

The Role of Intellectual Stimulation on the Growth of Autocare SMEs in Roysambu Sub-County in Nairobi, Kenya

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ABSTRACT

The current business environment in which organizations are operating in can be described as turbulent and unpredictable due to economic, social, and technological factors. This state of affairs calls for leaders who are able to do business in a different way. The aim of this study was therefore to ascertain the role of intellectual stimulation on the growth of Autocare Small and Medium Enterprises (SMEs) in Roysambu Sub-County in Nairobi, Kenya. The quantitative study was guided by positivist research philosophy and descriptive research sign respectively. The study targeted all the 30 SMEs in Autocare business in Roysambu Sub-County in Nairobi. Both stratified random sampling and purposeful sampling methods were used to select 30 percent of the target population in each stratum. Quantitative data was collected using structured questionnaires through drop and pick method after the research instruments was pre-tested for reliability and validity. Data was analyzed using advanced Microsoft Excel and IBM SPSS Statistics. Advanced Microsoft Excel was used for data organization, coding, data cleaning, and preliminary tabulation, while SPSS was used to perform the statistical analyses, including descriptive statistics and analysis of variance (ANOVA) and coefficient as appropriate to the research questionnaires and hypotheses. The results of the study showed a positive and significant correlation (.980, $p < 0.05$) between intellectual stimulation and organizational growth. Further, the results indicated that, 98 percent of the growth of Autocare SMEs in Roysambu Sub-County was attributed to intellectual stimulation.

Keywords: Intellectual stimulation; Organizational growth; Autocare SMEs; Transformational leadership; Kenya.

INTRODUCTION

One of the major challenges that contemporary organizations are battling with is how to survive in the current unstable business environment. In a previous study that was done in Malaysia to review the relationship that existed between idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration on sustainable employees' performance, Hosna et al (2021) explained sustaining employees' performance as one of the major challenges facing organizations in the world today. In another study to determine the moderating effect individualized consideration on the relationship between intellectual stimulation and the performance of banking sector in Tanzania, Magasi (2021) explained that, in 2018 alone, five non-performing banks were closed down due to leadership related issues that had contributed to their under-performance. In their study to establish the effect of intellectual stimulation and individualized consideration on staff performance of State Owned Enterprises in Kenya, Ngaihe et al (2016) explained how most of the state owned enterprises in Kenya had failed to achieve their obligations as well as their performance targets. From the foregoing discussion, it can be concluded that growth is a real challenge in organizations today.

This study on the role of intellectual stimulation on the growth of Autocare SMEs in Roysambu Sub-County in Nairobi had two variables; intellectual stimulation as the independent variable and organizational growth as the dependent variable. Intellectual stimulation was measured using the elements of collaboration, innovation, and supportiveness. On the other hand, growth of Autocare SMEs was determined using the elements of open system, organizational learning, high performance work practices, and stakeholder satisfaction. The study was conducted at the Autocare SMEs operating within Roysambu Sub-County of Nairobi County in Kenya.

CONCEPTUAL AND EMPIRICAL LITERATURE REVIEW

According to Peng et al (2016), intellectual stimulation is one of the four dimensions of transformational leadership that concerns itself with the leader behavior to stimulate followers' intellectual curiosity, to reexamine and challenge their old assumptions and rewarding critical thinking and innovative approaches. This therefore means that, leaders who exhibit intellectual stimulating behaviors motivate their followers to find new ways of approaching their work. Komakech et al (2021) explained intellectual stimulation as a style of leadership that encourages worker creativity and innovation, encouragement and support through mentorship. While elaborating on intellectual stimulation, Nyakomitta et al (2018) explained it as a leader's behavior that inspires followers' creativity and innovativeness, encouraging them to question the normal way of doing things besides coming up with new ways of carrying out their work and solving problems. It can therefore be concluded that leaders that exhibit intellectual stimulation behavior are able to encourage their followers to always look for new approaches of solving problems at their workplaces.

