Kabarak Journal of Research & Innovation

https://journals.kabarak.ac.ke/index.php/kjri/

RESEARCH ARTICLE

SIGNIFICANCE OF EMPLOYEE ENGAGEMENT DIMENSION OF ADAPTIVE LEADERSHIP ON THE PERFORMANCE OF COMMERCIAL BANKS IN KENYA

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Submitted: 12th June 2025; Accepted: 27th August 2025; Published (online): 9th September 2025

ABSTRACT

The purpose of this study was to investigate the significance of adaptive leadership on the performance of commercial banks in Kenya. The supporting objective was to assess the significance of employee engagement on the performance of commercial banks in Kenya. The study was grounded on the Adaptive Leadership Theory and adopted the post-positivist research philosophy and descriptive research design. The study population was 394 top-level managers based on the website records of each bank. This research employed mixed methods to conduct the investigation, adopting the census method. Primary data was collected through self-administered online questionnaires distributed and filled electronically. Thematic analysis was used to analyze qualitative data from the open-ended questions, while descriptive and inferential statistics were utilized in analyzing quantitative data with the help of the Statistical Package for Social Sciences (SPSS version 29). The correlation results indicated, r (314) =0.871, p<0.001. The model summary results revealed that R^2=0.222 which denoted that employee engagement could be used to explain 22.2% of changes in performance of commercial banks in Kenya. The regression coefficient for employee engagement indicated coefficient values of β = 0.307, t (314) = 3.655, p<0.003 which was less than (p<0.05) set for the study. This led to the rejection of the null hypothesis and acceptance of the alternative that employee engagement has a positive significance on the performance of commercial banks in Kenya. The study recommends that the human resources managers of the various banks should incorporate mentorship programs, while incorporating robust recognition and reward system for their staff to enhance employee engagement. This study was limited to the significance of employee engagement on the performance of commercial banks in Kenya. The study, therefore, suggests that similar studies could be carried out in other financial institutions to allow generalization of findings.

Keywords: Adaptive Leadership, Employee engagement, Commercial Banks in Kenya, Organizational Performance.

INTRODUCTION

Adaptive leadership has emerged as a crucial framework for organizational success in the face of growing uncertainty, especially within the financial sector (Aldhaheri, 2021; Marcu, 2021). Recent

studies emphasize the necessity for leaders to adopt flexible, innovative, and people-centered approaches to respond effectively to volatility, complexity, and disruption (Northouse, 2019; Western Governor University, 2021). Leadership that embraces adaptability is now seen as vital to reversing the declining performance of sectors such as banking, both globally and locally in Kenya (Nyakomitta, 2021; Sabljic et al., 2023).

Studies conducted by Rimita et al. (2020) and Adobor et al. (2021) underscore the urgent need for strategic agility and new leadership mindsets to navigate challenges such as closures, relocations, retrenchments, and economic shocks. Similarly, Uhl-Bien and Arena (2018) found that leaders often struggle to reposition their organizations amid rapid changes and suggested that leaders need to apply adaptive methodologies to manage complexity and unpredictability. Coleman (2021) highlighted the power of adaptive leadership in enabling reflection and change within organizations. Other researchers such as Anuradha and Sujatha (2019) noted that globalization and digital transformation demand innovation and purpose-driven leadership. This is echoed by Xu and Zhang (2022), who found that adaptive leaders in China empower employees and foster a culture of inclusivity and responsiveness to change.

In Africa, studies from Nigeria (Ari et al., 2021) and South Africa (Yozi & Mbokota, 2024) show how adaptive leadership enables employees to unlearn outdated practices, embrace hybrid work models, and enhance engagement and resilience. Kenyan studies by Ahmed et al. (2022) and Wamburu et al. (2022) demonstrate that adaptive leadership drives transformation and improved performance in commercial banks and insurance companies.

