

GREAT JOURNS

Journal of Business Management

Vol.1 No.2, August, 2026



Moderating Influence of Policy Framework on the Role of Strategic Leadership in the Execution of County Integrated Development Plans by County Governments in Kenya

James kamau Waribu,

Department of Business Administration, kisii university, waribuj@kisiiuniversity.ac.ke,

P. O. Box 408-40200, kisii, Kenya



ABSTRACT

Kenya's devolved system requires every county to plan and deliver development through a five-year County Integrated Development Plan (CIDP), yet execution of these plans has remained uneven, with recurrent delays, budget overruns and incomplete projects. Execution is shaped not only by the strategic leadership exercised inside the county but also by the policy environment in which counties operate, chiefly intergovernmental relations and public finance management rules. This paper reports the fifth objective of a wider study: to establish the moderating influence of policy framework on the role of strategic leadership in the execution of CIDPs by county governments in Kenya. Anchored in strategic leadership (upper echelons) theory and the theory of constraints, the study adopted a positivist philosophy and a descriptive survey design. The target population comprised 123 senior county officials in five counties (Kiambu, Murang'a, Nyeri, Kirinyaga and Nyandarua), from whom a sample of 92 was drawn using purposive and simple random sampling; 66 usable questionnaires were returned (71.74%). Instrument reliability was high (Cronbach's $\alpha = .769-.935$). Data were analysed using descriptive statistics, Pearson correlation, analysis of variance (ANOVA) and hierarchical multiple regression. Policy framework correlated positively and significantly with execution ($r = .588$, $p < .001$). The baseline strategic leadership model explained 52.0% of the variance in execution ($F(6, 49) = 8.831$, $p < .001$). Introducing policy framework raised the explained variance to 58.2% ($\Delta R^2 = .062$; $F\text{-change}(1, 48) = 7.12$, $p = .010$), and the full model remained significant ($F(7, 48) = 9.544$, $p < .001$). Policy framework was a significant predictor ($\beta = .331$, $p = .010$); monitoring and evaluation remained robust ($\beta = .503$, $p < .001$), while the effect of innovation weakened and lost significance once policy framework entered the model. The null hypothesis was therefore rejected. The study concludes that the policy framework conditions how far strategic leadership translates into executed plans, and recommends stronger intergovernmental consultation, timely disbursement of funds, a review of the 30% development-expenditure threshold, and better-structured executive–assembly relations.

Keywords: *strategic leadership; policy framework; intergovernmental relations; public finance management; county integrated development plans; devolution; Kenya*

1. Introduction

The promulgation of the Constitution of Kenya in 2010 created forty-seven county governments and transferred a substantial share of public functions, resources and decision-making authority from the centre to the counties. The reform was intended to bring services closer to citizens, promote equitable development and strengthen accountability (Government of Kenya, 2010; World Bank, 2012). To give direction to this mandate, Section 108 of the County Governments Act (Republic of Kenya, 2012a) requires every county to prepare a five-year County Integrated Development Plan (CIDP) with clear goals, an implementation plan with clear outcomes, provisions for monitoring and evaluation, and clear reporting mechanisms. Every aspect of county budgeting is expected to flow from the CIDP, which in turn must be aligned to the

national Medium Term Plans and Kenya Vision 2030 (The National Treasury and Planning, 2020).

Preparing a plan, however, is not the same as executing it. Strategy implementation literature has long observed that most strategies fail at the execution stage rather than at formulation (Hrebiniak, 2006; Kaplan & Norton, 2008). In the Kenyan counties, execution challenges are visible in delayed projects, low absorption of development funds, recurrent expenditure that crowds out development spending, and frequent friction between county executives and county assemblies over budgets that drift away from the CIDP.

Strategic leadership—the ability of top managers to envision, institutionalise, innovate and monitor—has been advanced as a central driver of execution (Boal & Hooijberg, 2000; Ireland & Hitt, 2005). Yet county leaders do not act in a vacuum. Their choices are bounded by an elaborate policy framework that includes the Intergovernmental Relations Act (Republic of Kenya, 2012b), which governs consultation and cooperation between the national and county governments, and the Public Finance Management (PFM) Act (Republic of Kenya, 2012c), which regulates budgeting, revenue sharing, fund release and the requirement that at least 30% of county budgets go to development. Whether, and how strongly, this framework shapes the link between strategic leadership and plan execution has received little empirical attention.

This paper addresses that gap. It reports the fifth specific objective of a larger study on strategic leadership and CIDP execution, namely **to establish the moderating influence of policy framework on the role of strategic leadership in the execution of County Integrated Development Plans by county governments in Kenya**. The corresponding null hypothesis was:

H_{0s}: Policy framework has no moderating influence on the role of strategic leadership in the execution of County Integrated Development Plans by county governments in Kenya.