As Hahm and Chen (2020), intellectual growth denotes the gradual increase in academic subjects related to curriculum that includes the development of intellect technology and acquisition of academic knowledge. On their part, Komakech et al (2021) explained organizational performance which is related to organizational growth as referring to the ultimate ability of employees or individuals to use their knowledge and abilities efficiently and effectively. Additionally, measuring performance entails the quality of what had been achieved, the compliance with the set and desired standards including the time and cost involved in achieving results. While writing from a Kenyan perspective, Kariuki (2021) explained organizational performance as going beyond financial and operational performance to include other aspects such as corporate social responsibility. It further encompasses the progression of an organization from one level of performance to another in pursuit of its set vision and mission.

Previous scholars have conducted empirical studies with the aim of establishing the relationship that existed between intellectual stimulation and organizational growth with mixed results. For example, Hahm and Chen (2021) conducted a study in China to discover the moderating effect of growth need strength on the relationship between professors' intellectual stimulation and intellectual growth among Chinese students who were doing their studies in Korea. The results indicated that, indeed, intellectual stimulation had a positive and significant relationship with intellectual growth of students. Peng et al (2016) did a study in China to establish the moderating role of organizational context on the relationship between CEO intellectual stimulation and employee work meaningfulness. The study findings proved that indeed, there existed a significant and positive relationship between the variables of the study. Haseeb et al (2021) did a study in Pakistan to investigate the influence of idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration on Service Sector Employees' performance in Karachi, Pakistan. The results of this study indicated that, contrary to expectation, intellectual stimulation was found to have a negative effect with employees' performance in the Service Sector. The results of previous studies presents conflicting results and therefore, the need to carry further studies.

In the African Continent, Almintisir et al (2013) did a study with the aim of determining the role of transformational leadership style in motivating Public Sector employees in Libya. The results of the study showed that, although 77.3 percent of motivation of Public Sector employees in Libya was as a result of the combination of intellectual stimulation, inspirational motivation, and individualized consideration, intellectual stimulation alone contributed to 66.4 percent of the motivation of Public Sector employees. Elsewhere, Ali et al (2021) carried out a study in Egypt with the aim of establishing the role of individual considerations and intellectual stimulation of transformational leadership in empowering the employees in Egyptian Travel Agencies. The results indicated an existence of a positive and significant association between individual considerations and intellectual stimulation of transformational leadership in empowering the employees in Egyptian Travel Agencies. Komakech et al (2021) did a study to ascertain the influence of intellectual stimulation on employee performance among middle-level healthcare workers in Lira district, Uganda. The results of this study indicated that intellectual stimulation had a negative and insignificant effect on employee performance. It can therefore be concluded that, previous studies linking intellectual stimulation and organizational growth or performance had been done in different sectors and with conflicting results.

Ogola et al (2017) conducted an empirical study to establish the influence that intellectual stimulation leadership behavior had on employee performance in SMEs in Kenya. The outcome of this study indicated that, indeed, intellectual stimulation leadership behavior had a positive and significant effect on employee performance in the institutions where the study was done. On their part, Ondari et al (2021) did a study for the purpose of discovering the effect that intellectual stimulation had on the performance of State Corporations in Kenya. The findings of the study indicated a positive and significant correlation between intellectual stimulation and organizational performance in the institutions where the study was conducted. Further, Ayacko et al (2017) carried out a study for the purpose of determining the role of intellectual stimulation of Judicial Officers on the performance of Judicial Staff in Kenya. In this study, intellectual stimulation of Judicial Officers was found to have a significant effect on the performance of Judicial Staff. It can therefore be deduced that, intellectual stimulation plays a critical role in the growth and performance of organizations.

METHODOLOGY

This research used a post-positivist philosophical worldview with cross-sectional descriptive research design being chosen to guide the study (Creswell & Creswell, 2018). The study's target population comprised of all the 276 employees from 30 SMEs dealing with Autocare in Roysambu Sub-County in Kenya that the researcher deemed to be fit for the study. This research used both stratified random sampling and purposeful sampling techniques to select 84 respondents to be included in the study. The sample population was 30 percent of the total population (Creswell & Creswell, 2018) Data was collected through drop and pick method (Cooper & Schindler, 2014). The research used the computer software advanced Excel and SPSS V26 which helped in coding and analyzing data as well as generating both inferential and descriptive statistics (Creswell & Creswell, 2018).

