

## Individualized Consideration and the Growth of Intra-Regional Trade in the East African Community

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### Abstract

The study sought to investigate the influence of individualized consideration of the Council of Ministers on the perceived growth of Intra-Regional Trade in the EAC. The research question for the study: How does individualized consideration of the Council of Ministers influence the growth of Intra-Regional Trade in the EAC? The study adopted positivism research philosophy and explanatory sequential mixed design and was anchored on the transformational leadership theory. Population for the study was 205 Senior Trade Officers and Senior technical officers at the EAC headquarters. A sample size of 152 was drawn using random sampling technique. Data was collected using a structured questionnaire containing open and closed ended questions, while interview guide was used for the technical officers. Data collected was coded, cleaned and analyzed using SPSS version 24 to obtain descriptive and inferential statistics. Results showed that the individualized consideration significantly influenced the growth of intra-regional trade in the EAC,  $R^2=.366$ ,  $F(1,121) = 69.786$ ,  $p<.05$ ;  $\beta =.561$ ,  $t(7.868)=8.354$ ,  $p<.05$  leading to the rejection of the null hypothesis. Based on the findings, it was concluded that to enhance the growth of intra-regional trade, the council should be aware that their individualized consideration behavior enhances the growth of intra-regional trade. The study recommends for further research to understand the influence of the individualized consideration of the Summit members of the EAC on the growth of intra-regional trade.

**Keywords:** Individualized Consideration, Intra-Regional Trade

### Introduction

Leadership as a concept has been explained by many scholars in different theories with a common view that it is the art of motivating a group of people to act towards achieving a common goal (Cote, 2017). As part of leadership, transformational leadership inspires trust by empowering followers thus increasing performance, leading to the attainment of organizational growth objectives (Rita et al., 2018). Individualized consideration, according to Orabi (2016), refers to leader actions that make group values and goals salient. The leader motivates followers and promotes teamwork by instilling a desire to work towards common goals (Gyanchandani, 2017). The leader does this by motivating the individuals, builds trust among them and encourages knowledge sharing. Arif and Akram (2018) notes that transformational leaders demonstrate high ethical norms and become role models for their subordinates. In this element of transformational leadership, the leaders behave in ways that lead to them being role models for their followers. The leader, therefore, turns out to be admired, respected and trusted by the followers who in turn want to emulate the leader (Ghasabeh & Provitera, 2017).

According to the World Trade Organization (WTO) (2018), growth of trade in economic integration plays an important role in enhancing shared prosperity in regional economic blocs. At the global level, transformational minded leaders in North America, Europe, Asia and Africa have been associated with the formation and growth of regional integration bodies such as the EU, NAFTA, ASEAN and AU (Buthelezi, 2006). As a result of persistent efforts of transformational leaders, the European Unions' (EU) Intra-Regional Trade accounts for 69% of total exports and is expected to be sustainable and growing (UNCTAD, 2018b). The other prominent regional integration body in the global arena is the Association of South East Asian Nations (ASEAN). The combined GDP of ASEAN countries makes it the 7th largest economy in the world worth over \$2.6 trillion. Intra-Regional Trade within the ASEAN region stands at 59% of exports with a strong forecast of growth in the coming years as a result of deepening integration process (UNCTAD, 2018b). Hildenbrand (2018) attributes the formation of this successful body to the transformational thinking leadership of the member states that form it.

In Africa, leaders like Nelson Mandela, Julius Nyerere, Kwame Nkrumah, Thomas Sankara and Jomo Kenyatta are believed to be the early transformationists who championed for free trade in Africa (Elhiraika et al., 2016). They strived very hard to not only free Africa from colonialism, but to also create economic corporations that allowed the citizens of the continent to interact and to do trade with the aim of improving their social wellbeing (Deghetto et al., 2016). Continental Africa regional integration remains a core objective of the AU to this day.