The paper contributes to the strategic leadership literature by testing a contextual contingency in a devolved public-sector setting, and it offers evidence that policy makers at both levels of government can use to improve the delivery of county development plans.

2. Literature Review

2.1 Theoretical Framework

Strategic leadership (upper echelons) theory. Hambrick and Mason (1984) argued that organisations are reflections of their top managers: the values, cognitive bases and choices of the upper echelon shape strategy and, ultimately, performance. Later work broadened this into a theory of strategic leadership in which top leaders determine strategic direction, communicate a vision, develop core competencies, design structures and culture, encourage innovation and install controls (Boal & Hooijberg, 2000; Ireland & Hitt, 2005; Finkelstein et al., 2009). An important refinement is the notion of *managerial discretion*: the degree to which leaders can

actually influence outcomes depends on the latitude the environment allows them (Hambrick, 2007). In a devolved state, law, intergovernmental institutions and fiscal rules define much of that latitude, which provides the theoretical justification for treating the policy framework as a moderator.

Theory of constraints. Developed by Goldratt (1990), the theory of constraints holds that the performance of any system is limited by its weakest link and that improvement efforts should focus on identifying and relieving that constraint. Counties operate as one link in a chain that includes the National Assembly (which divides revenue between the two levels of government), the Senate (which divides revenue among counties and exercises oversight), the National Treasury (which releases funds) and the county assembly (which approves budgets). When any of these links fails—for example, through delayed disbursement or a stalled budget—the execution capacity of even a well-led county is constrained. The policy framework is therefore expected to alter the strength of the leadership–execution relationship.

2.2 Policy Framework Governing County Development Plans

Article 6(2) of the Constitution describes the national and county governments as “distinct and inter-dependent” and requires them to conduct their mutual relations through consultation and cooperation (Government of Kenya, 2010). The Intergovernmental Relations Act operationalises this principle through the National and County Government Coordinating Summit, the Council of County Governors, the Intergovernmental Relations Technical Committee and sectoral forums, while the PFM Act establishes the Intergovernmental Budget and Economic Council (IBEC) for consultation on fiscal matters. Chapter Twelve of the Constitution sets out the principles of public finance—openness and accountability, public participation, equitable development and prudent financial management—and the PFM Act translates these into budget calendars, reporting requirements and the 30% development-spending floor (Republic of Kenya, 2012c).

For this study, the policy framework was operationalised through two dimensions: **intergovernmental relations** (cooperation and consultation between levels of government, and the bearing of these relations on CIDP realisation) and **public finance management** (accountability, public participation, alignment of CIDPs to the PFM Act, and the adequacy of the development threshold). Fiscal decentralisation theory holds that devolved units perform best when revenue and accountability rules are clear and predictable (Oates, 1972).

2.3 Empirical Review and Research Gap

Empirical studies consistently link strategic leadership practices to strategy execution. Bossidy and Charan (2002) and Kaplan and Norton (2008) describe execution as a leadership discipline that requires clear direction, aligned structures and continuous feedback. Noble (1999) showed that implementation outcomes depend on both managerial and organisational factors. In Kenya,

Abass et al. (2017) reported a significant relationship between strategy implementation and performance in Wajir County, and county-level studies have pointed to structure, culture and monitoring as determinants of strategic plan execution. Results-based monitoring and evaluation has been shown to improve the delivery of public programmes (Kusek & Rist, 2004).

Far fewer studies have examined the *conditions* under which leadership translates into execution. Most county-level studies treat the policy environment as background description rather than as a variable, and those that consider it rarely test it statistically as a moderator. Methodological literature emphasises that a moderator alters the strength or direction of the relationship between a predictor and an outcome (Baron & Kenny, 1986; Sharma et al., 1981) and should be tested through hierarchical or moderated regression (Aiken & West, 1991; Hayes, 2018). This study therefore tests whether the policy framework changes the explanatory power and structure of the strategic leadership–execution relationship in Kenyan counties.

2.4 Conceptual Framework

The conceptual framework, adapted from Ireland and Hitt's (2005) strategic leadership model, specifies four strategic leadership roles as independent variables: envisioning (strategic direction and communication), institutionalisation (organisational structure and culture), innovation, and monitoring and evaluation (M&E). Execution of CIDPs, measured through timeliness, budget compliance, completion within the plan period, achievement of objectives, service accessibility and citizen satisfaction, is the dependent variable. Policy framework, measured through intergovernmental relations and public finance management, is the moderating variable that is expected to condition the relationship between the strategic leadership roles and execution (Figure 1).

