rather than the financial aspect.

A number of studies indicate that strategic leadership is crucial to organization performance. In this regard, Amuhaya et al.(2018); Kigume et al.(2018) studied demand side factors affecting provision of public services and found that effective public service provision has to be adequately financed and depends critically on the devolved units. In a related study, Gomez-Reino et al. (2021) examined the role of strategic leadership on performance in counties. Joseph, Christine and Joash (2016) provide a Kenyan context of county government's service delivery and the improvement, albeit focusing on general leadership styles. Nevertheless, none of these studies focused on the influence of strategic leadership practices on the performance of regulatory state corporations in Nairobi County, Kenya. To fill the highlighted gaps, the current study sought to determine the influence of strategic leadership practices (strategic direction, talent development, innovativeness and Strategic Cognitive Capacity) on the performance of regulatory state corporations in Nairobi County, Kenya

2.6 Research Gaps

Majority of previous empirical studies on leadership practices and organization performance had been conducted in developed and developing countries of Europe, America, Sub-Saharan Africa (Karama & Muia, 2019; Simon et al.2019; Ferwerda, 2021; Savaşkan, 2021; Moodie, Wøien, Meijer, Salenius, & Kull, 2021; Ali et al., 2021). Govender (2017) in his work entitled "Empowering leadership and organization performance: A case study of a metropolitan municipality in South Africa." shows that there is still a lot to be done in implementation of the effective leadership. There is relatively little work done to examine the influence of strategic leadership practices on the performance of regulatory state corporations in Nairobi County, Kenya. This study therefore sought to fill the highlighted gaps, by determining the influence of strategic leadership practices (strategic direction, talent development, innovativeness and Strategic Cognitive Capacity) on the performance of regulatory state corporations in Nairobi County, Kenya

2.7 Summary of Literature Reviewed

This research was conducted based on four theories, Strategic Leadership Theory, Human Capital Theory, innovation diffusion theory and Resource-Based View Theory. This study used strategic Leadership Theory to assess the influence of strategic direction on the performance of regulatory state corporations in Nairobi County, Kenya. In addition, Human Capital Theory was used to assess the influence of talent development on the performance of regulatory state corporations in Nairobi County, Kenya. Further, innovation diffusion theory was used in this study to establish the influence of innovativeness on the performance of regulatory state corporations in Nairobi County, Kenya. Resource-Based View Theory was also used to evaluate the influence of Strategic Cognitive Capacity on the performance of regulatory state corporations in Nairobi County, Kenya. Empirical review revealed that strategic leadership practices (strategic direction, talent development, innovativeness and Strategic Cognitive Capacity influences organization performance.

III. RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology that was used to carry out the research. It presents the research design, sampling design, data collection methods, and research procedure. It also presented information on how the data analysis techniques were used.

3.2 Research Design

Kothari (2018) defines research design as the arrangement of conditions of data collection and analysis of data in a manner that aims to combine relevance to research purpose with economy with research procedure. This study adopted a descriptive research design. This is a scientific method of investigation in which data is collected, processed, analyzed and presented in order to describe the current conditions, terms or relationships concerning a certain field (Mugenda, 2018). A scientific method involves observation and description of behavior of subject without influencing it in any way. The choice of this research design was influenced by the fact that it caters for quantitative data (Cooper & Schindler, 2011).

3.3 Target Population

According to Borg and Crall (2019), the target population refers to the entire group of individuals, events, or objects that an investigator aims to study and from which generalizations will be made. For this study, the unit of analysis was the 46 regulatory state corporations operating within Nairobi City County, Kenya. The unit of observation consisted of 340 management-level employees drawn from these corporations, specifically those occupying positions directly responsible for leadership, strategic planning, and operational management. These included individuals in roles such as Chief Executive Officers (CEOs), Managing Directors, General Managers, Departmental Directors, Heads of Finance, Heads of Human Resources, Heads of Operations, Strategy Managers, Corporate Planning Officers, and Section Heads. These roles were deliberately targeted as they represent decision-makers and individuals actively involved in shaping and executing strategic leadership practices within their respective organizations. Their insights were considered critical to achieving the study's objectives.

Table 3. 1: Target Population

Category	Target Population
Top Level Managers	46
Middle Level Managers	92
Lower Level Managers	202
Total	340

3.4 Sampling Frame

Lavrakas (2018) defines a sampling frame as a list of the target population from which the sample is selected while Garg and Kothari (2018) define sampling frame as a list that contains the names of all the elements in a universe. The sampling frame should capture, in a statistical manner, the target population and that a perfect sampling frame is one that is complete, accurate and up-to-date. The sampling frame of the current study consisted of a list of 46 state corporations in Kenya and corresponding 340 management employees working with the state corporations.

3.5 Sample and Sampling Techniques

Sample refers to a part of or fraction of population that is being investigated upon. It can also be defined as a group of individuals who are engaged or participating in a study. Wilson (2010) defined it as selected elements such as objects, subjects or people that participate in a particular study. Samples are used to reflect the entire attributes of a given population under investigation such that the study's findings can be generalized to the entire population. A good sample size should be enough to adequately represent the characteristic of the population being studied. Sahu (2017) notes that the best sample should give enough data on the population and this data should be adequate and capable of being analyzed easily. The study used Yamane formulae (Yamane 1967) to determine the appropriate sample size for this study. The formula was;

$$n = \frac{N}{1+Ne^2}$$

Where n = sample size,

N = population size (340)

e = error term (0.05)

Hence the sample size for each of the research institutions was as follows:

n = 183.78

=184

Table 3. 2: Sample Size

Category	Target Population	Sample Size
Top Level Managers	46	25

Middle Level Managers	92	50
Lower Level Managers	202	109
Total	340	184

The 184 respondents were chosen with the help of stratified random sampling technique. Stratified random sampling technique was used since the population of interest is not homogeneous and could be sub-divided into groups or strata to obtain a representative sample. This sampling technique divides the population into groups or strata. The strata are reached upon on the basis of the shared traits (Singpurwalla, 2017). One of the advantages of stratified random sampling is that it allows for each of the strata to be well represented when the sample is chosen (Bryman & Cramer, 2016). The study then used simple random sampling to select respondents from each group.

3.6 Data Collection Instruments

This research used a questionnaire to collect primary data. According to Patton *et. al (*2016), a questionnaire is appropriate in gathering data and measuring it against a particular point of view. It provides a standardized tool for data collection. Structured questions were used to collect primary data from the field. Questionnaires were preferred because they are effective data collection instruments that allow respondents to give much of their opinions pertaining to the research problem (Dempsey, 2017). According to Kothari (2018), the information obtained from questionnaires is free from bias and researchers' influence and thus accurate and valid data was gathered. The preference for the questionnaire is based on the premise that it gives respondents freedom to express their views or opinions more objectively.

According to Krishnaswamy, Sivakumar and Mathirajan (2019), questionnaire method of data collection is good because the standardized and impersonal format of a questionnaire has uniformity and help in getting data objectively. In using questionnaires respondents' anonymity and confidentiality is assured and they are able to complete them when it is convenient and in their own time (De-Vaus, 2016)

3.7 Data Collection Procedure

The process of data collection started after drafting of the final data collection instruments and receipt of permission from all the relevant authorities. Before embarking on data collection, relevant approvals were obtained.

This researcher also trained two research assistants who were involved in the data collection exercise. They used the drop and pick later technique where respondents were allowed two weeks to fill in the questionnaires. Where need be, respondents were provided additional time to fill the questionnaires. Each research assistant administered questionnaires to the selected respondents. The research assistants were advised to drop the questionnaires and agree on the date of collection with the respondents.

3.8 Pilot Study

A pilot test was conducted to assess the questionnaire's validity and reliability of the data that was collected. According to Copper and Schindler (2017), a pilot test is conducted to detect weaknesses in the design and instrumentation and provide a proxy data for selection of probability sample. According to Leedy and Ormrod (2019), a pilot study is an excellent way to determine the feasibility of the study. The subjects participating in the pilot study were not included in the final study to avoid survey fatigue. Eighteen questionnaires were piloted that represented 10% of the target population.

