

Full Length Research Paper

Influence of Power Distance on Employee Empowerment and MNC Performance: A Study of Multinational Corporations in Kenya

¹Margaret Oloko and ²Martin Ogutu

¹Jomo Kenyatta University of Agriculture and Technology, Department of Commerce and Economic Studies

²University of Nairobi, School of Business, Department of Business Administration

Authors e-mail: olokoma@ihrd.jkuat.ac.ke or olokomargaret@yahoo.com, ogutum@uonbi.ac.ke

Abstract

This study focused on the influence of power distance on the relationship between employee empowerment and performance of multinational corporations in Kenya. In the recent past, employee empowerment has been promoted as a general recipe for enhancing work performance. The main objective developed for this study is to determine whether the strength of the relationship between employee empowerment and performance of a multinational corporation depends on power distance. Data for the study was collected using a questionnaire which contained measurements of power distance, employee empowerment and multinational corporation performance. The questionnaire consisted of a Likert type scale ranging from 5 – very great extent to 1 – not at all. A census study of 60 multinational corporations operating in Kenya was conducted. Data was analyzed using multiple regression analysis was used to test this hypothesis. Regression analysis was conducted and the findings showed that power distance moderated the relationship between employee empowerment and multinational corporation performance. Thus, the study concluded that power distance determines the success or failure of multinationals in host countries.

Key Words: Power Distance, Employee Empowerment, Multinational Corporation Performance

INTRODUCTION

Multinational corporations (MNCs) are increasingly conducting their businesses globally, which has increased in scope due to the increasing complexity as the organizations operate across national, cultural and social boundaries. The greatest challenge facing organizations is to acknowledge the cultural differences in every host country and to manage the business cohesively in order to achieve corporate objectives and enhance MNC performance. Current literature indicates that culture is an important determinant of organizational performance in host countries (Hofstede, 1983; Blunt and Jones, 1986; Kuada, 1994; Newman and Nollen, 1996). According to Tung and Miller (1990) and Hofstede (1991), culture varies from one country to another resulting in MNC performance variations hence, the need to understand its effect on host countries and thus, include it in the empowerment - performance equation.

Many researchers in this area of study have only concentrated on the importance of empowerment practice in facilitating organizational performance (Argyris, 1998; Eylon and Au, 1999 and Robert et al. 2000). To them empowerment is the perfect panacea for success in organizations. However, some researchers report that there has to be congruence between the management practices (like empowerment) of foreign firms and the cultural practices in the specific host countries (Kaloki, 2001; Tihanyi et al., 2005).

The Research Problem

Despite great emphasis laid on research in the field of employee empowerment and MNC performance

throughout the world, there is inadequacy of literature on this subject especially in the developing countries and how organizational performance may be influenced by the prevailing host country culture. The existing literature has only focused on explaining the importance of employee empowerment in facilitating MNC performance, particularly in the developed world (Denison and Mishra, 1995; Argyris, 1998; Eylon and Au, 1999 and Robert et al. 2000).

Despite all this, there has been no study conducted to establish the influence of power distance on the relationship between employee empowerment and MNC performance throughout the world and more so, for the less developed countries. For example, the few studies that have been carried out in Africa and Kenya in particular have only emphasized the importance of empowerment or the congruence between the management practices and the cultural practices of the local firms (Blunt and Jones, 1986; Kuada, 1994). In addition, Nzelibe (1986) reported that expatriate managers in Nigeria applied Western management practices and failed to consider the implications of the local cultures on those management practices, resulting in unfavourable levels of performance.

The departure of this study from the previous ones is the inclusion of power distance as a moderating variable that influences and or explains the relationship between employee empowerment and MNC performance. This study is therefore an attempt to answer the question: is the relationship between employee empowerment and MNC performance influenced by power distance culture prevailing in a country?

Objective of the Study

The objective for the study is to determine if the strength of the relationship between employee empowerment and performance of a multinational corporation is influenced by power distance.