Born from the progressive ideas of leaders of the three East African Countries of Kenya, Uganda and Tanzania, the EAC is a regional economic organization currently consisting of six member countries namely; Burundi, Kenya, Rwanda, Uganda and United Republic of Tanzania and the Republic of South Sudan (EAC, 2017b). The core objective of the community is to foster the growth of trade between the member countries and to improve the social wellbeing of its citizens (Treaty, 2000). The heads of states of the member countries form the Summit which is the superior most decision-making organ of the community (Mshomba, 2017). However, under the Treaty, the Summit has delegated the policy making and implementation powers to the EAC Council of Ministers which therefore effectively oversees the management of affairs in the community (EAC, 2017b). Effectively therefore, the individualized consideration of the Council of Ministers is critical to the success of the EAC (Rahman et al., 2019).

To be able to influence Senior Trade Officers of the EAC Partner States, the Council of Ministers, as leaders must articulate a clear, compelling vision of what can be attained by each organ and institution and the entire organization, providing a clear purpose, goals, values and norms that give meaning to work (Elhiraika et al., 2016). In this paper, individualized consideration of the Council of Ministers was analyzed in relation to the growth of Intra-Regional trade in the East African Community (EAC) as perceived by the Senior Trade Officers in the partner states. Berberoglu (2018) explains that while many organizations measure growth as a measure of performance by way of evaluating numerical information, in many cases growth is not necessarily based on objective data thus perceived opinions of informed persons work best.

Regional integration is seen by scholars such as Schneider (2017) and Elhiraika et al. (2016) as being critical to the economic growth of nations and to advance the general welfare of their citizens. Despite this fact, the EAC is straggling to sustain the current 11.4% intra-regional

growth rate which is way below its 25% target (EAC, 2018). Mshomba (2017) is therefore of the view that there is need for an in-depth study to understand the root cause of the underperformance of the EAC region in respect to its set growth targets. A number of studies including Santos et al. (2018), Mshomba (2017) and Elhiraika et al. (2016) are in agreement that the process of regional integration is a transformational process from the ‘national’ to the ‘regional.’ Their research found that while a number of attempts have been made to explain the cause of the underperformance of the EAC, the role of leadership in enhancing growth of intra-regional trade has not been studied adequately. Despite this fact, the number of studies on the individualized consideration of the council of ministers on the growth of intra-regional trade in the EAC remains limited.

This study therefore aims to fill the knowledge and policy gap by inquiring into the relationship between the individualized consideration of the Council of Minister of the EAC and the growth of intra-regional trade as perceived by the senior trade officers in the partner states whose job it is to implement the growth of trade in the region. Abdelsalam (2015) only addressed transformational leadership and its impact on Governance and Development in African Nations without necessarily measuring the dimensions of transformational leadership such as individualized consideration. Umulisa (2020), states that little or no studies which look at the relationship between individualized consideration of transformational leadership style and the growth of Intra-EAC trade has been done and that there is a great need to understand this relationship in the EAC context. This study therefore yields a knowledge gap and sought to fill these knowledge and contextual gaps by studying the influence of individualized consideration behavior of the Council of Ministers on the growth of Intra-Regional Trade in EAC.