3.8.1 Validity of Research Instruments

The validity of research instruments is critical to ensure the accuracy and meaningfulness of inferences based on the research results (Mugenda & Mugenda, 2018). This study employed content validity and construct validity. Content validity was established through expert judgment and feedback to ensure the instrument comprehensively covers the construct under investigation. Criterion-related validity, focusing on concurrent and predictive validity, was assessed through correlational analysis using SPSS. This analysis compared the instrument with an existing validated measure to evaluate how well it predicts future performance outcomes. Construct validity was tested using factor analysis to ensure that related constructs are correlated (convergent validity) and that constructs which should not be related are indeed uncorrelated (discriminant validity) (Kothari, 2018).

3.8.2 Reliability of Research Instruments

Reliability refers to a measure of the degree to which the research instruments yield consistent results according to (Mugenda & Mugenda, 2018). Accurate phrasing of each question is important to avoid leading respondents to a particular answer and ensured reliability of the tool. Reliability enabled the researcher to identify the ambiguities and inadequate items in the research instrument; where the instrument reliability is the dependability, consistency or trustworthiness of a test.

The study applied the reliability analysis to assess internal consistency of the study variables. Cronbach's Alpha coefficient was computed on all components of questionnaire and their assessment given (Malhotra, 2017). Alpha of 0.7 and above were used as a threshold in this study (Cooper & Schindler, 2006; Hair *et al.*, 2010).

3.9 Data Analysis and Presentation

This study gathered quantitative data. Quantitative data was coded then analyzed using Statistical Package for Social Sciences (SPSS) computer software version 28. The choice of the software is influenced by its ability to appropriately create graphical presentation of questions, data reporting, presentation and publishing. SPSS is also able to handle large amount of data and it is purposefully designed for social sciences.

Descriptive statistics were used to analyze the data in frequency distributions and percentages which were presented in tables and figures. Discussions and presentations of the analyzed data was done in tables of frequency distribution, percentages, bar graphs and pie charts. Measures of dispersion was used to provide information about the spread of the scores in the distribution. The study also adopted multiple regression analysis to test the relationships between the variables.

In the study, a statistical model was developed from the conceptual framework as follows: the dependent variable (DV) which in this study was the performance of regulatory state corporations in Nairobi County, Kenya take the variable [Y], and the coefficients of the independent variables (IV) denoted by $X_{1,}$ $X_{2,}$ …..X_4 was used to show the relationship of the independent variables. Statistically, analysis was carried out using the models.

The multiple regression model was as follows:

$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$

Where;

Y = dependent variable (the performance of regulatory state corporations in Nairobi County, Kenya)
X_1 = Strategic direction
X_2 = Talent development
X_3 = Innovativeness
X_4 = Strategic Cognitive Capacity
β_0 = the constant term
$\beta_{1\text{-}4}$ = the Beta coefficient
ε = the error term

IV. RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the findings of the study based on the data collected from respondents. The analysis includes both descriptive statistics and inferential statistics, which help to examine the influence of strategic leadership practices on the performance of regulatory state corporations in Nairobi County, Kenya. The findings are organized according to the study's specific objectives, covering strategic direction, talent development, innovativeness, Strategic Cognitive Capacity, and organizational performance. The results are presented in tables, charts, and statistical interpretations, followed by discussions that link the findings to existing literature.

4.2 Pilot Test Results

A pilot study was conducted to assess the questionnaire's validity and reliability and ensure the completeness of responses. According to Cooper and Schindler (2017), a pilot test helps detect weaknesses in the design and instrumentation, providing proxy data for the selection of a probability sample. Leedy and Ormrod (2019) emphasize that a pilot study is crucial for determining the feasibility of a study. Eighteen questionnaires were piloted, representing 10% of the target population. The subjects in the pilot study were excluded from the final study to avoid survey fatigue.

4.2.1 Validity Test

Validity refers to the accuracy and meaningfulness of inferences based on research results (Mugenda & Mugenda, 2018). This study employed content validity, and construct validity. Content validity was established through a rigorous process involving expert judgment and feedback to ensure that the instrument comprehensively covers the constructs under investigation. Experts in the field reviewed the questionnaire in detail, evaluating each item for its relevance, clarity, and comprehensiveness in capturing the intended constructs. Their evaluations provided critical insights into the adequacy and coverage of the items, confirming that the questionnaire effectively measures the constructs being studied. Based on their feedback, the questionnaire was refined to address any identified gaps or ambiguities, resulting in a validated instrument that accurately reflects the constructs of interest and is suitable for the study. The revised questionnaire was issued to the pilot group.

Construct validity was tested using factor analysis to ensure that related constructs are correlated (convergent validity) and that constructs which should not be related are indeed uncorrelated (discriminant validity) (Kothari, 2018). To assess the construct validity of the research instrument, factor analysis was conducted, focusing on the Average Variance Extracted (AVE) for each construct. The AVE is a measure that indicates the proportion of variance in the observed variables that is accounted for by the underlying construct. A higher AVE value suggests that the indicators are well-correlated with the construct they are intended to measure. In this study, the AVE values for all constructs exceeded the recommended threshold of 0.4, confirming their convergent validity. The following table (table 4.1) presents the AVE values for the key constructs of the study.

Table 4. 1: Average Variance Extracted (AVE) for the Constructs

Variables	Variance Extracted
Strategic Direction	0.606
Talent Development	0.551
Innovativeness	0.569
Strategic Cognitive Capacity	0.527
Performance	0.574

The results indicate that the average variance extracted (AVE) for each construct meets the recommended threshold of 0.4, validating the indicators of both the independent and dependent variables. Specifically, the AVE for Strategic Direction is 0.606, Talent Development is 0.551, Innovativeness is 0.569, Strategic Cognitive Capacity is 0.527, and Performance is 0.574. These AVE values suggest that each construct explains a significant portion of the variance in its respective indicators, confirming the constructs' validity.

4.2.1 Reliability Test

Reliability refers to the degree to which research instruments yield consistent results (Mugenda & Mugenda, 2018). In this study, reliability analysis assessed the internal consistency of the study variables. To evaluate the reliability of the research instrument, Cronbach's Alpha coefficient was computed for all the constructs in the study. Cronbach's Alpha threshold of 0.7 or above considered acceptable (Cooper & Schindler, 2006; Hair et al., 2010). The following table 4.2, presents the Cronbach's Alpha values for each construct assessed in the study:

Table 4. 2: Reliability Test Results

Variable	Cronbach's Alpha	Interpretation
Strategic Direction	0.820	Reliable
Talent Development	0.810	Reliable
Innovativeness	0.813	Reliable
Strategic Cognitive Capacity	0.817	Reliable
Performance of State Corporations	0.811	Reliable

The results indicate that all constructs had a Cronbach's Alpha above the acceptable threshold of 0.7, demonstrating that the study questionnaire met the reliability criteria. Specifically, Strategic Direction has a Cronbach's Alpha of 0.820, Talent Development has 0.810, Innovativeness has 0.813, Strategic Cognitive Capacity has 0.817, and Performance of State Corporations has 0.811. These high Cronbach's Alpha values confirm the robustness and dependability of the research instrument, ensuring consistent and reliable measurement of the intended constructs.

4.3 Response Rate

The study targeted 184 respondents, drawn from various levels of management within regulatory state corporations in Nairobi County, Kenya. Out of the 184 distributed questionnaires, 162 were successfully completed and returned, representing a response rate of 88.2%. The response rate is considered high and acceptable, as it exceeds the 70% threshold recommended by Mugenda and Mugenda (2018) for survey-based research. This high response rate enhances the reliability and validity of the findings, ensuring that the collected data is representative of the target population.

Table 4. 3: Response Rate

Category	Targeted Respondents	Response Rate (%)
Responses Received	162	88.2%
Non-Responses	22	11.8%
Total	184	100%

The 11.8% non-response rate is attributed to factors such as busy work schedules, reluctance, or unavailability of some respondents at the time of data collection. However, since the majority of the respondents participated, the study results remain robust and generalizable to the entire population of regulatory state corporations in Nairobi County.

4.4 Demographic Information Analysis

This section presents the demographic characteristics of the respondents who participated in the study. Understanding the demographic profile of respondents is crucial as it provides insights into the diversity of perspectives, qualifications, and experiences that influence strategic leadership practices within regulatory state corporations in Nairobi County, Kenya. The demographic attributes analyzed in this study include gender, age, and level of education.

