

**- INFLUENCE OF EMPLOYEE PARTICIPATION  
ON PERFORMANCE OF GOVERNMENT  
HEALTHCARE INSTITUTION IN KENYA**

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**Influence of employee participation on performance of Government  
Healthcare Institutions in Kenya**

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**A Thesis submitted in partial fulfillment for the Degree of Doctor of  
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**DECLARATION**

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

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## **DEDICATION**

This thesis is dedicated to my loving husband Benson Kuria and my children, Brian, Valerie and Clarence for your prayers throughout the study.

## **ACKNOWLEDGEMENT**

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## ABBREVIATIONS AND ACRONYMS

<b>COTU</b>	Central Organization of Trade Unionbs
<b>EIP</b>	Employee Involvement and Participation
<b>EP</b>	Employee Participation
<b>EPOC</b>	European Foundation for the Improvement of Living and Working Conditions
<b>HR</b>	Human Resource
<b>HRM</b>	Human Resource Management
<b>KEMSA</b>	Kenya Medical Supplies Authority
<b>KDA</b>	Kenya Dentists Association
<b>KMA</b>	Kenya Medical Association
<b>KMPDU</b>	Kenya Medical Practitioners and Dentists Union
<b>KNH</b>	Kenyatta National Hospital
<b>MoHS</b>	Ministry of Health and Sanitation
<b>NPM</b>	New Public Management
<b>SPSS</b>	-Statistical Package for Social Scientists
<b>TQM</b>	Total Quality Management

## DEFINITION OF TERMS

**Employee Involvement:** It is a range of processes designed to engage the support, understanding and optimum contribution of all employees in an organization and their commitment to its objectives (Badariah *et al.*, 2011).

**Employee Participation:** Employee participation is defined as a process of employee involvement designed to provide employee with the opportunity to influence and where appropriate, take part in decision making on matters which affect them (Adler, 2008).

**Delegation** : Delegation involve giving subordinates responsibilities for task-related decisions and increasing the amount of work – related discretion and authority allowed to them for the completion of such task (Chen & Aryee, 2007)

**Collective Bargaining:** Collective bargaining is a process of negotiation between employers and a group of employees aimed at agreements to regulate working salaries, working conditions, benefits, and other aspects of workers' compensation and rights. (Wilkinson *et al* 2010).

**Consultation:** Consultation means the exchange of views between employers and employees or their representatives but which stops short of formal bargaining, so that final responsibility for decision making remains with management (Marchington & Suter,2008)

**Joint decision making:** It is defined as a management process that allocates power and authority to employees through their involvement in decision making (Wagner, 1994)

**Leadership:** Leadership is the ability of a company's management to set and achieve challenging goals, take swift and decisive action, outperform the competition, and inspire others to perform well ((Robbins & Coulter, 2004).

**Leadership style:** is a leader's style of providing direction, implementing plans, and motivating people. (Peris & Namusonge,2012)

**Moderating Variable:** this is a variable that has a strong contingent effect on the independent variable and dependent variable relationship. That, is the presence of a third variable modifies the original relationship between the independent and the dependent variables (Tromp, 2006).

**Organizational Performance** – is the accumulated and results of all the organizations work progress and activities (Adler, 2008).

**Participative Management-** is a kind of management which emphasizes on industrial democracy, active participation of workers in managing organization, and the importance of human communication at work (Armstrong, 2009).

**Performance :** refers to the success rate of individuals after their efforts (Bach & Sisson, 2005).

**Suggestions System:** consist of creating facilities and conditions in organizations so that all staff can offer their comments, ideas and suggestions in order to solve problems and short comings as well as create continuous improvement in organization activities. The manager analyses them and implements applicable cases (James *et al.*, 2012).

## ABSTRACT

The aim of this study was to determine the influence of employee participation on performance of the healthcare institutions in Kenya. Specifically, the study sought to: determine the influence of employee consultation on performance of government health care institutions in Kenya; identify the influence of employee delegation on the performance of government health care institutions in Kenya; establish the influence of joint decision making on performance of government healthcare institutions in Kenya; find out the influence of collective bargaining on performance of government healthcare institutions in Kenya and investigate the moderating effect of leadership styles on the relationship between employee participation and performance of government health care institutions in Kenya. The study employed a cross-sectional evaluation survey approach. Quantitative method was used in selection of the respondents and collection of data. A sample size of 384 respondents was picked through clustered sampling. Questionnaires were used to collect data. The data collected was captured in MS Excel and analyzed using Statistical Package for Social Scientists (SPSS) version 24. Linear regression analysis and Pearson's correlation coefficient were run to determine the relationship between employee participation and organizational performance. The analyzed data was presented in the form of suitable graphs, tables and charts. Based on the objectives and results of the study, improvement of performance of government healthcare institutions is function of employee consultation, delegation, joint decision making, collective bargaining as well as leadership style. Although the level of significance differs, all the variables have a considerable influence on the performance of government health care institutions in Kenya. Increasing employee participation is a long term process which demands attention from management side and initiative from the employee. The study recommended management to encourage increased level of workers participation in work related decisions and incorporation of employee views in organizational policy to create employee sense of belonging and ownership of the organization, participative management to be redefined and properly applied so that employees' understanding and perception can be improved. Only with a competent workforce can participation begin to unlock employees' potential by utilizing their skills and experience to the full, and it is this rather than job satisfaction that will contribute to improved performance.

## **CHAPTER ONE INTRODUCTION**

### **1.1 Background of the study**

Focus on millennium development goals brought a lot of changes in the economy as countries developed new frameworks to enable them achieve millennium development goals. These vast and possibly unprecedented changes taking place in every economy have altered the modes of operation in different sectors by embracing the widespread adoption of information technologies, deregulation of both product and labour markets, decline of heavy manufacturing and ascendancy of service industries and growing global competition for the provision of goods and services (Summers & Hyman, 2005). Following these changes, companies are facing severe competitive pressures and rapidly changing markets. The changes mostly involve new trends and technologies, among other factors that make organizations seek ways to become more flexible, adaptive, and competitive. Subsequently, organizations are always very curious in their continuous search for competitive policies to gear up their performance (Singh, 2009).

However, finding an answer to the question on the best and most effective way to design, organize, and manage work in line with the changes, that will ensure competitive edge and enhance performance, is not always easy. Zohoori (2008) posits that this is majorly because the organizations are plunged into a state of confusion since there are many answers that can be adopted as solutions, which will differ according to the size of the company or the kind of culture in which the

organization operates. In the midst of the confusion, and in their continuous innovations to find answers, organizations are discovering, or rediscovering in some instances, that people really are their most important asset (Cotton, 1993).

The focus of the organizations are therefore turning, not on employing effective technologies, strategies or equipment, but on empowering their employees. Shivangee and Pankaj (2011) posit that since the global changes have led to every organization having access to technology, finance and new methods of working, the only available option for organizations to gain competitive advantage is the differences in the manpower between the organizations. Arising from this assertion, organizational practices have changed from traditional policies to employee's competitive policies (Mutua, Karanja & Namusonge, 2012). Organizations strengthen their base and competencies by adopting policies through which they empower their employees.

Employee empowerment within organizations is underpinned on the belief that relinquishing centralized control will promote flexibility and decisiveness as well as employee commitment and a subsequent improvement in individual and organizational performance (Ozaralli, 2003). Employees can affect organizational productivity positively when they are willing and committed to organizational goals. Willingness and commitment can be exhibited by employees towards their job if they are involved in decision making and participate in the affairs of the organization (Okechukwu & Hilda, 2014). Thus, for management to win the commitment of

employees to get their job done properly, individual employees should not be treated in isolation, but must participate in matters concerning them and the organization.

### **1.1.1 Employee Participation in the Workplace**

Participation has been defined as a process which allow employees to exert some influence over their work and conditions under which they work, or tentatively a process in which influence on decision making is shared between hierarchical superiors and their subordinate (Zohoori, 2008). These two definitions encompass broad range of activities through which employees can affect decision making, from consultative or communication (employee involvement) mechanisms where individual workers input is asked for and considered by managers who retain responsibility for the final decision, to participation mechanism involving representative structures where workers are major parties to these decisions (Bryson, 2004).

Employee participation has become a convenient catch-all term to cover a variety of forms and organizational techniques. For instance, it encompasses such diverse forms as participative management, workplace democracy, representative participation, empowerment, quality circles and employee ownership. Although each of these concepts have unique characteristics, they all have as a common core the idea that by allowing employees to participate in decisions that affect them and by increasing their autonomy and control over their work lives, they will become more motivated, more committed to the organization, and more satisfied with their jobs, (Wagner, 2004)

Employee participation can be divided into material and immaterial forms. Material participation includes all forms of financial (monetary) participation of employees in the company such as a participation in the organizations' capital, profit or gain or other forms, such as stock options. Immaterial participation has employees involved in information, coordination, and decision processes within the company, here, one has to distinguish between forms of legal co-determination at board level and additional participation at establishment level that is granted voluntarily by the management such as participative management as employees share a significant degree of decision-making power with their immediate superiors Chen & Aryee, (2007).

Employee participation could relate to trade union representation through joint consultative committees and collective bargaining, to worker cooperatives or to legislation designed to provide channels for employee representatives to engage in some form of joint decision making with employers. On the other hand, and at a different level, it could encompass myriad mechanisms that employers introduce in order to provide information to their staff or to offer them the chance to engage in joint problem - solving groups or use their skills/discretion at work via job enrichment programmes. The real purpose of participation schemes, especially those aimed at individual workers, is to increase work intensification and con employees into accepting management ideas that may not necessarily be in their best interests. This might be supplemented by a drive to engage in nonunion forms of participation as well Singh (2009).

Employee participation is defined as a process of employee involvement designed to provide employee with the opportunity to influence and where appropriate, take part in decision making on matters that affect them (Kim, MacDuffie & Pil, (2010). In line with this definition, it therefore follows that the concept of employee participation neither refers to the goal nor a tool as it is practiced in most organizations, but rather a management and leadership philosophy about how people are most enabled to contribute to continuous improvement and the ongoing success of their work organizations (Ng'ethe *et al.*, 2012). Kalmi and Pendleton (2006) asserts that employee participation is a combination of different tools designed to increase employee input of various degrees in managerial decision making like organizational commitment, reduction of employee turnover and absenteeism, increase in productivity and motivation.

Therefore when employees participate in decision making, staff absenteeism is reduced; there is greater organizational commitment, improved performance, reduced turnover and greater job satisfaction (Markey & Patmore, 2011). It is for this reason that the management of public organizations advocate for employee participation in decision making on matters that affects them to elicit their commitment to organizational goals and improve organizational performance.

Although institutions advocate for employee participation as a means of ensuring increased productivity, the conceptualization of employee participation is marred by different number of faces. The common conceptualization however, considers employee participation in decision making as either direct or indirect. Direct

participation is normally concerned with task-oriented employee involvement schemes, either through group or individual employees, and includes initiatives such as team briefings, suggestion schemes, teamwork, quality circles and total quality management (Markey, 2007). Direct participation normally takes place at the lower levels of the organizations (Marchington, 2005; Wilkinson *et al.*, 2010).

On the other hand, indirect participation is established either through statutory rights or on a voluntary basis (Markey & Patmore, 2011). Indirect employee participation forms include Works Councils, collective bargaining, joint consultation committees, and employee representation on boards of directors. These forms vary from country to country, but their key feature is the role of representation as a form of employee participation. In Western European countries such as Germany and Netherlands, Works Councils are one of the most important modes of employee representation. By contrast, in English speaking countries such as Australia, United Kingdom and USA, collective bargaining and joint consultation are the most significant channels of indirect participation (Markey, 2007).

African countries, and specifically Kenya, which were colonized by Britain, adopted the forms of employee indirect participation from their former colony. Indirect participation in Kenya therefore is in form of collective bargaining, where a central body, the Central Organization of Trade Unions (COTU) and its affiliate members are responsible for ensuring employees participate within their organizations, and that their interests are considered in decision making. Looise *et al.* (2011) however postulates that both direct and indirect participation are necessary. They argue that

both direct and indirect participation of the employees helps improve motivation because employees feel more accepted and involved in the organization. Their self-esteem, job satisfaction and cooperation with management may also improve. The results often are reduced conflict and stress, more commitment to goals, and better acceptance of change which ultimately leads to improved performance (Newstrom & Davis, 2004).

Buyaki (2012) is of the view that, with the advent of Performance Contracting (PC) government Ministries in Kenya and departments and their workers are expected to deliver quality service in the pursuit of their objectives. This clearly indicates that employee participation is a paramount contribution towards performance of government ministries and parastatals for which the health care institutions feature the most.

### **1.1.2 Employee Participation in the Health Sector in Kenya**

The public sector in Kenya has undergone several reforms that have seen the government adopt new human resource management practices that focus on employee empowerment to enhance productivity. The reforms, although has not focused directly in employee participation, has focused in creating an environment that is conducive for further human resource development strategies to enhance employee participation. Such reforms dates back from the introduction of the New Public Management (NPM) practices that focused on fostering a performance-oriented culture focusing on continuous assessment of the efficiency and effectiveness of the employees in delivering their duties, to a more employee focused

practices that focus on employee development rather than putting up measures to grade employee performance (Isahakia, 2010).

It is this development in public sector reforms that ushered in the need for employee participation in decision making. The underlying logic is that by involving workers in those decisions that affect them and by increasing their autonomy and control over their work, employees can be more motivated and more committed to the organization, more productive and more satisfied with their jobs (Isahakia, 2010).

The health sectors, being one of the most sensitive sectors in service delivery in the public sector by the virtue that the employee in this sector hold the key to healthy living of the general public, has been the focus of attention in employee empowerment (Kimutai *et al.*, 2013). Looise *et al.* (2011) postulate that the government has focused on the employment of human resource development practices that consists of training and education, participation in decision making, suggestion systems, incentive mechanisms and work autonomy to enhance employee performance in the health sector. Of these practices employee participation has been advocated for by most managers and organizations in the public sector based on the premise that when the employees are allowed to participate in decision making, they will feel responsible for all the decisions made and therefore their commitment to their duties will improve, subsequently increasing their productivity and organizational performance. Following this premise and tandem to this background, this study seeks to assess the role of employee participation on organizational performance of the health sector in Kenya.

## **1.2 Statement of the Problem**

The health industry is a service based sector, operating in situations where employees play important roles in the service exchange and therefore its employees should not be kept in the dark about vital decisions affecting them (Singh, 2009). Kingir & Mesci (2010) postulates that, employees must be allowed to participate in decision making if they are to be committed to changing their behavior at work in new and improved ways. Employee participation in decision making serves to create a sense of belonging among the workers as well as a congenial environment in which both the management and the workers voluntarily contribute to healthy industrial relations (Noah, 2008).

Kimutai (2013) posits that, if employees are not allowed to participate, they will not comply with the procedures and goals defined in the system resulting to industrial action and boycott of duty subsequently leading to poor health services and loss of lives due to absence of the health workers in the hospitals to provide health care, or lack of commitment in delivering health services. The world bank report (2012) also ascertains that in Kenya, the county governments still lack the necessary structures to effectively run the public hospitals and this has been due to the lack of involving health sector employees or at the worst their employee representatives in matters of decision making. The Kenyan 2010 constitution devolved the health sector from the national government to the county government with little information about the roles and the responsibilities of the county government. This is clear indication of inadequate structures in the health sector; non-conformity with health sector

procedures and increased industrial action and boycott of duty resulting to increased loss of lives due to the implementation of devolved county governments in Kenya (Gatonye, 2014).

Despite employee participation in decision making being pertinent in catalyzing the performance levels of health care institutions, limited studies have been conducted in Africa. Existing studies have focused on developed nations particularly United Kingdom (McDuffie & Pil, 2010; Bhuiyan, 2010). This study sought to fill this gap of knowledge by assessing the role of employee participation in organizational performance in the government health care institution in Kenya.

### **1.3 Research Objectives**

The study was guided by the general and specific objectives

#### **1.3.1 General Objective**

The general objective was to investigate the influence of employee participation on performance of the health care institutions in Kenya.

#### **1.3.2 Specific Objectives**

1. To determine the influence of employee consultation on performance of government health care institutions in Kenya
2. To identify the influence of employee delegation on the performance of government health care institutions in Kenya
3. To establish the influence of joint decision making on performance of government healthcare institutions in Kenya.

4. To find out the influence of collective bargaining on performance of government healthcare institutions in Kenya
5. To investigate the moderating effect of leadership styles on the relationship between employee participation and performance of government health care institutions in Kenya

#### **1.4 Research Questions**

- a) What are the influences of employee consultation on organizational performance government in the health care institutions in Kenya?
- b) What is the influence of employee delegation on the performance of government health care institutions in Kenya?
- c) What is the influence of joint decision making on the performance of government health care institutions in Kenya?
- d) What is the influence of collective bargaining on the performance of government health care institutions in Kenya?
- e) What is the moderating effect of leadership styles on the relationship between employee participation and organizational performance in government health care institutions in Kenya?

#### **1.5 Research Hypotheses**

H<sub>0</sub>: Employee consultation has no significant influence on performance government health care institutions in Kenya?

H<sub>0</sub>: Employee delegation has no significant influence on performance of government health care institutions in Kenya

H<sub>0</sub>: Joint decision making has no significant influence on the performance of government health care institutions in Kenya

H<sub>0</sub>: Collective bargaining has no significant influence on the performance of government health care institutions in Kenya.

H<sub>0</sub>: Leadership style has no moderating effect on the relationship between employee participation and performance of government health care institutions in Kenya?

### **1.6 Significance of the Study**

Human resource management practitioners in Kenya do not focus their attention on employee participation due to lack of empirical evidence on the effect of employee participation on organizational performance. The information from this study therefore may form a basis for drawing the attention of the practitioners in assessing the relationship between employee participation and organizational performance based on empirical results from the Kenyan health sector.

The county governments have been faulted to promote their autonomy in decision making in matters pertaining to civil service in the counties. The information from this study may inform the governance of county government on the importance of employee participation in decision making on matters affecting them, and hence help them understand and appreciate the need for employees' participation in decision making. The information from this study may be used by unions or employees representatives in the health sector in Kenya to understand and appreciate their role in contributing towards employee performance. Policy makers may use the findings

from this study to identify viable opportunities to revise policies related to employee participation in decision making. The study may also discover other research areas for consideration by other researchers that contribute to existing knowledge on employee participation and organizational performance. The study may therefore act as source of literature for other researchers who are interested in carrying out their studies in the same field in Sub-Saharan Africa.

### **1.7 Scope of the Study**

The study was carried out in three major hospitals from three counties. Kenyatta National Hospital in Nairobi City County, Machakos Level Five Hospital in Machakos County and Kiambu Level Five Hospital in Kiambu County. Employees in the selected hospitals provided firsthand experience in their participation in decision making towards delivery of health services and management point of view on participation in decision making. The study was confined on employees' perception on delegation, consultation, joint decision making and their representation through collective bargaining and contribution of employee participation on performance of the healthcare institutions.

### **1.8 Limitations of Study**

This study had the following limitations:

The organizations confidentiality policy restricted most of the respondents from answering some of the questionnaires since it was considered to be against the organization confidentiality policy. The researcher overcame this limitation by providing a letter of introduction from the University granting her authority to carry out the study

for academic purpose only. This made the respondents understand the purpose of the study and encouraged response.

Securing the valuable time of employees of government healthcare institutions to respond to the questionnaires was a big challenge, therefore the researcher allowed the respondents adequate time to respond to the questionnaires, encouraged the employees on the benefits and significance of the study and ensured that follow up was made. Negative reception of the researcher by some employees due to the subject of research made it difficult for the researcher from collecting data in some offices. To address this, the researcher made sure that the management was in support of the research to be able to make employees cooperate in giving information for research purposes.

## **CHAPTER TWO LITERATURE REVIEW**

### **2.1 Introduction**

This chapter provides both theoretical and empirical reviews on the variables of the study. It starts by presenting the theories that underpin the study, the conceptual framework on the relationship between employee participation and organizational performance, empirical literature of the study variables. A critique of the existing relevant studies, research gap and the summary closes the chapter.

### **2.2 Theoretical framework**

This section explains the theories that form the emphasis of this study, that try to explain the research question and articulate the already published arguments for verification and critique following the results that shall be realized from this research. The theories reviewed entail: incentives and complimentary theory the conflict theory and also Leader-member exchange theory.

#### **2.2.1 Incentives and Complimentary Theory**

This theory emphasizes the importance of aligning decision making rights with incentives to make good decisions. If undertaken seriously, the use of greater employee participation involves substantial changes in decision making rights when frontline employees collect and analyze more data and suggest and implement improvements. In these circumstances, it makes sense to structure incentives in ways that reward quality and improvement and align frontline workers' goals with their new authority (Milgrom *et al.*, 1995). Because workplaces with greater employee

participation and involvement depend more on employee initiative, the theory of complementarities between participation and incentives implies pay practices such as gain sharing, profit sharing, and stock ownership plans will be more common.

If these forms of variable compensation substitute for base pay, shift earnings risk to workers, or are introduced in the context of concession bargaining (Bell & Neumark, 1993), then one would observe lower regular wages in their presence, though perhaps less employment variability in some cases as well. However, if the firm's strategy is to introduce a supplement or at least avoid putting current pay levels at risk, then total earnings may be no different or slightly higher. If the practices work as intended and increase motivation and productivity, earnings may be significantly greater, assuming firms share gains with workers. Critics of this theory argue that it does not give sufficient attention to individual characteristics which are very important in understanding human behavior (Bloona, 2007).