RESULTS

A total of 84 questionnaires were distributed to the respondents by the researcher. Out of this, 80 questionnaires were filled and returned. Ten (10) out of the 80 returned questionnaires were not filled correctly and as a result they were not included in the final analysis. Accordingly, 70 questionnaires were correctly filled up and therefore were used for analysis indicating a response rate of 83.3 percent. The high response rate shows the degree of the research relevance to the sampled respondents. This was attributed to the fact that the researcher with the help of assistants distributed and engaged with the respondents on one on one basis. The cordial and supportive relationship with the employers and allowing their employees to participate in the study helped a great deal. Curtin (2000) suggests that, receiving a high response rate (>80 percent) from a small, random sample is well thought-out as compared to a low response rate from a large sample. The research further noted that receiving a higher response rate is preferable when the study has undergone pilot testing thus is an important element in attesting the statistical significance of the responses. As such, the response rate was considered significant to enable generalization of the results of the research to the target population.

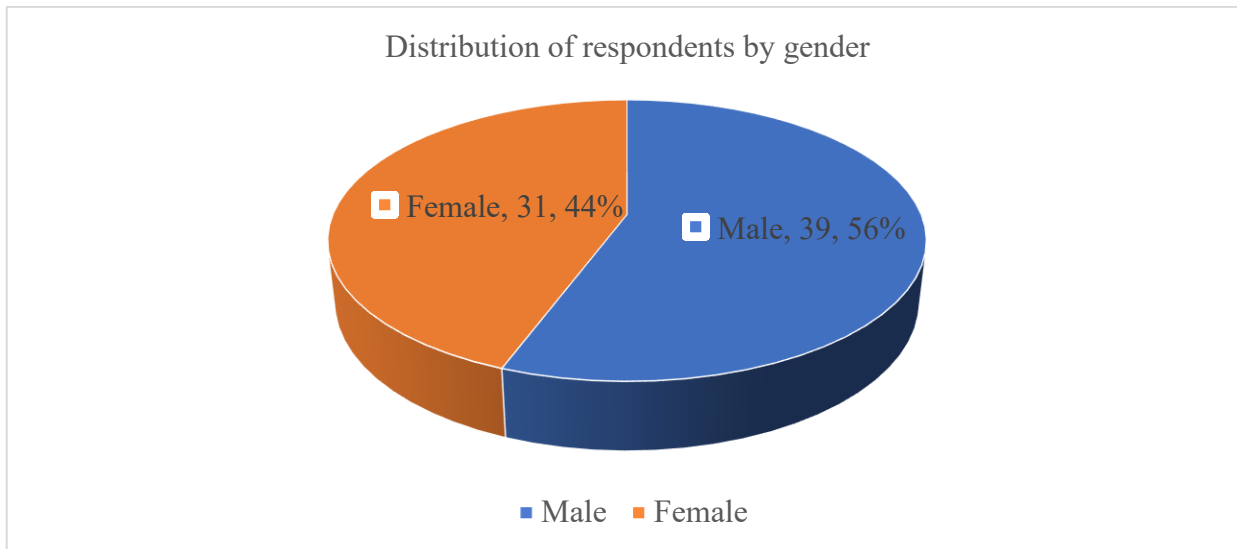
Respondents' Profile

Respondents' profile constituted key data of the employees who took part in the study process depending on the relevance of the information that was required. Further, this section sought to find out the distribution of the respondents with regards to their gender, age bracket, education level, and working experience. The intention was to deduce any tendency from the respondents' profile that was directly related to the variables of the research. The results of the respondents' profiles is presented below (Figures 1-4).

Distribution of Respondents by Gender

Figure 1.1 displays the distribution of the respondents by gender. The figure indicates that most of the employees in Autocare businesses within Roysambu Sub-County in Nairobi were male (56 percent) while female were 44 percent. Nevertheless the difference between genders is small and the researcher ascribed this to the lack of job opportunity and economy crisis that Kenyans are undergoing through. As a result, Kenyans are competing and not choosing for jobs and that, they are ready to take any job regardless of their gender. Again and as it might be expected, the Autocare sector has for a long time been associated with the male gender.