4.4.1 Gender Distribution

The study sought to establish the gender composition of the respondents to determine the representation of both male and female employees in regulatory state corporations. The results are presented in Figure 4.1.

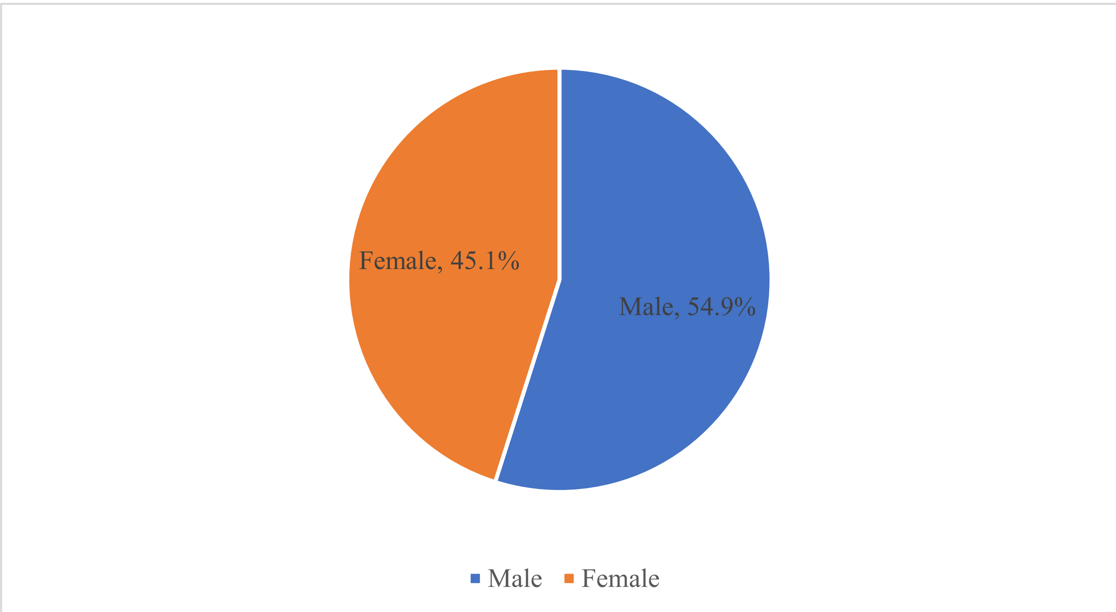


Figure 4. 1: Gender Distribution of Respondents

The results indicate that both male and female employees actively participated in the study, ensuring gender diversity in responses. The findings show a slightly higher proportion of male respondents (54.9%) compared to females (45.1%). This suggests that while both genders are well-represented in state corporations, there may still be a gender imbalance in leadership positions. A balanced gender representation enhances inclusivity and provides a broad spectrum of opinions regarding strategic leadership practices. If one gender dominates leadership positions, it may suggest disparities in leadership opportunities, which could influence talent development strategies within state corporations. Organizations should ensure gender inclusivity in leadership development to enhance diverse perspectives in decision-making.

4.4.2 Age Distribution

Age distribution was analyzed to assess the diversity in work experience and perspectives among respondents. Figure 4.2 presents the age distribution of the respondents.

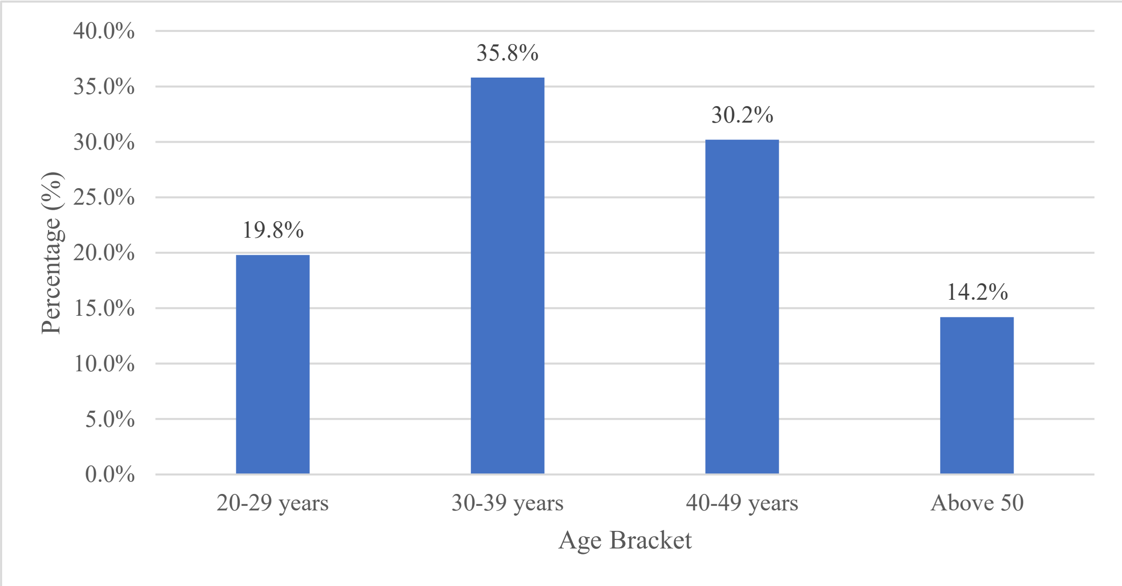


Figure 4. 2: Age Distribution of Respondents

The findings show that a majority of the respondents fall within the 30-49 age range, with 35.8% aged 30-39 years and 30.2% aged 40-49 years. This indicates that most employees in state corporations are in their mid-career stages, which is crucial for leadership development, decision-making, and organizational transformation. The presence of younger employees (19.8%) in the 20-29 age group suggests that state corporations are attracting young professionals, which is vital for succession planning and innovation. However, 14.2% of respondents are aged above 50 years, indicating the need for mentorship programs and knowledge transfer to ensure smooth leadership transitions. This distribution suggests that organizations need to focus on balancing leadership succession by investing in mentorship and professional development programs, ensuring that younger employees are adequately prepared to take up leadership roles.

4.4.3 Education Level

The study sought to determine the education levels of the respondents to assess their academic qualifications and their potential influence on leadership practices. The results are presented in Figure 4.3.

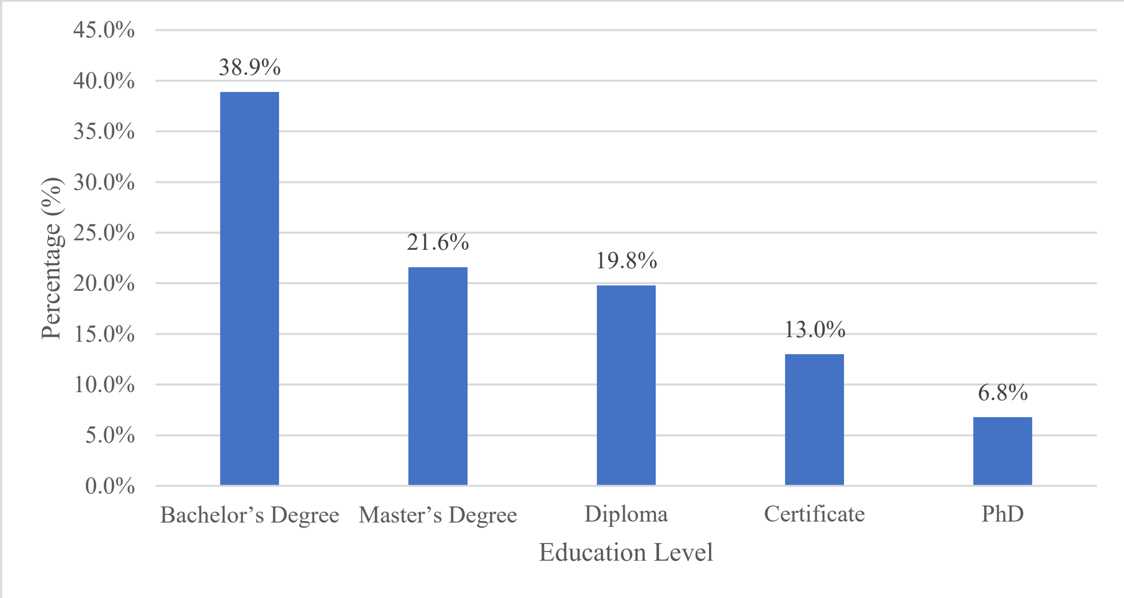


Figure 4. 3: Education Level of Respondents

The results indicate that the majority of respondents hold at least a Bachelor's degree (38.9%) or Master's degree (21.6%), signifying a highly educated workforce in state corporations. The presence of PhD holders (6.8%) suggests that some employees have advanced expertise, which is critical for policy development, strategic decision-making, and leadership roles. The 19.8% of respondents with a diploma and 13.0% with a certificate highlight the diversity in educational backgrounds within state corporations. This suggests that while the majority have higher education qualifications, there is still a significant proportion of employees with vocational and technical training, which could impact how leadership and innovation strategies are executed.

