

INFLUENCE OF INNOVATIVE LEADERSHIP ON ORGANIZATIONAL AGILITY OF STATE-OWNED ENTERPRISES IN KENYA

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Abstract: Innovative leadership plays a crucial role in enhancing the organizational agility of State-Owned Enterprises (SOEs) in Kenya. However, these enterprises encounter several challenges that hinder their ability to adapt and respond effectively to changing market conditions. Therefore, the purpose of this study was to investigate how innovative leadership influences organizational agility in Kenya's strategic commercial state-owned enterprises. The research utilized a descriptive research design via cross-sectional studies to gather and analyze quantitative and qualitative data from senior managers in 46 strategic commercial state-owned enterprises. The study utilized a census methodology to enumerate all 138 respondents. The study found that innovative leadership ($\beta=0.0227$, $t=3.241$, $p=0.002$) had a positive significant effect on organizational agility of State-Owned Enterprises in Kenya. The study concludes that innovative leadership significantly improves organizational agility by fostering a culture that values creativity, experimentation, and openness to change. The study recommends that Kenyan SOEs implement adaptive leadership training, promote an innovation-driven and collaborative culture, and encourage continuous learning to improve decision-making and enhance leaders' innovative capacity.

Keywords: Innovative Leadership, Organizational Agility, State-Owned Enterprises in Kenya.

1. INTRODUCTION

Innovative leadership is essential for improving an organization's flexibility by cultivating a mindset of adaptability and quick response (Raeisi & Amirnejad, 2017). Joiner (2019) notes that leaders who prioritize innovation inspire their teams to explore new ideas and accept change, crucial in the rapidly evolving business landscape today. This form of leadership fosters transparent communication, teamwork, and openness to testing new approaches, enabling organizations to swiftly adjust to market needs and new trends (Attar & Abdul-Kareem, 2020). Additionally, innovative leaders encourage their team members to take charge and make choices, which not only speed up the resolution of issues but also boost the overall resilience of the organization (Karafakioglu & Findikli, 2024). Therefore, companies guided by innovative leaders are more adept at facing difficulties and capitalizing on fresh opportunities, which ultimately results in ongoing growth and achievement.

1.1 Background

The government of Singapore has effectively changed its State-Owned Enterprises into competitive players on a global scale by introducing innovative leadership and nurturing a culture that supports technology and creativity (Lisdiono, Said, Yusoff & Hermawan, 2023). Their emphasis on efficient governance and innovation within the public sector has allowed firms such as SingTel to adapt and stay responsive in the rapidly changing world of telecommunications (Bux, Zhu & Devi, 2025). Following major reforms, Japan Post Holdings has prioritized the incorporation of cutting-edge technologies under its leadership, resulting in significant enhancements to its operational effectiveness and service responsiveness (Lee, Lee,

Kim & Lee, 2023). In a similar vein, Vasudevan, Wu, Hai, Adialita, Johns, Arokiasamy, and Galdolage (2024) note that China's reforms of State-Owned Enterprises have considerably focused on innovative leadership. For instance, companies like Sinopec have adopted updated business frameworks and digital approaches, allowing them to succeed in a competitive environment.

In a continent as dynamic as Africa, where economic landscapes are rapidly evolving, the adaptability of State-Owned Enterprises (SOEs) is of utmost importance. South Africa's state-owned power utility, Eskom, has encountered considerable challenges, ranging from energy supply problems to financial instability. Nevertheless, under innovative leadership, the organization has started to adopt renewable energy initiatives and smart grid technologies, showcasing a transition towards a more agile operational framework (Chamba & Chazireni, 2023). Similarly, Nigeria and its national oil company have faced issues related to transparency and operational inefficiencies. However, recent changes in leadership have fostered a culture of innovation that emphasizes digitization and public accountability (Oiku, 2024). According to Kipnetich, Kithae, and Mwikya (2025), Kenya Power, a state-owned enterprise in Kenya, has demonstrated exceptional innovative leadership, leading to the implementation of digital platforms and mobile solutions aimed at enhancing customer service and engagement, thereby improving its operational efficiency and responsiveness. This illustrates that innovative leadership can enable SOEs to respond promptly to customer demands and shifts in the market.

