

**EMPLOYEE EMPOWERMENT, OUTCOMES, COMPETENCE,  
MANAGEMENT OF WORKFORCE DIVERSITY AND  
PERFORMANCE OF CIVIL SERVICE MINISTRIES IN KENYA**

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**A THESIS SUBMITTED IN FULFILMENT OF THE  
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF  
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SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI**

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DECLARATION

This Thesis is my original work and has not been submitted for any academic or other award to any other university or institution other than the University of Nairobi.

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## DEDICATION

This work is dedicated to my late parents, Rev. Elisha Aywak and Paulina Okoth, and my husband Willyse Omolo, together with all our lovely children for their inspiration, prayers, love and encouragement.

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## ABBREVIATIONS AND ACRONYMS

Adj	Adjusted
ANOVA	Analysis of Variance
Co	Company
CSRP	Civil Service Reform Programme
EC	Employee Competence
EE,	Employee Empowerment
EO,	Employee Outcomes
ERS	Economic Recovery Strategy for Wealth and Employment Creation
GIZ	German International Cooperation
HCT	Human Capital Theory
HR	Human Resources
HRM	Human Resource Management
JA	Job Autonomy
JS	Job Satisfaction
Ltd	Limited
MS	Mean Square
OC	Organizational commitment
PPMC	Pearson's Product Moment Correlation
PSC	Public Service Commission
SPSS	Statistical Package for Social Sciences
SS	Sum of Squares
TAABCO	Transforming, Analyzing, Accompanying and Building Change Organizations
UN	United Nations
USA	United States of America
MWD	Management of Workforce Diversity



## ABSTRACT

Employee empowerment and organizational performance is one of the top priority topics in the current global environment. Researchers and practitioners have long been attempting to establish the relationship between employee empowerment and organizational performance. Some studies tend to indicate that employee empowerment directly leads to organizational performance, whereas other studies found no direct relationship. Consequently, in attempting to provide through empirical evidence some insights into what is involved in this area, this study focused on employee empowerment and performance of Civil Service Ministries in Kenya as mediated by employee outcomes and moderated by management of workforce diversity and employee competence. Previous studies certainly, did not consider the role of other variables such as employee outcomes, management of workforce diversity and employee competence in the relationship between employee empowerment and organizational performance. The objectives of this study were to: 1. Establish the relationship between employee empowerment and performance of Civil Service Ministries in Kenya; 2. Determine the mediation of employee outcomes in the relationship between employee empowerment and performance of Civil Service Ministries in Kenya; 3. Establish the moderating effect of management of workforce diversity on the relationship between employee empowerment and performance of Civil Service Ministries in Kenya; 4. Establish the moderating effect of employee competence on the relationship between employee empowerment and performance of Civil Service Ministries in Kenya; 5. Determine whether the joint effect of employee empowerment, outcomes, competence and management of workforce diversity on performance of Civil Service Ministries in Kenya is greater than the individual effect of employee empowerment. The study was anchored on resource based theory. Three other theories, which also provide explanation on the role of employees in performance of organizations namely, knowledge based view, human capital theory, and empowerment theory are also discussed. The conceptual framework was drawn depicting the linkages among the study variables. In the conceptual framework, employee empowerment is the independent variable while performance of Civil Service Ministries in Kenya is the dependent variable. Employee outcomes are the mediating variables while management of workforce diversity and employee competence, are the moderating variables. Five hypotheses were tested: H<sub>1</sub>: There is a relationship between employee empowerment and performance of Civil Service Ministries in Kenya; H<sub>2</sub>: Relationship between employee empowerment and performance of Civil Service Ministries in Kenya is mediated by employee outcomes; H<sub>3</sub>: Relationship between employee empowerment and performance of Civil Service Ministries in Kenya is moderated by management of workforce diversity; H<sub>4</sub>: Relationship between employee empowerment and performance of Civil Service Ministries in Kenya is moderated by employee competence; H<sub>5</sub>: The joint effect of employee empowerment, outcomes, management of workforce diversity and employee competence is greater than the individual effect of employee empowerment on performance of Civil Service Ministries in Kenya. The study was cross sectional in design and covered 16 Government Ministries. The study focused on Civil Servants from job group J to job group V stationed in the Ministries' Headquarters in Nairobi. Correlation and regression analyses were used to assess the effect of predictor variables on the dependent variable. Data were gathered through questionnaire. Out of 384 persons to whom the questionnaire were issued, 275 responded thus, registering 71.6% response rate. The Statistical Package for Social Sciences (SPSS) was used in this

study to analyze the data. From the findings, hypotheses 1, 3, 4 and 5 were supported, whereas hypothesis 2 was not supported. This study has enhanced the understanding of the role of employee empowerment, employee outcomes, management of workforce diversity and employee competence in performance of organizations. The study may be useful to the Public Service Commission of Kenya, other Service Commissions, and Government Ministries in formulating employment policies, strategies and procedures. Based on the objectives and the findings of this study, it is concluded that there is a moderate relationship between employee empowerment and performance of Civil Service Ministries in Kenya. Thus, if empowerment is taken seriously along with proper management of diversity and retention of competent workers, Civil Service can attain superior performance. It is therefore, recommended that organizations should take empowerment initiatives seriously, Kenyan Civil Service Ministries inclusive, for superior organizational performance. Further, it is suggested that more studies should be conducted in this area. Previous studies had not considered the role of employee outcomes, competence and management of workforce diversity in performance of organizations.

## CHAPTER ONE: INTRODUCTION

### 1.1. Background of the Study

In today's ever-changing competitive global environment, organizations require employees who are able to accomplish their jobs successfully resulting in superior organizational performance. Consequently, pressures for employee empowerment have been growing as workers are asserting their demand to be recognized, valued and consulted. Numerous researchers have also noted that people could be the ultimate source of sustained competitive advantage in any organization as traditional sources related to markets, financial capital and scale economies have been weakened by globalization and other environmental changes (Reich, 1991; Ulrich & Lake, 1990). In a global economy that demands innovation, speed and adaptability, the traditional sources no longer differentiate firms the way they did before.

Pfeffer (1994), a renowned American business theorist in the field of human resource management (HRM) and organizational theory, posited that organizations aspiring to be successful in today's dynamic business environment must make appropriate investments to acquire employees with better skills and capabilities than their competitors. Bohlander et al. (2001) as well supported this notion and argued that today people have taken more central role in building an organization's competitive advantage than in the recent past. As such, many organizations are now empowering employees as the surest way of improving organizational performance. Civil Service in Kenya is not exempt from this reality.

Since Kenya attained its independence in 1963, the Civil Service in the country has continually expanded in both functions and strength. This growth created a constant negative impact on service delivery. In response, the government over the years has initiated various reform measures including performance contracting and employee empowerment in order to improve performance of Civil Service Ministries in Kenya. Recently, policy decision to introduce Performance Contracts in the management of public resources was conveyed through the Economic Recovery Strategy for Wealth and Employment Creation (ERS, 2003-2007). In its blue print document, the vision 2030, Kenya envisages being a globally competitive and prosperous country with high quality of life by the year 2030. For this to be realized,

it requires an efficient, motivated and well trained public service that is able to match the human resource demands of a rapidly industrializing economy. In Vision 2030, performance contracting is recognized among key strategies as a way of strengthening public administration and service delivery (Evaluation of Performance of Public Agencies, 2012).

Ideally, employee empowerment should lead to organizational performance. However, the issue of concern for most researchers and scholars today is whether, in reality, employee empowerment directly leads to organizational performance. The focus of this study therefore, was to shed some light on this area that seems not to have been fully addressed. Specifically, this study assessed employee empowerment and organizational performance taking a case of Civil Service Ministries in Kenya. It also considered the role of other variables namely; employee outcomes, management of workforce diversity, and employee competence in the relationship between employee empowerment and performance of Civil Service Ministries in Kenya.

#### **1.1.1. Employee Empowerment**

Employee empowerment, in the context of human resource management (HRM), has a whole range of meanings and explanations postulated by different authors and researchers. Cartin (2004) defined employee empowerment as giving employees the authority to decide and act on their own initiative. Randolph (1995) argued that employee empowerment entails recognizing and releasing into the organization the power that people have in their wealth of knowledge and internal motivation. The author also viewed employee empowerment as a means of transferring appropriate and sufficient authority to employees, and availing resources to enable the employees contribute to organizational performance at a superior level. Vogt and Murrell (1997) viewed employee empowerment as a noble, necessary and natural part of human development for the success of organizations.

Nonetheless, the construct of empowerment is emerging as a new force in organizational life. Empowerment may be viewed as a motivational construct-meaning to enable rather than simply to delegate. McClelland (1975) viewed empowerment as an enabling rather than a delegating process. Enabling implies creating conditions for heightening motivation. This is achieved through the

development of a strong sense of personal efficacy. Empowerment is also seen as a process of enhancing feelings of self-efficacy among organizational members through the identification of conditions that foster powerlessness and removal of both formal organizational practices and informal techniques of providing efficacy information. Further, Greenberger and Strasser (1991) argued that employee empowerment can benefit an organization by creating an environment that encourages proactive problem solving, accepting challenges, innovation and continuous improvement, optimum utilization of employee efforts, employee motivation, and superior organizational performance.

Incidentally, employee empowerment is an area that has attracted a lot of concern in many spheres of influence. It has taken various forms including the management allowing and facilitating employees to discuss matters that affect them. It has also entailed involving employees in decision making through formal employee-employer machinery. In the Kenyan context, the government has recently been attempting to empower the government ministers to independently run their ministries and make decisions. In this respect, various Government Ministries have been continually empowering their employees as a more reliable way of improving performance. As envisaged in Kenya's Vision 2030, empowering employees in the Civil Service is being implemented together with other reform strategies in order to raise labour productivity in the country to international level.

#### **1.1.2. Employee Outcomes**

Employee outcomes are exhibited in an organization through the commitment and satisfaction of employees among others, in the operations that take place in an entity. Oloko (2008) stated that empowerment practice results in employee outcomes such as job satisfaction and organizational commitment. These outcomes can influence the amount and quality of products and services produced by employees in an organization. That is, the human factor has a crucial role among organizational key resources such as money, machine, land and information. Thus, of these resources, the human factor is the only animate of these resources. Employees who feel that what they do at work is meaningful, who have the skills to do the work, who are able to choose how to complete their work, and who believe that they have an impact on

their decisions, are expected to show higher levels of performance than those who perceive low levels of empowerment.

According to Guest (1997), the distinctive feature about HR is that improved performance is achieved through people in the organization. When competence of employees is enhanced, their commitment is reinforced, and higher output can be realized in the workplace. Mowday et al. (1979) argued that organizational commitment is the degree of an employee's identification with and involvement in decision making within an organization. It is also the extent to which employees are committed to their work. Further, organizational commitment involves a strong belief in and acceptance of the organization, a willingness to exert considerable effort on behalf of the organization, and a strong desire to maintain membership in the organization. Allen and Meyer (1991) also argued that individuals who feel empowered at work are likely to be more committed to the organization and exhibit higher performance levels.

Job satisfaction on the other hand is an individual's general attitude towards work. An employee with a high level of job satisfaction holds positive attitude towards the job, while one with no job satisfaction holds a negative attitude about the job (Robbins, 2002). Research on job satisfaction reported that highly satisfied employees have better mental and physical health, learn new job-related tasks more quickly, have fewer on-the job accidents, file fewer grievances and are more likely to exhibit pro-social citizen type of behavior (Liden et al., 1995). Rowden (2002) further argued that job satisfaction is important because it affects both the emotional well-being of employees and their psychological health.

Employee outcomes such as organizational commitment and job satisfaction have effect on how employees work in an organization and how they relate with colleagues and other stakeholders that an organization may deal with. This may in turn affect organizational performance. It has often been said that people are the most important asset in any organization. Thus employees with the requisite knowledge, understanding, commitment and job satisfaction are expected to be more effective and efficient. They are able to take decisions quickly and are easily adaptable to any change. In addition, they have immense ability to serve both

internal and external customers. Employee commitment is an outcome that can be enhanced by reconciliation of organizational and employee goals. This in turn helps employees to identify with an organization thereby acting in the best interest of the greater good for the organization.

### **1.1.3. Management of Workforce Diversity**

Today's workforce consists of a diverse population of people in terms of ethnicity, gender, experience, education, age, and inclusion of other diverse groups. Kandola and Fullerton (1994) argued that these differences demand attention so that employees can maximize their potential, organizations can maximize results, and society at large can make the best use of the human resources. Management of workforce diversity entails harnessing these differences to create a productive environment in which organizational goals are met (Robbins & Judge, 2009).

One of the primary dimensions of workforce diversity is ethnicity. Ethnicity refers to cultural practices of a particular community that have evolved historically and tend to set people apart (Giddens et al., 2006). These differences include language, history, ancestry and styles of dress or adornment. Ethnic differences are wholly learned, although they are sometimes depicted as natural. Neubeck and Neubeck (2007) argued that ethnic differences become the basis of stigmas, which cannot be removed by conversion or assimilation.

Another primary dimension of workforce diversity is gender. Giddens et al (2006) defined gender as psychological, social and cultural differences between male and female. Brislin and Yoshida (1994) argued that gender is not just one of the many cultural differences, but the most important cultural difference, the root paradigm of difference. To them, gender roles differ depending on the society and can be changed. Studies in social behaviour and personality reveal some differences between males and females. First, males are more aggressive than females, verbally and physically (Knight, Fabesa & Higgins, 1996) whereas females engage in more covert and relational aggression (Crick, Casas, & Mosher, 1997). Second, in non-verbal communication, females are more sensitive than males to subtle nonverbal cues (Hall, 1990). Third, males score higher than females on various assessments of risk taking (Byrnes et al; 1999). On personality, males score a little higher on

measures of assertiveness and global self-esteem. Females score higher on measures of anxiety, trust, and tender-mindedness (Feingold, 1994; Kling et al., 1999).

#### **1.1.4. Employee Competence**

The concept of competence is not new, although it has gained a new emphasis in recent years, particularly in the strategic human resource management literature. According to Tovey (1992), competence is the application of a blend of knowledge, skills and behaviour in the context of individual job performance. The New Oxford Dictionary gives the definition of competence as the power, ability and capacity to do a task, and is synonymous with competency as are competencies and competences. The word competency comes from a Latin word meaning "suitable" (Bueno & Tubbs, 2004). Spencer and Spencer (1993) viewed competence as underlying characteristic of an individual that is causally related to superior performance in a job or situation.

The focus on the individual's characteristics has its intellectual roots in the literature of traits, skills and personal dispositions (Chatman, 1989; Katz, 1974; Mintzberg, 1973) and intellectual and cognitive processes (Carroll & Gillen, 1987; Hunter, 1986). Hamel and Prahalad (1990) stated that core competence is about harmonizing streams of technology, the organization of work and delivery of value. Employees who have the requisite competence are expected to be more efficient and effective. They can be able to take decisions quickly, and are easily adaptable to change. Such employees have immense ability to serve both internal and external customers.

#### **1.1.5. Organizational Performance**

Organizational performance comprises the actual output or results of an organization as measured against its intended outputs or goals and objectives (Campbell, 1991). Specialists in many fields are concerned with organizational performance including strategic planners, operations, finance and legal sectors. Many organizations have attempted to manage organizational performance using balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as finance, responsibility, and employee stewardship (Kaplan and Norton, 1992, 1996). High performance results from appropriate behavior especially discretionary behavior. Thus in management of performance, it is important to



examine how results are attained because this provides the information necessary to consider what needs to be done to improve these results (Armstrong, 2006).

Organizational performance has been widely used in empirical studies as a dependent variable and yet it remains vague and loosely defined (Richard et al., 2009). According to Kirkby (2005), organizational performance is an open question with few studies using consistent measure. However, according to Hersey and Blanchard (1998), performance has multiple meanings depending on the discipline and the context of discussion. Brumbruch (1988) expressed the concept of performance as encompassing both behavior and results. Behaviour emanates from the performer and transforms performance from abstraction to action. Further, behaviors are also outcomes in their right-the product of mental physical effort applied to tasks-and can be judged apart from results. In service organizations, the organizational performance is expressed in terms of quality service, efficiency and effectiveness, customer satisfaction and good public image.

The measurement of employees' performance is important to both individuals and organizations. For individuals, how their performance is evaluated is often related to the outcomes they receive from work such as compensation, promotions, selection into training or other development programs. These outcomes are then related to employees' satisfaction with their work, which impacts their commitment to the job, absenteeism, turnover, stress and future effort on the job (Whetten and Cameron, 2002). Thus, performance impacts many aspects of employees' professional lives and career success. For organizations on the other hand, employee performance is measured in order to assess team's or division's productivity. This ultimately provides a measure of the organization's overall productivity.

#### **1.1.6. Civil Service in Kenya**

Civil Service is a sector responsible for the public administration of any country. It comprises the Ministries and Departments, and excludes the Legislative, Judicial and Military branches. In Kenya, employees of the National Government constitute the Civil Service. The origin of the Civil Service in Kenya dates back to the colonial eras. According to official sources, the Civil Service inherited at independence in 1963 was a small establishment of approximately 60 000 employees from a

population of about 8 million people (Guidelines for Retirement in the Civil Service, 2000). Currently, there are approximately 274,000 employees in the Civil Service distributed in the eighteen Government Ministries (Ministry of Devolution and Planning, Database, 2014).