Figure 1. *Conceptual framework*

Independent variables (strategic leadership)		Moderating variable	Dependent variable
Envisioning: communication	strategic direction;	Policy framework	Execution of CIDPs
Institutionalisation: structure; organisational culture	organisational	• Intergovernmental relations	• Timeliness; cost/budget
Innovation: new service partnerships; R&D	strategies;	• Public finance management (PFM Act 2012)	• Completion; objectives achieved
Monitoring & evaluation: audit; impact; budget compliance	M&E teams;	(conditions strength of the relationship →)	• Access to services; citizen satisfaction

Source: Adapted from Ireland and Hitt (2005).

3. Research Methodology

3.1 Research Design, Population and Sample

The study was anchored in the positivist philosophy and employed a descriptive survey design, which suits the measurement of attitudes and practices through structured questions and the testing of relationships among variables. Five counties—Kiambu, Murang'a, Nyeri, Kirinyaga and Nyandarua (about 10% of the 47 counties)—were selected on the basis of their ranking in the Infotrak County Index and their mix of rural and urban populations. The target population was 123 officials directly involved in planning, executing and overseeing CIDPs. Using the Krejcie and Morgan (1970) table, a sample of 92 was determined. All 20 County Secretaries, Heads of M&E, Chairs of County Public Accounts Committees and Clerks of County Assemblies were included purposively, while 72 Chief Officers and Directors were selected by proportionate simple random sampling (Table 1).

Table 1. *Target population and sample size*

Category	Target population	Sample size
County Chief Officers	48	34
Directors	55	38
County Secretaries	5	5
Chairs, Public Accounts Committees	5	5
Heads of Monitoring & Evaluation	5	5
Clerks of County Assemblies	5	5
Total	123	92

Source: County Public Service Boards (2017).

3.2 Instrument, Validity and Reliability

Data were collected with a structured questionnaire on a five-point Likert scale (1 = strongly agree to 5 = strongly disagree), supplemented by open-ended items. The questionnaire was administered by drop-and-pick with the authorisation of the National Commission for Science, Technology and Innovation (NACOSTI). The instrument was pilot-tested on ten officials in Kericho County, who were excluded from the main study. Content validity was established through expert review, and construct validity through factor analysis in which all items loaded above 0.40 (Hair et al., 2019). Internal consistency was assessed with Cronbach's alpha (Cronbach, 1951); all constructs exceeded the 0.70 threshold (Table 2), with the policy framework scale showing excellent reliability ($\alpha = .935$).

Table 2. *Reliability statistics*

Variable	Items	Cronbach's α	Decision
Envisioning (strategic direction & communication)	9	.800	Accepted
Institutionalisation (structure & culture)	7	.855	Accepted
Innovation	7	.808	Accepted
Monitoring and evaluation	7	.829	Accepted
Policy framework (moderator)	7	.935	Accepted
Execution of CIDPs	6	.769	Accepted

3.3 Data Analysis and Model Specification

Data were analysed in SPSS version 22. Descriptive statistics (percentages, means and standard deviations) summarised the responses. Pearson correlation established the strength and direction of bivariate associations. Diagnostic tests preceded regression: the Kolmogorov–Smirnov ($D = .126$, $p = .290$) and Shapiro–Wilk ($W = .978$, $p = .614$) tests confirmed that execution was normally distributed (Shapiro & Wilk, 1965), and the Durbin–Watson statistic of 1.628 lay within the 1.5–2.5 range, indicating no autocorrelation of residuals (Durbin & Watson, 1951).

Following Baron and Kenny (1986) and Aiken and West (1991), the moderating influence was tested through hierarchical multiple regression. In the first step, the six strategic leadership dimensions were entered; in the second step, the policy framework was added. The change in the coefficient of determination (ΔR^2) and its F-test indicate whether the moderator adds significant explanatory power, while ANOVA tests the overall fit of each model. The models were:

$$\text{Model 1: } Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \varepsilon$$

$$\text{Model 2: } Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 Z + \varepsilon$$

where Y is execution of CIDPs; X_1 strategic direction; X_2 communication; X_3 organisational structure; X_4 organisational culture; X_5 innovation; X_6 monitoring and evaluation; Z policy framework; β_0 the constant; β_1 – β_7 regression coefficients; and ε the error term. The hypothesis was tested at the 5% level of significance: H_{05} was rejected where $p \leq .05$.

