EFFECT OF STRATEGIC PERFORMANCE SYSTEMS ON ORGANIZATIONAL JUSTICE IN THE SEMI-AUTONOMOUS GOVERNMENT AGENCIES IN KENYA

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JOMO KENYATTA UNIVERSITY OF

AGRICULTURE AND TECHNOLOGY

2016

Effect of Strategic Performance Systems on Organizational Justice in the Semi-Autonomous Government Agencies in Kenya

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Thesis Submitted in Partial Fulfillment for the Degree of Doctor of Philosophy in Business Administration (Strategic Management Option) in the Jomo Kenyatta University of Agriculture and Technology

2016

DECLARATION

This thesis is my original work and has not been presented for a degree in any other University.

Signed……….………………….….. Date…………………………………

Jane Wamuyu Mugo

This thesis has been submitted for examination with our approval as University supervisors.

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CUCK, Kenya

DEDICATION

This work is dedicated to my family who supported me throughout my studies. Their love, care, concern, support, encouragement and enthusiasm inspired me to achieve this goal.

ACKNOWLEDGEMENT

I take this opportunity to first, thank God for good health and for bringing me this far. I extend my gratitude to my supervisors; Dr. Iravo and Prof. Kihoro for their encouragement and patience in reading, correcting, re-reading and refining this work throughout the conceptualization of the research to the final preparation of this thesis proposal. Their inspiration and positive criticism ensured that I remained within the subject context. I recognize the support, care and encouragement from my family members, classmates and friends. May God bless you abundantly. I also wish to thank my PhD class mates for their valuable company and moral support throughout the course work to the development of this study. To you all, thank you and may God's blessings be upon your lives.

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ACRONYMS/ABBREVIATIONS

ABC   -   Activity-Based Costing

BSC   -   Balanced Scorecard

EFQM   -   European Foundation for Quality Management

EMIS   -   Education Management Information Systems

EQA   -   European Quality Award

HPT   -   Human Performance Technology

JKF   -   Jomo Kenyatta Foundation

KEMI   -   Kenya Education Management Institute

KIE   -   Kenya Institute of Education

KISE   -   Kenya Institute of Special Education

KNEC   -   Kenya National Examination Council

MBNQA   -   Malcolm Baldridge National Quality Award

RCT   -   Referent Cognitions Theory

SPC   -   Statistical Process Control

SPSS   -   Statistical Package for Social Sciences

SW   -   CMM-Capability Maturity Model for software

DEFINITION OF TERMS

Distributive justice: refers to the fairness of distributions or allocations of rewards (Steiner & Rolland, 2006)

Organizational justice: is a term used to describe the ways in which employees determine if they have been treated fairly in their jobs and the ways in which those determinations influence other work related (Moorman (1991)

Procedural justice: refers to the perceived fairness of the procedures used to make decisions (Thibaut & Walker,1975

Strategic performance   refers to a system that uses information to

Management System: produce a positive change to organizational culture, systems and processes (Edson et al., 2009).

ABSTRACT

In a changing economic climate, characterized by pressures to improve productivity and reduce costs, performance management has a more central role in helping to ensure competitive advantage. As SAGAs have developed more formal strategic processes, there has been some movement towards the integration of organizational strategy with a more strategic approach from human resource management. This has involved many organizations in the introduction of formal performance systems, frequently characterized by appraisals or performance reviews. The strategic performance practices should be structured to include organizational justice for a good production from the employees to be attained and to prevent chaos and mistrusts in organization. From the previous studies, there is no single published study conducted on strategic performance systems. The study thus sought to investigate the effect of strategic performance systems on the organizational justice in semi- autonomous government agencies in Kenya. The study collected data from the ministry of education using questionnaires which were administered using drop and pick method. This study adopted the positivism approach which advocates the application of methods of the natural sciences to the study of social reality and beyond. The population of interest in this study was Jomo Kenyatta Foundation (JKF), Kenya Institute of Education (KIE), Kenya National Examination Council (KNEC), Kenya Education Management Institute (KEMI) and Kenya Institute of Special Education (KISE). The respondents for the study were employees in the SAGAs. Stratified random sampling method was used to come up with the sample for the study. The sample size was 124 respondents from the five selected SAGAs. The data collection instruments that were used were structured questionnaires which consisted of closed ended questions. The data collected was then coded and analyzed both by descriptive and inferential statistics. The result suggests that SAGAs in Kenya relatively observed distributive justice but hardly do they observe procedural justice and interactional justice. The study results showed that the level of justice in SAGAs in Kenya was moderate and leave more to be desired. The research indicates a positive link between organizational justice and satisfaction with various

elements of strategic performance systems. The study established that employees perceived that there was scarcity of organizational justice in SAGAs in Kenya but it could not be wholly attributed to strategic performance systems. Other factors may as well have played a role on employees' perception of organizational justice. The study further concludes that perception of organizational justice is correlated with several organizational factors, including job satisfaction, organizational commitment, trust, and legitimacy. The study results further showed that justice perceptions can improve organizational-relevant attitudes and behaviors such as satisfaction, affective commitment, trust, and performance. The study recommends that strategic performance systems should be implemented in organization but with keenness to observe organizational justice.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

In today's contemporary world, organizations are facing international competition and thus the management of such organizations are constantly formulating strategies to enable the government retain their market share. The impact on organizations is achieved by the agreement on performance goals, the allocation and definition of resources priorities, informing managers to review or to maintain the current policy or plans to meet these goals, and the sharing of the performance results in the process of pursuing those goals (Amaratunga & Baldry, 2002). Implicitly, the role for the performance measurement subsystem is identified as part of the strategic performance management system content definition. The performance measurement system is responsible for the strategy implementation management process. The strategic management system should be able to follow and control the strategy implementation process.

The multi-dimensional characteristics of enterprise performance are challenging the operations system management models (Edson *et al.,* 2009). Such characteristics are exemplified by the complexity of factors involved; the dynamic associated with the internal and external variables that define the strategic management of the operations system, and their external environment; strong links that inter-relate short and long term perspectives of operations strategy planning systems; and the increasing use of resource and competence based views in operations strategy specification and design.

The process of strategic management system redesign necessitates a more balanced, integrated, linked, flexible, multifaceted and multidimensional management system (Gomes *et al.,* 2004). Such properties should reflect the performance measurement system specification when describing the whole strategic operations management system. The properties are currently not well developed and integrated to the strategic operations management processes, and could not offer the opportunity for

firms to better understand their operations systems environment and to increase their performance level (Slack, 2000). Although, the firms are increasingly utilizing non-financial performance measures in their decision-making processes (Burns *et al.,* 1997), there is very little evidence that these measures are formal and directly linked to the firm's strategy and effectiveness.

There is a common belief in the operations management practices in organizations that if the performance measurement system is redesigned, there will be a positive impact in the organization's overall performance (Bourne *et al.,* 1999). That belief is often the basic reason for starting the redesigning process; however, the recent research results suggest that there is no success guarantee. In fact, the main issue is related to the operation and management of a strategic system (Bourne *et al.,* 2005).

It is also important to highlight that for improved performance, the strategic management system that encompasses the measurement subsystem should be conceived to: deploy enterprise strategic performance management instead of performance measurement systems; develop dynamic rather than static strategic management systems; enhance the flexibility of performance measurement systems, improving its capability to cope with organizational changes (Neely, 2005).

Strategic planning complies with a set of strategic performance measurement systems (Suwit *et al.,* 2011). This practice is consistent with international practices in that performance measurement is a common choice for the management of strategy (Kloot & Martin, 2000). Performance measurement is beneficial for CEO Governors, ranging from producing performance reports to implementing strategy to creating a platform for strategic learning and cooperation (Kober *et al.,* 2007).

There are different aspects of organizational justice such as distributive justice, procedural justice and interactional justice. Well-designed systems that promote distributive, procedural and Interactional justice profit both the individual, who will be satisfied that they have been fairly treated, and the organization, which will maintain control over potential challenges and threats from its staff while reaping the benefits of being an employer of choice.

Decisions made with respect for organizational justice are unequivocally associated with positive outcomes both for the individuals who are affected by the decisions and for the authorities and the organizations responsible for the decisions (Colquitt *et al.,* 2001). Identifying the effects of strategic performance systems on the implementation of organizational justice in an organizational context could provide additional insight into the area of organizational behavior. The key to understanding group effectiveness is found in the on-going interaction process which takes place between individuals while they are working on a task. Well-designed systems that promote distributive, procedural and Interactional justice profit both the individual, who will be satisfied that they have been fairly treated, and the organisation, which will maintain control over potential challenges and threats from its staff while reaping the benefits of being an employer of choice.

1.1.1 Semi-Autonomous Government Agencies (SAGAs)

SAGAs help to regulate operation within specific subsectors. These include the Insurance Regulatory Authority, Retired benefits Authority, and the Capital Markets Authority for the insurance, retirement Benefits, and Capital markets subsectors respectively Republic of Kenya (2005). The sector also mobilizes public revenues through the Kenya Revenue Authority and in collaboration with other actors in the sector to ensure continued revenue generation within a stable macro-economic framework. In addition, the sector through the Kenya Institute of Administration develops capacity of public servants to facilitate better service delivery. This institute is bound to play a more meaningful role in national development as it engages in capacity development of those to manage the devolved Government.

The creation of semi-autonomous public organizations (agencies) outside ministerial departments in the past twenty years has resulted in a lively academic debate on the phenomenon of agencification and its effects on political control. In the literature political control and agency autonomy are often used interchangeably. This paper assumes a trade-off between political control and agency autonomy, that is, more agency autonomy implies less political control (and vice versa) (Verhoest *et al.,* 2004).

The concepts differ in terms of their analytical perspective on ministry-agency-relations: The term control implies a top-down perspective on ministry-agency-relations, focusing on the parent ministry's motivation and capacity to influence agency decision-making. In contrast, autonomy takes a bottom-up perspective, focusing on agencies' decision-making authority as a function of ministerial control. However, the autonomy-control-balance may vary across subject matters within the same ministry-agency relation, that is agency autonomy and political control are multidimensional concepts (Bouckaert & Peters 2004; Christensen 2001; Flinders 2008; Verhoest *et al.,* 2004). For instance, an agency may have little autonomy on management decisions (personnel, finances) but high autonomy on policy implementation. Thus, although agency autonomy and political control are closely related, they should be treated as analytically distinct concepts.

1.1.2 Strategic Performance System

Strategic Performance Management refers to the use and design of PMS to manage organizational performance. As such, it comprises of "formal and informal mechanisms, processes, systems and networks used by organizations for conveying the key objectives and goals elicited by management, for assisting the strategic process and ongoing management through analysis, planning, measurement, control, rewarding, and broadly managing performance, and for supporting and facilitating organizational learning and change" (Ferreira & Otley, 2014).

Beyond ex-post measuring performance, this approach is concerned with the ex-ante management of performance with PMS providing multi-perspective indicators that increase an organization's focus on value adding activities (Otley, 2015). However, a firm that manages its performance using measures may not necessarily qualify as one that applies Strategic Performance management. This is because the PMS requires a clear cause-effect linkage with firm strategy (Chenhall, 2015). As such, Strategic Performance Management facilitates the definition and achievement of strategic objectives (Hall, 2011; Lillis, 2012), links strategy with operations (Chenhall, 2015), and supports alignment of behaviors and attitudes with an organization's strategic direction (Lillis, 2012).

1.1.3 Performance Improvement

Performance improvement is measuring the output of a particular business process or procedure, then modifying the process or procedure to increase the output, increase efficiency, or increase the effectiveness of the process or procedure (Armstrong, 2010). Performance improvement can be applied to either individual performance such as an athlete or organizational performance such as a racing team or a commercial business (Baraldi & Monolo, 2014). In organizational development, performance improvement is organizational change in which the managers and governing body of an organization put into place and manage a program which measures the current level of performance of the organization and then generates ideas for modifying organizational behavior and infrastructure which are put into place to achieve higher output (Braam & Nijssen, 2014). The primary goals of organizational improvement are to increase organizational effectiveness and efficiency to improve the ability of the organization to deliver goods and or services. A third area sometimes targeted for improvement is organizational efficacy, which involves the process of setting organizational goals and objectives (Hansen & Mouritsen, 2015).

Performance improvement at the operational or individual employee level usually involves processes such as statistical quality control. At the organizational level, performance improvement usually involves softer forms of measurement such as customer satisfaction surveys which are used to obtain qualitative information about performance from the viewpoint of customers (Ittner *et al.,* 2013). Performance is a measure of the results achieved. Performance efficiency is the ratio between effort expended and results achieved. The difference between current performance and the theoretical performance limit is the performance improvement zone (Kald & Nilsson, 2012).

Another way to think of performance improvement is to see it as improvement in four potential areas. First are the resource input requirements (e.g., reduced working

capital, material, replacement or reorder time, and set-up requirements). Second, is the THROUGHPUT requirements, often viewed as process efficiency; this is measured in terms of time, waste, and resource utilization. Third, OUTPUT requirements, often viewed from a cost/price, quality, functionality perspective. Fourth, OUTCOME requirements, did it end up making a difference (Braam & Nijssen, 2014).

1.1.4 Performance System

In order to implement performance management, an organization needs to formulate the mission, strategy and objectives, by making these measurable with the use of CSFs and KPIs (Merchant & Van der Stede, 2014). The development and role of individuals (employees) are, arguable, the prime purpose of a performance system (Armstrong, 2009). Simons (2010) states that performance management is closely related with the development of individuals, and cannot be implemented effectively without taking in consideration human behaviour.

Also is argued that a national culture can effect performance management system directly (Merchant & Van der Stede, 2014) and human behaviour and the organizational culture should be incorporated when designing and implementing a successful performance management system (Holloway *et al.,* 2015).

The six parts of a performance system as described by Finnegan (2000) include: Feedback needs to be frequent, balanced between the positive and the negative, easy to understand and directional, in that it specifies what to do. Procedures, or entire processes necessary to an organization, must work by themselves, work at various times (time of day/night, week, month or year), work in the context of other things getting done and work while other situations change daily. Consequences need to be in balance to help achieve the desired performance. Cues identify critical parameters of performance, such as when desired performance must be done, what exactly is required and how to do it.

Skill People at work need to demonstrate that they have the skill to do what is required and perform at the desired rate. Knowledge People need to know what to do. If lack of knowledge is the main problem, training can be successful, though sometimes costly in time and money.

At an organizational level, the performance system impacts other HR systems as well as organizational strategy (Kamencu, 2011). The effectiveness of an organization's performance appraisal system is a prerequisite for ensuring the success of its selection, training, and employee motivation practices. At a strategic level, the need for rapid and effective organizational change in today's dynamic social, economic, and political environment requires that employees continually realign their performance with the evolving goals and objectives of the organization. The need to continually realign performance characterizes many organizational departments which continue to struggle with getting their members to embrace the philosophy and practices that are geared at enhancing performance

In a study to investigate the multifaceted factors influencing employee performance system in the Ministry of State for Provincial Administration, Nyamira District, Kenya, Ndemo, Maronga, Muathe, Nyamao and Kibet (2011) showed that Implementation process, interpersonal relationships, rater accuracy, informational factors, and employee attitudes had a significant positive relationship with the performance system.

In a study to examine the challenges of implementing performance Management system at the Kenya Electricity Generating Company (KenGen) Limited, Mwendandu (2013) found that the main challenges included; lack of clear link between annual corporate planning cycle and performance planning cycle, setting of weak performance measures, complexity of the evaluation tool , under-utilization of performance monitoring tools like tracking sheets and performance boards, inadequate performance feedback mechanisms, difficulties in implementing PDP's, lengthy approval for bonus payment, inactive participation of line managers , the existing culture which is not enabling, existing matrix structure which led to double reporting, lack of union involvement and long turnaround times in performance

management activities. Never the less, all this studies didn't establish the effects of strategic performance systems on the organizational justice

1.2 Statement of the Problem

In a changing economic climate, characterized by pressures to improve productivity and reduce costs, performance management has a more central role in helping to ensure competitive advantage. As SAGAs have developed more formal strategic processes, there has been some movement towards the integration of organizational strategy with a more strategic approach from human resource management. This has involved many organizations in the introduction of formal performance systems, frequently characterized by appraisals or performance reviews.

In the previous studies, Judge and Hogwood (2000) argues that there is much variation in the extent to which agencies are held to account by parliament. This is important since Members of Parliament (MPs) are the principal means through which the users of services provided by Executive Agencies can express their dissatisfaction to ministers. Judge and Hogwood (2000) also argued that parliament has no say in decisions surrounding the formation, termination or adaptation of Executive Agencies, their budgets, framework documents or performance targets, and no formal opportunity to veto ministerial plans to terminate or privatize agencies. James (2003) argued that poor information sharing and communication between agencies and departments, insufficient thought about implementation at the policy design phase, inaccurate customer information sharing between agencies and local authorities, and missed opportunities for developing shared services such as IT infrastructure were among the wider systemic performance problems reported

The performance target regime is of central importance since this is the primary means used by ministers to hold agencies to account. However, the performance systems used by agencies have been criticized for an inadequate focus on output and outcome targets, and for incomplete coverage of agencies' objectives (Talbot, 1996). Moreover, during some periods of the reform there has been high turnover of targets year upon year making it difficult to consistently measure performance over time.

One analysis suggests an annual 'churn' rate in targets of 60% per annum in newer agencies and 20% in older agencies (Talbot, 2004).

The researcher reviewed the employee satisfaction surveys carried out in some of the SAGAs such as KIE, KNEC, KEMI, and Jomo Kenyatta Foundation in the past three years. The surveys' indicated that the employee satisfaction was average or below average in the SAGAs surveyed with a mean score of less than 3.5 in a likert scale of 0 to 5 (not satisfied to very satisfied). According to Lai Wan (2007), organizational justice influence employee satisfaction.

From the previous studies, there is no single published study conducted on strategic performance systems. For instance, according to the study by Gachunga (2007) on restructuring of Kenya Railways and Telkom Kenya and how the employees viewed it as fair on issue of retrenchment. The study was on Structural Adjustment Programmes but not on strategic performance systems. Therefore, the problem that this study set out to address is the knowledge gap created by a lack of empirical studies both in the international and Kenyan literature on the link between strategic performance systems and organizational justice with a focus on SAGAs in Kenya

1.3 Research objectives

1.3.1 General objective

The general objective of this study was to investigate the effect of strategic performance systems on the organizational justice in semi- autonomous government agencies in Kenya

1.3.2 Specific objectives

1. To examine the influence of activity-based costing on organizational justice in SAGAs in Kenya.
2. To find out the influence of self-assessment on organizational justice in SAGAs in Kenya.