Literature Review

The existing literature shows that employee empowerment leads to positive performance (Argyris, 1998; Eylon and Au, 1999 and Robert et al., 2000). However, empowerment practice may lead to higher performance only if organizations are able to understand the influence of the prevailing host country's power distance. More so, the studies have mainly been carried out in the developed world and with very little attention on the developing countries. In this case, the researcher studied MNCs outside their countries of origin; particularly those operating in Kenya, which originate from both high and low power distance culture countries. Kenya being a country classified as experiencing high

power distance culture, the researcher would want to establish whether power distance in Kenya would moderate the relationship between empowerment and organizational performance.

The influence of employee empowerment on organizational performance has become a major concern for academicians and practitioners despite little empirical research carried out in this area, particularly in the less developed countries. For theory and practice alike, the premise of employee empowerment has been performance, which is largely affected by the existing culture of a country. Researches that have been advanced in this area show that employee empowerment directly lead to high MNC performance. For example, Denison and Mishra (1995) conducted a study on the U.S. firms (that experience low power distance culture) to find out how employee empowerment influences organizational decision-making. The researchers reported that for effective organizational decision-making, employee empowerment is paramount and that employees may be well versed with their work conditions. This notion has also been supported by other researchers like, Eylon and Au (1999), Robert and colleagues (2000) and Randolph and colleagues (2002) who conducted studies on empowerment and performance and concluded that, when employees are empowered, organizational productivity increases, thus leading to an

Employee Empowerment

This is a common theme that emphasizes the power of confident people, passionately committed to meaningful goals, acting in accordance with own higher values, taking risks and demonstrating imitiveness and creativity in the service of these goals. Hopson and Scally (1981) pointed out that empowerment is not an end state, but a process that all human beings experience. That throughout employees' lives; an employee will behave in more or less empowered ways depending on his/her level of self-esteem and skill development, tempered by surrounding circumstances. That is, the practice of employee empowerment has been toughened as a panacea for improving organizational performance through enhanced employee motivation, morale, satisfaction, organization commitment and innovation, thus leading to favourable organizational performance. It involves a creative act that frees a person, a group, an organization, and even a total society, to behave in a new way. It provides options and degrees of freedom not allowed before (Argyris, 1998).

The process of empowerment can be viewed as a means through which a MNC manager can improve work performance for its employees and in turn improve MNC efficiency and productivity (Lawler, 1992). Lawler and

colleagues further reported that to achieve empowerment in organizations, managers must be sure that employees at the lowest hierarchical levels have the right mix of information, knowledge, power and rewards to work autonomously or independently of management's control and direction. They further reported that, when employees are empowered, they experience more control or autonomy over their responsibilities and become more motivated and creative over their work duties. Thus, MNCs are able to achieve greater returns on sales than firms that do not involve their staff in organizational decision-making. However, the researchers seem to conclude that empowerment is essential for companies that hope to succeed in this knowledge-based economy, where employee innovation and creativity is an asset to an organization (Bowen and Lawler, 1992). However, the researchers have failed to recognize the effect of power distance on their organizational performance.

According to Vogt and Murrell (1997), employee empowerment (empowerment of individuals, groups, organizations and societies) is a noble, necessary and natural part of human development for the success of multinational corporations' operation throughout the world. The researchers further reported that employee empowerment is a technique to enable, to allow or to permit, that which, can be perceived as both self-initiated and initiated by others. That is, the process of empowerment enlarges the power in a situation as opposed to merely re-distributing it.

Randolph (2000) referred to employee empowerment as a means of transferring appropriate and sufficient authority to employees and making resources available to enable them succeed in their jobs, providing them with a conducive environment and proper tools to enable them contribute to the organizational performance at a higher level. The researcher reported that management must help employees achieve these goals by coaching; teaching and enabling them to acquire the right skills for effective performance.

MNC Performance and Power Distance

Today, a number of growing studies consider cultural distance in the MNC portfolio of operations as an important predictor of performance in host countries (Luo and Peng, 1999). The researchers further argued that incongruence with national cultures results in lower performance. According to the researchers, high cultural differences tend to lead to intra-organizational conflicts and poor implementation of management practices given the inconsistencies in values between home and foreign market operations. Culture is a concept that is familiar to all of us. However, it is difficult to specify what it means. It is further compounded by the fact that the word has several separate meanings from one host country to

another. Child's (1981) observation that national culture was woefully underdeveloped conceptually for comparative research has been addressed in recent years with several attempts to conceptualize and measure differences in culture among nations and to relate cultural variations to differences in MNC performance.