4. Results

4.1 Response Rate and Respondent Profile

Of the 92 questionnaires distributed, 66 were completed and returned, a response rate of 71.74%, which is considered excellent for survey research (Bryman & Bell, 2015; Mugenda & Mugenda, 2003). Table 3 summarises the respondent profile. Most respondents were male (74.2%), aged 40–49 years (47.0%), held a master’s degree or higher (66.6%) and had served in their county for three to six years (83.3%). Directors (50.0%) and Chief Officers (31.8%)—the officers directly responsible for executing CIDPs—formed the bulk of the sample, which gives confidence that responses were well informed.

Table 3. *Profile of respondents (n = 66)*

Characteristic	Category	Frequency	%
Gender	Male / Female	49 / 17	74.2 / 25.8
Age (years)	20–29 / 30–39 / 40–49 / 50+	1 / 19 / 31 / 15	1.5 / 28.8 / 47.0 / 22.7
Highest education	PhD / Master’s / Degree / Diploma	2 / 42 / 19 / 3	3.0 / 63.6 / 28.8 / 4.5
Position	Director / Chief Officer / Other*	33 / 21 / 12	50.0 / 31.8 / 18.2
Years in county	<3 / 3–6 / >6	8 / 55 / 3	12.1 / 83.3 / 4.5

*Other: Clerks of County Assemblies (5), PAC Chairs (5), Head of M&E (1), County Secretary (1).

4.2 Descriptive Results on Policy Framework

Respondents rated seven statements on the policy framework (Table 4). All seven items had standard deviations below 1.0, indicating a high level of consensus. Agreement was strongest that the PFM Act development threshold should be raised above 30% (88.5% agreed; $M = 1.56$), that public participation input has been incorporated into CIDPs (89.1%; $M = 1.64$), that CIDPs are aligned to the PFM Act (86.0%; $M = 1.91$) and that intergovernmental relations have a bearing on CIDP realisation (86.0%; $M = 2.00$). Most respondents (78.3%) agreed that the policy framework has enhanced CIDP implementation. Agreement was weaker on cooperation and consultation between the national and county governments (73.4%; $M = 2.11$), where 17.2% were unsure and 9.4% disagreed, and on accountability to other agencies (73.5%; $M = 2.19$). The composite mean of 1.92 indicates general agreement that the policy framework is relevant to and supportive of CIDP execution.

Table 4. *Descriptive statistics on policy framework (%)*

Statement	SA	A	NS	D	SD	n	Mean	SD
Strong cooperation and consultation between county and national governments	25.0	48.4	17.2	9.4	0.0	64	2.11	.893
County governments are accountable to other agencies on execution of CIDPs	17.2	56.3	18.8	6.3	1.6	64	2.19	.852
Public participation input has been incorporated in CIDPs	57.8	31.3	3.1	4.7	3.1	64	1.64	.982
Intergovernmental relations have a bearing on CIDP realisation	18.8	67.2	9.4	4.7	0.0	64	2.00	.690
CIDPs are always aligned to the PFM Act 2012	26.6	59.4	11.0	3.1	0.0	64	1.91	.706
Policy framework has enhanced CIDP implementation	28.3	50.0	15.0	6.7	0.0	60	2.00	.844
PFM Act development threshold should be raised above 30%	62.3	26.2	6.6	3.3	1.6	61	1.56	.886

Note. SA = strongly agree (1); A = agree (2); NS = not sure (3); D = disagree (4); SD = strongly disagree (5). Lower means indicate stronger agreement.

Open-ended responses added depth to these ratings. The most frequently cited role of the National Assembly, Senate and county assemblies was oversight and budget allocation (34.6%). A majority (70.3%) felt that these institutions enhance CIDP implementation, mainly through budget allocation and oversight. Those who saw them as a limitation singled out county assemblies, citing refusal or delay in approving budgets, competition between organs and threats of impeachment. Among factors affecting execution that the questionnaire had not captured, respondents cited budget constraints (17.2%), non-cooperative county assemblies (10.9%) and delayed release of funds (9.4%)—all of which are features of the policy and intergovernmental environment rather than of internal leadership.

4.3 Descriptive Results on Execution of CIDPs

Execution results were mixed (Table 5). Respondents agreed that citizens now access services more easily than before devolution (78.3%; $M = 1.83$) and that citizens are satisfied with the quality and impact of CIDP projects (58.4%; $M = 2.28$). However, only 40.0% agreed that

execution had stayed within budget ($M = 2.95$), and just 10.3% agreed that all targeted projects had been completed within the five-year plan period, while 69.0% disagreed ($M = 3.79$). Five of the six items had standard deviations above 1.0, reflecting wide variation in execution experience across departments and counties. The composite execution mean of 2.68 indicates only moderate execution, leaving considerable room for improvement.