3. To examine the influence of competitive benchmarking on organizational justice in SAGAs in Kenya.

4. To establish the influence of statistical process control on organizational justice in SAGAs in Kenya.

5. To determine the influence of workflow-based monitoring on organization justice in SAGAs in Kenya.

1.4 Research Hypothesis

H_{01}:   Activity-based costing has no significant influence on organization justice in SAGAs in Kenya

H_{a1}:   Activity-based costing has significant influence on organizational justice in SAGAs in Kenya

H_{02}:   Self-assessment does not significantly influence on organizational justice in SAGAs in Kenya

H_{a2}:   Self-assessment influences organizational justice in SAGAs in Kenya

H_{03}:   Competitive benchmarking does not significantly influence organizational justice in SAGAs in Kenya

H_{a3}:   Competitive benchmarking influence on organizational justice in SAGAs in Kenya

H_{04}:   Statistical process control does not significantly influence organizational justice in SAGAs in Kenya

H_{a4}:   Statistical process control influence organizational justice in SAGAs in Kenya

H_{05}:   Workflow-based monitoring does not significantly influence organizational justice in SAGAs in Kenya

H$_{a5}$:   Workflow-based monitoring influence organizational justice in SAGAs in Kenya

H$_{06}$:   There is no significant relationship between strategic performance systems and implementation of organizational justice in the Semi-Autonomous Government Agencies, Kenya.

H$_{a6}$:   There is a significant relationship between strategic performance systems and implementation of organizational justice in the Semi-Autonomous Government Agencies, Kenya.

1.5 Signficance of the study

The findings of this study would be of great benefit to managers in the Semi-Autonomous Government Agencies (SAGAs) because it will provide an insight into the effect of strategic performance systems on implementation of organizational justice in the SAGAs, Kenya. The managers will be able to know if strategic performance systems promote employee implementation of just treatment in the institutions. The findings will be important in evaluation of existing strategies and formulation of new strategies on strategic management.

The findings from this research will be valuable to the government of Kenya who will use the finding to evaluate the effectiveness of strategic performance systems in promoting employee implementation of just treatment in various ministries. Information resulting from this research will form a basis of formation of government policies that govern strategic management in different ministries.

The research information will also contribute to the existing body of knowledge on strategic performance systems and organizational justice. This will serve as reference for future researchers and scholars in the field of management.

1.6 Scope of the study

This study was done in Nairobi. It was directed to collect data from the employees of different departments in the Semi-Autonomous Government Agencies, Kenya. The study collected data on the strategic performance systems and the level of organizational justice in Semi-Autonomous Government Agencies, Kenya. Geographically, the study targeted the SAGAs' headquarters located within Nairobi Central Business District as well as its outskirts. Conceptually, the study was limited to four strategic performance systems, namely: activity-based costing, self-assessment, competitive benchmarking, statistical process control and workflow-based monitoring.

1.7 Limitations of the Study

The study was limited to the structure of the questionnaires as answers were confined within the format thereby denying a chance to other opinions which may be outside the structure. Respondents were only limited to the text in the questionnaire for direction about how to fill them and where to respond. To address this the study included a review of empirical literature to corroborate the findings. Filling and returning of the questionnaires were only limited to the willingness of the respondents and time at their disposal. To address this, the study employed the "drop and pick" technique of data collection whereby respondents were allowed time to respond to the administered questionnaires after which the researcher collected filled questionnaires upon completion.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter presented the theoretical review of literature related to the study, conceptual framework, empirical review, critique of the study, identification of the research gaps, summary and the conclusion of the study.

2.2 Theoretical Framework

Different theories have been derived to explain the concepts of organizational justice. A review of some of the theories for example referent cognition theory, equity theory and justice judgment model are described in the sections that follow.

2.2.1 Referent Cognition Theory

Folger's (1986) referent cognitions theory (RCT) expands upon equity theory's attempts to explain reactions to inequitable work outcomes. RCT explains two types of reactions: resentment reactions, and reactions of dissatisfaction or satisfaction (Greenberg, 2001). RCT explains how dissatisfaction arises when a person compares existing reality to a more favorable alternative (Aquino, Allen & Hom, 2002). Specifically, RCT states that in a situation involving outcomes allocated by a decision maker, resentment is maximized when people believe they would have obtained better outcomes if the decision-maker had used other procedures that should have been implemented (Cropanzano & Greenberg, 2002).

According to this theory, people perform three mental simulations involving referent cognitions, justifications, and the likelihood of amelioration. First, referent cognitions are alternative, imaginable circumstances that differ from a person's actual circumstances. People are more likely to be dissatisfied when imagined results are more attractive than existing reality. People become aware of alternatives when others are receiving rewards different from their own. As referent outcomes are

compared to existing outcomes, people think about what might have been (Aquino, Allen, & Hom, 2002). Regardless of whether the distributive rule being violated is equity, equality, or need, people are apt to feel resentful. Regardless of which rule was broken, the point is that what happened is not what ought to have happened (Folger, 1986).

The theory is relevant to the present study in that the study wought to test the assertion by RCT that dissatisfaction arises when a person compares existing reality to a more favorable alternative. It was anticipated that SAGAs leverage key strategic performance systems including self-assessment, statistical process control and workflow-based monitoring to gauge their organizational justice performances by weighing best alternative to present practices.

2.2.2 Equity Theory

The major structural components of equity theory are inputs and outcomes. Inputs are described as what a person perceives as his or her contributions to the exchange, for which he or she expects a just return (Adams, 1965). Outcomes are described as the rewards an individual receives from the exchange, and can include such factors as pay and intrinsic satisfaction (Cohen & Greenberg, 1982). Adams (1965) argued that social behavior is affected by beliefs that the allocation of rewards within a group should be equitable, that is, outcomes should be proportional to the contributions of group members. In other words, equity theory argues that people are satisfied when the ratios of their own inputs to outcomes, that is, rewards equal the ratios of inputs to outcomes in comparison to others.

Distribution of the rewards that are based on the equity theory of Adams involve input and output as Adams (1965) describes that a person will be given rewards for his contribution towards the output. Adams discussed equity theory that the employees are satisfied when they feel that the rewards have been equally given according to their input and there is no difference as compared to the others. If rewards are not allocated equally and there may be the unpleasant atmosphere and the result will be in the form of de-motivation of employees (Folger, 1986). Cohen

and Greenberg (1982) described the outcome in the shape of rewards which individual receives against the input and these rewards might be in the form of salary or inner satisfaction, or sense of achievement. Lind and Lisaak (2005) maintain that distributive justice also deals with how the economic and social goods and services are distributed in a society and focuses on the fair distribution of rewards. Distributive justice is just reward of favorable results and outcomes for employees (Cotton, 2002). Therefore, distributive justice finally deals with the degree of perceived fairness in distribution and allocation of outcome, as an organization refers with input of employees (Bies *et al.,* 2006).

Perceived inequity through this comparison feels unpleasant, and motivates people to reduce those unpleasant feelings (Greenberg, 2001). The presence of inequity will motivate people to achieve equity or to reduce inequity, and the strength of the motivation to do so will vary directly with the magnitude of the inequity experienced. In other words, Adams (1965) suggested that when allocation outcomes do not meet this criterion, people would perceive inequity distress and attempt to behaviorally or cognitively restore equity. Adams (1965) proposed six different modes of reducing inequity based on the theory of cognitive dissonance: (1) altering inputs; (2) altering outcomes; (3) cognitively distorting inputs or outcomes; (4) leaving the field; (5) acting on the object of comparison by altering or cognitively distorting the other's inputs or outcomes; or (6) changing the object of comparison. Walster, Walster, and Berscheid (1978) have also attempted to predict when individuals will perceive themselves to be unfairly treated and how they will react to that implementation.

The key to this theory consists of four interlocking propositions: individuals will try to maximize their outcomes; groups evolve definitions of equity and sanction group members on the basis of those definitions; inequity leads to psychological distress proportional to the size of the inequity; and such distress will lead to attempts to eliminate it by restoring equity. Individuals can arrive at the belief that distributive fairness exists by distorting implementations, rather than by actually changing the situation (Leventhal, 1980).

The theory is also relevant to the present study in that it was anticipated that the strategic performance systems, used as inputs significant determine organizational justice which is the outcome. Accordingly, the major structural components of equity theory are inputs and outcomes. Inputs are described as what a person perceives as his or her contributions to the exchange, for which he or she expects a just return.

2.2.3 Justice Judgment Model

Thus far, distributive justice has been discussed from the perspective of the individual who receives the outcome. On the other hand, another body of research has emerged that focuses on the allocation of outcomes among two or more recipients. Leventhal (1980) considered distributive justice from the perspective of the individual making the allocation. Leventhal (1980) provided a critique of equity theory and developed a justice judgment model to explain implementations of justice. According to equity theory, an individual perceives fairness when rewards are in proportion to contributions. Thus, an individual's implementation of fairness is influenced by a contributions rule which dictates that individuals who do better work should receive higher outcomes (Leventhal, 1980).

In other words, equity theory recognizes the relevance of only one justice rule, the contributions rule. The justice judgment model assumes that an individual's judgments of fairness may be based not only on the contributions rule, but also on an equality rule, or a needs rule. According to a justice judgment model, individuals evaluate allocation procedures used by decision-makers based on the situation, in effect proactively employing various justice norms such as equity, needs, and equality. While equality rule dictates that everyone should receive similar outcomes regardless of needs or contributions, a needs rule dictates that individuals with greater need should receive higher outcomes (Cohen & Greenberg, 1982).

In other words, the central concept of the justice judgment is that an individual applies distribution rules selectively by following different rules at different times. Thus, the individual's basic criteria for evaluating fairness may change in various situations (Leventhal, 1980). For example, equitable reward allocations would

maximize an individual's positive work behaviors such as work performance over the long term, whereas equality of rewards may foster a high level of satisfaction, harmony, and solidarity among group members. Leventhal shifted the focus of research on justice toward allocation and the role of the allocator, and raised fundamental questions about the allocator's role in matters of distributive justice (Cohen & Greenberg, 1982).

2.3 Conceptual framework

According to Mugenda and Mugenda (2003) a conceptualized relation between variables in the study can be graphically or diagrammatically presented. In a conceptual framework, a specific concept is defined as a measurable occurrence or in measurable terms using dependents and independent variables. Independent variables are those variables which are systematically varied by the researcher. On the other hand, dependent variables are those variables whose values are presumed to depend on the effects of the independent variables (Mugenda, 2008).The independent variables for the study include activity-based costing, self-assessment, competitive benchmarking, statistical process control, workflow-based monitoring while the dependent variable is employee implementation of organizational justice. The conceptual model for this study is reflected in figure I below.

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│                             │
│   Activity-Based Costing    │─────────────┐
│                             │             │
└─────────────────────────────┘             │
                                            │
┌─────────────────────────────┐             │
│                             │             │      ┌──────────────────────────┐
│      Self-Assessment        │─────────┐   │      │  Organization justice    │
│                             │         │   │      │                          │
└─────────────────────────────┘         │   └─────▶│   •  Satisfaction        │
                                        │          │                          │
┌─────────────────────────────┐         ├─────────▶│   •  Affective           │
│                             │         │          │                          │
│  Competitive Benchmarking   │─────────┤          │   •  Commitment          │
│                             │         │          │                          │
└─────────────────────────────┘         │          │   •  Trust               │
                                        │          │                          │
┌─────────────────────────────┐         │          │   •  Performance         │
│                             │         │          │                          │
│ Statistical Process Control │─────────┤          └──────────────────────────┘
│                             │         │
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│                             │         │
│  Workflow-based Monitoring  │─────────┘
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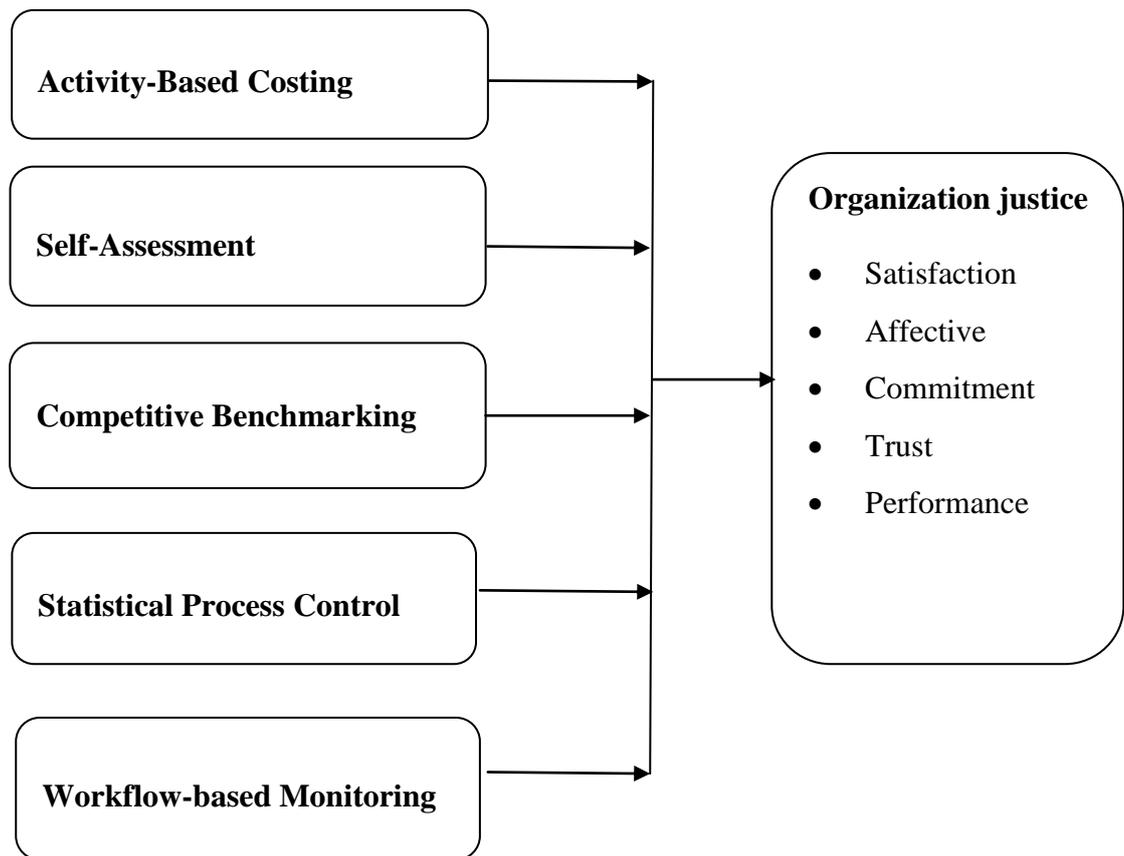
Independent Variables   **Dependent Variable**

Figure 2.1: Conceptual Framework

SPMSs have been formulated to help organization measure their performance. These include systems such as activity-based costing, balanced scorecard, self-assessment, competitive benchmarking, statistical process control and workflow-based monitoring as described below.

2.3.1 Activity-Based Costing

Activity-Based Costing (ABC) is a costing methodology that identifies activities in an organization and assigns the cost of each activity with resources to all products and services according to the actual consumption by each. This model assigns more indirect costs (overhead) into direct costs compared to conventional costing. It was developed in the mid-1980s within the framework of Cost Management System-

Programs by Computer Aided Manufacturing-International, Inc. Their conception came from the following considerations: Modern manufacturing, logistics and information technologies change, to a considerable degree, the process and cost structures. Instead of direct, value added manufacturing activities more and more planning, monitoring and controlling activities, in the indirect ranges, dominate in enterprises (Brimson & Antos 1994).

As a consequence this activity shift has substantial effects on the operational cost structure. The growing importance of fixed overhead costs leads to the desire for better cost transparency by developing ABC. In other words, ABC systems assign the costs of an organization's activities more accurately to its products and product lines. ABC systems are designed by first identifying the activities performed by each support and operating department and then computing the unit costs of performing these activities. There for ABC is measured by overhead costs by assigning more indirect cost into direct cost.

An ABC system influences organizational justice in that it allocates indirect costs based on a product's cost driver, or the factor that creates the cost (Hirsch, 2015). As costs are allocated per product, a picture starts to emerge of which business processes are performing well and which ones need to be improved (Ittner *et al*., 2012). ABC can be used to identify non-valued added activities and can help to better allocate resources to efficient and profitable activities. The use of ABC can also add value to the continuous improvement of business processes (Fortin *et al.,* 2014).

2.3.2 Self-Assessment

The roots of self-assessments can be seen in the quality movement which started in Japan. In 1951, Japan awarded the first quality-driven enterprise with the so-called Deming Application Prize. Encouraged by the Japanese success the USA launched the Malcolm Baldridge National Quality Award (MBNQA) in 1988. Finally the European Foundation for Quality Management (EFQM) followed in 1992 with the European Quality Award (EQA). In the American approach the criteria used belong to the following seven categories: leadership, strategic planning, customer and

market focus, information and analysis, human resource development, process management, and business results (MBNQA,1998) The EFQM model on the other hand applies the following nine categories of criteria: leadership, people management, policy and strategy, resources, processes, people satisfaction, customer satisfaction, impact on society, and business results(EFQM, 1998). These criteria can be used separately, i.e. without applying for an award. From this it follows that a self-assessment, based on the approaches discussed, may help to assess process performance but one has to keep in mind that the primary focus is upon organizations, and not on processes (Gadd 1995).

Self-assessment influence organizational justice in that it can give a perspective of employees' expectations, necessities, problems and frustrations in the work process (Kwon & Zmud, 2014). It can also give a more humanistic perspective of the employee's development, in other words how do employees' feel, it is a means of checking their emotional thermometer and measuring the level of anxiety they experiment (Banker & Potter, 2013). Self-assessment can reveal the employees' attitude towards the work and activities. Self-assessment can also give hints of the employees' opinion about the work and their feelings or perception about their progress (Kwon & Zmud, 2014).

2.3.3 Competitive Benchmarking

Benchmarking could be applied to all aspects of business and comparing a company against companies outside our immediate competition (Cross & Iqbal, 1995). In addition to a systematic evaluation of business performance, benchmarking seeks to achieve a second goal, the identification of the best practices; but this is beyond the scope of this research. What is the relevance of competitive benchmarking within the field of process performance measurement? The benefits are two-fold. First, it can be used to stimulate the discussion of performance measurement. Knowing the process performance levels of an excellent company may motivate not only chief executives, but also lower-level managers and ordinary staff. Second, competitive benchmarking can be used to set targets for the process performance level a company wants to achieve.