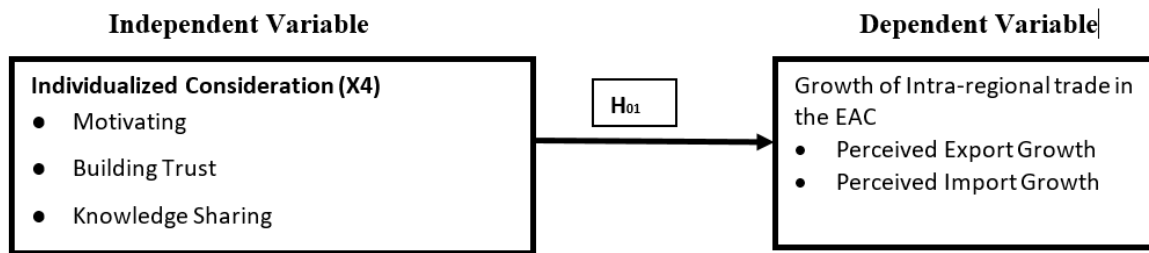
## **Literature Review**

### ***Theoretical Review***

The independent variable for this study is the individualized consideration and the study is anchored on the transformational leadership theory developed by Burns (1978). Individualized consideration emerges when transformational leaders behave in a way that makes their followers feel individually valued and cared about Arif and Akram (2018). Transformational leadership behaviors linked to individualized consideration behaviors adopted in this study are; motivating, building trust and knowledge sharing. The application of individualized consideration behaviors by the council member is achieved through follower development by providing motivation, support and encouragement and by building trust (Boamah et al., 2018). The transformational leader listens carefully to individual needs of their followers; and may delegate certain responsibilities to help followers grow through personal challenge. The transformational leader continuously evaluates the followers’ potential with respect to their ability to meet set performance targets (Northouse, 2018).

The dependent variable in this study was the growth of Intra-Regional Trade in the EAC examined through the perceived performance of exports and imports. Regional integration widens the market that would lead to thriving small and large scale private sector businesses that can alleviate poverty by contributing to economic growth, job creation and people’s incomes (World Bank, 2018). In this study, the growth of Intra-Regional trade was measured in terms of the perceived growth of financial value of trade in the form Intra-EAC imports and exports in the EAC.

### Conceptual Framework



**Figure 1: Conceptual Framework**

### Empirical Review

According to Doppelt (2017), motivation is the force that a leader with individualized consideration behavior uses to constantly induce someone to move or to perform in a certain desired way. It is a psychological process that yields stimulation, direction and persistence in behavior towards a desired cause. A number of factors could be considered as motivational but this varies depending on how they are perceived by the employees. A good example is rewards, incentives and recognition, which could have varying effects on the receiver. Research indicates that in some instances, employees' job satisfaction is influenced by the rewards or motivation they receive from their job. Workers who are motivated tend to give their best efforts and work hard at their job because they feel fulfilled (Hunitie, 2016). Additionally, there are the intrinsic motivators and extrinsic motivators and found out that there is a significant and positive correlation between intrinsic motivators and job satisfaction in banks in India (Garg, Dar, & Mishra, 2018).

In Italy, Giampietri et al. (2018) conducted an empirical study to better understand the relationship between building trust and the growth of Short Food Supply Chains. The study was anchored on the theory of Planned Behaviour (TPB). The research was done through an online survey on 260 respondents in Italy. Structural equation modelling was used to analyze the data collected. The findings of the study confirmed that consumer preference and purchase pattern was strongly greatly determined by their trust on fair and free trade. The study makes the conclusion that building trust indeed affects the performance and growth of trade.

In a study, Asamoah et al., (2019) examined empirically the role institutional knowledge transfer plays in the growth of trade and foreign direct investments (FDI) in regional economies. The study used the Structural Equation Modelling (SEM) technique to analyze data collected from 34 Sub-Saharan African (SSA) countries for the period between 1996 and 2016. In its findings, the study found a strong and positive link between institutional knowledge sharing and the growth of economies. The study concludes that trade openness and sharing of vital information as human capital development is critical for the achievement of economic growth.

### Methodology

The study adopted positivism research philosophy and explanatory sequential mixed design. The target population of this study constituted the 205 Senior Trade Officers in the EAC Partner States and senior officers at the EAC headquarters. The study used stratified random sampling

technique to determine the sample size guided by Yamane (1967) formula to select a sample size of 152 respondents which included a 10% correction margin. Data was collected using a structured online questionnaire with a 5-point Likert scale to gather primary data from the respondents, while interview guide was used to collect data from the senior officers of the EAC to triangulate the information obtained from trade officers in the partner states.

The research procedure involved obtaining the approval of the United States International University-Africa Internal Review Board (IRB), the clearance of the National Commission for Science Technology and Innovations (NACOSTI) and a letter from the EAC Secretary general for collecting data from the six partner states. A pilot study involving 10% of the sample size was conducted and internal consistency of the research instrument using Cronbach's Alpha ( $\alpha$ ) was undertaken. The results showed that all the overall Cronbach's Alpha values for each section was greater than 0.7. Validity of the instruments was also tested with four respondents and input from the supervisors. Descriptive and inferential data analysis using multiple linear regression was conducted which included factor analysis, correlation analysis, chi-square test and diagnostics test.