### **2.2.2 Conflict Theory**

This theory emphasizes that employee involvement can shift bargaining power within the enterprise (Graham, 1993). To the extent employers become more dependent on hard-to-monitor discretionary effort of employees, employees' bargaining power can increase. High-involvement workplaces with just-in-time inventory makes it easier for employees to disrupt the production process, so that worker non-cooperation or other reactions to perceived unfairness are more costly to the firm.

At the same time, several authors have referred to high-involvement systems as “management by stress,” positing that employee involvement is simply a method of sweating the workforce and curbing worker power and influence. Firms reduce employee and union power by using ideological appeals, suggestion systems, and peer pressure in small work groups to instill a culture of company loyalty, appropriate workers' tacit knowledge, and enforce discipline (Parker & Slaughter, 1988; Sheahan, *et al.*, 1996). This view predicts increased workloads, faster work pace, closer monitoring, and more job stress, without offsetting compensating differences such as higher wages.

Some researchers argue that workers require union representation to give them the leverage to compel firms to share gains resulting from employee participation programs given the unequal bargaining power of firms and workers in the current environment (Black *et al.*, 2004). Total Quality Management (TQM) and standardized work pose additional threats to worker safety and health. TQM emphasizes reduction in variation and is often combined with just-in-time inventory practices that eliminate buffer stocks and worker control over work pace in order to maximize total work time. The result can be more standardized and repetitive work and increased workloads that raise the risk of repetitive motion injuries such as carpal tunnel syndrome, confirming the suspicions of many that TQM represents a more developed form of Taylorism (Brenner *et al.*, 2004). The possibility of conflict was most apparent with the reengineering movement in the 1990s, where the redesign of jobs (often involving both new information technology and increased

worker autonomy) was explicitly tied to laying off the workers no longer needed after the resulting increase in efficiency (Hammer & Champy, 1993).

### **2.2.3 Leader-Member Exchange theory**

Leader-Member Exchange (LMX) theory focuses on the dyadic and quality of the relationship between leader and follower (Chen *et al*, 2007). In this style, a successful leader is characterized by high LMX that refers to a high quality relationship where members feel a part of in-group. As a result, they have more responsibility, decision influence, higher satisfaction, and access to valuable resources. Reciprocally, when members feel in the out-group, this relationship is characterized by low LMX. Here, the leader offers low levels of support to the member, and the person has less responsibility and ability to influence decisions. Leader-member relationships emerge as the result of a series of exchanges and interactions during which these roles develop. LMX Theory supports the development of privileged groups in the workplace, which appears unfair and discriminatory (Center for Leader Development, 2006). LMX theory does not explain how to develop trust or how members can become part of the in-group. However, this theory although could lead to biasness, allows employees to participate in decision making within the organization.

### **2.2.4 Komal and Tahir's Model of Employee Participation**

The model argues that employee participation is a function of job satisfaction, employee commitment and employee productivity (Komal & Tahir, 2007). The proponents of this model argue that by having employee participate in decision

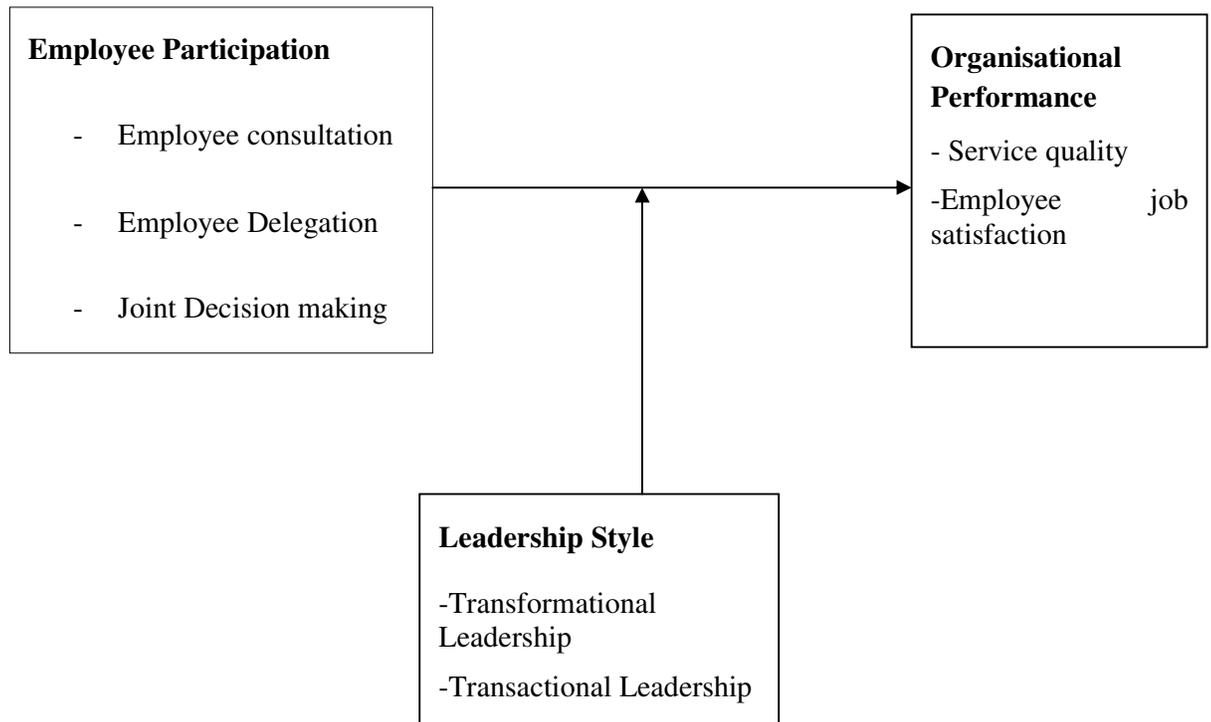
making, the organization will be able to improve the employee individual attributes such as job satisfaction, commitment to the organization, and improved productivity. Torka *et al.*, (2010) supports this argument by ascertaining that, participation in decision-making can satisfy employees' self-actualization needs and, by doing so, increase employees' motivation and job performance. Ng'ethe, Iravo and Namusonge (2012) argue that by having employee participate in decision making, the organization will be able to improve the employee individual attributes such as job satisfaction, commitment to the organization, and improved productivity. These outcomes are measurements of organizational performance and are directly related to organizational performance.

The model is also supported by other empirical studies in the literature on participatory management which focused on its impact on organizational outcomes such organization performance and work outcomes, including job satisfaction (Gollan, 2010), productivity (Bhuiyan, 2010;), product quality (Kim, McDuffie & Pil, 2010), absenteeism (Gollan & Wilkinson, 2007) and employee and superior relations (Okechukwu & Hilda, 2014).

### **2.3 Conceptual framework**

The conceptual framework of this study is based on four independent variables namely: employee consultation; employee delegation; Joint decision making and collective bargaining; a moderating variable, leadership styles and the organizational performance as the dependent variable. The influence of the independent variables

on the dependent variable and the moderating effects of leadership styles is illustrated in figure 2.1 below.



**Independent Variable**

**Moderating Variable**

**Dependent Variable**

**Figure 2. 1: Conceptual framework**

#### **2.4 Review of variables**

Employee participation is a product of a combination of interrelated variables that include employee consultation, delegation, joint decision making, collective bargaining and leadership style as the moderating variable. These variables were reviewed as follows:

### **2.4.1 Employee Consultation**

Consultative participation can potentially touch all workers directly in relation to their work tasks, work organization and working conditions. Such participation is strongly contingent on a voluntary management decision and can be seen as HRM-practices (Kuye & Sulaimon, 2011). Consultative participation appears to have an impact on organizational performance in three rather basic ways. First, employees with consultative participation opportunities can influence organizational performance directly by offering suggestions leading to more efficient processes or better product quality (Koech & Namusonge, 2012). In doing so, employees can contribute to higher labour productivity and process innovation.

Secondly, like other HR policies and practices, direct participation influences employee attitudes which in turn support employee behavior that is beneficial for organizational performance such as, reduced turnover and absenteeism, improved productivity and product quality (Mutua, *et al.* 2012). Recent findings support the assumed relationships: Torka, Schyns, & Looise (2010) found direct participation is significantly connected to affective organizational commitment, and Meyer *et al.*'s (2002) meta-analysis shows that this form of commitment strongly influences employee health and well-being, turnover, absenteeism as well as task- and extra-role performance. These outcomes eventually have effect on the organizational performance.

Following the above literature on the relationship between consultative participation and organizational performance, this study focused on determining the presumption

by researchers that by listening to employee needs through consultative participation, only when meeting their needs will desired outcomes be gained (Bryson, Charlwood, & Forth, 2006; Gollan, 2003; Torka *et al.*, 2010).

#### **2.4.2 Employee delegation**

Delegation is described as being at a higher level of subordinates' involvement in a continuum of decision procedures (Yuki, 2002). Although some studies have defined it as a distinct set of decision-making procedures, others consider it to be a type of Participative Decision Making (PDM). However, most have argued that they are distinct constructs indicating that PDM is a means of power sharing, whereas delegation is an alternative that involves power relinquishment (Leana, 2006). He noted that delegation 'focuses on developing individual autonomy rather than on engendering democracy, that is, participative processes. It is associated with a process that allows employees working in an organization hierarchy 'temporary authority' to make decisions. (Sagie & Koslowsky 2000) It is also defined as 'the assignment of new responsibilities to subordinates and additional authority to carry them out' (Yuki 2002).

Delegation of responsibilities at workplace depends on the nature of work and the relationship between workers, groups or departments (Basihr, 2010). Chaudhry (2012) observed that interpersonal relationships between the superiors and the subordinates at work determine the extent to which the management delegates responsibilities to the subordinates. Delegated responsibilities increase employee

commitment to work, job satisfaction and productivity which lead to improve organizational performance (Kumar, 2013).

Heller (2003) suggests that distribution of power is a necessary condition for enhancing performance and satisfaction by means of employee participation. Intensity may play a role in the identification process, for several reasons: groups may use their influence to secure properties of social value, thereby enhancing the group status in an organization. These notions emphasize the relevance of considering delegative participation as a dimension in the present study of the influence of employee participation on performance of government healthcare institutions in Kenya.

One area of particular interest is decision-making delegation which involves giving subordinates responsibility for task-related decisions and increasing the amount of work-related discretion and authority allowed to them for the completion of such tasks (Chen & Aryee, 2007; Yukl & Fu, 1999). In the Western organizational context delegation is regarded as integral to effective leadership (Leanna, 2006; Bass, 1990; Yukl, 2002). Appropriately applied, it can mean improved decision making and more effective workload management for leaders and job/career enhancement opportunities, increased confidence and intrinsic motivation for subordinates

Delegation typically involves a transfer of authority from a supervisor to a subordinate. The subordinate is not necessarily a passive recipient in this process and may choose to accept or renegotiate a request. The delegation process is therefore a dynamic one and investigations into the conditions under which it is effective have

sharpened the focus on the role of the quality of the supervisor-subordinate dyad (Kumar, 2013). .

Leanna (2006) emphasizes that delegation differs from other decision-making processes such as consultation in two main ways: first, delegation involves decision making by an individual subordinate rather than by a group of subordinates or by a supervisor-subordinate dyad; and second, delegation emphasizes subordinates' autonomy in making decisions. Interestingly, despite the potential benefits and evidence of its widespread use, research concerning the organizational outcomes of delegation is limited. With respect to job satisfaction and performance, some studies such as Berg *et al.* (2013) have found delegation to be related to both outcomes.

### **2.4.3 Joint decision making**

Joint decision making is defined as a management process that allocates power and authority to employees through their involvement (Wagner 1994). Particularly, it is defined as 'a mode of organizational operations in which decisions as to activities are arrived at by the very persons who are to execute those decisions. Kombo *et al.*,(2012). Thus, Participative decision making is associated with direct involvement of stakeholders, as well as mutual regard and respect toward other parties in an organization Markey, (2007). In sum, participative decision making is one form of structural empowerment because it allows employees to participate in decision-making processes, and thus have influence over decisions (Yuki and Fu 1999). As an alternative to assuming that decisions should be made by management, researchers have focused on Participative decision making arguing that employee participation

can provide intrinsic/personal benefits and employees' attitudes and behaviors, such as job satisfaction and lower levels of absenteeism (Daniels & Bailey 2009).

Participation in decision making can satisfy employees self-actualization needs and by doing so, increase employees motivation, job satisfaction and job performance.

The best way to improve productivity is by striving for the shared goals of employees and managers. By allowing worker input into developing the mission statement, establishing policies and procedures, determining perks you can improve communication and increase morale and satisfaction (Koech & Namusonge, 2012).

Employee participation in decision making serves to create a sense of belonging among the workers as well as congenial environment in which both the management and workers voluntarily contribute to healthy industrial relations. The best way to improve productivity is by striving for the shared goals of employees and managers. By allowing workers input into developing the mission statement, establishing policies and procedures of determining perks can improve communication and increase morale and job satisfaction (Noah, 2009).

#### **2.4.4 Collective bargaining**

This form of employee participation relates to teams that include selected or elective representatives of all grades of staff in the departments, which were affected by the implementation of a new system and policy. In addition, employee participation through trade unions involves worker participation in forums that address strategic issues rather than merely workplace or process issues (Modernizing Public Service Group, 1999). It is known as the most widely legislated form of employee

participation around the world (Cotton, 1993). The different representatives "can come in the form of work council, worker representatives on the board of directors, or some other format" (Cotton, 1993).

Representative participation is less likely to be a company initiative than a response to external pressures from unions or legal requirements that may force the introduction of representative institutions, such as works councils. However, companies may benefit from representative participation in several ways. Employees may be more likely to accept decisions that they helped to make. Deliberations between employee representatives and management may improve the quality of decisions. Finally, representative participation may improve employee - management relations more generally (Gollan, 2006).

Representative voice mechanisms encompass both union-centered and non-union mechanisms and the different forms may co-exist at workplace level. The choices made between the different forms, and between all of them and an absence of voice, are a function of government action, worker desires, union behavior and employer choice. For employers, all forms of voice may serve as a mechanism for securing industrial peace and/or for promoting productivity of a product or service quality. It has been argued that a combination of effective voice mechanisms has the potential to increase employee job satisfaction and commitment. For employees, the democratic and existential benefits of having a voice at work have often been rehearsed (Ng'ethe *et al.* 2012). There is also evidence suggesting that high participation workplaces are associated with higher earnings, and this relationship is

particularly strong when new forms of participation are matched by a strong union presence. Thus, the co-existence of different forms of voice secures both existential benefits and higher pay for employees. In other words, there may exist mixed effects on performance; higher labor cost may reduce financial performance, while greater acceptance of decision making may increase operational performance (Meyer & Heppard, 2000).

However, union voice requires management to give up power, and come to terms with two channels of authority within the firm. The assumption among worker in Kenya is that no company would choose union voice or collective bargaining; this is why the unions are normally formed in a fighting mood to advocate for workers rights or pay (Kadian & Mutsotso, 2010). Literature however suggests that representative participation through unions should be envisaged as a system used to collect views and help in decision making in a common ground through representation (Newstrom & Davis, 2004). It is a system of getting workers voice without collecting information from each individual. On the other hand, Latham *et al.* (1994) view trade unions as a market distortion, interfering with what would otherwise be efficient, individual rational choice based interactions between employer and employee.

#### **2.4.5 Leadership styles**

Leaders are the individuals in the organization who set the tone and culture. Northouse (2004) defines leadership as a process whereby one individual influences a group of individuals to achieve a common goal. Burns (2005) one of the most

respected researchers on leadership, has provided a recent treatise on the importance of leadership by arguing that the effectiveness of a leader is a major determinant of the success or failure of a group, organization, or even an entire country. Indeed, it has been argued that one way in which organizations have sought to cope with the increasing volatility and turbulence of the external environment is by training and developing leaders and equipping them with the skills to cope (Torka & Loise, 2010). These claims are based on the assumption of a direct link between leadership and organizational performance. This assumption requires critical review. Moreover, leadership has long been seen as a key factor in organizational effectiveness, but interest in public sector leadership has increased over recent decades (Peris & Namusonge, 2012).

An interest in transforming the public sector by learning from the business world contributed to this interest, as leadership was seen as one of the key elements that made private companies more effective than the public sector was perceived to be. Peris & Namusonge, 2012) explain that the excellent leader not only inspires subordinates' potential to enhance efficiency but also meets their requirements in the process of achieving organizational goals. It was therefore necessary to ascertain this kind of an effective leader is able to influence his or her followers to reach the goals of the organization (Ng'ethe *et al.*, 2012). However this demands that leaders develop and build relationship with their followers to enable them be willing to give their energy and talents to accomplish shared objectives (Bass, 1985). Various leadership theories have evolved to define the characteristics, traits, and styles of

various leaders and leadership styles (Bass, 1985). In the study transactional leadership and transformational leadership are explored:

#### **2.4.5.1 Transactional Leadership**

Transactional leadership involves an exchange process that results in follower compliance with leader request but not likely to generate enthusiasm and commitment to task objective. The leader focuses on having internal actors perform the tasks required for the organization to reach its desired goals (Boehnke *et al*, 2003). The objective of the transactional leader is to ensure that the path to goal attainment is clearly understood by the internal actors, to remove potential barrier within the system, and to motivate the actors to achieve the predetermined goals (House and Aditya, 1997). Transactional leaders display both constructive and corrective behaviours. Constructive behaviour entails contingent reward, and corrective dimension imbibes management by exception. Contingent rewards are valued rewards received for performing desired behaviors. A transactional leader identifies factors that motivate a worker and provides the support needed for effective performance ((Boehnke *et al*, 2003). It involves the clarification of the work required to obtain rewards and the use of incentives and contingent reward to exert influence. It considers follower expectations and offers recognition when goals are achieved. The clarification of goals and objectives and providing of recognition once goals are achieved should result in individuals and groups achieving expected levels of performance (Bass, 1985).

*Management by exception* assumes that under normal circumstances, little intervention by a supervisor will be necessary. Management by exception is a conservative approach whereby resources are applied in response to any event falling outside the established parameters. This characteristic of transactional leadership seeks to minimize the opportunity for exceptions by enforcing defensive management processes. Team members can do little to improve their job satisfaction under transactional leadership. When exceptions (variations from routine activities) occur, management by exception is used (Boehnke *et al*, 2003).

A leader can use active or passive management by exception. Active management by exception refers to the leader setting the standards for compliance as well as for what constitutes ineffective performance, and may include punishing followers for non-compliance with those standards. This style of leadership implies close monitoring for deviances, mistakes, and errors and then taking corrective action as quickly as possible when they occur. In passive management by exception, the supervisor does not actively monitor but waits for deviances or mistakes to occur and then acts. In transactional leadership, the more common approach is an exchange process which involves the leader and followers agreeing to do or provide things to accommodate each others' needs. To effectively lead professional staff, transactional leadership will probably not be enough to achieve outstanding performance. Transactional leadership should be augmented by the use of transformational leadership, (Howell & Avolio, 1992).

#### **2.4.5.2 Transformational Leadership**

Burns (2005) defines transformational leadership as a process that occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality. The four dimensions of transformational leadership are *idealized influence*, *inspirational motivation*, *intellectual stimulation* and *individualized consideration*. Idealized influence “refers to the ability of leaders to display conviction, emphasize trust, take stands on controversial issues, present their most important values and emphasize the importance of purpose, commitment and ethical consequences of decisions” (Bargal, 2000).

According to Bryson (2004), a transformational leader serves as a role model who is admired, respected and trusted. Followers of such charismatic leaders identify with the leaders and want to emulate them because they perceive them to have “extraordinary capabilities, persistence and determination”; and see them as risk takers who are “consistent rather than arbitrary”. The application of idealized influence essentially amounts to being a role model and exhibiting behaviors that subordinates admire and appreciate. Charismatic behaviour also induces followers to go beyond self-interest for the good of the group, providing reassurance that obstacles will be overcome, and promoting confidence in the achievement and execution influence and followers place an inordinate amount of confidence and trust in charismatic leaders, (Conger & Kanungo, 1998).

Inspirational motivation is usually a companion of charisma and is concerned with a leader setting higher standards, thus becoming a sign of reference. Bass (1985), points out followers look up to their inspirational leader as one providing emotional appeal to increase awareness and understanding of mutually desirable goals. This is characterized by the communication of high expectations, using symbols to focus efforts, and expressing important purpose in simple ways. The leader always behaves talking optimistically about the future, articulating a compelling vision for the future and providing an exciting image of organizational change (Bass and Avolio, 1994). The motivation occurs by providing meaning and challenge to the followers' work; individual and team spirit are aroused and enthusiasm and optimism are displayed. The leader encourages followers to envision attractive future states, for the organization and themselves (Borg *et al*, 2007). Another important aspect of inspirational motivation is setting high expectations for the work unit or program. Enthusiasm and encouragement are then used by the leader to pull the team toward the vision and achievement of expected results.

Intellectual stimulation is another component which involves arousing and changing followers' awareness of problems and their capacity to solve those problems. It involves encouraging innovation and creativity. It provides followers with challenging new ideas and encourages them to break away from the old ways of thinking (Bass, 1985). The leader is characterized as one promoting intelligence, rationality, logical thinking, and careful problem solving. The attributes include seeking differing perspectives when solving problems, suggesting new ways of examining how to complete assignments and encouraging re-thinking of ideas that

have not been questioned in the past (Bakhiti & Quresh 2007). The leader encourages the followers to be innovative and creative by questioning assumptions, reframing problems, and approaching old situations in new ways.