Competitive benchmarking influences organizational justice in that companies from all different industries use benchmarking to objectively gauge their successes and pinpoint their shortcomings (Denison & Mishra, 2015). The general process of benchmarking is competitive as it involves identifying problem areas, selecting top competitors who excel where a company falls short and making the necessary changes (Ramamurthy, 2015).

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2.3.4 Statistical Process Control

According to Juran and Gryna (1993), statistical process control (SPC) can be defined as the application of statistical methods to the measurement and analysis of variation in any process. The essence of SPC is to take as much variation as possible out of the process. In other words, the main objective of SPC lies in the achievement of stable processes through a reduction of process variation. Stability in a process, i.e. a state of statistical control, makes it possible to predict the behaviour of the process. To this end, making reliable predictions regarding product quality (i.e. predicting whether the product specifications will be met) has become an important tool of competition (Juran & Gryna, 1993).

SPC contributes to organization justice in that it eliminates the otherwise biased manual inspections. For instance in the manufacturing sector, detecting any errors

after production process may result in product waste. Once errors are detected and corrected in the process, one can correct equipment settings and manufacture products faster, without the need for manual inspections (Crossley, 2013). SPC also removing guesswork and assumptions in the process, whereby SPC control charts display the statistical information for monitoring manufacturing quality in a graphical format. It detects and displays any unusual process variations so manufacturers can test for different causes / cases (Pyzdek, (2013).

2.3.5 Workflow-based Monitoring

Workflow systems support automatic or semi-automatic execution of process instances, coordination between process activities, and the communication between process actors (McLellan, 1996). As a by-product of this support masses of data are gathered. They can be evaluated automatically and may offer useful information regarding activity-related costs, queuing time of process instances, workload of process participants, while traditional measurement covers the firm in its entirety, workflow-based monitoring concentrates upon business processes. A further difference lies in the time period reported. Traditional control offers a post-hoc view, whereas workflow-based monitoring has the character of real-time reporting (McLellan, 1996).

The merits of workflow-based monitoring lie in the fast reporting procedure as well as in its focus on business processes. Its limitations, on the other hand, are that qualitative performance data and performance data about activities carried out manually can hardly be taken into consideration. A technical view is given by the Workflow Management Coalition (1998) which defines the term workflow monitoring as the ability to track and report on workflow events during workflow execution. Workflow monitoring may be used, for example, by process owners to monitor the performance of a process instance during its execution.

Workflow based flow monitoring influences organizational justice in that it drastically reduces errors and prevents tasks from falling through the cracks. Empower employees to successfully manage their own work with little to no

supervision (Small & Yasin, 2014). Workflow-based monitoring leads to the improvement of internal communication, which reduces employee turnover. One of the top five reasons employees leave an organization is the perceived lack of communication with management. Monitoring workflows also automates communication, and no single person has to remember to tell the next person in a successive chain of events that it is now their turn (Nakhai & Neves, 2014).

2.3.6 Balanced Scorecard

The Balanced Scorecard (BSC), developed by Kaplan and Norton (1992), was developed to describe an organization's overall performance using a number of financial and nonfinancial indicators on a regular basis. For this purpose a framework with four perspectives has been suggested: the financial, the customer, the internal business, and the learning and growth perspective. According to the originators, the application of this tool can be seen in three areas: for the purpose of strategic performance reporting; to link strategy with performance measures; to present different perspectives. An important characteristic of BSC is that the tool is concentrated upon corporations or organizational units such as strategic business units. It looks at business processes only in as far as they are critical for achieving customer and shareholder objectives (Kaplan & Norton 1996).

2.3.7 Organizational justice

The organizational justice can be categorized into distributive, procedural and interactional justice. Further explanations are in the following sections. Historically, social psychologists were first interested in what has come to be known as distributive justice, that is, the fairness of distributions or allocations of rewards (Steiner & Rolland, 2006). In general, research on distributive justice has shown that the principle of equity (Adams, 1965) is preferred, both by decision-makers and the persons affected by these decisions. Basically, equity implies that rewards should be proportional to contributions or effort (merit); and that this proportionality is evaluated by comparing one's own ratio to that constructed for a comparison other. To consider a situation as fair, the ratios must be equivalent. In some situations, other

distributive rules are viewed to be more appropriate to apply than equity (Steiner et al., 2006). Hence, when group harmony is important, distributing resources equally irrespective of members' individual contributions is viewed as fair. And in yet other situations, consideration of special needs is considered fair. Steiner *et al.,* (2006) showed that people are likely to use several rules together, while emphasizing a particular rule.

The procedures are used to determine the distributions influenced justice implementations beyond the application of one of the distributive rules. Hence, beginning with the work of Thibaut and Walker (1975), a line of research was initiated on what is now known as procedural justice or the perceived fairness of the procedures used to make decisions. Thibaut and Walker's work was concerned with voice or allowing people to participate in decisions that concern them. Voice was considered to give individuals a sense of control over decisions, and two types of voice were initially studied. Decisional control is voice that gives people the possibility of actually participating in making a particular decision. Process control, on the other hand, is voice that allows people to have a say in the way the decision will be made, but not in the actual decision.

Studies in various domains have shown that people do find procedures fairer when they have had voice. In addition, these studies showed that they found the decisions themselves fairer, irrespective of their valence, when they had voice. This important impact of procedural fairness on outcome fairness became known as the fair process effect, and has been studied rather completely by van den Bos (2005). Beyond voice, other rules of procedural fairness were proposed by Leventhal (1976). His six rules, consistency of application of procedures, bias suppression in procedures, accuracy of information used, correctability in case of an error, representativeness of the decision criteria used, and ethicality of procedures, have been studied to various degrees and consistently indicate that procedures which respect these rules are perceived to be fair (Steiner & Rolland, 2006).

Bies and Moag (1986) emphasized the role of the interpersonal interactions taking place in exchanges between decision-makers and recipients of these decisions. Some

debate still exists in the literature as to whether the interpersonal aspects of justice are part of procedural justice or form a distinct dimension of justice. However, several studies have shown that the two aspects of interactional justice, social sensitivity (treating people with dignity and respect) and informational justice (providing explanations for decisions), each can be identified separately from distributive and procedural justice and each shows specific relations to distinct dependent variables (Jouglard & Steiner, 2005).

Organizational justice can be evident in terms of perceived fairness of selection procedures by job applicants. Applicant implementations during the selection process are associated with important individual and organizational consequences, such as selection procedure performance (Chan, 1997), test-taking motivation (Chan *et al.,* 1997), self-efficacy (Bauer, Truxillo, Sanchez, Craig, Ferrara, & Campion, 2001), organizational attractiveness (Ployhart *et al.,* 1999), and job offer acceptance intentions (Truxillo *et al.,* 2002). When people believe the selection methods and procedures are unfair, they are less motivated to perform well during selection evaluation and have reduced self-esteem. In addition, implementations of unfairness are associated with lower performance on selection measures, and may therefore reduce selection test validity. Finally, with regard to the current discussion, people who perceive the selection procedures to be unfair are more likely to file legal complaints for discrimination.

Employees' perceptions of fairness and their responses to justice have been researched extensively under the heading of organizational justice (Li & Cropanzano, 2009). Fairness or justice (used interchangeably here) is an important topic to managers and employees alike because when it is present, it can bind together conflicting parties and create stable social structures (Konovsky, 2000). Findings from extensive research over the past few decades reinforce the important role of justice in the workplace. For example, results from a meta-analysis of 183 studies published between 1975 and 1999 showed that fairness perceptions are linked to organizational outcomes such as job satisfaction, organizational commitment, evaluation of authority, organizational citizenship behavior, withdrawal, and

performance (Colquitt *et al.*, 2001). Corroborated in another meta-analysis of 190 studies was that organizational justice constructs were related to many of the same outcomes as reported by Colquitt *et al.* (2001), as well as negatively related to counterproductive work behaviors and positively related to trust (Cohen-Charash & Spector, 2001).

The proliferation of organizational justice research has included many studies that explore the conceptualization and measurement of fairness (Cohen-Charash & Spector, 2001; Colquitt, 2001; Colquitt *et al.*, 2001; Moorman, 1991). Though considerable attention and progress have been made in the refinement of organizational justice measurement, more remains to be done. Specifically, after analyzing the results of their comprehensive meta-analysis, Colquitt *et al.* (2001) state that it is critical that researchers devote more care and effort to the measurement of justice dimensions.

Although a review of the research issues associated with the organizational justice domain is beyond the purview of this thesis, we contribute to the measurement debate by exploring the criterion-related validity of two well-developed measures of organizational justice that appear frequently in the research literature; namely, Moorman's (1991) three-scale measure that assesses a three-dimension conceptualization of justice perceptions, that is, distributive, procedural, and interactional justice) and Colquitt's (2001) four-scale measure that assesses a four-dimension conceptualization of justice perceptions, that is, distributive, procedural, interpersonal, and informational justice). Both measures purport to explain the depth and breadth of organizational justice, but using different scales.

Procedural justice is understood as the extent to which an individual perceives that outcome allocation decisions have been fairly made according to the organization's formal procedures and from the treatment given by the organization's authorities in enacting those procedures (Moorman, 1991). According to Lind and Tyler (1988), there are two distinct sets of concerns associated with procedural justice. The first concern is referred to as the instrumental component, which reflects the types of formal procedures used to make outcome allocation decisions. These procedures,

which include actions such as allowing employees a voice in the decision-making process, are fundamental to an equitable distribution of rewards. As a result, employees will be bound to feel satisfied and motivated, leading them to reciprocate by engaging in role-prescribed job behaviors. The second concern, known as the relational component, relates to the interpersonal treatment by those in a position of authority. Based on Lind and Tyler's (1988) group-value model, fair treatment implies that the employee is a respected, valued, and worthy member of the organization. Within the context of social exchange (Blau, 1964), these positive feelings, in turn, may stimulate employees to reciprocate by engaging in extra-role behaviors such as contextual performance.

Distributive justice reflects how significant rewards (such as compensation) from organized organizational efforts are fairly distributed among employees (Farhet al., 1990; Folger and Konovsky, 1989), rather than reviewing the literature on organizational justice in detail, we seek to summarize it with a series of principles that capture the essence of that literature. These principles highlight the well-established tenets of distributive justice – the fairness of the who gets what – and procedural justice – the fairness of the mechanisms of distribution (Greenberg, 1996). The principles discussed below come from two sources: Greenberg and Lind (2000) and Levanthal *et al.* (1980).

Equity: The rewards that employees get for their contributions to the organization should reflect balance; employees should not feel that their contributions are undervalued or unrewarded. Although the equity principle is easy to state, it is not as readily applicable as one might suspect. In general, employees expect that compensation, recognition, and the trappings of status will be distributed commensurate with their work, skill, and responsibility. Justice is a broad principle of which equity is an element. Too much emphasis on a few individual successes can breed jealousy and invidious comparisons. Equity requires an even-handed fairness that balances equity and equality.

Perception: Justice is both a public event and an individual judgment. Employee perception of fairness is a key to satisfaction. Objective judgment is not the issue. What is critical is that employees perceive that their principal is following the rules fairly, that is, following the procedures that everyone has tacitly accepted. It is important that the principal let everyone know by word and deed that fair procedures were followed. In the final analysis, public perception of justice becomes justice; justice is in the eye of the beholder (Greenberg, 1990).

Participation in decision making: Participation is especially important when employees have a personal stake in the outcome because such decisions affect them. Management should involve employees in decision making when they have a personal stake in the outcome and when they have the expertise to contribute to the decisions (Hoy & Tarter, 2003). Management cannot be invisible. They need to cultivate both informal and formal mechanisms to elicit employees voice (Hoy, 2003).

Interpersonal Justice: No one likes bad news, but if given respectfully and with sufficient information, it conveys a sense of fair treatment. One of the most difficult things management must do is to communicate negative information to employees, whether it is about performance or an unpopular assignment. Timing, background, and delivery of such information are crucial; management must strive to be open, sensitive, and authentic in their treatment of employees. Buffering employees from embarrassment and treating them as professionals with respect and dignity are paramount. Sound interpersonal skills and collegial interactions are likely to create a sense of trust in the management and employees; consequently, trust in turn should promote a strong sense of organizational justice.

Consistency: Consistency in behavior is not sufficient for the generation of a sense of fairness. Being consistently wrong, arbitrary, or political will not instill confidence, trust, or the acceptance of administrative impartiality. Consistent behavior is not necessarily identical behavior in all situations, but rather it is action that consistently fits the situation. Thus, in one situation the behavior may call for direct action whereas another situation may require a soft touch or a more democratic approach.

Effective leadership is matching appropriate leader behavior with the characteristics of the situation (Yukl, 1998). Authenticity and procedural justice should guide consistency. Application of rules, regulations, and policies must be fair, visible, and consistent, yet flexible enough to take into account individual needs and extraordinary circumstances.

Egalitarian: No one's interests take precedence over the needs of the collective. Treating everyone equally is not equal. Individuals have different needs and talents; thus, rigidly treating everyone the same is not equal. A balanced treatment, dependent on needs, should be a hallmark of egalitarian decision making. Self-interest is subordinated to the good of the whole. The mission of the organization takes precedence over individual benefits, which are thought to flow out of the general success of the organization

Correction: Correction depends on feedback and willingness to reverse a bad decision. Some administrators believe that to admit a mistake is to somehow undermine their authority. To the contrary, a willingness to review a poor decision and correct it in all likelihood develops in employee a trust in the fairness of the principal. The correction principle underscores the need for feedback and accurate information.

Flexibility in the structure of the organization should explicitly promote feedback and reevaluation of important decisions. Moreover, the principal must have the personal security and confidence to retreat from a poor decision and embrace the possibility of error. A humble decision making strategy (Etzioni, 1989) uniting rationality with flexibility emphasizes a series of techniques to deal with error, complexity, and uncertainty; tentative and reversible decisions avoid over commitment to a course of action based on partial or inaccurate information (Hoy & Miskel, 2001). It behooves all administrators to recognize that virtually all complex decisions are made with incomplete data.

Accuracy: Correction is inextricably tied to accuracy. The accuracy principle promotes a sense of justice by demonstrating that decisions are based on sound

evidence. Research has shown that fairness of performance evaluations is enhanced by procedures such as diaries that insure the accuracy of performance judgment. Rumor and innuendo are poor substitutes for accurate information. Managers who base their judgments on systematic evidence rather than stories or fragmentary hearsay are likely to reinforce the belief that the management is searching for the truth and is open to new information. Accuracy promotes fairness in the same way that correction insures that the organization can respond justly in the light of new information.

Representative: Organizational decisions affect many constituencies. Decision making that elicits the opinions of those affected fulfills the representative principle. Indeed, it is imperative that employees have a strong role in such decisions especially if they are guided by the egalitarian principle that makes them willing to subordinate their self-interest to the good of the organization. Representation is achieved, as employees believe their ideas are being represented and have influence on outcomes.

Ethical: Justice is preeminently an ethical standard. Honesty, integrity, authenticity, sincerity, equality, impartiality, trustworthiness, and honor are contemporary ethical and moral standards that should guide behavior in decision making in organizations. Some might argue about the need to include other standards, but few would disagree with the proposed ethical standards. Administrators will not go far afield in creating a just organization climate if they have the courage to adhere to these ethical standards. A commitment to the other principles of organizational justice is a commitment to an ethical principle of fairness.

2.4 Empirical Review

Research suggests that perception of organizational justice is correlated with several organizational factors, including job satisfaction (Dowden and Tellier, 2004), organizational commitment (Kwong & Leung, 2002), trust (Lincoln & Kalleberg, 1990), and legitimacy (Lines, 2005). Justice perceptions can improve organizational-relevant attitudes and behaviors such as satisfaction, affective commitment, trust, and performance (Cohen-Charash & Spector, 2001; Colquitt *et al*., 2001).

According to Lai Wan (2007) satisfaction is an important goal for organisations to reach, as it has been shown that profitability, productivity, employee retention and customer satisfaction are linked to employees' satisfaction. Job satisfaction is perhaps the most widely studied work outcomes over the last four decades of organizational studies (Currivan, 2000). Researchers have conceptualized satisfaction as a multifaceted construct comprising five facets: the work itself, quality of supervision, relationships with coworkers, promotion opportunities, and pay (e.g. Smith et al., 1969; Goris et al., 2000). Other researchers (Currivan, 2000; Price, 1997) have defined and measured satisfaction as a global construct. This study used the global approach over the dimensions approach, conceptualizing job satisfaction as the degree of positive emotions an employee has toward a job (Kalleberg, 1977; Locke, 1976; Smith *et al.*, 1969).

The role of job satisfaction as a mediator in the relationship between organizational justice and work outcomes has not been addressed adequately, particularly in the non-Western literature. Only one study has been found in the non-Western literature, which tested the mediating role of satisfaction in the justice-performance relationship among employees in UAE (Suliman, 2007). The study reported only partial mediating role for job satisfaction regarding the relationship between justice and performance (Suliman, 2007).

Distributive justice refers to the perceived fairness of the amounts of outcomes employees receive, whereas procedural justice relates to a person's judgments about the fairness of the process of making outcome allocations decisions (Greenberg, 1990). Generally, prior researchers (Uen & Chien, 2004; Moorman, 1991; Niehoff & Moorman, 1993; Williams, 1999) found that both types of justice influence employees' task performance and contextual performance.

There is positive relationship between distributive justice and performance may be due to the predictions derived from Adam's (1965) equity theory. The theory posits that human motivation is affected by the outcomes people receive for their inputs, compared to the outcomes and inputs of other people (Pierce & Gardner, 2002). When employees feel that they are being treated unequally, they will restore equity

by altering their behaviors, attitudes, or both such as to be less productive or vice versa (Greenberg, 1990). In other words, unfair distribution of work rewards relative to work inputs creates tension within an individual, which may ultimately result in a reduction in work input. Based on Blau's (1964) economic exchange, distributive justice may lead to an increased exhibition of in-role task behavior. On the other hand, when employees define their employment relationships as that of a social one, contextual performance may be deemed as an appropriate response to distributive fairness.