According to the Kenya Bankers Association, the performance of commercial banks in Kenya faced notable challenges in 2023. The sector recorded a 9.1% decline in pre-tax profits, amounting to Kshs 219.21 billion, due to a 37.5% increase in operating expenses. This was largely attributed to a deterioration in asset quality, which saw non-performing loans rise by 14.8% - the highest level since 2007- causing the banks to tighten credit standards while enhancing their risk management measures (Tiriongo et al.,2024).

Additionally, both Return on Assets (ROA) and Return on Equity (ROE) declined by 2.9% compared to 2022, reflecting the impact of heightened competition and an unpredictable operating environment (Cytonn, 2022). The trend continued into 2023, marked by increased mergers and acquisitions (CBK, 2023), signaling a pressing need for leadership that can guide institutions through disruptive environments (Castillo & Trinh, 2019). The decline has impaired the ability of banks to support economic growth, making adaptive leadership not just beneficial but essential (Wong et al., 2018; Nyakomitta, 2021).

Adaptive leadership is increasingly recognized as a vital leadership approach in uncertain and rapidly changing environments (Northouse, 2019; Dunn, 2020). In Kenya's commercial banking sector, adaptive leadership can promote agile decision-making, enhance responsiveness to economic and regulatory shifts, and support continuous learning and innovation (Wamburu et al., 2022; Kumar & Sharma, 2018). By fostering employee engagement through empowerment, consultation,

and adaptive work practices, banks can improve performance and resilience (Lussier & Achua, 2022).

Grounded in Adaptive Leadership Theory (ALT), this study explores how leaders act as change agents by creating a "holding environment"—a supportive space that fosters innovation, flexibility, and collaboration (Aouad et al., 2024; Lussier & Achua, 2022). The theory emphasizes empowering followers, building trust, and enabling teams to confront challenges constructively (Glover et al., 2002; De Rue, 2011). The study's conceptual framework as depicted in Figure 1 illustrates the link between adaptive leadership and organizational performance.

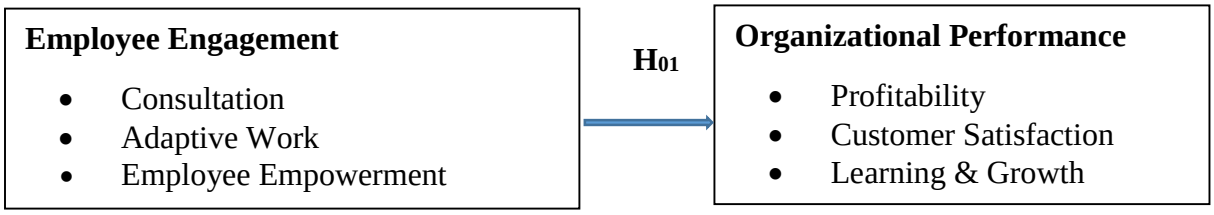

Figure 1: Conceptual Framework

Empirical research supports this link. Wicaksono et al. (2024) found a significant positive relationship between employee engagement and job satisfaction (EE → JS = 0.45, $p < 0.032$) in Indonesian organizations. Similarly, Gede and Huluka (2024) reported that employee engagement significantly influenced performance in Ethiopian public universities. In Puerto Rico, Hernández-Santiago and Pérez-Rivera (2022) concluded that adaptive leadership was instrumental in guiding food industry firms through crisis periods. Studies by Channing (2021) and Johnson and Patel (2021) further demonstrate how adaptive work practices increase productivity, responsiveness, and organizational agility.

Despite ongoing reforms, the performance of many commercial banks in Kenya continues to lag behind global standards (Nyakomitta, 2021; Kasuni et al., 2020; Ahmed et al., 2022). While prior research has shown that adaptive leadership positively influences performance in the insurance sector (Wamburu et al., 2022; Odindo et al., 2023), there is limited empirical evidence on its impact within the banking sector (Chughtai et al., 2024; Abukalusa & Oosthuizen, 2025). Moreover, many banks in Kenya still rely on rigid, traditional leadership models that limit innovation and responsiveness (Makanga & Otieno, 2020). This leadership gap is further challenged by globalization and rapid technological advancements, demanding more flexible and people-centered approaches (Kasuni et al., 2022; Yeo, 2021).