A highly educated workforce enhances the implementation of strategic leadership practices, as employees are more likely to understand organizational vision, engage in innovation, and support talent development initiatives. Organizations with employees at different educational levels need to offer continuous learning opportunities, leadership training, and mentorship programs to bridge skill gaps and promote career advancement.

The demographic analysis indicates that regulatory state corporations in Nairobi County have a diverse workforce in terms of gender, age, and education level. The near gender balance promotes inclusivity, while the wide age distribution ensures a mix of experience and fresh perspectives in leadership. The high level of education among respondents suggests that employees are well-equipped to engage in strategic decision-making, leadership development, and innovation. These findings provide a strong foundation for analyzing the influence of strategic direction, talent development, innovativeness, and Strategic Cognitive Capacity on the performance of state corporations.

4.5 Descriptive Analysis

This section presents the descriptive statistics of the study variables based on responses collected from employees of state corporations in Nairobi County, Kenya. The analysis includes mean scores and standard deviations for each statement in the study questionnaire. The mean score represents the average level of agreement among respondents on a five-point Likert scale, where responses ranged from Strongly Disagree (1), Disagree (2), Neutral (3), Agree (4), to Strongly Agree (5). The standard deviation (SD) indicates the variability or dispersion of responses, with lower values signifying more consistency in opinions and higher values indicating greater variation in responses.

The mean values were interpreted as follows: 1.00–1.99 (Strong Disagreement), 2.00–2.99 (Disagreement), 3.00–3.99 (Neutral), 4.00–4.49 (Agreement), and 4.50–5.00 (Strong Agreement). A higher mean score reflects a stronger positive perception of the respective statement, while a lower mean score indicates a weaker level of agreement. Each subsection below covers a specific study variable, including Strategic Direction, Talent Development, Innovativeness, Strategic Cognitive Capacity, and Performance of State Corporations, providing a detailed analysis of the leadership and management practices influencing organizational performance.

4.5.1 Strategic Direction

The first specific objective was to examine the influence of strategic direction on the performance of regulatory state corporations in Nairobi County, Kenya. Strategic direction refers to how well an organization's mission, vision, and strategic goals are communicated and implemented to guide decision-making and performance. The table 4.4 below presents the mean and standard deviation of responses related to strategic direction.

Table 4. 4: Descriptive Statistics for Strategic Direction

Statements	Mean	Standard Deviation
The mission statement effectively communicates its fundamental purpose and identity.	4.211	0.879
The goals and objectives are well-aligned with its overall mission and vision.	4.089	0.731
The strategic direction provides a clear roadmap for decision-making and resource allocation.	3.968	0.891
Strategic plans and initiatives are regularly communicated to all levels of employees.	4.112	1.021
There is consistent alignment between stated values and actual behavior and decisions.	3.876	0.940
The organization effectively monitors and measures performance against strategic goals.	4.019	0.975
The organization adapts its strategic direction in response to external changes.	4.078	0.854
Aggregate Score	4.050	0.899

The findings indicate that strategic direction plays a significant role in influencing the performance of regulatory state corporations in Nairobi County, Kenya. The aggregate mean score of 4.050, suggests that most respondents perceive their organizations as having a clearly defined and well-implemented strategic direction. The highest-rated statement, that the mission statement effectively communicates its fundamental purpose and identity, with a mean of 4.211 and a standard deviation of 0.879, suggests that employees generally understand their organization's core purpose, which is essential for organizational alignment and performance enhancement. Similarly, the alignment of goals and objectives with the overall mission and vision, which had a mean of 4.089 and a standard deviation of 0.731, was also rated positively, indicating that strategic objectives are well-integrated into corporate planning processes and are effectively guiding decision-making.

The strategic direction providing a clear roadmap for decision-making and resource allocation, with a mean of 3.968 and a standard deviation of 0.891, suggests that while most respondents agree that their organizations offer structured guidance, some inconsistencies may exist in how this direction is applied across different levels of management. The communication of strategic plans and initiatives to employees, with a mean of 4.112 and a standard deviation of 1.021, indicates that employees generally acknowledge efforts to communicate strategy, but the higher standard deviation suggests variations in effectiveness across departments. The organization's effectiveness in monitoring and measuring performance against strategic goals, with a mean of 4.019 and a standard deviation of 0.975, suggests that while performance tracking mechanisms are in place, there are some disparities in their implementation and utilization. The ability to adapt strategic direction in response to external changes, with a mean of 4.078 and a standard deviation of 0.854, reflects that organizations are generally proactive in adjusting strategies to align with environmental shifts, though there is room for greater responsiveness and flexibility.

The lowest-rated statement, that there is consistent alignment between stated values and actual behavior and decisions, had a mean of 3.876 and a standard deviation of 0.940, highlighting a perceived gap between corporate values and actual decision-making. This suggests that organizations may need to strengthen their internal governance and accountability structures to ensure that organizational values translate into actions and behaviors. The relatively high standard deviations across some statements, particularly for the communication of strategic plans (1.021) and performance monitoring (0.975), indicate variability in employees' perceptions, possibly due to differences in departmental communication, leadership practices, or transparency in implementation.

Overall, the findings indicate that strategic direction significantly influences organizational performance, with employees perceiving their organizations as having well-defined missions, visions, and strategic goals. The study revealed a clear alignment between strategic objectives and organizational performance, though gaps exist in aligning stated values with actual decisions. These findings align with Aidhaheri, Ameen, and Isaac (2020), who found that strategic direction, particularly through well-structured vision and mission statements, positively impacts learning and growth in public sector institutions in the UAE. Similarly, Muthaa (2018) concluded that a strong strategic direction significantly improves institutional success in technical training institutions in Kenya, emphasizing the role of government policies in enhancing organizational performance. However, Godwin (2022) highlighted that despite the presence of strategic initiatives, fiscal and human resource constraints limit service delivery, reinforcing the need for better alignment between strategic plans and execution to enhance overall organizational performance.

4.5.2 Talent Development

The second objective of the study was to determine the influence of talent development on the performance of regulatory state corporations in Nairobi County, Kenya. Talent development examines whether state corporations provide adequate training, career growth opportunities, and mentorship programs for employees. The table 4.5 below presents the descriptive statistics for this section.

Table 4. 5: Descriptive Statistics for Talent Development

Statements	Mean	Standard Deviation
Opportunities for employees to participate in training programs are provided.	4.202	0.810
There are clear pathways for career development, including opportunities for progression.	4.089	0.765
The organization actively encourages and supports mentorship programs.	3.987	0.921
Training and development initiatives align with organizational strategic goals.	4.132	0.799
Investment in leadership development programs to cultivate future leaders.	4.189	0.845
Employees participating in talent development programs demonstrate improved performance.	4.201	0.812
Talent development initiatives positively correlate with strategic objectives.	4.156	0.881
Aggregate Score	4.136	0.833

The aggregate mean score of 4.136 suggests that respondents agree that talent development is well-integrated within their organizations. Respondents generally perceive their organizations as actively engaging in talent development initiatives to improve employee skills and performance. The highest-rated statement, that opportunities for employees to participate in training programs are provided, with a mean of 4.202 and a standard deviation of 0.810, indicates that most employees recognize and appreciate the availability of training programs aimed at enhancing their knowledge and competencies. Similarly, the statement on employees who participate in talent development programs demonstrating improved performance, with a mean of 4.201 and a standard deviation of 0.812, reinforces the positive impact of training initiatives on employee productivity and effectiveness.