Figure 1.1: Respondents by Gender

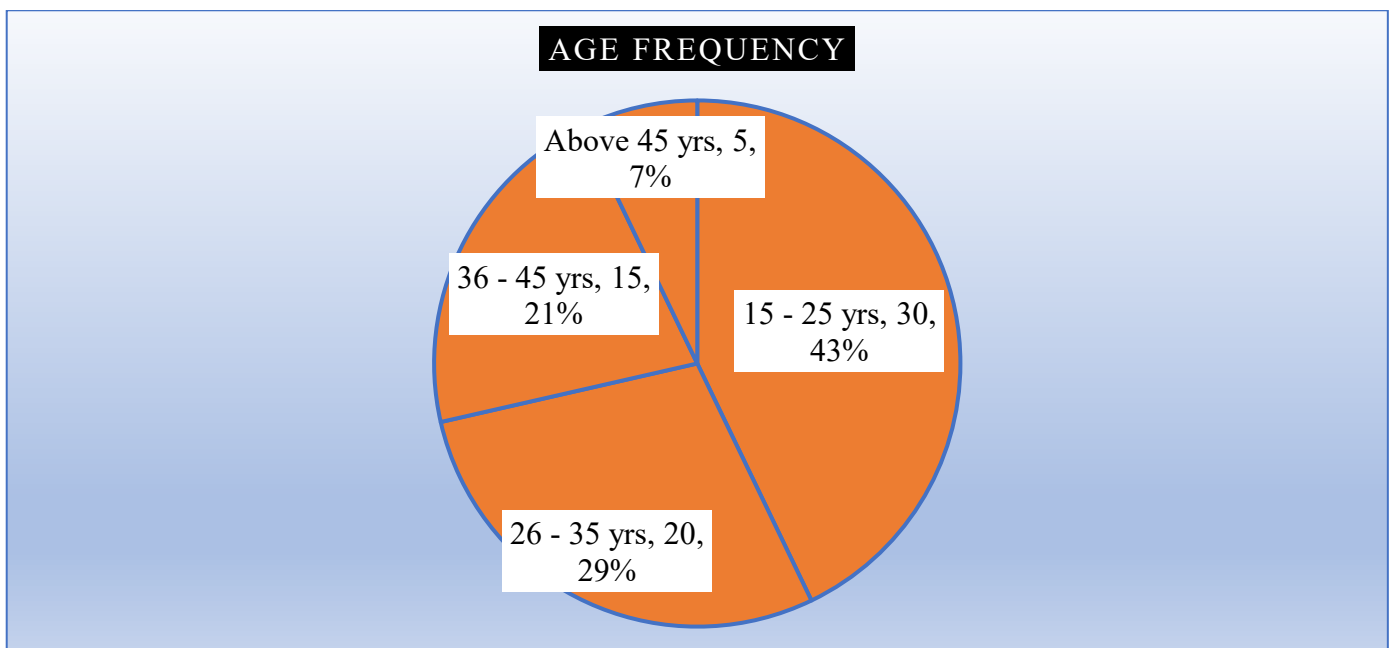


(Source: Researcher 2022)

Distribution of Respondents by Age Group

The distribution of the respondents as pertains to their age is displayed in figure 1.2. The figure indicates that most of employees in the SMEs dealing with Autocare services were of the age group of 15 – 25 years (43 percent) while the least age group was above 45 years (7 percent). This was attributed to the absorption of younger employees probably due to the fact that they are energetic and that this industry can accommodate a lot of young people regardless of their age. Further, the infiltration of young people into this sector may indicate the degree to which unemployment has hit the Country.