The study used ambidextrous leadership theory explain the concept of innovative leadership and organizational agility of State-Owned Enterprises in Kenya. Scholars in management have long investigated the influence of leadership on employees' attitudes, behaviour, and organizational performance (Samimi et al., 2021; Alghamdi, 2018). The ambidextrous leadership literature has explored a wide array of leadership styles (Huertas-Valdivia et al., 2019), enriching our understanding of how leaders balance exploration and exploitation. Yet there remains uncertainty about which specific leadership approaches effectively motivate a twenty-first-century workforce, bolster their positive psychological capital, and exemplify true strategic leadership (Huertas-Valdivia et al., 2019; Berraies & Abidine, 2019; Luo et al., 2018).

Advocates of ambidextrous leadership, including Bloedow et al. (2011), Probst et al. (2011), and Rosing et al. (2011), contend that it equips organizations to prosper in volatile settings by striking a balance between exploration and exploitation. In practice, this means leaders must enact both "opening" and "closing" behaviors in tandem, thereby enabling true organizational ambidexterity. Critics, including Mueller et al. (2020) and Rosing et al. (2011, 2017), counter that, unlike earlier leadership paradigms, this dual behavior approach introduces added complexity and that its effectiveness hinges on the specific context in which leaders apply each behavior.

It was specifically presented as a leadership style tailored to innovation that should be able to predict employee innovation more precisely than the inconsistent results of transformational leadership research (Rosing et al., 2011). The researcher adopts ambidextrous leadership theory to explore how strategic leaders in Kenyan State-Owned Enterprises (SOEs) can balance control with innovation. The theory provides a useful framework for enhancing organizational agility by promoting both stability and adaptability, aligning with the study's goal of identifying leadership practices that drive effective governance and responsiveness in the public sector.

1.2 Problem Statement

Today's managers and leaders have thought about the increased unpredictability that enterprises face as a result of fluctuating pricing, trade conflicts, new sources, regulations of global competition and erratic customers. These circumstances have raised concerns about how fast and easily businesses can detect, react and adjust to changes (Tallon et al., 2019). The topic of organizational agility and the leaders who can attain it has grown in importance. As a result of modern managerial practices, innovative organizations worldwide, especially in developing nations, are putting a lot of effort into becoming organizationally agile enterprises (Pulakos et al., 2019; Sukati et al., 2012).

According to Lokman et al. (2019), executives who cultivate positive relationships with their consumers can help their organizations improve. Effective executives' attitudes and actions have a significant impact on how well the company performs. That is, the performance of businesses may also be directly impacted by organizational agility and leadership. The organizational structure and organizational agility are directly or indirectly related. The layout, assets, and resources of an organization are all part of its structure, and the departments of businesses represent their respective work processes and production techniques. Departments within firms share resources, and team members are available to several executives at the same time. SOEs are confronted by substantial operational and financial challenges that compromise their ability to

deliver essential public services effectively. Many SOEs continue to experience persistent liquidity and solvency challenges, resulting in mounting financial arrears.

These constraints have often necessitated reliance on government bailouts to maintain operations (Walter & Vincent, 2018). Compounding these financial difficulties are corporate governance inefficiencies and a slow response to emerging challenges, which further undermine organizational effectiveness and adaptability (Ileri, 2016). Research indicates that weak leadership structures and rigid organizational cultures contribute to SOEs' inability to adapt to a changing business environment (Riany, 2021). This negatively impacts on their overall performance. Consequently, policymakers and public sector leaders are deprived of context-specific insights necessary for organizational agility in SOEs. This study bridged these gaps by analyzing the role of innovative leadership in enhancing organizational agility in SOEs.

1.3 Study Objective

The study objective was to investigate the Influence of innovative leadership on organizational agility of State-Owned Enterprises in Kenya.

2. LITERATURE REVIEW

This section provides the empirical literature and the conceptual framework.

2.1 Empirical Literature

The relationship between innovation and organizational agility (OA) is a subject of ongoing scholarly discussion. Empirical evidence of this relationship remains inconclusive. Correspondingly, Sarfraz et al. (2022) demonstrated that innovative leadership and innovation capabilities have positive effects on OA and sustainable performance of manufacturing firms in Pakistan. In other industries like insurance firms in Iran, Atkinson et al., (2020) found that organizational innovation has no substantial positive effect on OA; instead, strategic flexibility improves OA through improved competitive intelligence. In addition, Arsawan et al. (2022) also showed that innovations like collaborative knowledge creation had no substantial positive effect on OA of SMEs.