The Government of Kenya has been continually empowering Ministers to run their Ministries independently and make decisions. This has been enhanced through other reform initiatives including performance contracting and the new performance appraisal system (Guidelines for Retirement in the Civil Service, 2000). As such, all Ministries and Departments are required to set their own targets and this is cascaded to individual targets. Hence, employees are required to set their targets and do their jobs, where they are assessed at the end of the appraisal period. In addition, as Kenya intends to create a globally competitive human resource base to meet the needs of a rapidly industrializing economy, the government has been empowering Civil Servants through re-training to equip them with relevant skills, knowledge and attitude to effectively perform their jobs (Kenya vision 2030, 2007).

#### **1.1.7. Civil Service Performance**

In any organization, performance can be measured in various ways. These may include sales growth rate, market share, productivity and profitability (Ichniowski et al., 1997). Among these, productivity is relevant to service organizations such as civil service. Productivity is a measure of organizational competence and can be viewed as a measure of efficiency and effectiveness with which resources are used to produce the output of goods and services of the quality needed by customers and society in the long run. Labour productivity is one of the partial measures of productivity, with the others being materials, energy or capital productivity.

In Kenya, between 1963 and 1993, due to population growth and political and socioeconomic considerations, the Civil Service in the country registered a tremendous growth. This rapid growth further led to some undesired consequences such as low and depressing levels of service delivery to the public and high Government Wage Bill (Guidelines for Staff Rightsizing, 1999). The government therefore, introduced the Civil Service Reform Programme in August 1993. The immediate concern for the first phase of this Reform Programme was to contain

costs, whereas the second phase focused on performance improvement. The reform strategy that the government has adopted ever since in order to improve service delivery in the public service include: Rapid Results Initiative, Performance Contracting, Citizen Service Delivery Charters, and institutional capacity building among others.

The Civil Service Reform aimed at transforming Civil Service in Kenya into a proactive, outward looking, focused and results oriented service, which is increasingly responsive to the needs of the public and the nation. Moreover, Kenya's vision 2030 aims at creating a cohesive, equitable and just society which is based on democratic principles and issue based politics grounded on the rich cultures and traditions. As such, employees must be fast and flexible in responding to challenges. In addition, the Government has adopted a clearly defined and easy to implement performance management system including employee empowerment in order to improve performance of the Civil Service (Kenya Vision 2030, 2007). Thus, moving away from command and control set up to a responsibility oriented and supportive environment in which all the employees have the opportunity to do their best.

## **1.2. Research Problem**

In the current dynamic global environment, organizations are striving for ways and means of improving performance and maintaining a competitive advantage over their competitors. Consequently, many organizations have resorted to employee empowerment as a more effective strategy for improving organizational performance. Randolph et al. (2002) stated that employee empowerment entails recognizing, releasing, and transferring sufficient and appropriate authority and resources to employees. Empowerment gives employees freedom in their work performance for fast decision making. Thus, managers are learning to surrender control, and employees are also learning how to take responsibility and make appropriate decisions, thereby contributing to superior organizational performance (Purcell & Hutchinson, 2007).

The practice of empowerment of employees in organizations results in employee outcomes, which include organizational commitment and job satisfaction (Mowday et al. (1979; Oloko, 2008). The authors argued that organizational commitment

involves a strong belief in and acceptance of the organization. To them, individuals who feel empowered at work are more likely to be committed to the organization. In addition, a person with job satisfaction holds positive attitude towards the job, whereas a person who is dissatisfied with the job holds a negative attitude about the job (Robbins & Judge, 2009). Nevertheless, as today's workforce consists of a diverse population, these differences demand attention so that employees can maximize their potential and organizations also can maximize their effectiveness (Kandola and Fullerton (1994). Similarly, employee competence has also gained a new emphasis in recent years. Mitrani et al. (1992) asserted that organizations of the future will be built around people, with less emphasis on jobs as the building blocks. Instead, increased attention will be focused on employee competence.

In Kenya, due to population growth and political and socio-economic considerations, the Civil Service has expanded in functions and staff strength since independence in 1963 (Guidelines for Staff Rightsizing, 1999). This rapid growth rate coupled with low economic growth rate led to low and depressing levels of service delivery and high Government wage bill. This became a concern to the Government. Consequently, the Government introduced the Civil Service Reform Programme in 1993 whose focus was on cost containment and improvement of efficiency and productivity in the Civil Service. The Government has also attempted to employ modern management practices such as empowerment and performance contracting in order to improve performance of the Civil Service. However, due to the diversity of the workforce, the challenge has been how to become more accommodating to these differences. Therefore, there have been attempts to strengthen the affirmative action, where at least one third of public appointments must be female. The Government also recognized that for effective service delivery, there is need to invest in human resource development. Thus, most of the trainings in the Civil Service have been focused to the demands of the Ministries and Departments (Kenya, Vision 2030, 2007).

Studies by Robert et al. (2000), Randolph et al., (2002), Cartin (2004) and Luo and Peng (1999) showed that employee empowerment directly leads to organizational performance. Although these studies attempted to establish a link between employee empowerment and organizational performance, doubts have been cast on their

findings. These findings indicated that there is a strong relationship between employee empowerment and organizational performance. Conversely, studies by Mowday et al. (1979), Oloko (2008) indicated that the practice of employee empowerment leads to employee outcomes. Given the mixed findings, there was need for further research to shed more light in this area of study.

Previous studies by Neubeck et al. (2007), Riccucci (2002) and Bohlander et al. (2001) certainly, did not consider the role of other variables such as management of workforce diversity and employee competence. This study therefore, focused on the mediation of employee outcomes and the moderation of management of workforce diversity and employee competence in the relationship between empowerment and performance of Civil Service Ministries in Kenya. Thus, the study sought to answer the research question: What is the role of employee outcomes, management of workforce diversity, and employee competence in the relationship between employee empowerment and performance of Civil Service Ministries in Kenya?

### **1.3. Research Objectives**

The main objective of this study was to establish the role of employee outcomes, management of workforce diversity and employee competence in the relationship between employee empowerment and performance of Civil Service Ministries in Kenya.

The study sought to achieve the following specific objectives:

- (i) To establish the relationship between employee empowerment and performance of Civil Service Ministries in Kenya.
- (ii) To determine the mediation of employee outcomes in the relationship between employee empowerment and performance of Civil Service Ministries in Kenya.
- (iii) To establish the effect of management of workforce diversity on the relationship between employee empowerment and performance of Civil Service Ministries in Kenya.

- (iv) To establish the effect of employee competence on the relationship between employee empowerment and performance of Civil Service Ministries in Kenya.
- (v) To determine whether the joint effect of employee empowerment, employee outcomes, management of workforce diversity and employee competence on performance of Civil Service Ministries in Kenya is greater than the individual effect of employee empowerment on performance of Civil Service Ministries in Kenya.

#### **1.4. Value of the Study**

Focus on employee empowerment and performance of Civil Service Ministries in Kenya emanated from the presupposition that empowerment should lead to superior organizational performance. However, in reality this might not be the case regarding Civil Service Ministries in Kenya. There are other factors such as employee outcomes, management of workforce diversity and employee competence among others that may also influence the relationship between empowerment and performance of the Civil Service Ministries in Kenya.

Other studies also indicate that employee empowerment results in employee outcomes like organizational commitment and job satisfaction, which may also lead to organizational performance. Similarly, management of workforce diversity and employee competence may also influence the relationship between empowerment and organizational performance. Certainly, no empirical research had been conducted in this area considering the civil service. Therefore, this study attempted to establish the relationship between employee empowerment and performance of Civil Service Ministries in Kenya. The study also considered the moderation of management of workforce diversity and employee competence, and the mediation of employee outcomes. As such, this study attempted to fill a knowledge gap in this area of study.

The findings of this study provided useful information and knowledge to current and prospective employers, potential leaders, policy makers and human resource practitioners on matters relating to employee empowerment and organizational performance. Specifically, the findings of this study provided valuable insight into

the role of management of workforce diversity and employee competence in the relationship between employee empowerment and organizational performance. The information generated from this study therefore, is useful to the Public Service Commission of Kenya, other Service Commissions and Government Ministries in formulating employment policies, strategies and procedures. Similarly, other Civil Services outside Kenya and Non-Governmental Organizations may also use it in identifying effective ways of managing change. Thus, the findings of this study also extended the frontiers of knowledge to scholars and future researchers who will gain familiarity and new insights in this area of study and can use it as a basis for further research.

### **1.5. Definition of Terms**

**Civil Service:** A sector responsible for the public administration of a country. It comprises the ministries and departments, and excludes the legislative, judicial and military branches.

**Competence:** Spencer and Spencer (1993) viewed competence as an underlying characteristic of an individual that is causally related to superior performance in a job or situation. It is synonymous with competency as are competencies and competences.

**Employee Competence:** Ability to compete against a standard of excellence, results orientation efficiency orientation, optimizing use of resources. According to Tovey (1992), employee competence is a blend of knowledge, skills and behaviour in the context of individual job performance.

**Employee Empowerment:** Giving employees the authority to decide and act their own initiatives (Cartin, 2004). According to Randolph (1995), employee empowerment entails recognizing and releasing into the organization the power that people have in their wealth of knowledge and internal motivation.

**Empowerment:** The giving or delegation of power or authority; authorization, enablement or permission. McClelland (1975) viewed empowerment as a process of enhancing feelings of self-efficacy through the identification of conditions that

foster powerlessness and removal of both formal organizational practices and informal techniques of providing efficacy information.

**Job Autonomy:** Freedom that an employee possesses in order to participate in decision making rather than being restricted by procedure.

**Job Satisfaction:** An individual's general attitude towards the job. A person with high level of job satisfaction holds positive attitude towards the job, whereas a person who is dissatisfied with the job holds a negative attitude about the job.

**Organizational Commitment:** The relative strength of an individual's identification with and involvement in decision making within an organization or the extent to which employees are committed to their work.

**Organizational Performance:** This refers to the actual output or results of an organization as measured against its intended outputs (or goals and objectives).

**Performance:** The behavior associated with the accomplishment of expected, specified tasks. Work performance encompasses both behavior and results.

**Workforce Diversity:** Heterogeneity in terms of gender, race, ethnicity, sexual orientation, age and inclusion of other diverse groups.

**Management of Workforce Diversity:** Harnessing the differences in employees to create a productive environment in which organizational goals are met (Robbins and Judge, 2009).

#### **1.6. The Structure of the Thesis**

This thesis consists of five major chapters. Chapter one presents the introduction. The introduction covers background of the study, the study variables, namely, employee empowerment, employee outcomes, management of workforce diversity, employee competence and performance of Civil Service Ministries in Kenya. It further highlights the statement of the problem, the research objectives and justification of the study.



The second chapter presents a theoretical exposition of the framework around which this study is pegged. The chapter also reviews empirical literature relating to the major study variables, namely; employee empowerment, employee outcomes (organizational commitment and job satisfaction), management of workforce diversity, employee competence and organizational performance. The review points to the existing gaps in knowledge in both the direct and indirect linkages, which the current study has attempted to fill. Finally, the chapter sets out the conceptual model and study hypotheses. Chapter three covers the research methodology. It identifies the research design and statistical methods adopted in this study. It also covers the target population of the study, and the data collection method. It further highlights the analytical data models and operationalization of research variables.

Chapter four has three major sections. The first section presents the descriptive statistics highlighting use of frequency tables, percentages, means, standard deviations, and Cronbach's Alpha coefficients of reliability. The second section presents the results of the tests of hypotheses and interpretation. The first hypothesis test sought to establish the direct link between employee empowerment and performance of Civil Service Ministries in Kenya. The second hypothesis test sought to establish the mediating role of employee outcomes in the relationship between employee empowerment and performance of Civil Service Ministries in Kenya. The third hypothesis sought to establish the moderating effect of management of workforce diversity on the relationship between employee empowerment and performance of Civil Service Ministries in Kenya. The fourth hypothesis sought to establish the moderating effect of employee competence on the relationship between employee empowerment and performance of Civil Service Ministries in Kenya. Finally, the fifth hypothesis addressed the joint effect of employee empowerment, employee outcomes, management of workforce diversity, and employee competence on performance of Civil Service Ministries in Kenya and the individual effect of employee empowerment on performance of Civil Service Ministries in Kenya. Correlation and multiple regression analyses were used. The third section presents the discussion of the findings. Lastly, chapter five presents the summary of the findings; the conclusion; implications and limitations; recommendations and suggestions for further research. The structure of the chapter was guided by the specific objectives of the study.

## CHAPTER TWO: LITERATURE REVIEW

### 2.1. Introduction

Literature on employee empowerment and organizational performance is replete with notions and contentions implying that employee empowerment, is a necessity for superior organizational performance. This chapter provides the theoretical foundation of the study, reviews selected conceptual and empirical literature that relate to employee empowerment and organizational performance, and the role of employee outcomes, management of workforce diversity, and employee competence in the relationship between employee empowerment and organizational performance. The chapter opens with a brief discussion of the theoretical foundation, followed by a review of the study variables with the aim of highlighting the knowledge gaps. From the literature review, a conceptual model depicting the linkages among the study variables was developed as presented in Figure 1.

### 2.2. Theoretical Foundation

This study was anchored on resource based theory. There were also other three relevant theories discussed namely, knowledge-based view, human capital theory, and the empowerment theory. Briefly, the resource-based theory focuses on the role that the internal resources such as employees play regarding a firm's competitive advantage (Barney, 1991; Wright et al., 1994). The knowledge-based view of the firm emphasizes the importance of the resources and the organizational capabilities that distinguish an organization from the others (Barney, 1991). The human capital theory suggests that people possess skills, knowledge, and abilities that provide economic value to firms (Hoffman, 1981; Rumberger, 1987). Lastly, the empowerment theory emphasizes that employees who are empowered are committed to the organization and are more accountable for their work (Degner, 2005). Following is a brief exposition of these schools of thought.

#### 2.2.1. Resource-Based Theory

The resource-based theory, as mentioned earlier, forms the theoretical basis of this study. According to Barney (1991), this theory blends concepts from the fields of economics and strategic management. The theory attempts to explain how organizations build sustainable levels of competitive advantage. According to Barney

and Conner (1991), the renowned proponents of this view, the fundamental assumption is that organizations can be successful if they gain and maintain competitive advantage. To them, competitive advantage can be attained through implementing a value creating strategy that competitors cannot easily copy and sustain and for which there are no ready substitutes. Wright, et al. (1994) also supported this view and argued that a resource can be a source of sustained competitive advantage if it is non-substitutable, inimitable, rare, and valuable. According to Crook et al. (2008), firms compete in an ever changing dynamic business environment. Thus the firm must identify key potential resources which fulfill the criteria of being valuable, rare, inimitable, and non-substitutable by the firms' competitors in the area in which the firm operates (Galbreath, 2005).

Resource-based theory also postulates that short-run competitive advantage needs to be transformed into a sustained competitive advantage. To achieve this, the strategic resources need to be heterogeneous in nature and not perfectly mobile. Effectively, this translates into valuable resources that are inimitable and non-substitutable (Hoopes, 2003; Barney, 1991). Therefore, the firm's bundle of resources can assist it in sustaining above average returns. According to Collins and Montgomey (1995) there are two features of a strategic resource that enhance inimitability and also characterize High Performance Work Systems. These features are path dependency and causal ambiguity. Path dependency characterizes resources that are developed over time such that learning and experience provide cumulative 'first mover' advantage. In path dependency, a competitor cannot simply purchase an equivalent resource from the market and catch up with a rival firm. Causal ambiguity describes resources whose content and essential ingredients are so subtle and difficult to fully understand such that external observers are not able to reproduce in their own organizations.

According to resource based theory, firms must identify their key potential resources and evaluate whether these resources fulfill the condition of being valuable, rare, inimitable and non-substitutable. In addition, a resource must be valuable to enable a firm employ a value-creating strategy, by either outperforming its competitors or reduce its own weaknesses (Barney, 1991; Amit & Schoemaker, 1993). Relevant to this perspective is the argument that the transaction costs associated with the

investment cannot be higher than the discounted future rents that flow out of the value-creating strategy (Mahoney & Pandian, 19992; Conner, 1992). The resource based theory also postulates that to be of value, a resource must be rare by definition. In a perfectly competitive strategic factor market for a resource, the price of the resource will be a reflection of the anticipated discounted future above average returns (Barney, 1986a; Dierickx and Cool, 1989).

The resource based theory asserts that if a valuable resource is controlled by only one firm, it could be a source of a competitive advantage (Barney, 1991). According to Peteraf, 1993 and Barney, 1986b, this advantage could only be sustainable in the long run if competitors are not able to duplicate this strategic asset perfectly. The term 'isolating mechanism' according to Rumelt (1984) explains why firms might not be able to imitate a resource to the level that they are able to compete with the firm having the valuable resource (Peteraf, 1993; Mahoney & Pandian, 1992). An important underlying factor of inimitability is causal ambiguity, which occurs if the source of competitive advantage is unknown (Peteraf, 1993; Lippman & Rumelt, 1982). Where the resource in question is knowledge based or socially complex, causal ambiguity is more likely to occur (Mahoney & Pandian, 1992; Barney, 1991).

The resource based theory also asserts that even if a resource is rare, potentially value-creating and inimitable, an important aspect is lack of substitutability (Dierickx & Cool, 1989; Barney, 1991). However, if the competitors of a firm are able to counter the firms' value-creating strategy with a substitute, prices will be driven down to the point that it equals the discounted future rents (Barney, 1986a). This will result in zero economic profits. Thus firms have to provide care for and protection of resources that possess these evaluations (Crook, Ketchen, Combs & Todd, 2008). To the authors, doing so can improve organizational performance.