Research findings regarding the relations between procedural justice and job performance were divided. Some researchers (Aryee *et al*., 2004; Uen & Chien, 2004; Williams, 1999) supported the existence of a positive linkage between procedural justice judgments and task performance. Empirically, others have also provided evidence for the positive impact of procedural justice on various forms of contextual performance (Aryee *et al.*, 2004; Konovsky & Pugh, 1994; Konovsky & Organ, 1996; Moon *et al*., 2008; Uen & Chien, 2004). Yet, others like Gilliland (1994) did not find such relations to exist, and some (Kanfer *et al*., 1987) discovered negative relations between procedural justice and performance. Since procedural justice reflects both instrumental and relational concerns (Lind & Tyler, 1988), employees are likely to reciprocate by exhibiting better task and contextual performance.

In many cases, the performance construct being examined focuses primarily on extra-role citizenship, a form of performance that relates to the individual's willingness to go beyond the call of duty (Fernandes & Awamleh, 2006; Konovsky and Pugh, 1994; Masterson *et al*., 2000; Moon *et al.*, 2008; Moorman, 1991). Some scholars (Aryee *et al*., 2004; Lam *et al.*, 2002; Suliman, 2007) have explored the effects of justice on task performance, which reflects role-prescribed behaviors associated with a particular job. With the increase in awareness that job performance is no longer a unidimensional construct as argued by recent researchers (Barksdale & Werner, 2001; Byrne & Hochwarter, 2008; Hochwarter *et al.*, 2004; MacKenzie *et al.*, 1998; Welbourne *et al.*, 1998), it becomes imperative to explore the effects of

justice on various facets of job performance. Besides, almost all of the studies in this field have been exclusively undertaken in the Western context. Hence, the use of an Eastern sample, particularly Kenyan, will add value to our understanding of job performance antecedents across nations and nationalities. Furthermore, with the increasingly globalized economy in which most organizations operate, it would be beneficial to know whether justice perceptions were able to motivate employees of different cultural backgrounds to perform as suggested by Lam *et al*. (2002). Against this background, the first goal of the present investigation is to examine the influence of organizational justice (distributive justice and procedural justice) on two forms of job performance (task performance and contextual performance).

Organizational commitment has also received substantial attention in past research due to its significant impact on work attitudes such as job satisfaction, performance, absenteeism, and turnover intention. In this research, organizational commitment is proposed as an exploratory mediator between organizational justice and performance. Organizational commitment concerns the degree of an employee's identification with, and involvement in, the organization. Meyer and Allen (1991) proposed a three-dimension organizational commitment that consists of affective, normative, and continuance commitment. Affective commitment refers to an employee's emotional attachment to, identification with, and involvement in, the organization. Normative commitment refers to a feeling of obligation to continue employment, while continuance commitment reflects an awareness of the costs of leaving the organization. Therefore, employees with a strong affective commitment continue employment with the organization because they want to do so, while those with a strong normative commitment feel that they ought to remain with the organization, and those with a high continuance commitment feel they need to stay in the organization.

Research findings show that organizational commitment is saliently related to distributive and procedural justice. In a review of organizational commitment, Allen and Meyer (1996) assessed the relation between organizational commitment and organizational justice and found strong relationships among the three dimensions of

organizational justice and affective commitment. Meanwhile, in a later meta-analytic study by Colquitt *et al.* (2001), there is a correlation of 0.57 between organizational commitment and procedural justice. Shalhoop (2003) further pointed out that distributive and procedural justice affect organizational commitment via the mediation of organizational support perception. Masterson *et al.* (2000), however, argue that procedural justice is a stronger predictor of organizational commitment than interactional justice. Thus, the three dimensions of organizational justice are supposed to be related to organizational commitment.

The relationship between organizational commitment and work performance has been widely researched recently. It is accepted that affective commitment is positively related to work performance, while the relationship between work performance, normative commitment, and continuance commitment is very weak (van Scotter, 2000). Chen and Francesco (2003) studied the relation between organizational commitment and work performance in China. They found that affective commitment was positively correlated with in-role performance and organizational citizenship behaviors. Continuance commitment was not related to in-role performance but was negatively related to organizational citizenship behaviors. Normative commitment had a buffering effect on the relationship between affective commitment and in-role performance and organizational citizenship behaviors.

Organizational commitment is a counterpart of organizational support; the former concerns an employee's identification with, and involvement in, the organization, while the latter reflects the degree of the organization's support to an employee. If an employee has the cognition and feeling that he is an indispensable part of the organization, he will be devoted to the organization just like a person is devoted to his family, thereby greatly decreasing the function of exchange relationships between the employee and the organization.

Consequently, the mediating effect of organizational commitment should be much greater than that of organizational support based on social exchange relationship proposed by Masterson *et al.* (2000). In addition, Erdogan (2002) proposed that perceived accountability might be a mediator between distributive justice and

performance; that is, when an individual perceives high distributive justice, he has higher accountability, and accordingly produces better performance. Among the three components of organizational commitment, normative commitment relates to the employees' sense of responsibility and loyalty to the organization. Therefore, the current research proposed that distributive, procedural, and interactional justice might affect work performance via the mediating effect of affective commitment and normative commitment.

The previous literature mainly examined task performance when studying the relationship between organizational justice and performance; it rarely took contextual performance into account. Because contextual performance describes the interpersonal and volitional behaviors, it might correlate to procedural and, more especially, to interactional justice. Moreover, distributive justice may predict contextual performance, as it is much safer to alter contextual rather than task performance when employees decide to adjust their performance to restore the outcome/input ratio justice. According to the different correlations in previous research and the different connotations of the organizational justice and the performance dimensions, it is predicted that there are differential relationships between these dimensions.

Whereas satisfaction and commitment focus on employees attitudes toward their job and organization, turnover refers to actual movement across the membership boundary of an organization (Price, 1997). The specific form of turnover of interest in this study, and most organizational research, is voluntary quits (Bluedorn, 1982; Price, 1997). Since data on employees who quit voluntarily is difficult to collect, researchers often focus on the most direct determinant of turnover, intent to leave (Bluedorn, 1982; Currivan, 2000; Price, 1997). Previous studies have demonstrated that intention to leave is one of the strongest predictors of employee turnover (Griffeth *et al.*, 2000; Loi *et al*., 2006). Turnover intention of employees is a process (Mobley, 1982; Mobley *et al*., 1978) which comprises constructs of turnover intentions (thinking of quitting, intention to search and intention to quit).

Trust is one party's willingness to be vulnerable to another party based on the confidence that the latter party is benevolent, reliable, competent, honest, and open (Hoy, 2002; Hoy & Tschannen-Moran, 1999; Tschannen-Moran & Hoy, 1998). Trust is a little like air – we all pay little attention to it until it is not there. Yet, if institutions are to prosper and succeed, trust is essential. Trust, like credibility, is a perishable commodity within any organization; it must be continually nurtured and renewed if it is to survive and grow (Schulman, 1993). Honesty, openness, benevolence, competency, and reliability are other aspects of the trust relationship (Bryke & Schneider, 2002; Goddard *et al.,* 2001; Hoy, 2002).

In sum, trust is a multifaceted phenomenon with at least six faces. Although all of these faces of trust are significant, their relative importance is dependent on the situation, the nature of the interdependence, and the vulnerability of the relationship. Notwithstanding, in organizations all these facets of trust are important; in fact, they combine into an integrated whole. Vulnerability, benevolence, reliability, competence, honesty, and openness form a single, unitary and coherent concept of trust in organizations. Hence, administrators who neglect any of these facets of trust are jeopardizing the entire organization justice (Hoy & Tschannen-Moran, 1999).

According to Moorman (1991), organizational justice is a term used to describe the role of fairness in the workplace. Organizational justice specifically, is concerned with the ways in which employees determine if they have been treated fairly in their jobs and the ways in which those determinations influence other work related. Likewise Greenberg (2001), defines organizational justice as people's implementations of fairness in organizational settings. Generally, organizational justice research has focused on two major issues: employees' responses to the outcomes they receive and the means by which they obtain these outcomes, that is, the procedures used (Cropanzano & Greenberg, 2002). In other word, organizational justice can be examined from the distributive perspective, which is justice that deals with the content of fairness or what the decisions are, and the procedural perspective which focuses on the process of fairness or how the decisions are made.

The literature includes a number of studies about organizational justice, both the fairness of the outcomes they receive and the fairness of the decision processes used to determine how rewards are allocated. The first of these fairness implementations - distributive justice - has been extensively studied over the past few decades under the more readily recognizable name of equity theory. The second – procedural justice - is a relative newcomer to organizational research (Greenberg, 1990). However, limited work has been done in the Kenyan context, especially in educational sector. Thus, this study is designed to provide education institution leaders with insights into the formations of employees' justice implementations, and insights into how to manage employees using organizational justice to draw positive attitudinal as well as behavioral reactions from employees.

The present study will help them better understand how to retain valuable employees, increase employees' commitment and satisfaction with their work and improve the quality of service and students' satisfaction. This research intends to contribute to the study of employees' justice in the Kenyan context since there are not many researches done in this context. Hopefully, it will provide information that can be used to improve the employees and organizational commitment and relationship between employer and employee. This research also hopes to contribute some knowledge on organizational justice and thus add to the existing literature of organizational justice (Greenberg, 1990).

Given that the distinction between distributive justice and procedural justice has been empirically established, there is a need to consider how these varieties of justice relate to various organizational variables (Greenberg, 1990). A number of empirical studies have been conducted to investigate the predictive roles of distributive justice and procedural justice outcomes. The research findings seem to indicate that both distributive justice and procedural justice have significant influence on specific aspects of employees' attitudes and behaviors (McFarlin & Sweeney, 1992; Martin & Bennett, 2001). In general, distributive justice may be more important a predictor of personal outcomes such as pay satisfaction (McFarlin & Sweeney, 1992), whereas procedural justice may have strong effects on attitudes about institutions or

authorities such as organizational commitment and organizational trust (McFarlin & Sweeney, 1992). However, both distributive and procedural justices contribute to individuals' implementations of organizational fairness, although individuals' reactions may differ depending on the extent to which they focus on outcomes or procedures.

According to Neely *et al.* (2005), the performance measurement is the process of quantifying the efficiency and effectiveness of action and measurement is the process of quantification. A performance measurement is a metric used to quantify the efficiency and/or effectiveness of an action. A performance measurement system is the set of metrics used to quantify both efficiency and effectiveness of actions. Central to these definitions is that action leads to performance and that there are internal and external factors that affect the efficiency and effectiveness of this relationship. The performance measurement systems should be designed, implemented and managed as part of a strategic management system. The measures should be derived from strategy and should provide consistency for decision-making and action. Particularly, the production function will be managed in terms of its own strategic management system (Neely *et al.,* 2005).

The strategic management control systems should be used as a means to provide surveillance, motivation, monitoring performance, stimulating learning, sending signals, anticipating events, introducing constraints and managing scenarios to the operations systems. The control function is being defined exploring the complementary features of mechanic and organic behavior, i.e. reacting and tracking the strategy but also reviewing the system design (Henry, 2006). The performance measurement systems should be able to manage the determinants and results of the operations systems outputs, exploring the causalities between them and developing a predictive approach for the whole operations strategic management system (Kaplan & Norton, 1992).

There is a common view that the initial building blocks of all performance measurement initiatives, as they are materialized in a performance measurement system, are performance measurement recommendations (Folan & Browne, 2005).

These recommendations define the content and structures of the measures, which in turn could be organized in a framework that informs the performance measurement system design. The association between roles, functions and capabilities of the operations strategic management system can be very useful for its design specification by establishing causality between roles and organizational resources. Globerson's (1985) performance criteria define the system functionalities as: strategic orientation as performance criteria are chosen from the organization's objectives; evaluated organizational unit has control over the performance criteria; and the performance criteria definition should be a result of a participative interaction of the involved actors (e.g. customers, suppliers, employees, managers).

Maskell (1991) developed a principles for the performance measurement system design in which performance measures are conceived as part of a fast feedback subsystem (the performance measurement subsystem) and performance measures are designed to stimulate the development of a continuous improvement capability rather than simply monitor the operations strategy. Blenkinsop and Davis (1991) expand the functional definitions of measurement systems when they identify properties that the system should have, especially, when those are related to organizational integration and differentiation. The properties cover improvements of management system integration and differentiation in both horizontal and vertical dimensions of the organizational structure. They also emphasize the importance of covering the long, medium and short-term perspectives of the life cycle of an organization when designing the performance measurement system.

Gomes *et al.* (2004) identified several characteristics of performance measurement systems. Measures must involve relevant non-financial information based on key business success factors (Clarke, 1995); systems should be implemented to articulate strategy and monitor business results (Grady, 1991); measures and related systems should be based on organizational objectives, critical success factors, and have a customer orientation. One of the main tasks should be monitoring both financial and non-financial aspects of the obtained results (Manoochehri, 1999); performance system must dynamically follow the strategy (Bhimani, 1993); performance system

should accomplish the requirements of specific situations in operations, be long term oriented, and be simple to understand and implement (Santori & Anderson, 1987); performance system should be linked to reward systems (Tsang *et al.,* 1999) and financial and non-financial set of measures should be coherent and consistent with the strategic framework (Drucker, 1990). It can be seen from Gomes *et al*. (2004) analysis that there is a changing nature in the performance system design and management. The system should be integrated with the business strategy, adapting to and monitoring its financial and non-financial aspects. The performance measurement system is an integrative management system that interrelates the business performance dimensions with the functions action plans such as strategy of operations, human resources, technology, marketing, and finance).

Gachunga (2007) research focuses on how employees construct fairness judgments based on major decisions affecting them such as restructuring. The study reviewed the organizational justice theory in relation to trust and change and subsequent employee perceptions of processes that affect them. The study explores through the case study method the genesis of overstaffing of two main Kenyan State Corporations namely Kenya Railways and Telkom Kenya that have over a period of a few months, retrenched over ten thousand employees. The corporations are in the process of being privatized and have needed to retrench in order to allow the privatization process to succeed. The retrenchment programmes are part of the Structural Adjustment Programmes that are being put in place by the World Bank as a precondition for continued funding and aim to ensure effective and efficient service delivery as well as competitiveness in these corporations. However Kenya is plagued with financial problems that have led to employees feeling that distributive, procedural and interactional justice was not effected in the change process.

2.5 Critique of Literature Relevant to the Study

The foregoing literature reviewed makes a good attempt to explore the various conceptualized strategic performance system variables. It is however apparent that the studies reviewed fail to adequately link these systems to organizational study, presenting a knowledge gap that the present study endeavored to fill.

The activity – based approach is one of the performance measurement systems in organization which was extensively discussed. The ABC system includes modern manufacturing, logistics and information technologies change, to a considerable degree, the process and cost structures. Instead of direct, value added manufacturing activities more and more planning, monitoring and controlling activities, in the indirect ranges and dominate in enterprises (Brimson & Antos 1994). However, the approach does not specifically outline how the procedures should be set to ascertain costs in an organization.

The balanced scorecard which was developed by Kaplan and Norton (1992), describes an organization's general performance using financial and non-financial indicators measured on regular basis. However the approach does not provide any knowledge on the implementation of justice in organizations. The use of self-assessment performance system extensively covers leadership, people management, policy and strategy, resources, processes, people satisfaction, customer satisfaction, impact on society and business results (EFQM, 1998). However, the approach is deficient of content on organizational justice.

The concept on benchmarking outlines how process performance levels of an excellent company may motivate not only chief executives, but also lower-level managers and ordinary staff and to set targets (Cross & Iqbal, 1995). This approach however lacks details on how the above two can be achieved. Although Juran and Gryna (1993) advocates for the use of statistical process control which seeks to ensure that the targets are met without much deviation. This approach however, lacks the details on how to ensure that deviations are avoided especially which aim at ensuring justice is done in organizational processes.

The approach by McLellan, (1996) on workflow-based monitoring is presented as being useful by providing information regarding activity-related costs, queuing time of process instances, workload of process participants. However the approach does not present any information or discussion on the achievement of other critical aspects on employees such as justice. The literature has much and deep informing content on performance measurement systems but it is deficient and shallow on others.

Gachunga (2007) focused on restructuring of Kenya Railways and Telkom Kenya and how the employees viewed it as fair on issue of retrenchment. The study was on Structural Adjustment Programmes but not on strategic performance systems. Thus Gachunga (2007) research did not focus on the effect of strategic performance systems on organizational justice, which is the focus of this study.

2.6 Research Gaps

The extent studies done on organizational justice and performance measurement systems were dismal in explaining and highlighting the association and the link between the two constructs. Moorman (1991) for example describes organizational justice as being concerned with the ways in which employees determine if they have been treated fairly in their jobs and the ways in which those determinations influence other work related. Likewise Greenberg (2001) defines organizational justice as people's implementations of fairness in organizational settings. None of their studies has established the link between performance practices and the organizational justice. Other empirical studies by McFarlin and Sweeney, (1992) and Martin and Bennett, (2001) have investigated the predictive roles of distributive justice and procedural justice outcomes. They however were silent on the effect of strategic performance systems on the organizational justice.

Maskell (1991) developed a principles for the performance measurement system design in which performance measures are conceived as part of a fast feedback subsystem (the performance measurement subsystem) and performance measures are designed to stimulate the development of a continuous improvement capability rather than simply monitor the operations strategy. He never did anything on organizational justice. Others studies by Gomes *et al.* (2004), Clarke, (1995), Grady, (1991) and Manoochehri, (1999) studies concentrated on the performance systems and not on organizational justices. The extent studies show indicate no research or knowledge of the effects of performance measurement systems on the organizational justice. Thus there exists a gap in knowledge on the subject and a research on the same is warranted and appropriate.

2.7 Summary

This chapter extensively reviews the theories which guide the study. The referent cognitions theory explains reactions to inequitable work outcomes. The theory adds more on the consequences of injustices at work places (Greenberg, 2001). Equity theory as advocated by Adams (1965) posits that social behavior is affected by beliefs that the allocation of rewards within a group should be equitable. This theory explained the need to equitable allocation. This was later criticized by Leventhal (1980) who developed a justice judgment model to explain implementations of justice.

The conceptual framework seeks to establish the effects of performance measurement systems on the implementation of the organizational justice. The study particularly focuses on the effects of activity based costing, self-assessment, competitive benchmarking, statistical process control and workflow controls on the organizational justice of an organization. A deep review of past studies was presented and the performance system review to enhance understanding on the subject of the study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methods and procedures that were used to carry out this study. They include the research design, population to be studied and sampling strategy, the data collection process, the instruments used for gathering data, and how data was analyzed and presented.