The study also found that strategic flexibility had no mediating effect on the innovation-OA nexus. These findings suggest that while both Atkinson et al. (2022) and Arsawan et al. (2022) question the direct contribution of innovation to OA, the role of strategic flexibility differs. In SMEs, strategic flexibility may not bridge innovation and agility effectively, whereas in insurance firms, it appears to be a critical enabler that channels competitive intelligence into improved OA. Therefore, industry context is vital to establishing the innovative leadership-OA link, which could vary across sectors.

A quantitative study by Abdulkhaliq et al. (2024) examined how organizational innovative capabilities (OIC) influence OA among administrative leaders in private universities in Iran's Kurdistan region. Their analysis revealed that robust OIC substantially boosts OA. This finding underscores that institutions that strategically invest in innovation are better positioned to adapt and respond to dynamic environments. The findings from Abdulkhaliq et al. (2024) align with those of Sarfraz et al. (2022) and contrast with those of Atkinson et al. (2022). Despite the study by Abdulkhaliq et al. (2024) and Sarfraz et al. (2022) focusing on the different sectors (manufacturing firms and HEIs) in a distinct regional context (Pakistan and Iran), its insights carry important implications for SOEs. Their insights could be handy in designing policies and practices that prioritize innovative leadership to improve OA of SOEs.

Other studies also focus on the moderating effects of knowledge sharing in the Innovative leadership-OA relationship. For example, Jaffal and Alshawabkeh (2021) scrutinized the organizational creativity effect on OA in Jordanian pharmaceutical firms. The study emphasized the moderating role of knowledge sharing. Although the context differs from SOEs and focuses on creativity rather than broader innovation, the underlying premise is relevant. The work demonstrated that fostering creativity enhances OA, with knowledge sharing increasing these effects. The study suggests that similar innovation-driven approaches might improve responsiveness and adaptability in public-sector organizations. Despite the difference in context and industry, the findings from Ravichandran (2018), Panda and Rath (2021); Cai et al. (2019); Mao et al. (2021); Cepeda and Arias-Pérez, (2019) and Homayoun et al. (2024) are crucial for comprehending how innovative leadership could influence OA in SOEs. These empirical studies reviewed suggest the need for SOEs to optimize information technology, and innovative methods in their operations, knowledge management and service delivery to enhance organizational agility in their organizations.

2.2 Conceptual Framework

The relationship that results between the independent and dependent variables is figuratively presented in the conceptual framework. This is illustrated below in Figure 1.

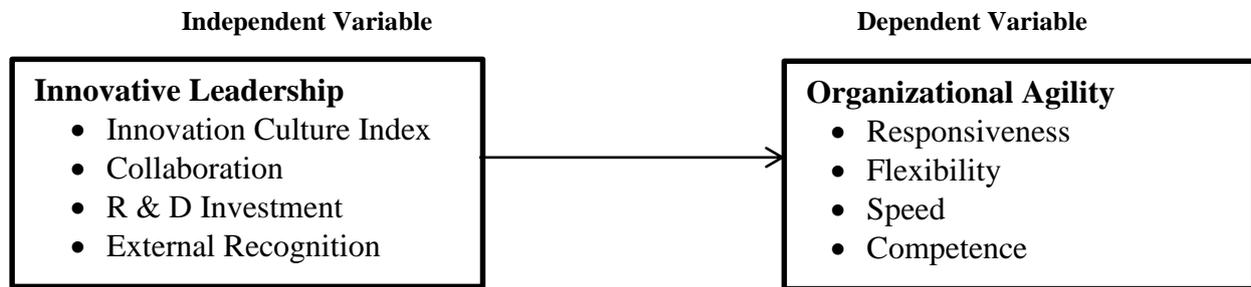


Figure 1: Conceptual Framework

Source: Author (2025)

Innovative leaders instill a mindset of adaptability within their teams, encouraging them to experiment and iterate allowing organizations to experiment with new products or services but also to rethink existing processes for efficiency and effectiveness. The innovative leaders cultivate leaders who champion bold ideas and prioritize a fail-fast mentality. Because of this, when faced with shifts in technology or consumer preferences, these organizations can transform quickly without losing momentum. Innovative leaders encourage open communication and feedback, enabling teams to share insights and concerns without fear. This transparency is vital for a responsive organization.