Dierickx and Cool (1989), Priem and Butler, (2001) argued that although the valuable, rare, inimitable and non-substitutable characteristics mentioned are individually important, they are not sufficient conditions for a sustained competitive advantage. Within the framework of the resource-based view, it should be noted that the chain is as strong as its weakest link and therefore, requires the resource to show each of the four features to be a possible source of a sustained competitive advantage

(Barney, 1991). Amit and Schoemaker (1993) posited that the encompassing construct previously called 'resources' can be divided into resources and capabilities. In view of this, resources are tradable and non-specific to the firm, whereas capabilities are firm specific, generic and are used to engage the resources within the firm such as implicit processes to transfer knowledge within the firm (Makadok, 2001; Hoopes, Madsen and Walker, 2003). This distinction has been widely adopted in the literature on resource-based view (Conner & Prahalad (1996); Makadok, 2001).

According to Barney (1991), there has to be a distinction regarding capabilities and resources. To the author, this is attained by defining capabilities as a special type of resource, specifically an organizationally embedded non-transferable firm-specific resource whose purpose is to improve the productivity of the other resources possessed by the firm. The author further posited that resources are stocks of available factors that are owned or controlled by the firm, and capabilities are an organization's capacity to deploy resources. It is the bundling of the resources that builds capabilities. In addition, the author argued that a competitive advantage can be achieved if the current strategy in a firm is value-creating, and not currently being implemented by present or potential future competitors. Although a competitive advantage has the ability to become sustained, this is not necessarily the case.

According to Barney (1986b), a competitor can enter the market with a resource that has the ability to invalidate the prior firms' competitive advantage, which results in reduced (normal) rents. Rumelt, (1984) argued that sustainability in the context of a sustainable competitive advantage is independent in regard to the time frame. A competitive advantage is sustainable when the efforts by competitors to render the competitive advantage redundant have ceased. Thus when the imitative actions have come to an end without disrupting a firm's competitive advantage, then the firm's strategy can be called sustainable.

Wernerfelt, (1984), Rumelt (1984) and Penrose (1959) argued that the resource based view as a basis for the competitive advantage of a firm lies primarily in the application of a bundle of valuable tangible or intangible resources at the firm's disposal. Peteraf (1993) also argued that in order to transform a short-run competitive advantage into a sustained competitive advantage, these resources must be

heterogeneous in nature and not perfectly mobile. According to Barney (1991), effectively this translates into valuable resources that are neither perfectly imitable nor sustainable without great effort. To the author, if these conditions hold, the bundle of resources can sustain the firm's above average returns.

A resource-based view of a firm explains a firm's ability to deliver sustainable competitive advantage when resources are managed such that their outcomes cannot be imitated by competitors. Resources are inputs or factors available to a company which helps to perform its operations or carry out its activities. Resources, if considered as isolated factors do not result in productivity; hence coordination of resources is vital. Barney (1991) stated that proper coordination of resources ultimately creates a competitive barrier. To the author, the ways that a firm can create a barrier to imitation are reflected in the corporate culture, managerial capabilities, information asymmetries and property rights.

Further, a firm's sustainable competitive advantage is attained through unique resources being rare, valuable, inimitable, non-tradable and non-substitutable, as well as firm-specific (Barney & Wright, 1998; Makadok, 2001). To the authors, a firm may reach a sustainable competitive advantage through unique resources which holds, and these resources cannot be easily bought, transferred, or copied, and simultaneously, they add value to a firm while being rare. Resource based theory also highlights the fact that not all resources of a firm may contribute to sustainable competitive advantage. Peteraf (2003) argued that varying performance between firms is a result of heterogeneity of assets. Resource based view is focused on the factors that cause these differences to prevail (Grant, 1991; Mahoney & Pandian, 1992).

The resource based view holds that inter-firm causal ambiguity may result in sustainable competitive advantage (King, 2007). To the author, causal ambiguity is the continuum that describes the level in which decision makers understand the relationship between organizational inputs and outputs. Thus, the inability of a firm's competitors to comprehend what causes the superior performance of another firm (inter-firm causal ambiguity), helps the competitor to reach a sustainable competitive advantage for the one that is presently performing at a superior level. According to Wernerfelt (1986), three conditions will result in a competitive barrier namely;

tacitness (accumulated skills through learning by doing), complexity (large number of inter-related resources being employed), and specificity (resources dedicated to specific activities). Ultimately, these three characteristics will result in a competitive barrier. Barney (1995) argued that through barriers limitation, incumbents ensure that competitors do not reach a level at which they may perform in a similar manner to the former. That is, the sustainability determined by the strength of not letting other firms compete at the same level.

It is important to note that the moment competition becomes active, competitive advantage becomes ineffective, thus evading the possibility of single-firm dominance; hence, no firm will enjoy a competitive advantage. Further, an organization exploits existing business opportunities using the present resources at the same time generating and developing a new set of resources to sustain its competitiveness in the future market environments. In order to sustain the competitive advantage, it is crucial to develop resources that will increase the firm's ability to continue the superior performance. According to K'Obonyo et al., (2013), any industry or market may show high uncertainty. Thus, in order to survive and also stay ahead of competition, new resources become highly necessary. To the authors, updating resources is a major management task. This is because all business environments are highly dynamic.

### **2.2.2. Knowledge-Based View**

Knowledge-based view originated from the seminal work of Penrose (1959). From there, theorists have examined how variations in an organization's key resources or its "know-how" might lead to differences in performance. In recent years, there have been groundswells of interest in organizational differences in "core competence" (Hamel and Prahalad, 1990), dynamic capabilities (Teece and Pisano, 1994), and knowledge (Nokana and Takeuchi, 1995). These approaches point to the competitive advantages that result from idiosyncratic combinations of resources that are not readily assembled in markets or coordinated by the price system but can be mobilized within a specific organization (Dobbin and Baum, 2000).

While early work focused on more tangible resources such as financial, capital and location, more recent approaches underscore the significance of knowledge. Most analysts employing knowledge-based approaches follow the lead of Polanyi (1967)

and stress the importance of the distinction between tacit and codified knowledge. Tacit knowledge is embedded in skills of workers and in work routines and shared understanding that, in combination, comprise organization's distinctive capabilities (Nelson and Winter, 1982). Tacit knowledge does not easily travel between individuals or firms (Badaracco, 1991). Barney (1991) also stated that tacit skills and knowledge that cannot be easily copied tend to last. Thus, firm boundaries take on a dual character, being defined by bundle of resources that a firm owns, but also by the interaction between the resource endowment and the available market opportunities (Santos and Eisenhardt, 2001).

Proponents of this approach see competitive advantage as embedded in resources that are difficult to replicate, are idiosyncratic to the firm and which are deployable across multiple product lines (Teece, 2000). Incidentally, Boxall and Purcell (2003) asserted that there is no distinction between the resource-based view and knowledge-based view of the firm. To them, both views focus on the internal resources of an organization and in particular, the development of core competence or capability as the principal means to generate the scope for competitive advantage.

### **2.2.3. Human Capital Theory**

Human capital theory was extensively developed by renowned American Economists, namely, Becker (1964) and Schultz (1998). Adam Smith, 'the father of Economics', in the *Wealth of Nations* (1776), formulated the basis of human capital. The theory asserts that skills, experience and knowledge have economic value to an organization because they enable it to be productive and adaptable. This theory poses an assumption that formal education is highly instrumental and necessary to improve the productive capacity of a population. The theory underscores how education increases the productivity and efficiency of workers. This is attained by increasing the level of cognitive stock of economically productive human capability, which is a product of innate abilities. Woodhull (1997) argued that the provision of formal education is considered as an investment in human capital, which proponents of the theory have considered as equally or even more valuable than that of physical capital.

The human capital theory concludes that investment in human capital will lead to greater economic outputs. Notably, the validity of the theory is sometimes hard to prove and contradictory. In the past, economic strength was largely dependent on



tangible physical assets. Conversely, in the new global economy, hard tangible assets may not be as important as investing in human capital. Boxall (2003) argued that people constitute the organization's human capital. Although human capital, like other assets has value in the market place, its potential value can fully be utilized only with the cooperation of the person.

#### **2.2.4. Empowerment Theory**

Empowerment of employees has been identified as an important attribute that is necessary to the effective functioning of an organization (Palmier, 1998). Theoretical discussions about structural power and development of empowerment in employees are abundant in the literature (Kanter, 1993; Kluska et al., 2004; Sui et al., 2006). Empowerment is evidenced by organizational members who are inspired to make meaningful contributions and also have the confidence that their contributions will be recognized and valued. Kanter's (1993) theory of structural empowerment includes a discussion of organizational behaviour and empowerment. To the author, empowerment is promoted in work environment that provides employees with access to; information; resources, support, and opportunity to learn and develop. Kluska et al., (2004) had noted that psychological empowerment includes competence, autonomy, job meaningfulness and ability to impact the organization. Employees who are empowered are committed to the organization, more accountable for their work, and better able to fulfil job demands in an effective manner (Degner, 2005).

As noted by Erickson et al. (2002), empowerment is thought to occur when an organization engages employees and progressively responds to this engagement with mutual interest and intention to promote growth. To the authors, empowerment develops over time as employees gain greater control over their lives and increasingly take part in decision making. The findings of the authors have suggested that membership on a collaborative governance increased the participants' sense of empowerment and fostered self-growth and organizational development.

The principles associated with certain guiding concepts support successful shared governance structure. These concepts are equity (this is the integration of roles to achieve common goals, and willingness of each member to contribute collectively

toward a common goal), ownership (the connection between individual job performance and organizational performance), partnership (relationships to promote mutual respect, enhanced communication, and collaboration to achieve organizational objectives), and accountability (willingness to invest in decision making and collective outcomes) (Batson, 2004; Porter-O'Grady, Hawkins & Parker, 1997). To the authors, when relevant principles are incorporated into individual and team behavior, then there is employee empowerment.

### **2.3. Employee Empowerment and Organizational Performance**

There has been a growing interest in the area of empowerment and related management practices among both management researchers and practitioners (Nanus et al., 1998; Block, 1978; Burke, 1986; Kanter, 1979; Mclell, 1975 and Neilsen, 1986). This interest has been prompted by today's ever-changing competitive global environment. Organizations are now empowering employees to do their jobs successfully for superior organizational performance. According to Petter et al. (2002), employee empowerment connotes the granting of authority or ability or transferring of some managerial authority, prerogative, or ability to employees. According to the authors, employee empowerment is believed to offer many benefits to organizations. Greenberger and colleagues (1997) stated that empowerment encourages proactive problem solving and accepting challenges, innovation, continuous improvement and optimum utilization of employee efforts. Thus empowering workers will result in greater job satisfaction, more consistent ethical behavior, improved customer service, increased efficiency and improved productivity. Cartin (2004) viewed employee empowerment as giving employees the authority to decide and act on their own.

In organizations where empowerment is taken seriously, managers are called coaches, advisors, sponsors, or facilitators and employees are called associates. In such organizations, decision making is being pushed down to the operating level, where workers are being given the freedom to make choices about schedules and procedures to solve work-related problems. Further, managers are also learning to give up control, whereas employees are learning how to take responsibility for their work and make appropriate decisions (Robbins, 2003). Previous studies indicate that employee empowerment directly leads to organizational performance (Li and

Guisinger, 1992; Argyris, 1998; Eylon and Au 1999, Robert et al., 2000 and Randolph, et al., 2002). Conversely, other studies indicate that employee empowerment leads to employee outcomes, which include organizational commitment and job satisfaction (Moday et al, 1979; Oloko, 2008). To them employee outcomes lead to organizational performance.

Organizational performance, is probably the most widely used dependent variable in many management researches and yet it remains vague and loosely defined (Richard et al., 2009). The definition of organizational performance varies with few studies using consistent measure (Kirkby, 2005). Hersey and Blanchard (1998) argued that performance has multiple meanings depending on the discipline and the context of discussion. Brumbruch (1988) expressed the concept of performance as encompassing both behaviour and results. This notion was supported by Campbell (1991) who stated that performance is a behavior associated with the accomplishment of expected, specified tasks. Work performance includes in role behavior that can be contingently tied to rewards, whereas organizational performance comprises the actual results of an organization as assessed against its intended outputs.

Despite an increased interest in the area of employee empowerment and organizational performance, there is no known empirical research that been conducted on the topic to conclusively confirm the linkages, whether the relationship between employee empowerment and organizational performance is also affected by other factors such as employee outcomes, management of workforce diversity and employee competence. Previous studies did not consider the role of these other factors. Incidentally, most of these studies have been carried out in the developed world with no consideration to the developing countries. This creates a knowledge gap in this area of study because there are also other factors that affect this relationship. As such, there is need for further study in this area that will assess the relationship between employee empowerment and organizational performance.

#### **2.4. Employee Empowerment, Employee Outcomes and Organizational Performance**

Previous empirical studies tend to show a link between employee empowerment and organizational performance (Eylon and Au, 1999; Robert et al., 2000; Randolph et al., 2002; Cartin, 2004). Other studies indicate that empowerment leads to employee outcomes such as organizational commitment and job satisfaction (Mowday et al., 1979; Oloko, 2008). According to the authors, these outcomes are expected to influence both the amount and quality of products and services produced by employees in an organization. Organizational commitment is an employee's strong belief in and acceptance of an organization's goals and values. It is also an effort on behalf of the organization to achieve goals and objectives, and a strong desire to maintain membership in the organization (Hunt and Morgan, 1994). Thus, organizational commitment is the power of identification and involvement of an individual with a certain organization.

Porter and colleagues (1974) explained commitment's behavioral situation where individuals focus on an action with the help of their early investments and if the action stops they lose their commitment. This view handles commitment as the tendency to maintain membership in the organization. Somers and Birnbaum (2000) stated that committed employees may accept organizational goals; reduce turnover and absenteeism and potentially perform better at their jobs. However, gaining full commitment from all employees has long been a challenge for many organizations.

Allen and Meyer (1991) further viewed commitment in three dimensions: Affective, continuance, and normative. This view was further supported by Baker (2000) and Karadal et al. (2008). Affective commitment is defined as the extent to which an individual identifies with, is involved in, and enjoys membership in an organization. Continuance commitment is an attachment to an organization based on an employee's awareness of the costs associated with discontinuing membership. Normative commitment is defined as the totality of internalized normative pressures to act in a way which meets organizational goals and interests. Generally, organizational commitment points to the attitudes of employees concerning commitment towards the organization they work for (Moorhead and Griffin, 1995; Northcraft and Neale, 1990).

The focus of the previous studies was on the link between organizational commitment and organizational performance. Incidentally, previous studies had not considered the role of organizational commitment in the relationship between empowerment and organizational performance. A study by Oloko (2008) established a positive relationship between organizational commitment and performance of organizations, but did not consider the role of organizational commitment in the relationship between employee empowerment and organizational performance. So far, no known empirical study to the best of the researcher's knowledge has assessed the influence of organizational commitment in the relationship between empowerment and performance of organizations.

The second employee outcome is job satisfaction. According to Naumann (1993), satisfaction is a bi-dimensional concept based on both intrinsic and extrinsic dimensions. Intrinsic satisfaction refers to the degree of satisfaction employees have experienced in performing the work and in their feelings of accomplishments, self-actualization and identity with the tasks. Extrinsic satisfaction refers to the degree to which employees feel comfortable with peers, superiors, the organization, recognition, compensation, advancement, and so forth. At the organizational level, satisfied workers are important contributors to an organization's effectiveness and ultimately long-term success. On the other hand, dissatisfied workers are implicitly thought to make little contribution to the organization. Thus, job satisfaction is simply how people feel about their jobs and different aspects of those jobs. Spector (1997) also asserted that job satisfaction is the extent to which people like or dislike their jobs.

Rose (2001) argued that intrinsic sources of satisfaction depend on individual characteristics of the person. These sources also include relations with supervisors, and the work that the person actually performs. These are generally symbolic or qualitative facets of the job. Extrinsic sources of satisfaction, on the other hand, are situational and depend on the environment. These sources include pay, promotion and job security. That is, financial and other material rewards or advantages of a job. The author further argued that both extrinsic and intrinsic job facets should be represented as equally as possible in a composite measure of overall job satisfaction. An alternative approach is that proposed by Sousa-Poza and Sousa-Poza (2000)

based on the assumption that there are basic and universal human needs, and if an individual's needs are fulfilled in their current situation, then that individual will be happy. This presupposes that job satisfaction depends on the balance between work-role inputs and outputs such as wages, fringe benefits, status, working conditions and intrinsic aspects of the job). It is assumed that if work-role outputs (pleasures) increase relative to work-role inputs (pains), then job satisfaction will increase.

Studies by Robbins and Judge (2009) revealed a positive relationship between job satisfaction and performance of organization, but did not consider its influence in the relationship between employee empowerment and organizational performance. As there is no study to the best of the researcher's knowledge that has assessed the influence of job satisfaction in the relationship between empowerment and organizational performance, there is still a knowledge gap in this area of study.

## **2.5. Employee Empowerment, Management of Workforce Diversity and Organizational Performance**

In recent years, research has shown that workforce diversity has become an imperative for organizational competitiveness (Schuler, 2000). Mathews (1998) stated that management of workforce diversity is increasingly becoming a principle of human resources management. In the book *Beyond Race and Gender*, Roosevelt defines managing diversity as "a comprehensive managerial process for developing an environment that works for all employees. Riccucci (2002) stated that the key for all employers is therefore, to make diversity an asset within the organization. The new complexity of work operations demands more diverse functions and the use of more diverse skills. Schneider and Northcraft argued that as the need for employee diversity increases, so do demands like the need for effective interaction among them. This interaction may lead to conflicts and the urgency to manage, not just attain the required diversity.