To enhance this, Berg *et al* (2013) suggests that the leader develop the ability to question old assumptions, traditions, and beliefs; to stimulate new perspectives and ways of doing things in others; and to encourage expression of new ideas and reasoning. This includes the current management axiom of “thinking outside the box.” This principle is particularly important in the early stages of assessing the need for change.

According to Bass and Avolio (2006) Individualized consideration involve responding to the specific, unique needs of followers to ensure they are included in the transformation process of the organization. It is concerned with developing followers by coaching and mentoring (Bass, 1985; Bass & Avolio, 1990). The leader pays close attention to the inter-individual differences among the followers and act as mentor to the follower. He teaches and helps others develop their strengths, and listens attentively to others’ concerns. Followers are treated individually in order to raise their levels of maturity and to enhance effective ways of addressing their goals and challenges (Bass, 1985). These four dimensions enable leaders to behave as strong role models fostering followers’ transformation into more successful and productive individuals (Hales, 2000).

Transformational leaders are often highly visible and known for their passion and energy in all aspects of their work. They spend most of their time communicating

with others and looking for initiatives that add value to their teams' future. Transformational leaders motivate and empower their followers, often transcending short-term goals by focusing on higher order intrinsic needs (Njoroge, (2015).

In transformational leadership, the leader “transforms and motivates followers by (1) making them more aware of the importance of task outcomes, (2) inducing them to transcend their own self-interest for the sake of the organization or team, and (3) activating their higher-order needs” (Yuki, 2006).

According to Bass and Avolio (2002), the best leaders use more transformational leadership than transactional leadership, but both used together are optimally effective. Finally, it is also important to note that transformational leadership can be confused with “pseudo transformational leadership,” which focuses on personal power, manipulation, threat, and punishment.

#### **2.4.5.3 Leadership Style, Employee Participation and Organizational Performance**

Leaders impact organizational performance through their followers (Ng'ethe *et al.*, 2012). Leadership styles can have a great impact on participation of employees within the organization. However, transactional leadership limits the leader to using reward based behaviors in order to achieve higher performance from employees, which only have short-term effects. Transformational leadership changes the way followers see themselves as isolated individuals to members of a larger group. When followers see themselves as members of a collective, group they tend to adore group

values and goals, and this enhances their motivation to contribute to their performance (Kessler *et al.*, 2004).

Transformational leaders provide an inspiring vision of goals that can help overcome self-interest and narrow factionalism in organizations. They summon new and broader energies among followers. Backer and Huselid (2009) found that employees who have positive interactions with their managers have increased levels of engagement. Additionally, Walumbwa, Orwa, Wang, & Lawler (2005) found that using a transformational leadership style leads to increased organizational commitment and job satisfaction, and still Christensen (2001) found that leaders who focus on relationship building and trust development increase employee participation and eventually the performance of their organizations. Ng 'ethe, Mike & Namusonge (2012) consider leadership as a relationship through which one person influences the behaviour or actions of other people for the purpose of achieving goals and to maximize results in the organization.

Transformational leaders are not viewed as a power figure but as mutual support for a common purpose for the collective good of an organization. From this perspective, transformational leaders have the capacity to directly impact the participation levels of their employees and are able to steer their employees to better performance (Nohria *et al.*, 2008). It hence follows that when there exists employee participation but the leadership style is not conducive to support participation, the resultant effect will be low level of organization performance. The relationship between employee participation and organizational performance is moderated by the leadership style in

the organization such that when there is effective leadership, there is positive influence on the relationship between employee participation and organizational performance. Yuki (2006) has offered several guidelines for the use of transformational leadership. First, articulate a clear and appealing vision, and explain how it can be attained. Act confident and optimistic, and express confidence in followers. Support the vision through resource allocations and emphasizing key values, and lead by example.

#### **2.4.6 Measurement of Performance**

Organizational performance refers to both objective performance outcomes such as profit, return on investment; productivity and growth as well as subjective performance outcomes such as quality of products and services, client satisfaction and innovativeness (Paauwe, 2004). Organizational performance refers to ability of an enterprise to achieve such objectives as high profit, quality product, large market share, good financial results, and survival at pre-determined time using relevant strategy for action (Kombo *et al*, 2014). Organizational performance can also be used to view how an enterprise is doing in terms of level of profit, market share and product quality in relation to other enterprises in the same industry. Consequently, it is a reflection of productivity of members of an enterprise measured in terms of revenue, profit, growth, development and expansion of the organization. Organizational capability is a prerequisite for organizational performance. It refers to the firm's ability to develop its resource base in order to meet its expectations (Namusonge *et al.*, 2012).

Organizations life is characterized by the continuous need to adapt to a dynamic environment and generate innovations in order to meet or create future demands (Forth & McNabb 2008). There are however two specific organizational capabilities that have been given attention in management literature, exploration and exploitation capabilities. According to Addison and Teixeira (2006), exploration capability are organizational abilities required to search and identify new opportunities, discover new knowledge, experiment with new experiences and review organizational strategy.

Forth and McNabb (2008) study into soft organizational capabilities show that organizations are working in four directions, building capabilities of confidence in which individuals both inside and outside the organization believe the management will do what they say and maintain their reputation, becoming boundary-less allowing information and ideas to move effortlessly across hierarchical, horizontal and external boundaries achieving capability for change, the flexibility and agility that allow constant innovation and learning and attaining change that builds on and maintains itself. The management has the obligation to identify and foster these and other capabilities to increase competitiveness (Forth & McNabb, 2008).

There is growing evidence that firm performance rests increasingly on the participation and involvement of workers in decision making (Dundon *et al.*, 2004; Torca *et al.*, 2010). Scholars have argued that employee participation and involvement contributes to organizational efficiency because it has the capacity to enhance the quality of decision making by increasing the inputs and promotes

commitment to the outcomes of the decision making process in the workplace (Markey, 2007).

Spreitzer *et al.* (1997) asserts that, workers who have greater choice concerning how to do their own work have been found to have high job satisfaction and consequently high performance. A significant relationship between frequency of employee's consultation and organizational commitment has also been established. Additionally, since every organization focuses to achieve the main goal of earning profit and reducing expenses, Stone (2008) advises for adoption of employee participation since organizations can improve their profit and reduce their expenses by improving employee participation. According to Looise *et al* (2011) level of progress and participation is different in every company. Many organizations delegate authority and power to their employees and due to that authority organizations performance also increases. Additionally, an organization which gives authority to their employee to make decision also enhances their own skills (Stone, 2008).

High performing effective organizations have a culture that encourages employee participation and involvement (Namusonge, *et al.*, 2012). Therefore, employees are more willing to participate in decision making, goal setting or problem solving activities, which subsequently results in higher employee performance (Okechukwu & Hilda, 2014). Encouraging a more modern style of participatory management, raise employee productivity and satisfaction, and even lower workers compensation rates (Bhuiyan, 2010).

Kim *et al.* (2010) postulates that, employee performance enhances productivity. Productivity is a performance measure encompassing both efficiency and effectiveness. It is important, therefore, to know who the productive workers are. High performing effective organizations are more willing to encourage employee participation. In support of this assertion, Gollan (2010) posits that job satisfaction increases working capabilities at time of implementation, leading to improved employee productivity and overall organizational performance.

Topolnytsky *et al.* (2002) asserts that employee commitment is also a component of employee participation. Steer (2007) refers employee commitment to congruence between the goals of the individual and the organization whereby the individual identifies with and expends efforts on the general goals of the organization. Kuye & Sulaimon (2011) concluded that to increase workers' commitment and humanize the workplace, with the intention of improving firms' performance and good citizenship behavior, managers need to permit a high degree of employee participation in decision making.

Employee participation increases ownership and commitment, retains the best employees and fosters an environment in which people choose to be motivated and productive (Paauwe, 2004). This research paper therefore focuses in opening up very many windows, still locked in the area of employee participation. The forceful but positive emphasis on employee participation is to increase employee attachment to their work and organization, empower workers, and give them increased job autonomy. Employee participation programs can increase job satisfaction, employee

morale and commitment to the organization, as well as increase productivity, reduce turnover and absenteeism and enhance the quality of products and services (Gibson & Birkinshaw, 2004).

Buyaki (2012) argues that organizational performance is highly affected by employee participation. Forth and McNabb (2008) states that organizational performance can be achieved through employee performance that is characterized by six indicators namely; competency measured in terms of ability to handle the assigned workload, completing the work in time with minimal errors, and ability to work largely unsupervised; productivity measured in terms of time utilization, prioritizing projects, multitasking and continuous striving to improve skills; communication skills in terms of ability to offer and accept help when needed, accept and provide constructive criticism resulting in reduction in mistakes and misunderstandings; commitment as in taking responsibility for one's errors, taking advantage of additional training or educational opportunities; cooperation in resolving conflicts before they become disruptions and professionalism exhibited by avoiding frequent absences, excessive gossiping and using company time and resources for personal projects.

Parasuraman *et al* (2010) identified ten dimensions which customer uses to evaluate the service quality by factor analysis of 22 questions. Through an empirical test, they developed SERVQUAL from a modification of ten dimensions to five which are tangibility, reliability, responsiveness, assurance and empathy. In this study the determinants of service quality were broken into two main categories, namely

tangible factors which refer to technology, physical facilities, personnel and communication facilities. Intangible factors consist of five sub-factors namely; reliability, responsiveness, assurance, courtesy and empathy. Reliability refers to the ability to perform the promised service dependently and accurately. Responsiveness reflects the willingness to help customers and provide prompt service. Assurance reflects the knowledge of employees and their ability to inspire trust and confidence. Courtesy refers to the kind of behavior of employees to the customers and empathy refers to caring, individualized attention the firm provides its customers.

## **2.5 Empirical literature**

In Western Europe, the EPOC Research Group studied direct participation in 10 European countries. Close to 6,000 general managers participated in this survey of the coverage, scope and intensity of different forms of direct participation. They found evidence of direct participation in 82% of the workplaces in Western European countries, with group consultation in permanent groups as the leading form (43% of the workplaces: 29% permanent and 14% temporary), followed by individual consultation (33%), group delegation (13%) and individual delegation (11%). The Netherlands and Sweden had the highest scores in work places with direct forms of participation: 90% and 89% of the workplaces. This means that in almost all workplaces in these countries forms of direct participation exist. Positive effects of direct participation were found for three categories of performance outcomes, namely: economic performance (cost reduction, reduction of throughput time, improvement of quality of product or service, increase in output); indirect labor costs

due to decreases in sickness and absenteeism. There was also decrease in direct labour costs in form of reduction in number of employees and managers.

In Canada, Williamson (2008) carried out a study on the effects of expanding employee decision making on contributions to firm value in an informal reward environment. The study found out that employee participation in decision making, provides the employees with the opportunity to use their private information, which can lead to better decisions for the organization, ultimately improving the organization's performance.

Preuss & Lautsch (2002) carried out a study in the United States to examine the effect of employee participation and job insecurity on employee satisfaction and commitment. They tested these issues using a data set incorporating information from employees, managers and government sources in fifteen hospitals in a single metropolitan region in the United States. They found out that workers' satisfaction and commitment persist as long as the form of employee participation in place increases worker input and control in their jobs, and as long as management is perceived to be making clear efforts to enhance the future security of workers' jobs. They concluded that the incorporation of the ideas and information from employees leads to organizational flexibility, product quality and productivity may improve.

Wagner (1994) reanalyzed a recent review of research on the relationship between participation and performance or satisfaction. In the analysis the study was focusing on comparing the results, from the findings of 10 different similar reviews. The

review found out that all the other reviews had one major conclusion: that research suggest that participation can have statistically significant effects on performance and satisfaction, but average size of these effects is small enough to raise concerns about significance.

A study conducted by Topolnytsky *et al.* (2002) found a very strong positive correlation between affective commitment and employees' job involvement. The authors conducted meta-analyses to assess relations among affective, continuance and normative commitment to the organization and relations between the three forms of commitment and variables identified as their antecedents correlates in Three-Component Model (Meyer & Heppard (2000)). Affective commitment which is a result of employee participation in decision making was found to have the strongest and most favourable correlations with organization-relevant (attendance, performance and organizational citizenship behaviour) and employee-relevant (stress and work-family conflict) outcomes. Comparisons of studies conducted within and outside North America, such as Torka *et al* (2010), revealed considerable similarity yet suggested that more systematic primary research concerning cultural differences is warranted.

Ravenswood (2011) carried out a study on productivity, participation and employee wellbeing in the Residential Aged Care sector. The findings of the study indicated that the relationship between productivity, employee participation and employee wellbeing is one in which all three aspects are integral to each other. In particular, the productivity approach of managers influences the way in which employee

participation is implemented in the workplace. Effective representative participation does have a positive influence on employee wellbeing. However, the best employee outcomes resulted from multiple participatory practices including union and non-union, direct and representative participation. Managers' choices were pivotal to employee participation but they were guided by organizational structure and external factors (Meyer & Heppard (2000).

Khattak, Igbal & Bashir (2012) carried out a study in Islamabad, Pakistan, on employee involvement and participation at work. The focus of the research was to analyze employees' involvement and participation at work in OTCL after its privatization. The results suggested that the job dissatisfaction among the OTCL employees can be reduce by embedding EIP practices and by enhancing its frequencies. The EIP practices including team briefing, problem solving groups, surveys of employees' opinion and information regarding staffing of the employees could increase the employees' satisfaction towards their job which would eventually increase organizational performance.

Many other studies have been carried out on worker participation and organizational performance (Kuye & Sulaimon, 2011; Thornton, 2009; Barringer & Bleudorn, 1999). They concluded that to increase workers' commitment and humanize the workplace, with the intention of improving firms' performance and good citizenship behavior, managers need to permit a high degree of employee participation in decision making. Ravenswood (2011) focused on SMEs and their findings showed that employee participation has positive impact on job satisfaction. Thornton (2009)

established a significant relationship between frequency of employees' consultation and job satisfaction, while Spreitzer, Kizilos & Nason, (1997) found that workers who have greater choice concerning how to do their own work have high job satisfaction and consequently high job performance. Kemelgor (2002) found out that when employees are given the opportunities of contributing their ideas and suggestions in decision making, increased firms' performance may result since deep employee involvement and participation in decision making maximizes viewpoints and a diversity of perspectives.

Noah (2008) investigated the existing level of worker participation in management decision making within the Nigerian work environment. Results showed that employees in both organizations demonstrate a high interest in participation in the decision making process within their respective work places. There was a significant relationship between employees' involvement in decision making as well as between frequency of employees' consultation and organizational commitment.

Prisca (2011) examined employee participation in decision making and its impact on productivity. Three publishing outfits in Enugu were studied, namely: Government Printing Press, ROCANA Nig Ltd and GOSTAK Nig Ltd. The population consisted of managers and employees in the three elected firms in Enugu Urban. The study reveals that participative decision making does not involve participation at all levels of management, there was a positive relationship between participative management and productivity this means participative management results in increased productivity. The investment effort in the practice of participation was realized to

have been yielding the desired output i.e. increased productivity. There was a diverse perception of participation among the workers and managers. The pressing problem facing the practice of participation was that employees and managers misconstrue participation in decision making.

In a longitudinal study of teamwork implementation in Denmark, Nielsen and Randall (2012) examined the links between pre-intervention working conditions and well-being, levels of participation in planning and implementation, employees' reports of changes in procedures, and intervention outcomes. Pre-intervention levels of autonomy and job satisfaction predicted the degree of employee participation in the planning and implementation of the intervention. Pre-intervention well-being and social support were linked directly to the degree to which employees reported changes in existing work practices concerning teamwork. In addition, participation and changes in work procedures were significantly associated with post-intervention autonomy, social support and well-being. The results indicate that employee participation in intervention processes is crucial in what appears to be an important association with perceived changes in procedures and, therefore, in intervention outcomes (Nielsen & Randall, 2012).

Berg *et al.* (2013) conducted a study on the impact of representative employee participation on organizational performance. They conducted an inter-country study comparison of four neighbouring countries – Belgium, Germany, the Netherlands and the United Kingdom. By reviewing the strengths and weaknesses of the theoretical and empirical literature and examining the distinctive features of the four

countries with respect to their industrial relations systems, the researchers found that depending on the country at issue, works councils or joint consultative committees exert influence in very different degrees, and also the power of trade unions differs substantially. The study demonstrated that variances in (formal and informal) rights and in group dynamics will greatly impact the effectiveness of any form of employee representation. This ultimately leads to the construction of adjusted comparative model, which does aim to take all these differences into account, when explaining the relationship between worker involvement and organizational performance (Berg *et al.*, 2013).

Sofijanova & Zabijakin-Chatleska (2013)'s study explores the relationship between employee participation in decision making and problem solving and perceived organizational performance in the republic of Macedonia. The study analyzed the concept of employee participation by embedding it within a national culture context. The study found that effective use of employee participation was positively related to perceived organizational performance. More precisely, employee participation and empowerment programs, and the use of self-managing teams had a direct and statistically significant correlation to the managerial perception of the organizational performance.

In Kenya, Kadian, Wanyama & Mutsotso (2010) carried out a study on the relationship between capacity building and employee productivity on performance of commercial banks in Kenya. The study found out that there is a positive relationship between capacity building and organizational performance. Kagaari, Munene &

Ntaayi (2010) carried out a study in Kenya to ascertain the performance management practices, employee attitudes and managed performance. The study found out that goal clarity and participation have been shown to contribute to higher levels of motivation to achieve managed performance provided managers accept those targets.

Gathai, Ngugi, Waithaka & Kamingi (2012) carried a study in the Kenya Civil Aviation Authority to analyze the factors that influence implementation of performance contracts in state corporations. The study concluded that strategy implementation in state corporations in Kenya evolves either from a process of winning group commitment through a coalitional form of decision-making, or as a result of complete coalitional involvement of implementation staff through a strong corporate culture.

Wainaina, Iravo & Waititu (2014) investigated the effect of employee participation in decision making on academic staffs' organizational commitment in the private and public universities in Kenya. Targeting all the academic staff in the public and private universities in Kenya, the study found out that employee participation in decision making significantly influence university academic staffs' organizational commitment in Kenya. Kubaison, Gachunga and Odhiambo (2014) explored the degree to which direct employee participation practices in the organization contribute to organizational performance. Findings indicated a strong relationship between direct participation and performance of state corporations in Kenya. However the study also found out that the most preferred mode of participation is direct participation, compared with direct individual-based participation.

Buyaki (2012) conducted a study on the perceived influence of employee participation on change management at the ministry of housing in Kenya. The research findings suggested that employee participation contributes to effective change implementation and also creates an enabling environment for belongingness and ownership of the organization. Kubaison (2014)'s study on the mediating role of employee attitude on participation-performance relationship in state owned corporations in Kenya 20 state owned corporations in Kenya. The study found three participation schemes to influence significantly the performance of state corporations in Kenya. These were: personalized empowerment schemes, work teams and representative schemes. Financial participation schemes however had no significant influence on performance of state corporations. Employee attitude had a strong mediating effect on financial and indirect participation schemes. Employee attitude had moderate mediating effect on use of work teams and performance relationship. However, employee attitude does not have any significant mediating effect on the relationship between use of personalized empowerment schemes and performance of state corporations in Kenya.

Kombo *et al.* (2014) researched on the effects of delegation on employee performance in savings and credit cooperative societies in Kisii County, Kenya. The target population was 13 SACCOS in Kisii County with respondents with 1040. Four (4) SACCOS which had been in operation for at least 10yrs were sampled for the study using descriptive research and explanatory research whereby a sample of 24 employees from each SACCO was sampled randomly. The study established that

effective delegation in organizations improves employee performance and organizational performance at large.

Jepkorir (2014) attempted to establish the effect of trade unions on organizational productivity in cement manufacturing companies in Nairobi. Using a sample of three unionized cement companies and the results obtained indicated that trade unions play an important role in the work-life of their members. The activities discharged such as collective bargaining, striking actions, employee representation, embolden workers and eventually make them confident and productive thus spurring organizational productivity.

Gichaba (2011) researched on the perceived influence of trade unions on terms and conditions of service and job security of employees at Kisii University in Kenya. The study was conducted at Kisii University located in Kisii town. The target population for this study was both the academic and non-academic staff in Kisii University under KUSU, KUDHEIA and UASU, a total sample of 809 employees who are in different departments was used.

Koech & Namusonge (2012) study on the effect of leadership styles on organizational performance at state corporations in Kenya used a descriptive survey research based on the perceptions of middle and senior managers in thirty (30) state-owned corporations based in Mombasa, Kenya was undertaken. The study found out that the correlations between the transformational-leadership factors and organizational performance ratings were high (0.518 to 0.696,  $P < .05$ ), whereas correlations between the transactional-leadership behaviors and organizational

performance were relatively low (0.219 to 0.375,  $P < .05$ ). As expected, laissez-faire leadership style was not significantly correlated to organizational performance.