Figure 1.2: Distribution of Respondents by Age



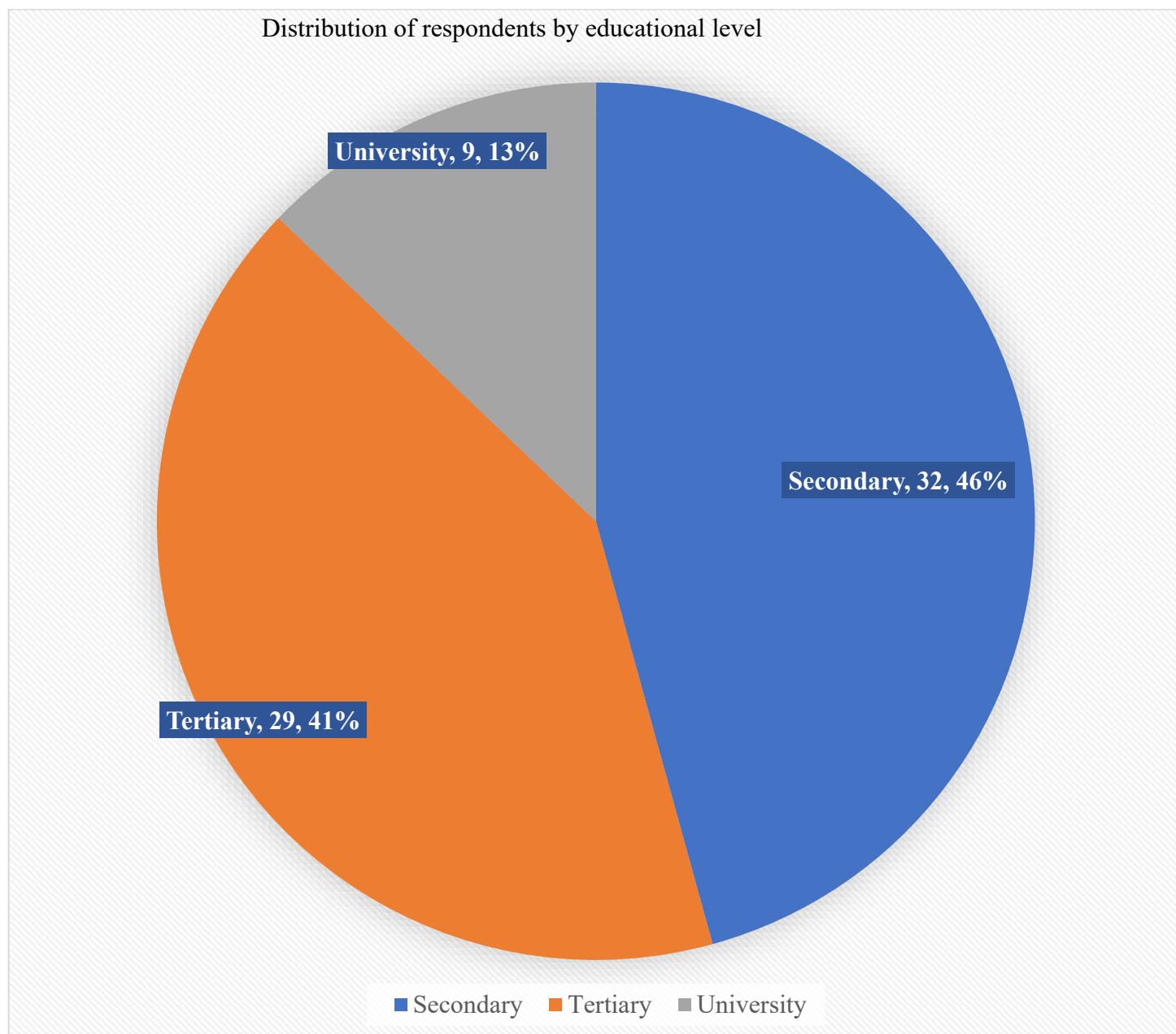
(Source: Researcher 2022)

Distribution of Respondents by the Achieved Educational Level

Figure 1.3 shows the distribution of the respondents according to their educational levels. The results show that 46 percent of the respondents attained secondary level of education and 41 percent attained tertiary level of

education. This may be attributed to the nature of majority of activities in the Autocare SMEs in Kenya which do not require very high level of education. Further, only 13 percent of the respondents had a university education indicating higher rate of unemployment to a point that even with a degree you can find yourself in a carwash washing cars in Kenya. However, the results suggested that the sampled respondents were likely to be in a position to understand and engage with the subject matter about transformational leadership and organizational growth. This made them appropriate sample for the study.