One of the most important and broad-based challenges currently facing organizations is adapting to people who are different. Many organizations were used to taking a melting-pot approach to differences assuming that people who are different would somehow automatically want to assimilate. But it has been recognized that employees leave cultural values, lifestyles and differences when they

come to work. The challenge for organizations therefore, is to be more accommodating to diverse groups of people by addressing their different lifestyles, family needs and work styles (Ricucci, 2002).

A study by Ruffino (1999) examined management of workforce diversity in organizations. Incidentally, the study did not consider the moderating role of management of workforce diversity in the relationship between employee empowerment and organizational performance. A study by Neubeck & Neubeck (2007) also explored gender differences and job opportunities but did not consider other diverse groups. Despite empowerment initiatives in many organizations, and given that the workforce is diverse, there is no empirical research to the best of the researcher's knowledge that has been conducted to assess the influence of management of workforce diversity on the relationship between empowerment and organizational performance. This creates a knowledge gap in this area of study. Thus, there is need for a study to be conducted to assess the influence of management of workforce diversity in the relationship between employee empowerment and organizational performance.

#### **2.6. Employee Empowerment, Employee Competence and Organizational Performance**

The terms competence, competency and competencies are used in different ways in literature, perhaps reflecting some degree of confusion about the differences among the three concepts. Hollis and Clark's (1993) summary of principles and terms in the competency-based approach is useful in this regard. To them, people are either competent or incompetent to do a task; hold or lack a particular competency and have or do not have competencies to do a job. Spencer and Spencer (1993) view competency as an underlying characteristic of an employee that is causally related to performance. The authors identified some types of competency characteristics. These characteristics include motives, traits, self-concept, knowledge and skills.

From the wide range of related literature, competency can be defined as an underlying characteristic of an employee that is causally related to superior performance in a job or situation. Mitrani et al. (1992) mentioned the need for competence and predict that organizations of the future will be built around people.

As such, there will be less emphasis on jobs as the building blocks of an organization. Increased focus will be on employee competence. Cummings and Worley (2001) also stated that changes frequently require new knowledge, skills and behavior from employees.

The various sources of literature that have been analyzed above indicate the different studies and their area of focus in the relationship between employee empowerment and performance of organizations. These studies arrived at findings that have brought out gaps which have informed the current study. The current study focused on these gaps with a view to making a contribution to debate by scholars and researchers on the topic regarding the relationship between empowerment and organizational performance. Previous studies certainly, did not consider the influence of employee competence in the relationship between employee empowerment and organizational performance. This creates a knowledge gap in this area thus, requiring further empirical study.

#### **2.7. Summary of the Empirical Studies and Knowledge Gaps**

The sources of literature and empirical studies analyzed above indicate the different studies and their area of focus in the relationship between employee empowerment and organizational performance. These studies arrived at findings that have revealed gaps which have informed the current study. This study focused on these gaps with a view to making a contribution to the relationship between employee empowerment and organizational performance. A summary of some of the studies reviewed is provided in Table 2.1 which shows the focus of the studies, findings, research gaps and the focus of the current study.



**Table 2. 1: Summary of the Empirical Studies and Knowledge Gaps**

Study	Focus	Methodology	Findings	Knowledge Gap	Focus of the Current Study
Robbins& Judge (2009)	Explored relationship between job satisfaction and performance	Survey research, descriptive statistics and correlation analysis.	Job satisfaction positively related to performance	Mediation of job satisfaction on employee empowerment and organizational performance was not considered.	Explored the mediation of job satisfaction in the relationship between employee empowerment and performance of Civil Service Ministries in Kenya
Oloko (2008)	Explored employee outcomes (i.e. organizational commitment, job satisfaction) and organizational performance	Cross- sectional research, descriptive statistics, correlation analysis.	Positive effect of employee outcomes on organizational performance	Mediation of employee outcomes in the relationship between empowerment and organizational performance was not considered	Explored mediation of employee outcomes in the relationship between employee empowerment and performance of Civil Service Ministries in Kenya was explored
Cartin (2004)	Explored employee empowerment and organizational performance	Survey research. Used census, descriptive statistics and correlation analysis.	Employee empowerment positively related to organizational performance	Study covered only private organizations. Also did not consider any intervening or moderating variables on the relationship between employee empowerment and performance	Study covered Civil Service in Kenya. The mediation of employee outcomes, the moderation of management of workforce diversity, and employee competence were also assessed
Randolph& colleagues (2002)	Explored relationship between empowerment and performance	Survey research, descriptive statistics and Correlation analysis	Positive correlation	Previous studies did not employ multiple regression analysis as it only assessed relationship between two variables	In addition to descriptive statistics and correlation analysis, this study employed multiple regression analysis to assess the moderation of management of workforce diversity and employee

					competence in the relationship between employee empowerment and performance of Civil Service Ministries in Kenya
Bohlander, Snell & Sherman (2001)	Examined competencies and performance	Survey research, descriptive statistics, correlation analysis	Competence positively related to performance	Did not address the moderation of employee competence in the relationship between employee empowerment and organizational performance	Explored the moderation of employee competence in the relationship between employee empowerment and performance of Civil Service Ministries in Kenya using stepwise regression analysis
Neubeck & Neubeck (2007)	Examined management gender differences and job opportunities	Cross-sectional research, descriptive statistics, correlation analysis	Gender differences positively related to job opportunities	Did not consider other diverse groups in the study	Explored the moderation of management of workforce diversity in the relationship between employee empowerment and performance of Civil Service Ministries in Kenya

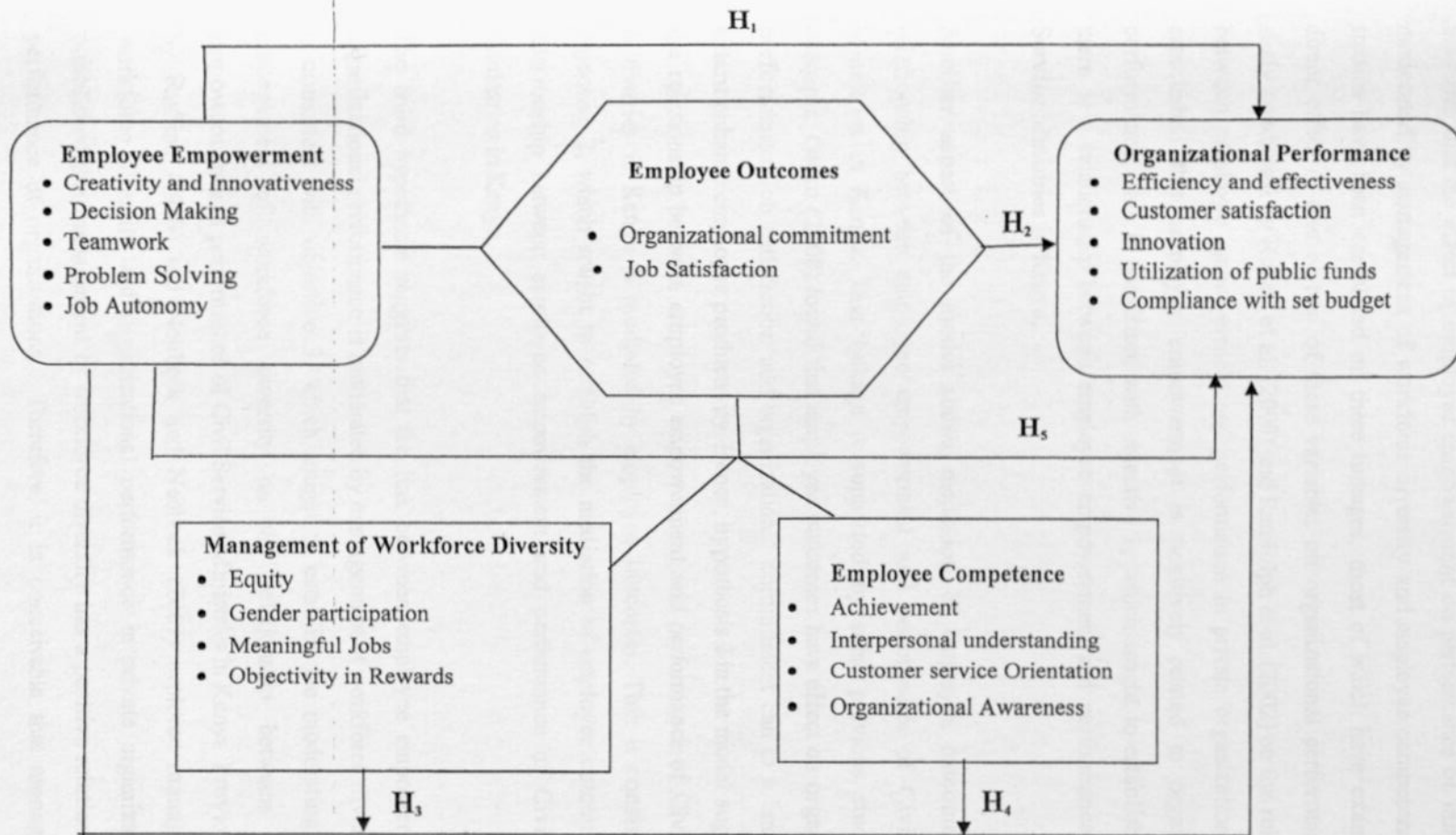
Source: Researcher(2016)

## 2.8 Conceptual Framework and Hypotheses

The conceptual model in Figure 1 shows the linkages among the study variables. Employee empowerment is the independent variable that influences the dependent variable. Organizational performance is the dependent variable whereas employee outcomes are the intervening variables. According to Sekaran (2007), the intervening variables help in conceptualizing and explaining the influence of the independent variable on the dependent variable. Management of workforce diversity and employee competence are the moderating variables on which the relationship between two other variables were contingent. If the moderating variable is present, the theorized relationship between two variables will hold (Sekaran, 2007). Cooper and Schindler (2003) consider a moderating variable as a second independent variable.

As shown in the figure, employee empowerment has a direct relationship with organizational performance. This is supported by some of the studies reviewed. Other studies have established that employee empowerment leads to employee outcomes and that there is indirect relationship between employee empowerment and organizational performance. The figure also depicts the proposed mediation of employee outcomes and proposed moderation of management of workforce diversity, and employee competence in the relationship between employee empowerment and organizational performance.

Figure 1: The Conceptual Model depicting Linkages and Variables



The conceptual model in Figure 1 suggests that organizational performance is influenced indirectly by employee empowerment through employee outcomes. It also indicates that the effect of employee empowerment on performance of ministries is moderated by management of workforce diversity and employee competence. Many studies have been conducted on these linkages, most of which have examined the direct effect of one or two of these variables on organizational performance. In a study conducted by Robert et al. (2000) and Randolph et al. (2002) on the relationship between employee empowerment and performance in private organizations, it was established that employee empowerment is positively related to organizational performance. This is consistent with objective 1, which sought to establish whether there is a relationship between employee empowerment and performance of Civil Service Ministries in Kenya.

Another aspect of the model shows mediation of employee outcomes in the relationship between employee empowerment and performance of Civil Service Ministries in Kenya. This linkage is supported by some previous studies. For, example, Oloko (2008) found that employee outcomes have effect on organizational performance. Job satisfaction and organizational commitment can to a considerable extent enhance employee productivity. Hence, hypothesis 2 in the model suggests that the relationship between employee empowerment and performance of Civil Service Ministries in Kenya is mediated by employee outcomes. This is consistent with objective 2, which sought to establish the mediation of employee outcomes in the relationship between employee empowerment and performance of Civil Service Ministries in Kenya.

The third hypothesis suggests that the link between employee empowerment and organizational performance is moderated by management of workforce diversity. This is consistent with objective 3, which sought to establish the moderating effect of management of workforce diversity on the relationship between employee empowerment and performance of Civil Service Ministries in Kenya. Previous studies by Ruffino (1999) and Neubeck and Neubeck (2007) explored management of workforce diversity and organizational performance in private organizations and established that management of workforce diversity has a positive relationship with performance of organizations. Therefore, it is conceivable that management of

workforce diversity could moderate relationship between employee empowerment and firm performance.

The line on which hypothesis 4 is depicted suggests that the relationship between employee empowerment and organizational performance is moderated by employee competence. This is consistent with objective 4, which sought to establish the moderating effect of employee competence on the relationship between employee empowerment and performance of Civil Service Ministries in Kenya. A study by Bohlander et al. (2001) on competencies and performance established that competencies are positively related to performance. It is therefore possible that employee competence could have a significant effect on the link between employee empowerment and organizational performance especially when they are aligned with the firm's competitive strategy. Several studies on the resource based view have suggested the importance of developing rare and inimitable human resources that can be aligned to a firm's strategy (Barney, 1995; right & McMahan, 1992; Schuler, 1992; Porter, 1985). However, previous studies had not considered the moderating effect of employee competence on the relationship between employee empowerment and organizational performance. This is important since without competence, empowerment of employees will not achieve a high level performance.

The arrow on which hypothesis 5 is based indicates that the combined effect of the four variables namely, employee empowerment, employee outcomes, management of workforce diversity, and employee competence on organizational performance is significantly different from the individual independent effect of employee empowerment on organizational performance. Several studies on synergy, configurations and contingent factors suggest the importance of complimentary resources, and the notion that independent factors working in isolation have limited abilities, but in combination can realize better outcomes (Barney, 1995; MacDuffie, 1995).

Organizations can achieve excellent outcomes when their capabilities are working harmoniously together. This is consistent with objective 5, which sought to establish whether the joint effect of employee empowerment, employee outcomes, management of workforce diversity, and employee competent on performance of Civil Service

Ministries in Kenya is greater than the individual independent effect of employee empowerment on performance of Civil Service Ministries in Kenya.

In view of the research problem, and based on the conceptual framework and the related objectives, it was deemed necessary to formulate the following hypotheses.

- H<sub>1</sub>:** There is a relationship between employee empowerment and performance of Civil Service Ministries in Kenya.
- H<sub>2</sub>:** Relationship between employee empowerment and performance of Civil Service Ministries in Kenya is mediated by employee outcomes.
- H<sub>3</sub>:** Relationship between employee empowerment and performance of Civil Service Ministries in Kenya is moderated by management of workforce diversity.
- H<sub>4</sub>:** Relationship between employee empowerment and performance of Civil Service Ministries in Kenya is moderated by employee competence.
- H<sub>5</sub>:** The joint effect of employee empowerment, employee outcomes, management of workforce diversity, and employee competence on performance of Civil Service Ministries in Kenya is greater than the individual effect of employee empowerment on performance of Civil Service Ministries in Kenya.

## **2.9 Chapter Summary**

This chapter reviewed existing theoretical and empirical literature on key variables, namely: employee empowerment; employee outcomes; management of workforce diversity; employee competence; and organizational performance. The theoretical foundation comprising the resource based theory, knowledge based theory, human capital theory, and empowerment theory was critically reviewed. The chapter reviewed the literature on the mediating role of employee outcomes and the moderating role of management of workforce diversity and employee competence in the relationship between employee empowerment and performance of organizations. Literature review also identified knowledge gaps that this study addressed. From the review of the previous studies, a conceptual framework indicating the linkages among the study variables was developed. The research hypotheses were also clearly stated based on the research objectives and conceptual framework.

## CHAPTER THREE: RESEARCH METHODOLOGY

### 3.1 Introduction

Any research plan is deliberately and precisely conceived and executed to bring empirical evidence to bear on the research problem. And so it is with this study. As the previous chapters presented the problem and reviewed the pertinent literature, this chapter discusses the methodological approaches and rationale for choice of methods that were employed in this study. Thus, the chapter covers the research philosophy, the research design and the procedures for sample selection and data collection. Data analysis techniques and tests of reliability and validity are also discussed.

### 3.2 Research Philosophy

The debate as to whether a dominant paradigm is appropriate in social science research has resulted in disagreement among researchers in the field. A particularly central issue in this context is the question of whether or not the social world can and should be studied according to the same principles and ethos as the natural sciences. The research paradigms dominantly used include positivism and interpretivism. According to active researchers, Crotty (1998), Bryman and Bell (2007), positivism is an epistemological position that advocates the use of methods of natural sciences to the study of social reality and beyond. Conversely, interpretivism proposes that a strategy is required that respects the differences between people and the objects natural sciences. Thus, social scientist should grasp the subjective meaning of social action (Grint, 2000).

Positivism is consistent with quantitative study. That is, an inquiry into social or human problem. This inquiry is based on testing theory composed of variables, measured with numbers, and analyzed with statistical procedures, to determine whether the predicted generalizations of the theory hold true. As such, this study adopted the positivist approach, which entails testing of theory composed of variables, measured with numbers, analyzed with statistical procedures, and making conclusions and inferences. The study of empowerment and performance of Civil Service Ministries in Kenya sought to establish possible relationship between these variables,



and whether employee outcomes play a mediating role and management of workforce diversity and employee competence play a moderating role.

### **3.3 Research Design**

In this study, a cross-sectional design was employed. Data were gathered only once to answer the research question. The research designs commonly used in social survey research include cross-sectional design, longitudinal design and case studies. The choice of a cross-sectional design was guided by the purpose of the study. The study examined the possible relationships among study variables, namely; employee empowerment as an independent variable, performance of Civil Service Ministries in Kenya as a dependent variable, empowerment outcomes as intervening variables, while management of workforce diversity and employee competence as moderating variables.

Unlike other designs, a cross-sectional design provides for establishment of possible relationships and not manipulation of variables or determination of cause and effect between the variables. It also provides for collection of data on many variables and from a large number of subjects, either the entire population or a subset within a short time frame and at a single point in time. Thus, accurate and less bias data can be gathered.