Njoroge (2015) sought to establish the effect of integrative leadership style on organizational commitment as moderated by employee participation in technical institutions in Kenya. The study population was all the 3114 lecturers in the 47 technical institutions in Kenya. The study findings revealed that integrative leadership style comprising transformational leadership, transactional leadership and laissez-faire leadership had a significant effect on organizational commitment and its dimensions. Further, the findings showed that transformational, transactional and laissez-faire leadership styles each had a significant effect on organizational commitment. However, laissez-faire leadership had a significant effect on organizational commitment independently but not jointly. Employee participation was found to have a moderating effect on the relationship between integrative leadership style and organizational commitment. Employee participation was also found to moderate the relationship between integrative leadership style and both affective and normative commitment. However, there was no moderating effect on the relationship between integrative leadership style and continuance commitment. The study concluded that transformational, transactional and laissez-faire leadership styles each had a significant effect on organizational commitment.

## **2.6 Critique of the existing literature**

While employee participation may reside at the core of many contemporary practices and research, the extent to which organizational-level performance gains are actually

achieved through decentralizing decision-making authority to lower level employee remains unclear (Richardson *et al.*, 2002). Latham *et al.* (1994) contend that there is much less research evidence for the value of employee participation on quality decision making. Scholars have also argued that employees' participation in decision making may primarily serve to make them feel good about their jobs and organizations but do little to increase firm's performance (Wagner, 1994).

Schriesheim *et al.* (1998) identified a direct positive relationship between delegation and subordinate satisfaction and performance while Leanna (2006) identified a relationship with performance but not with satisfaction. While these results are mixed, overall the relationship between delegation and these outcomes is considered to be positive on the basis that effective delegation signals trust and support to subordinates who respond attitudinally and in terms of increased effort and performance (Chen and Aryee, 2007). The research literature on delegation in non-Western organizations is even more limited (Aryee and Chen, 2006). Whether the same organizational and individual benefits can be attributed to delegation in a Kenyan work context remains an open question.

Cox, Zagelmeyer & Marchington (2006) found no support for the idea that the mere presence of employee involvement and participation is associated with positive employee perceptions of participation practices. It was also suggested by them that the number and mix of practices is the key issue in the participation and commitment relation. They further postulate that participation is not usually needed to gain commitment toward objectives but having employee participation in the planning can

be an effective means of fostering commitment with the organization. Participation can be particularly helpful in developing plans for implementing goal. For these reasons managers often include subordinates in goal setting and in the subsequent planning of how to achieve the goal. It is observed that employee's commitment to the organization is strong among those whose leaders allow them to participate in decision making. The need for employees to participate more in decisions that affect their work has therefore been a center of argument in current management issues (Hales, 2000).

Ng 'ethe, Mike & Namusonge (2012) consider leadership as a relationship through which one person influences the behaviour or actions of other people for the purpose of achieving goals and to maximize results in the organization. They therefore argued that leadership has direct relationship to organisation commitment and performance. Additionally, the empirical research available has shown that servant leadership is positively correlated to follower satisfaction, their job satisfaction, intrinsic work satisfaction, caring for the safety of others and organizational commitment (Olesia, Namusonge & Iravo, 2013).

## **2.7 Research Gaps**

The health care institutions being one of the most sensitive institutions in service delivery, there is need for employee participation in decisions which affect their work. This will raise their self-esteem thus improving their performance (Kimutai *et al.*, 2013). As established by researchers such as Kombo *et al.* (2014); Cox, Zagelmeyer & Marchington (2006); Njoroge (2015); the existing body of knowledge

is not sufficient in explaining specifically the relationship between employee participation and organizational performance in government health care institutions in Kenya. Studies on employee participation have focused on one particular dimension at a time, this has left a gap of knowledge on the relationship between the various dimensions of employee participation and their effects on organizational performance. Other studies such as Tucker and Russell (2004) looked at a broader array of external variables such as organizational change and had not provided extensive insight about the impact of internal variables such as firm's dimensions of employee participation and its effects on employees job satisfaction, productivity and overall organizational performance.

While Ng'ethe, Mike & Namusonge (2012) and Olesia, Namusonge & Iravo, (2013) identified the role of leadership and leadership styles on organisational performance, their studies did not focus on employee participation and the moderating role of leadership styles on organisational performance. Additionally, (Kubaison *et al.*, 2014; Noah, 2008; Wainaina *et al.*, 2014) attempted to ascertain whether there is a moderating effect of leadership on the relationship between employee participation and organisational performance. It was therefore necessary to ascertain this kind of relationship to establish how leadership style controls the relationship between employee participation and organisational performance in public health care institutions.

Despite the vast amount of research on the performance and effects of HRM-practices, very little work has been done to illuminate the contribution of employee

delegation, consultation, joint decision and collective bargaining to organizational performance. The EPOC (European Foundation for the Improvement of Living and Working Conditions) Group (1997) showed it was valuable to investigate this relationship. Most of the studies focusing on the effect of employee participation on organisational performance in developed countries and few studies have focussed in developing country (Kubaison *et al.*, 2014; Noah, 2008; Wainaina *et al.*, 2014), creating a dearth of information on the contribution of employee participation on organisational performance in a developing country setting. This study therefore aimed at identifying the various dimensions of employee participation and investigating their influence on performance of healthcare institutions in Kenya with leadership style as a moderating variable to fill this gap of information.

## **2.8 Summary**

This chapter has provided the theoretical and empirical studies on the variables of the study. The theories that were reviewed in the theoretical review entail: the incentives and complimentary theory; the conflict theory and Leader member exchange theory; conceptual framework showing the relationships between the variables. Review of the literature on the variables and their relationships were identified as: employee delegation; employee consultation; joint decision making and collective bargaining as independent variables; leadership style as moderating variable and organizational performance as dependent variable. The empirical studies were reviewed as per the study objectives and research gaps identified.

In summary the literature review has addressed the specific factors that are related with employee participation and the relationship between the individual factors and performance. This culminated in the development of a conceptual framework that show the relationship between employee participation, leadership style and performance of public health care institutions in form of a diagram. This study also identified the shortcomings inherent in the literature review and the research gaps that this study seeks to address. The next chapter discussed the methodology that was employed in the study.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter describes the research methods that were used in the study. It comprises of research design, the target population, sample size determination, sampling technique, data collection procedure and instruments that were used in data collection and their pre-testing in order to establish their validity and reliability, data processing and data analysis techniques and the linear regression model that was adopted.

#### **3.2 Research Design**

According to Kothari (2004) a research design stands for advance planning of the methods to be adopted for collecting the relevant data and the techniques to be used in their analysis, keeping in view the objective of the research and availability of staff, time and money. The research design adopted in this study was descriptive survey research. Creswell (2014) argue that a flexible research design which provides opportunity for considering many different aspects of a problem is considered if the purpose of the research study is that of exploratory. When the purpose happens to be an acute description of a situation or of an association between variables, the suitable design will be one that minimizes bias and maximizes the reliability of the data collected and analyzed.

A descriptive survey design was adopted to capture the categorical description of attitudes of the study population (Sekaran, 2003). Descriptive studies are not only

restricted to fact findings but often results in the formulation of principles of knowledge and solution to significant problems (Orodho, 2003). Kombo and Tromp (2007) further observed that descriptive approach is designed to obtain the current phenomenon and whenever possible to draw varied conclusions from the facts discussed. Quantitative research approach was also adopted. Quantitative research relies on the principle of verifiability making it possible to establish the cause and effect relationship. This approach was in form of a survey describing a phenomenon associated with subject population and estimating proportions of the population with certain characteristics (Kothari, 2009; Mugenda.& Mugenda, 2007)

### **3.3 Target Population**

The target population was employees from three selected public healthcare institutions in Kenya which include; Kenyatta Referral Hospital in Nairobi City County, Kiambu Level 5 Hospital in Kiambu County and Machakos Hospital in Machakos County. The hospitals were selected as the target population in this study because they have been largely affected by industrial actions taken by the health practitioners while demanding for effective management and also have been prone to strikes with workers citing lack of participation opportunities in decision making as some of the reasons causing their dissatisfaction (Kimutai *et al*, 2013). Additionally they serve a large geographical area and there is minimal interference by the government in their daily operation.

Kenyatta National Referral Hospital (KNH) has a total population of 3000 employees (<http://knh.or.ke/>), Kiambu Hospital 864 employees while Machakos Hospital has a

total workforce of 736 employees - making a total population of 4600 employees. The employees were categorized into four groups; Management, Nurses, Doctors and Operatives. This is because these groups of health workers are represented by different trade unions with different type of management.

### **3.4 Sampling Techniques and Sample Size**

#### **3.4.1 Sampling techniques**

The study employed cluster sampling technique because the target respondents consist of different categories of employees. The cluster sampling technique involves the dividing of the population into mutually exclusive groups and then drawing random samples from each group to interview (Ahuja R, 2005). This was necessary so as to ensure that the samples selected from each group are represented in the entire sample, which was selected for the study, in proportion to their numbers in the entire targeted population.

#### **3.4.2 Sample size**

The Fishers formula was used to determine the appropriate sample size of this study. This is because the target population consists of a large number of units (health workers) (Yates, 2004). The researcher assumed 95% desired level of confidence, which is equivalent to standardized normal deviate value of 1.96, and an acceptable margin of error of 5% (standard value of 0.05).

$$n = Z^2 pq/d^2$$

Where:

$n$  = the desired sample size (if target population is large)

$z$  = the standard normal deviate at the required confidence level.

$P$  = the proportion in the target population estimated to have characteristic being measured.

$q = 1-p$

$d$  = the level of statistical significance set.

Assuming 50% of the population have the characteristics being measured,  $q = 1-0.5$

Assuming we desire accuracy at 0.05 level. The Z-statistic is 1.96 at this level

Therefore  $n = (1.96)^2(.5)(.5)/(.05)^2 = 384$

The targeted respondents from the selected level 5 hospitals were categorized into four groups. These groups included: Management, Nurses, Doctors, and Operatives with heterogeneous characteristics in terms of levels of participation. The cluster samples from the three selected hospitals composed of respondent employees as shown in Table 3.1.

**Table 3. 1: Composition of the Cluster Samples**

Selected Hospitals	Management		Doctors		Nurses		Operatives		Total	
	Actual	Cluster	Actual	Cluster	Actual	Cluster	Actual	Cluster	Actual	Cluster
<b>KNH</b>	234	<b>20</b>	443	<b>37</b>	1180	<b>98</b>	1143	<b>95</b>	3000	<b>250</b>
<b>Kiambu Hospital</b>	24	<b>2</b>	62	<b>5</b>	458	<b>38</b>	320	<b>27</b>	864	<b>72</b>
<b>Machakos Hospital</b>	18	<b>2</b>	34	<b>3</b>	386	<b>33</b>	298	<b>24</b>	736	<b>62</b>
<b>Grand Total</b>	276	<b>24</b>	539	<b>45</b>	2024	<b>169</b>	1761	<b>146</b>	4600	<b>384</b>

### 3.5 Data Collection Instrument

#### 3.5.1 Questionnaire

The instrument of data collection was a questionnaire, developed by the researcher (Appendix 1). The questionnaire was used to obtain information about the study by linking all the items to the specific objectives. It contained items with a combination of open-ended, closed-ended and matrix questions. The Likert's four point scale and summated scale was used for measuring attitudes (Kothari, 2009). The use of the four point scale reduces the central tendency bias where participants may avoid extreme response categories and concentrate on values (neither agree nor disagree) that cannot be objectively used to make a decision or a conclusion. The questionnaire was administered to participants in the pilot study as well as the actual study to

investigate the influence of employee participation on organisational performance of government healthcare institutions in Kenya.

The questionnaire had five sections. Section A solicited information on place of work, job category, and demographic data on gender, age bracket, education and number of years of service in the organization. The information was intended to collect data describing the sample characteristics in order to include them in the analysis because these characteristics have an effect on respondents' perception.

Section B consisted of questions on direct participation of the employees in their organisation. This section collected information on delegation participation, consultation participation, joint decision making, collective bargaining, leadership styles and organizational performance. Responses were rated on a 5- point Likert scale for which 1 (one) was strongly disagree to 5 (five) which was strongly agree.

Section C solicited information on indirect participation of employees at their workplace. It focused on their perception on participation in decision making through collective bargaining by their representatives through trade unions and leadership styles. The questions were also rated on a 5-point likert scale with 1 representing strongly disagree and 5 representing strongly agree.

Section D solicited information on the extent to which leadership style influence the effect of employee participation on performance on public healthcare institutions. It was necessary to collect data on leadership in order to establish the extent to which leadership style influences employee performance in public health organizations in

Kenya. Respondents were rated as to whether they agree with the statements concerning leadership styles on a 5 point Likert scale for which 1 was strongly disagree and 5 strongly agree.

Section E sought to collect information on organisational performance. Responses were rated on a 5 point Likert scale for which 1 (one) is strongly disagree and 5 (five) is strongly agree. In this section, respondents were given 22 statements, 13 statements measuring employee job satisfaction and 9 statements measuring Service quality.

### **3.6 Pilot Study**

The questionnaire was pre-tested with 10 respondents consisting of 2 managers, 2 doctors, 3 nurses and 3 operative staff at Kenyatta National Referral Hospital (KNH). During pre-testing, the respondents were encouraged to make comments and suggestions concerning instruction, clarity of questions and relevance (Mugenda & Mugenda, 1999). The pre-testing facilitates a review and rephrasing of some of the items that were vague and not clear, while maintaining the same meaning to all subjects. It also enhances adequacy, reliability and quality of the questionnaire (Mugenda & Mugenda, 1999).

Kothari (2008) posit that after constructing a research instrument or questionnaire the researcher should try it out on a small sample of the population. This way of pre-testing or piloting of the instrument enables the researcher to ensure that the questions measure what they are supposed to; that the wording is very clear and

unambiguous; that the questions provoke the intended responses and the researcher is able to analyse and know whether the questions posed are skewed towards certain issues more than others. The questionnaire was pretested before its administration to ensure validity and reliability of the data to be collected.

### **3.6.1 Validity**

During questionnaire construction, various validity checks were constructed to ensure the instrument measure what it was supposed to measure and perform as it was designed to perform. Validity indicates the degree to which an instrument measures what it is supposed to measure; the accuracy, soundness and effectiveness with which an instrument measures what it intends to measure or the degree to which results obtained from the analysis of the data actually represents the phenomenon under study (Mugenda & Mugenda, 2007). The validity tests were conducted by use of face validity and content validity. Face validity tests if the questions appear to be measuring the intended sections. On the other hand, content validity tests whether all the important aspects of the sections are measured. This was done by first testing the instruments on 10% of the target population consisting of 38 respondents and then reviewing the findings.

### **3.6.2 Reliability**

The Reliability is a measure of degree to which a research instrument yields consistent results after repeated trials Mugenda and Mugenda, (2007). Reliability is the extent to which a given measuring instrument produces the same results each time it is used. Cronbach's alpha, a coefficient of reliability that gives an unbiased estimate of data generalizability was used to test reliability of the answered questionnaires. Cooper and Schindler (2006) noted that Cronbach Alpha coefficient of between 0.7 and above to be acceptable because random error will always exist regardless of the procedure used in the study. However, Mugenda and Mugenda (2007), noted that an alpha of 0.6 to be poor.

### **3.7 Data Collection Procedures**

The researcher booked appointments with the heads of departments from the sampled Healthcare institutions to seek authority to conduct the research. The researcher presented a letter from JKUAT as a proof that the study was only meant for academic purposes. In this research, drop and pick strategy was used in administration of the 384 questionnaires. This method was considered appropriate considering the nature of the items in the questionnaires, the length of the questionnaire, the availability of the respondents and the geographical dispersion of the sample selected. Questionnaires were administered by the researcher with help of trained research assistants to the Management, Nurses, Doctors and operative staff at the sampled health care institutions by making appointments.

Respondents were given enough adequate time to fill the questionnaire, which were picked by the researcher at various convenient intervals. Though there was representation at all levels of medical staff, nurses were the majority in responses to the research questionnaire. Out of a total of 384 questionnaires distributed, a total of 343 were responded to. By applying the principle of Sekaran (2003) that small sample sizes can provide highly reliable findings depending on the sampling procedure adopted, the responses received were considered adequate and representative of the total population.

### **3.8 Data Processing and Analysis**

Data processing operations carried out included data editing/ cleaning and classification. Data editing/ cleaning is the examination of the collected data so as to detect omissions and errors and to correct them whenever possible. Data classification is the arranging of the collected data in classes or groups with common characteristics. Similar data was then tabulated before being further analysis was conducted. The tabulated data was then analyzed using both qualitative and quantitative techniques. Descriptive statistics was used for the analysis of the collected data which included parameters such as measures of central tendencies and the measure of dispersion. Inferential data analysis techniques such as correlation analysis and regression analysis were also used to analyze the collected data. These parameters were used to determine and evaluate the relationships of the variables being measured. The data analysis and presentation of findings was carried out using the Statistical Package for Social Sciences (SPSS) Version 24 and Microsoft excel.

These software aided in the generation of suitable graphs, charts and tables which were used in drawing conclusions as well as presenting the findings.

Factor analysis was also done for the five research objectives, using principal component analysis method. Through this, it was possible to reduce data from all the original measures, while still maintaining all the information contained. This method was considered important for the study in measuring similar items conceptually, from a large set of correlated variables. Other tests done are analysis of variance (ANOVA), chi-square test; paired test samples, paired sample correlations, pareto test, t-test and independent sample tests were undertaken. Multi-collinearity was used to test intercorrelation between the independent variables (Zikmund *et al.*, 2010; Patton, 2002; Kothari, 2008).

Cross tabulations was also used to assess the relationship between two categorical variables. According to Norusis (1990), cross tabulations can be used to statistically test whether two categorical variables are independent or dependent. Pearson chi-square values and associated probability values (P-values) were used to ascertain the statistical significance of relationships.

Linear regression was used to ascertain the relationship among employee participation, leadership style and organizational performance. In addition a linear regression model on role of employee participation versus organizational performance was applied to examine the relationship between the variables. The model treated organizational performance as the dependent variable while

independent variables were forms of employee participation. A regression equation describes how the mean value of a response variable relates to specific values of the predictor variable (Kessler *et al.* (2004). The study used logistic regression analysis to test the statistical significance of the independent variables on the dependent variables. Logistic regression was therefore used to measure the relationship between the categorical dependent variable and the independent variables by using probability scores as the predicted values of the dependent variables. The logistic regression equation used to analyse the relationship between variables under study was expressed as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon \quad (3.1)$$

- Where;
- Y = Organizational performance of healthcare institutions
  - $\beta_0$  = the constant or coefficient of intercept.
  - $X_1$  = Employee Consultation.
  - $X_2$  = Employee Delegation
  - $X_3$  = Joint decision making
  - $X_4$  = Collective Bargaining
  - $X_5$  = Leadership style
  - $\epsilon$  = Error term
  - $\beta_1, \dots, \beta_4$  = Corresponding coefficients for the respective independent variables.
  - $B_5$  = Corresponding coefficients for the moderating variable

The following equation was used to measure the moderating effect of leadership style:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + X_5 (\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4) + \varepsilon \quad (3.2)$$

Where:

$\beta_0$  = Constant term

$\beta_{1-4}$  = Correlation coefficients

$X_1$  = Employee Consultation.

$X_2$  = Employee Delegation

$X_3$  = Joint decision making

$X_4$  = Collective bargaining

$X_5$  = Moderating effect of leadership style

$\varepsilon$  = Error term

### **3.9 Measurement of Variables**

#### **3.9.1 Measurement of Independent Variable**

The study was guided by four variables; employee consultation, employee delegation, Joint decision making and collective bargaining. Employee consultation was measured by evaluating respondent's opinions on the extent of employee consultation on decisions which affect their work. Employee delegation was measured by assessing the how often the seniors delegate responsibilities among the employees. Their opinions were measured in a likert scale containing statements that indicate the relationships with boss with the boss, subordinate or colleagues. Joint decision making was measured by use of nominal Scale (Yes/No) questions and open

ended questions were also used to measure the intensity of participation in decision making process.

### **3.9.2 Dependent variables**

A five-point Likert scale was used for each of the statement was used to assess the level of performance of government healthcare institutions and open ended questions were also used to measure the indicators of performance.

**3.9.3 Moderating variables:** the main moderating variable in this study was leadership styles to prevent potential bias in performance.

### **3.9.4 Measurement of Organizational performance**

This was measured by appraising five dimensions of performance: efficiency in delivery of services, employees' commitment/morale, productivity, quality services, and meeting target in service delivery (Creswell, 2014). The researcher used a five point response scale with (5=strongly agree, to 1 = strongly disagree).

### **3.9.5 Measuring the relationship between participation and organisational performance**

The relationship between participation and organisational performance in the health sector was measured using multi-linear regression model. Regression is an important approach to modelling the relationship between the dependent variable (y) and one or more independent variable (x). A regression equation describes how the mean value

of a response variable relates to specific values of the predictor variables (Borg *et al*, 2008). The study used multi-linear regression analysis to test the statistical significance of the independent variables on the dependent variable.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSIONS**

#### **4.1 Introduction**

This chapter provide the analyses, interpretation and findings of the results. This chapter presents analysis of the descriptive data analysis as the first step to understand the data structure, followed by inferential analysis. Univariate analysis was also carried out for uncovering the one on one relationship after which factors which were significant univariately were further subjected to a rigorous multivariate analysis.