3. RESEARCH METHODOLOGY

This research employed a descriptive design, which seeks to accurately and systematically depict a population, situation, or phenomenon without manipulating any variables. As Sharma et al. (2023) note, descriptive studies address “what,” “where,” “when,” and “how” questions, offering rich detail about current conditions rather than probing causality. By providing a concise snapshot of prevailing circumstances, this approach facilitates identification of characteristics, patterns, and trends. Practitioners and policymakers frequently rely on descriptive findings to inform evidence-based decisions, simplifying complex systems for clearer understanding (Cooper & Schindler, 2018). Accordingly, the present study adopted a cross-sectional format by collecting data at one point in time via structured questionnaires with closed ended items to ensure consistency, objectivity, and ease of analysis.

Creswell (2018) describes a study population as the full set of elements from which data are drawn; grasping its defining traits is vital for effective population analysis. In this investigation, SOEs in Kenya comprised the target population. The target population encompassed the entire collection of individuals, objects, or units from which a sample is selected for measurement and analysis (Bazeley & Jackson, 2019). The study’s target population consisted of top-level managers employed by 46 SOEs that serve as strategic commercial entities out of a total of 249. The participants included the chief executive officer and two senior managers from the finance and strategy departments who are chosen for their central roles in leadership, decision making and innovation. As part of decision-makers and overseers of corporate strategies, they possessed critical insights into how strategic leadership practices affect organizational agility of SOEs.

Given the manageable size of the target population, a census approach (surveying all 138 respondents) was feasible. Focused on all 138-senior management at all forty-six (46) strategic commercial SOEs in Kenya as they held critical roles in strategic management. Given that the research sought to comprehend strategic leadership practices, decision-making processes innovative leadership and OA, a census approach was suitable as it enabled exhaustive data collecting from each stakeholder without the need for sampling. Senior management shaped the strategic direction in their domains, embodying the whole spectrum of strategic influence and supervision inside the business. This methodology guaranteed that the findings authentically represent the viewpoints of the SOEs, hence augmenting the validity and relevance of the results to all 46 strategic commercial SOEs in Kenya.

According to Yin (2018), data collection procedures include instrument design, sampling method selection, and ethical issues; data quality is improved by standardized procedures, pilot testing, and appropriate training; systematic data collecting ensures veracity and facilitates insightful analysis, whether the data is primary (first-hand) or secondary (existing). Data collection instruments included surveys, interviews, observations, and digital platforms (such as sensors and surveys) that aided in the collection of qualitative or quantitative data.

The main instrument for data collection in this study was a semi structured questionnaire. It was designed to gather quantitative information on participants' perceptions of innovative leadership. According to Yin (2018), gathering qualitative or quantitative data is aided by instruments such as surveys, interviews, observations and digital platforms (such as sensors and surveys). The questionnaire contained closed-ended items. In addition to primary instruments, this study was drawn on secondary data to enrich and triangulate findings. Secondary sources included annual reports, strategic plans, performance dashboards, and policy documents of selected SOEs; sector-wide studies published by government agencies; and reputable online sources. However, all retrieved secondary sources were appraised for relevance, authenticity and accuracy before inclusion.

Prior to data collection, ethical clearance was obtained from the Institutional Scientific and Ethics Review Committee through the Postgraduate office and a research permit will be secured from NACOSTI. Once these approvals were in place, the researcher contacted each of the 46 strategic commercial SOEs to arrange the data collection sessions. Questionnaires were administered to all 138 selected respondents using a drop and pick method and, where that proved impractical, via Google Forms. The purpose of the study was explained to participants, who were assured of anonymity and confidentiality.

Prior to participation, written informed consent was acquired. Participants were given sufficient time to complete the surveys to ensure accurate responses. Once returned, questionnaires were evaluated for acceptability, completeness and quality (Creswell, 2018). All physical data was stored securely under lock and key and all digital files were saved in a password protected format. The researcher alone had access to the original data. To preserve anonymity, all personal identifiers were removed before analysis. The entire data collection process was expected to require four weeks.