Table 5. *Descriptive statistics on execution of CIDPs (%)*

Statement	SA	A	NS	D	SD	n	Mean	SD
County development plans have been completed on schedule	13.3	46.7	13.3	18.3	8.3	60	2.62	1.180
Cost of execution has been within the budget	6.7	33.3	26.7	25.0	8.3	60	2.95	1.096
All targeted projects completed within the 5-year period	1.7	8.6	20.7	46.6	22.4	58	3.79	.951
Achievement of CIDPs has been satisfactory	13.8	39.7	20.7	22.4	3.4	58	2.59	1.077
Citizens access services more easily than before devolution	48.3	30.0	13.3	6.7	1.7	60	1.83	1.011
Citizens are satisfied with the quality and impact of CIDPs	31.7	26.7	25.0	15.0	1.7	60	2.28	1.121

4.4 Correlation Analysis

Table 6 presents the Pearson correlation matrix. Policy framework had a moderate, positive and significant correlation with execution of CIDPs ($r = .588$, $p < .001$), the strongest bivariate association with the dependent variable. Policy framework was also significantly correlated with every strategic leadership dimension, most strongly with innovation ($r = .665$, $p < .001$) and communication ($r = .498$, $p < .001$), and least strongly with strategic direction ($r = .276$, $p = .027$). Among the leadership dimensions, M&E ($r = .577$) and innovation ($r = .547$) had the strongest associations with execution, whereas strategic direction was not significantly correlated with execution ($r = .182$, $p = .163$). None of the inter-predictor correlations exceeded .70, so multicollinearity was not considered a serious threat.

Table 6. *Pearson correlation matrix*

Variable	1	2	3	4	5	6	7	8
1. Strategic direction	1							
2. Communication	.423**	1						
3. Org. structure	.384**	.535**	1					
4. Org. culture	.437**	.485**	.535**	1				
5. Innovation	.374**	.500**	.551**	.372**	1			
6. M&E	.043	.543**	.136	.365**	.271*	1		
7. Policy framework	.276*	.498**	.463**	.378**	.665**	.329**	1	
8. Execution	.182	.451**	.349**	.399**	.547**	.577**	.588**	1

Note. * $p < .01$; $p < .05$ (two-tailed). Pairwise $n = 57-65$.

4.5 Hierarchical Regression: Model Summary

Table 7 presents the model summary. In Model 1, the six strategic leadership dimensions jointly explained 52.0% of the variance in execution of CIDPs ($R = .721$, $R^2 = .520$, adjusted $R^2 = .461$). When policy framework was entered in Model 2, the multiple correlation rose to .763 and the explained variance to 58.2% (adjusted $R^2 = .521$). The change in R^2 of .062 was statistically significant ($F\text{-change}(1, 48) = 7.12$, $p = .010$), and the standard error of the estimate fell from .628 to .592. The policy framework therefore accounts for a significant additional 6.2% of the variation in execution beyond that explained by strategic leadership alone.

Table 7. *Model summary of hierarchical regression*

Model	R	R ²	Adjusted R ²	SE of estimate	ΔR^2	F change	df1, df2	Sig. F change
1	.721	.520	.461	.628	.520	8.831	6, 49	.000
2	.763	.582	.521	.592	.062	7.120	1, 48	.010

Note. Model 1 predictors: (Constant), monitoring and evaluation, strategic direction, organisational structure, innovation, organisational culture, communication. Model 2 predictors: Model 1 + policy framework. Dependent variable: execution of CIDPs. ΔR^2 and F change for Model 2 derived from the reported R² values and degrees of freedom.

4.6 Analysis of Variance (ANOVA)

The ANOVA results in Table 8 test the overall significance of each model. Model 1 was significant ($F(6, 49) = 8.831, p < .001$), confirming that the strategic leadership dimensions jointly predict execution. Model 2 was also significant and produced a larger F-ratio ($F(7, 48) = 9.544, p < .001$). The regression sum of squares increased from 20.893 to 23.401 while the residual sum of squares fell from 19.321 to 16.813, meaning that the inclusion of the policy framework reduced unexplained variation by 2.508 units.

Table 8. *ANOVA results*

Model	Source	Sum of squares	df	Mean square	F	Sig.
1	Regression	20.893	6	3.482	8.831	.000
	Residual	19.321	49	.394		
	Total	40.214	55			
2	Regression	23.401	7	3.343	9.544	.000
	Residual	16.813	48	.350		
	Total	40.214	55			

Note. Dependent variable: execution of CIDPs. Predictors as in Table 7.