Given these challenges, employee engagement—a key dimension of adaptive leadership—is increasingly viewed as essential for organizational performance. This study was therefore undertaken to examine the significance of the employee engagement dimension of adaptive leadership on the performance of commercial banks in Kenya, and to determine its potential in driving sustainable transformation in a volatile environment.

METHODOLOGY

Study Design

This study was guided by post-positivist research philosophy which supports complementarity, where qualitative data from the study provided additional insights to complement the quantitative data enriching the research context (Mahato, 2024; Saunders et al., 2019). Adopting a post-positivist paradigm in mixed methods research allowed for a more comprehensive and nuanced exploration of the impact of adaptive leadership on performance of banks (Bougie & Sekaran, 2019). The mixed method approach supported a more robust and credible research outcome, by balancing empirical rigor with participants' experiences **(**Musa & Aldiabat, 2024). A descriptive research design was employed to gather information on the current state of adaptive leadership and its influence on bank performance (Lutfi, 2020). The study also adopted a cross-sectional approach, suitable for describing generalized relationships between variables at a single point in time (J. W. Creswell & Creswell, 2018).

Study Location

The study was conducted in Kenya, focusing on the country's commercial banking sector. The target population comprised all 37 licensed commercial banks in Kenya as per the Central Bank of Kenya report (Central Bank of Kenya, 2023).

Sampling Framework

A census survey approach was applied, targeting all 37 commercial banks. The sample consisted of 394 top-level managers including Chief Executive Officers, Chief Financial Officers, Director of Human Resources, Company Secretary, Director of Operations, Director of Treasury, Director of Retail Banking, Head of Small and Medium Enterprises, Head of Corporate Banking, Head of Institutional Banking, Head of Credit, Head of Customer Service, Head of Branches, Head of Legal, Head of Security, and other senior managers, depending on the organizational structure of each bank

Data Collection Tools and Procedure

Primary data was collected using structured online questionnaires comprising both closed- and open-ended questions, supporting a mixed-method approach (Pilcher & Cortazzi, 2024). A pilot study involving 40 senior managers from four banks (African Banking Corporation, Guardian Bank Limited, Paramount Bank, and UBA Kenya Ltd.) tested the tool's appropriateness (Cooper & Schindler, 2018). The research instrument demonstrated strong reliability, with a Cronbach's alpha of 0.829—exceeding the acceptable threshold of 0.7 (Cronbach & Shavelson, 2004).

To ensure validity, the questionnaire drew constructs from Adaptive Leadership Theory (ALT), meeting construct validity criteria (Surucu & Maslakci, 2020). Correlation analysis was applied to establish both criterion-related validity and construct validity (Kothari, 2018). Factor analysis and Average Variance Extracted (AVE) tests confirmed convergent validity, with employee engagement having an AVE of 0.524—above the recommended 0.50 threshold, implying that all the constructs were suitable for further analysis (Fog, 2023; Shrestha, 2021).

Data Analysis

Data preparation included data editing and coding to check for errors or omissions, illogical statements, inconsistencies and legibility issues (Bougie & Sekaran, 2019). Furthermore, data transformation was done by changing data from their original form to one that is suitable for data analysis in order to achieve the research objectives (Quinlan et al., 2024).
Descriptive statistics (frequencies, percentages) were used for analyzing nominal data such as demographics (Cooper & Schindler, 2018). For inferential statistics, statistical techniques applied included Pearson correlation, multiple linear regression, and ANOVA to test the hypotheses. Thematic analysis was employed to analyze the qualitative data from open-ended questions and to identify and interpret patterns and themes in the data (Castleberry & Nolen, 2018). SPSS Version 29 was used for all quantitative analyses. Prior to analysis, diagnostic tests were conducted to check for multicollinearity, linearity, autocorrelation, heteroscedasticity, and multivariate normality (J. W. Creswell & Creswell, 2018).