## Results

The results and analysis of the data relating to the influence of individualized consideration on the growth of intra-regional trade in the EAC is presented. From the 138 questionnaires administered to trade officers in each partner state, 123 were successfully completed and returned. Similarly, in the case of interview schedule, all the respondents were conducted and responded.

### *Descriptive Statistics for the Influence of Individualized Consideration of the Council of Ministers and the Growth of Intra-Regional Trade in the EAC*

#### *Mean and Standard Deviation for Individualized Consideration of the Council of Ministers and the Growth of Intra-Regional Trade in the EAC*

The analysis in Table 1 indicates a very low variability on senior trade officer's views on how individualized consideration of council of ministers influences the perceived growth of intra-regional trade. The measured parameters on opinion of the senior trade officers on the three aspects on individualized consideration indicate a low variability ( $M=4.12$ ,  $SD=0.79$ ). This shows that the respondents were consistent in their views with regards to the influence of individualized consideration on the growth of intra-regional trade in the EAC.

**Table 1: Mean and Standard Deviation for Individualized Consideration of the Council of Ministers and the Growth of Intra-Regional Trade in the EAC**

Statement	Individualized Consideration		
	N	Mean	Std. Deviation
The Council of ministers motivate Senior Trade Officers of the EAC partner states to perform their duties better.	123	4.0650	.81723
The Council of ministers encourage building trust among the Senior Trade Officers of the EAC partner states.	123	4.1707	.77573
The Council of ministers encourage Knowledge Sharing Culture among the Senior Trade Officers of the EAC partner states.	123	4.1463	.78597

*Mean and Standard Deviation for Individualized Consideration of the Council of Ministers and the Growth of Intra-Regional Exports in the EAC*

With regards to senior trade officers' view on extent of intellectual stimulation influence by the members of the council on the growth of intra-regional exports, the measures also showed low variability of (M=4.51, SD=0.74) as shown in Table 2, thus showing the uniformity in the perceived opinion of the respondents.

**Table 2: Mean and Standard Deviation for Individualized Consideration of the Council of Ministers and the Growth of Intra-Regional Trade in the EAC**

<b>Export</b>			
<b>Statement</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
To what extent does the motivation of Senior Trade Officers of the EAC partner states by the Council of ministers, influence the growth of Intra-Regional Exports in the EAC?	123	4.5122	.72841
To what extent does the Council of ministers of the EAC influence the growth of Intra-Regional Exports by encouraging Building Trust among the Senior Trade officers of the EAC partner states?	123	4.5122	.72841
To what extent does the Council of ministers of the EAC influence the Growth of Intra-Regional Exports by encouraging Knowledge Sharing among the Senior Trade Officers of the EAC partner states?	123	4.4959	.75067

*Mean and Standard Deviation for Individualized Consideration of the Council of Ministers and the Growth of Intra-Regional Imports in the EAC*

With regards to senior trade officers' view on extent of intellectual stimulation influence by the members of the council on the growth of intra-regional imports, the measures also showed low variability of (M=4.55, SD=0.76) as shown in Table 3.

**Table 3: Mean and Standard Deviation for Individualized Consideration of the Council of Ministers and the Growth of Intra-Regional Trade in the EAC**

<b>Import</b>			
<b>Statement</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
To what extent does the motivation of Senior Trade Officers of the EAC partner states by the Council of ministers, influence the growth of Intra-Regional Imports in the EAC?	123	4.5528	.72658
To what extent does the Council of ministers of the EAC influence the growth of Intra-Regional Imports by encouraging Building Trust among the Senior Trade Officers of the EAC partner states?	123	4.5610	.75906
To what extent does the Council of ministers of the EAC influence the Growth of Intra-Regional Imports by encouraging Knowledge Sharing among the Senior Trade Officers of the EAC partner states?	123	4.5366	.79231

***Inferential Statistics for the Influence of Individualized Consideration the Council of Ministers and the Growth of Intra-Regional Trade in the EAC***  
*Factor Analysis Results on Transformational Leadership*

From the analysis presented in Table 4, the KMO measure is 0.747, which lies in the acceptable range. The analysis points to the strength of the significant relationship that exists between the variables and was used to test the null hypothesis using the Bartlett's test of sphericity.