#### **4.2 Response Rate**

The samples for the study consisted of 384 respondents. A total of 384 questionnaires were administered to the respondents but only 343 questionnaires were filled and returned and 48 questionnaires were not returned to the researcher during the period of data collection. Therefore a response rate of 89.3% as depicted in table 4.1. Rogers, Miller and Judge (2009) posited that a response rate of 50% is acceptable in descriptive social sciences, Mugenda and Mugenda, (2003) observed that 50% response rate is adequate, 60% good, while over 70% is rated very good. Babbie, (1990) assert that a return of 50% is adequate, although Bailey, (1987) set the adequacy bar at 75%. This implies that based on these views, the response rate of 89.3%, in this case, is good.

**Table 4.1: Response Rate**

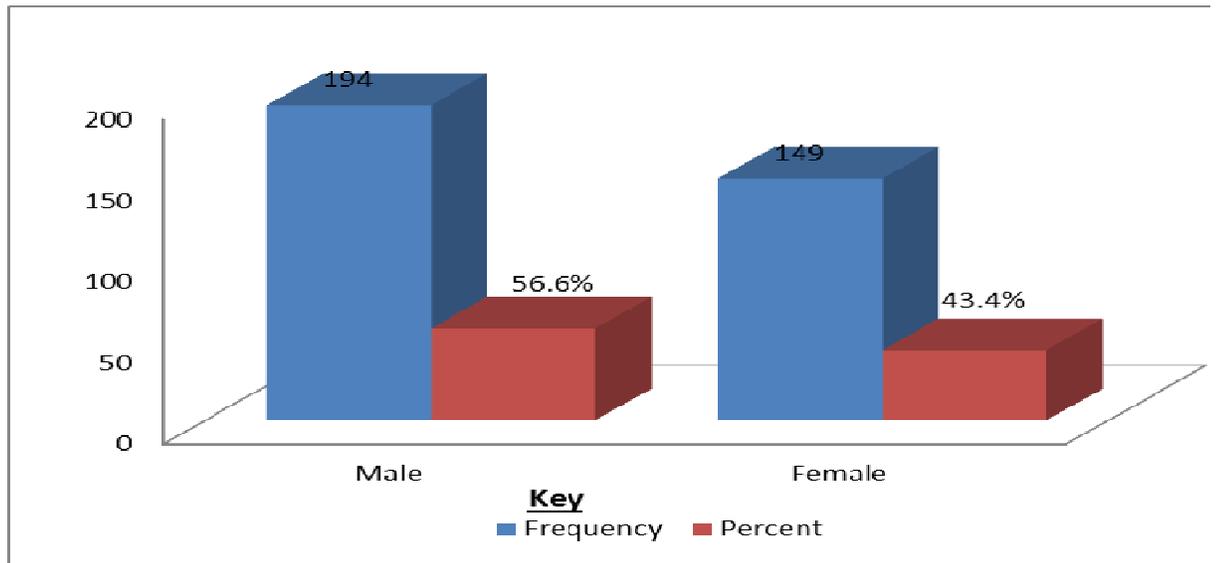
<b>Response rate</b>	<b>Sample size</b>	<b>Percentage (%)</b>
Returned questionnaires	343	89.3
Un-returned questionnaires	41	10.7
<b>Total</b>	<b>384</b>	<b>100</b>

### **4.3 Demographic Characteristics of the Respondents**

This section analyses the demographic data and other key characteristics of respondents who were the employees from the sampled hospitals including Machakos District Hospital, Kiambu District Hospital and the Kenyatta Referral National Hospital.

#### **4.3.1 Gender Distribution**

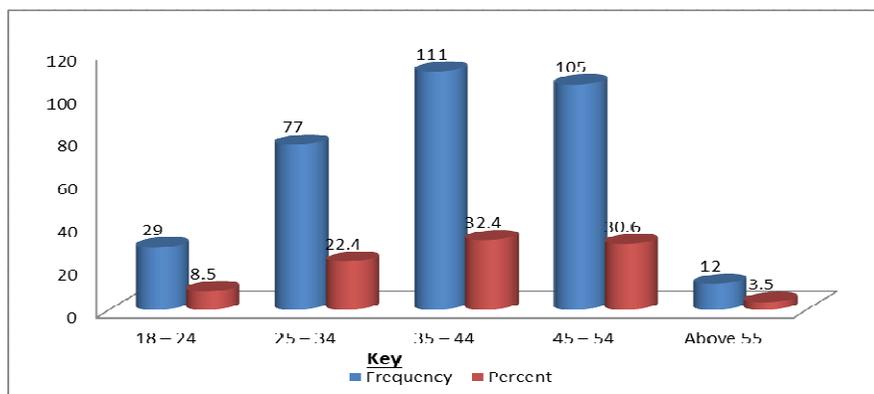
The gender of the respondent was sought to establish the representation of men and women in the hospitals. The descriptive results indicated in figure 4.1 shows that (56.6%) of the respondents were men while the remaining (43.4%) were women. This result supports the spirit of the Kenyan constitution 2010 which provides for gender fairness (GoK, 2010).



**Figure 4.1: Distribution of respondents by Gender**

#### 4.3.2 Age Distribution

The age of the respondents show that in general most of the respondents (32.4%) were between 35-44 years of age with minority (3.5%) being above 55 years. The study findings show that the sample had all age groups represented. The results are as shown in Figure 4.1.



**Figure 4.2: Distribution of respondents by Age**

### 4.3.3: Distribution by Education Level

Respondents' level of education was sought. The study established that close to half of half of the respondents (43.1%) had diploma level of education, 32.7% had degree level of education, 5.8% had a post graduate education level. This indicates that the literacy level is high for the health care institution employees, thus they were able to comprehend the research questions and answer appropriately as shown Figure4.2.

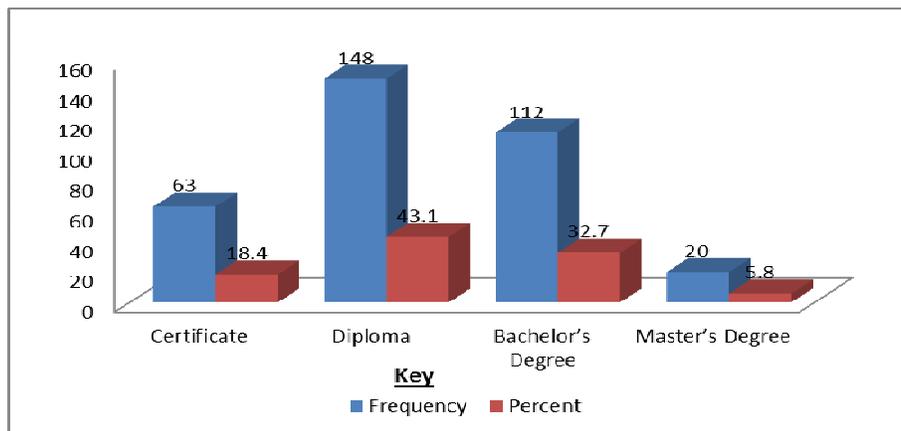
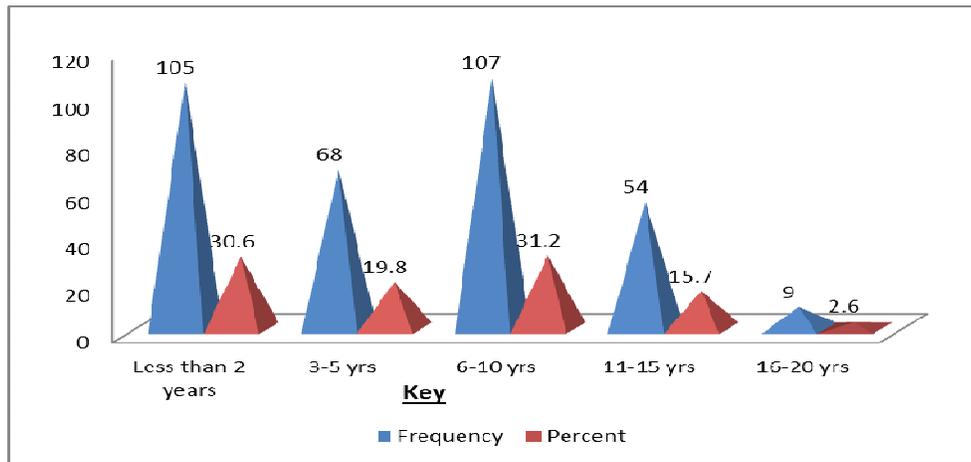


Figure 4.3: Distribution of respondents by Education level

### 4.3.4 Distribution by Experience

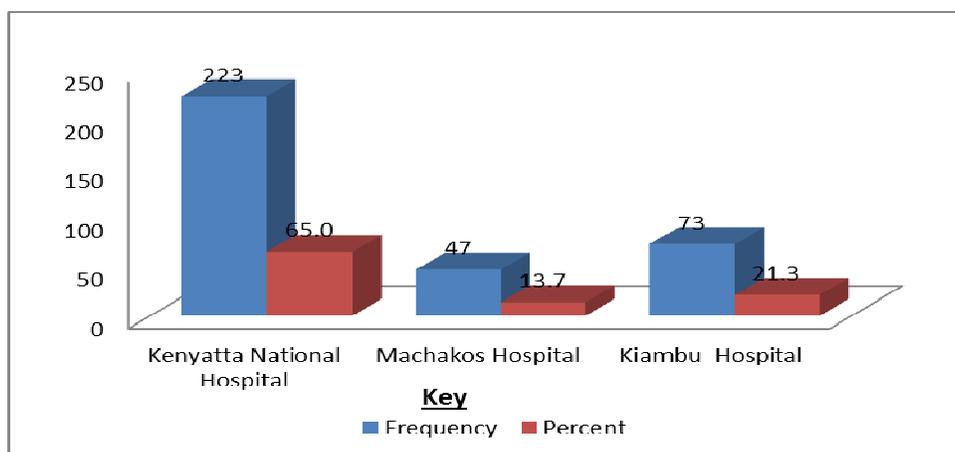
The question sought to investigate the number of years the employees have been in their current station of work. Majority (31.2%) have been working in their current station for six to ten years, 2.6 % have been in operation for more than sixteen years.



**Figure 4.4: Distribution of respondents by Experience**

#### 4.3.5 Distribution by Hospitals

Majority of the respondents were from Kenyatta National Hospital (65.0%) followed by Kiambu hospital (21.3%) and Machakos hospital with the minority (13.7%) as indicated in figure 4.5.



**Figure 4.5: Distribution of respondents by Hospitals**

#### 4.4 Reliability test Results

The most common internal consistency measure known as Cronbach alpha ( $\alpha$ ) was used. It indicates the extent to which a set of test item can be treated as measuring a single latent variable. Cronbach alpha reliability coefficient value of 0.7 or higher is considered sufficient (Sekaran, 2003). The reliability results for all the set of variables in the questionnaires gave a cronbach alpha statistics of more than 0.7, thus the threshold value were met. The researcher tested the questionnaire on ten (10) respondents who were not part of the target population and the results were as shown in Table 4.2.

**Table 4.2 : Reliability Test Results**

<b>Variables</b>	<b>Cronbach's alpha</b>	<b>Cases</b>
Consultation	0.865	10
Delegation	0.877	10
Joint decision making	0.812	10
Collective Bargaining	0.898	10
Leadership styles	0.884	10
Organizational Performance	0.832	10

Table 4.2 shows that the reliability coefficient for consultation was 0.865, delegation 0.877, joint decision making 0.812, collective bargaining 0.898, leadership styles 0.884 and organizational performance 0.832. All variables had coefficients exceeding the acceptable minimum threshold of 0.7.

## 4.5 Descriptive Statistics

### 4.5.1 Employee participation through consultation

The first objective of this study was to determine the influence of employee consultation on organizational performance in the healthcare institutions in Kenya. This was achieved through exploration of the various factors identified through literature review and which were then presented to the respondents for confirmation of their relevance of predicting effects of employee participation on organizational performance in this particular study context. The outcomes details are as given below in table 4.3.

**Table 4.3: Employee participation through consultation**

	SD	D	N	A	SA	Mean	Std. Dev.
Performance review	6%	6%	40%	47%	0%	3.28	.85
Changes in staffing levels	0%	10%	26%	59%	5%	3.60	.74
Outsourcing	3%	10%	37%	42%	9%	3.43	.90
Working time	6%	9%	42%	34%	8%	3.29	.97
Redeployment of staff	0%	17%	43%	41%	0%	3.24	.72
Training and development	0%	17%	32%	45%	7%	3.41	.85
Suggestion schemes	0%	13%	37%	45%	5%	3.42	.79
Attitude survey	3%	20%	30%	38%	9%	3.30	.99
Quality of service	3%	16%	36%	34%	10%	3.32	.97
Customer relations	0%	16%	38%	33%	14%	3.44	.92

In order to explore the employee participation through consultation, A five point likert scale with responses ranging from 1 (strongly disagree) to 5 (strongly agree) were used to assess the employee participation. Most of the respondents (52%)

disagreed that the management seek the views of or consult with the employees through regular performance review meetings. Most of the respondents agreed that management seek the views of or consult with the employees on changes in staffing levels (64%) and outsourcing (51%). On the other hand majority disagreed that management seek the views or consult with the employees on working time (57%) and redeployment of staff (60%). Majority of the staff agreed management seek the views or consult with the employees on training and development (52%) and suggestion schemes (50%). Majority of the respondents disagreed that management seek the views or consult with the employees on attitude survey (57%), quality of service (66%) and customer relations (53%). The higher mean value of 3.60 means employees were consulted more in issues related change in staff level but employee consultation during redeployment of staff was low with a mean value of 3.24.

Respondents were also asked to state the frequency of participation through consultation on all the above items the results are indicated in table 4.4 shown below.

**Table 4.4: Frequency of employee participation through consultation**

	Never	Some times	Regularly
Performance review	38%	62%	0%
Changes in staffing levels	24%	67%	9%
Outsourcing	35%	62%	3%
Working time	41%	54%	5%
Redeployment of staff	25%	65%	10%
Training and development	29%	45%	25%
Suggestion schemes	13%	71%	17%
Attitude survey	25%	52%	23%
Quality of service	22%	64%	14%
Customer relations	43%	48%	9%

More than half of the respondents reported to participate sometimes in; performance review (62%), changes in staffing levels (67%), outsourcing (62%) redeployment of staff (65%), suggestion schemes (71%), attitude survey (52%) and quality of service (64%).

#### 4.5.2 Employee participation through Delegation

The second objective of this study was to determine the influence of employee delegation on organizational performance in the health sector in Kenya. This was achieved through exploration of the various factors identified through literature review and which were then presented to the respondents for confirmation of their relevance of predicting effects of employee participation on organizational performance in this particular study context. The outcomes details are as given below in table 4.5

**Table 4.5: Employee participation through Delegation**

	SD	D	N	A	SA	Mean	Std. Dev.
Scheduling of work	6%	12%	24%	51%	6%	3.40	.99
Quality of service	0%	10%	32%	52%	6%	3.55	.76
Improving work processes	0%	16%	31%	50%	3%	3.41	.79
Health and safety of patients	0%	10%	31%	52%	6%	3.55	.76
Time keeping	3%	7%	37%	43%	10%	3.49	.88
Attendance and absence control	0%	25%	53%	18%	3%	3.00	.76
Working conditions	0%	16%	53%	24%	7%	3.22	.79

In order to explore the employee participation through delegation, eight statements on five point likert scale were used to assess the employee participation. Most of the respondents agreed that management delegate to employees; scheduling of work (57%), quality of service (58%), improving work processes (53%), health and safety of patients (58%) and time keeping (53%). However, majority of the respondents disagreed with the statements that management delegate to employees' attendance and absence control (79%) and working conditions (69%). Table 4.5 also shows that employee delegation mean value of 3.55 was highest in quality of service and healthy and safety of patients. This means that employee delegation was higher in issues related to quality of service and safety and health of patients but lowest delegation was in attendance and absence control with a mean value of 3.00.

#### **4.5.3 Employee participation through joint decision making**

The third objective of this study was to determine the influence of employee participation through joint decision making on organizational performance in the health sector in Kenya. This was achieved through exploration of the various factors identified through literature review and which were then presented to the respondents for confirmation of their relevance of predicting effects of employee participation on organizational performance in this particular study context. The outcomes details are as given in table 4.6.

**Table 4.6: Employee participation through joint decision making**

	None	A little	Some	Quite a lot	Much	Mean	Std. Dev.
How the daily work is performed	3%	17%	31%	49%	0%	3.26	.85
How the daily work tasks are organized	0%	33%	42%	17%	7%	2.98	.89
How working time is organized and scheduled	0%	32%	40%	17%	11%	3.05	.96
The employment policies of the organization	3%	38%	39%	13%	7%	2.82	.94
How health and safety is considered	10%	11%	50%	26%	3%	3.02	.95
Plans and strategies for development of the organization	7%	44%	36%	13%	0%	2.55	.80
Financial decision making by the organization	10%	42%	34%	7%	7%	2.58	1.01
Quality of services rendered in the organization	10%	21%	45%	13%	11%	2.92	1.09

In order to explore the employee participation through delegation, eight statements on five point likert scale were used to assess the employee participation. Most of the respondents reported quit a lot of participation in joint decision making in how the daily work is performed (49%). Most of the respondents reported some participation in joint decision making in; how the daily work tasks are organized (42%), how

working time is organized and scheduled (40%), the employment policies of the organization (39%), how health and safety is considered (50%) and quality of services rendered in the organization (45%). Additionally, most of the respondents reported a little participation in joint decision making in; plans and strategies for development of the organization (44%) and financial decision making by the organization (42%). Table 4.6 also shows the highest mean value of 3.26 in employee participation in decisions making on how the daily work is performed and lowest mean value of 2.55 in decisions related to plans and strategies for development of the organization.

#### **4.5.4 Employee participation through collective bargaining/ trade unions**

The fourth objective of this study was to determine the influence of employee participation through collective bargaining/ trade unions on organizational performance in the health sector in Kenya. This was achieved through exploration of the various factors identified through literature review and which were then presented to the respondents for confirmation of their relevance of predicting effects of employee participation on organizational performance in this particular study context. The outcomes are given in table 4.7.

**Table 4.7: Employee participation through collective bargaining**

	Yes	No
Is there a union of any kind at your workplace?	100%	0%
Is it a union that people doing your sort of job can join?	81%	19%
Are you a member of this union?	53%	47%
Have you ever been a member of this or any other union?	59%	41%

First respondents were presented with four yes/no questions about trade unions. All (100%) of the respondents agreed there is a union of some kind at their workplace and 81% agreed that it is a union that people doing their sort of job can join. More than half of the respondents (53%) reported to belong to this union while another 59% reported to have ever been a member of this or any other union.

Secondly, to explore the employee participation through collective bargaining, ten statements on five point likert scale were used to assess the employee participation.

The results are shown in table 4.8.

**Table 4.8: Collective bargaining**

	SD	D	N	A	SA	Mean	Std. Dev.
Management at my workplace directly consult trade union representative on changes in staff levels	4%	26%	57%	14%	0%	2.81	.71
The union at my workplace really tries to cooperate with management	0%	20%	63%	17%	0%	2.97	.60
The management in my organization consult the trade union on changes in work processes	0%	20%	53%	24%	4%	3.11	.76
Management should cooperate more closely with the union and consult them on redeployment of staff	4%	18%	37%	35%	7%	3.24	.95
Unions should fight really hard when employee interests are threatened	10%	11%	39%	20%	19%	3.28	1.19
The union at my workplace fights really hard for pay and condition of work of the members	4%	21%	53%	19%	4%	2.97	.83
I feel loyal to my union	0%	7%	61%	28%	4%	3.28	.65
I trust the union leadership style to keep their promises to me and other union members	0%	7%	65%	27%	0%	3.20	.55
The leadership of my union has a political agenda that I don't share	10%	25%	44%	21%	0%	2.76	.90
I believe my salary is fair for my responsibility	4%	27%	36%	30%	4%	3.02	.93

Most of the respondents disagreed with the statements that; management at my workplace directly consult trade union representative on changes in staff levels (87%), the union at my workplace really tries to cooperate with management(83%), the management in my organization consult the trade union on changes in work processes (73%), management should cooperate more closely with the union and consult them on redeployment of staff (59), unions should fight really hard when employee interests are threatened (60%), the union at my workplace fights really

hard for pay and condition of work of the members (78%), I feel loyal to my union (68%), i trust the union leadership style to keep their promises to me and other union members (72%), the leadership of my union has a political agenda that i don't share (79%) and i believe my salary is fair for my responsibility (67%). The highest mean value of 3.28 in issues related to union should fight hard when employee interests are threatened and I feel loyal to my union and lowest mean value of 2.76 on the leadership of my trade union has a political agenda that I don't.

Lastly, respondents were asked to rate performance of their union. The responses are shown in table 4.9.

**Table 4.9: Performance of the union**

	Excellent	Good	Fair	Poor	Failure	Mean	Std. Dev.
Winning fair pay increases	4%	44%	45%	7%	0%	2.56	.69
Being open and accountable to its members	0%	15%	62%	23%	0%	3.08	.61
Working with management to improve quality of services	4%	21%	48%	27%	0%	2.98	.80
Improving the working conditions of members	3%	36%	33%	20%	8%	2.93	1.00
Making work interesting and enjoyable	4%	27%	37%	28%	4%	3.01	.93
Protecting workers against unfair treatment	3%	30%	35%	24%	8%	3.04	1.00
What is your opinion on the level and contribution of trade unions through collective bargaining in your organization	0%	11%	60%	13%	16%	3.34	.88

Most of the respondents rated performance of the union as fair; winning fair pay increases (45%), being open and accountable to its members (62%), working with management to improve quality of services (48%), improving the working conditions of members (33%), making work interesting and enjoyable (37%), protecting workers against unfair treatment (35%) and what is your opinion on the level and contribution of trade unions through collective bargaining in your organization (60%).