Ethical Considerations

Ethical approval was obtained from both the Institutional Ethics Review Committee (IERC) and National Commission for Science, Technology and Innovation (NACOSTI). Informed consent was obtained from all participants, with a commitment to confidentiality, voluntary participation, and data integrity throughout the research process (Ross et al., 2018).

RESULTS

Factor Analysis Results for Employee Engagement

The Average Variance Extracted was used to assess whether items are interrelated. This study considered loadings of 0.50 and above as the threshold for interpretation. The findings in Table 1 revealed that the AVE of the research instrument ranges between 0.510 and 0.532 for employee engagement. Thus, all items met the acceptable threshold of 0.5 or higher, indicating satisfactory factor loadings. As a result, none of the items had to be dropped during the factor analysis.

Table 1: Average Variance Extracted for Employee Engagement

AVE of Each Item	AVE Values
I am highly motivated to give my best effort in my job.	0.523
In complex situations, I get people to focus on the task they are trying to avoid.	0.524
During organizational change, I challenge employees to concentrate on contro-versial issues.	0.528
I have a clear understanding of how my work contributes to the overall goals and success of the organization.	0.521
I help employees find new ways of coping with organizational problems.	0.529

I encourage employees to confront troublesome issues.	0.510
When employees look for answers from me, I encourage them to think for themselves.	0.513
I encourage employees to take initiative in solving problems.	0.531
When employees are uncertain about what to do, I empower them to come up with solutions.	0.523
Employees have confidence in the leadership that I provide in the organization.	0.532

Descriptive Statistics

The respondents were requested to indicate their level of agreement with various statements relating to employee engagement and organizational performance of commercial banks in Kenya. The responses were based on a 5-point Likert scale as follows: 1-strongly disagree; 2-disagree; 3-neutral; 4-agree; 5-strongly agree. The mean and standard deviation were used to interpret the findings where a mean value of 1.0-1.4 = strongly disagree; 1.5-2.4 =disagree; 2.5-3.4 =neutral; 3.5-4.4= agree and 4.5-5.0= strongly agree. Standard deviation greater than 2 was considered large meaning responses were widely spread out and not tightly clustered around the mean. In other words, there was a lot of variability in the responses, which may suggest that participants had different interpretations or perceptions of the questions being asked. The results were as shown in Table 2.

Table 2: Mean and Standard Deviation for Employee Performance and Organizational Performance

Item	N	Mean	Std. Deviation
I am highly motivated to give my best effort in my job.	314	4.026	0.451
In complex situations, I get people to focus on the task they are trying to avoid.	314	4.010	0.476
During organizational change, I challenge employees to concentrate on controversial issues.	314	3.971	0.595
I have a clear understanding of how my work contributes to the overall goals and success of the organization.	314	4.032	0.624
I help employees find new ways of coping with organizational problems.	314	4.108	0.599

I encourage employees to confront troublesome issues.	314	4.029	0.526
When employees look for answers from me, I encourage them to think for themselves.	314	4.070	0.461
I encourage employees to take initiative in solving problems.	314	4.096	0.483
When employees are uncertain about what to do, I empower them to come up with solutions.	314	4.076	0.438
Employees have confidence in the leadership that I provide in the organization.	314	4.051	0.463
Aggregate Mean		**4.047**	**0.512**

*Note. * N = sample size; Std. Deviation = standard deviation.

Pearson Correlation Analysis

The present study used Pearson correlation analysis to determine the strength of association between the independent variable (employee engagement) and the dependent variable (organizational performance of commercial banks in Kenya). The results in Table 3 indicate a strong positive correlation between employee engagement and the organizational performance of commercial banks in Kenya (r = 0.871, p value =0.000). The relationship was significant since the p-value of 0.000 was below the 0.05 significance level.