3.2 Research Design

This study adopted a descriptive approach. According to Coopers and Schinler (2003) descriptive studies are more formalized and typically structured with clearly stated hypotheses or investigative questions. It serves a variety of research objectives such as descriptions of phenomenon or characteristics associated with a subject population, estimates of proportions of a population that have these characteristics and discovery of associations among different variables. A descriptive survey research seeks to obtain information that describes existing phenomena by asking individuals about their implementations, attitude, behavior or values. This study was facilitated by the use of primary data. The descriptive survey design has been successfully used in previous related studies including Sharifi and Bovaird (2015), in their study on the financial management initiative in the UK Public Sector: The symbolic role of performance reporting; Obong'o (2009) in his study on the Implementation of Performance Contracting in Kenya; as well as Opondo (2013) in a Survey of Strategic Planning and Performance of Public Corporations in Kenya.

Research philosophy relates to the development of knowledge, the nature of that knowledge and contains important assumptions about the way in which researchers view the world (Saunders, Lewis & Thornhill, 2009). It is examined in two ways, namely, ontology and epistemology. Ontology is the pre-methodological question that asks how we perceive the social world. It is based on the argument that, because

of our gender, age, upbringing and life experience, we all view those around us with unique ways (Johnson, 1997). Epistemology issue concerns how you know what you know and the methods you choose to use in order to test the validity of Knowledge (Davies & Dodd, 2002). There are three epistemology positions, that is, realism, interpretivism and positivism. Realism purports to provide an account of scientific practice, and interpretivism requires the social scientist to grasp the subjective meaning of social action (Denzin & Lincoln, 2005).

This study adopted the positivism approach which advocates the application of methods of the natural sciences to the study of social reality and beyond. It entails the elements of both deductive and inductive strategy, with the role of research being to test theories. Positivism describes the research task as entailing the collection of data upon which to base generalizable propositions that can be tested (Bryman & Bell, 2011). Positivism approach was adopted to collect all the facts and figures that are associated with the effect of strategic performance systems on the organizational justice in the semi-autonomous government agencies, Kenya

3.3 Population

Mugenda and Mugenda (2003) described population as, the entire group of individuals or items under consideration in any field of inquiry and have a common attribute. The population of interest in this study was Jomo Kenyatta Foundation (JKF), Kenya Institute of Education (KIE), Kenya National Examination Council (KNEC), Kenya Education Management Institute (KEMI) and Kenya Institute of Special Education (KISE). According to the Ministry Of Education (2014) we have the following employees in each of the SAGAs: 132 employees of Jomo Kenyatta Foundation (JKF), 216 employees of Kenya Institute of Education (KIE), 380 employees of Kenya National Examination Council (KNEC), 83 employees of Kenya Education Management Institute (KEMI) and 95 employees of Kenya Institute of Special Education (KISE) (Ministry Of Education, 2014).

3.4 Sampling Frame

The study employed the sampling frame elaborated in table 3.1 below.

Table 3.1 Sampling Frame

SAGA	Target population	Sample size	Sample proportion (%)
JKF	132	18	14.6
KIE	216	30	23.8
KNEC	380	52	41.9
KEMI	83	11	9.2
KISE	95	13	10.5
Total	**906**	**124**	**13.7**

3.5 Sampling techniques and sample size

The respondents for the study were employees in the SAGAs. Stratified random sampling method was used to come up with the sample for the study. Stratified random sampling involves selecting independent samples from a number of subpopulations, group or strata within the population (Neuman, 1993). Employees were selected from the departments of the agencies which include human resource, Education Management Information Systems (EMIS), central planning, finance, Accounts, Procurement, Public relations, ICT, transport, administration and legal services. The sample size was 124 respondents from the five selected SAGAs.

The following formula was used to determine the sample size.

$$n = \frac{Z^2 pqN}{e^2(N-1) + Z^2 pq}$$ ....**Equation 1**   (Pagano & Gauvreau, 2000)

$$n = \frac{1.96^2 * 0.5 * 0.5 * 182}{0.05^2(182-1) + 1.96^2 * 0.5 * 0.5}$$

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$$n = \frac{174.7928}{1.4129} = 124$$

P=0.5, q=0.5, $Z_{0.025}$=1.96 , e=0.05

Where

n = sample size

N= entire Population

Z= level of significance (1.96 confidence level)

E= Expected Error

p = Probability of having organizational justice

q = Probability of having no organizational justice

3.6 Data Collection Instruments

The data collection instruments that were used were structured questionnaires which consisted of closed ended questions. The questionnaire consisted of a list of structured questions and likert rating scales relating to the field of inquiry with space provided for selection of choices and explanatory answers. The questionnaires were ideal because the researcher had a chance to get first had information from the study subjects. Close ended questions have the advantage of collecting viable quantitative data.

3.7 Data Collection Procedures

This study used primary data. The data was collected directly from the ministry of Education offices from different departments, and agencies which deal with educational matters in Kenya as illustrated in the sampling frame. The researcher distributed the research tools to the respondents through drop and pick later method. This method saved on time and costs. Moreover, it is more convenient for this study.

3.8 Pilot study

Piloting refers to the study done at a small scale in advance before the actual study to test the reliability and liability of the instruments. In this case testing the questionnaires designed for the study. The study first pre-tested the tool before the actual study. The study collected data from the respondents who did not participate in the final study to avoid biasness. The piloting ensured clarity and sustainability of the language used. The study used 30 respondents for the pilot study. According to Mugenda and Mugenda (2008) the researcher may use at least 10 respondents in a pilot study for a study with a sample size of over 100 respondents.

3.8.1   Validity

According to Berg and Gall (1989) validity is the degree by which the sample of test items represents the content the test is designed to measure. Content validity which is employed by this study is a measure of the degree to which data collected using a particular instrument represents a specific domain or content of a particular concept. Mugenda and Mugenda (1999) contend that the usual procedure in assessing the content validity of a measure is to use a professional or expert in a particular field. The validity of a research instrument refers to the extent to which the research instrument measures the variables that it is supposed to measure (Welman & Kruger, 1999).

According to Cooper and Schindler (2003), the pilot group can range from 25 to 100 subjects depending on the method to be tested but it does not need to be statistically selected. This was in line with a qualitative research design methodology employed in this research project. Validity of the research evaluates the integrity of the results obtained from the study: internal: whether the researcher's observations and theoretical ideas they develop match, and external: whether the findings can be generalized across social settings (Bryman & Bell 2007). Piloting was conducted to

check the questionnaires content, structure, sequence, meaning and ambiguity of questions. According to Fraenkel and Warren, (2000) and Huck, (2000), content Validity is determined by expert judgment. Therefore, the instruments were scrutinized by the promoters to determine if they addressed all the possible areas of the study. They were relied upon to determine whether items in the instruments were adequate representation of all the areas that were under investigation. The researcher pre-tested the instrument to ensure that respondents provided the correct information in relations to the objectives of the study.

3.8.2 Reliability

Reliability refers to the extent to which the scores obtained from the questionnaires could be generalised to different measurement occasions, measurement forms (tests) and measurement users (Welman & Kruger, 1999:143). Reliability of the research is concerned with the issue whether the measures developed for concept are consistent (internal), and whether the results of the study are repeatable (external) (Bryman & Bell 2007). According to Huck, (2000) reliability refers to consistency of measurement; the more reliable an instrument is, the more consistent the measure. This study used split-half procedure to test the reliability of the questionnaire through piloting. This procedure is chosen over the other methods such as the Kuder-Richardson approaches for its simplicity (Fraenkel & Warren, 2000; Huck, 2000). Thirty pilot questionnaires were used for this purpose. These tested the basic emerging variables of the study.

The open- ended questions were scored by giving a mark for a relevant response and a zero for irrelevant and blank responses. The questionnaires selected were divided into two equal halves taking odd numbered items against the even numbered items. The scores of the halves were then correlated using the split − half measure of reliability. This yielded a half test coefficient. The Spearman − Brown Prophecy formula for the full test was employed to obtain a total test coefficient of the instruments. They was considered reliable if the reliability was between $0.7 - 1.0$ (Fraenkel & Warren, 2000; Huck, 2000). The study pilot results had a Cronbach's Alpha of 0.8094, thus the instruments were considered to be reliable.

3.9 Data Analysis and presentation

The collected data was thoroughly examined and checked for completeness and comprehensibility. Data was coded and entered into the Statistical Package for Social Sciences (SPSS) for analysis. Descriptive statistics such as means, standard deviation and frequency distribution was used to analyze the data. Data presentation was done by the use of pie charts, bar charts and graphs, percentages and frequency tables.

To assess the association between the various independent variables (activity-based costing, self-assessment, competitive benchmarking, statistical process control and workflow-based monitoring) and the dependent variable (organization justice) and to test the hypotheses thereof, the study entailed inferential statistics, including both correlation and inferential analysis. The study hypotheses testing was conducted at 0.05 level of statistical significance. The multivariate regression model for this study was;

$$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + e$$

Y is perceived organizational justice,

B_0 is the constant

X_1 is Activity-Based Costing

X_2 is Self-Assessment

X_3 is Competitive Benchmarking

X_4 is Statistical Process Control

X_5 is Workflow-based Monitoring

B_1, B_2, B_3 B_4 and B_5 are coefficients

e is the error term

Data analysis seeks to fulfill the research objectives and provide answers to research questions (Bryman & Cramer, 1997). The choice of the method to analyze data depends on the nature and the scales of measurement of the variables in question (Kothari, 2008).

This study quantified the variables to make them measurable for the study. The implementation of organizational justice was measured through aggregation of the responses. This was done by use of likert scale.

Activity-Based Costing was measured by three key indicators including procedure costing, aggregated costs and cost evaluation. Self-Assessment was measured by Strategic planning practices, Customer /market focus and Human resource. Competitive Benchmarking was measured by target setting, employee performance comparisons and benchmarked targets. Statistical Process Control was measured by inspection, objective supervision and training on statistical systems. Workflow-Based Monitoring was measured by business processes, fraud and Work load processes.

3.10 Diagnostic Tests

The relationship between the dependent and the independent variables should satisfy the assumption of normality, linearity and multicollinearity (Greene 2002). Before conducting the regression analysis; it is advisable to conduct several diagnostic tests like normality, linearity and levene tests to establish the appropriateness of the data for making inference. The researcher subjected the collected data to normality and linearity tests.

3.10.1 Tests for Normality

To check for normality, the study applied skewness and kurtosis statistic to detect the departure from normality as recommended by Myoung (2008). Normality refers to the extent in which the distribution of the sample data corresponds to the normal distribution (Hair, 2010). A variable is reasonably close to normal if its skewness and kurtosis have values between -1.0 and +1.0 (Myoung, 2008). Normality test is crucial

because regression model estimation methods are based on assumption of normality since normally distributed data ensures that the data is fit for further statistical analysis and does not result to inflated statistics or under-estimated standard errors (Field 2009).

3.10.2 Tests for Linearity

Linearity of variables was tested using correlation coefficients as recommended by Cohen *et al.* (2003). Linearity is ascertaining whether the relationship between the explanatory variables (independent variables) and the outcome variable (dependent variable) is linear. That is to say, a unit increase in explanatory variable is associated with a fixed increase in the outcome variable. The Pearson's correlation coefficient was used to test the linearity of the relationship between the variables as recommended by (Wooldridge & Yount, 2000). Correlation coefficient shows the strength as well as the direction of the linear relationships. Negative correlation indicates an inverse relationship where an increase in one variable causes a decrease in the other while a positive correlation indicates a direct influence, where an increase in one variable causes an increase in the other variable (Field, 2009). The present study established significant linear relationships between all the independent and the dependent variables.

3.10.3 Test of multicolinearity

Multicollinearity refers to the linear correlation among variables. It occurs when two or more predictors in the model are correlated and provide redundant information about a response. The assumption of non-multicollinearity requires that none of the explanatory variables in the model be correlated with any other explanatory variable or with any linear combination of those explanatory. Presence of explanatory variables means that it is difficult to separate the impact of X_1 on Y from that of X_2 which makes regression results ambiguous. To check for correlated variables, multicollinearity was tested using variance inflation factor (VIF).Variance inflation factor quantifies severity of the multicollinearity in a regression analysis and it

provides an index that measures how much the variance of an estimated regression is increased because of multicollinearity.

A VIF for all the independent and dependent variables less than 3 (VIF≤ 3) shows no multicollinearity while a VIF of more than 10 (VIF ≥10) indicates a problem of multicollinearity (Cohen *et al.,* 2003). Multicollinearity creates a problem for multiple regression models given that as collinearity increases the standard error of coefficients also increases making them less reliable. In this regard, the present study performed a multicollinearity test with a view to identify variables with a high correlation among themselves. All variables were found to be optimally correlated.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter discussed the data analysis, interpretation and discussion of the research findings which was presented using frequency tables, percentages, mean and standard deviation. The results of the tested hypotheses are also presented. The chapter is structured into four main sections, including: The response rate, reliability test results, background information and descriptive and inferential statistics for the study variables.

4.2 The Response Rate

The study targeted 124 employees of the five SAGAs, 122 respondents out of the 124 sample respondents filled-in the questionnaires making a response rate of 98.4%. Findings are presented in table 4.1.

Table 4.1: Response Rate

	Frequency	% response rate
Actual respondents	122	98.4
Non response	2	1.6
Targeted respondents	124	100.0

This reasonable response rate was achieved after the researcher made physical visits to remind the respondent to fill-in the questionnaires. According to Babbie & Earl (2009), 50% response rate is deemed adequate and one can proceed with data analysis. The purpose of presenting this table was to help in getting the correct number of the questionnaires that were returned out the total number of what was

sent out, and again to check whether the number was adequate for data processes to continue (Borg & Gall, 2008).

4.3 Reliability Test Results

To ensure the reliability of the instrument, Cronbach's Alpha was used. Cronbach Alpha value is widely used to verify the reliability of the construct. Therefore, Cronbach Alpha was used to test the reliability of the proposed constructs. The findings indicated that activity-based costing had a coefficient of 0.773; self-assessment had a coefficient of 0.740; competitive benchmarking of 0.834; statistical process control had a coefficient of 0.830 and workflow-based monitoring had a coefficient of 0.870. Findings are as presented in table 4.2.

Table 4.2: Reliability Statistics for Strategic Performance Systems

SAGAs	Reliability Cronbach's Alpha	Number of items	Comments	Mean	Std
Activity-Based Costing (X_1)	0.773	6	Accepted	3.58	0.39
Self-Assessment (X_2)	0.740	6	Accepted	3.20	0.38
Competitive Benchmarking (X_3)	0.834	5	Accepted	3.69	0.37
Statistical Process Control (X_4)	0.830	5	Accepted	2.54	0.53
Workflow-based Monitoring (X_5)	0.870	7	Accepted	1.90	0.22

All constructs depicted that the value of Cronbach's Alpha are above the suggested value of 0.5 thus the study was reliable (Nunnally & Bernstein, 1994; Nunnally, 1974). On the basis of reliability test it was supposed that the scales used in this

study is reliable to capture the constructs. Reliability of the constructs is shown below in table 14. The researcher calculated the aggregated value of reliability of all variables (4.047) and then divided with the number of variable (5) and got 0.8094 as the composite score of reliability.

4.4 Background Information

This section captures both the respondent organizations' demographics including responses by type of agency, management level, gender of the respondent, respondent age, number of years in service as well as highest education level attained. Findings (table 4.3) are presented in frequencies and percentages.

Table 4.3: Background Information

		Frequency	**Percent**
Type of Agency	JKF	30	24.6
	KIE	38	31.1
	KNEC	30	24.6
	KEMI	18	14.8
	KISE	6	4.9
Management Level	Top management	66	54.1
	Middle management	34	27.9
	Staff	22	18.0
Gender	Male	74	60.7
	Female	48	39.3
Length of Service	Below 20 years	8	6.6
	20-29 years	26	21.3
	30-39 years	34	27.9
	40-49 years	38	31.1
	50-59 years	16	13.1
Education level	Masters	12	9.8
	Degree	78	63.9
	Diploma	32	26.2

As tabulated, the researcher had issued equal number of questionnaires to different Semi-Autonomous Government Agencies in Kenya. The KIE had the highest percentage response rate of 31.1%. The study sought to establish the position of respondents in the different in the agency. The study established that majority of the respondents 54.1% who responded to the questionnaire were top management. Middle management who responded to the questionnaires was 27.9% while only 18.0% of the staffs responded to the questionnaires. This indicates that the most responsive group was the top management, while the staff was least responsive group.

The study further found that majority of the respondents was male 60.7%, while women were just 39.3% of the respondents. This indicates that the researcher balanced on issue of gender when carrying out the research, and thus gender sensitive. According to West, and Zimmerman (2007) there is need to balance gender when carrying out research as it may affect the study results.

It was importance to establish the age of the respondents as it may influence the study results. The study result shows that majority 31.1% of the respondents were of age between 40-49 years followed by those who had the age of between 30-39 years with 27.9%. The respondents who were 20-29 years were 21.3% while 13.1% were those between the ages of 50-59 years. Those below 20 years were 6.6% of the respondents. This can be attributed to the fact that majority of Kenya work force are youth.

The study established that majority 63.9% of the respondents had a degree, 26.2% were diploma holders and only 9.8% had master's degree. This indicates high literacy level of employees at Semi -Autonomous Government Agencies, Kenya. Thus, the respondent well understood the questionnaires and their response was reliable.

4.5 Descriptive Statistics for the Study Variables

The study sought to establish the effect of different types of strategic performance systems on organizational justice. To this end, respondents were asked to respond to pertinent statements posed by indicating the level at which they agreed with the same, as applies in their respective institutions. Responses were given on a five-point Likert scale (where 1= Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree). The scores of 'Strongly Disagree' and 'Disagree' have been taken to represent a statement disagreed with by a majority of respondents, equivalent to mean score of 0 to 2.5. The score of 'Neutral' has been taken to represent a statement affirmed to moderately, equivalent to a mean score of 2.6 to 3.4. The score of 'Agree' and 'Strongly Agree' have been taken to represent a statement highly agreed with by a majority of respondents, equivalent to a mean score of 3.5 to 5.4. Tables 4.4, 4.5, 4.6 and 4.7 below present the findings.