#### **4.6 Moderating effect of leadership styles**

The fifth objective of this study was to determine the moderating effect of leadership styles on the relationship between employee and organizational performance in the healthcare institutions in Kenya. This was achieved through exploration of the various factors identified through literature review and which were then presented to the respondents for confirmation of their relevance of predicting effects of employee participation on organizational performance in this particular study context.

In order to explore the leadership styles, ten statements on five point likert scale were used to assess the employee participation. The responses are shown in table 4.10.

**Table 4.10: Leadership Styles**

	SD	D	N	A	SA	Mean	Std. Dev.
My leader clarifies work expectations and standards to be achieved by employees monitor performance and take corrective action, (management by exception- active)	4%	20%	73%	4%	0%	2.76	.58
Our leaders provide rewards only when they believe employees have performed adequately and or try hard enough (contingent reward)	4%	32%	50%	15%	0%	2.75	.75
My leader specifies work standards of performance, monitor for compliance and corrective action (management by exception- active)	4%	21%	49%	26%	0%	2.98	.79
Our leaders ensure employees have the resources they need to do their work but does not monitor performance, only wait for mistakes and then act, (Management by exception- passive)	0%	30%	66%	4%	0%	2.74	.52
Our leaders use conventional reward and punishment to gain compliance from employees, (Contingent reward)	4%	28%	53%	15%	0%	2.79	.73
My leader does not pay greater attention to each individual's need for achievement and growth,( individualized consideration)	11%	29%	30%	31%	0%	2.81	.99
My leader is not a role model who is respected and trusted by employees,( idealized influence)	11%	35%	39%	15%	0%	2.57	.88
Leaders in my organization seek employee opinion when solving work related problems, (individualized consideration)	8%	39%	42%	11%	0%	2.55	.79
Our leader encourages the employees to be innovative and creative in their areas of work, (intellectual stimulation)	4%	15%	48%	33%	0%	3.10	.79
Leaders in my organization demonstrate teamwork and commitment to goals and shared vision,( intellectual stimulation)	11%	22%	34%	26%	7%	2.96	1.11

Most of the respondents disagreed with the statements that; my leader clarifies work expectations and standards to be achieved by employees monitor performance and take corrective action, management by exception- active (96%); our leaders provide rewards only when they believe employees have performed adequately and or try hard enough contingent reward (85%); my leader specifies work standards of performance, monitor for compliance and corrective action management by exception- active (74%); our leaders ensure employees have the resources they need to do their work but does not monitor performance, only wait for mistakes and then act, management by exception-passive (96%); our leaders use conventional reward and punishment to gain compliance from employees, contingent reward (85%); my leader does not pay greater attention to each individual's need for achievement and growth, individualized consideration (69%); my leader is not a role model who is respected and trusted by employees, idealized influence (85%); leaders in my organization seek employee opinion when solving work related problems, individualized consideration (89%); our leader encourages the employees to be innovative and creative in their areas of work, intellectual stimulation (67%) and leaders in my organization demonstrate teamwork and commitment to goals and shared vision, intellectual stimulation (66%).

#### **4.7 Organization Performance**

Twenty two statements were used to evaluate organization performance which was measured through employee Job satisfaction and Service quality. The responses are shown in table 4.11.

**Table 4.11: Organizational Performance**

	SD	D	N	A	SA	Mean	Std. Dev.
I understand the long term plan of the hospital	4%	12%	30%	42%	12%	3.47	.98
I am dissatisfied with working environment of the hospital	8%	68%	19%	4%	0%	2.19	.63
I feel part of a team working towards shared goals	5%	7%	31%	43%	14%	3.54	.98
I like and enjoy the type of work I do	4%	12%	20%	55%	9%	3.52	.97
I am not satisfied with how the hospital handle staff complaints	9%	38%	38%	12%	3%	2.63	.93
I am not satisfied with how the hospital handle staff complaints	9%	38%	38%	12%	3%	2.63	.93
I am not able to produce quality work as specified in the organization goals	13%	35%	48%	4%	0%	2.43	.77
If I do good work I can count on being promoted	4%	4%	46%	46%	0%	3.33	.75
I am satisfied with the opportunities for professional improvement at the hospital	0%	46%	29%	26%	0%	2.80	.82
I am not satisfied with the flexibility of work in the hospital	9%	29%	31%	32%	0%	2.85	.97
I am given enough recognition by management for work that is well done	4%	21%	45%	30%	0%	3.00	.83
Communication system is informative and provide immediate feedback	5%	25%	58%	12%	0%	2.78	.72
I would not recommend employment at this hospital to my friend	39%	31%	17%	12%	0%	2.03	1.03
I am provided enough information by the hospital to do my job well	0%	20%	43%	37%	0%	3.17	.74
My hospital has up to date equipment and facilities	7%	31%	29%	24%	8%	2.95	1.08
The physical facilities such as bathrooms and rooms are always clean	4%	10%	25%	61%	0%	3.43	.83
I am able to serve my customers on time	0%	19%	21%	38%	22%	3.63	1.03
Employees do not keep patients' records accurately	19%	37%	20%	15%	8%	2.55	1.19
Patients feel safe in transaction with hospital employees	0%	0%	41%	45%	13%	3.72	.68
Employees of the hospital explain customers' questions appropriately about hospital procedures	4%	4%	51%	29%	12%	3.40	.90
Treatment is explained to the patients very clearly	0%	29%	32%	28%	12%	3.23	.99
Employees are not polite during admission procedures	35%	37%	15%	12%	0%	2.04	1.00
I pay personal attention to all patients equally irrespective of their status (Empathy)	0%	8%	14%	27%	51%	4.20	.97

Most of the respondents agreed that; they understand the long term plan of the hospital (54%); they feel part of a team working towards shared goals (57%); they like and enjoy the type of work they do (64%); they are able to serve customers on time (60%); Patients feel safe in transaction with hospital employees (58%) and they pay personal attention to all patients equally irrespective of their status (78%). The highest mean value of 4.20 shows that employees are empathetic to patients and the lowest mean value of 2.03 with highest deviation of 1.03 showing that most employee would recommend employment at the hospital to a friend.

#### **4.8 Discussions of the findings**

The study also sought to establish the nature of associations between the variables captured in the conceptual model. The initial variable relationships were established through correlations analysis while detailed factor commonalities and groupings were then determined through factor analysis procedures. After correlations and factor analysis, the variables were then tested for relationships with the outcome variable through linear regression modelling. The goal of factor analysis is to reduce the dimensionality of the original space and to give an interpretation to the new space, spanned by a reduced number of factors (Darlington, 2004). The starting point of factor analysis is a correlation matrix, in which the intercorrelations between the studied variables are examined.

#### **4.8.1 Data Diagnostic Tests and Clean up Procedures before Factor Analysis**

The dimensionality of a correlation matrix can be reduced by “looking for variables that correlate very badly with most of other variables” Forth (2008) so that they are compressed. First, Kaiser-Meyer-Olkin measure of sampling adequacy (KMO-test) is important in checking whether the sample is big enough to be allowed to proceed with the factor analysis test. A sample is deemed adequate for factor analysis if the value of KMO is greater than 0.5. KMO-test therefore assesses sampling adequacy and evaluates the correlations and partial correlations to determine if the data are likely to coalesce on factors (some items highly correlated, some not).

In conjunction with KMO-test, Bartlett’s test of sphericity is also used to check for intercorrelation by testing the null hypothesis that “the original correlation matrix is an identity matrix” Forth (2008)). The Bartlett's test evaluates whether or not the present correlation matrix is an identity matrix (1 on the diagonal & 0 on the off diagonal). This test has to be significant, such that when the correlation matrix is an identity matrix, there would be no correlations between the variables. Guttman-Kaiser rule is then applied in retaining only the factors whose eigenvalues are larger than 1 and in total accounted for over 0.5 of the variance (Field, 2000). Therefore, items with variance loadings of over 0.6 are normally retained for further analysis while those with below the figure are discarded at that stage as recommended by Ravenswood, (2011).

#### 4.8.2 Correlations analysis for the employee participation through consultation

For the employee participation through consultation factor, results from correlations showed that all of the ten items correlated well with most of other items. Therefore, all were used in running the variable's factor analysis. The results are as shown in table 4.12.

**Table 4.12: Correlations Analysis for employee participation through consultation (N=343)**

	BA1.1	BA1.2	BA1.3	BA1.4	BA1.5	BA1.6	BA1.7	BA1.8	BA1.9	BA1.10
BA1.1	1									
BA1.2	.620**	1								
BA1.3	.626**	.581**	1							
BA1.4	.602**	.551**	.514**	1						
BA1.5	.374**	.113*	.378**	.432**	1					
BA1.6	.294**	.293**	.380**	.245**	.405**	1				
BA1.7	.239**	.206**	.225**	.336**	.280**	.093	1			
BA1.8	.273**	.238**	.197**	.151**	.304**	.483**	.262**	1		
BA1.9	.511**	.530**	.375**	.526**	.322**	.207**	.388**	.349**	1	
BA1.10	.255**	.254**	.143**	.261**	-.018	.133*	.359**	.038	.433**	1

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

\* . Correlation is significant at the 0.05 level (2-tailed).

### **Tests for Sampling Adequacy and Sphericity for the Consultation Factors**

Table 4.13 below shows results of test assumptions that the Kaiser-Meyer-Olking (KMO) statistic should be greater than 0.500 and the Bartlett's test should be significant ( $p < .05$ ).

**Table 4.13: KMO and Bartlett's Test for Consultation Factors**

---

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.588
Bartlett's Test of Sphericity	Approx. Chi-Square	1.4433
	Df	45
	Sig.	.000

---

As shown in table 4.13, the Kaiser-Meyer-Olkin of sampling adequacy is above the threshold of 0.5 (KMO=0.588) meaning that the sample size is adequate for the variables entered into analysis. The Bartlett's Test of Sphericity is also significant ( $\chi^2=1443$ ,  $df=45$ ,  $P<0.001$ ) confirming that factor analysis using principal component was relevant for the data set and there were some relationships between the variables. This clears the data for further inferential tests.

### Factor Analysis for the Consultation Factors

Table 4.14 shows the eigenvalues associated with each linear component before extraction and after extraction. In the end, the system retained all the items within one significant factor considered to significantly affect employee participation through consultation. Table 4.14 shows that with only three factors extracted, there was rotation conducted. The extracted components had accumulated Eigenvalue accounting for 68.823% of the variance explained. This figure being above the threshold of 50%, it indicates that the three-component factor model derived from the analysis fitted the data appropriately.

**Table 4.14: Total Variance Explained for Consultation Factors**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
<b>1</b>	4.261	42.612	42.612	4.261	42.612	42.612	3.228	32.276	<b>32.276</b>
<b>2</b>	1.457	14.571	57.184	1.457	14.571	57.184	1.974	19.740	<b>52.016</b>
<b>3</b>	1.164	11.640	68.823	1.164	11.640	68.823	1.681	16.808	<b>68.823</b>
<b>4</b>	.796	7.955	76.778						
<b>5</b>	.695	6.953	83.732						
<b>6</b>	.534	5.345	89.077						
<b>7</b>	.407	4.066	93.143						
<b>8</b>	.331	3.306	96.449						
<b>9</b>	.271	2.711	99.160						
<b>10</b>	.084	.840	100.000						

**Extraction Method: Principal Component Analysis.**

Items loading greater than 0.6 for each component combined to form the two principal components and the variables that clustered into each are shown in table 4.15. Therefore, only nine items were used in further analysis.

**Table 4.15: Consultation Factors Rotated Component Matrix<sup>a</sup>**

	Component		
	1	2	3
BA1.1	.818	.187	.201
BA1.2	.861	.100	.030
BA1.3	.738	.356	-.043
BA1.4	.742	.147	.268
BA1.5	.172	.656	.414
BA1.6	.300	.734	-.114
BA1.7	.017	.220	.856
BA1.8	.130	.784	.152
BA1.9	.656	.123	.623
BA1.10	.393	-.364	.488

**Extraction Method: Principal Component Analysis.**

**Rotation Method: Varimax with Kaiser Normalization.**

**a. Rotation converged in 7 iterations.**

#### **4.8.3 Correlations analysis for the employee participation through delegation**

Correlation was first done on all the data items under delegation factors and only those that significantly correlated to each other were further reduced into few principal components. Table 4.16 shows results of correlations contingency table with most of the eight items correlated with most of other items measuring delegation and therefore all were used in running factor analysis.

**Table 4.16: Correlations for employee participation through delegation**

	BB1.1	BB1.2	BB1.3	BB1.4	BB1.5	BB1.6	BB1.7	BB1.8
BB1.1								
BB1.2	.711**							
BB1.3	.449**	.546**						
BB1.4	.344**	.525**	.589**					
BB1.5	.329**	.444**	.352**	.442**				
BB1.6	.239**	.232**	.184**	.236**	.416**			
BB1.7	-.035	.178**	.411**	.497**	.169**	.345**		
BB1.8	.399**	.497**	.206**	.197**	.346**	.299**	.214**	1

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

### **Sampling Adequacy and Sphericity Tests for the Delegation Factors**

Table 4.17 shows results of test assumptions that the Kaiser-Meyer-Olking (KMO) statistic should be greater than 0.500 and the Bartlett's test should be significant ( $p < .05$ ). As shown, the Kaiser-Meyer-Olkin of sampling adequacy is above the threshold of 0.5 (KMO=0.721) indicating that the sample size was adequate for the variables entered into analysis. The Bartlett's Test of Sphericity was significant ( $\chi^2=1055$ ,  $df=28$ ,  $P<0.001$ ) showing that factor analysis using principal component was relevant for the data set and there were some relationships between the variables.

**Table 4.17: KMO and Bartlett's Test for Delegation Factors**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.721
Bartlett's Test of Sphericity	Approx. Chi-Square	1.055E3
	Df	28
	Sig.	.000

**Factor Analysis Results for the User Satisfaction Factors**

Table 4.18 below shows the eigenvalues associated with each linear component before extraction, after extraction and after rotation. The rotations converged in eight iterations with three significant components with Eigen values accounting for 72.783% of the variance explained. Being above the threshold of 50% it indicated that the three-component factor model derived fitted the data appropriately.

**Table 4.18: Total Variance Explained for Delegation Factors**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.513	43.915	43.915	3.513	43.915	43.915	2.220	27.750	27.750
2	1.269	15.861	59.777	1.269	15.861	59.777	1.982	24.769	52.520
3	1.041	13.007	72.783	1.041	13.007	72.783	1.621	20.264	72.783
4	.726	9.077	81.860						
5	.578	7.228	89.089						
6	.389	4.860	93.948						
7	.255	3.183	97.132						
8	.229	2.868	100.000						
Extraction Method: Principal Component Analysis.									

Items loading greater than 0.5 for each component combined to form the three principal components and the variables that clustered into each are shown in table 4.18. Therefore, only seven items with factor loading above 0.6 were retained for use in further analysis.

**Table 4.19: Rotated Component Matrix<sup>a</sup> for Delegation Factors**

	Component		
	1	2	3
BB1.1	.878	.061	.155
BB1.2	.829	.302	.214
BB1.3	.487	.721	-.010
BB1.4	.344	.794	.119
BB1.5	.375	.248	.571
BB1.6	-.008	.181	.850
BB1.7	-.224	.800	.339
BB1.8	.464	-.028	.611

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

#### **4.8.4 Correlations analysis for the employee participation through joint decision making**

A correlation was first done on all the data items under joint decision making factors and only those that significantly correlated to each other were further reduced into few principal components. Results from correlations showed that most of the eight

items correlated well with most of other items which were all reserved for use in running the factor analysis.

**Table 4.20: Correlations for joint decision making**

	C1.1	C1.2	C1.3	C1.4	C1.5	C1.6	C1.7	C1.8
C1.1								
C1.2	.409**							
C1.3	.459**	.531**						
C1.4	.168**	.402**	.567**					
C1.5	.486**	.407**	.373**	.040				
C1.6	.269**	.343**	.359**	.124*	.491**			
C1.7	-.114*	.441**	.121*	.441**	.020	.173**		
C1.8	.064	.116*	.143*	-.017	.204**	.240**	.365**	

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

### **Sampling Adequacy and Sphericity Tests for the joint decision making**

Table 4.21 shows results of to test assumptions that the Kaiser-Meyer-Olking (KMO) statistic should be greater than 0.500 and the Bartlett's test should be significant (e.g.  $p < .05$ ). As shown, the Kaiser-Meyer-Olkin of sampling adequacy is above the threshold of 0.5 (KMO=0.593) indicating that the sample size was adequate for the variables entered into analysis. The Bartlett's Test of Sphericity was significant ( $\chi^2=860.846$ ,  $df=28$ ,  $P<0.001$ ) showing that factor analysis using principal component was relevant for the data set and there were some relationships between the variables.

**Table 4.21: KMO and Bartlett's Test for joint decision making**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.593
Bartlett's Test of Sphericity	Approx. Chi-Square	860.846
	Df	28
	Sig.	.000

**Factor Analysis Results for the joint decision making**

The rotations converged in eight iterations with three significant components with Eigenvalues accounting for 71.463% of the variance explained. Being above the threshold of 50% it indicated that the three-component factor model derived fitted the data appropriately.

**Table 4.22 Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.016	37.702	37.702	3.016	37.702	37.702	2.236	27.947	27.947
2	1.480	18.498	56.200	1.480	18.498	56.200	2.044	25.546	53.493
3	1.221	15.263	71.463	1.221	15.263	71.463	1.438	17.970	71.463
4	.691	8.640	80.103						
5	.630	7.874	87.977						
6	.397	4.968	92.945						
7	.381	4.764	97.709						
8	.183	2.291	100.000						

Extraction Method: Principal Component Analysis.

Items loading greater than 0.6 for each component combined to form the three principal components and the variables that clustered into each are shown in table 4.23. Therefore, the eight items were used in further analysis.

**Table 4.23: Rotated Component Matrix<sup>a</sup> for joint decision making**

	Component		
	1	2	3
C1.1	.765	.199	-.218
C1.2	.438	.646	.204
C1.3	.536	.656	-.051
C1.4	-.015	.906	-.015
C1.5	.838	.018	.177
C1.6	.626	.086	.396
C1.7	-.207	.568	.691
C1.8	.182	-.070	.824

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 7 iterations.

#### **4.8.5 Correlations analysis for the employee participation through collective bargaining/ trade unions**

A correlation was first done on all the data items under employee participation through collective bargaining/ trade unions factors and only those that significantly correlated to each other were further reduced into few principal components. Results from correlations in table 4.24 showed that most of the ten items correlated well with most of other items which were all reserved for use in running the factor analysis.

**Table 4.24: Correlations for collective bargaining/ trade unions**

	D2.1	D2.2	D2.3	D2.4	D2.5	D2.6	D2.7	D2.8	D2.9	D2.10
D2.1										
D2.2	.409**									
D2.3	.500**	.386**								
D2.4	.386**	.183**	.313**							
D2.5	.441**	.377**	.312**	.346**						
D2.6	.542**	.411**	.407**	.433**	.158**					
D2.7	.424**	.469**	.222**	.340**	.217**	.482**				
D2.8	.104	.207**	-.066	.391**	-.040	.257**	.248**			
D2.9	-.063	.060	-.256**	-.203**	.202**	-.161**	.123*	-.232**		
D2.10	.261**	.311**	.314**	.027	.172**	.323**	-.136*	.349**	-.289**	

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

\* . Correlation is significant at the 0.05 level (2-tailed).

### **Sampling Adequacy and Sphericity Tests for the Organizational Factors**

Table 4.25 shows results of to test assumptions that the Kaiser-Meyer-Olking (KMO) statistic should be greater than 0.500 and the Bartlett's test should be significant (e.g.  $p < .05$ ). As shown, the Kaiser-Meyer-Olkin of sampling adequacy is above the threshold of 0.5 (KMO=0.593) indicating that the sample size was adequate for the variables entered into analysis. The Bartlett's Test of Sphericity was significant ( $\chi^2=881.361$ ,  $df=45$ ,  $P<0.001$ ) showing that factor analysis using principal

component was relevant for the data set and there were some relationships between the variables.

**Table 4.25: KMO and Bartlett's Test for collective bargaining/ trade unions**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.593
Bartlett's Test of Sphericity	Approx. Chi-Square	881.361
	Df	45
	Sig.	.000

In table 4.26 the rotations converged in ten iterations with three significant components with Eigenvalues accounting for 70.653% of the variance explained. Being above the threshold of 50% it indicated that the three-component factor model derived fitted the data appropriately.

**Table 4.26: Total Variance Explained for collective bargaining/ trade unions**

---

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of	Cumulative	Total	% of	Cumulative	Total	% of	Cumulative
		Variance	%		Variance	%		Variance	%
1	3.138	31.376	31.376	3.138	31.376	31.376	2.096	20.956	20.956
2	1.649	16.486	47.862	1.649	16.486	47.862	1.778	17.782	38.738
3	1.218	12.177	60.039	1.218	12.177	60.039	1.612	16.117	54.854
4	1.061	10.615	70.653	1.061	10.615	70.653	1.580	15.799	70.653
5	.874	8.735	79.389						
6	.641	6.411	85.800						
7	.481	4.808	90.607						
8	.379	3.789	94.397						
9	.343	3.432	97.829						
10	.217	2.171	100.000						

---

Extraction Method: Principal Component Analysis.