Hofstede's (1980; 1983; 1991) developed power distance index (PDI) score and classified countries as low or high power distance. That is, the higher the power distance index (PDI) score, the higher the power distance in a country (Appendix III). According to him, power distance can be understood in terms of high or low power. Hofstede (1980) reported that subordinates in high-power distance cultures are highly dependent on their superiors and tend to agree with Mc Gregor's (1960) Theory "X." whereas, subordinates in low - power distance country cultures tend to agree more frequently with Mc Gregor's Theory "Y." Hofstede (1984) further reported that employee empowerment in high power distance cultures inhibit sharing of information since the employees feel that it is the managers' prerogative to make decisions and solve problems. Secondly, the workers believe that information is equated to knowledge power and that managers should have more power than themselves, and thirdly, the managers also wonder why they should share information with the workers since they have better access to information than the employees.

That is, there is ample empirical evidence that host country cultures vary from one country to another and that a variety of organizational practices including empowerment, leadership and human resource management differ by national cultures (Hofstede, 1991). The question is whether these differences among the MNC management practices and host country cultures matter to work place performance. The argument is that they do.

Empowerment and MNC Performance

Today, performance of MNCs has become a dominant research theme, and a growing number of research studies consider empowerment practice as paramount in organizations; an important predictor of performance (Argyris, 1998; Luo and Peng, 1999; Eylon and Au, 1999; Robert et al. 2000 and Hui et al. 2004). The researchers reported that for organizations to increase their performance in a global environment, they need to empower their employees to make faster decisions within the organizations. It emphasizes the power of confident people, passionately committed to meaningful goals, acting in accordance with own higher values, taking risks and demonstrating initiativeness and creativity in the service of these goals. Underlying these beliefs, employee empowerment practice has been viewed as

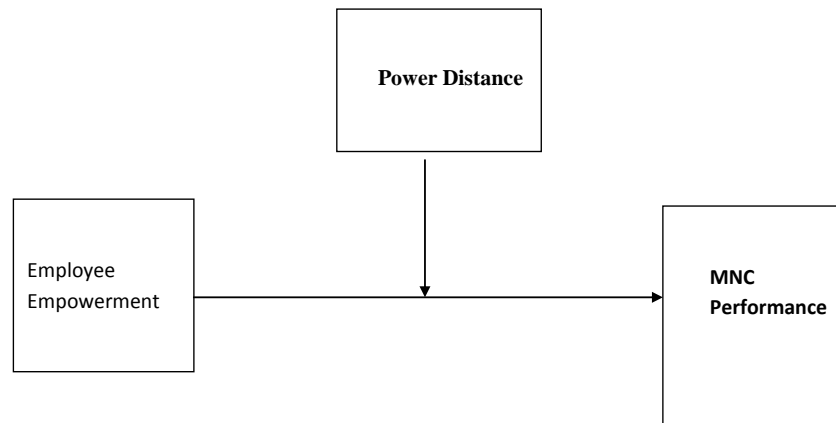


Figure 1. Conceptual Framework

fulfilling employees' hygiene and motivator needs including a sense of security and achievement since the time of Mc Clelland (1962). To this extent, empowered employees are motivated to pursue task accomplishment through independent action, a sense of meaning and efficacy.

Hopson and Scally (1981) pointed out that empowerment is not an end state, but a process that all human beings experience. That throughout employees' lives; an employee will behave in more or less empowered ways depending on his/her level of self-esteem and skill development, tempered by surrounding circumstances. It involves a creative act that frees a person, a group, an organization, and even a total society, to behave in a new way. It provides options and degrees of freedom not allowed before (Argyris, 1998).

According to Hofstede (1991) high power distance score indicates that the relationship between superiors and subordinates are unequal, with both sides accepting status and privileges as normal levels of authority. For example, the French are fairly high on Hofstede's power distance scale while North Americans rank much lower. Despite the fact that, the French carry out their management activities with some level of formality, the Americans are rather very casual, and symbols of the former need to show rank and the latter's tendency to downplay it.