4.5.1 Activity-Based Costing

The study sought respondents' perception regarding the various aspects defining activity-based costing and its influence on employee perception of organizational justice in SAGAs in Kenya. To this end, respondents were asked to respond to pertinent statements posed by indicating the level at which they agreed with the same, as applies in their respective institutions. Responses were given on a five-point likert scale (where 1= Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree). Table 4.4 below present the findings.

Table 4.4: Descriptive Statistics of Activity-Based Costing

	N	Minimum	Maximum	Mean	Std. Deviation
Each department has a different cost which is fair	122	1.00	4.00	3.8852	.48441
Each activity and procedure is costed separately which is fair	122	1.00	4.00	3.4754	.61943
Costing of the individuals unit is aggregated to give the overall costs	122	2.00	4.00	3.3607	.57590
The ABC method is transparent	122	2.00	5.00	3.8852	.44900
The ABC method is effective in allocation and evaluation of costs	122	1.00	4.00	3.1967	.65099
ABC systems assign the costs of an organization's activities more accurately to its products and product lines)	122	2.00	5.00	3.6721	.64849
Valid N (Listwise)	**122**				

The study analyzed the effect of activity-based costing on organizational justice. The respondents agreed that each department has a different cost which was fair, the ABC method was transparent, and ABC systems assigned the costs of an organization's activities more accurately to its products and product lines. Each of the factors had a mean score of 3.8852, 3.8852, and 3.6721 respectively. The respondents were undecided on whether Costing of the individuals unit is aggregated to give the overall costs, procedure is costed separately which is fair each activity and procedure was costed separately which was fair. The ABC method is effective in allocation and evaluation of costs, and each activity each of the factors had a mean score of 3.4754, 3.3607, and 3.1967 respectively.

4.5.2 Self-Assessment

The study sought respondents' perception regarding the various aspects defining the influence of self-assessment on employee perception of organizational justice in SAGAs in Kenya. To this end, respondents were asked to respond to pertinent statements posed by indicating the level at which they agreed with the same, as applies in their respective institutions. Responses were given on a five-point likert scale (where 1= Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree). Table 4.5 below present the findings.

Table 4.5: Descriptive Statistics of Self-Assessment

	N	Minimum	Maximum	Mean	Std. Deviation
On Leadership	122	1.00	3.00	2.9508	.28321
Strategic planning practices	122	2.00	4.00	3.5410	.53238
On Customer /market focus	122	1.00	4.00	3.5082	.61986
On Information	122	1.00	4.00	3.4918	.61986
On Human resource	122	2.00	5.00	3.7213	.60661
On Results	122	1.00	5.00	2.6066	.71069
Valid N (listwise)	**122**				

The study analyzed the effect of self-assessment on organizational justice. The respondents agreed on the following factors; Strategic planning practices, on customer /market focus and on Human resource. Each of the factors had a mean score of 3.5410, 3.5082, and 3.7213 respectively. The respondents were undecided on whether there was self-assessment on information, leadership and results. Each of the factors had a mean score of 3.4918, 2.9508 and 2.6066 respectively.

4.5.3 Competitive Benchmarking

The study sought respondents' perception regarding the various aspects defining the influence of competitive benchmarking on employee perception of organizational justice in SAGAs in Kenya. To this end, respondents were asked to respond to pertinent statements posed by indicating the level at which they agreed with the same, as applies in their respective institutions. Responses were given on a five-point likert scale (where 1= Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree). Table 4.6 below present the findings.

Table 4.6: Descriptive Statistics of Competitive Benchmarking

	N	Minimum	Maximum	Mean	Std. Deviation
Agency sets targets based on benchmark which is fair	122	2.00	4.00	3.9180	.37681
Your agency has targeted to achieve world standards	122	1.00	4.00	3.8852	.54843
Performance of employees and staff is compared to that in other agencies which is fair	122	2.00	3.00	2.9836	.12751
The organization compares the actual performance with the benchmarked targets	122	1.00	4.00	3.8689	.58847
There is analysis to explain deviations from the planned targets	122	2.00	4.00	3.7705	.58616
Valid N (listwise)	122				

The study established that majority of SAGAs carried out competitive benchmarking. The respondents agreed that Agency sets targets based on benchmark which is fair, the organization compares the actual performance with the benchmarked targets, their agency has targeted to achieve world standards, and there is analysis to explain

deviations from the planned targets. Each factor had a mean score of 3.9180, 3.8689, 3.8852 and 3.7705 respectively. Nevertheless the respondents were undecided on whether performance of employees and staff was compared to that in other agencies which is fair which had a mean score of 2.9836.

4.5.4 Statistical Process Control

The study sought respondents' perception regarding the various aspects defining the influence of statistical process control on employee perception of organizational justice in SAGAs in Kenya. To this end, respondents were asked to respond to pertinent statements posed by indicating the level at which they agreed with the same, as applies in their respective institutions. Responses were given on a five-point likert scale (where 1= Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree). Table 4.7 below present the findings.

Table 4.7: Descriptive Statistics of Statistical Process Control

	N	Minimum	Maximum	Mean	Std. Deviation
The variations in production are well understood thus no victimization due to variation	122	1.00	4.00	1.4098	.82074
No victimization resulting from systems failure	122	2.00	4.00	2.7541	.69605
The statistical systems are well inspected	122	1.00	4.00	2.6557	.70148
Staff are trained on statistical systems used in the organization	122	1.00	4.00	3.1475	.50896
Statistical systems and procedures are well monitored	122	2.00	4.00	2.7377	.65307
Valid N (listwise)	122				

The researcher found that majority respondents from SAGAs were undecided on whether staffs are trained on statistical systems used in the organization, no victimization resulting from systems failure, Statistical systems and procedures are well monitored and the statistical systems are well inspected with a mean of 3.1475, 2.7541, 2.7377 and 2.6557. The respondents strongly disagreed that the variations in production are well understood thus no victimization due to variation which had a mean score of 1.4098.

4.5.5: Workflow-Based Monitoring

The study sought respondents' perception regarding the various aspects defining the influence of workflow-based monitoring of employee perception of organization justice in SAGAs in Kenya. To this end, respondents were asked to respond to pertinent statements posed by indicating the level at which they agreed with the same, as applies in their respective institutions. Responses were given on a five-point likert scale (where 1= Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree). Table 4.8 below present the findings.

Table 4.8: Descriptive Statistics of Workflow-Based Monitoring

	N	Minimum	Maximum	Mean	Std. Deviation
Workflow-based monitoring concentrates upon business processes	122	2.00	3.00	2.1475	.35611
Costs are well monitored thus no frauds which is justice	122	1.00	1.00	1.0000	.00000
Work load processes are well monitored and thus no people waste time for others which is justice	122	1.00	3.00	2.7869	.48497
Monitoring has improved on time management	122	1.00	2.00	1.1148	.32004
Justice is being done to all through monitoring	122	1.00	4.00	2.3770	.73099
Monitoring has been used as a way of enhancing fairness	122	1.00	4.00	1.3115	.66906
There is support of automatic or semi-automatic execution of process	122	1.00	4.00	2.4098	.66499
Valid N (listwise)	122				

The study sought to establish the effect of the workflow-based monitoring on organizational justice in SAGAs in Kenya. The respondents were undecided on work load processes are well monitored and thus no people waste time for others which is justice with a mean of 2.7869. They disagreed that there is support of automatic or semi-automatic execution of process; Justice is being done to all through monitoring, workflow-based monitoring concentrates upon business processes. Each one of the factor had a mean score of 2.4098, 2.3770 and 2.1475 respectively. The respondents strongly disagreed that Monitoring has been used as a way of enhancing fairness, Monitoring has improved on time management and Costs are well monitored thus no frauds which is justice. Each one of the factor had a mean score of 1.3115, 1.1148 and 1.0000 respectively.

4.5.6 Types of Organizational Justice

The study sought respondents' perception regarding the various types of organizational justice. To this end, respondents were asked to respond to pertinent statements posed by indicating the level at which they agreed with the same, as applies in their respective institutions. Responses were given on a five-point likert scale (where 1= Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree). Table 4.9 below present the findings.

Table 4.9: Descriptive Statistics Types of Organizational Justice

	N	Minimum	Maximum	Mean	Std. Deviation
Distributive Justice Rewards are proportional to contributions or effort (merit) of individuals	122	2.00	3.00	2.9508	.21714
When group harmony is important, distributing resources equally irrespective of members' individual contributions is fair	122	2.00	4.00	3.8852	.44900
Consideration of special needs is fair	122	1.00	5.00	3.1639	1.01526
Procedural Justice					
There is fairness of the procedures used to make decisions	122	1.00	3.00	2.0328	.47992
Employees participate in decisions that concern them	122	1.00	4.00	2.0492	.55822
There is consistency of application of procedures used to make decisions	122	1.00	4.00	2.0820	.83903
There is no biasness in procedures used to make decisions	122	1.00	3.00	2.1148	.81511
There is accuracy of information used to make decisions	122	1.00	5.00	2.1967	.92387
There is correctability in case of an error during decision making	122	1.00	5.00	2.2131	1.01419
Interactional Justice					
Management treat people with dignity and respect	122	1.00	4.00	2.0328	.62898
Management provide explanations for decisions	122	1.00	4.00	2.1148	.54843
There is correct ability in case of an error during decisions making	122	1.00	4.00	1.8689	1.08743

The study explored on various types of organizational justice practiced by SAGAs at ministry of education Kenya. The respondents agreed that when group harmony is important, distributing resources equally irrespective of members' individual contributions is fair with a mean score of 3.8852 and were undecided on the statement that consideration of special needs is fair and rewards are proportional to contributions or effort (merit) of individuals with a mean of 3.1639 and 2.9508. On procedural justice the respondents disagreed on whether there is correct ability in case of an error during decision making, there was accuracy of information used to make decisions, There was no biasness in procedures used to make decisions, There is consistency of application of procedures used to make decisions, Employees participate in decisions that concern them and there was fairness of the procedures used to make decisions. Each of the factors had a mean score of 2.2131, 2.1967, 2.1148, 2.0820, 2.0492 and 2.0328 respectively.

On interactional justice the respondents disagreed that management provides explanations for decisions, management treated people with dignity and respect and there is correct ability in case of an error during decisions making. Each had a mean score of 2.1148, 2.0328 and 1.8689 respectively. The standard deviation of consideration of special needs is fair, there is correctability in case of an error during decision making and there is correct ability in case of an error during decisions making was more than 1, thus the respondent highly differed in their responses. While all other statement standard deviation was less than one thus the variance was low on respondents' responses.

4.5.7 Strategic Performance Systems Effects on Employee Perception on Organization Justice

On strategic performance systems effects on employee perception on organization justice, respondents were asked to respond to pertinent statements posed by indicating the level at which they agreed with the same, as applies in their respective institutions. Responses were given on a five-point Likert scale (where 1= Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree). Table 4.10 below present the findings.

Table 4.10: Descriptive Statistics Strategic Performance Systems Effects on Employee Perception on Organization Justice

	N	Minimum	Maximum	Mean	Std. Deviation
Employee satisfaction					
To what extent are you satisfied by your organization justice	122	1.00	4.00	1.6885	.59031
To what extent are you satisfied with the work itself in your organization	122	1.00	4.00	1.7541	.64682
To what extent are you satisfied with the quality of supervision in your organization	122	1.00	4.00	2.0984	.56641
Job Performance					
Organizational justice influence employees' task performance and contextual performance	122	1.00	4.00	2.7213	.68348
When you feel that they you being treated unequally, do you restore equity by altering your behaviors, attitudes, or both such as to be less productive or vice versa	122	1.00	4.00	2.8033	.53996
Unfair distribution of work	122	1.00	4.00	2.4262	.82239
Organizational commitment					
To what extent are you committed to your organization	122	1.00	3.00	2.2951	.66418
Feeling of obligation to continue employment	122	1.00	4.00	2.3770	.60750
If you were to leave, do you think the costs of leaving the organization will be high	122	1.00	4.00	2.1967	.72316
Employee Turnover					
low employee turnover as our institution observe justice to its employees	122	1.00	3.00	2.0000	.48105
intention to leave your organization due to injustices	122	1.00	3.00	2.0328	.40522
Do you think of quitting your organization due to injustices	122	1.00	4.00	2.0984	.69722
Trust					
confidence with your institution	122	1.00	4.00	2.1475	.54046
institution advocate and practice Vulnerability, benevolence, reliability, competence, honesty, and openness	122	1.00	3.00	2.0492	.49547
administrators neglect organization trust thus jeopardizing the entire organization justice	122	1.00	3.00	2.3934	.58292

The study examined the strategic performance systems effects on employee perception on organizational justice. The study examined the extent of employees' satisfaction in their organization; the respondents were to moderate extent satisfied with the promotion opportunities with a mean score of 2.5246. The respondents to less extent were satisfied with the pay/salary/allowances, relationships with coworkers, quality of supervision, and work and organizational justice in their organization. Each had a mean score of 2.2951, 2.2787, 2.0984, 1.7541 and 1.6885 respectively.

The study examined the extent of employees' perception on job performance; the respondents were undecided on when whether they are being treated unequally, and if they do restore equity by altering their behaviors, attitudes, or both such as to be less productive or vice versa, organizational justice influenced employees' task performance and contextual performance. Each had a mean score of 2.8033 and 2.7213 respectively. The respondents to less extent agreed that unfair distribution of work rewards relative to work inputs creates tension within an individual, which may ultimately result in a reduction in work input which had a mean score of 2.4262.

The study examined the extent of employees' perception on organizational commitment. The respondents to less extent were feeling of obligation to continue employment, committed to your organization, identify yourself with your organization, if you were to leave, do you think the costs of leaving the organization will be high and have emotional attachment to your organization. Each of the statement had a mean score of 2.3770, 2.2951, 2.1967and 2.0656 respectively. The respondents to moderate extent involved in the organization activities, relation between organizational commitment and organizational justice, and receive organizational support. Each had a mean score of 3.1639, 2.9180 and 2.5082 respectively.

The study examined employee turnover in relation to organizational justice. The respondents to less extent agreed that they think of quitting their organization due to

injustices, intention to leave your organization due to injustices and low employee turnover as our institution observe justice to its employees. Each had a mean score of 2.0984, 2.0328, and 2.0000 respectively.

The study examined the extent of employees' trust in their organization; the respondents to less extent indicated administrators neglect organization trust thus jeopardizing the entire organizational justice, had confidence with their institution and their institution advocate and practice benevolence, reliability, competence, honesty, and openness. Each one of them had a mean score of 2.3934, 2.1475 and 2.0492 and respectively.

4.5.8 Level of Justice in Organization

The study sought respondents' perception regarding the Level of Justice in Organization practiced in respective SAGAs. To this end, respondents were asked to respond to pertinent statements posed by indicating the level at which they agreed with the same, as applies in their respective institutions. Responses were given on a five-point Likert scale (where 1= Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree). Table 4.10 below present the findings.

Table 4.11: Descriptive Statistics of Level of Justice in Organization

	N	Minimum	Maximum	Mean	Std. Deviation
Equity					
The rewards that employees get for their contributions to the organization reflect balance	122	1.00	3.00	1.9836	.22207
employees feel that their contributions are undervalued or unrewarded	122	1.00	4.00	2.9508	.33655
Employees' compensation, recognition, and the trappings of status are distributed commensurate with their work, skill, and responsibility	122	1.00	3.00	1.9344	.35763
Perception					
Employee perception of fairness is a key to their satisfaction	122	1.00	4.00	3.1311	.89950
Management follow the rules fairly	122	1.00	4.00	2.1639	.55089
Participation in decision making					
Management involve employees in decision making	122	1.00	4.00	2.3607	.68110
Management cultivate both informal and formal mechanisms to elicit employees voice	122	1.00	3.00	2.4098	.63966
Interpersonal Justice					
Leaders buffer employees from embarrassment	122	1.00	5.00	2.6393	1.02905
Managements are conscious of timing, background, and strive to be open, sensitive, and authentic in their treatment of employees	122	1.00	4.00	2.4262	.75971
Consistency					
Application of rules, regulations, and policies are fair, visible, and consistent, yet flexible enough to take into account individual needs and extraordinary circumstances	122	1.00	3.00	2.3443	.62682
leader match appropriate behavior with the characteristics of the situation	122	1.00	3.00	2.2787	.63327

Egalitarian

No one's interests take precedence over the needs of the collective	122	1.00	4.00	2.4590	.82470
Organization rigidly treat everyone equally	122	1.00	3.00	2.0000	.65555

Correction

Administrators admit their mistake	122	1.00	3.00	1.5902	.73579
Administrators are willingness to review a poor decision and correct it	122	1.00	3.00	1.8361	.73136

Accuracy

Decisions are based on sound evidence	122	1.00	4.00	2.1311	.71525
Decisions are not based on rumor and innuendo are poor substitutes for accurate information	122	1.00	3.00	2.2951	.66418
Accuracy promotes fairness	122	1.00	4.00	2.4590	.80440

Representative

Decision making elicits the opinions of those affected	122	1.00	4.00	2.4426	.76113
In the organizational decisions employees believe their ideas are being represented and have influence on outcomes	122	1.00	4.00	2.3279	.72091

Ethical

Administrators create a just organization climate as they adhere to these ethical standards	122	1.00	4.00	2.1639	.63455

The study examined to measure the level of justice in organizations, the study used various parameters. On equity, to moderate extent the respondents felt that that their contributions are undervalued or unrewarded, which had a mean score of 2.9508. The respondents to less extent felt that the rewards that employees get for their contributions to the organization reflect balance and employees' compensation, recognition, and the trappings of status are distributed commensurate with their work, skill, and responsibility. Each had a mean score of 1.9836 and 1.9344 respectively.

The respondents to moderate extent perceived employee perception to fairness is a key to their satisfaction the rules fairly which had a mean score of 3.1311. The respondents to less extent perceived management followed the rules fairly which had a mean score of 2.1639. The respondents to less extent indicated that management cultivated both informal and formal mechanisms to elicit employees' voice and management involved employees in decision making. Each had mean score of 2.4098 and 2.3607 respectively.

On interpersonal justice, the respondents to moderate extent felt that leaders buffer employees from embarrassment and treat them as professionals with respect and dignity when communicate negative information to employees which had mean score of 2.6393. The respondents to less extent indicated managements are conscious of timing, background, and strive to be open, sensitive, and authentic in their treatment of employees which had a mean score of 2.4262.