Pre-testing is a technique used to refine data collection tools (Cooper and Schindler, 2018). Validity and reliability were conducted with 12 senior management staff from four (4) non-strategic commercial SOEs in Kenya that were not part of the core study. According to (Dźwigoł, 2020), pretesting is designed to test the feasibility, time, cost, risk and effectiveness of the data collection instruments, procedures, and methodology planned for the full-scale study. The objectives were to assess instrument clarity, estimate completion time, and identify logistical challenges. Participants completed the questionnaire. Responses were analyzed to detect ambiguous items and procedural bottlenecks. From this exercise, the data gathering instruments were adjusted accordingly with improvements.

Yin (2018) explains validity as the extent to which the conclusions drawn from research findings are both accurate and meaningful. Questionnaire items were developed based on a comprehensive literature review and alignment with research objectives to ensure content validity. Through content validity, an expert judgment was solicited from three academic scholars and two industry practitioners to review item relevance, clarity, and coverage. Construct validity was evaluated through exploratory factor analysis of pilot data to confirm that scale items loaded appropriately onto intended dimensions of strategic leadership, decision-making, innovation, and agility. Face validity was assured by pretesting instruments with participants to verify comprehensibility and appropriateness. Revision of items based on expert and pilot feedback enhanced both the theoretical alignment and practical applicability of all instruments.

The reliability of the questionnaire was evaluated by applying internal consistency measures to data from the pilot study. For each construct, including strategic leadership, decision making, innovation and agility, a Cronbach's alpha coefficient was calculated to verify whether it exceeded the acceptable threshold of 0.70, in line with Ahmad et al. (2024). Cronbach's alpha represents the average inter-item correlation on a scale from 0 to 1. Coefficients above 0.70 indicate acceptable homogeneity and coherence among scale items. Any item that lower the overall alpha were reviewed for clarity or removed. In addition, a test-retest procedure was conducted with the same pilot group after a two-week interval to examine the stability of responses over time.

Data analysis entails systematically organizing, structuring and interpreting the extensive information gathered (Cooper & Schindler, 2003). This process involves dividing the data into manageable segments, summarizing it, detecting patterns and

applying appropriate statistical techniques. Quantitative data was examined using descriptive and inferential statistics in SPSS version 25. First, the dataset was cleaned and coded, then imported into the software for analysis. Descriptive measures such as means, standard deviations and frequencies were computed to profile respondents and key study variables.

Inferential tests, including Pearson correlation and ANOVA, examined relationships among strategic leadership practices, decision-making processes, innovative leadership and OA. Triangulation between questionnaire results and archival evidence will enhance the validity and robustness of conclusions concerning strategic leadership's impact on OA. Data was presented through tables, charts, and narrative descriptions. The findings were presented in the form of figures and tables. Regression analysis was used as the inferential statistics method.

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

Y_i = dependent variable

x_i = explanatory variables

β_0 = y-intercept (constant term)

ϵ = the model's error term (also known as the residuals)

Where:

Y = Organizational Agility

$\beta_1, \beta_2, \dots, \beta_4$ = Coefficients that illustrate the rate at which organizational agility advantage is influenced by strategic leadership.

X_1 = Innovative leadership

ϵ denotes other factors not included in the model

According to Creswell (2018), the most obvious priority when it comes to protecting the subject's interests and overall welfare is to protect their identity. This ensured that respondents remained anonymous and confidential during the whole data processing and display exercise. Ethical clearance for this study was secured from both NACOSTI (the National Commission for Science, Technology, and Innovation) and the Institutional Research Ethics Committee of St. Paul's University. Participants signed written informed consent forms after receiving a clear explanation of the study's purpose, and their involvement was entirely voluntary. To protect confidentiality and anonymity, all responses were de-identified and digital files were stored on encrypted, password-protected systems that only the research team can access.

4. RESULTS

The response rate was determined based on the total number of senior management personnel from all forty-six (46) strategic commercial state-owned enterprises (SOEs) in Kenya who were issued questionnaires. The response rate is presented in Table 1.