### **3.4 Target Population**

The target population for this study was Civil Service Ministries in the National Government. The respondents were employees from Job Group J to V in the 18 Government Ministries stationed at the Headquarters in Nairobi. Two ministries were used in the pilot study. They were the Ministry of Environment, Water and Natural Resources and the Ministry of Labour, Social Security and Services. These ministries were therefore excluded in the main study. The rationale for this choice was as follows: Job Group J is the minimum graduate entry point and management level where employees are entrusted with decision making and interpretation of policies. Some ministries such as Foreign Affairs, Ministry of Mining, and Energy and Petroleum, among others are not represented at the county level; Civil Servants in Job group J and above are fewer at the county level than at the ministries' headquarters. They are also scattered in a wide geographical area which makes it difficult to access

many of them. There were approximately 14,669 employees in Job Group J to V at the time this study was initiated who were stationed at the Ministries' Headquarters in Nairobi (Ministry of Devolution and Planning Database, 2013).

### 3.5 Sample Design

Data were collected from a sample size of 384 respondents drawn from 16 Government Ministries. The study used stratified sampling technique where the population was divided into strata comprising the 16 Government Ministries. Each Ministry formed a stratum from where samples were selected using simple random sampling technique. The sample size for each Ministry was determined by use of proportionate stratified sampling. This design guaranteed equitable representation of each Ministry in the sample.

It is important to note that despite ministry being the unit of analysis, data on indicators of predictor variables were given by individual employees in each Ministry since these variables concerned employees who reported on them directly. The effect of the predictor variables on organizational performance was indirect, through employees. In short, employees were merely conveyors of organizational information through their supervisors. The respondents, i.e. employees, were more than 10,000. Therefore, the sample size for the study was obtained through common formula suggested by Cooper & Emory (1995) and Sekaran (2002) as follows:

$$n = \frac{z^2 pq}{d^2} = \frac{95.95.0.5(1-0.5)}{100.100(5/100)^2}$$

Where:

$n$  = the desired sample size (if the target population is greater than 10,000)

$z$  = the degree of confidence, which in this case will be 95% confidence interval

$p$  = the proportion in the target population estimated to have characteristics being measured, 0.5 will be adopted

$q = 1 - p$  (this stands for the population not having the characteristics i.e. 0.5)

$d$  = the level of statistical significance (the degree of accuracy required in this case is 5%).

Thus, the sample size obtained using the above formula was 384.

As mentioned earlier, proportionate stratified sampling technique was used to determine the sample size for each ministry. The use of the formula is illustrated below taking Ministry of Interior and Coordination of National Government, which had a population of 1716 as an example. Employing the above formula, the sample size for the Ministry of Interior and Coordination of National Government =  $384(1716/14669)$ , which is approximately 43. The same procedure was followed for the other 15 Government Ministries. The results of this procedure are illustrated in table 3.1.

**Table 3. 1: Determination of the Sample of Respondents**

No.	Ministry*	Number of Employees in Job Group J and above*	Sample Size by Stratum
1.	Interior and Coordination of National Government	1716	43
2.	Devolution and Planning	706	19
3.	Foreign Affairs	564	19
4.	Defense	336	11
5.	Education, Science and Technology	776	21
6.	The National Treasury	1025	27
7.	Health	3602	85
8.	Transport and Infrastructure	1273	30
9.	Sports, Culture and the Arts	840	22
10.	Energy and Petroleum	179	7
11.	Agriculture, Livestock and Fisheries	1266	31
12.	Industrialization and Enterprise Development	373	11
13.	East African Affairs, Commerce and Tourism	595	16
14.	Mining	56	4
<b>TOTAL</b>		<b>14669</b>	<b>384</b>

\* Obtained from Ministry of Interior and Coordination of National Government (2014)

### 3.6 Data Collection

Primary and secondary data were used in this study. Data were collected between August and September 2014 through questionnaire (See Appendix 1). This data collection method was adopted because of the large number of the sampled respondents.

The questionnaire for this study was based on Likert-type scale that provided a range of responses on each measurement item. The questionnaire had five sections: section one focused on personal information; section two sought information concerning employee empowerment; section three covered employee outcomes; section four covered management of workforce diversity; section five captured data on employee competence. The questionnaire was administered to respondents by the researcher. The contact persons were heads of human resource management divisions in the 16 Government Ministries.

As mentioned earlier, the questionnaire was piloted in the Ministries of Labour, Social Security and Services and Environment, Water and Natural Resources. The pilot phase allowed the researcher to ascertain the appropriateness of the questionnaire in order to establish its accuracy. The respondents were asked how long it took them to complete the questionnaire and whether or not all the questions and instructions were clear. The pilot study found that the questionnaire was proper and could be used in the main study as it addressed the research questions and had no ambiguities. To avoid bias, the Ministries that were used in the pilot study were omitted in the main study. This study therefore covered 16 Government Ministries.

Secondary data were collected and used in respect of performance of the Civil Service. The source was Performance Evaluation Results for the Ministries for the Financial Years 2007/2008 to 2010/2011 (See Appendix 6). In order to get performance scores for the 16 Ministries, the scores of the State Departments in respective of Ministries were averaged to get the mean score. This is because performance data used in this study was computed at the time when the Civil Service comprised 44 ministries. These were reduced to 18 in 2013 by merging several ministries into one ministry where a good number of them became departments.

Performance contracting data were not available for the years 2012/2013 and 2013/2014 when the data for this study were collected.

### **3.7 Operational Definitions of the Research Variables**

This section presents the operational definitions of the key variables of the study. Performance of Civil Service Ministries in Kenya was measured using Ministries' Performance Evaluation Results. The evaluation of performance was done by independent panels and entailed rating of actual achievements against performance targets agreed upon at the beginning of the Financial Year (Financial year starts on July 1 and ends on June 30 of the following year). Using well thought out procedures and formulae, the evaluators converted scores for different indicators of performance into composite scores. The Ministries are subsequently ranked on the basis of their composite scores on performance. In this study, these composite scores were used to represent performance (See Appendix 5).

Operational definitions of the research variables are summarized in table 3.2

**Table 3. 2: Operational Definitions of the Research Variables**

Variable	Operational Indicators	Measures	Questionnaire Item (s)
Employee Empowerment (Independent variable)	Job autonomy, faster decision making, teamwork, proactive problem solving, choice and discretion and independent decision making (Petter et al., 2002).	Likert-type scale	Part 2 of questionnaire
Employee Outcomes (Intervening variables)	<p><b>Organizational commitment</b> is a strong belief in and acceptance of the organization, a strong desire to maintain membership within the organization, meeting deadlines (Hunt and Morgan, 1994; Oloko, 2008).</p> <p><b>Job satisfaction:</b> Increased motivation, accomplishment, happiness and quick learning of job related tasks (Naumann, 1993).</p>	<p>Likert-type scale</p> <p>Likert-type scale</p> <p>Likert-type scale</p>	<p>Part 3 (1) of questionnaire</p> <p>Part 3 (2) of questionnaire</p> <p>Part 3 (3) of questionnaire</p>
Management of workforce diversity (Moderating Variable)	Perception of consistent and equitable treatment of all employees; Extent of meaningful jobs to all employees; Compliance with fair employment practices; Degree of objectivity and neutrality in rewards and promotions; Degree of gender and ethnic balances (Ricucci, 2002).	Likert-type scale	Part 4 of questionnaire
Employee Competence (Moderating Variable)	<b>Achievement:</b> Concern for working well, concern for competing against a standard of excellence, results	Likert-type scale	Part 5 of questionnaire

	<p>orientation, efficiency orientation, optimizing use of resources.</p> <p><b>Interpersonal Understanding:</b> Ability to understand the people.</p> <p><b>Customer service orientation:</b> Desire to help or serve customers/clients.</p> <p><b>Organizational awareness is the ability to understand the power relationships in the organization or in other organizations. Conceptual thinking:</b> Ability to view the organization in macro or strategic terms (Spencer and Spencer, 1993).</p>		
Organizational Performance (Dependent Variable)	Quality Service: Efficiency and effectiveness; Customer Satisfaction; Utilization of allocated funds; compliance with set budget; Innovation.	Ministries' composite score	Appendix 5

Source: Researcher (2016)

### 3.8 Data Analysis and Presentation

The data collected were edited and coded for analysis. The study used both descriptive and inferential statistics to analyze data from primary and secondary sources. Descriptive statistics were used to summarize the data and inferential statistics were used to test hypotheses. The following measures of central tendency and dispersion were computed: mean scores, standard deviations, frequency distributions, coefficient of variation and percentages.

The correlation (for  $H_1$ ) and regression (for  $H_2$ ,  $H_3$ ,  $H_4$  and  $H_5$ ) analyses were used to establish the nature and magnitude of the relationship between predictor and criterion variables and to test hypothesized relationships. The SPSS was used to analyze the data. Formula for Pearson's correlation analysis and various regression models are summarized in table 3.3.



**Table 3. 3: Research Objectives, Hypotheses and Analytical Models**

Objective	Hypothesis	Analysis technique	Type of Analysis	Interpretation of Results
To determine relationship between employee empowerment and performance of Civil Service Ministries in Kenya	H <sub>1</sub> : There is a relationship between employee empowerment and performance of Civil Service Ministries in Kenya	Pearson's Product-Moment Correlation coefficient (r). $r = \frac{\sum dx \cdot dy}{(n-1)s_x s_y}$ Where:  dx = Deviations of mean from values of x series dy = Deviation of mean from values of y series n = Number of items in the sample S <sub>x</sub> = Standard deviation of x series S <sub>y</sub> = Standard deviation of y series	Correlation Analysis	r value (Range +1 to -1 If r= +1 then a strong positive relationship and r=-1 then there is a negative relationship)
To establish the mediation of employee outcomes in the relationship between employee empowerment and performance of Civil Service Ministries in Kenya.	H <sub>2</sub> : Relationship between employee empowerment and performance of Civil Service Ministries in Kenya is mediated by employee outcomes	Regression equations: $Y = \alpha_0 + \beta_1 X_1 + E_0$ $M = \alpha_1 + \beta_2 X_1 + E_1$ $Y = \alpha_2 + \beta_3 M + E_2$ $Y = \alpha_3 + \beta_4 X_1 + \beta_5 M + E_3$ Where: Y = Kenyan Civil Service performance; X <sub>1</sub> = employee empowerment; M = employee outcomes; β <sub>1</sub> , β <sub>2</sub> , β <sub>3</sub> , β <sub>4</sub> = Coefficients; α <sub>1</sub> , α <sub>2</sub> , α <sub>3</sub> = the intercepts	Stepwise regression analysis	If relationship between employee empowerment and performance of Civil Service Ministries in Kenya is significant ( β and t are significant at P<0.05); relationship between employee empowerment and employee outcomes is significant (β, R <sup>2</sup> ,F and t are significant, P < 0.05); relationship between employee outcomes and performance of Kenyan Civil Service

					Ministries is significant ( $\beta$ , $R^2$ , F and t are significant, $P < 0.05$ ); and relationship between employee empowerment and performance of Kenyan Civil Service Ministries is no longer significant when the effect of employee outcomes is controlled for ( $\beta$ , t, are not significant, $P > 0.05$ ), then employee outcomes mediate the relationship.
To determine the moderating effect of management of workforce diversity in the relationship between employee empowerment and performance of Ministries in the Civil Service in Kenya.	H <sub>3</sub> : Relationship between employee empowerment and performance of Civil Service Ministries in Kenya is moderated by management of workforce diversity.	Regression equations: $Y = \alpha + \beta_1 X + E$ $Y = \alpha + \beta_1 X + \beta_2 Z + E$ $Y = \alpha + \beta_1 X + \beta_2 Z + \beta_3 XZ + E$ Where: Y = Kenyan Civil Service performance ; X = empowerment; Z = management of workforce diversity; XZ = interaction term; $\beta_1, \beta_2, \beta_3$ = Coefficients; $\alpha$ = the intercept	Stepwise regression analysis	If change in R-Squared after addition of interaction term (moderator) is significant ( $R^2$ change, F change, $\beta, t$ , are significant, $P < 0.05$ ), then management of workforce diversity moderates the relationship.	
To establish the moderating effect of employee competence in the relationship between employee empowerment and performance of ministries in the Civil Service Ministries in Kenya	H <sub>4</sub> : Relationship between employee empowerment and performance of Civil Service Ministries in Kenya is moderated by employee competence.	Regression equations: $Y = \alpha + \beta_1 X + E$ $Y = \alpha + \beta_1 X + \beta_2 Z + E$ $Y = \alpha + \beta_1 X + \beta_2 Z + \beta_3 XZ + E$ Where: Y = Kenyan Civil Service performance; X = empowerment; Z = employee competence; XZ = interaction term $\beta_1, \beta_2, \beta_3$ = Coefficient; $\alpha$ = the intercept	Stepwise Regression analysis	If change in R-Squared after addition of interaction term (moderator) is significant ( $R^2$ change, F change, $\beta, t$ , are significant, $P < 0.05$ ), then employee competence moderates the relationship.	

<p>To determine whether the joint effect of employee empowerment, outcomes, management of workforce diversity, and employee competence is greater than the individual independent effect of employee empowerment on performance of Civil Service Ministries in Kenya</p>	<p>H<sub>5</sub>. The joint effect of employee empowerment, employee outcomes, management of workforce diversity and employee competence is greater than the individual independent effect of employee empowerment, on performance of Civil Service Ministries in Kenya.</p>	<p>Multiple Regression Model  <math>Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + E</math></p> <p>Where: Y = Kenyan Civil Service performance; X<sub>1</sub> = employee empowerment; X<sub>2</sub> = employee outcomes; X<sub>3</sub> = management of workforce diversity; X<sub>4</sub> = employee competence.  <math>\beta_1, \beta_2, \beta_3, \beta_4</math> = Coefficients;  <math>\alpha</math> = the intercept</p>	<p>Multiple Regression Analysis</p>	<p>If R-Squared for joint effect model is greater than R-Square for individual effect model, then the joint effect of employee empowerment, employee outcomes, management of workforce diversity, and employee competence is greater than the individual effect of employee empowerment on performance of Civil Service Ministries in Kenya. F, B, t are significant, P&lt;0.05.</p>
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Source: Researcher (2016)

### 3.9 Diagnostic Tests

#### 3.9.1. Tests of Reliability and Validity

Mugenda and Mugenda (2003) defined reliability as a measure of the degree to which a research instrument yields consistent results or data after repeated trials. The reliability of the measurement instruments used in this study was assessed using the internal consistency technique developed by Cronbach. The data used for the test of internal consistency were obtained from pilot study. Cronbach's alpha is a measure of internal consistency of items that represent various aspects or attributes of a variable. Since the items are elements that make up the variable, they are expected to have strong correlation with each other. Very weak correlations imply that the items are not part of the same variable. The acceptable reliability coefficient should be above 0.700 (Nunnally, 1978).

The Cronbach's alpha for the variables in this study ranged from 0.841 to 0.899 as shown in Table 3.4 implying that the data collection instruments used in this study were reliable. Cronbach's alpha reliability coefficients for the major variables in the conceptual framework are also presented in Table 3.4.

**Table 3. 4: Summary of Cronbach's Alpha Coefficients for the Variables of the Study**

Variable	No. of items	Cronbach's Alpha	Comment
a. Employee Empowerment	9	0.874	Reliable
b. Organizational Commitment	13	0.899	Reliable
c. Job Satisfaction	12	0.896	Reliable
d. Management of Workforce Diversity	13	0.841	Reliable
e. Employee Competence	12	0.846	Reliable

Overall Cronbach's Alpha = 0.887

Source: Researcher (2016)

As shown in Table 3.4, organizational commitment and job satisfaction registered the highest levels of internal consistency reliability at 0.899 and 0.896 respectively. Employee empowerment had a reliability coefficient of 0.874; employee competence 0.846; and management of workforce diversity showed the lowest level at 0.841. All the variables had alpha coefficient above the recommended threshold of 0.700.

According to Cooper and Schindler (2003), validity is the accuracy and meaningfulness of inferences, which are based on the research results. It indicates whether or not the instrument is testing what it was intended to measure. Face validity, which is commonly used in research of this nature, was applied to determine if the measurement instruments were measuring what they were intended to measure. To establish face validity, this study used a team of experts. The team of experts gave an opinion that the instrument appeared capable of measuring what it was intended to measure. Construct validity was ensured through the operationalization of terms. The variables in the study were operationalized to reflect the theoretical assumptions that underpin the conceptual framework of the study.

### 3.9.2. Check for Multicollinearity

Field (2009) argued that multicollinearity exists when there is a strong correlation between two or more predictors in a regression model. Multicollinearity poses some problems such as increases in standard errors of the  $\beta$  coefficients, implying that the  $\beta$ s have relatively higher variability across samples and less likely to represent the population. The second problem is limiting the size of R (the measure of linear correlation between the predictors and the outcome) and  $R^2$  (the variance of the outcome for which the predictors account, making the second predictor to account for very little in the remaining variance). The other problem posed by multicollinearity is that it reduces the importance of predictors, making it difficult to assess the individual importance of a predictor. The results of the multicollinearity test are presented in Table 3.5.