Figure 1.3: *Distribution of Respondents by Educational Level*

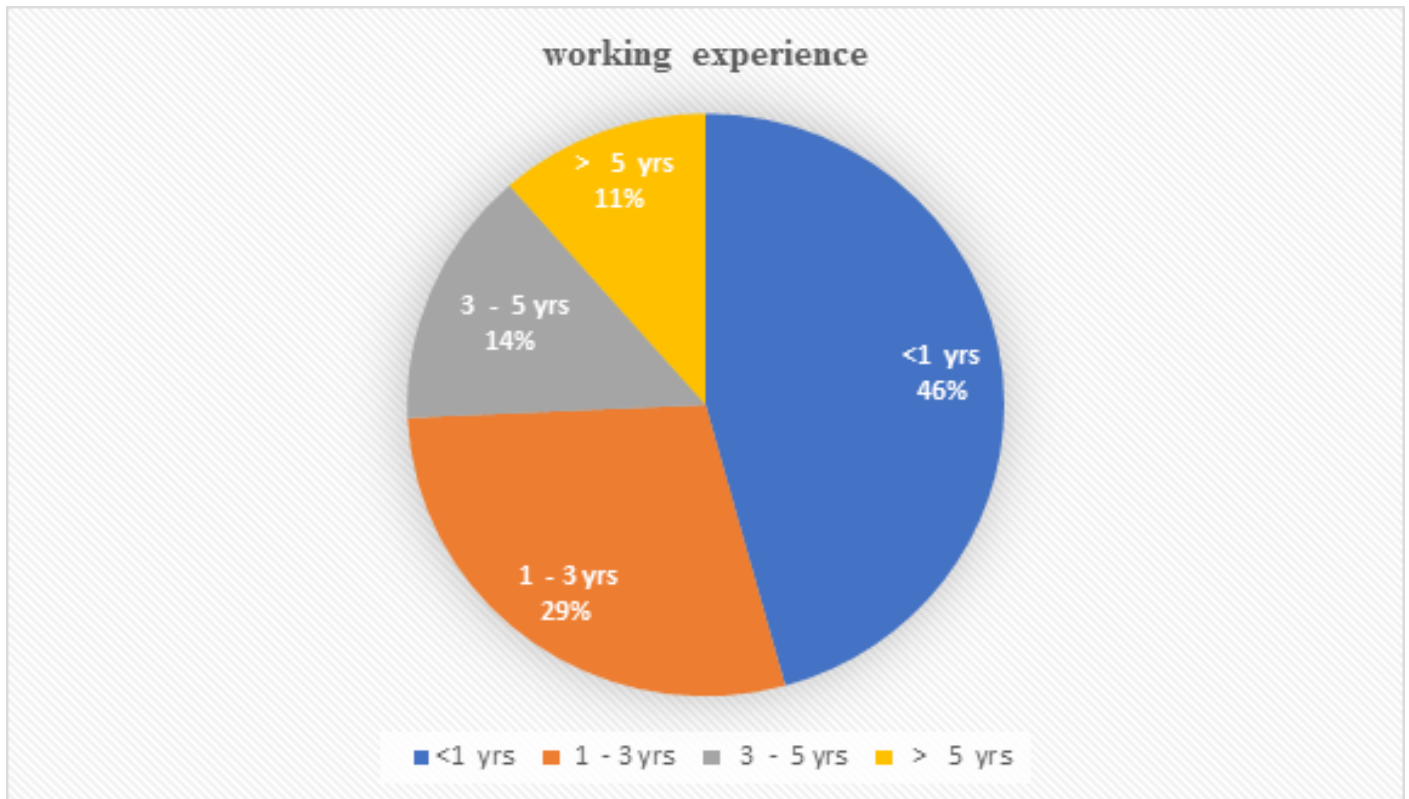


(Source: Researcher 2022)

Working Experience of the Respondents

Working experience of the respondent was displayed in figure 1.4. According to the results, majority of the respondents (46%) had worked for less than one (1) years, 29% had worked for between one (1) and three (3) years, more than 3 and less five (5) years of experience while only 11% had more than five (5) year working experience. This can be attributed to the fact that most private sector institutions have employees on short-term contracts in an attempt to minimize human resource costs, maximize productivity, and to enhance organization growth. They struggle to sustain their staff for long (ICT, 2019).