**Table 4: KMO and Bartlett's Test for Individualized Consideration**

<b>KMO and Bartlett's Test for Individualized Consideration</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.747
Bartlett's Test of Sphericity	Approx. Chi-Square	242.717
	Df	3
	Sig.	0.000

*Total Variance Explained for Individualized Consideration*

Total Variance presented in Table 5 shows the number of significant factors that were explained in individualized consideration. The extracted sums of squared loading were used in this analysis to examine the factors that count the most. From the analysis, the first factor accounts for 84.477% of the variance. The other factors were found to be insignificant to the variance.

**Table 5: Total Variance Explained for Individualized Consideration**

Component	<b>Total Variance Explained</b>			<b>Total Variance Explained</b>		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.534	84.477	84.477	2.534	84.477	84.477
2	.276	9.201	93.678			
3	.190	6.322	100.000			

Extraction Method: Principal Component Analysis.

*Scree Plot Individualized Consideration*

As scree plot is a pattern in descending order of magnitude of the eigenvalues of a correlation matrix (Peng et al., 2002). The scree plot findings as indicated in Figure 2, showed that one component had an eigenvalue that was greater than one. This finding confirms the total variance results as explained for individualized consideration.



**Figure 2: Scree Plot Individualized Consideration**

*Component Matrix for Individualized Consideration*

The matrix for individualized consideration in Table 6 presents the loading of the three factors that contributed to individualized consideration of the Council of Ministers. In this study, the baseline was set at 0.6 thus no variable was removed as all the factor loadings were above 0.9.

**Table 6: Component Matrix for Individualized Consideration.**

<b>Component Matrix<sup>a</sup></b>	
	Component
	1
The Council of ministers motivate Senior Trade Officers of the EAC partner states to perform their duties better.	.915
The Council of ministers encourage building trust among the Senior Trade Officers of the EAC partner states.	.935
The Council of ministers encourage Knowledge Sharing Culture among the Senior Trade Officers of the EAC partner states.	.907
Extraction Method: Principal Component Analysis.	
a. 1 components extracted.	

**Diagnostic Tests for Individualized Consideration and Exports**

This study endeavored to establish whether the assumptions for linear regression were adhered to and for individualized consideration behaviour by conducting the necessary tests.

*Test for Multicollinearity between Individualized Consideration and Exports*

Multicollinearity test was done using the Variance Inflation factor (VIF). A VIF value of less than 10 means that the multicollinearity among the independent variables are not statistically significant. The analysis shows that all the VIF values were below 10, meaning that the multicollinearity was not significant as shown in Table 7.

**Table 7: Multicollinearity test between Individualized Consideration and Exports**

	Collinearity Statistics	
	Tolerance	VIF
Idealized Influence	0.122	5.870
Inspirational Motivation	0.111	6.47
Intellectual Stimulation	0.22	5.71
Individualized Consideration	0.441	6.71
Transformational leadership	0.123	5.31

*Autocorrelation Test between Individualized Consideration and Exports*

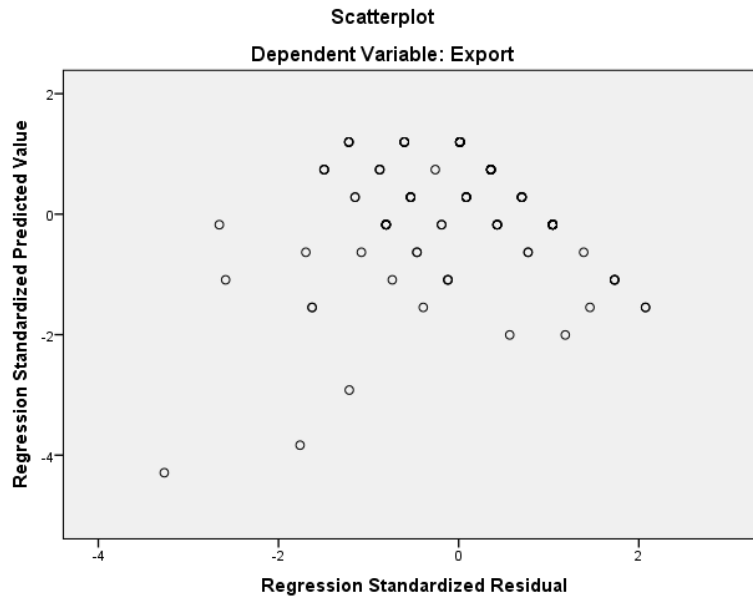
The acceptable Durbin-Watson values are between 0-4. A value below zero was considered to be negative autocorrelation between the error terms, while a value above 4 is considered to be a strong positive autocorrelation between the error terms. The Durbin-Watson value for this study as presented in Table 8 was 1.252 indicating that there is no autocorrelation within the error terms.