The presence of clear pathways for career development, including opportunities for progression, with a mean of 4.089 and a standard deviation of 0.765, suggests that state corporations generally offer structured career advancement opportunities, though some variations in accessibility or awareness may exist across different levels of employees. The alignment of training and development initiatives with organizational strategic goals, with a mean of 4.132 and a standard deviation of 0.799, indicates that most employees perceive training programs as well-integrated into the broader strategic direction of their organizations. This suggests that training initiatives are not only employee-focused but also contribute to organizational objectives and long-term success.

The investment in leadership development programs to cultivate future leaders, with a mean of 4.189 and a standard deviation of 0.845, highlights that organizations prioritize leadership training, ensuring that employees are equipped with the skills necessary for succession planning and leadership transition. The positive correlation between talent development initiatives and strategic objectives, with a mean of 4.156 and a standard deviation of 0.881, reflects employees' perception that investment in training and career growth directly contributes to the achievement of organizational goals.

However, the lowest-rated statement, that the organization actively encourages and supports mentorship programs, with a mean of 3.987 and a standard deviation of 0.921, suggests that while mentorship exists, there may be gaps in implementation or accessibility. The relatively higher standard deviation indicates variability in employees' experiences with mentorship programs, possibly due to differences in organizational support, engagement levels, or the availability of mentors.

The study findings show that talent development positively influences employee performance and overall organizational success, with strong agreement that training programs, career development pathways, and leadership development initiatives enhance productivity. However, mentorship programs were identified as an area requiring improvement. These results are consistent with Frimpong et al. (2018), who found that talent development contributes to employee satisfaction, learning, and retention, directly impacting organizational success. Likewise, Muyela and Kamaara (2021) concluded that talent development, attraction, and retention significantly improve employee performance in Kenya's public sector, advocating for enhanced career development strategies. Almohtaseb (2020) further emphasized that a strong performance management system enhances the link between talent development and organizational success, underscoring the need for structured monitoring of training initiatives to maximize their impact.

4.5.3 Innovativeness

The third objective of the study was to establish the influence of innovativeness on the performance of regulatory state corporations in Nairobi County, Kenya. Innovativeness assesses the organization's ability to foster creativity, implement new ideas, and support research and development. The Table 4.6 below presents the mean and standard deviation for responses related to innovation.

Table 4. 6: Descriptive Statistics for Innovativeness

Statements	Mean	Standard Deviation
The organization fosters a culture of innovation, encouraging creative thinking.	4.034	0.841
Innovation is a strategic priority with resources allocated for research and development.	4.145	0.798
The organization actively introduces new products, services, or processes to stay competitive.	3.976	0.902
We have successfully implemented innovative solutions impacting revenue and cost savings.	4.087	0.863
Leadership demonstrates a commitment to innovation by supporting innovative initiatives.	4.201	0.759
Collaboration and cross-functional teamwork drive innovation within the organization.	4.123	0.911
Aggregate Score	4.094	0.846

The findings indicate that innovativeness plays a critical role in enhancing organizational performance in regulatory state corporations in Nairobi County, Kenya. The aggregate mean score of 4.094 suggests that respondents generally perceive their organizations as supportive of innovation and creative problem-solving. The highest-rated statement, that leadership demonstrates a commitment to innovation by supporting innovative initiatives, with a mean of 4.201 and a standard deviation of 0.759, suggests that leaders play an active role in promoting innovation within their organizations. This indicates that employees recognize and appreciate leadership efforts in fostering a culture of creativity and new idea generation.

The statement that innovation is a strategic priority with resources allocated for research and development, with a mean of 4.145 and a standard deviation of 0.798, further supports the idea that organizations are investing in innovation as a key driver of performance. However, while employees agree that innovation is a strategic focus, the relatively high standard deviation suggests some inconsistencies in the actual implementation of innovation strategies across different departments. The role of collaboration and cross-functional teamwork in driving innovation, with a mean of 4.123 and a standard deviation of 0.911, highlights that organizations recognize the value of team-based innovation efforts. However, the higher standard deviation suggests variability in how different teams engage in innovation activities, potentially indicating that some departments may not fully embrace collaborative innovation efforts.

The statement that the organization has successfully implemented innovative solutions impacting revenue and cost savings, with a mean of 4.087 and a standard deviation of 0.863, suggests that innovation efforts have had a tangible impact on financial performance. However, variability in responses indicates that some employees may perceive gaps in the effectiveness of these initiatives. The statement that the organization fosters a culture of innovation, encouraging creative thinking, with a mean of 4.034 and a standard deviation of 0.841, indicates that most employees believe their workplace supports creativity, although some variations exist in how this culture is embraced across different organizational levels.

The lowest-rated statement, that the organization actively introduces new products, services, or processes to stay competitive, with a mean of 3.976 and a standard deviation of 0.902, suggests that while innovation is encouraged, there may be challenges in consistently launching new products, services, or operational improvements. The relatively high standard deviation reflects divergent experiences among employees, possibly due to differences in how innovation efforts are executed across various departments.

The study revealed that innovation significantly contributes to organizational performance, with leadership commitment to innovation being a key driver. Employees acknowledged organizational support for research and development, but challenges remain in consistently introducing new products, services, and processes. These findings align with Yıldız, Baştürk, and İlknur (2021), who found that innovativeness, along with transformational leadership, has a strong positive impact on business performance. Similarly, Tajeddini (2019) demonstrated that a strong learning orientation fosters innovation, leading to improved cost efficiency, quality, and delivery speed in public organizations. Njoroge and Nyaga (2022) also reinforced the role of continuous improvement practices in enhancing manufacturing firms' performance in Kenya, suggesting that organizations that prioritize innovation outperform their counterparts in a competitive environment.

4.5.4 Strategic Cognitive Capacity

The fourth objective was to evaluate the influence of Strategic Cognitive Capacity on the performance of regulatory state corporations in Nairobi County, Kenya. Strategic Cognitive Capacity relates to employees' problem-solving skills, decision-making capacity, and adaptability to change. The table 4.7 below presents the descriptive statistics for Strategic Cognitive Capacity.

Table 4. 7: Descriptive Statistics for Strategic Cognitive Capacity

Statements	Mean	Standard Deviation
Employees possess diverse cognitive abilities, enhancing intellectual capital.	4.176	0.785
The organization actively recruits individuals with strong cognitive abilities.	4.067	0.854
Training programs improve employees' cognitive skills, including problem-solving.	4.189	0.820
Employees are encouraged to upgrade cognitive skills to adapt to job changes.	4.120	0.895
Leadership values cognitive diversity for innovation and problem-solving.	4.201	0.799
Teams with diverse cognitive abilities effectively address complex challenges.	4.089	0.817
Commitment to continuous learning positively influences performance.	4.145	0.882
Aggregate Score	4.141	0.836

The findings indicate that Strategic Cognitive Capacity plays a crucial role in enhancing organizational performance in regulatory state corporations in Nairobi County, Kenya. The aggregate mean score of 4.141 suggests that employees generally perceive their organizations as effectively fostering cognitive diversity and supporting initiatives that enhance employees' intellectual and problem-solving capabilities. The highest-rated statement, that leadership values cognitive diversity for innovation and problem-solving, with a mean of 4.201 and a standard deviation of 0.799, suggests that most employees acknowledge leadership's role in encouraging cognitive diversity. This reflects an environment where different perspectives and problem-solving approaches are leveraged to drive organizational success. Similarly, the statement that training programs improve employees' cognitive skills, including problem-solving, with a mean of 4.189 and a standard deviation of 0.820, highlights that organizations invest in developing employees' cognitive abilities, which is essential for fostering critical thinking and adaptability.

The organization's commitment to recruiting individuals with strong cognitive abilities, with a mean of 4.067 and a standard deviation of 0.854, suggests that while recruitment processes prioritize cognitive skills, there may be variations in implementation across different departments. Additionally, the statement that teams with diverse cognitive abilities effectively address complex challenges, with a mean of 4.089 and a standard deviation of 0.817, reinforces the notion that diverse cognitive skills contribute to problem-solving and efficiency in organizational operations. The encouragement of employees to upgrade cognitive skills to adapt to job changes, with a mean of 4.120 and a standard deviation of 0.895, indicates that organizations recognize the importance of continuous learning and upskilling, though variations in how this is implemented may exist. The commitment to continuous learning positively influencing performance, with a mean of 4.145 and a standard deviation of 0.882, further supports the idea that learning and cognitive development directly contribute to improved organizational outcomes.