Figure 1.4: *Distribution of Respondents based on Work Experience*



(Source: Researcher 2022)

Result of Descriptive Statistics

The aim of descriptive statistics was to enable the researcher to analyze and come up with key findings from which predictions and conclusions would be drawn. The flowing section provided a description of the findings of the descriptive statistics of intellectual stimulation. The researcher summarized the descriptive results in the order of study questionnaire.

Table 1.1: *Descriptive Statistics on Intellectual Stimulation*

Declaration	SA	A	N	D	SD
	5	4	3	2	1
They value their employees, build their esteem and involve them in decision making.	10	21	10	17	12
	14.30%	30.00%	14.30%	24.30%	17.10%
They encourage the employees to come up with new ways of accomplishing tasks.	28	30	5	4	3
	40.00%	42.90%	7.10%	5.70%	4.30%
They look for different opinions when solving problems and embrace creativity.	18	24	10	10	8
	25.70%	34.30%	14.30%	14.30%	11.40%
They apply their intellectual stimulation which have reduced cost of production thus leading to increased organizational performance.	10	10	17	20	13
	14.30%	14.30%	24.30%	28.60%	18.60%
They emphasize on application of new skills and embrace creative ideologies.	19	25	13	9	4

	27.10%	35.70%	18.60%	12.90%	5.70%
They work well with the employees by inspiring them to be innovative.	21	27	12	4	6
	30.00%	38.60%	17.10%	5.70%	8.60%

(Source: Researcher, 2022)

According to this study, intellectual stimulation had a high rate of 82.9% of the respondents who agreed that leadership in autocare SMEs within Roysambu Sub County encourages employees to come up with new ways of accomplishing tasks. However, 24.3% of the respondents were not sure on whether intellectual stimulation reduced cost of production thus leading to increased organizational performance while 47.1% disagreed with this attribute. Compared with the other three dimensions of transformational leadership, intellectual stimulation dimension had the least positivity rate of 57.8%. This implies that intellectual stimulation attribute was not exceedingly exercised in the SMEs dealing with Autocare services in Roysambu Sub County, Kenya.

Table 1.2: *Intellectual Stimulation and Organizational Growth*

Declaration	N	Minimum	Maximum	Sum	Mean	Std. Deviation
They value their employees, build their esteem and involve them in decision making.	70	1	5	210	3	1.351
They encourage the employees to come up with new ways of accomplishing tasks.	70	1	5	286	4.086	1.046
They look for different opinions when solving problems and embrace creativity.	70	1	5	244	3.486	1.327
They apply their intellectual stimulation which have reduced cost of production thus leading to increased organizational performance	70	1	5	194	2.771	1.31
They emphasize on application of new skills and embrace creative ideologies.	70	1	5	256	3.657	1.178
They work well with the employees by inspiring them to be innovative.	70	1	5	263	3.757	1.197
Average	70	1	5	242	3.46	1.235

(Source: Researcher, 2022)

Ranking the different factors of intellectual stimulation by their mean, there was agreement among the respondents that Autocare SMEs in Roysambu normally encourage the employees to come up with new ways of accomplishing tasks (mean = 4.086), work well with the employees by inspiring them to be innovative (mean = 3.757) while emphasizing on application of new skills and embrace creative ideologies (mean = 3.657). Respondents, nevertheless, were of different views on whether they look for different opinions when solving problems and embrace creativity (mean = 3.486). They were also indifferent on whether the SMEs do value their employees, build their esteem and involve them in decision making (mean = 3.000), as well as whether these organizations apply their intellectual stimulation to reduce cost of production thus leading to increased organizational performance (mean = 2.771).

Inferential Statistics

The objective of this study was to determine the influence of intellectual stimulation on organizational growth of autocare SMEs in Roysambu Sub County, Kenya. In order to achieve this objective, inferential statistics which included the coefficient of determination (R-Square), analysis of variance (ANOVA) and regression coefficients were carried out on the two variables of the study as shown in Table 1.3 below. The key objective for this study was to determine the influence of intellectual stimulation on organizational growth of autocare SMEs in Roysambu Sub County, Kenya. This was achieved by generating inferential statistics which included the coefficient of determination (R-Square), analysis of variance (ANOVA) and regression coefficients.