**Table 8: Testing for Autocorrelation between Individualized Consideration and Exports**

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.602 <sup>a</sup>	.362	.357	.54042	1.252
a. Predictors: (Constant), Individualized Consideration					
b. Dependent Variable: Export					

*Heteroscedasticity test between Individualized Consideration and Export*

Heteroscedasticity is the measure of the variability of the modelling errors. When the modelling errors do not have the same variance, the model is considered heteroscedastic with a scatter plot showing a linear pattern. In case the modeling errors have the same variance, the model is said to be homoscedastic or do not have a heteroscedastic problem with a scatter plot being diffused. The scatter plot in Figure 3 shows that the plots are diffused and do not form a specific pattern. This is an indication that there is no heteroscedastic problem in the regression model between individualized consideration and export.



**Figure 3: Heteroscedasticity Test between Individualized Consideration and Export**

*Normality Test between Individualized Consideration and Exports*

To analyze the normality of the data set for individualized consideration and the growth of exports, the measures of skewness and kurtosis were conducted. The results as presented in Table 9, established the presence of negative skewness, though not excessive as the values were within the range of -2 to +2. On the other hand, the values for kurtosis were also within the acceptable range of -7 to +7, thus did not show excessive kurtosis.

**Table 9: Testing for Normality between Individualized Consideration and Exports**

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Individualized Consideration	123	-1.382	.218	3.000	.433
Export	123	-2.202	.218	2.910	.433

*Linearity Test between Individualized Consideration and Export*

Linearity test examines the existence of a linear relationship between variables such that the value of the dependent variable is a straightline function of the independent variable. Table 10 shows the findings of the linearity test for individualized consideration style of the Council of Ministers and the growth of intra-regional exports in the EAC. The results show that the deviation from linearity,  $p$  value = 0.091,  $p \leq .05$ . The study concluded that the slope of the regression line is different from zero, thus passes the linearity test and that the relationship was linear.

**Table 10: Linearity Test between Individualized Consideration and Export**

ANOVA Table				Sum of	df	Mean	F	Sig.
				Squares		Square		
Export	*	Between	(Combined)	27.880	10	2.788	11.342	.000
Individualized		Groups	Linearity	20.073	1	20.073	81.659	.000
Consideration			Deviation from Linearity	7.807	9	.867	3.529	.091
Within Groups				27.531	112	.246		
Total				55.411	122			

***Correlation Between Individualized Consideration Behavior of the Council of Ministers on the Growth of Intra-Regional Exports and Imports in the EAC***

The findings for Pearson Correlation analyzed indicated that there was a positive correlation between the perceived growth of intra-regional exports and the individualized consideration of Council of Ministers'  $r(123) = 0.602$ ,  $p < 0.05$ . The Pearson Correlation test for the relationship between inspirational motivation and the perceived growth of intra-regional imports indicated that it was positive and significant  $r(123) = 0.573$ ,  $p < 0.05$ . These results are presented in Table 11.

**Table 11: Correlation Analysis between Individualized Consideration and the Growth of Intra-Regional Trade in the EAC**

		Individualized Consideration
Export	Pearson Correlation	.602**
	Sig. (2-tailed)	.000
	N	123
Import	Pearson Correlation	.573**
	Sig. (2-tailed)	.000
	N	123

\*\* . Correlation is significant at the 0.01 level (2-tailed).