Hofstede (1997) reported that countries in Africa (Kenya included) are classified as experiencing high power distance culture, that refers to the extent to which the less powerful members expect and accept that power is distributed unequally in the organization. For example, in high power distance culture countries, employee empowerment practice tends to be low. This is because employees do not take initiatives in decision-making processes but wait upon the managers to define direction for them. That is, the techniques for employee empowerment in Kenya may be similar to those used elsewhere, but the difference would be in the extent of

use.

Figure 1 shows the relationship between three variables under study: employee empowerment, power distance and MNC performance in Kenya. In the model, employee empowerment is the independent variable, MNC performance is the dependent variable and power distance is the moderating variable. It shows the moderating effect of power distance on the relationship between empowerment and MNC performance. The basic assumption drawn from the literature and depicted in this model is that there is no direct relationship between employee empowerment and MNC performance in Kenya. This is because Kenya is a high power distance culture country, where empowerment practice is low and employees are sceptical about participating in decision-making tasks. This results in an indirect relationship between employee empowerment and performance.

Research Design

The study used descriptive research design. The questionnaire as a main procedure to gather accurate, less bias data and increase the quality of data being collected (Sekaran, 2003). The interviews were conducted on employees who hold management and non-management positions. Their opinion was sought about the nature of the relationships between employee empowerment and MNC performance. To determine the influence of power distance on the relationship between employee empowerment and MNC performance, multivariate analysis was used for the purposes of modeling the complex phenomena and relationships that exist between the variables.

The population of study comprised all employees working for the multinational corporations operating in Kenya. A census technique was used since the number of multinational corporations in Kenya is fairly small. According to Hofstede (1983), this population was

Table 1: Results of Tests of Reliability

Variable	Number of Items	Reliability (Cronbach's Alpha)
Power Distance	30	0.700
Employee empowerment	20	0.933
Non-financial Measures	17	0.875

Table 2. Regression Analysis for the relationship between Empowerment and MNC Performance

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate	Change in F Ratio				
					Change in R ²	F Change	df1	df2	Sig. of Change in F
1	.530(a)	.281	.276	.33954	.281	61.623	1	158	.000
2	.608(b)	.369	.361	.31897	.089	22.026	1	157	.000

Dependent variable: MNC performance

considered appropriate because it represented MNCs from both low and high power distance countries

A stratified random sampling technique was used to select the respondents from each of the multinational corporations. The stratification was based on the respondents' position in the organization - managers and non-managers. The total number of questionnaires targeted for research was 240. Out of this, 160 questionnaires were filled and returned. That is, 34 (21.2%) responses were from firms whose background is high power distance country culture, while 126 (78.8%) were from low power distance country cultures. This represented a response rate of 65% of the study population.

Data was collected using personal interviews. Both primary and secondary data were collected. Primary data covered information on employee empowerment, host country culture, and non-financial measures of performance. The non-financial measures included variables such as customer satisfaction, commitment to work, product reliability, faster decision-making processes, choice, impact, meaningfulness and power inequality. A questionnaire was used to collect primary data. It contained both structured and unstructured questions. It further asked questions about the extent to which power is distributed equally or unequally in organizations. Hofstede (1980) measured power distance using a Likert scale that showed a reliability coefficient of more than 0.70. A 5 - point Likert type scale showed the extent to which the employees agreed with the statements given, that ranged from 5 - denoting to a very great extent to 1 - denoting not at all. Kirkman and Rosen (1999) used such perceptual measures of performance and showed a reliability coefficient of more than 0.94.

Tests of Reliability

Cronbach's alpha is often considered a measure of item

homogeneity; i.e., large alpha values indicate that the items are tapping a common domain. It ranges from 0 to 1.00, with values close to 1.00 indicating high consistency. In this case, Cronbach's alpha was used to test the consistency of items in the scales. In this case, power distance was measured using 30 items; employee empowerment was measured using 20 items and non-financial measures 17 items. Cronbach's Alpha was used to measure internal consistency. The items yielded reliability measures of 0.700, 0.933 and 0.875 for power distance, employee empowerment and multinational corporation performance respectively indicating that the items were reliable shown in table 1.