Table 3: Correlation between Employee Engagement and Organizational Performance

		Organizational Performance	**Employee Engagement**
Organizational Performance	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	314	
Employee Engagement	Pearson Correlation	.871**	1
	Sig. (2-tailed)	.000	
	N	314	314

One-way Analysis of Variance

The ANOVA was used to determine whether the regression model was a good fit for the data. From the ANOVA findings in Table 4, the study found that Prob>F (1,312) =0.000 was less than the chosen 0.05 level of significance. This suggests that the model as formulated was fit to predict the organizational performance of commercial banks in Kenya. Furthermore, the calculated F-value from the Table (620.28) was greater than the critical F-value (3.871) from F-distribution tables, supporting the conclusion that employee engagement is a predictor of organizational performance of commercial banks in Kenya.

Table 4: ANOVA for Employee Engagement

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	42.179	1	42.179	620.28	.000[b]
	Residual	21.311	312	.068		
	Total	63.49	313			

a. Dependent Variable: organizational performance of commercial banks in Kenya

b. Predictors: (Constant), employee engagement

Beta Coefficient for Employee Engagement

The following regression model was fitted from the results in Table 5.

$$Y = 0.142 + 0307\ X_4$$

(X_4 is Employee Engagement)

The coefficient results showed that the constant had a coefficient of 0.142 suggesting that if employee engagement was held constant at zero; organizational performance of commercial banks in Kenya would be at 0.142 units. In addition, results showed that employee engagement coefficient was 0.307 indicating that a unit increase in employee engagement would result in a 0.307-unit improvement in organizational performance of commercial banks in Kenya. It was also noted that the P-value for employee engagement was 0.000 which is less than the set 0.05 significance level indicating that employee engagement was significant. Based on these results, the study rejected the null hypothesis and accepted the alternative that employee engagement has positive significant influence on organizational performance of commercial banks in Kenya.

Table 5: Beta Coefficients for Employee Engagement

Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
	B	Std. Error	Beta		
1 (Constant)	0.142	.035		4.0571	.000

Employee Engagement	0.307	0.084	0.306	3.655	0.003

a. Dependent Variable: organizational performance of commercial banks in Kenya

Hypothesis Testing

A univariate regression analysis was conducted to investigate the influence of the employee engagement on the organizational performance of commercial banks in Kenya. The null hypothesis was stated as follows:

***H_{01}**: Employee engagement has no significant effect on the performance of commercial banks in Kenya.*

From the model summary findings in Table 6, the R-squared for the relationship between employee engagement and organizational performance of commercial banks in Kenya was 0.222; this is an indication that at 95% confidence interval, 22.2% of the variation in organizational performance of commercial banks in Kenya can be attributed to variation in employee engagement. Therefore, employee engagement can be used to explain 22.2% change in organizational performance of commercial banks in Kenya. However, the remaining 77.8% of the variation in organizational performance of commercial banks in Kenya could be explained by factors other than employee engagement.

Table 6: Model Summary for Employee Engagement

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.471[a]	.222	.219	.70542

a. Predictors: (Constant), employee engagement

Diagnostic Tests

Multicollinearity Test

Assessment of multicollinearity was done through the use of tolerance and the VIF to examine the level of correlation among the variables. The general principle is that a VIF greater than ten (10) indicates the presence of multicollinearity in the dataset, and tolerance values closer to one signifies low multicollinearity. Employee engagement had a VIF of 1.091 which is less than 10, and tolerance levels of 0.916, signifying the absence of multicollinearity.

Table 7: Multicollinearity Test

	Tolerance	VIF
Employee Engagement	.916	1.091

Linearity Test

When the value of significant deviation from the linearity > 0.05, then in the multiple regression model it can be said that the predictor variables have significant effect on the response variable. Table 8 shows that the significance value of Employee Engagement = 0.681, leading to the

conclusion that there is significant linear relationship between employee engagement and organizational performance.