On consistency, the respondents to less extent felt that application of rules, regulations, and policies are fair, visible, and consistent, yet flexible enough to take into account individual needs and extraordinary circumstances and leader match appropriate behavior with the characteristics of the situation. Each had a mean score of 2.3443 and 2.2787 respectively.

On egalitarian, the respondents to moderate extent felt that no one's interests take precedence over the needs of the collective and organization rigidly treat everyone equally which had a mean 3.0164. The respondents to less extent felt that which had a mean score of 2.4590 and 2.0000 respectively. On correction, the respondents to less extent felt that administrators are willingness to review a poor decision and correct it administrators admit their mistake and which had a mean 1.8361 and 1.5902 respectively.

The study sought to establish the level of accuracy, as measure of organizational justice. The respondents to less extent indicated that accuracy promotes fairness, and decisions are not based on rumor and innuendos are poor substitutes for accurate

information and Decisions are based on sound evidence. Each had a mean score of 2.4590, 2.2951 and 2.1311 respectively.

The study sought to establish the level of representation, as measure of organizational justice. The respondents to less extent felt that decision making elicits the opinions of those affected and the organizational decisions employees believe their ideas are being represented and have influence on outcomes. Each had a mean score of 2.4426 and 2.3279 respectively. On ethical issue, the respondents to less extent felt that administrators create a just organization climate as they adhere to these ethical standards which had a mean score of 2.1639.

4.6 Inferential Statistics

To assess the association between the various independent variables (activity-based costing, self-assessment, competitive benchmarking, statistical process control and workflow-based monitoring) and the dependent variable (organization justice) and to test the hypotheses thereof, the study entailed inferential statistics, including both correlation and inferential analysis.

4.6.1 Correlation Analysis

The study carried out correlation analysis for the null hypothesis that there is no relationship between strategic performance systems and implementation of organizational justice. The findings were as indicated in table 4.11 below.

Table 4.12 Correlation Analysis for the Strategic Performance Systems Variables

Variables	Organizational Justice	Activity-Based Costing	Self-Assessment	Competitive Benchmarking	Statistical Process Control	Workflow-based Monitoring
Organizational Justice	1					
Activity-Based Costing	0.351 (0.000)	1.000				
Self-Assessment	0.481 (0.002)	0.40 (0.013)	1.000			
Competitive Benchmarking	0.097 (0.144)	0.437 (0.023)	0.196 (0.001)	1.000		
Statistical Process Control	0.215 (0.000)	0.47 (0.033)	0.42 (0.002)	0.46 (0.000)	1.000	
Workflow-based Monitoring	0.489 (0.000)	0.201 (0.015)	0.270 (0.002)	0.286 (0.004)	0.36 (0.003)	1.000

From the correlation matrix, taking the level of significance at 0.05, we can depict that; Y is correlated with 4 of the study variables. That is Y is linearly related with Activity-based costing ($r = 0.351$, $p<0.05$). Y is linearly related with self-Assessment ($r = 0.481$, $p<0.05$), But Y is NOT linearly related with Competitive benchmarking ($r = 0.097$, $p=0.144>5\%$). Y is linearly related with Statistical process control ($r = 0.215$, $p<0.05$) and Y is linearly related with Workflow Based Monitoring ($r = 0.489$, $p< 0.05$).

The Pearson's coefficient was used to verify the existence or non-existence of linear correlation between and among the quantitative variables as indicated above. Emolument and size do exhibit a somewhat strong link. However, there is little evidence of multi-collinearity among the explanatory variables since the correlations among them are not very strong hence all the variables can be incorporated into the subsequent regression analysis.

4.6.2 Regression Analysis

Mainly the study was on dependence and independent variable which includes activity-based costing, self-assessment, competitive benchmarking, statistical process control and workflow-based monitoring, a multiple regression analysis was used. A multivariate regression model was applied to determine the relative importance of each of the three variables with respect to the level of community participation in the budget-making process. The regression model was as follows:

$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + B_5X_5 + e$

Y was the perceived level of organizational justice,

B_0 is the constant

X_1 is Activity-Based Costing index

X_2 is Self-Assessment index

X_3 is Competitive Benchmarking index

X_4 is Statistical Process Control index

X_5 is Workflow-based Monitoring index

B_1, B_2, B_3 B_4 and B_5 are coefficients

e is the error term

All the predictors' variables (X_1 - X_5) were entered into the estimated procedure of SPSS and the result model was found to be significant $F_{(5, 116)} = 11.157$, $p < 0.001$).

The established multiple linear regression equation becomes:

$Y = 0.697 X_1 + 0.315X_2 - 0.032X_3 - 0.117X_4 + 0.574X_5$ with $R^2 = 0.325$ implying that 32.5% of the variation in Y can be explained by the 5 predictors jointly.

Where constant=0.697, shows that activity-based costing, self-assessment, competitive benchmarking, statistical process control and workflow-based monitoring, were all rated as zero changes in perceived level organizational justice would be 0.697.

Table 4.13: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.697	.315		2.212	.029
X1	-.022	.082	-.028	-.264	.792
X2	.315	.097	.389	3.261	.001
X3	-.032	.066	-.038	-.487	.627
X4	-.117	.058	-.198	-2.018	.046
X5	.574	.147	.396	3.913	.000

Table 4.14: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.570[a]	.325	.296	.26149

With an adjusted R-squared of .296, the model shows that Activity-Based Costing index, Self-Assessment index, Competitive Benchmarking index, Statistical Process Control index and Workflow-based Monitoring index explain 29.6 percent of the variations in perceived organizational justice while 70.4 percent is explained by other factors not included in the model.

4.6.3 Hypothesis Testing on Model Parameters

Under objective 1: To examine the influence of activity based costing on employee perception of organisation justice in SAGAS in Kenya. The corresponding null hypothesis is H_{01}; Activity based costing has no significance influence which is equivalent to H_{01}: B1=0 since t=0.264, p=0.792 is greater than 0.05, the null hypothesis cannot be rejected therefore X_1 (Activity based costing) has no significant influence on Y (Level of organisational Justice).

Under objective 2: To find out the influence of self-assessment on employee perception of organisational justice in SAGAS in Kenya. The corresponding null hypothesis is H_{02}:Self-assessment does not significantly influence employee perception of organisational justice in SAGAs in Kenya which is equivalent to H_{02}:B_2=0 since t=3.261, p=0.001, we reject the null hypothesis and conclude therefore X_2(self-Assessment) has significant influence on Y (level of organisational justice). B_2=0.315 show that one unit increase in self-assessment index results in 0.315 units increase the perceived level of organisation justice index.

Under objective 3: To examine the influence of competitive benchmarking on employee perception of organisation justice in SAGAs in Kenya. The corresponding null Hypothesis is H_{03}: Competitive benchmarking does not significantly influence

employee perception of organisational justice in SAGAs in Kenya which is equivalent to $H_{03}:B_3=0$, since $t=0.487$, $p=0.627$ is greater than 0.05, the null hypothesis cannot be rejected and therefore X_3 (Competitive Benchmarking) has no significance influence on Y (Level of organisation Justice).

Under objective 4: To establish the influence of statistical process control on employee perception of organisational justice in SAGAs in Kenya. The corresponding null hypothesis H_{04}: Statistical process control does not significantly influence employee perception of organisational justice in SAGAs in Kenya which is equivalent to $H_{04}:B_4=0$ Since $t=2.018$, $p=0.046$, we reject the null hypothesis and conclude therefore that X_4 (Statistical process control) has significantly influence on Y(level of organisational Justice) $B_4=0.117$ shows that one unit increase in statistical process control index results in 0.117 units decrease the perceived level of organizational Justice index.

Under objectives 5: Determine the influence of work-based monitoring of employee perception of organisational Justice in SAGAs in Kenya. The corresponding null hypothesis is H_{05}: Work flow-based monitoring does not significantly influence employee perception of organizational justice in SAGA in Kenya which is equivalent to $H_0:B_5=0$. Since $t=3.913$, $p<0.001$ we reject the null hypothesis and conclude therefore X_5 (workflow-based monitoring) has significant influence on Y (Level of organizational justice). $B_5=0.574$ show that one unit increase in workflow-based monitoring index results in 0.574 units increase the perceived level of organisational justice index.

Table 4.15: Summary of Data Analysis Procedures

Hypothesis	Hypothesis testing technique	Results	Interpretation
H_{01}: Activity-based costing has no significant influence on employee perception of organization justice in SAGAs in Kenya	**Model** $Y= \alpha + \beta_1 X_1 + e$ Where Y=Organization Justice X_1= Activity-based costing β = Co-efficient **Measures:** P value to test significance (0.05) R^2 to show variation explained by predictor variables T test to confirm significance	t=0.264, p=0.792	Accepted
H_{02}: Self-assessment does not significantly influence employee perception of organizational justice in SAGAs in Kenya	**Model** $Y= \alpha + \beta_2 X_2 + e$ Where Y=Organization Justice X_1= Self-assessment β = Co-efficient **Measures:** P value to test significance R^2 to show variation explained by predictor variables T test to confirm significance	t=3.261, p=0.001	Not Accepted
H_{03}: Competitive benchmarking does not significantly influence employee perception of organizational justice in SAGAs in Kenya	**Model** $Y= \alpha + \beta_3 X_3 + e$ Where Y=Organization Justice X_1= Competitive Benchmarking β = Co-efficient **Measures:** P value to test significance R^2 to show variation explained by predictor variables T test to confirm significance	t=0.487, p=0.627	Accepted

H$_{04}$: Statistical process control does not significantly influence employee perception of organizational justice in SAGAs in Kenya	Model $Y= \alpha +\beta_4 X_4 +e$ Where Y=Organization Justice X$_4$= Statistical Process Control β = Co-efficient **Measures:** P value to test significance R^2 to show variation explained by predictor variables T test to confirm significance	t=2.018, p=0.046	Not Accepted
H$_{05}$: Workflow-based monitoring does not significantly influence employee perception of organizational justice in SAGAs in Kenya	Model $Y= \alpha +\beta_5 X_5 +e$ Where Y=Organization Justice X$_1$= Workflow-based Monitoring β = Co-efficient **Measures:** P value to test significance R^2 to show variation explained by predictor variables T test to confirm significance	Since t=3.913, p=0.000	Not Accepted

4.7 Discussion of Findings

The intention in this research was to explore the strategic performance systems elements and how they are related to organizational justice. As Jawahar (2007) supported, the success of strategic performance systems may well depend on employees perceptions of fairness and reactions to important aspects of the strategic performance systems. Traditionally, research on strategic performance systems focuses on the relationship between employee satisfaction and perceived purposes. For instance, according to Klein *et al.* (1987) and McEvoy *et al.* (1988), there is a relation between the developmental purpose and satisfaction with rater.

The study results showed that activity-based costing as a strategic performance system is well implemented and adopted by Semi-Autonomous Government Agencies in Kenya. According to the research results activity-based costing was believed to be fair and transparent which leads to organizational justice. The study results concurs with Brimson and Antos (1994) who demonstrated that fixed overhead costs leads to the desire for better cost transparency by developing ABC systems assign the costs of an organization's activities more accurately to its products and product lines.

The study deduced that there was self-assessment at Semi-Autonomous Government Agencies in Kenya; even though there was less self-assessment on leadership and results. These could have allowed the organization to discern clearly its strengths on leadership and results delivery and areas in which improvements can be made and culminates in planned improvement actions which are then monitored for progress. Self-assessment could provide a well tried method for evaluating leadership and results which could translate to organizational justice. According to Freeman, (1994) self-assessment must not be used to identify scapegoats and build a culture based on blame and fear.

Benchmarking is the process by which companies look at the best in the industry and try to imitate their styles and processes. This helps organization to determine what they could be doing better, but should be limited to avert organization injustices

(Allan, 1997). Benchmarking caused some SAGAs to lose their focus on the customers and employees. SAGAs that tried to produce better numbers quickly caused employee burnout, errors, and the need for rework. SAGAs also tried to quicken receivables and delay payables to meet a certain numeric goal. This had large adverse effects on customers as well as suppliers. Furthermore, not all benchmarking efforts are successful more so when there is strained personal relationship (Szulanski & winter, 2002)

The result suggests that SAGAs in Kenya relatively observed distributive justice but hardly do they observe procedural justice and interactional justice. According to Lind and Tyler, (1988) suggested that fairness was comprised of multiple facets (e.g. outcomes, procedures, and interpersonal treatment). Bies and Moag, (1986) have afforded considerable research attention to each of these facets, termed distributive justice, procedural justice and interactional justice.

The study established that employees perceived that there was scarcity of organizational justice in SAGAs in Kenya but it could not be wholly attributed to strategic performance systems. Other factors may as well have played a role on employees' perception of organizational justice. Cropanzano *et al.*, (2000) and Weiss *et al.*, (1999) both defined fairness as a perception. The study concurs with Dowden and Tellier, 2004 who suggested that perception of organizational justice is correlated with several organizational factors, including job satisfaction, organizational commitment, trust, and legitimacy. The study results further showed that justice perceptions can improve organizational-relevant attitudes and behaviors such as satisfaction, affective commitment, trust, and performance.

The study results demonstrate that effective managers were those that questioned what they were doing and why they were doing it, the prevailing view that effective managers only needed to understand the proper techniques, methods, and practices. All individuals, regardless of their place in society, deserved respect. There is need to give more power to individuals and ensure that individuals' voices are not only heard but are also integrated into solutions. The study results indicated that there is need to recognize the importance of voice, or the opportunity to express one's opinions in a

decision-making context. This concept was subsequently defined by Thibaut and Walker (1975) and Folger (1977) and numerous studies have associated voice with important organizational outcomes.

The study results further demonstrate the importance of integrative nature of decision-making, stresses the importance of empowering employees, and implies that fair decisions are those that involve all individuals who have a stake in the decision and its outcomes. Thus, although voice is important, it is more important to have integrative decision-making on strategic performance system that come from factors embedded in the situation rather than from specific people. This strategy makes authority seem less arbitrary and helps ensure that decisions are being made with knowledge and experience. It may also increase interpersonal justice because it helps to ensure that all concerned parties are involved and understand why a particular decision is being made.

The study showed that individual employees engage in counterfactual thinking in response to injustices. Referent cognitions theory (Folger, 1987, 1993) and Fairness Theory (Folger & Cropanzano, 2001) have elaborated on this notion, with the former suggesting that individuals feel injustice when they believe that they have been disadvantaged, and the latter suggesting that accountability is a key mechanism in counterfactual thinking and individuals make this assessment by answering the questions of what would, could, and should have been different.

Emotions are likely to play a more extensive role in the experience of injustice than acting merely as static reactions (example. anger in response to a layoff). Specifically, emotions are not only an outcome of unfairness; they can also accompany, infiltrate, and change justice perceptions. Moreover, emotions should not be limited to outcomes or mediators, but rather their presence throughout the experience of injustice must be acknowledged, explored, and understood. The study results showed that the level of justice in SAGAs in Kenya was moderate and leave more to be desired.

Our findings support indicates that the administrative purpose of strategic performance systems is related to distributive justice and procedural justice. It seems that when organizations use strategic performance systems process, in order to take decisions related to payroll, increases fringe benefits, promotion and employment termination they create a positive impression about both the fairness of the procedure and its outcomes. We also confirmed that the developmental purpose of strategic performance systems is related to interactional justice, indicating a positive connection between employees' personal development and good interpersonal relationships.

The administrative and developmental purposes are individual-focused (Youngcourt *et al*., 2007). By their nature, individual-focused purposes are more related to organizational justice. Issues such as hiring, firing, payroll, etc. are tangible and concern immediate employees, vitally affecting their everyday routine, their behavior as well as their general presence in the organization. Therefore, it is essential to have a sound strategic performance system, characterized by justice in individual-focused purposes, resulting in the increase of employees' efficiency and performance, decrease of potential turnover and absenteeism rate, while at the same time cultivating a sense of loyalty and commitment towards the organization.

Moreover, our results revealed that employees' perceptions of various criteria used for their strategic performance systems are positively related to organization justice. As previously noted, the criteria include the goals that employees must fulfill, their behavior during their duties, their competencies, their personal characteristics and their level of control on their work (Pooyan & Eberhardt, 1989). It is obvious that companies' strategic performance systems are based on the criteria reinforcing their crucial role to the organizational justice.

Strategic performance systems criteria are positively related to the three kinds of organizational justice, with more significant relationship to procedural justice. It seems that having clear-cut criteria of strategic performance systems, which are known and understood by employees, makes them feel that the strategic performance systems processes are fair. The present study is the first on exploring the relationship

between organizational justice and the various criteria of strategic performance systems. Therefore, more research should be conducted in order to verify the validity of these findings.

As we continue, we observe significant relationships between organizational justice and the strategic performance systems. As was hypothesized, employee satisfaction with ratings is positively related to organizational justice. Our results confirm the hypothesis, as we found strong correlation between satisfaction with ratings and both distributive and procedural justice. Regarding strategic performance systems, we also found that is positively related to organizational justice. These findings contradict previous studies, showing that satisfaction with ratings is only related to distributive justice (Colquitt *et al.*, 2001; Jawahar, 2007). It might be that a significant part of the population of our sample believes that if the procedure used for strategic performance systems is fair, this will increase the probability of a fair, utilization of the strategic performance systems results for organizational purposes, like compensations and promotions.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents discussions of the key findings presented in chapter four, conclusions drawn based on such findings and recommendations there-to. This chapter is, thus, structured into discussions, conclusions, recommendations and areas for further research.

5.2 Summary of Research Findings

5.2.1 Influence of activity-based costing on employee perception of organizational justice

The study sought to establish the influence of activity-based costing on employee perception of organizational justice in SAGAs in Kenya. A majority of respondents agreed that each department has a different cost which was fair, the ABC method was transparent, and ABC systems assigned the costs of an organization's activities more accurately to its products and product lines. Each of the factors had a mean score of 3.8852, 3.8852, and 3.6721 respectively.

5.2.2 Influence of self-assessment on employee perception of organizational justice

The study sought to examine the influence of self-assessment on employee perception of organizational justice in SAGAs in Kenya. A majority of respondents agreed on the following factors; Strategic planning practices, on customer /market focus and on Human resource. Each of the factors had a mean score of 3.5410, 3.5082, and 3.7213 respectively. The respondents were undecided on whether there was self-assessment on information, leadership and results. Each of the factors had a mean score of 3.4918, 2.9508 and 2.6066 respectively.