The lowest-rated statement, that the organization actively recruits individuals with strong cognitive abilities, with a mean of 4.067 and a standard deviation of 0.854, suggests that while cognitive abilities are considered during hiring, there may be inconsistencies in recruitment practices or challenges in attracting top talent with high cognitive skills.

The study findings highlight that Strategic Cognitive Capacity plays a crucial role in organizational performance, with leadership valuing cognitive diversity, employees developing problem-solving skills through training, and continuous learning enhancing performance. However, there were moderate perceptions regarding recruitment practices ensuring strong cognitive abilities. These findings align with Sinaga and Purba (2019), who found that Strategic Cognitive Capacity directly influences work motivation and employee performance, reinforcing the importance of hiring and training strategies that develop intellectual capital. Similarly, Murphy (2019) established that cognitive abilities play a critical role in job performance, especially during transition stages where employees must adapt to new tasks and responsibilities. The study's findings also support Alosani, Yusoff, and Al-Dhaafri (2019), who found that strategic direction and cognitive abilities significantly enhance decision-making and problem-solving capabilities in the Dubai police force, leading to improved organizational performance. These studies reinforce that regulatory state corporations must enhance cognitive development by improving recruitment strategies, providing advanced problem-solving training, and fostering a culture of continuous learning to maintain a competitive edge.

4.5.5 Performance of State Corporations

Performance measures how well organizations meet financial and customer satisfaction goals. The table 4.8 below presents the descriptive statistics for organizational performance.

Table 4. 8: Descriptive Statistics for Performance

Statements	Mean	Standard Deviation
Performance of the organization has been showing an upward trend over the years.	4.098	0.728
Over the years, the organization has been able to manage public resources	4.422	0.772
I am satisfied with the performance of the organization.	3.588	0.690
There are few customer complaints concerning services offered.	3.696	1.080
The level of customer satisfaction has improved.	3.545	0.750
Aggregate Score	3.870	0.804

The findings indicate that organizational performance in regulatory state corporations in Nairobi County, Kenya, is perceived as generally positive but with areas for improvement. The aggregate mean score of 3.870, suggests that while respondents acknowledge positive trends in performance, there are variations in perceptions, particularly regarding customer satisfaction and service delivery.

The highest-rated statement, that over the years, the organization has been able to manage public resources, with a mean of 4.422 and a standard deviation of 0.772, suggests that respondents strongly agree that their organizations prioritize the public interest in their activities and decisions, protecting citizens from unethical or incompetent practices. . This indicates that regulatory state corporations have adequate financial management systems in place, ensuring sustainability and operational continuity. The statement that the organization has been showing an upward performance trend over the years, with a mean of 4.098 and a standard deviation of 0.728, reinforces the perception that organizations are progressively improving their overall performance. The relatively low standard deviation indicates consistency in responses, meaning that most employees share this view.

The statement on employee satisfaction with organizational performance, with a mean of 3.588 and a standard deviation of 0.690, falls within the neutral range (3.00–3.99). This suggests that while some employees are satisfied, others may feel that there is room for improvement in how the organization performs relative to its objectives, efficiency, and service delivery. The statement on fewer customer complaints concerning services offered, with a mean of 3.696 and a standard deviation of 1.080, suggests a mixed perception of service delivery effectiveness. The relatively high standard deviation reflects significant variations in employee responses, implying that some departments or service areas may experience more complaints than others.

The lowest-rated statement, that the level of customer satisfaction has improved, with a mean of 3.545 and a standard deviation of 0.750, highlights that employees are less confident about improvements in customer satisfaction. This suggests that despite improvements in financial stability and overall performance, customer service quality and satisfaction may not have progressed at the same rate.

The findings indicate that regulatory state corporations in Nairobi County have shown financial stability and an upward performance trend over time. However, moderate employee satisfaction with organizational performance, coupled with mixed perceptions of customer satisfaction improvements, suggests areas that require attention. These findings align with Godwin (2022), who noted that despite strategic initiatives, local government institutions in Tanzania struggle with governance challenges that impact service delivery effectiveness. Additionally, Njoroge and Nyaga (2022) established that continuous improvement practices play a significant role in enhancing performance, with evidence-based decision-making and customer focus driving organizational success. The findings also resonate with Frimpong et al. (2018), who emphasized that employee satisfaction and retention strategies contribute to overall business success. These studies confirm that regulatory state corporations must focus on not only financial stability but also service delivery effectiveness, employee engagement, and customer satisfaction to achieve holistic and sustainable performance improvements.

4.6 Correlation Analysis

This section presents the correlation analysis between strategic direction, talent development, innovativeness, Strategic Cognitive Capacity, and organizational performance of regulatory state corporations in Nairobi County, Kenya. The correlation coefficient (r) measures the strength and direction of the relationship between independent variables and performance, while the p-value determines the statistical significance of these relationships. The correlation values range from -1 to +1, where: Values closer to +1 indicate a strong positive relationship, Values around 0 indicate no correlation, and Values closer to -1 indicate a strong negative relationship. Table 4.9 presents the findings obtained.

Table 4.9: Correlation Analysis

		Organization Performance	Strategic Direction	Talent Development	Innovativeness	Strategic Cognitive Capacity
Organization Performance	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	162				
Strategic Direction	Pearson Correlation	.662**	1			
	Sig. (2-tailed)	.009				.
	N	162	162			
Talent Development	Pearson Correlation	.835**	.261	1		
	Sig. (2-tailed)	.004	.147			
	N	162	162	162		
Innovativeness	Pearson Correlation	.770**	.325	.264	1	
	Sig. (2-tailed)	.043	.168	.078		
	N	162	162	162	162	
Strategic Cognitive Capacity	Pearson Correlation	.730**	.317	.336	.266	1
	Sig. (2-tailed)	.030	.123	.574	.278	
	N	162	162	162	162	162

**. Correlation is significant at the 0.05 level (1-tailed).

The correlation analysis indicates that strategic direction has a positive and statistically significant relationship with performance (r = 0.662, p = 0.009). This suggests that a well-defined strategic direction contributes to improved performance in regulatory state corporations. Organizations with clear vision, mission, and strategic goals tend to achieve higher efficiency, better decision-making, and improved service delivery. These findings align with Bryson (2022), who argued that a well-structured strategic direction provides a roadmap for decision-making, resource allocation, and long-term organizational success. Similarly, Kaplan and Norton (2020) in their Balanced Scorecard framework highlighted that strategic alignment of goals with organizational vision enhances operational efficiency and overall performance. These studies reinforce the idea that regulatory state corporations must continuously refine their strategic direction to remain effective and competitive.

Talent development shows the strongest correlation with performance ($r = 0.835$, $p = 0.004$), suggesting that organizations that invest in employee training, career progression, and leadership development experience significant performance improvements. This finding indicates that developing employees' skills and competencies leads to enhanced productivity, job satisfaction, and retention, ultimately benefiting overall organizational success. These findings align with Collings and Mellahi (2019), who found that structured talent development programs positively impact employee engagement, organizational commitment, and competitive advantage. Additionally, Armstrong and Taylor (2021) emphasize that continuous learning and career growth opportunities create a workforce that is more adaptable, innovative, and productive. These studies affirm that state corporations should prioritize structured and ongoing talent development initiatives to sustain long-term performance improvements.

Innovativeness is positively and significantly correlated with performance ($r = 0.770$, $p = 0.043$), indicating that organizations that encourage innovation achieve higher levels of efficiency, adaptability, and competitiveness. The findings suggest that state corporations that foster a culture of creativity, invest in research and development, and promote cross-functional teamwork experience improved outcomes in service delivery and financial performance. These results are supported by Drucker (2019), who emphasized that innovation is the primary driver of organizational success, allowing companies to remain relevant and competitive. Similarly, Teece, Pisano, and Shuen (2020) in their Dynamic Capabilities Theory state that organizations that embrace innovation are more likely to sustain long-term growth and respond effectively to external changes. These studies highlight that regulatory state corporations must strengthen their innovation strategies by fostering a culture of experimentation, risk-taking, and continuous improvement.