---

Items loading greater than 0.6 for each component combined to form the four principal components and the variables that clustered into each are shown in table 4.27. Four items with loading less than 0.6 were eliminated from further analysis.

**Table 4.27: Rotated Component Matrix collective bargaining/ trade unions**

	Component			
	1	2	3	4
D2.1	.677	.338	.215	.133
D2.2	.294	.590	-.095	.521
D2.3	.852	-.037	.059	.150
D2.4	.276	.140	.818	-.126
D2.5	.486	.597	.080	.021
D2.6	.461	.194	.394	.303
D2.7	.066	.724	.315	-.049
D2.8	-.402	.084	.617	.576
D2.9	-.247	.595	-.492	-.287
D2.10	.271	-.124	-.004	.863

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 13 iterations.

---

#### **4.8.6 Correlations analysis for leadership styles**

A correlation was first done on all the data items under leadership styles factors and only those that significantly correlated to each other were further reduced into few principal components. Results from correlations in table 4.28 showed that most of the eight items correlated well with most of other items which were all reserved for use in running the factor analysis.

**Table 4.28: Correlations for leadership styles**

	E1.1	E1.2	E1.3	E1.4	E1.5	E1.6	E1.7	E1.8	E1.9	E1.10
E1.1										
E1.2	.228**									
E1.3	.494**	.251**								
E1.4	.184**	.211**	.086							
E1.5	.355**	.461**	.374**	.074						
E1.6	.249**	.200**	.152**	.098	.028					
E1.7	.038	.316**	.188**	.291**	.340**	-.156**				
E1.8	-.057	.370**	-.127*	-.032	-.015	.481**	-.026			
E1.9	.215**	-.096	.014	-.104	-.038	.213**	-.163**	.004		
E1.10	.278**	.335**	.337**	.249**	.320**	.269**	.235**	.096	.518**	

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

\* . Correlation is significant at the 0.05 level (2-tailed).

### **Sampling Adequacy and Sphericity Tests for leadership styles**

Table 4.29 show results of test assumptions that the Kaiser-Meyer-Olking (KMO) statistic should be greater than 0.500 and the Bartlett's test should be significant (e.g.  $p < .05$ ). As shown, the Kaiser-Meyer-Olkin of sampling adequacy is above the threshold of 0.5 (KMO=0.563) indicating that the sample size was adequate for the variables entered into analysis. The Bartlett's Test of Sphericity was significant ( $\chi^2=781.562$ ,  $df=45$ ,  $P<0.001$ ) showing that factor analysis using principal

component was relevant for the data set and there were some relationships between the variables.

**Table 4.29: KMO and Bartlett's Test for leadership styles**

---

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.563
Bartlett's Test of Sphericity	Approx. Chi-Square	781.562
	Df	45
	Sig.	.000

---

The rotations converged in ten iterations with four significant components with Eigenvalues accounting for 69.629% of the variance explained. Being above the threshold of 50% it indicated that the four-component factor model derived fitted the data appropriately.

**Table 4.30: Total Variance Explained for leadership styles**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total Variance	% of Total Variance	Cumulative %	Total Variance	% of Total Variance	Cumulative %	Total Variance	% of Total Variance	Cumulative %
1	2.791	27.913	27.913	2.791	27.913	27.913	2.036	20.360	20.360
2	1.627	16.268	44.182	1.627	16.268	44.182	1.696	16.964	37.323
3	1.473	14.730	58.912	1.473	14.730	58.912	1.679	16.786	54.109
4	1.072	10.717	69.629	1.072	10.717	69.629	1.552	15.520	69.629
5	.946	9.462	79.091						
6	.591	5.915	85.006						
7	.490	4.898	89.904						
8	.469	4.694	94.598						
9	.313	3.134	97.733						
10	.227	2.267	100.000						
Extraction Method:	Principal Component Analysis.		Principal						

Items loading greater than 0.6 for each component combined to form the four principal components and the variables that clustered into each are shown in table 4.30. One item with loading less than 0.6 was eliminated from further analysis.

**Table 4.31: Rotated Component Matrix<sup>a</sup> for leadership styles**

	Component			
	1	2	3	4
E1.1	.767	.052	-.053	.249
E1.2	.384	.528	.498	-.137
E1.3	.827	-.051	.055	.056
E1.4	.870	.013	.669	.135
E1.5	.675	.098	.338	-.066
E1.6	.178	.746	-.150	.283
E1.7	.140	-.095	.805	-.114
E1.8	-.155	.896	.034	-.060
E1.9	.018	.000	-.136	.907
E1.10	.293	.184	.416	.725

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

#### **4.8.7 Correlations analysis for organizational performance**

A correlation was first done on all the data items under organizational performance factors and only those that significantly correlated to each other were further reduced into few principal components. Results from correlations showed that half of the 22 items correlated well with most of other items which were reserved for use in running the factor analysis.

### **Sampling Adequacy and Sphericity Tests for organizational performance**

Table 4.32 below shows results of test assumptions that the Kaiser-Meyer-Olking (KMO) statistic should be greater than 0.500 and the Bartlett's test should be significant (e.g.  $p < .05$ ). As shown, the Kaiser-Meyer-Olkin of sampling adequacy is above the threshold of 0.5 (KMO=0.508) indicating that the sample size was adequate for the variables entered into analysis. The Bartlett's Test of Sphericity was significant ( $\chi^2=1191$ ,  $df=55$ ,  $P<0.001$ ) showing that factor analysis using principal component was relevant for the data set and there were some relationships between the variables.

**Table 4.32: KMO and Bartlett's Test for organizational performance**

<b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</b>		<b>.508</b>
<b>Bartlett's Test of Sphericity</b>	Approx. Chi-Square	<b>1.1913</b>
	Df	<b>55</b>
	Sig.	<b>.000</b>

The rotations converged in eleven iterations with four significant components with Eigenvalues accounting for 71.337% of the variance explained. Being above the threshold of 50% it indicated that the four-component factor model derived fitted the data appropriately.

Items loading greater than 0.6 for each component combined to form the four principal components and the variables that clustered into each are shown in table 4.33 items with loading less than 0.6 was eliminated from further analysis.

**Table 4.33: Total Variance Explained for organizational performance**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
<b>1</b>	3.261	29.644	29.644	3.261	29.644	29.644	2.814	25.582	<b>25.582</b>
<b>2</b>	2.110	19.180	48.824	2.110	19.180	48.824	2.036	18.512	<b>44.094</b>
<b>3</b>	1.454	13.220	62.044	1.454	13.220	62.044	1.675	15.224	<b>59.318</b>
<b>4</b>	1.022	9.294	71.337	1.022	9.294	71.337	1.322	12.020	<b>71.337</b>
<b>5</b>	.876	7.968	79.305						
<b>6</b>	.821	7.464	86.769						
<b>7</b>	.517	4.699	91.468						
<b>8</b>	.383	3.485	94.953						
<b>9</b>	.285	2.594	97.547						
<b>10</b>	.200	1.816	99.363						
<b>11</b>	.070	.637	100.000						

**Extraction Method: Principal Component Analysis.**

**Table 4.34: Rotated Component Matrix<sup>a</sup> for organizational performance**

F1.3	Component			
	1	2	3	4
F1.1	.760	.127	-.124	.282
F1.2	-.421	-.293	.170	.435
F1.4	.376	.838	-.187	-.081
F1.6	.206	-.019	.843	.223
F1.7	.854	-.120	-.027	-.033
F1.8	.079	.073	.839	.278
F1.15	.588	-.080	-.088	.054
F1.18	-.205	.595	.391	.006
F1.19	.857	.194	.043	.099
F1.22	.108	-.029	.098	.943

**Extraction Method: Principal Component Analysis.**

**Rotation Method: Varimax with Kaiser Normalization.**

**a. Rotation converged in 5 iterations.**

#### **4.9 Diagnostic Analysis for the Resultant Variables before Regression Analysis**

Table 4.34 shows the results of some important preliminary tests for the new principal components formed out of factor analysis stage. The principal components that were observed to explain most of the variation and had internal consistency from factor analysis were averaged to form resultant six individual variables useful in regression analysis.

During the averaging procedure, the mean score ranged from a high of 3.3736 for Consultation Factors to a low of 2.8047 for Leadership Styles. In all the variables, the standard deviation was close to zero meaning that most data values of all the variables were close to the mean. The ranges of twice the standard error (SE) of

skewness of the variables were:  $X_1 = \pm 0.264$ ;  $X_2 = \pm 0.264$ ;  $X_3 = \pm 0.616$ ;  $X_4 = 276$ ;  $W = \pm .280$  and  $Y = +292$ . The computed skewness value for Consultation factors ( $X_1$ ) was 0.117. Since this value is within the range of twice the SE of  $X_1$ , this indicates that  $X_1$  values were not skewed. This emerged to be the cases for Delegation factors ( $X_2$ ), Joint Decision Making factors ( $X_3$ ), Employee Participation factors ( $X_4$ ), Leadership Styles factors ( $W$ ) and Organizational Performance ( $Y$ ) also confirming that the values of skewness fell within the ranges of twice their Standard errors, meaning that their data distributions were generally normal. Since the computed Kurtosi values for  $X_1$ ,  $X_2$ ,  $X_3$ ,  $X_4$  and  $Y$  were within the range of twice the standard error of Kurtosi and close to zero, this also indicates that the distribution of the variables was nearly normal in terms of peakedness.

**Table 4.35: Descriptive Statistics for resultant variables**

	N	Minimum	Maximum	Mean	Std.	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Deviation	Statistic	Std.	Statistic	Std. Error
							Error		
Consultation ( $X_1$ )	343	2.10	4.33	3.374	.5490	.117	.132	.566	.263
Delegation ( $X_2$ )	343	2.12	4.62	3.313	.5462	.209	.132	.405	.263
Joint Decision Making ( $X_3$ )	343	1.88	4.38	2.905	.5594	.206	.134	.308	.267
Employee Participation ( $X_4$ )	343	2.20	4.11	3.0674	.4401	.130	.138	-.008	.275
Leadership Styles ( $W$ )	343	1.70	3.40	2.805	.4061	.198	.140	.475	.280
Organizational Performance ( $Y$ )	343	2.59	4.00	3.076	.2807	.183	.146	.581	.290

#### 4.10 Correlation Analysis

Pearson product-moment correlation analysis was used to establish linear relationship between the independent variables and the dependent variable. The correlation coefficient ranges between -1 to +1. A coefficient of +1.0 means that there is perfect positive correlation between the variables indicating that increase in independent variable will result to an increase in dependent variable by the same measure. A coefficient of -1.0 means that there is perfect negative correlation between the variables indicating that increase in independent variable will result to decrease in dependent variable by the same measure. A coefficient of zero means there is no relationship between the two items and that a change in the independent item will have no effect in the dependent item.

**Table 4.36: Correlations analysis between independent variables and dependent variable**

	Consultation	Delegation	Joint Decision Making	Employee Participation	Leadership Styles	Organizational Performance
Consultation						
Delegation	.392**					
Joint Decision Making	.332**	.328**				
Employee Participation	.277**	.296**	.147*			
Leadership Styles	.230**	.546**	-.174**	.431**		
Organizational Performance	.278**	.586**	.402**	.475**	.225**	1

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

\* . Correlation is significant at the 0.05 level (2-tailed).

Table 4.36 show that there is a significant positive association between Organizational Performance and Consultation as shown by a correlation coefficient of 0.392. There is a significant positive relationship between Organizational Performance and Delegation with a correlation coefficient of 0.586. There is a significant positive relationship between Organizational Performance and Joint Decision Making with a correlation coefficient of 0.402. There is a significant positive relationship between Organizational Performance and Employee Participation with a correlation coefficient of 0.475.

#### 4.11 Univariate analysis

##### 4.11.1 Relationship between Consultation (X<sub>1</sub>) and Organizational Performance (Y)

Linear Regression analysis was employed to predict Organisational Performance from Consultation. Model summary shows the coefficient of determination (R<sup>2</sup>) which tells us the percentage of the variation in Organisational Performance explained by the model.

**Table 4.37: Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.278 <sup>a</sup>	.077	.074	.27013	.077	23.214	1	278	.000	1.509

a. Predictors: (Constant), Consultation

b. Dependent Variable: Organizational Performance

From the results shown in table 4.37, the regression model containing Consultation as the independent variable explains 7.7% of the variation in Organisational

Performance. The value of  $R^2 = 0.077$  shows that consultation is not a good predictor of organizational performance. The size of Durbin Watson statistic which depends on the number of predictors and number of observation, as conservative rule of thumb, values less than 1 or greater than 3 are definitely cause for concern. Durbin-Watson value of 1.509 indicates that the model did not suffer significantly from autocorrelation.

**Table 4.38: ANOVA<sup>b</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.694	1	1.694	23.214	.000 <sup>a</sup>
	Residual	20.286	278	.073		
	Total	21.980	279			

a. Predictors: (Constant), Consultation

b. Dependent Variable: Organizational Performance

The table 4.38 displays ANOVA results that test the significance of the  $R^2$  for the model. An F statistics of 23.214 with a p-value less than the conventional 0.05 indicates that the overall model was significant at 95% confidence level. Thus, employee consultation has a significant impact on performance of government health care institutions.

**Table 4.39: Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	2.574	.105		24.441	.000		
Consultation	.147	.030	.278	4.818	.000	1.000	1.000

a. Dependent Variable: Organizational Performance

Table 4.39 of coefficients presents the unstandardized and standardized coefficients of the model, the t statistic for each coefficient and the associated p-values. The predictor variable had significant positive relationship with Organisational Performance. The findings confirm that there is a statistically significant influence of Consultation on Organisational Performance. This implies that an increase in Consultation leads to an increase in Organisational Performance as demonstrated by the equation below.

$$\text{Organisational Performance} = 2.574 + .147\text{Consultation}$$

#### **4.11.2 Relationship between Delegation (X<sub>2</sub>) and Organizational Performance (Y)**

Linear Regression analysis was employed to predict Organisational Performance from Delegation. Model summary shows the coefficient of determination (R<sup>2</sup>) which tells us the percentage of the variation in Organisational Performance explained by the model.

**Table 4.40: Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	Sig. F Change	df1	df2	Durbin-Watson
1	.586 <sup>a</sup>	.344	.341	.22783	.344	145.460	1	278	.000	2.019

a. Predictors: (Constant), Delegation

b. Dependent Variable: Organizational Performance

The  $R^2$  statistic in Table 4.40 indicates that the regression model as that the containing Delegation as the independent variable explains 34.4 per cent of the total variability in Organisational Performance. The value of  $R^2 = .344$  shows that delegation is a good predictor of performance of government health care institutions. Durbin-Watson value of 2.019 indicates that the model did not suffer significantly from autocorrelation.

**Table 4.41: ANOVA<sup>b</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7.550	1	7.550	145.460	.000 <sup>a</sup>
	Residual	14.430	278	.052		
	Total	21.980	279			

a. Predictors: (Constant), Delegation

b. Dependent Variable: Organizational Performance

Table 4.41 shows ANOVA results that test the significance of the  $R^2$  for the model. An F statistics of 145.460 with a p-value less than the conventional 0.05 indicates a statistically significant relationship between the variables at 95% confidence level.

Therefore the null hypothesis that there is no significant influence of delegation on organizational performance is rejected. Thus employee delegation has a significant influence on organizational performance.

**Table 4.42: Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	2.076	.084		24.712	.000		
Delegation	.302	.025	.586	12.061	.000	1.000	1.000

a. Dependent Variable: Organizational Performance

Table 4.42 of coefficients presents the unstandardized and standardized coefficients of the model, the t statistic for each coefficient and the associated p-values. The standardized coefficients (Beta) value in table 4.40 revealed that the independent variable (delegation) had a statistically significant influence on Organisational Performance. This implies that an increase in Delegation leads to an increase in Organisational Performance as demonstrated by the equation below.

$$\text{Organisational Performance} = 2.076 + .302 \text{ Delegation}$$

### 4.11.3 Relationship between Joint Decision Making (X<sub>3</sub>) and Organizational Performance (Y)

Linear Regression analysis was employed to predict Organisational Performance from Joint Decision Making. Model summary shows the coefficient of determination (R<sup>2</sup>) which tells us the percentage of the variation in Organisational Performance explained by the model.

**Table 4.43: Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				Durbin-Watson
					R Square Change	F Change	Sig. F Change	df1 df2	
1	.402 <sup>a</sup>	.161	.158	.26199	.161	51.357	.000	1 267	1.779

a. Predictors: (Constant), Joint Decision Making

b. Dependent Variable: Organizational Performance

From the results of the table below, the regression model containing Joint Decision Making as the independent variable explains 16.1% of the variation in Organisational Performance. Durbin-Watson value of 1.779 indicates that the model did not suffer significantly from autocorrelation.

**Table 4.44: ANOVA<sup>b</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.525	1	3.525	51.357	.000 <sup>a</sup>
	Residual	18.326	267	.069		
	Total	21.851	268			

a. Predictors: (Constant), JOINT DECISION MAKING

b. Dependent Variable: Organizational Performance

Table 4.44 displays ANOVA results that test the significance of the  $R^2$  for the model. An F statistics of 51.357 with a p-value less than 0.05 indicates that the overall model was significant at 95% confidence level.

**Table 4.45: Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	2.503	.081		30.938	.000		
	Joint Decision Making	.197	.027	.402	7.166	.000	1.000	1.000

a. Dependent Variable: Organizational Performance

Table 4.45 of coefficients below presents the unstandardized and standardized coefficients of the model, the t statistic for each coefficient and the associated p-values. The predictor variable had significant positive relationship with Organisational Performance. The findings confirm that there is a statistically significant influence of Joint Decision Making on Organisational Performance. This

implies that an increase in Joint Decision Making leads to an increase in Organisational Performance as demonstrated by the equation below.

$$\text{Organisational Performance} = 2.503 + .197\text{Joint Decision Making}$$

#### 4.11.4 Relationship between Collective Bargaining/ Trade Unions (X<sub>4</sub>) and Organizational Performance (Y)

Linear Regression analysis was employed to predict Organisational Performance from collective bargaining/ trade unions.

**Table 4.46: Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.475 <sup>a</sup>	.226	.223	.24743	.226	81.029	1	278	.000	2.028

a. Predictors: (Constant), Collective Bargaining/ Trade Unions

b. Dependent Variable: Organizational Performance

From the results shown in table 4.46, the regression model containing collective bargaining/ trade unions as the independent variable explains 22.6% of the variation in Organisational Performance. Durbin-Watson value of 2.028 indicates that the model did not suffer significantly from autocorrelation.

**Table 4.47: ANOVA<sup>b</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.961	1	4.961	81.029	.000 <sup>a</sup>
	Residual	17.020	278	.061		
	Total	21.980	279			

a. Predictors: (Constant), Collective Bargaining/ Trade Unions

b. Dependent Variable: Organizational Performance

Table 4.47 displays ANOVA results that test the significance of the  $R^2$  for the model. An F statistics of 81.029 with a p-value less than the conventional 0.05 indicates that the overall model was significant at 95% confidence level.

**Table 4.48: Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	2.169	.102		21.303	.000		
	Collective Bargaining	.295	.033	.475	9.002	.000	1.000	1.000

a. Dependent Variable: Organizational Performance

Table 4.48 of coefficients presents the unstandardized and standardized coefficients of the model, the t statistic for each coefficient and the associated p-values. The predictor variable had significant positive relationship with Organisational Performance. The findings confirm that there is a statistically significant influence of Collective Bargaining on Organisational Performance. This implies that an increase

in Collective Bargaining leads to an increase in Organisational Performance as demonstrated by the equation below.

$$\text{Organisational Performance} = 2.169 + .295 \text{ Collective Bargaining}$$

#### 4.12 Multivariate analysis

##### 4.12.1 Multivariate analysis before moderation

Multivariate linear Regression analysis was employed to predict Organisational Performance from the joint contribution of Consultation, Delegation, Joint Decision Making and Collective Bargaining. Model summary shows the coefficient of determination ( $R^2$ ) which tells us the percentage of the variation in Employee performance explained by the model.

**Table 4.49: Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.761 <sup>a</sup>	.579	.573	.18662	.579	90.858	4	264	.000	2.471

a. Predictors: (Constant), Collective Bargaining/ Trade Unions, Joint Decision Making, Delegation, Consultation

b. Dependent Variable: Organizational Performance

From the results in table 4.49 the regression model containing Consultation, Delegation, Joint Decision Making and Collective Bargaining as the predictor variables explains 57.9% of the variation in Organisational Performance. The size of Durbin Watson statistic which depends on the number of predictors and number of

observation, as conservative rule of thumb, values less than 1 or greater than 3 are definitely cause for concern. Durbin-Watson value of 2.471 indicates that the model did not suffer significantly from autocorrelation.

**Table 4.50: ANOVA<sup>b</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	12.657	4	3.164	90.858	.000 <sup>a</sup>
	Residual	9.194	264	.035		
	Total	21.851	268			

a. Predictors: (Constant), Collective Bargaining/ Trade Unions, Joint Decision Making, Delegation, Consultation

b. Dependent Variable: Organizational Performance

The table 4.50 displays ANOVA results that test the significance of the R<sup>2</sup> for the model. An F statistics of 90.858 with a p-value less than the conventional 0.05 indicates that the overall model was significant at 95% confidence level.