4.7 Regression Coefficients

Table 9 reports the coefficients for both models. In Model 1, only innovation ($\beta = .375$, $t = 3.112$, $p = .003$) and M&E ($\beta = .528$, $t = 4.064$, $p < .001$) were significant predictors of execution. Strategic direction, communication, organisational structure and organisational culture were not significant once the other dimensions were controlled for, largely because of their shared variance with innovation and M&E.

In Model 2, policy framework emerged as a significant predictor of execution ($B = 0.429$, $\beta = .331$, $t = 2.676$, $p = .010$; 95% CI [0.107, 0.752]). Holding other factors constant, a one-unit improvement in the policy framework is associated with a 0.429-unit improvement in execution. M&E remained the strongest predictor and was virtually unchanged ($\beta = .503$, $p < .001$). Most notably, the effect of innovation fell by almost half (β from .375 to .207) and became non-significant ($p = .117$). This shift, together with the strong correlation between innovation and policy framework ($r = .665$), indicates that the influence of innovation on execution operates substantially through, and is conditioned by, the policy environment. The coefficient of communication became more negative but remained non-significant, which is consistent with a suppression effect arising from its overlap with M&E and policy framework.

Table 9. Regression coefficients before and after introducing policy framework

Predictor	B	SE	β	t	Sig.	95% CI for B
Model 1						
(Constant)	-0.069	0.457		-0.152	.880	[-0.988, 0.849]
Strategic direction	0.034	0.204	.021	0.168	.867	[-0.376, 0.444]
Communication	-0.159	0.160	-.157	-0.993	.326	[-0.480, 0.163]
Organisational structure	0.097	0.184	.075	0.525	.602	[-0.274, 0.467]
Organisational culture	0.148	0.132	.144	1.117	.269	[-0.118, 0.414]
Innovation	0.455	0.146	.375	3.112	.003	[0.161, 0.749]
Monitoring and evaluation	0.578	0.142	.528	4.064	.000	[0.292, 0.865]

Model 2

Predictor	B	SE	β	t	Sig.	95% CI for B
(Constant)	-0.181	0.433		-0.418	.678	[-1.051, 0.689]
Strategic direction	0.040	0.192	.024	0.206	.838	[-0.347, 0.426]
Communication	-0.205	0.152	-.204	-1.353	.182	[-0.510, 0.100]
Organisational structure	0.068	0.174	.053	0.391	.698	[-0.282, 0.418]
Organisational culture	0.141	0.125	.138	1.134	.263	[-0.109, 0.392]
Innovation	0.251	0.157	.207	1.596	.117	[-0.065, 0.568]
Monitoring and evaluation	0.551	0.135	.503	4.091	.000	[0.280, 0.821]
Policy framework	0.429	0.160	.331	2.676	.010	[0.107, 0.752]

Note. Dependent variable: execution of CIDPs.

The fitted equations are:

$$\text{Model 1: } Y = -0.069 + 0.034X_1 - 0.159X_2 + 0.097X_3 + 0.148X_4 + 0.455X_5 + 0.578X_6$$

$$\text{Model 2: } Y = -0.181 + 0.040X_1 - 0.205X_2 + 0.068X_3 + 0.141X_4 + 0.251X_5 + 0.551X_6 + 0.429Z$$

4.8 Hypothesis Testing

H_{0s} stated that policy framework has no moderating influence on the role of strategic leadership in the execution of CIDPs. The introduction of policy framework produced a significant increase in explained variance ($\Delta R^2 = .062$, $p = .010$), the full model was significant ($F(7, 48) = 9.544$, $p < .001$), policy framework was itself a significant predictor ($p = .010$), and it materially altered the structure of the leadership coefficients, particularly that of innovation. H_{0s} was therefore **rejected**. The study concludes that the policy framework significantly conditions the relationship between strategic leadership and the execution of CIDPs by county governments in Kenya.

Table 10. *Summary of hypothesis test*

Hypothesis	Test statistic	p-value	Decision
H ₀ : Policy framework has no moderating influence on the role of strategic leadership in execution of CIDPs	$\Delta R^2 = .062$; F-change(1, 48) = 7.12; F(7, 48) = 9.544	.010 / .000	Rejected

For context, Table 11 summarises the separate regressions run for the four strategic leadership objectives in the wider study. Each dimension on its own explained between 18.6% and 33.3% of the variance in execution; combined, they explained 52.0%, and with the policy framework, 58.2%.