Tests of Validity

Validity is defined as the extent to which the instrument measures what it purports to measure. To test for the validity of the measurement instruments experts reviewed the instruments to ascertain their validity. The evidence of validity provided by face validity of items and the estimates of Cronbach's Alpha internal consistency reliability coefficients have been reported

Data Analysis and Results

Data was analyzed using descriptive statistics that showed how of data analysis and procedures used to address the research hypothesis which was accepted or rejected based on the study findings. A moderated multiple regression analysis was used to test the moderating effect of power distance on the relationship between empowerment and performance. Pearson correlation analysis was used to test the effect of power distance on empowerment practice MNC performance. The correlation coefficient between the independent

Table 3. Influence of Power Distance on the relationship between Empowerment and MNC Performance

Model	Variables	Std. Error	Standardized Coefficients (Beta)	t
1	(Constant)	0.208	2.150	10.328
	Employee Empowerment	0.054	0.530	7.850
2	(Constant)	0.199	1.974	9.910
	Employee Empowerment	0.055	0.404	5.868
	Power Distance of Parent Company	0.067	0.323	4.693

variable, the moderating variable and the dependent variable was less than 0.90, indicating the data was not affected by a serious co-linearity problem (Hair *et al.*, 1998). These correlations also provided further evidence of validity and reliability for measurement scales used in this research.

The results in table 2 show that employee empowerment determined 36.9 per cent ($R^2 = 0.369$, $p < 0.01$) of the variation in the dependent variable which is significant at 0.05. Although the model did not explain a larger proportion of the variation in MNC performance, the data showed a moderately good fit ($r = 0.608$, $p < 0.01$) relationship between the independent (employee empowerment) and the dependent variable (MNC performance).

Table 3 showed the results of the moderated multiple regression analysis and supports the hypothesis that power distance influences the relationship between employee empowerment and MNC performance where the standardized regression coefficient for the product term which carried information about the interaction between the two variables was not equal to 0 (i.e. $\beta \neq 0$) but was equal to 0.404 which was significant at $p < 0.05$. This indicates the presence of a moderating or interaction effect and is consistent with the interpretation made by Cohen & Cohen (1983). These results confirmed the hypothesis that the strength of the relationship between employee empowerment and MNC performance in a host country is influenced by power distance. The findings also showed that there is significant relationship between MNC performance ($\beta = 1.974$, $p < 0.01$) and the interaction term, suggesting that performance increases by 21 percent for every unit change in employee empowerment. This implies that power distance moderates the relationship between employee empowerment and MNC performance.

Conclusion

This study sought to examine the moderating influence of power distance on employee empowerment and MNC

performance. The objective sought to determine if the strength of the relationship between employee empowerment and performance of multinational corporations depends on power distance. The hypothesis was tested using multiple regression analysis to find out the influence of power distance on the relationship between employee empowerment and MNC performance. The findings showed that power distance is indeed a moderator in the relationship. It showed that beta coefficient is positive ($\beta = 0.323$) and not equal to zero. In addition, in low power distance cultures, employee empowerment showed a higher mean score of 3.90 while in high power distance cultures the mean score for employee empowerment is lower at 3.43. Thus the overall conclusion in this study is that there is a moderating effect of power distance on the relationship between empowerment and MNC performance.

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APPENDIX 1: THE QUESTIONNAIRE**PART I: HOST COUNTRY (NATIONAL) CULTURE**

1. Indicate the extent to which you agree with the following statements in respect of power inequality in your organization (Indicate the appropriate numbers on the scale below).

	Very Great Extent 5	Great Extent 4	Moderate Extent 3	Little Extent 2	Not at all 1
1. Employees have independence in executing their duties					_____
2. Managers do consult with the subordinates					_____
3. Top managers and lower cadre employees mix up freely in the organization					_____
4. Non-managers are free to take up positions different from that taken by managers					_____
5. Non-managers take initiatives in matters pertaining to their work					_____
6. Managers and non-managers hold joint meetings					_____
7. Non-managers have power and authority to execute their duties					_____
8. Power is equally distributed in the organization					_____
9. Non-managers disagree with the managers					_____
10. Non-managers trust each other					_____
11. Non-managers are allowed to participate in decision-making					_____
12. Non-managers are less afraid of disagreeing with their supervisors					_____
13. All should have equal rights in the organization					_____
14. Non-managers are much more cooperative					_____
15. Non-managers have a stronger perceived work ethics					_____
16. Non-managers are not allowed to make decisions on behalf of managers					_____
17. Non-managers have no authority and power					_____
18. Managers direct the non-managers on the way forward					_____
19. Non-managers are reluctant to trust each other					_____
20. Non-managers fear disagreeing with managers					_____
21. Power holders are entitled to privileges					_____
22. Powerful people should look more powerful					_____
23. Managers like seeing themselves as decision makers					_____
24. Non-managers place high value on conformity					_____
25. Cooperation among the powerless is difficult to bring about due to low faith in peoples' norms					_____
26. Non-managers do fear disagreeing with the supervisors					_____
27. There should be an order of inequality in this world.					_____
28. Managers make decisions autocratically					_____
29. Power is centralized in the organization					_____
30. Managers do not delegate important tasks to the non-managers					_____