Table 1: Response Rate

Category of questionnaire	Number	Percentage
Returned	129	93.5
Unreturned	9	6.5
	138	100

The results presented in Table 4 demonstrate a response rate of 93.5%, resulting from the return of 129 questionnaires, whereas the non-response rate is recorded at 6.5%, which corresponds to 9 questionnaires that were not submitted back. According to Mugenda and Mugenda (2003), a response rate of 70% or higher is considered acceptable for analysis. Therefore, the response rate achieved is viewed as adequate for data analysis.

4.1 Innovative Leadership

The respondents were given a list of statements that explained how innovative leadership influences organizational agility of State-Owned Enterprises in Kenya to rate their level of agreement. The results obtained are presented in Table 2.

Table 2: Innovative Leadership

Statements	Mean	Standard Deviation
There is a high percentage rate of employees contributing innovative ideas or participating in innovative programs in the organization/department.	4.05	1.233
There is a significant investment in R&D as a percentage of revenue (the proportion of revenue) allocated to research and development activities.	3.88	1.305
The organization has put in place a Turn Around Time-the average time taken to develop and launch new products or service delivery to customers.	3.81	1.210
The organization's leadership actively breaks down silos and promotes collaboration across departments for innovation.	3.84	1.215
Our customers are satisfied with our innovations and their adoption rate for new products or services is high.	3.90	1.292
Aggregate score	3.89	1.251

The results indicate that that the respondents agreed on the positive effect of innovative leadership on the organizational agility of State-Owned Enterprises in Kenya. The respondents strongly agreed with the statement that 'There is a high percentage rate of employees contributing innovative ideas or participating in innovative programs in the organization/department' as indicated by mean score of 4.05 and standard deviation of 1.233. This finding suggests that there is a robust culture of innovation within the organization, where employees feel encouraged and empowered to share their creative ideas and participate in innovative initiatives.

The statement that 'There is a significant investment in R&D as a percentage of revenue (the proportion of revenue) allocated to research and development activities' was strongly agreed by the respondents with a mean and standard deviation score of 3.88 and 1.305 respectively. The results suggest that there is a strong belief among the participants regarding the importance of investing in R&D as a critical component of overall revenue management.

The mean and standard deviation scores of 3.81 and 1.210 respectively implies that the statement that 'The organization has put in place a Turn Around Time-the average time taken to develop and launch new products or service delivery to customers' was agreed by the respondents. The organization is perceived to have a well-defined and effective turnaround time for its operations.

The respondents agreed that 'the organization's leadership actively breaks down silos and promotes collaboration across departments for innovation' as shown by mean score of 3.84 and standard deviation of 1.215. The relatively high mean score indicates that most participants view the leadership's efforts in breaking down barriers and encouraging teamwork as effective,

The statement that 'there is a significant proportion of resources (financial, human, technological) allocated to high-priority strategic initiatives had a mean and standard deviation score of 4.15 and 1.146 respectively. This finding indicates that there is sufficient allocation of all the resources to SOEs.

The statement that 'Our customers are satisfied with our innovations and their adoption rate for new products or services is high' was agreed by the respondents as shown by mean and standard deviation score of 3.90 and 1.292 respectively. The results suggest that customers generally have a positive perception of our innovations and are willing to embrace new offerings.

The results in Table 9 show that the respondents agreed that innovative leadership of State-Owned Enterprises in Kenya had an effect on their agility as shown by aggregate mean and standard deviation score of 3.89 and 1.251 respectively. The finding indicates that the leadership style employed state owned government enterprises in Kenya had enhanced the enterprises' capability in sustaining their performance.

4.2 Inferential Statistics Results

The inferential statistics results were based on correlation analysis and regression analysis. The results are presented as follows;

4.2.1 Correlation Analysis

Table 3: Correlation Analysis

		Innovative leadership	Organizational agility
Innovative leadership	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	129	
Organizational agility	Pearson Correlation	.718**	1
	Sig. (2-tailed)	.003	
	N	129	129

The results shown in Table 3 demonstrate that innovative leadership had a strong correlation with the organizational agility of State-Owned Enterprises in Kenya, as evidenced by the respective Pearson r value of 0.718, along with significance value of 0.003. Therefore, an increase in innovative leadership may lead to a significant improvement on organizational agility of State-Owned Enterprises in Kenya.