**Table 3. 5: Results of Multicollinearity Check**

		Employee Empowerment r	Job Satisfaction r	Organizational Commitment r	Management of Workforce Diversity r	Employee Competence r
<b>Pearson Correlation</b>	Employee Empowerment	1.000	0.507	0.624	0.695	0.564
	Job Satisfaction	0.507	1.000	0.254	0.474	0.654
	Organizational Commitment	0.624	0.254	1.000	0.449	0.521
	Management of Workforce Diversity	0.695	0.474	0.449	1.000	0.553
	Employee Competence	0.564	0.654	0.521	0.553	1.000

Source: Research Data 2016

Results in Table 3.5 show that there is no multicollinearity since the highest correlation between variables was 0.695. This is below the acceptable limit, which is 0.75.

### 3.9.3. Test for Normality

The importance of normal distribution is undeniable since it is an underlying assumption of many statistical methods such as t-tests, linear regression analysis, and analysis of variance (ANOVA). When normality assumption is not complied with, interpretation and inferences may not be reliable or valid. Therefore, it is important to check for normality before proceeding with any relevant statistical procedures.

In this study, test for normality was conducted using a method that was designed by Shapiro and Wilk (1965). This method was originally restricted for a sample size of less than 50. This test was the first that was able to detect departures from normality due to either skewness or kurtosis or both (Althouse et al., 1998). Shapiro-Wilk test was modified by Royston (1982a) to broaden the restriction of the sample to 2000. It was further broadened to 5000 or less (Royston, 1995). The value of this test lies between zero and one. Small values lead to the rejection of normality whereas a value of one indicates normality of the data. Shapiro-Wilk has become the preferred test because of its good power properties (Mendes & Pala, 2003). The results of the tests for normality for employee empowerment, employee outcomes, management of workforce diversity and employee competence are presented in Table 3.6.

**Table 3. 6: Test for Normality**

Variable	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	Df	P- Values	Statistic	Df	P- Values
a. Employee Empowerment	.252	265	.000	.822	265	.000
b. Organizational Commitment	.262	264	.000	.803	264	.000
c. Job Satisfaction	.250	260	.000	.834	260	.000
d. Management of workforce diversity	.204	260	.000	.860	260	.000
e. Employee Competence	.302	267	.000	.748	267	.000

Source: Research Data (2016)

As shown in table 3.6, the data were normally distributed since the results of the tests lie between 0.748 and 0.860. In addition, all the P-values are less than the minimum acceptable level of significance used in this study ( $P < 0.05$ ).

### 3.10 Chapter Summary

This chapter introduced the philosophy of research. It also described the research design adopted for the study and the population of the study. It further described the data collection instruments and procedures as well as data analysis. The operationalization of the research variables was also presented. Further, the chapter presents a tabulated summary of the objectives, corresponding hypotheses, and analytical models. Finally, the chapter presented the tests of reliability and validity, and the tests for multicollinearity and normality.

## CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

### 4.1. Introduction

This study was concerned with the relationship between employee empowerment and performance and factors that are associated with it. The said factors comprised employee outcomes as mediator and management of workforce diversity and employee competence as moderators. Each of the sixteen ministries has departments which were fully fledged ministries prior to 2013. As ministries, they had participated in performance contracting and thus had performance index or score. In order to get the performance for the sixteen ministries, the score of the state departments forming a ministry were averaged to get the mean score. Data on the extent to which employee empowerment, employee outcomes, management of workforce diversity, and employee competence are exhibited in the Civil Service Ministries were got from the respondents. Thus the unit of analysis in this study was Civil Service Ministries in Kenya..

This chapter presents data analysis, research findings and discussion. It is divided into three major sections, namely, the descriptive statistics, the inferential statistics and the discussion of the findings. Section one of this chapter presents descriptive statistics featuring the survey response rate and the description of the variables. The percentages, means, frequencies, and standard deviations were also computed and presented. Section two of the chapter presents the inferential statistics. The inferential statistics comprised the correlation and regression analyses. The correlation analysis was used to test the relationship between empowerment and organizational performance. Regression analysis on the other hand, was used to assess the effect of predictor variables on the dependent variable. Section three presents discussion of the findings. The choice of the statistical methods in this study was informed by the measurement scales used and the purpose of the study. The descriptive statistics formed the basis for hypotheses testing and further inferences. Attempts were made to explain the findings and the extent to which they are consistent with or contrary to past empirical research findings and theoretical arguments. The discussion of the findings was guided by the objectives of the study.



## **4.2. Descriptive Statistics**

The descriptive statistics presented in this section comprise response rates by Ministries, demographic information, and analyses of measures of employee empowerment, employee outcomes, management of workforce diversity, employee competence and performance of Civil Service Ministries in Kenya.

### **4.2.1. Response Rate**

The sample size for this study was 384. Out of this, 275 respondents completed and returned the questionnaires. This constituted a response rate of 71.61%. Response by each ministry is presented in Table 4.1. The table displays the response rates of the 16 Government Ministries that were covered in the main study, excluding the two Ministries that were used in the pilot study. Notably, all the Ministries responded to the questionnaire. The Ministry of Foreign Affairs and the Ministry of Mining registered 100 percent response rate. The Ministry of Industrialization had the lowest response rate at 36.36 percent.

*Table 4.1: Response Rate by Ministry*

No.	Ministry	Number of Questionnaires	Responses	Percentage Response Rate
1	Interior and Coordination of National Government	43	28	65.12
2	Devolution and Planning	19	17	89.47
3	Foreign Affairs	19	19	100.00
4	Defence	11	10	90.91
5	Education, Science and Technology	21	16	76.19
6	The National Treasury	27	18	66.67
7	Health	85	62	72.94
8	Transport and Infrastructure	30	16	53.33
9	Lands, Housing and Urban Development	28	13	46.42
10	Information, Communication and Technology	10	6	60.00
11	Sports, Culture and the Arts	22	14	63.64
12	Energy and Petroleum	7	5	71.43
13	Agriculture, Livestock and Fisheries	31	30	96.77
14	Industrialization and Enterprise Development	11	4	36.36
15	East African Affairs, Commerce and Tourism	16	13	81.25
16	Mining	4	4	100.00
<b>TOTAL</b>		<b>384</b>	<b>275</b>	<b>71.61</b>

Source: Researcher (2016)

#### 4.2.2. Period Served in the Ministry

This study sought to establish the experience of the respondents by length of service. Table 4.2 shows the distribution of the respondents according to the period served in the Ministry.

**Table 4.2: Distribution of Respondents by Gender and Period Served in the Ministry**

Gender	Below 5 Years	Over 5 Years	Frequency	Percentage (%)
Female	71	66	137	49.818
Male	47	91	138	50.181
<b>TOTAL</b>	<b>118</b>	<b>157</b>	<b>275</b>	<b>100</b>

Source: Research Data (2016)

The findings as indicated in Table 4.2 show that majority of female employees seem to serve for less than five years in a Ministry. It was also found that male employees tend to stay longer in the Ministry than female employees. This may have an implication for management of diversity, and in particular compliance with fair labour practices by the Ministries.

#### 4.2.3. Level of Education

The respondents were asked to indicate their highest academic qualifications. Table 4.3 shows the distribution of respondents according to level of education.

**Table 4.3: Distribution of Respondents by Level of Education**

Academic Qualifications	Frequency	Percentage (%)
Ordinary Diploma	40	14.5
Higher Diploma	58	21.1
Secondary School	4	1.5
Bachelors Degree	91	33.1
Masters Degree	81	29.5
Other/Doctorate	1	0.3
<b>TOTAL</b>	<b>275</b>	<b>100.0</b>

Source: Research Data (2016)

As shown in table 4.3, the respondents' academic qualifications ranged from certificate to doctorate degree. It was found that majority of the respondents 33.1 percent had Bachelors degree as their highest level of education. Respondents with Masters degree as their highest level of education made up 29.5 percent, 21.1 percent had higher diploma, 14.5 percent had ordinary diploma, 1.5 percent reached secondary school level while 0.3 percent had a doctorate degree. The results indicate that the management level of the Civil Service in Kenya is composed of graduate executives. This has implication to management because they should put in place proper retention strategies to suppress the movement of people to greener pastures.

#### 4.2.4. Number of Respondents per Level of Management

The results in Table 4.4 indicate that majority of the respondents (60.36 percent), were in lower management (J/K/L/M Job Group bracket). This applied to both male and female respondents. About 25.09 percent were in middle management (N/P/Q Job Group bracket) whereas 12 percent were in the senior management (R/S/T Job Group bracket). Only 2.54 percent of the respondents were in top management level (U/V job group bracket).

The results further show that the number of employees in each Job Group bracket reduces for higher positions. As expected based on previous studies, majority of employees in higher job groups were male, whereas majority at lower job groups were female as indicated in Table 4.4. This explains why that majority of heads of departments in the Civil Service are male. This has an implication for management of diversity.

**Table 4.4: Distribution of Respondents by Level of Management**

Management Level	Male	Female	Total	Percentage (%)
a. Lower Level (J/K/L/M)	66	100	166	60.3636
b. Middle Level (N/P/Q)	39	30	69	25.0909
c. Senior Level (R/S/T)	27	6	33	12.0000
d. Top Level (U/V)	6	1	7	2.5454
<b>TOTAL</b>	<b>138</b>	<b>137</b>	<b>275</b>	<b>100</b>

Source: Research Data (2016)

#### 4.2.5. Gender of the Respondents

The respondents were asked to indicate their gender in the questionnaire. The findings in table 4.5 show that 50.2 percent of the respondents were male whereas 49.8 percent of the respondents were female. This is an indication that there is almost gender parity among employees in Job Group J and above in the Civil Service. However, majority of the females are in the lowest Job Group bracket (J/K/L/M).

**Table 4.5: Distribution of Respondents by Gender**

Gender	Frequency	Percentage (%)
Female	137	49.8
Male	138	50.2
<b>TOTAL</b>	<b>275</b>	<b>100</b>

Source: Research Data (2016)

#### 4.3. Measures of Employee Empowerment

In this study, employee empowerment was an independent variable. Employee empowerment consisted of nine indicators as shown in table 13. The respondents were asked to rate the extent to which empowerment was exhibited in the Ministries using a 5-point Likert-type scale. In this scale, 5 represented to a very great extent, 4 represented to a great extent, 3 represented a moderate extent, 2 represented to a little extent and one represented not at all. A rating of less than 3 was to denote a less favourable response, whereas a rating above 3 was to denote a more favorable response. The main objective was to establish the extent to which empowerment is practiced in the Civil Service Ministries in Kenya.

The results of this study reveal that majority of the respondents to a great extent agreed that employees have power over what and how they do work, perform tasks skillfully, take part in proactive problem solving and teamwork, make decisions independently, have confidence in the job and also exercise creativity and innovation. Conversely, on influence over Ministry decisions, majority indicated a less favorable influence. This is an indication that decision making is a responsibility of a few individuals in the Civil Service Ministries, probably the top management. It could also imply that the decisions made at lower level management are never considered or taken seriously. Table 4.6 shows means, standard deviations and coefficients of variation for measures of empowerment.

**Table 4.6: Means, Standard Deviations and Coefficient of Variation for Measures of Employee Empowerment**

<b>Item</b>	<b>Mean for Male</b>	<b>Mean for Female</b>	<b>Overall Mean</b>	<b>Standard Deviation</b>	<b>Coefficient of Variation</b>
a. Power over what and how employees work.	3.74	3.44	3.59	0.896	0.3594
b. Having relevant skills to do work	4.57	4.41	4.49	0.647	0.2209
c. Taking part in pro-active problem solving	3.90	3.29	3.60	1.099	0.2609
d. Taking part in teamwork	4.37	4.06	4.21	0.944	0.3181
e. Making decisions independently	3.47	3.14	3.31	1.199	0.4155
f. Having choice and discretion in work performance	3.54	3.60	3.57	1.025	0.3648
g. Confidence in the job	4.51	4.48	4.50	0.776	0.2429
h. Creativity and innovation	4.10	4.00	4.05	0.927	0.3096
i. Influence over ministry decisions	2.97	2.68	2.83	1.340	0.3236
<b>GRAND MEAN</b>	<b>3.7098</b>	<b>3.6778</b>	<b>3.7944</b>	<b>0.5606</b>	

Overall Mean = 3.7944; Overall Cronbach's Alpha = 0.784

Source: Researcher (2016)

Though employee empowerment measurement scale had 9 items, it was considered and analyzed as a single variable. The results show that generally, there is a moderate empowerment in the Civil Service Ministries with a grand mean of 3.7944. The results also show a standard deviation of 0.5606 and coefficient of variation of 0.3182. This implies that the scores were slightly close together. This is an indication that there is a high degree of uniformity regarding the extent of individual differences on empowerment.

The findings agree with those of Ehrenberg & Smith (1994) who noted that when the knowledge and skills of employees are enhanced, employees are expected to perform their jobs and tasks more efficiently and effectively. These, coupled with other factors in the workplace such as sharing information in the organization and adoption of an appropriate competitive strategy, an organization can enhance its performance.

#### **4.4. Measures of Employee Outcomes**

In this study, employee outcomes were the intervening variables. These outcomes were organizational commitment and job satisfaction. The respondents were asked to rate themselves on employee outcomes using a - 5 point Likert type scale. Each outcome was considered and analyzed as a single variable. The findings are presented below.

##### **4.4.1. Organizational Commitment**

As shown in Table 4.7, organizational commitment was measured using 13 items. The survey questionnaire required the respondents to rate the extent to which they were committed to the Ministry. The respondents rated themselves against itemized statements using a - 5 point Likert-type scale. The results indicate that majority of the respondents agreed with the statements on organizational commitment. That is, were highly committed to work; like working for the ministry; were satisfied with the job; looking forward to come to work the next day; stay overtime to finish work; have strong desire to maintain membership in the ministry; have closer cooperation with the seniors; get strong sense of meaning in work; complete work as scheduled; and talk well about the ministry to friends. These results also reveal that to a moderate extent, the respondents considered themselves to be very lucky if they would spend the rest of their lives within the Ministry. Thus, they perceive current and future opportunities as adequate. This implied that majority of the respondents hoped that if one day they

would exit from the Ministry before the normal retirement age, it might be for better opportunities.

Table 4.7 shows means, standard deviations and variability for organizational commitment.

Item	Mean	Standard Deviation	Variance
1. I am proud to tell others I work for the Ministry of Education	4.10	0.85	0.72
2. I am proud to tell others I work for the Ministry of Education	3.70	0.85	0.72
3. I am proud to tell others I work for the Ministry of Education	4.02	0.77	0.59
4. I am proud to tell others I work for the Ministry of Education	4.16	0.82	0.67
5. I am proud to tell others I work for the Ministry of Education	4.26	0.91	0.83
6. I am proud to tell others I work for the Ministry of Education	3.82	0.85	0.72
7. I am proud to tell others I work for the Ministry of Education	4.23	0.81	0.66
8. I am proud to tell others I work for the Ministry of Education	4.04	0.83	0.69
9. I am proud to tell others I work for the Ministry of Education	4.13	0.84	0.71
10. I am proud to tell others I work for the Ministry of Education	3.72	0.87	0.76
<b>GRAND MEAN</b>	<b>4.05</b>	<b>0.84</b>	<b>0.71</b>

Source: Data from the study, based on responses of 100 teachers in the Ministry of Education, Jordan (2010).



**Table 4.7: Means, Standard Deviations and Coefficient of Variation for Measures of Organizational Commitment**

Item	Mean for Male	Mean for Female	Overall Mean	Standard deviation	Coefficient of Variation
a. Highly committed to work	4.67	4.65	4.66	0.632	0.2264
b. Like working for the ministry	4.41	4.22	4.31	0.878	0.3781
c. Satisfied with work	4.06	3.87	3.96	1.110	0.5183
d. Look forward to coming to work the next day	4.20	3.93	4.06	1.117	0.4806
e. Staying overtime to finish work	3.78	3.85	3.81	1.353	0.2706
f. A strong desire to maintain membership in the ministry	4.02	3.77	3.90	0.991	0.2706
g. Closer cooperation with ones seniors	4.36	3.82	4.09	0.962	0.3750
h. A strong sense of meaning in work	4.26	3.92	4.09	0.947	0.4295
i. Lucky to spend the rest of one's life in the ministry	3.62	3.28	3.45	1.246	0.4673
j. Completing work as scheduled	4.28	4.18	4.23	0.813	0.2103
k. Talking well about the ministry	4.04	3.73	3.89	1.044	0.4048
l. Considering the ministry as part of one's life	3.73	3.42	3.58	1.193	0.4591
m. Perceiving current and future opportunities as adequate	3.72	3.37	3.55	1.158	0.4390
<b>GRAND MEAN</b>	<b>4.0885</b>	<b>3.8469</b>	<b>3.9677</b>	<b>0.3332</b>	

Overall Mean=3.9677; Overall Cronbach's Alpha=0.899

Source: Researcher (2016)

As presented in Table 4.7, it was established that generally, to a moderate extent, the respondents were committed to the ministries, with a grand mean of 3.9677. The study also reveals that there is uniformity among the scores on organizational commitment with a standard deviation of 0.3332 and a variability of 8.4%. The item highly committed to work had the highest overall mean of 4.66. This is an indication that majority of the Civil Servants are committed to work, which may in turn lead to superior performance. The findings of this study are consistent with those of Delery & Doty (1996) who noted that many organizations are striving to know how to improve their productivity and competitive advantage through their people, especially when it is considered that people management is an underpinning and essential aspect to the competitiveness of business organization.