***Chi-Square Test***

***Chi-Square Test for Association between Individualized Consideration Behavior of the Council on the growth of Intra-Regional Exports in the EAC***

Chi-square test was used to assess the strength of the relationship between individualized consideration and the growth of intra-regional exports. The findings for chi-square test as detailed in Table 12, indicated that there was a strong association between the individualized consideration of the Council of Ministers and the growth of intra-regional exports  $\chi^2(90, N=123) = 403.721$ ,  $p < 0.05$ .

**Table 12: Chi-Square Test for Association between Individualized Consideration Behavior of the Council of Ministers and the Growth of Intra-Regional Export in EAC**

Chi-Square Tests	
	Value
Pearson Chi-Square	403.721 <sup>a</sup>
Df	90
Asymp. Sig. (2-sided)	0.000
N of Valid Cases	123

a. 104 cells (94.5%) have expected count less than 5. The minimum expected count is .01.

*Chi-Square Test for Association between Individualized Consideration Behavior of the Council on the Growth of Intra-Regional Imports in the EAC*

Chi-square test was also used to assess the strength of the relationship between individualized consideration and the growth of intra-regional imports. The findings for chi-square test as shown in Table 13, indicated that there was a strong association between the individualized consideration of the Council of Ministers and the growth of intra-regional imports  $\chi^2(80, N=123) = 303.168, p < 0.05$ .

**Table 13: Chi-Square Test for Association between Individualized Consideration Behavior of the Council of Ministers and the Growth of Intra-Regional Import in EAC**

Chi-Square Tests	
	Value
Pearson Chi-Square	303.168 <sup>a</sup>
Df	80.000
Asymp. Sig. (2-sided)	.000
N of Valid Cases	123

a. 104 cells (94.5%) have expected count less than 5. The minimum expected count is .01.

*Regression Model Summary for Individualized Consideration and Growth of Intra-Regional Trade*

As shown in Table 14,  $R=0.605$  shows a positive correlation, with a coefficient of determination  $R^2=0.366$ , while the adjusted  $R^2=0.361$  showed that the regression model fits the data. These results suggest that idealized influence contributes about 37% variance in the overall growth of intra-regional trade in the EAC when other factors are held constant.

**Table 14: Model Summary Individualized Consideration**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.605 <sup>a</sup>	.366	.361	.54035

a. Predictors: (Constant), Individualized Consideration

*Regression ANOVA for Individualized Consideration and the Growth of Intra-Regional Imports*

To establish whether the overall regression model was a good fit for the data, this study conducted a regression ANOVA analysis to test the level of variation resulting from the independent variable X2 (individualized Consideration), in the regression model. The  $R^2=.366$

(Table 14) and F-test results in ANOVA (Table 15), show that individualized consideration accounted for about 37% of the variance ( $R^2=.366$ ,  $F(1,121) = 69.786$ ,  $p<.05$ ) in the regression model.

**Table 15: Regression ANOVA for Individualized Consideration**

		ANOVA <sup>a</sup>				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.376	1	20.376	69.786	.000 <sup>b</sup>
	Residual	35.330	121	.292		
	Total	55.706	122			

a. Dependent Variable: Intraregional Trade  
b. Predictors: (Constant), Individualized Consideration

### **Regression Coefficients for Individualized Consideration and Growth of Intra-Regional Trade**

As presented in Table 16, regression coefficients for individualized consideration coefficient value of  $\beta = .561$ ,  $t(7.868)=8.354$ ,  $p<.05$  indicating a value that was less than the critical p-value of 0.05, thus the study rejected the null hypothesis. This was an indication that there was a significant and positive relationship between the inspirational motivation of the Council of Ministers and the growth of intra-regional trade in the EAC. Thus, the study suggested that, any improvement in the individualized consideration of the Council of Ministers enhanced the growth of intra-regional imports in the EAC by a factor of 0.561.