Strategic Cognitive Capacity has a strong and significant correlation with performance ($r = 0.730$, $p = 0.030$), suggesting that organizations with employees who possess strong cognitive skills, including problem-solving, adaptability, and critical thinking, experience improved overall performance. This implies that regulatory state corporations that prioritize cognitive skill development through training, recruitment, and leadership development achieve better decision-making and problem-solving capabilities. These findings align with Schmidt and Hunter (2022), who found that Strategic Cognitive Capacity is one of the strongest predictors of job performance, as employees with higher cognitive skills tend to learn faster, adapt better to changing work environments, and perform more efficiently. Similarly, Gagné and Deci (2020) highlight that organizations that invest in cognitive skill development experience higher employee engagement, creativity, and productivity. These studies confirm that state corporations should integrate cognitive skill development into employee training and leadership programs to enhance overall performance.

The correlation analysis reveals that all independent variables—strategic direction, talent development, innovativeness, and Strategic Cognitive Capacity—have strong positive and statistically significant relationships with organizational performance. To further examine the predictive power of these variables, the study computed multiple regression analysis to determine the extent to which strategic direction, talent development, innovativeness, and Strategic Cognitive Capacity collectively and individually predict organizational performance in regulatory state corporations in Nairobi County, Kenya.

4.7 Regression Analysis

This section presents the regression analysis results to determine the predictive power of strategic direction, talent development, innovativeness, and Strategic Cognitive Capacity on organizational performance. While the correlation analysis in the previous section established strong positive relationships between the independent variables and performance, regression analysis examines the extent to which each predictor variable influences performance.

4.7.1 Model Summary

The model summary provides insights into the goodness-of-fit of the regression model, measured using the R-squared (R^2) and Adjusted R-squared values.

Table 4. 10: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.868[a]	0.754	0.732	0.112

a.Predictors: (Constant), Strategic Direction, Talent Development, Innovativeness, and Strategic Cognitive Capacity

The R-value of 0.868 indicates a strong positive correlation between the independent variables and organizational performance. The R-Square value of 0.754 suggests that 75.4% of the variation in organizational performance can be explained by strategic direction, talent development, innovativeness, and Strategic Cognitive Capacity, confirming that these factors significantly impact organizational efficiency. The Adjusted R-Square (0.732) accounts for potential overfitting, ensuring that the model remains valid when applied to a broader population.

These findings align with Kaplan and Norton (2020), who found that strategic leadership and talent development are crucial for organizational success. Similarly, Schmidt and Hunter (2018) emphasized that Strategic Cognitive Capacity enhances decision-making, thereby improving overall performance in public institutions.

4.7.2 Analysis of Variance

The ANOVA test assesses the overall statistical significance of the regression model by determining whether the predictor variables collectively explain a significant portion of the variance in organizational performance.

Table 4. 11: Analysis of Variance

Model	Source	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.48	4	6.870	36.738	0.000b
	Residual	29.359	157	0.187		
	Total	56.839	161			

a. Dependent Variable: Organizational Performance
b. Predictors: (Constant), Strategic Direction, Talent Development, Innovativeness, and Strategic Cognitive Capacity

The F-statistic of 36.738 (p = 0.000) confirms that the regression model is statistically significant, meaning that strategic direction, talent development, innovativeness, and Strategic Cognitive Capacity collectively have a meaningful impact on organizational performance. The relatively low residual sum of squares (8.421) compared to the total sum of squares (35.902) suggests that the independent variables explain a substantial portion of the variation in performance, leaving minimal unexplained variance.

These findings align with Teece, Pisano, and Shuen (2020), who found that innovation strategies contribute significantly to organizational efficiency. Similarly, Collings and Mellahi (2019) demonstrated that talent development improves employee engagement and productivity, which directly enhances organizational success.

4.7.3 Beta Coefficients

The beta coefficients measure the strength and direction of the relationship between each independent variable and organizational performance while controlling for other predictors.

Table 4. 12: Beta Coefficients

Model		Unstandardized B	Std. Error	Standardized Beta	t	Sig.
1	(Constant)	0.932	0.214		4.357	
	Strategic Direction	0.286	0.073	0.295	3.920	
	Talent Development	0.412	0.068	0.421	6.059	
	Innovativeness	0.356	0.072	0.362	4.944	
	Strategic Cognitive Capacity	0.332	0.077	0.340	4.312	

Based on the findings, the fitted regression equation is:

Organizational Performance = 0.932 + 0.286 (Strategic Direction) + 0.412 (Talent Development) + 0.356 (Innovativeness) + 0.332 (Cognitive Ability)

The constant (B = 0.932, p = 0.000) represents the baseline level of organizational performance in the absence of the independent variables.

Talent Development (B = 0.412, t = 6.059, p = 0.000) had the strongest effect on performance, meaning that a one-unit increase in talent development will lead to a 0.412 increase in organizational performance, holding other variables constant. This aligns with Collings and Mellahi (2019), who found that structured talent management enhances workforce productivity, engagement, and long-term institutional success.

Innovativeness (B = 0.356, t = 4.944, p = 0.001) had the second-strongest influence, demonstrating that a one-unit increase in innovativeness will lead to a 0.356 increase in organizational performance. Organizations that foster creativity, research, and development achieve higher levels of efficiency and adaptability. These findings support Drucker (2019), who emphasized that innovation is a critical driver of business success.

Strategic Cognitive Capacity (B = 0.332, t = 4.312, p = 0.003) was also significant, confirming that a one-unit increase in Strategic Cognitive Capacity will lead to a 0.332 increase in organizational performance. Employees with strong cognitive skills contribute to better problem-solving and decision-making, enhancing organizational outcomes. This supports Schmidt and Hunter (2018), who highlighted that Strategic Cognitive Capacity is a strong predictor of job performance.

Strategic Direction (B = 0.286, t = 3.920, p = 0.002) had the lowest but still significant effect, indicating that a one-unit increase in strategic direction will lead to a 0.286 increase in organizational performance. This aligns with Bryson (2018), who highlighted that organizations with well-defined strategies achieve higher efficiency and competitive advantage.

The regression analysis confirms that strategic direction, talent development, innovativeness, and Strategic Cognitive Capacity significantly predict organizational performance, collectively explaining 75.4% of performance variations in state corporations. Talent development emerged as the strongest predictor, reinforcing the importance of investing in employee training, leadership development, and career progression initiatives. Innovativeness and Strategic Cognitive Capacity also played significant roles, emphasizing that organizations that foster innovation and develop employees' cognitive skills perform better. Strategic direction, while slightly weaker than the other variables, remained an essential factor in shaping organizational success.

V. SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the study's key findings, conclusions drawn from the results, and recommendations for policy and practice. The study examined the influence of strategic direction, talent development, innovativeness, and Strategic Cognitive Capacity on the performance of regulatory state corporations in Nairobi County, Kenya. The findings were analyzed using descriptive statistics, correlation analysis, and regression analysis to determine the relationships between the independent variables and organizational performance. Based on the study's findings, this chapter provides insights into areas for improvement, practical implications, and suggestions for future research.

5.2 Summary of Findings

This section presents a summary of the key findings of the study based on the descriptive, correlation, and regression analyses. The study sought to examine the influence of strategic direction, talent development, innovativeness, and Strategic Cognitive Capacity on the performance of regulatory state corporations in Nairobi County, Kenya. The findings provide insights into how these variables contribute to organizational efficiency, decision-making, and overall performance.

5.2.1 Strategic Direction

The study established that strategic direction plays a crucial role in shaping organizational performance. The descriptive analysis revealed that employees perceive their organizations as having well-defined missions, visions, and strategic objectives. Most respondents agreed that their organizations effectively communicate their purpose and identity through mission statements, ensuring that employees understand corporate goals. Additionally, strategic plans and initiatives were regularly communicated to employees, ensuring alignment with organizational objectives. However, some respondents noted that there were gaps in aligning stated values with actual decisions, suggesting a need for stronger adherence to organizational values.

The correlation analysis indicated that strategic direction has a significant and positive relationship with organizational performance. Organizations with clear strategic roadmaps, well-communicated goals, and flexible adaptation to external changes demonstrated improved performance. Regression analysis further confirmed that strategic direction significantly predicts organizational performance, meaning that organizations that prioritize strategic planning and goal alignment are more likely to achieve higher levels of efficiency and success.