5.2.3 Influence of competitive benchmarking on employee perception of organizational justice

The study sought to assess the influence of competitive benchmarking on employee perception of organizational justice. The respondents agreed that Agency sets targets based on benchmark which is fair, the organization compares the actual performance with the benchmarked targets, their agency has targeted to achieve world standards, and there is analysis to explain deviations from the planned targets. Each factor had a mean score of 3.9180, 3.8689, 3.8852 and 3.7705 respectively.

5.2.4 Influence of statistical process control on employee perception of organizational justice

The study sought to determine the influence of statistical process control on employee perception of organizational justice. The researcher found that majority respondents from SAGAs were undecided on whether staffs are trained on statistical systems used in the organization, no victimization resulting from systems failure, Statistical systems and procedures are well monitored and the statistical systems are well inspected with a mean of 3.1475, 2.7541, 2.7377 and 2.6557.

5.2.5 Influence of workflow-based monitoring of employee perception of organization justice

The study sought to assess the influence of workflow-based monitoring of employee perception of organization justice. The respondents were undecided on work load processes are well monitored and thus no people waste time for others which is justice with a mean of 2.7869. They disagreed that there is support of automatic or semi-automatic execution of process; Justice is being done to all through monitoring, workflow-based monitoring concentrates upon business processes. Each one of the factor had a mean score of 2.4098, 2.3770 and 2.1475 respectively.

To assess the association between the various independent variables (activity-based costing, self-assessment, competitive benchmarking, statistical process control and workflow-based monitoring) and the dependent variable (organization justice) and to

test the hypotheses thereof, the study entailed inferential statistics, including both correlation and inferential analysis.

Activity based costing was found to have no significant influence which is equivalent to H_{01}: B1=0 since t=0.264, p=0.792 is greater than 0.05, the null hypothesis was therefore accepted, hence the assertion that Activity based costing has no significant influence on the Level of organisational Justice. It was further found that self-assessment significantly influences employee perception of organisational justice in SAGAs in Kenya which is equivalent to H_{02}:B_2=since t=3.261, p=0.001. The null hypothesis was therefore not accepted.

The study also found that competitive benchmarking does not significantly influence employee perception of organisational justice in SAGAs in Kenya which is equivalent to H_{03}:B_3=0, since t=0.487, p=0.627 is greater than 0.05. Statistical process control was found to significantly influence employee perception of organisational justice in SAGAs in Kenya which is equivalent to H_{04}:B_4=0 since t=2.018, p=0.046. It was finally found that work flow-based monitoring significantly influences employee perception of organizational justice in SAGA in Kenya which is equivalent to H_0:B_5 =0. Since t=3.913, p<0.001.

5.3 Conclusions

The result suggests that SAGAs in Kenya relatively observed distributive justice but hardly do they observe procedural justice and interactional justice. The study results showed that the level of justice in SAGAs in Kenya was moderate and leave more to be desired. The study established that employees perceived that there was scarcity of organizational Justice in SAGAs in Kenya but it could not be wholly attributed to strategic performance systems. Other factors may as well have played a role on employees' perception of organizational justice. The study further concludes that perception of organizational justice is correlated with several organizational factors, including job satisfaction, organizational commitment, trust, and legitimacy. The study results further showed that justice perceptions can improve organizational-

relevant attitudes and behaviors such as satisfaction, affective commitment, trust, and performance.

The present research examines the important role of three elements of organizational justice, namely interactional, procedural and distributive for the satisfaction from strategic performance systems. Since strategic performance systems are often accompanied by feelings of unfairness and dissatisfaction, its implementation is important for both human resource departments and line managers.

The study concludes that employees are not aware of the strategic performance systems procedure early in their organizational life. Therefore they should be thoroughly informed about the strategic performance systems by the human resource staff, during the orientation process. This will help them be better prepared for strategic performance systems, in terms of the procedure followed and the criteria expected from them. The criteria by which strategic performance systems takes place in the organization should be made clear early on. These criteria may be the particular goals, attitudes, competencies and abilities, behaviors and any other relevant to the job. Taking into consideration all the previous, the goal should be to increase process transparency so that perceived justice of the strategic performance systems system is maximized. This can lay the ground for more satisfied employees that will have a positive contribution to strategic performance systems.

The study further concludes that ensuring both procedural and interactional justice can lead to increased employee satisfaction for all organizational justice elements. More specifically, a continuous implementation of strategic performance systems can be enabled by the use of standardized procedures. In order to ensure interactional justice, there should not be a clash between the management and the employees' role. The employees' should be free and comfortable to express emotions and their input during the implementation of strategic performance systems.

Finally, the study concludes that the significant relation found between organizational justice and satisfaction with rater supports the importance of the management role in the employees' perception of organizational justice. Apparently,

the management role in the organizational justice is fundamental, as they seem to be the basis of the satisfaction that employees receive through the strategic performance systems. Our results once again highlight the importance of training for strategic performance systems. Organizations should invest in training management to act in a just way regarding organizational justice, but also encourage employees to receive everyday informal feedback, relevant to the nature of their job. The research indicates a positive link between organizational justice and satisfaction with various elements of strategic performance systems.

5.4 Recommendations

5.4.1 Implications to practice

As with any new management technique or tool, an effective change management process must be in place before implementing an Activity Based Costing system. An objective of this process should be to ensure that there is support for the system at all levels of an organization. This includes having a top-level manager to champion the initiative, as well as acceptance by lower-level managers. The acceptance by these later managers often can be obtained by demonstrating that in most cases the existing cost accounting system produces distorted, and thus misleading, information. This distortion often arises because an existing costing system does not reflect the increasing complexity of an organization and the products and services it offers. By implementing a costing system that reflects that complexity—and provides the operational information necessary for managing a company's operations—managers can see the increased relevance of the information provided for managerial decision making and enhanced performance management.

Several ways of using award models for self-assessment are possible for SAGAs. Taking the award guidelines and following these for internal use in the same way as described for award applicants. This generally involves a considerable workload since fact finding and report writing are rather time-consuming, but will, on the other hand, generate a comprehensive picture of the organization. Adjusting the criteria and/or the scoring to suit the specific situation and goals of the organization.

Irrespective of the type of benchmarking an organization undertakes, a well-structured and systematic process is critical to success. A number of steps are necessary for the SAGAs to take. The first one is preparation and planning. As with any other project, thorough preparation and planning are essential at the outset. Recognize the need for benchmarking, determine the methodology you're going to use, and identify the participants in your project. Data collection is also important. This stage involves deciding what you're going to measure and how you'll measure it. You need to define the benchmarking envelope -- what is to be benchmarked and what is to be excluded. It is also imperative to conduct data analysis. The key activities here are the validation and normalization of data. Before you can perform any meaningful analysis, it's essential that all data be validated to establish its accuracy and completeness. Some form of data normalization is usually required to enable like comparisons to be made between what may be very different operational subjects.

SAGAs can use Statistical Process Control tools in the following stages of process evaluation and improvement: Identify the Problem: Flowcharts identify and communicate information about the flow of a process, including constraints and gaps. Pareto analysis identifies the issues that are causing most of the problems; Identify the Reasons for the Problem Use Ishikawa cause-and-effect diagrams to brainstorm the causes of a problem from a multidimensional perspective; and analyze the Data: Run charts show the variability in data over time and the potential relationships between multiple variables. Control charts identify process variation using a set of statistical tools, enabling the identification of out-of-control variation.

For effective workflow based monitoring, SAGAs ought to **p**roviding quick access to information so alarm other stakeholders in the work in progress can make sound decisions. This will allow them to incorporate data elements into their workflow. It is also important for SAGAs to automate their processes. An automated process enforces consistency and improves productivity. Staff can then perform the tasks of the process defined within the workflow, quickly and consistently.

5.4.2 Implications to Knowledge and Theory

The present study makes a significant contribution to knowledge with respect to the effects of Strategic Performance Systems on the Organizational Justice in the Semi-Autonomous Government Agencies in general and in Kenya in particular. The study findings through its hypothesis makes important assertions as regards the different Strategic Performance Systems and whether or not they influence Organizational Justice. This makes a resourceful literature source for future researchers on related issues.

The study was underpinned by both the Referent Cognition Theory and equity theory. The study confirms the assertion by RCT that dissatisfaction arises when a person compares existing reality to a more favorable alternative. It has been found in the present study that SAGAs leverage key strategic performance systems including self-assessment, statistical process control and workflow-based monitoring to gauge their organizational justice performances by weighing best alternative to present practices. It has also been found that these strategic performance systems, used as inputs significant determine organizational justice which is the outcome. Accordingly, the major structural components of equity theory are inputs and outcomes. Inputs are described as what a person perceives as his or her contributions to the exchange, for which he or she expects a just return.

5.4.3 Recommendations for Further Study

The study has revealed the need for further studies in other facets not tackled in herein. Based on the adjusted R_2, it has emerged that Activity-Based Costing index, Self-Assessment index, Competitive Benchmarking index, Statistical Process Control index and Workflow-based Monitoring index explain only 29.6 percent of the variations in perceived organizational justice while 70.4 percent is explained by other factors not included in the model. Future studies ought to find out what other factors influence perceived organizational justice, other than strategic performance systems. The study may also be replicated into other entities other than SAGAs, with a view to establish any pertinent trends.

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APPENDICES

Appendix I: Introduction Letter

Through, School Of Entrepreneurship, Procurement and Management,

Jomo Kenyatta University of Agriculture and Technology

P.O. Box 62,000 – 00200 NAIROBI

Dear Respondents,

RE: Request for Participation in Data Collection

I am a PhD student of Jomo Kenyatta University of Agriculture and Technology. My project title is **Effect of Strategic Performance Systems on the Organizational Justice in Semi- Autonomous Government Agencies in Kenya.** As a part of my course requirement I am currently writing a research project in the relevant field. Attached here is a copy of the questionnaire that I kindly request you to take some time and complete. The information you will provide in the questionnaire is for academic purpose only and shall be treated with utmost confidentiality.

I thank you in advance for your co-operation and active participation to this academic effort.

Thank you.

Yours faithfully

………………………

Jane Wamuyu mugo

Appendix II: Questionnaire

Section A: Demographic information

1.   Which   agency   do   you   work
with?…………………………………...………

2.   Indicate the position in the agency.

        Top management   [ ] Middle management [ ]   Staff   [ ]

3.   Indicate your gender.

        Male   [ ]   Female   [ ]

4.   Indicate your age

        Below 20 years   [ ]

        20-29 years   [ ]

        30-39 years   [ ]

        40-49 years   [ ]

        50-59 years   [ ]

        Above 60 years   [ ]

5.   How long have you worked for the organization

a) Less than 1 year   [ ]

b) 1-5 years   [ ]

c) 6-10 years   [ ]

d) More than 10 years   [ ]

6.   Indicate the highest educational level.

Diploma [ ]   Degree [ ] Masters   [ ]   Others…………..………

Section B: Factors for Strategic Performance Systems

Section I: Activity-Based Costing

7.   Indicate the extent to which the following apply in your agency pertaining effect of Activity-Based Costing on Strategic Performance Systems on organizational Justice in the Semi-Autonomous Government Agencies?

Key: 5 Strongly Agree, 4 Agree, 3 Undecided, 2 Disagree, 1 Strongly Disagree (Please put an X as appropriate)

	1	2	3	4	5
Each department has a different cost					
Each activity and procedure is costed separately					
Costing of the individuals unit is aggregated to give the overall costs					
The ABC method is transparent					
The ABC method is effective in allocation and evaluation of costs					
ABC systems assign the costs of an organization's activities more accurately to its products and product lines					

Section II: Self-Assessment

8.   Indicate the extent to which your agency assesses the following processes pertaining effect of self-assessmenton Strategic Performance Systems on organizational Justice in the Semi-Autonomous Government Agencies?

Key: 5 Strongly Agree, 4 Agree, 3 Undecided, 2 Disagree, 1 Strongly Disagree (Please put an X as appropriate)

	1	2	3	4	5
Leadership					
Strategic planning practices					
Customer /market focus					
Information					
Human resource					
Results					
Self-assessment has improved organizational justice					

Section III: Competitive Benchmarking

9.   Indicate the extent to which your agency applies the following in regard to competition pertaining effect of Competitive Benchmarking on Strategic Performance Systems on organizational Justice in the Semi-Autonomous Government Agencies**?**

Key: 5 Strongly Agree, 4 Agree, 3 Undecided, 2 Disagree, 1 Strongly Disagree (Please put an X as appropriate)

	1	2	3	4	5
Agency sets targets based on benchmark					
Your agency has targeted to achieve world standards					
Performance of employees and staff is compared to that in other agencies					
The organization compares the actual performance with the benchmarked targets					
The is follow analysis to explain deviations from the planned targets					

Section IV: Statistical Process Control

10. Indicate the extent to which SPC has contributed to organizational justice in your agency

    Key: 5 Strongly Agree, 4 Agree, 3 Undecided, 2 Disagree, 1 Strongly Disagree (Please put an X as appropriate)

	1	2	3	4	5
The variations in production are now well understood					
No discrimination resulting from systems failure					
The statistical systems are well inspected					
Staff are trained on statistical systems used in the organization					
Statistical systems and procedures are well monitored					

Section V: Workflow-based Monitoring

11.   Indicate the level to which the following work-based monitoring improves organizational justice?

Key: 5 Strongly Agree, 4 Agree, 3 Undecided, 2 Disagree, 1 Strongly Disagree (Please put an X as appropriate)

	1	2	3	4	5
Workflow-based monitoring concentrates upon business processes					
Costs are well monitored thus no frauds					
Work load processes are well monitored and thus no people waste time for others					
Monitoring has improved on time management					
Justice is being done to all through monitoring					
Monitoring as been used as a way of enhancing fairness					
support automatic or semi-automatic execution of process instances, coordination between process activities, and the communication between process actors					

Section C: Organizational justice

12.   Indicate the extent to which your agency applies the following in regard to different types of organizational justice in the Semi-Autonomous Government Agencies?

Key: 5 Strongly Agree, 4 Agree, 3 Undecided, 2 Disagree, 1 Strongly Disagree (Please put an X as appropriate)

Distributive Justice	1	2	3	4	5
Rewards are proportional to contributions or effort (merit) of individuals					
when group harmony is important, distributing resources equally irrespective of members' individual contributions is fair					
consideration of special needs is fair					
Procedural Justice					
There is fairness of the procedures used to make decisions					
Employees participate in decisions that concern them					
There is consistency of application of procedures used to make decisions					
There is no biasness in procedures used to make decisions					
There is accuracy of information used to make decisions					
There is correct ability in case of an error during decisions making					
Interactional Justice					
Management treat people with dignity and respect					
Management provide explanations for decisions					

Section D: Effect of Employee Perception on Organization Justice

13. Indicate the extent to which your agency applies the following in regard to Effect of Employee Perception on Organization Justice in the Semi-Autonomous Government Agencies?

Key5: Very great extent 4: Great extent 3: Moderate extent 2: Less extent 1: No extent at all

	1	2	3	4	5
Employee satisfaction					
To what extent are you satisfied by your organization justice					
To what extent are you satisfied with the work itself in your organization					
To what extent are you satisfied with the quality of supervision in your organization					
To what extent are you satisfied with the relationships with coworkers in your organization					
To what extent are you satisfied with the promotion opportunities in your organization					
To what extent are you satisfied with the pay/salary/allowances in your organization					
Job Performance					
Organization justice influence employees' task performance and contextual performance					
When you feel that they you being treated unequally, do you restore equity by altering your behaviors, attitudes, or both such as to be less productive or vice versa					
unfair distribution of work rewards relative to work inputs creates tension within an individual, which may ultimately result in a reduction in work input					
Organizational commitment					
To what extent are you committed to your organization					

Do you identify yourself with your organization					
Are you involved in the organization activities					
Do you have emotional attachment to your organization					
Do you have feeling of obligation to continue employment					
If you were to leave, do you think the costs of leaving the organization will be high					
Dou you think there is relation between organizational commitment and organizational justice					
To what extent do you receive organizational support					
Employee Turnover					
There is low employee turnover as our institution observe justice to its employees					
You have intention to leave your organization due to injustices					
Do you think of quitting your organization due to injustices					
Trust					
You have confidence with your institution					
Your institution advocate and practice Vulnerability, benevolence, reliability, competence, honesty, and openness					
administrators neglect organization trust thus jeopardizing the entire organization justice					

14.   What is your opinion on the effect of employees perception on organization justice in your organization

……………………………………………………………………………………………

……………………………………………………………………………………………

……………………………………………………………………………………………

Section E: Measure of Level of Justice in Organization

15. Indicate the extent to which your agency applies the following in regard to level of justice in organization in the Semi-Autonomous Government Agencies?

Key5: Very great extent 4: Great extent 3: Moderate extent 2: Less extent 1: No extent at all

Equity	1	2	3	4	5
The rewards that employees get for their contributions to the organization reflect balance					
employees feel that their contributions are undervalued or unrewarded					
Employees' compensation, recognition, and the trappings of status are distributed commensurate with their work, skill, and responsibility.					
Perception					
Employee perception of fairness is a key to their satisfaction					
Management follow the rules fairly					
Participation in decision making					
Management involve employees in decision making					
Management cultivate both informal and formal mechanisms to elicit employees voice					
Interpersonal Justice					
Leaders buffer employees from embarrassment and treat them as professionals with respect and dignity when communicate negative information to employees					
Managements are conscious of timing, background, and					

strive to be open, sensitive, and authentic in their treatment of employees					
Consistency					
Application of rules, regulations, and policies are fair, visible, and consistent, yet flexible enough to take into account individual needs and extraordinary circumstances					
leader match appropriate behavior with the characteristics of the situation					
Egalitarian					
No one's interests take precedence over the needs of the collective					
The organization rigidly treat everyone equally					
Correction					
Administrators admit their mistake					
Administrators are willingness to review a poor decision and correct it					
Accuracy					
decisions are based on sound evidence					
decisions are not based on rumor and innuendo are poor substitutes for accurate information					
Accuracy promotes fairness					
Representative					
Decision making elicits the opinions of those affected					
In the organizational decisions employees believe their ideas are being represented and have influence on outcomes					
Ethical					
Administrators create a just organization climate as they adhere to these ethical standards					
Administrators create a just organization climate as they adhere to these ethical standards					

Appendix III: List of Ministry of Education SAGA's in Kenya

1) Jomo Kenyatta Foundation
2) Kenya Education Management Institute
3) Kenya Institute of Education
4) Kenya Institute of Special Education
5) Kenya National Examination Council