PART II: EMPLOYEE EMPOWERMENT

2. To what extent do you agree or disagree that the following statements correctly characterize the behaviour and attitudes of employees in your organization (Respond to the items below indicating the appropriate number in the scale below, 1- denoting strong disagreement, and 5 - denoting strong agreement).

	Very Great Extent 5	Great Extent 4	Moderate Extent 3	Little Extent 2	Not at all 1
My organization,					
1. Encourages commitment					_____
2. Has holistic concern for employees					_____
3. Encourages open communication					_____
4. Increases cooperation, teamwork and support					_____
5. Encourages pro-active problem-solving					_____
6. Encourages work in a congenial and friendly atmosphere					_____
7. Encourages organization feedback					_____
8. Enhances meaning and value in a work task					_____
9. Increases employee Morale					_____
10. Increases employee job satisfaction					_____
11. Creates choice in task performance					_____
12. Allows for independent decision-making					_____
13. Allows choice and direction in one's work					_____
14. Instils confidence and belief in capacity to perform a task skilfully					_____
15. Inspires creativity and innovation					_____
16. Builds employee confidence in task performance					_____
17. Increases individual job autonomy					_____
18. Enhances employee's influence over organizational decisions					_____
19. Increases customer satisfaction					_____
20. Increases customer focus					_____

PART C: ORGANIZATIONAL PERFORMANCE**Non-financial Measures of Performance**

3. Indicate the extent to which your organization exhibits the following characteristics regarding employee empowerment on MNC performance (Respond to each item using the scale below and indicate the response number on the line by each item.)

	Very Great Extent 5	Great Extent 4	Moderate Extent 3	Little Extent 2	Not at All 1
1. Satisfied customers				_____	
2. Quick response to customer complaints				_____	
3. Faster customer service				_____	
4. Good organization image				_____	
5. Increased output				_____	
6. Quality products and services				_____	
7. Product reliability				_____	
8. Faster deliveries				_____	
9. Faster decision-making processes				_____	
10. Effective communication				_____	
11. Ability to retain employees over a long period of time				_____	
12. Good relationship between management and employees				_____	
13. High market share as compared to other competitors				_____	
14. Corporation's products are superior to competitors'				_____	
15. Faster development of new products				_____	
16. High involvement in research and development				_____	
17. Employees are involved in task performance				_____	

APPENDIX II: MNCs IN KENYA**Company, Country of Origin and Company Product**

Company	Country	Product
1. Air Express International	USA	Courier Services
2. AT & T	USA	Telecommunication
3. Agip	Italy	Petroleum Products
4. American Online	USA	Telecommunications
5. Bamburi Portland Cement	UK	Cement Manufacturing
6. BASF	Germany	Chemicals/Plastics
7. Barclays Bank	UK	Banking
8. BAT (K) Ltd	UK	Tobacco/Cigarettes
9. Bata (K) Ltd	Canada	Shoes
10. Bayer EA Ltd	Germany	Pharmaceuticals
11. Beta Health Care International Ltd	UK	Pharmaceuticals
12. British Airways	UK	Airline Services
13. British Oxygen	UK	Industrial Products
14. Cadbury Kenya	UK	Confectionery/Beverages
15. Caltex Oil	USA	Refinery Products
16. Celtel Kenya	UK	Telecommunication
17. Citi Bank NA	USA	Banking
18. Coca Cola	USA	Beverages
19. Colgate Palmolive	USA	Hygiene Products
20. Crown Paints (K) Ltd	UK	Manufacturing Paints
21. PZ Cussons (EA) Ltd	UK	Bathroom, Soap, Toiletries
22. Eveready Batteries (K) Ltd	USA	Dry Cell
23. Erickson	Sweden	Telecommunications
24. Yana Tyres	USA	Tyres
25. Fuji Kenya	Japan	Imaging
26. General Motors	USA	Vehicle Assembly
27. Glaxo/Smithkline	UK	Pharmaceuticals
28. Hilton Hotel	UK	Hotel