5.2.2 Talent Development

The study findings highlighted talent development as the strongest predictor of organizational performance. The descriptive analysis showed that employees perceive their organizations as actively investing in training programs, career development pathways, and leadership training. Most respondents agreed that training initiatives are well-aligned with strategic goals, and employees who participated in professional development programs demonstrated improved job performance. However, mentorship programs were identified as an area requiring improvement, with some employees expressing concerns over the lack of structured mentorship opportunities.

Correlation analysis revealed that talent development had the strongest positive correlation with organizational performance, suggesting that investing in employee skills, leadership development, and career growth leads to better productivity and engagement. Regression results confirmed that a one-unit increase in talent development leads to a significant increase in organizational performance, reinforcing the importance of structured employee training and development initiatives.

5.2.3 Innovativeness

The study established that innovativeness plays a significant role in driving organizational success. Descriptive findings indicated that organizations prioritize innovation, allocate resources for research and development, and foster a culture of creativity. Employees acknowledged that leadership actively supports innovation by championing new ideas and investing in cross-functional collaboration. However, some variations existed in how different departments engaged in innovation efforts, with some employees expressing concerns over the effectiveness of implementing new products, services, or processes.

Correlation results demonstrated that innovativeness has a strong positive relationship with performance, confirming that organizations that encourage creativity, research, and development initiatives experience improved efficiency and adaptability. Regression analysis further established that a one-unit increase in innovativeness significantly enhances organizational performance, emphasizing that organizations should continue fostering a culture of innovation to remain competitive.

5.2.4 Strategic Cognitive Capacity

Strategic Cognitive Capacity was found to be a critical factor in shaping employee effectiveness and decision-making. The descriptive analysis revealed that organizations actively invest in training programs that enhance employees' problem-solving skills, adaptability, and cognitive diversity. Employees acknowledged that leaders value cognitive diversity and recognize its importance in fostering innovation and addressing complex challenges. However, some respondents noted inconsistencies in the recruitment of individuals with strong cognitive abilities, suggesting the need for improved hiring strategies that prioritize cognitive competencies.

Correlation analysis confirmed that Strategic Cognitive Capacity has a strong and significant relationship with organizational performance, indicating that employees with strong cognitive skills contribute positively to decision-making and operational success. Regression results further showed that a one-unit increase in Strategic Cognitive Capacity leads to a significant increase in organizational performance, reinforcing the need for organizations to prioritize cognitive skill development through continuous learning and leadership training programs.

5.3 Conclusions

The study concludes that strategic direction positively influences organizational performance by providing a clear roadmap for decision-making and resource allocation. While state corporations effectively communicate their mission and goals, gaps exist in aligning stated values with actual decisions, requiring improved governance and accountability. Organizations that adapt their strategies to environmental changes achieve higher efficiency and competitiveness.

Talent development emerged as the strongest predictor of performance, confirming that investment in employee training, career progression, and leadership development enhances productivity and engagement. While training programs are well-integrated, mentorship remains an area requiring improvement. Structured and continuous talent development ensures higher employee retention, job satisfaction, and organizational success.

The study concludes that innovation is a key driver of performance, with organizations that foster creativity and invest in research achieving higher efficiency and adaptability. Leadership plays a crucial role in promoting innovation, but some inconsistencies exist in the implementation of innovative strategies. Encouraging collaboration and continuous improvement strengthens competitiveness.

Strategic Cognitive Capacity significantly contributes to problem-solving, adaptability, and decision-making, enhancing overall performance. Organizations actively invest in cognitive skill development, but recruitment practices need to emphasize cognitive competencies more. A focus on continuous learning and cognitive diversity strengthens innovation and efficiency.

5.4 Recommendations

Based on the findings of this study, the following recommendations are proposed to enhance the performance of regulatory state corporations in Nairobi County, Kenya. These recommendations are tailored to address the key challenges and opportunities identified in the study, ensuring that strategic direction, talent development, innovativeness, and Strategic Cognitive Capacity are effectively leveraged to improve organizational performance.

5.4.1 Strategic Direction

Regulatory state corporations should enhance the alignment between their strategic objectives and actual decision-making processes to ensure consistency in implementation. While organizations have clearly defined mission statements and strategic plans, there is a need for greater accountability and adherence to these strategic directives. This can be achieved by establishing performance-tracking mechanisms, ensuring that corporate values are reflected in daily operations, and regularly reviewing strategic plans in response to changes in the external environment. Additionally, transparent communication of strategic goals across all levels of the organization should be prioritized to ensure that employees understand their role in achieving corporate objectives.

To improve adaptability, state corporations should adopt flexible strategic planning frameworks that allow for continuous adjustments in response to changing market conditions and policy shifts. Implementing a structured feedback system where employees and stakeholders can provide input on strategy execution will also enhance strategic effectiveness and inclusivity.

5.4.2 Talent Development Initiatives

Given that talent development emerged as the strongest predictor of performance, state corporations should invest more in structured and continuous employee training programs to improve productivity and efficiency. The study revealed that while training opportunities are available, mentorship programs need to be strengthened. Organizations should develop formal mentorship frameworks, pairing experienced employees with emerging leaders to facilitate knowledge transfer and leadership development.

Additionally, career growth pathways should be clearly defined, ensuring that employees have access to opportunities for advancement. Organizations should implement succession planning strategies to develop internal talent for future leadership roles, reducing reliance on external recruitment. Regular performance evaluations linked to training and development goals should be conducted to ensure that employee growth aligns with organizational objectives.

To further enhance talent retention, state corporations should implement incentive programs such as skill-based promotions, leadership development scholarships, and employee recognition programs. These efforts will increase employee motivation, engagement, and long-term commitment to the organization.

5.4.3 Innovativeness

The study found that innovativeness has a significant impact on organizational performance, but challenges exist in consistently implementing innovation strategies across departments. To address this, state corporations should establish dedicated innovation units or research and development teams to drive new initiatives. Providing funding and resources for innovation projects will encourage employees to develop creative solutions to operational challenges.

Additionally, organizations should foster a culture of open innovation by encouraging cross-functional collaboration and idea-sharing through workshops, brainstorming sessions, and digital platforms. Implementing an innovation reward system to recognize and incentivize employees who contribute innovative ideas will also enhance engagement.

Leadership should play a proactive role in championing innovation by creating a safe space for experimentation and allowing employees to take calculated risks without fear of failure. By embedding innovation into the organizational culture, regulatory state corporations can enhance efficiency, remain competitive, and better respond to changing market demands.

5.4.4 Strategic Cognitive Capacity

Since Strategic Cognitive Capacity was found to positively influence problem-solving and decision-making, state corporations should emphasize hiring and developing employees with strong cognitive skills. Recruitment processes should be adjusted to incorporate Strategic Cognitive Capacity assessments, ensuring that new hires possess the analytical and critical-thinking skills required for high-performance roles. Additionally, regulatory state corporations should provide regular cognitive skill development training focused on problem-solving, data-driven decision-making, adaptability, and strategic thinking. Employees should be encouraged to participate in cross-disciplinary training programs that expose them to different perspectives and enhance their ability to tackle complex challenges. To promote continuous learning, organizations should introduce learning and development policies that support advanced education, certification programs, and leadership workshops. Encouraging collaborative teamwork among diverse cognitive skill sets will also strengthen the organization's ability to handle uncertainties and develop innovative solutions.

5.5 Suggestions for Further Studies

While this study established a strong relationship between strategic direction, talent development, innovativeness, Strategic Cognitive Capacity, and organizational performance, 24.6% of performance variation remained unexplained based on the ANOVA results. Future research should explore additional factors such as organizational culture, digital transformation, employee motivation, and regulatory frameworks to provide a more comprehensive understanding of performance drivers in state corporations. Further studies could also expand the geographical scope beyond Nairobi County to compare regulatory state corporations in different regions or across sectors to assess whether findings remain consistent in varied organizational environments. Additionally, Qualitative research approaches, including case studies and in-depth interviews, could complement quantitative findings to capture employee perspectives and leadership challenges more holistically. Finally, future studies could examine the impact of government policies and external economic conditions on the effectiveness of strategic leadership in state corporations.

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