**Table 4.51: Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	1.296	.104		12.506	.000		
	Consultation	.152	.027	.288	5.571	.000	.595	1.681
	Delegation	.282	.024	.531	11.845	.000	.794	1.260
	Joint Decision Making	.161	.022	.329	7.345	.000	.795	1.258
	Collective Bargaining/ Trade Unions	.297	.029	.453	10.248	.000	.814	1.229

a. Dependent Variable: Organizational Performance

Table 4.51 of coefficients presents the unstandardized and standardized coefficients of the model, the t statistic for each coefficient and the associated p-values. All the predictor variables had significant positive relationship with Organisational Performance. The findings confirm that there is a statistically significant influence of Consultation, Delegation, Joint Decision Making and Collective Bargaining/ Trade Unions on Organisational Performance. This implies that unit increase in each of Consultation, Delegation, Joint Decision Making and Collective Bargaining/ Trade Unions with the other variables held at constant leads to an increase in Organisational Performance as demonstrated by the equation below.

$$\text{Organisational Performance} = 1.296 + .152\text{Consultation} + .282 \text{ Delegation} + .161\text{Joint Decision Making} + .297 \text{ Collective Bargaining}$$

#### **4.12.2 Multivariate analysis with moderating effect of Leadership Styles**

Linear regression analysis was re-conducted to predict Organizational Performance with moderating effect of Leadership Styles. The independent variable for this study included; Consultation, Delegation, Joint Decision Making and Collective Bargaining/ Trade Unions.

**Table 4.52: Model Summary<sup>b</sup>**

Model	Change Statistics									
	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.762 <sup>a</sup>	.581	.575	.18952	.581	87.760	4	253	.000	
2	.779 <sup>b</sup>	.607	.599	.18395	.026	16.544	1	252	.000	2.610

a. Predictors: (Constant), Collective Bargaining/ Trade Unions, Joint Decision Making, Delegation, Consultation

b. Predictors: (Constant), Collective Bargaining/ Trade Unions, Joint Decision Making, Delegation, Consultation, Leadership Styles

c. Dependent Variable: Organizational Performance

The value of Durbin Watson was above 1 and below 3 (2.610) indicating that there was no serious problem of autocorrelation. An  $R^2$  value of .607 indicates that 60.7% of the variation in organizational Performance can be explained by the model which is a 2.6% improvement of the model after adding Moderating effect of Leadership Styles. Hence Consultation, Delegation, Joint Decision Making and Collective Bargaining/ Trade Unions with Moderating effect of Leadership Styles can explain 60.7% of the variation in Organizational Performance.

**Table 4.53: ANOVA<sup>b</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	12.608	4	3.152	87.760	.000 <sup>a</sup>
	Residual	9.087	253	.036		
	Total	21.695	257			
2	Regression	13.168	5	2.634	77.830	.000 <sup>b</sup>
	Residual	8.527	252	.034		
	Total	21.695	257			

a. Predictors: (Constant), Collective Bargaining/ Trade Unions, Joint Decision Making, Delegation, Consultation

b. Predictors: (Constant), Collective Bargaining/ Trade Unions, Joint Decision Making, Delegation, Consultation, Leadership Styles

c. Dependent Variable: Organizational Performance

To determine how best the regression model fits our data, Analysis of Variance on the coefficient of determination ( $R^2$ ) was calculated. An F value of 77.830 ( $P < .001$ ) shows that the model is suitable at 95% confidence level.

**Table 4.54: Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	1.316	.106		12.428	.000		
	Consultation	.159	.028	.298	5.672	.000	.599	1.670
	Delegation	.285	.024	.538	11.758	.000	.790	1.266
	Joint Decision Making	.158	.022	.321	7.070	.000	.805	1.242
	Collective Bargaining/Trade Unions	.300	.030	.459	10.159	.000	.813	1.231
2	(Constant)	1.502	.113		13.350	.000		
	Consultation	.155	.027	.290	5.686	.000	.598	1.672
	Delegation	.351	.029	.665	12.257	.000	.530	1.886
	Joint Decision Making	.116	.024	.235	4.807	.000	.654	1.528
	Collective Bargaining/Trade Unions	.343	.031	.524	11.227	.000	.716	1.397
	Leadership Styles	.154	.038	.224	4.067	.000	.512	1.953

a. Dependent Variable: Organizational Performance

Table 4.54 shows the coefficient of the regression model of Organizational Performance on Consultation, Delegation, Joint Decision Making and Collective Bargaining with moderating effect of Leadership Styles. From the results of the regression model the coefficients for Consultation, Delegation, Joint Decision Making and Collective Bargaining were significant at 0.05 level of significance.

Therefore, Organizational Performance can be predicted using Consultation, Delegation, Joint Decision Making and Collective Bargaining/ Trade Unions in the following equation:

$$Y = .151X_1 + .351X_2 + .116X_3 + .343X_4 + .154W$$

Where;

Y is Organizational Performance

X<sub>1</sub> is the Consultation

X<sub>2</sub> is the Delegation

X<sub>3</sub> is the Joint Decision Making

X<sub>4</sub> is the Collective Bargaining

W is the Leadership Styles

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents the summary, conclusions and recommendations of the study on the influence of employee participation on performance of government healthcare institution in Kenya. This was arrived at through the scrutiny and critical analysis of the data presented in chapter four as well as making inferences and deductions from the data. Conclusions were reached based on the information gathered and recommendations for improving performance of government healthcare institutions in Kenya as well as recommendations for further research.

#### **5.2 Summary**

The findings are discussed based on the study objectives as below.

##### **5.2.1 Influence of employee consultation on performance of government health care institutions**

Most of the respondents disagreed that the management seek the views of or consult with the employees through regular performance review meetings. Most of the respondents agreed that management seek the views of or consult with the employees on changes in staffing levels and outsourcing. On the other hand majority disagreed that management seek the views or consult with the employees on working time and redeployment of staff. Majority of the staff agreed management seek the views or consult with the employees on training and development and suggestion schemes.

Majority of the respondents disagreed that management consult with the employees on attitude survey, quality of service and customer relations.

### **5.2.2 Influence of employee delegation on the performance of government health care institutions in Kenya**

Most of the respondents agreed that management delegate to employees; scheduling of work, quality of service, improving work processes, health and safety of patients and time keeping. However, majority of the respondents disagreed with the statements that management delegate to employees' attendance and absence control and working conditions.

### **5.2.3 Influence of joint decision making on performance of government healthcare institutions**

Most of the respondents reported quit a lot participation in joint decision making in how the daily work is performed. Most of the respondents reported some participation in joint decision making in; how the daily work tasks are organized, how working time is organized and scheduled, the employment policies of the organization, how health and safety is considered and quality of services rendered in the organization. Additionally, most of the respondents reported a little participation in joint decision making in; plans and strategies for development of the organization and financial decision making by the organization.

#### **5.2.4 Influence of collective bargaining on performance of government healthcare institutions**

Most of the respondents disagreed with the statements that; management at their workplace directly consult trade union representative on changes in staff levels, the union at their workplace really tries to cooperate with management, the management in organization consult the trade union on changes in work processes, management should cooperate more closely with the union and consult them on redeployment of staff, unions should fight really hard when employee interests are threatened. They indicated that the union at my workplace fights really hard for pay and condition of work of the members; I feel loyal to my union; I trust the union leadership style to keep their promises to me and other union members, the leadership of my union has a political agenda that I don't share and believe my salary is fair for my responsibility.

#### **5.2.5 Moderating effect of leadership styles on the relationship between employee and organizational performance**

Most of the respondents disagreed with the statements that; my leader clarifies work expectations and standards to be achieved by employees monitor performance and take corrective action,(management by exception-active); our leaders provide rewards only when they believe employees have performed adequately and or try hard enough (contingent reward); my leader specifies work standards of performance, monitor for compliance and corrective action (management by

exception- active); our leaders ensure employees have the resources they need to do their work but does not monitor performance, only wait for mistakes and then act, (management by exception-passive); our leaders use conventional reward and punishment to gain compliance from employees, contingent reward; my leader does not pay greater attention to each individual's need for achievement and growth, (individualized consideration); my leader is not a role model who is respected and trusted by employees, idealized influence; leaders in my organization seek employee opinion when solving work related problems, individualized consideration; our leader encourages the employees to be innovative and creative in their areas of work, intellectual stimulation and leaders in my organization demonstrate teamwork and commitment to goals and shared vision, (intellectual stimulation).

### **5.3 Conclusions**

The study included five objective in which the influence of independent variables (employee participation) on four dimensions namely employee consultation, delegation, joint decision making and collective bargaining were measured with leadership style as the moderating variable between independent variable (employee participation) and organizational performance.

#### **5.3.1 Influence of employee consultation on performance of government health care institutions**

The findings confirm that there is a statistically significant influence of employee consultation on performance of government health care institutions. A positive increase in employee consultation leads to an increase in organizational

performance. These results are in line with those of (Ravenswood (2011) who concluded that external accountability, responsibility, work relationships, consultations, communication, feedback on performance and organizational changes have impact on organizational performance.

### **5.3.2 Influence of employee delegation on performance of government health care institutions**

The findings confirm that there is a statistically significant influence of employee delegation on Organisational Performance. This implies that unit increase in employee delegation with the other variables held constant leads to an increase in Organisational Performance. The results of the regression model showed that the coefficients for delegation were significant at 5% level of significance after introducing moderating effect of leadership styles. The moderating effect of leadership styles was observed to reduce the influence of employee delegation.

### **5.3.3 Influence of joint decision making on performance of government health care institutions in Kenya**

The findings confirm that there is a statistically significant influence of employee delegation on Organisational Performance. This implies that unit increase in employee delegation with the other variables held constant leads to an increase in Organisational Performance. The results of the regression model showed that the coefficients for delegation were significant at 5% level of significance after

introducing moderating effect of leadership styles. The moderating effect of leadership styles was observed to reduce the influence of employee delegation.

#### **5.3.4 Influence of Collective bargaining on performance of government health care institutions in Kenya**

The findings confirm that there is a statistically significant influence of collective bargaining on Organisational Performance. This implies that unit increase in collective bargaining with the other variables held constant leads to an increase in Organisational Performance. The results of the regression model showed that the coefficients for collective bargaining were significant at 5% level of significance after introducing moderating effect of leadership styles. The moderating effect of leadership styles was observed to reduce the influence of Consultation, Delegation and Joint Decision Making and increased the influence of Collective Bargaining.

#### **5.3.5 Moderating effect of leadership styles on the relationship between employee participation and organizational performance**

The findings confirm that there is a statistically significant influence of employee consultation, delegation, Joint Decision Making and collective bargaining on Organisational Performance. This implies that unit increase in either employee consultation, delegation, Joint Decision Making or collective bargaining the other variables held constant leads to an increase in Organisational Performance. The results of the regression model showed that the coefficients for Joint Decision Making were significant at 5% level of significance after introducing moderating

effect of leadership styles. The moderating effect of leadership styles was observed to reduce the influence of Consultation, Delegation and Joint Decision Making and increased the influence of Collective Bargaining.

Based on the objectives and results of this study, the improvement of performance of government healthcare institutions is function of employee consultation, delegation, joint decision making and collective bargaining as well as leadership style. Although the level of significance differs, all the factors variables have a considerable influence on the performance of government health care institutions in Kenya. Only with a competent workforce can participation begin to unlock employees' potential by utilizing their skills and experience to the full, and it is this rather than job satisfaction that will contribute to improved performance.

#### **5.4 Recommendations**

The study recommends employees to be assigned authority in their tasks and receive reward in case of successful performance. Suggestion systems should be established and individual employees should be allowed to participate (to propose) in cases related to their organizational unit beyond their tasks. When they propose useful suggestions, a proportionate reward should be given to them. After they mature and enjoy the necessary skills to participate in affairs, they should be gradually allowed to plan and make decisions in related issues. To encourage team-working and improve team performance, rewards should be changed from individual orientation towards group performance

The results indicated contingent rewards and active management by exception have a medium positive correlation with organizational performance. Management should therefore consider formulating and implementing effective rewards and recognition systems as well as encouraging greater managerial supervision. All variables of transformational leadership style have a strong positive relationship with organizational performance. It is therefore recommended that management should strive to become role models to their subordinates; inspire them by providing meaning and challenge to work; stimulate their efforts to become innovative and creative and pay attention to each individual needs for achievement and growth.

Employee participation must be possible not only in decision making, but in goal setting process. In fact organizations which enjoy empowered employees allow team work to identify their operational goals and participate in determining strategic objective. Sharing in decision rules and the goal setting process with employees, making the goals very specific and providing clear, frequent and consistent feedback regarding goal achievement to reduce uncertainty about management expectations.

The management should create favourable working environment for their employees and avoid negativism in reviewing employee recommendations for improvement. If the suggested idea does not make sense, explain why in honest terms. If employees are adamant about the improvement recommendation's soundness, then the management should reconsider it with an open mind. Failure to respond to employee recommendations is another sure-fire way to kill an employee participation and empowerment effort. If management does not acknowledge employee

recommendations, employees will rapidly conclude that management has no interest in their ideas. Management must acknowledge all improvement recommendations, including the ones that are not deemed feasible.

The study recommended for management to put more efforts in encouraging their employees to contribute to decision making and incorporate their views in the organizational policy, managers to allow increased level of workers participation in decision making since they are the center of operations and can contribute in work related issues, participative management to be redefined and properly applied so that people's understanding and perception of what it is all about will be improved.

However, increasing employee participation is a long term process which demands attention from management side and initiative from the employee side.

Keeping workers and problems separate will enable real issues be debated without damaging working relationships. By listening carefully and paying attention to the interests presented by employees, management will most likely understand them and this will improve the working relationship. Management and employees should explore options together; be open to the ideas that a third position exists and that they can get to the idea jointly.

### **5.5 Areas for further research**

The study has some limitations. It confined its focus to three government health care institutions only. Replica study needs to be done with larger samples by incorporating more government health care institutions. A comparative study using a

different population such as private health care institutions could also be considered for study to confirm and validate the theories and findings. Research on other variables presumed relate to either directly or indirectly to employee performance should be researched on. A longitudinal study over a relatively longer period of time could also be considered to investigate those variables and their impact on the organizational performance.

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## APPENDICES

### **Appendix I: Letter of introduction**

To the respondents

Dear Sir/Madam

I am a student at Jomo Kenyatta University of Agriculture and Technology pursuing a Degree of Doctor of Philosophy in Human Resource Management. As a requirement of this degree, am undertaking a research study on the role of employee participation on organizational performance in the health sector in Kenya. A questionnaire has been attached addressing seeking to solicit information related to the research topic. The information you provide will be treated with utmost confidentiality and will be used for academic purposes only. Your cooperation will be highly appreciated.

Kindly cooperate.

Yours faithfully,

Lucy K. Kuria

PhD Student, JKUAT

## Appendix II: Questionnaire

### SECTION A: DEMOGRAPHIC INFORMATION

(Please respond to each question by putting a tick ( ) where appropriate)

1. Tick the right organization you belong to:

(a) Kenyatta National Hospital

(b) Machakos Hospital

(c) Kiambu Hospital

2. Tick the right job category you belong to:

Doctor [ ] Nurse [ ]

Other Employee [ ]

3. Gender:

Male [ ] Female [ ]

4. What is your age Bracket?

16 – 24 [ ] 25 – 34 [ ]

35 – 44 [ ] 45 – 54 [ ]

Above 55 [ ]

5. Highest education level attained

Certificate ( ) Diploma ( ) Bachelor's Degree ( )

Master's Degree ( ) PhD ( )

6. Number of years of service in the organization

Less than 2 years ( ) 3-5 yrs ( ) 6-10 yrs ( ) 11-15 yrs ( ) 16-20 yrs ( )

Over 20 years ( )

**SECTION B: EMPLOYEE PARTICIPATION THROUGH:**

**i) CONSULTATION**

In a 5-point likert scale, where 1-Strongly Disagree, 2-Disagree, 3-neither agree nor disagree (Neutral), 4-agree, and 5-strongly agree, rate the following statements on the level of direct participation of employee through consultation in your organization.

1. The management seek the views of or consult with the employees in my organization on the following issues:

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Performance review					
2	Changes in staffing levels					
3	Outsourcing					
4	Working time					
5	Redeployment of staff					
6	Training and development					

7	Suggestion schemes					
8	Attitude survey					
9	Quality of service					
10	Customer relations					

2. On a 3- point scale, where 1- never, 2- some times and 3- regularly indicate how often the management consult with the employees on the following issues:

		Regularly	Sometimes	Never
1	Performance review			
2	Changes in staffing levels			
3	Outsourcing			
4	Working time			
5	Redeployment of staff			
6	Training and development			
7	Suggestion schemes			
8	Attitude survey			
9	Quality of service			
10	Customer relations			

## ii) DELEGATION

The management has given employees the right to make decisions on how their own work is performed without reference to immediate manager for one or more of the following issues:

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Scheduling of work					
2	Quality of service					
3	Improving work processes					
4	Health and safety of patients					
5	Time keeping					
6	Attendance and absence control					
7	Working conditions					
8	Job rotation					

**iii) JOINT DECISION MAKING**

In a 5-point likert scale, where 1-None, 2-A little, 3- Some, 4- Quite a lot, and 5-Much, rate the following statements on the level of employee participation in decision making in your organization.

ii) How much influence do you feel that the employees have on:

	None	A little	Some	Quite a lot	Much
1. How the daily work is performed?					
2. How the daily work tasks are organized?					
3. How working time is organized and scheduled?					
4. The employment policies of the organization?					



		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Management at my workplace directly consult trade union representative on changes in staff levels					
2	The union at my workplace really tries to cooperate with management					
3	The management in my organization consult the trade union on changes in work processes.					
4	Management should cooperate more closely with the union and consult them on redeployment of staff					
5	Unions should fight really hard when employee interests are threatened					
6	The union at my workplace fights really hard for pay and condition of work of the members					
7	I feel loyal to my union					
8	I trust the union leadership style to keep their promises to me and other union members					
9	The leadership of my union has a political agenda that I don't share					
10	I believe my salary is fair for my responsibility					

5. If you were asked to rate the performance of the union in collective bargaining at your workplace on a scale similar to school grades - A for Excellent, B for Good, C for Fair, D for Poor and F for Failure, what grade would you give the union for the following:

		Excellent	Good	Fair	Poor	Failure
1	Winning fair pay increases					
2	Being open and accountable to its members					
3	Working with management to improve quality of services					
5	Making work interesting and enjoyable					
6	Protecting workers against unfair treatment					
7	Improving the working conditions of members					
8	Helping management develop long-term business plans					

#### SECTION D: LEADERSHIP STYLES

State whether you agree with the following statements concerning leadership in your organisation: (1 = strongly disagree, 5 = strongly agree)

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
1	My leader clarifies work expectations and standards to be achieved by employees monitor performance and take corrective action. (management by exception- active)					
2	Our leaders provide rewards only when they believe employees have performed adequately					

	and/or try hard enough (contingent reward)					
3	My leader specifies work standards of performance, monitor for compliance and corrective action (mgt by exception- active)					
4	Our leaders ensure employees have the resources they need to do their work but does not monitor performance, only wait for mistakes and then act.(Management by exception-passive)					
5	Our leaders use conventional reward and punishment to gain compliance from employees (Contingent reward)					
6	My leader does not pay greater attention to each individual's need for achievement and growth. (individualized consideration)					
7	My leader is not a role model who is respected and trusted by employees (idealized influence)					
8	Leaders in my organization seek employee opinion when solving work related problems (individualized consideration)					
9	Our leader encourages the employees to be innovative and creative in their areas of work. (intellectual stimulation)					
10	Leaders in my organization demonstrate teamwork and commitment to goals and shared vision (intellectual stimulation)					

**SECTION E: ORGANIZATIONAL PERFORMANCE**

iii) In a 5-point likert scale of 1-Strongly Disagree, 2-Disagree, 3-neither agree nor disagree (Neutral), 4-agree, and 5-strongly agree, rate the following statements on the level of performance of your organization.

	<b>Statement</b>	1	2	3	4	5
1	I understand the long term plan of the hospital					
2	I am dissatisfied with working environment of the hospital					
3	I feel part of a team working towards shared goals					
4	I like and enjoy the type of work I do.					
5	I am not satisfied with how the hospital handle staff complaints					
6	I am not able to produce quality work as specified in the organization goals					
7	If I do good work I can count on being promoted					
8	I am satisfied with the opportunities for professional improvement at the hospital					
9	I am not satisfied with the flexibility of work in the hospital					
10	I am given enough recognition by management for work that is well done					
11	Communication system is informative and provide immediate feedback					
12	I would not recommend employment at this hospital to my friend					
13	I am provided enough information by the hospital to do my job well					
14	My hospital has up to date equipment and facilities (tangibility)					
15	The physical facilities such as bathrooms and rooms are always clean (tangibility)					
16	I am able to serve my customers on time.(reliability)					

17	Employees do not keep patients' records accurately. (reliability)					
18	Patients feel safe in transaction with hospital employees. (assurance)					
19	Employees of the hospital explain customers' questions appropriately about hospital procedures. (responsiveness)					
20	Treatment is explained to the patients very clearly (responsiveness)					
21	Employees are not polite during admission procedures. (courtesy)					
22	I pay personal attention to all patients equally irrespective of their status (empathy)					

**Thanks for your responses.**