Table 11. *Summary of individual and combined regression models*

Model	R	R ²	F	df	Sig.
Envisioning (strategic direction, communication)	.451	.203	7.270	2, 57	.002
Institutionalisation (structure, culture)	.432	.186	6.407	2, 56	.003
Innovation	.547	.299	24.791	1, 58	.000
Monitoring and evaluation	.577	.333	27.407	1, 55	.000
Combined strategic leadership (Model 1)	.721	.520	8.831	6, 49	.000
Combined + policy framework (Model 2)	.763	.582	9.544	7, 48	.000

5. Discussion

The central finding is that the policy framework significantly strengthens the explanation of CIDP execution and changes the way strategic leadership operates. The 6.2-percentage-point gain in explained variance is meaningful in a model that already accounts for more than half of the variance, and the improvement in fit is reflected in both the larger F-ratio and the lower standard error. This supports the managerial discretion argument in upper echelons theory (Hambrick, 2007): the same leadership practices yield different results depending on how much latitude, predictability and resources the institutional environment provides. It is also consistent with the theory of constraints (Goldratt, 1990), since respondents identified delayed disbursement, budget limits and non-cooperative county assemblies—constraints that sit in the policy chain—as key obstacles to execution.

The change in the innovation coefficient is the most instructive result. Innovation predicted execution strongly when considered alone and within Model 1, but its unique contribution weakened once the policy framework was controlled for. Innovation in county service delivery—new delivery strategies, partnerships with universities, outsourcing and digital engagement—depends heavily on enabling rules on procurement, budgeting and intergovernmental cooperation. Where these rules are supportive, innovative leadership is translated into executed projects; where they are restrictive, innovative ideas stall. This interpretation agrees with fiscal decentralisation arguments that local initiative thrives only where fiscal arrangements are clear and dependable (Oates, 1972; World Bank, 2012).

By contrast, M&E remained a strong and stable predictor of execution regardless of the policy framework. This suggests that M&E is a relatively internal capability that counties control directly, and that its value for execution—through early detection of delays, cost overruns and quality failures—holds across policy conditions. The finding agrees with Kusek and Rist (2004) on the role of results-based M&E in public sector performance, and it reinforces the legal requirement that every CIDP contain M&E provisions (Republic of Kenya, 2012a).

The descriptive results add nuance. Respondents broadly endorsed the policy framework, yet nearly a quarter were unsure about or disagreed with the strength of national–county cooperation, and almost nine in ten wanted the 30% development threshold raised. With only one in ten respondents reporting full project completion within the plan period, the results suggest that the policy framework is necessary but not yet sufficient. The legal architecture is in place, but its operation—timely fund release, constructive executive–assembly relations and effective consultation forums—still constrains execution.

A methodological note is warranted. The hierarchical approach used here establishes that the policy framework adds significant explanatory power and reshapes the leadership coefficients, which is the pattern Sharma et al. (1981) associate with a variable that conditions a predictor–outcome relationship. A stricter test of pure moderation would add product terms between each leadership dimension and the policy framework (Aiken & West, 1991; Hayes, 2018). With a sample of 56 complete cases, adding six interaction terms would have strained statistical power, so this refinement is left to larger future studies.

6. Conclusion and Recommendations

6.1 Conclusion

The study concludes that the policy framework—intergovernmental relations and public finance management—has a significant moderating influence on the role of strategic leadership in the execution of CIDPs by county governments in Kenya. Strategic leadership alone explained 52.0% of the variance in execution; with the policy framework, this rose to 58.2%. The policy framework was a significant predictor of execution, it absorbed much of the effect of innovation,

and it left the effect of M&E intact. County leadership therefore matters, but how far it translates into completed, on-budget and citizen-valued projects depends on the quality of the policy environment in which it is exercised.

6.2 Recommendations

National Treasury and National Assembly. Equitable share allocations should be passed and disbursed on time and on a predictable schedule, since delays in the release of funds directly disrupt execution. The 30% development-expenditure threshold under the PFM Act should be reviewed upward in a phased manner, accompanied by measures to contain recurrent expenditure, as strongly supported by respondents.

Senate and intergovernmental bodies. The Senate should strengthen its oversight of county revenue use, and the Summit, Council of County Governors and IBEC should be used more actively to resolve disputes and coordinate CIDPs with national plans. Funding incentives could be linked to transparent utilisation and demonstrable CIDP progress.

County assemblies and executives. Structured executive–assembly engagement mechanisms, such as joint CIDP review sessions and agreed budget calendars, should be adopted to reduce delayed budget approvals and the drift of appropriations away from the CIDP. Counties should also safeguard and adequately fund independent M&E units, given their robust contribution to execution.

County leadership. Because the effect of innovation depends on the policy environment, county leaders should pair innovative service-delivery initiatives with early engagement of the relevant policy actors—Treasury, the Controller of Budget, and the county assembly—so that new approaches are funded, approved and compliant from the outset.