29. Hotel Intercontinental	USA	Hotel
30. IBM (EA) Ltd	USA	Computers
31. Intel Computers	USA	Computers
32. Johnson's Wax (EA) Ltd	USA	Detergents, prays, Perfumes
33. Kodak (EA) Ltd	UK	Imaging/Photography
34. Microsoft	USA	Software
35. Mitsubishi Corp	Japan	Motor vehicles
36. Mobil	USA	Petroleum Products
37. Nestle	Switzerland	Milk Products/ Beverages
38. New Stanley Hotel	USA	Hotel
39. Nokia	Finland	Telecommunications
40. Paper Mills	India	Paper Products
41. Philips International	USA	Electrical Appliances
42. Rank Xerox	USA	Office equipment
43. Safari Park Hotel	South Korea	Hotel
44 Shell/ BP	UK	Petroleum Products
45. Sara Lee	UK	Household & body Care
46. Siemens	Germany	Telecommunications
47. Standard Chartered Bank	UK	Banking
48. Sterling Products	USA	Soap, Baby Products/ Pharmaceutical
49. Sumitomo Corp.	Japan	Construction
50. Total Kenya	France	Petroleum Products
51. Toyota (EA) Ltd	Japan	Vehicle Assembly
52. Unilever	UK	Consumer Products/ tea/ Power Applications
53. Wrigley Company E.A Ltd	USA	Chewing Gum
54. Woollen Mills	India	Textiles
55. Procter & Allan	USA	Cereals
56. Gillette	USA	Personal Care
57. Reckitt & Benkiser (EA) Ltd	UK	Detergents
58. Safaricom	UK	Telecommunication

- | | | |
|-----------------------------|-------|-------------|
| 59. Sony | Japan | Electronics |
| 60. Ayton Young and Rubicam | USA | Advertising |

APPENDIX III: POWER DISTANCE INDEX**Power Distance Index (PDI) Value for 53 Countries in 3 Regions**

Score Rank	Country or Origin	PDI Score
1	Malaysia	104
2/3	Panama	95
2/3	Guatemala	95
4	Philippines	94
5/6	Mexico	81
5/6	Venezuela	81
7	Arab Countries	80
8/9	Ecuador	78
8/9	Indonesia	78
10/11	India	77
10/11	West Africa	77
12	Yugoslavia	76
13	Singapore	74
14	Brazil	69
15/16	France	68
15/16	Hong Kong	68
17	Colombia	67
18/19	Salvador	66
18/19	Turkey	66
20	Belgium	67
21/23	East Africa	64
21/23	Peru	64
21/23	Thailand	64
24/25	Chile	63
24/25	Portugal	63
26	Uruguay	61
27/28	Greece	60
27/28	South Korea	60

29/30	Taiwan	58
29/30	Iran	58
31	Spain	57
32	Pakistan	55
33	Japan	54
34	Italy	50
35/36	Argentina	49
35/36	South Africa	49
37	Jamaica	45
38	USA	40
39	Canada	39
40	Netherlands	38
41	Australia	36
42/44	Costa Rica	35
42/44	Germany	35
42/44	Great Britain	35
45	Switzerland	34
46	Finland	33
47/48	Norway	31
47/48	Sweden	31
49	Ireland	28
50	New Zealand	22
51	Denmark	18
52	Israel	13
53	Austria	11

Source: Hofstede, G. (1997) *Cultures and Organizations, Software of the Mind*, Mc-Graw Hill, New York, P. 26.

Note: Numbers/positions ranging from 1-53 show the power inequality between low and high power distance cultures. Thus, the higher the Power Distance Index (PDI) Score, the higher the power distance.