#### **4.4.2. Job Satisfaction**

Job satisfaction was measured using 12 items. As shown in Table 4.8, the survey questionnaire required the respondents to rate themselves on the extent to which they experience job satisfaction using a 5 point Likert type scale. In this scale, 5 represented to a very great extent, 4 represented to a great extent, 3 represented to a moderate extent, 2 represented to a little extent and 1 represented not at all. The study found that most respondents agreed that they have job satisfaction. That is, major happiness of their lives comes from work; the job gives them a sense of accomplishment; opportunities for advancement are very good; the job gives them better mental and physical health; they are able to learn new job related tasks quickly; and experience fewer on the job related accidents. The respondents who indicated that their jobs had little impact on the success of the ministries had a mean score of 2.65. This is an indication that some civil servants are deployed in areas where they are not well versed or they may be performing functions that are not related to the objectives of the department. This can be a very dangerous situation as it might affect the overall Ministry performance.

Table 4.8 shows means, standard deviations and Variability for job satisfaction.

**Table 4.8: Means, Standard Deviations and Coefficient of Variation for measures of Job Satisfaction**

Item	Mean for Males	Mean for Females	Overall mean	Standard Deviation	Coefficient of Variation
a. Major happenings of one's life comes from work	3.61	3.49	3.55	1.060	0.4896
b. The job gives a sense of accomplishment.	4.08	3.68	3.88	0.978	0.4219
c. Opportunities for adjustment are very good	3.67	3.62	3.65	0.992	0.3782
d. Job gives both mental and physical health	3.69	3.71	3.70	1.012	0.3580
e. Able to learn new job-related tasks quickly	4.31	4.13	4.22	0.800	0.2612
f. Experiencing fewer on the job related accidents	4.02	3.64	3.83	1.241	0.0928
g. Job has little impact the on success of the ministry	2.65	2.64	2.65	1.478	0.0518
h. Job is highly meaningful	4.02	3.95	3.99	1.144	0.1702
i. Most part of the day spent day dreaming about a better job	2.85	2.67	2.76	1.470	0.0455
j. Less likely to leave the job	3.04	3.32	3.18	1.445	0.1869
k. My job is related to previous training	4.17	4.10	4.13	1.084	0.2878
l. Likely to exhibit pro-social citizenship	3.83	3.76	3.79	1.135	0.2099
<b>GRAND MEAN</b>	<b>3.6617</b>	<b>3.5592</b>	<b>3.6105</b>	<b>0.5030</b>	

Overall Mean = 3.6105; Overall Cronbach's Alpha = 0.896

Source: Researcher (2016)

As shown in Table 4.8 the study found that to a moderate extent, the respondents had job satisfaction with a grand mean of 3.6617, a small standard deviation of 0.5030 and a variability of 13.93 percent. These results also show uniformity among the scores. However, majority of the respondents who agreed to a great extent that they had job satisfaction were male, with a mean score of 3.83. This is an indication that majority of employees in senior and top management levels are males. The findings of this study are consistent with those of Robbins & Judge (2009) who explored relationship between job satisfaction and performance and established that job satisfaction was positively related to performance.

#### **4.5. Measures of Management of Workforce Diversity**

Measures of management of workforce diversity sought to establish the extent to which Ministries are perceived to treat the diverse workforce. Management of workforce diversity was measured using 13 items as shown in table 4.9. The survey questionnaire (Appendix 1, Section Four) required the respondents to rate themselves on the perceived extent to which their ministries exhibit management of workforce diversity. A 5 – point Likert-type scale was used to collect the responses, where 5 indicated very great extent and 1 not at all, while 3 was taken as the midpoint to indicate moderate extent.

The study found that most Ministries ensure equitable treatment of all employees irrespective of their backgrounds; are making effort to reduce gender imbalances; and are encouraging both male and female participation in decision making. The results also indicate that most Ministries: consider experience in appointments; ensure meaningful jobs to all employees; ensure objectivity in rewards; and encourage flexibility in performance to accommodate differences; are continually making efforts to reduce ethnic imbalances; and encourage productive relationships in the ministry.

Table 4.9 shows means, standard deviations and coefficient of variation for measures of management of workforce diversity.

**Table 4.9: Means, Standard Deviations and Coefficient of Variation for Measures of Management of Workforce Diversity**

Item	Mean for males	Mean for Females	Overall mean	Standard Deviation	Coefficient of Variation
a. Equitable treatment of employees	3.80	3.37	3.58	1.274	0.3263
b. Continually making effort to reduce gender imbalances	3.94	3.60	3.77	1.071	0.2976
c. Encourages male and female participation in decision making	4.17	3.78	3.97	1.057	0.2291
d. Considering experience in appointments	3.86	3.67	3.76	1.141	0.2888
e. Ensures meaningful jobs to all employees	4.03	3.84	3.93	1.048	0.3194
f. Ensures objectivity in rewards	3.62	3.33	3.48	1.289	0.4176
g. Encourages flexibility in performance to accommodate differences	3.70	3.37	3.53	1.265	0.3920
h. Continually making effort to reduce ethnic imbalances	3.63	3.35	3.49	1.289	0.3753
i. Ensures promotions are on merit	3.91	3.58	3.75	1.332	0.3488
j. Ensures ethnic representations in decision making	3.80	3.38	3.59	1.107	0.2613
k. Encourages productive relationships	3.88	3.67	3.77	1.134	0.3907
l. Complies with fair labour practices	4.01	3.69	3.85	1.098	0.3107
m. Ensures deployments are based on qualifications	3.87	3.56	3.72	1.272	0.3504
<b>GRAND MEAN</b>	<b>3.8630</b>	<b>3.5525</b>	<b>3.7058</b>	<b>0.9596</b>	

Overall Mean=3.7058; Overall Cronbach's Alpha=0.841

Source: Researcher (2016)

The study established that to a moderate extent, the respondents perceived management of workforce diversity is exhibited by the Ministries in the Kenyan Civil Service, with a mean score of 3.7058, a standard deviation of 0.9596 and 25.89 percent variability. However, making effort to reduce ethnic imbalances registered the lowest mean. This is an indication that ethnic imbalances is perceived to exist in the Kenyan Civil Service Ministries but is accorded very little attention. However, majority of the respondents who agreed to a moderate extent that proper management of workforce diversity is exercised in the Kenyan Civil Service were male. This is an indication that majority of employees at the top level management levels are male. These findings are consistent with those of Ruffino (1999) who examined management of workforce diversity and organizational performance in private organizations and established that management of workforce diversity is positively related to performance.

#### **4.6. Measures of Employee Competence**

The study sought to establish the level of employee competence in the Kenyan Civil Service. Employee competence was measured using 12 items as shown in Table 4.10. The survey questionnaire required the respondents to rate themselves using a 5 - point Likert-type scale where 5 indicated a very great extent and 1 indicated not at all, while 3 was taken as the midpoint that is moderate extent. Most respondents were well qualified for the jobs; were finishing set targets; effectively manage time; and exercise optimizing use of resources. The study also established that most respondents were competing against a standard of excellence in doing the job; listen to others to get their perspectives, and have the ability to persuade others. These findings imply that employee competence can enhance organizational performance. Table 4.10 presents the means, standard deviations and coefficient of variation for measures of employee competence.

**Table 4.10: Means, Standard Deviations and Coefficient of Variation for Measures of Employee Competence**

Item	Mean for Males	Mean for Females	Overall mean	Standard Deviation	Coefficient of Variation
a. Well qualified for the job	4.62	4.65	4.64	0.705	0.1155
b. Finishing set strategies	4.52	4.48	4.50	0.659	0.1557
c. Effectively managing time	4.49	4.35	4.42	0.708	0.1895
d. Optimizing use of resources	4.49	4.30	4.40	0.716	0.1556
e. Competing against a standard excellence in doing a job	4.41	4.30	4.35	0.805	0.2244
f. Listening to others to get their prospective	4.46	4.46	4.46	0.647	0.1660
g. Ability to persuade others	4.42	4.18	4.30	0.774	0.1828
h. Understanding the power relationships in the ministry	4.19	3.98	4.08	0.978	0.2322
i. Giving direction and feedback to others	4.36	4.07	4.22	0.865	0.1872
j. Setting priorities for tasks in order of importance	4.42	4.30	4.36	0.714	0.0927
k. Anticipating obstacles and thinking ahead about next step	4.29	4.05	4.17	0.752	0.1456
l. Ability to view ministry in macro or strategic terms	4.09	3.51	3.81	1.046	0.1938
<b>GRAND MEAN</b>	<b>4.3967</b>	<b>4.2192</b>	<b>4.3092</b>	<b>0.2179</b>	

Overall Mean=4.3092; Overall Cronbach's Alpha=0.846

Source: Researcher (2016)

The results indicate that to a great extent the respondents agreed that they were competent with a mean score of 4.3092, a standard deviation of 0.2178 and 5.06 percent coefficient of variability. However, ability to view the ministry in macro or strategic terms registered the lowest mean. This is an indication that some civil servants are not sensitized on vision and mission of the ministry. They tend to lack the strategic direction of the ministries where they are deployed. This may also imply that strategic plans are not availed to most employees. However, these results imply that employees in the Kenyan Civil Service possess competences that are relevant to the performance of their work.

The findings are consistent with those of Pfeffer (1994) who established that distinct staff competencies make employees operate effectively thereby minimizing wastes and reducing overall production costs to drive competitiveness. Bohlander, Snell & Sherman (2001) also examined competencies and performance and established that competence is positively related to performance.

#### **4.7. Performance of Kenyan Civil Service Ministries**

As mentioned earlier, this study used both primary and secondary data. The performance of Civil Service in Kenya, which was the dependent variable, was assessed using secondary data. The Performance Evaluation Results for the Ministries for the Financial Years 2007/2008 to 2010/2011 were used. In Kenya, a financial year covers the period from 1<sup>st</sup> July to 30<sup>th</sup> June each year. The mean scores for the 16 ministries were found by getting the mean scores of the State Departments that were merged to form a particular ministry.

The framework shown in appendix 6 was the core basis for performance evaluation. Performance was rated as either excellent or very good or good or fair or poor. The study established from the secondary data that the overall performance of Civil Service in Kenya was good with a mean score of 3.26. Table 4.11 shows the performance evaluation results for Government Ministries. The study established from the secondary data that the general performance of the Civil Service in Kenya was good with a mean score of 3.26.



**Table 4.11: Performance Evaluation Results for Government Ministries**

No.	Ministry	2007/2008	2009/2010	2010/2011	Mean score
1.	Interior and Coordination of National Government	3.88	3.89	3.87	3.88
2.	Foreign Affairs	3.71	3.70	3.70	3.70
3.	Devolution and planning	3.65	3.65	3.64	3.65
4.	Education, Science and Technology	3.55	3.54	3.56	3.55
5.	The National Treasury	2.64	2.65	2.66	2.65
6.	Health	3.83	3.84	3.85	3.83
7.	Transport and Infrastructure	2.75	2.77	2.76	2.76
8.	Environment, Water and Natural Resources	3.98	3.99	3.99	3.99
9.	Lands, Housing and Urban Development	3.17	3.18	3.19	3.18
10.	Information, Communication and Technology	3.78	3.79	3.80	3.79
11.	Sports, Culture and the Arts	3.85	3.82	3.80	3.82
12.	Labour, Social Security and Services	3.70	3.72	3.74	3.72
13.	Energy and Petroleum	2.4481	2.1145	1.9509	2.1711
14.	Agriculture, Livestock and Fisheries	3.88	3.87	3.89	3.88
15.	Industrialization and Enterprise Development	3.88	3.89	3.90	3.89
16.	East African Affairs	3.94	3.95	3.92	3.93
<b>GRAND MEAN</b>		<b>3.332</b>	<b>3.223</b>	<b>3.224</b>	<b>3.26</b>

Source: Office of the Prime Minister, Evaluation of the Performance of the Public Agencies (2007/2008-2010/2011)

#### **4.8. Tests of the Hypotheses**

Five hypotheses generated from research objectives and problem, were subjected to statistical tests and results presented. The variables that together constituted the conceptual framework from which the hypotheses were drawn comprised employee empowerment as the independent variable, performance of Civil Service Ministries in Kenya as the dependent variable, employee outcomes as the mediating variables, management of workforce diversity, and employee competence as the moderating variables. The employee outcomes included organizational commitment and job satisfaction. The following hypotheses were tested: Hypothesis 1 stated that there is a relationship between employee empowerment and performance of Civil Service Ministries in Kenya; Hypothesis 2 stated that the relationship between employee empowerment and performance of Civil Service Ministries in Kenya is mediated by employee outcomes; Hypothesis 3 suggested that the relationship between employee empowerment and performance of Civil Service Ministries in Kenya is moderated by management of workforce diversity; Hypothesis 4 suggested that the relationship between employee empowerment and performance of Civil Service ministries in Kenya is moderated by employee competence; Hypothesis 5 stated that the joint effect of employee empowerment, employee outcomes, management of workforce diversity, and employee competence is greater than the individual effect of employee empowerment on performance of Civil Service Ministries in Kenya.

##### **4.8.1. Employee Empowerment and Performance of Civil Service in Kenya**

The first objective of this study was to establish the relationship between employee empowerment and performance of Civil Service Ministries in Kenya. Based on this objective, data were collected using nine items measuring empowerment. Secondary data were used for performance of Civil Service Ministries in Kenya. The items in the empowerment scale consisted of statements that measured the extent to which the ministries exhibited certain identified attributes of employee empowerment. The respondents rated the extent to which they agree or disagree with statements on a scale of 1 – 5. In this scale, 1 represented “not at all” and 5 represented “very great extent.”The following hypothesis was drawn from this objective and the conceptual framework:

### Hypothesis 1

H<sub>1</sub>: There is a relationship between employee empowerment and performance of Civil Service Ministries in Kenya.

Hypothesis 1 predicted that employee empowerment and performance of Civil Service ministries in Kenya are related. The Pearson Product-Moment Correlation Statistical technique was used to test the strength and significance of the effect of employee empowerment on performance of Civil Service Ministries in Kenya. The results are presented in Table 4.12.

**Table 4.12: Correlation Coefficient for Linear Relationship between Employee Empowerment and Performance of Civil Service Ministries**

Variable	Pearson Correlation
Employee Empowerment	Pearson Correlation 0.699**

\*\* Correlation is significant at  $P < 0.05$

The correlation results presented in Table 4.12 show that the Pearson's correlation coefficient is moderate and statistically significant ( $r = 0.699$ ,  $P < 0.05$ ). Thus, the relationship between employee empowerment and performance of Civil Service Ministries in Kenya is positive and significant. From the literature review, it was anticipated that empowerment would have a relationship with organizational performance. Each respondent to the questionnaire was expected to indicate perceived levels of empowerment in the Ministry. From the results, the hypothesis that there is a relationship between empowerment and performance of Civil Service Ministries in Kenya was supported.

#### 4.8.2. Mediating Effect of Employee Outcomes in the Relationship between Empowerment and Performance of Civil Service Ministries in Kenya

The second objective of this study was intended to establish whether the relationship between empowerment and performance of Civil Service Ministries in Kenya is mediated by employee outcomes. This objective gave rise to hypothesis 2 which suggested that the relationship between employee empowerment and performance of Civil Service Ministries in Kenya was mediated by employee outcomes.

## Hypothesis 2

This hypothesis was divided into two based on the two employee outcomes, namely, job satisfaction and organizational commitment. Hypothesis 2a predicted that the relationship between employee empowerment and performance of Civil Service Ministries in Kenya is mediated by job satisfaction. Similarly, Hypothesis 2b predicted that the relationship between employee empowerment and performance of Civil Service Ministries in Kenya is mediated by organizational commitment. The data used to test hypothesis 2 were obtained from responses on measures of employee empowerment, employee outcomes and performance evaluation results of the Civil Service Ministries in Kenya which was obtained from performance contracting secretariat in the government. These hypotheses were subsequently subjected to statistical tests as presented below. The Baron and Kenny's technique for testing mediation was employed in this study. It follows the following four steps

For mediation to be confirmed, the following four conditions must be met:

1. The independent variable is significantly related to the dependent variable in the absence of the mediating variable.
2. The independent variable is significantly related to the mediator variable.
3. The mediator variable is significantly related to the dependent variable.
4. When the effect of the mediating variable on the dependent variable is controlled, the effect of the independent variable on the dependent variable is insignificant.

Hypothesis 2a: Relationship between employee empowerment and performance of Civil Service Ministries in Kenya is mediated by Job Satisfaction.

The data on job satisfaction, employee empowerment and performance of Civil Service Ministries in Kenya were used in testing this hypothesis following the four steps outlined above. The results from the four steps are presented in table 4.13.