6.3 Limitations and Suggestions for Further Research

The study covered five counties in central Kenya and relied on self-reported perceptions of senior officials, which may limit generalisation and introduce common-method bias. The cross-sectional design captures relationships at one point in time. Future research should extend the analysis to a larger and more regionally diverse set of counties, estimate explicit interaction terms (or use conditional process modelling) to test pure moderation, triangulate perception data with objective execution indicators such as Controller of Budget absorption rates, and examine executive–assembly relations as a distinct determinant of CIDP execution.

References

Abass, M. K., Munga, J., & Were, E. (2017). The relationship between strategy implementation and performance in county governments of Kenya: A case study of Wajir County

- Government. *International Academic Journal of Human Resource and Business Administration*, 2(3), 381–401.
- Aiken, L. S., & West, S. G. (1991). *Multiple regression: Testing and interpreting interactions*. Sage.
- Baron, R. M., & Kenny, D. A. (1986). The moderator–mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology*, 51(6), 1173–1182.
- Boal, K. B., & Hooijberg, R. (2000). Strategic leadership research: Moving on. *The Leadership Quarterly*, 11(4), 515–549.
- Bossidy, L., & Charan, R. (2002). *Execution: The discipline of getting things done*. Crown Business.
- Bryman, A., & Bell, E. (2015). *Business research methods* (4th ed.). Oxford University Press.
- Cronbach, L. J. (1951). Coefficient alpha and the internal structure of tests. *Psychometrika*, 16(3), 297–334.
- Durbin, J., & Watson, G. S. (1951). Testing for serial correlation in least squares regression II. *Biometrika*, 38(1/2), 159–177.
- Finkelstein, S., Hambrick, D. C., & Cannella, A. A. (2009). *Strategic leadership: Theory and research on executives, top management teams, and boards*. Oxford University Press.
- Goldratt, E. M. (1990). *What is this thing called theory of constraints and how should it be implemented?* North River Press.
- Government of Kenya. (2010). *The Constitution of Kenya, 2010*. National Council for Law Reporting.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2019). *Multivariate data analysis* (8th ed.). Cengage Learning.
- Hambrick, D. C. (2007). Upper echelons theory: An update. *Academy of Management Review*, 32(2), 334–343.
- Hambrick, D. C., & Mason, P. A. (1984). Upper echelons: The organization as a reflection of its top managers. *Academy of Management Review*, 9(2), 193–206.
- Hayes, A. F. (2018). *Introduction to mediation, moderation, and conditional process analysis: A regression-based approach* (2nd ed.). Guilford Press.
- Hrebiniak, L. G. (2006). Obstacles to effective strategy implementation. *Organizational Dynamics*, 35(1), 12–31.

- Ireland, R. D., & Hitt, M. A. (2005). Achieving and maintaining strategic competitiveness in the 21st century: The role of strategic leadership. *Academy of Management Executive*, 19(4), 63–77.
- Kaplan, R. S., & Norton, D. P. (2008). *The execution premium: Linking strategy to operations for competitive advantage*. Harvard Business Press.
- Krejcie, R. V., & Morgan, D. W. (1970). Determining sample size for research activities. *Educational and Psychological Measurement*, 30(3), 607–610.
- Kusek, J. Z., & Rist, R. C. (2004). *Ten steps to a results-based monitoring and evaluation system*. World Bank.
- Mugenda, O. M., & Mugenda, A. G. (2003). *Research methods: Quantitative and qualitative approaches*. ACTS Press.
- Noble, C. H. (1999). The eclectic roots of strategy implementation research. *Journal of Business Research*, 45(2), 119–134.
- Oates, W. E. (1972). *Fiscal federalism*. Harcourt Brace Jovanovich.
- Republic of Kenya. (2012a). *County Governments Act, No. 17 of 2012*. Government Printer.
- Republic of Kenya. (2012b). *Intergovernmental Relations Act, No. 2 of 2012*. Government Printer.
- Republic of Kenya. (2012c). *Public Finance Management Act, No. 18 of 2012*. Government Printer.
- Shapiro, S. S., & Wilk, M. B. (1965). An analysis of variance test for normality (complete samples). *Biometrika*, 52(3/4), 591–611.
- Sharma, S., Durand, R. M., & Gur-Arie, O. (1981). Identification and analysis of moderator variables. *Journal of Marketing Research*, 18(3), 291–300.
- The National Treasury and Planning. (2020). *Revised guidelines for the preparation of the third generation County Integrated Development Plans*. Government of Kenya.
- World Bank. (2012). *Devolution without disruption: Pathways to a successful new Kenya*. World Bank.