4.2.2 Regression Analysis Results

The following are results of regression analysis using model summary, Analysis of Variance (ANOVA) and coefficients. The values of model summary were determined to determine the overview of the overall fit of the regression model. The results are presented in Table 4

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.896	0.803	0.784	0.003

The findings obtained from the model reveal that the adjusted R value is 0.803, indicating that the variables are strongly correlated and also around 80.3% of the variance in the organizational agility of State-Owned Enterprises in Kenya can be attributed to the influence of innovative leadership incorporated in the model. This implies that other variables not examined account for 19.7%.

The ANOVA table is used to assess the significance of the model as a whole. The results are presented in Table 5.

Table 5: Analysis of Variance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	261.254	1	261.254	300.632	0.003
	Residual	110.365	127	0.869		
	Total	371.619	128			

The results from the ANOVA table indicate that the F value is 300.632, which exceeds the mean square value of 261.254. The significance value of 0.003 is below the threshold of 0.05. Therefore, the model was deemed significant in assessing the effect of independent variables on the dependent variable.

The coefficients for every variable were established to outline the specific contributions of each predictor variable to the dependent variable, facilitating a more profound comprehension of their impacts. The findings are presented in Table 6.

Table 6: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.582	0.211		2.758	0.003
	Innovative leadership	0.726	0.224	0.0227	3.241	0.002

The study found that the dependent variable would be at 0.582 level without the influence of independent variables. The resulting regression equation is;

$$Y=0.582+0.785X_1 + \varepsilon$$

Where:

Y= Organizational Agility

X₂= Innovative leadership

ε denotes other factors not included in the model.

The study revealed that innovative leadership had a positive and significant effect on the organizational agility of State-Owned Enterprises in Kenya ($\beta=0.0227$, $t=3.241$, $p=0.002$). The innovative leadership would improve the organizational agility of State-Owned Enterprises in Kenya by 0.785 when strategic leadership practices and innovative leadership are held constant. The finding concurs with a quantitative study by Abdulkhaliq et al. (2024) who examined how organizational innovative capabilities (OIC) influence OA among administrative leaders in private universities in Iran's Kurdistan region. Their analysis revealed that robust OIC substantially boosts OA.

5. CONCLUSIONS AND RECOMMENDATIONS

This section presents a summary of the conclusion and corresponding recommendations.

5.1 Conclusions

A substantial proportion of employees within the organization or department are actively contributing innovative ideas or engaging in innovative programs. Customer satisfaction regarding these innovations is high, and the adoption rate for new products or services is also considerable. Furthermore, there is a notable investment in research and development, represented as a percentage of revenue, dedicated to R&D activities.

The study concludes that innovative leadership significantly improves organizational agility by fostering a culture that values creativity, experimentation, and openness to change. Leaders who encourage risk-taking, support digital transformation, and strategically allocate resources toward innovation enable their organizations to adapt more effectively to technological, economic, and regulatory shifts. Innovative leadership also empowers employees to develop new solutions and enhances collective problem-solving capabilities, which are critical for maintaining competitiveness. By embedding innovation into daily operations and long-term strategies, leaders ensure that SOEs remain resilient, future-focused, and responsive to emerging challenges in both local and global contexts.

5.2 Recommendations

This project aims to inform management about how strategic leadership can significantly influence organizational agility within state owned enterprises in Kenya. By examining the relationship between effective leadership strategies and the ability of these enterprises to adapt to changing market conditions, we can identify key areas for improvement and development. The insights gained from this analysis will help management understand the critical role that strategic leadership plays in enhancing responsiveness, flexibility, and overall performance in the dynamic environment of state-owned enterprises in Kenya.

Develop a framework for strategic leadership that emphasizes adaptability and responsiveness to market changes, ensuring that state-owned enterprises (SOEs) in Kenya can pivot quickly in response to external pressures. Implement training programs for leaders within SOEs to enhance their strategic thinking and decision-making skills, fostering a culture of agility and innovation. Encourage collaboration between different departments within SOEs to break down silos and promote a more agile organizational structure that can respond to challenges more effectively.

Establish performance metrics that prioritize agility and responsiveness, allowing SOEs to measure their effectiveness in adapting to changes in the business environment. Promote a culture of continuous improvement and learning within SOEs, where leaders are encouraged to experiment and take calculated risks to drive organizational agility. Create partnerships with private sector organizations to share best practices in strategic leadership and agility, enabling SOEs to learn from successful models and adapt them to their context.

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