Table 8: Coefficients of Linearity Test

Model	Sig.	95.0% Confidence Interval for B		
		Lower Bound	Upper Bound	Tolerance
Employee Engagement	.681	-10.179	11.121	.623

Autocorrelation Test

The Durbin-Watson test was conducted to examine the presence of linear autocorrelation, specifically first-order autocorrelation among adjacent observations. Findings presented in Table 9 indicate that the d-value was 1.990. Since the value lies within the range $1.5 < d < 2.5$, it was concluded that there is no autocorrelation in the data and therefore regression analysis can be performed.

Table 9: Durbin-Watson Autocorrelation Test

Model	Std. Error of the Estimate	Durbin-Watson
1	1.29748	1.990

Heteroscedasticity

Heteroscedasticity occurs when the variance of the error term changes among observations. Breusch-Pagan/Cook-Weisberg test was used to examine whether heteroscedasticity is present in the data. The results presented in Table 10 indicate a Chi-square statistic of 1.3457 with a corresponding p-value of 0.3241, which exceeds the conventional significance level of 0.05. This implies that the test is statistically insignificant, suggesting the absence of heteroscedasticity in the model.

Table 10: Breusch-Pagan/Cook-Weisberg Test for Heteroscedasticity

H_o: Constant variance			
Statistics	Df	Stat value	p-value
Chi-squared	1	1.3457	0.3241

Normality

The normality test is conducted before performing a more in-depth inferential statistical analysis to ascertain whether the data adheres to the assumption of normality. To test normality, this study applied the Shapiro-Wilk test to determine whether the data deviates significantly from a normal distribution. The results of the normality test are shown in Table 11. The Shapiro-Wilk test results indicated that the p-values for employee engagement ($p = 0.546$) and performance of commercial banks ($p = 0.991$) were both greater than the threshold of 0.05. These findings suggest that the assumption of normality was satisfied for all variables.

Table 11: Shapiro Wilks Test of Normality

	Shapiro-Wilk Statistic	Df	Sig
Employee Engagement	0.546	314	0.124
Performance of commercial banks	0.991	314	0.060

DISCUSSIONS

The study assessed the significance of employee engagement on the performance of commercial banks in Kenya. In this study, employee engagement is measured through the sub-variables of consultation, employee empowerment, and adaptive work. The correlation results in the current study indicated that employee engagement had a positive and significant correlation, r (314) =0.871, p<0.001. These results align with existing studies highlighting the importance of employee engagement**.** Wicaksono et al. (2024) explored the relationship between four key variables: adaptive leadership; employee engagement; job satisfaction and work productivity in Makassar, Indonesia. The results indicated a positive and significant relationship between employee engagement and job satisfaction with positive path coefficient of 0.45 thus, (EE → JS=0.45, p<0.032). This study provided significant deviation to other studies that the researcher attributed to demographic profile of the respondents (Over 40 and married) and recommended leadership strategies tailored to individual special needs as ideal to the organizational needs. Thus, further exploration with a larger sample of the non-significant results for adaptive leadership on job satisfaction and adaptive leadership on work productivity respectively may shed more light and provide understanding on the nuanced dynamics.

The current study results, R^2 = 0.222, indicate that employee engagement can explain 22.2% of the changes in the performance of commercial banks in Kenya, supporting the study by Channing (2021). Channing's study examined how leaders of community colleges in East Tennessee addressed issues related to communication, leadership and politics in their respective contexts. This survey by Channing (2021) found that although leaders isolated themselves to get a bigger picture from the balcony, they still confided in a number of people to help gather feedback on the decisions made regarding the students, in the process confirming the importance of employee engagement. These results mirror the current study findings that employee engagement improves efficiency in the working environment leading to increased organizational performance.