Table 1.3: *R-Square for the Influence of Intellectual Stimulation on Organizational Growth*

R	R-Square	Adjusted R-Square	Std. Error of the Estimate
.990 ^a	0.98	0.98	0.182

(Source: Researcher 2022)

Results show a strong R-Square (0.980) with the standard error of estimate being 0.182. This implies that the model on the relationship between intellectual stimulation on organizational growth was suitable since intellectual stimulation explain variation in the organizational growth of Autocare SMEs in Roysambu Sub County, Kenya up to 98.0%.

Table 1.4: *ANOVA for the Influence of Intellectual Stimulation on Organizational Growth*

	Sum of Squares	df	Mean Square	F	Sig.
Regression	110.868	1	110.868	3365.28	.000 ^b
Residual	2.24	68	0.033		
Total	113.108	69			

(Source: Researcher 2022)

From the results, F-Calculated (1, 68) =3365.280 and this was greater than F-Critical (1, 68) = 3.982 at 5% significant level (2-tailed test). P-Value = 0.000 < 0.05 was also significant. This shows that intellectual stimulation has a significantly influence on organizational growth of Autocare SMEs.

Table 1.5: *Coefficients for the Influence of Intellectual Stimulation on Organizational Growth*

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-0.292	0.067		-4.327	0
Intellectual Stimulation	1.072	0.018	0.99	58.011	0

(Source: Researcher 2022)

When intellectual stimulation is held constant, organizational growth will be -0.292. At the same time, an increase in intellectual stimulation by one unit would lead to positive organizational growth of Autocare SMEs by 1.072 units with a p-Value of 0.000<0.05. Thus, as intellectual stimulation is enhanced by Autocare SMEs in Roysambu Sub-County, these organizations are likely to experience more growth in tandem. The model $Y = \beta_0 + \beta_4 X_4 + e$ can therefore be estimated as:

$$Y = -0.292 + 1.072X_4$$

Where:

Y is the organizational growth,

X₄ is intellectual stimulation.

The results in this study only affirm that transformational leaders in any organizations including SMEs should take the leadership role in making their subjects become innovative, train and teach them how to develop and raise their working performance (Bass, 1988). When employees become innovative and creative, they not only add value to themselves but also make organization to grow as they develop new products and diversify organization's market. With time, these translate to higher sales and revenue which enhances organizational growth. In consideration of the above discussion, intellectual stimulation aspect of a leader cannot be underestimated in every business aspiring growth. It is worth noting that this component is anchored on collaboration, innovation and supportiveness. Thus, it's a key element which leads to organizational growth.

SUMMARY AND CONCLUSIONS

Results show a strong R-Square (0.980) with the standard error of estimate being 0.182. From the results, F-Calculated (1, 68) = 3365.280 and this was greater than F-Critical (1.68) = 3.982 at 5% significant level (2-tailed test). P-Value = 0.000 < 0.05 was also significant. Prior studies have shown that intellectual stimulation correlates positively and strongly with effectiveness in a sample of resident assistants rating hall directors (Komives, 1991), while Spangler and Braiotta (1990) found a positive relationship between the leadership style of board audit committee chairmen and organizational effectiveness. When intellectual stimulation is held constant, organizational growth will be -0.292. At the same time, an increase in intellectual stimulation by one unit would lead to organizational growth (positive) of Autocare SMEs by 1.072 units with a p-Value of 0.000 < 0.05. Thus, as intellectual stimulation is enhanced by Autocare SMEs in Roysambu Sub-County, these organizations are likely to experience more growth in tandem.

In regards to intellectual stimulation, the study noted that leadership and management should value employees, build their esteem and involve them in decision making. They should also encourage them to come up with new ways of accomplishing tasks as they embrace creativity and innovation. Concerning individual consideration, leaders should listen, develop, and coach their employees. The enhancement of these attributes would undoubtedly improve employee performance and eventually translate to organizational growth.

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