**Table 16: Regression Coefficients for Individualized Consideration and Growth of Intra-Regional Trade**

		Coefficients				
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.214	.281		7.868	.000
	Individualized Consideration	.561	.067	.605	8.354	.000

a. Dependent Variable: Intraregional Trade

### **Discussion**

To answer the research question, this study undertook an analysis to establish the influence of individualized consideration of the Council of Ministers on the perceived growth of intra-regional trade in the EAC as expressed in terms of the growth of intra-regional exports and imports. In this endeavor, the study found a strong correlation,  $r(123) = 0.602$ ,  $p<0.05$  and  $r(123) = 0.573$ ,  $p<0.05$  between the individualized consideration of the Council of Ministers and the perceived growth of exports and imports in the EAC respectively. These findings are similar to that of Moen, Heggseth and Lome (2016) in Norway who did an empirical study to inquire into the relationship between motivation, international orientation and growth performance. The longitudinal study was done on 247 Norwegian exporting firms which were followed for a period of over 11 years. The researchers used a combination of regression analysis and structural equation modeling to analyze the data obtained. They established that motivation for growth was closely related to organizational performance and growth in areas

such as exports and revenue. The study concludes that firms that have leaders who have stronger ability of motivation, achieve faster and more sustainable growth in local and international markets.

Further confirmation of the findings of this study is presented by Nguyen and Bernauer (2019) in Vietnam by inquiring into the issue of whether trust plays a role in the growth of free trade. The survey research was carried out in the five largest cities in Vietnam namely, Hanoi, Haiphong, Danang, Ho Chi Minh City and Can Tho. Data was collected from 1400 respondents in the age group of 18-64 through a face to face interview. The study used ordinary least squares (OLS) regression model to analyze the data. In their findings, they established a strong and positive relationship between trust and the growth of trade. The study concludes that building trust accounted for sixty eight percent (68%) of the growth of both local and international trade. These findings echo the outcome of this study on the influence of individualized consideration behavior of the members of the council on the growth of intra-regional trade in the EAC. Similarly, Lenz (2018) in a study inquiring into the role of friendship and trust in a regional integration process, found that in the Franco-German and the Argentine-Brazilian corporations, building trust created a smooth integration process to great extent. This is an exact situation in the EAC as confirmed by the findings of this study.

A study in Turkey by Lo Turco and Maggioni (2018) that examined the role trust plays in enhancing export growth opportunities for manufacturing firms is in agreement with findings of this study, with regards to the relationship between transformational leadership and the growth of intra-regional trade in the EAC. Their study adopted a unique approach in analyzing the Islamic trust factor in the growth of Turkish manufacturing firms in the Muslim countries. They conducted the study in 195 countries that are export destinations for Turkish manufacturing firms. Their findings established that trust plays a great role and accounts for about eighty-nine percent (89%) of the steady growth of trade between Turkey and predominantly Muslim countries. The study suggests that the higher the trust levels between the exporting and importing countries, the higher the level of growth in exports between them. Their study concludes that building strong trust greatly enhances trade between countries. These findings mirror the findings of this study following the analysis of the data gathered from the senior trade officer in the EAC region and opinion of the senior experts at the EAC headquarters.

### **Conclusion and Recommendations**

The findings from the correlational analysis conducted in this study showed that individualized consideration behavior of the Council of Ministers positively and significantly affects the growth of intra-regional exports and imports in the EACr (123) =0.602,  $p < 0.05$  and  $r(123) = 0.573$ ,  $p < 0.05$ . Further analysis revealed coefficients results of  $\beta = .561$ ,  $t(7.868) = 8.354$ ,  $p < .05$  indicating a value that was less than the critical p-value of 0.05, thus strongly predicting the relationship between individualized consideration and the growth of intra-regional trade in the EAC, thus the null hypothesis was rejected.

The study recommends that the council should consciously realize the effect of their behavior in the community and should demonstrate more of individualized consideration in the future. The study has shown that motivation, building trust and encoring teamwork by the Council of Ministers has a significant impact on the growth of intra-regional trade. The study recommends

for further research to understand the influence of the individualized consideration of the Summit members of the EAC on the growth of intra-regional trade.

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