In addition, regression ANOVA for employee engagement in the current study discloses a significant relationship with organizational performance, F (1,312) =620.28, p<0. 003. Thus, the model is statistically significant in predicting the relationship between employee engagement and the performance of commercial banks in Kenya. The regression coefficient for employee engagement indicated coefficient values of β = 0.307, t (314) = 3.655, p<0.003, which was less than (p<0.05) set for the study. This led to the rejection of the null hypothesis and acceptance of the alternative that employee engagement has a positive significance on the performance of commercial banks in Kenya. These results align with some other research studies. For instance, Johnson and Patel (2021) researched on the relationship between adaptive work practices within teams and the overall organizational agility over time. The research found a positive correlation between adaptive work practices and organizational agility. Teams that consistently engaged in adaptive work demonstrated higher levels of responsiveness, innovation, and overall organizational performance.

The current study findings, F (1,312) =620.28, p<0. 003 and β = 0.307, t (314) = 3.655, p<0.003, depict that employee engagement has a positive significance on the performance of commercial banks in Kenya. Although lacking equivalent empirical evidence, these findings also support Zhang et al. (2024), who investigated the influence of adaptive leadership on employee performance, with a focus on the mediating role of the adaptive work climate. The study by Zhang and colleagues revealed that adaptive leadership significantly influenced employee performance, and this relationship was partially mediated by the presence of an adaptive work climate. Organizations with adaptive leaders and a conducive work environment experienced improved employee performance.

The outcome of the current research, F (1,312) =620.28, p<0. 003 and β = 0.307, t (314) = 3.655, p<0.003, is in line with the findings of Gede and Huluka (2024) in Ethiopia, who examined the effect of employee engagement on organizational effectiveness of public universities. Gede and Huluka reported a positive and significant relationship between employee engagement and organizational effectiveness. In their study, employee engagement was measured through three variables: vigor, dedication, and absorption. The regression coefficient for employee engagement indicated p value of 0.000, regression coefficient values of 0.19 for vigor; p value of 0.002, regression coefficient values of 0.12 for dedication along with p value of 0.001, regression coefficient values of 0.16 for absorption leading to rejection of the various null hypotheses. Thus, the three variables used to measure the influence of employee engagement exhibited significant and favorable impact between employee engagement and organizational performance of the universities under study, which is a noteworthy correlation to the current study save for the differences in the measuring matrices.

CONCLUSIONS

The study found that employee engagement is statistically significant in explaining organizational performance of commercial banks in Kenya. The regression ANOVA for employee engagement disclosed a significant relationship with organizational performance, F (1,312) =620.28, p<0. 003. Thus, the model was statistically significant in predicting the relationship between employee engagement and the performance of commercial banks in Kenya. The regression coefficient for employee engagement indicated coefficient values of β = 0.307, t (314) = 3.655, p<0.003, which was less than (p<0.05) set for the study. This means that unit improvement in employee engagement would lead to an increase in organizational performance of commercial banks in Kenya. Based on the findings, the study concluded that employee engagement positively and significantly influences organizational performance of commercial banks in Kenya.

RECOMMENDATIONS

The study recommends that the management of commercial banks in Kenya should recommend programs geared towards a dynamic working environment with a culture that supports innovation, solving of complex problems and strategic plans designed to meet the new work demands. In addition, the study recommends that managers empower their staff to take ownership of their own development, motivate themselves, and continuously strive for improvement in order to achieve a

proactive and engaged workforce. The study also recommends that the management of commercial banks in Kenya should implement a robust recognition and reward system. By regularly acknowledging and rewarding employees for their contributions, banks can foster a sense of value and belonging among staff. This study focused specifically on the influence of employee empowerment leadership on the performance of commercial banks in Kenya; therefore, the findings may not be generalizable to other organizational contexts within the country. The study therefore recommends conducting similar research in other financial sectors to enhance the generalizability of the findings. Further, the study found that the independent variables (employee engagement) could only explain 22.2% of organizational performance of commercial banks in Kenya. This study, therefore, suggests further research on other factors affecting the organizational performance of commercial banks in Kenya.

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