**Table 4.13: Mediating Effect of Job Satisfaction in the relationship between Employee Empowerment and Performance of Civil Service Ministries in Kenya**

Model Summary						
Model	Variable	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Standard Error	F
1	Employee Empowerment	0.699	0.488	0.487	0.3796	260.691*
2	Employee Empowerment	0.507	0.257	0.256	0.2387	139.250*
3	Job Satisfaction	0.833	0.695	0.693	0.2939	618.628*
4.	Employee Empowerment	0.375	0.141	0.140	0.2678	539.250*

ANOVA						
Model	Variable	Sum of Squares	Df	Mean Square	F	P-Value
1	Employee Empowerment					
	Regression	37.571	1	37.571	260.691	.000
	Residual	39.345	273	.144		
	<b>Total</b>	<b>76.915</b>	<b>274</b>			
2	Employee Empowerment					
	Regression	19.325	1	19.325	94.171	.000
	Residual	55.816	272	.205		
	<b>Total</b>	<b>75.141</b>	<b>273</b>			
3	Job Satisfaction					
	Regression	53.425	1	53.425	618.628	.000
	Residual	23.490	272	.086		
	<b>Total</b>	<b>76.915</b>	<b>273</b>			
4	Employee Empowerment					
	Regression	61.469	2	30.735	539.250	.000
	Residual	15.446	271	.057		
	<b>Total</b>	<b>76.915</b>	<b>273</b>			

Coefficients						
Model	Variables	Un-standardized Coefficients		Standardized Coefficients	t-Value	P-Value
		$\beta$	Std. Error			
1	Constant	1.900	0.127		14.972	0.000
	Employee Empowerment	0.531	0.033	0.699*	16.146*	0.000
2	(Constant)	2.159	0.152		14.186	
	Employee Empowerment	0.382	0.039	0.507*	9.704*	0.000
3	(Constant)	0.843	0.124		7.038	0.000
	Job Satisfaction	0.843	0.034	0.833*	24.872*	0.000
4	(Constant)	0.479	0.106		4.524	0.000
	Employee Empowerment	-0.286	0.024	-0.375	-11.880*	0.000
	Job Satisfaction	0.651	0.032	0.894*	20.363*	0.000

\*P<0.05

Predictors: (Constant), Employee Empowerment, Job Satisfaction,  
 Dependent Variable: Performance of the Civil Service Ministries in Kenya

Source: Researcher 2016

In step 1, Table 4.13, the results indicate that the influence of employee empowerment on performance of Civil Service Ministries in Kenya was moderate and statistically significant (R Squared = 0.488, F = 260.691, P <0.05). Employee empowerment

accounts for 48.8% of the variance in performance of Civil Service Ministries in Kenya. The F ratio shows that the regression of employee empowerment on firm performance was significant at  $p < 0.05$ , which is evidence of the goodness of fit of the regression model. The beta was also significant ( $\beta = 0.699$ ,  $t = 16.146$ ,  $P < 0.05$ ). Thus, the first mediation condition which states that the independent variable should be significantly related to the dependent variable in the absence of the mediating variable was fulfilled.

The second step as presented in Table 4.13 had employee empowerment as the predictor variable and job satisfaction as the response variable in a path regression analysis. The results show that the influence of employee empowerment on job satisfaction was significant (R Squared = 0.257,  $F = 139.250$ ,  $P < 0.05$ ), with 25.7% of the variation in job satisfaction being explained by variation in employee empowerment. The F ratio shows that the regression of employee empowerment on job satisfaction was significant at  $P < 0.05$ , which is a confirmation of the goodness of fit of the regression model. The beta was also significant ( $\beta = 0.507$ ,  $t = 9.704$ ,  $P < 0.05$ ), thus satisfying the second mediation condition which states that the independent variable should be significantly related to the mediator variable.

In step 3, job satisfaction was the predictor variable and performance of Civil Service Ministries in Kenya the response variable in a regression analysis. The results show that the influence of job satisfaction on performance of Civil Service Ministries in Kenya was significant (R Squared = 0.695,  $F = 618.628$ ,  $P < 0.05$ ), with 69.5% of the variation in performance of Civil Service Ministries in Kenya being explained by variation in job satisfaction. The F ratio implies that the regression of job satisfaction on performance of Civil Service Ministries in Kenya was significant at  $P < 0.05$ , which is an indication of the goodness of fit of the regression model. The beta was also significant ( $\beta = 0.833$ ,  $t = 24.872$ ,  $P < 0.05$ ), thus satisfying the third mediation condition that the mediator variable should be significantly related to the dependent variable.

In step 4, the influence of the independent variable (employee empowerment) on the dependent variable (performance of Civil Service Ministries in Kenya) was significant in the presence of the mediating variable, job satisfaction (R Squared = 0.141,  $F =$

539.250,  $P < 0.05$ ). The F ratio shows that the regression of employee empowerment and job satisfaction on performance of Civil Service Ministries in Kenya was significant. The beta was also statistically significant ( $\beta=0.375$ ,  $t=11.9$ ,  $P<0.05$ ) in the presence of job satisfaction whose effect on performance of Civil Service Ministries was also significant ( $\beta= 0.894$ ,  $t=20.363$ ,  $P<0.05$ ). These results did not satisfy the fourth mediation condition, which states that the effect of the independent variable on the dependent variable should be insignificant in the presence of the mediating variable. Based on these results, relationship between employee empowerment and performance of Civil Service Ministries in Kenya is not mediated by job satisfaction. Thus, hypothesis 2a which predicted that relationship between employee empowerment and performance of Civil Service Ministries in Kenya is mediated by job satisfaction was not supported.

Hypothesis 2b stated that relationship between employee empowerment and performance of Civil Service Ministries in Kenya is mediated by organizational commitment.

The data on organizational commitment, employee empowerment and performance of Civil Service Ministries in Kenya were used in testing this hypothesis. Data on organizational commitment and employee empowerment were obtained by asking respondents to rate on a scale of 1 to 5, where 5 was the highest positive rating and 1 the lowest. Data on Performance of Civil Service Ministries in Kenya were obtained from secondary sources. Hypothesis 2b was tested using simple linear regression analysis comprising four steps. The results from the four steps are presented in Table 4.14.

**Table 4.14: Mediating Effect of Organizational Commitment on the relationship between Employee Empowerment and Performance of Civil Service in Kenya**

		Model Summary				
Model	Variable	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Standard Error	F
1	Employee Empowerment	0.699	0.488	0.487	0.3796	260.691*
2	Employee Empowerment	0.624	0.389*	0.388	0.1794	159.501*
3	Organizational Commitment	0.929	0.863*	0.862*	0.1965	1718.237*
4.	Employee Empowerment	0.195	0.038	0.037	0.1864	1059.501*

		ANOVA				
Model	Variable	Sum of Squares	Df	Mean Square	F	P-Value
1	Employee Empowerment					
	Regression	37.571	1	37.571	260.691*	.000
	Residual	39.345	273	.144		
	<b>Total</b>	<b>76.915</b>	<b>274</b>			
2	Empowerment					
	Regression	37.571	1	37.571	159.501*	.000
	Residual	39.345	273	.144		
	<b>Total</b>	<b>76.915</b>	<b>274</b>			
3	Organizational Commitment					
	Regression	66.370	1	66.370	1718.237*	.000
	Residual	10.545	273	.039		
	<b>Total</b>	<b>76.915</b>	<b>274</b>			
4	Organizational Commitment					
	Regression	68.166	2	34.083	1059.501*	.000
	Residual	80750	272	.032		
	<b>Total</b>	<b>76.915</b>	<b>274</b>			

		Coefficients				
Model	Variables	Un-standardized Coefficients		Standardized Coefficients	t-Value	P-Value
		$\beta$	Std. Error	$\beta$		
1	Constant	1.900	0.127		14.972	0.000
	Employee Empowerment	0.531	0.033	0.699*	16.146*	0.000
2	(Constant)	1.382	0.199		6.933	0.000
	Empowerment	0.681	0.052	0.624*	13.189*	0.000
3	(Constant)	1.351	0.063		21.454	0.000
	Organizational Commitment	0.646	0.016	0.929*	41.452*	0.000
4	(Constant)	1.124	0.065		17.289	0.000
	Employee Empowerment	0.148	0.020	0.195	7.470*	0.000
	Organizational Commitment	0.561	0.018	0.941*	30.480*	0.000

\*P<0.05

Predictors: (Constant), Empowerment, Organization Commitment,  
 Dependent Variable: Performance of the Civil Service Ministries in Kenya

Source: Researcher 2016

As shown in Table 4.14, model 1 had employee empowerment as the independent variable, and performance of Civil Service Ministries in Kenya as the dependent variable in a stepwise regression analysis. The results indicate a moderate positive relationship between employee empowerment and performance of Civil Service



Ministries in Kenya. This relationship is statistically significant ( $R^2 = 0.488$ ,  $F = 260.691$ ,  $P < 0.05$ ). Furthermore, empowerment accounts for 48.8% of the variance in performance of Civil Service Ministries in Kenya. The F ratio shows that the regression of employee empowerment on performance of Civil Service Ministries in Kenya was significant at  $P < 0.05$ , which is evidence of the goodness of fit of the regression model. The beta was also significant ( $\beta = 0.699$ ,  $t = 16.146$ ,  $P < 0.05$ ) suggesting that one unit change in employee empowerment contributes to 16% change in performance of Civil Service Ministries in Kenya. The first mediation condition which states that the independent variable should be significantly related to the dependent variable in the absence of the mediating variable was thus fulfilled.

In model 2, employee empowerment was the predictor variable and organizational commitment was the response variable in a stepwise regression analysis. The results show that the influence of employee empowerment on organizational commitment is statistically significant ( $R^2 = 0.389$ ,  $F = 159.501$ ,  $P < 0.05$ ). Employee Empowerment accounts for 38.9% of the variance in organizational commitment. The F ratio of 159.51,  $P < 0.05$  was an indication of the goodness of fit of the regression model. The beta was also significant ( $\beta = 0.624$ ,  $t = 13.189$ ,  $P < 0.05$ ), implying that a unit change in employee empowerment accounts for 62.4% of the change in organizational commitment. Thus, the second mediation condition, which states that the independent variable should be significantly related to the mediator variable, was satisfied.

The results for step 3 in Table 4.14 show that the influence of organizational commitment on performance of Civil Service Ministries in Kenya was statistically significant ( $R^2 = 0.863$ ,  $F = 1718.237$ ,  $P < 0.05$ ). This means that organizational commitment accounts for 86.3% of the variance in performance of Civil Service ministries in Kenya. The F ratio is significant. This shows that the effect of organizational commitment on performance of Civil Service Ministries in Kenya was significant at  $P < 0.05$ , which indicates goodness of fit of the regression model. The beta was also significant ( $\beta = 0.929$ ,  $t = 41.452$ ,  $P < 0.05$ ). Thus, the third mediation condition that the mediator variable should be significantly related to the dependent variable was fulfilled.

In step four, the effect of employee empowerment on Performance of Civil Service Ministries in Kenya was significant ( $\beta=0.195$ ,  $t=7.470$ ,  $P<0.05$ ) in the presence of organizational commitment whose effect on Performance of Ministries was also significant ( $\beta=0.941$ ,  $t=30.480$ ,  $F = 1059.501$ ,  $R \text{ Squared} = 0.038$ ,  $P<0.05$ ). The F ratio shows that the regression of performance of Civil Service Ministries on employee empowerment and organizational commitment was significant, thus the fourth condition which states that the effect of the independent variable on the dependent variable should be insignificant in the presence of the mediating variable was not fulfilled. This means that organizational commitment does not mediate the relationship between employee empowerment and performance of Civil Service Ministries in Kenya. As such, hypothesis 2b that relationship between employee empowerment and performance of Civil Service in Kenya is mediated by organizational commitment was not supported. Thus the overall results of the path analysis imply that the relationship between employee empowerment and performance of Civil Service Ministries in Kenya is not mediated by employee outcomes.

#### **4.8.3. The Moderating Effect of Management of Workforce Diversity on the Relationship between Employee Empowerment and Performance of Civil Service Ministries in Kenya**

The third objective of this study sought to establish the moderating effect of management of workforce diversity on the relationship between employee empowerment and performance of Civil Service Ministries in Kenya. Corresponding to this objective was hypothesis 3 which stated as follows:

**H<sub>3</sub>:** Relationship between employee empowerment and Performance of Civil Service Ministries in Kenya is moderated by management of workforce diversity.

A stepwise regression analysis involving three steps was used to test this hypothesis.

Step one: Performance of Civil Service Ministries in Kenya (dependent variable) was regressed on employee empowerment (independent variable).

Step two: Management of workforce diversity (moderating variable) was entered in the regression model.

Step three: Interaction term (Employee Empowerment \* Management of Workforce Diversity) was entered in the regression model. The regression outcomes are presented in table 4.15.

Variable	B	SE	Model	F	P-Value
Employee Empowerment	0.008	0.002	0.002	0.376	0.531
Management of Workforce Diversity	0.007	0.002	0.002	0.286	0.595
Employee Empowerment * Management of Workforce Diversity	0.000	0.000	0.000	0.000	0.999

Variable	ANOVA		F	P-Value
	Sum of Squares	DF		
Employee Empowerment	17.371	1	37.971	0.000*
Residual	17.343	273	124	
Total	34.715	274		
Management of Workforce Diversity				
Adjusted	12.546	1	12.546	0.002*
Residual	26.165	273	159	
Total	38.711	274		
Employee Empowerment * Management of Workforce Diversity				
Adjusted	21.290	1	21.290	0.000*
Residual	20.124	273	106	
Total	41.414	274		

Variable	Collinearity Statistics		T-Value	P-Value
	Maximum Variance Inflation Factor	Minimum Variance Inflation Factor		
Employee Empowerment	1.000	0.128	14.972	0.000
Management of Workforce Diversity	0.128	4.313	16.759	0.000
Employee Empowerment * Management of Workforce Diversity	0.128	0.148	2.561	0.012

\* Significant. Employee Empowerment, Management of Workforce Diversity and their Interaction are significant predictors of the dependent variable.

**Table 4.15: Moderating Effect of Management of Workforce Diversity in the relationship between Employee Empowerment and Performance of Civil Service in Kenya**

		Model Summary				
Model	Variable	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Standard Error	F
1	Employee Empowerment	0.699	0.488	0.487	0.3796	260.691*
2	Employee Empowerment, Management of Workforce Diversity	0.827	0.684*	0.682	0.2986	289.871*
3	Employee Empowerment, Management of Workforce Diversity, Employee Empowerment * Management of Workforce Diversity	0.835	0.697*	0.695*	0.2928	312.553*

		ANOVA				
Model	Variable	Sum of Squares	Df	Mean Square	F	P-Value
1	Employee Empowerment Regression	37.571	1	37.571	260.691*	.000
	Residual	39.345	273	.144		
	<b>Total</b>	<b>76.915</b>	<b>274</b>			
2	Management of Workforce Diversity Regression	52.580	1	52.580	589.871*	.000
	Residual	24.3355	273	.089		
	<b>Total</b>	<b>76.915</b>	<b>274</b>			
3	Management of Workforce Diversity Regression	53.595	2	26.797	312.553*	.000
	Residual	23.321	272	.086		
	<b>Total</b>	<b>76.915</b>	<b>274</b>			

		Coefficients				
Model	Variables	Un-standardized Coefficients		Standardized Coefficients	t-Value	P-Value
		$\beta$	Std. Error	$\beta$		
1	Constant	1.900	0.127		14.972	0.000
	Employee Empowerment	0.531	0.033	0.699*	16.146*	0.000
2	(Constant)	0.350	0.148		2.365	0.019
	Employee Empowerment, Management of Workforce Diversity	0.859	0.035	0.827*	24.287*	0.000
3	(Constant)	1.414	0.146		2.832	0.005
	Employee Empowerment, Management of Workforce Diversity, Employee Empowerment Management of Workforce Diversity	0.722	0.053	0.695*	13.671*	0.000
		0.133	0.039	0.175	3.440*	0.001

\*P<0.05

Predictors: (Constant), Employee Empowerment, Management of Workforce Diversity,  
 Dependent Variable: Performance of the Civil Service Ministries in Kenya

Source: Researcher 2016

The regression results for model 1 presented in Table 4.15 show that the relationship between employee empowerment and performance of Civil Service Ministries in Kenya was significant ( $R^2 = 0.488$ ,  $F = 260.691$ ,  $P < 0.05$ ). Furthermore, employee empowerment accounts for 48.8% of the variance in performance of Civil Service Ministries in Kenya. However, the model does not explain 51.2% of the variation in performance of Civil Service Ministries in Kenya, implying that there are other factors associated with performance of Civil Service Ministries in Kenya. The F ratio was also significant. This implies regression model fit. The results further indicate that beta coefficient was significant ( $\beta = 0.699$ ,  $t = 18.146$ ,  $P < 0.05$ ). The value of the beta coefficient suggests that 69.9% change in performance of Civil Service Ministries in Kenya is attributed to one unit change in employee empowerment.

The results in step two show that the relationship between management of workforce diversity and performance of Civil Service Ministries in Kenya was statistically significant ( $R = 0.827$ ,  $P < 0.05$ ). Further, management of workforce diversity accounts for 68.4% variance in performance of Civil Service in Kenya ( $R^2 = 0.684$ ,  $F = 289.871$ ,  $P < 0.05$ ). The F ratio was also significant. In addition, the beta coefficient was significant ( $\beta = 0.827$ ,  $t = 24.287$ ,  $P < 0.05$ ). Beta coefficient value implies that 82.7% of change in performance of Civil Service Ministries in Kenya is attributed to one unit change in management of workforce diversity.

The regression equation in step three had three predictors namely, employee empowerment, management of workforce diversity, and the interaction between employee empowerment and management of workforce diversity. As shown in Table 4.15, the interaction of the predictors (employee empowerment and management of workforce diversity) and performance of Civil Service Ministries in Kenya was positive and significant ( $R = 0.835$ ,  $R^2 = 0.697$ ,  $F = 312.553$ ,  $P < 0.05$ ). The beta coefficient for empowerment was also significant ( $\beta = 0.695$ ,  $t = 13.671$ ,  $P < 0.05$ ). The beta coefficient for the effect of management of workforce diversity on performance of Civil Service Ministries in Kenya was significant ( $\beta = 0.175$ ,  $P < 0.05$ ). The interactive effect of employee empowerment (predictor variable) and management of workforce diversity (moderating variable) on performance of Civil Service Ministries in Kenya tested in model 3 as shown is significant ( $\beta = 0.175$ ,  $P < 0.05$ ).

These results imply that management of workforce diversity moderates the relationship between employee empowerment and performance of Civil Service Ministries in Kenya. Based on these results, hypothesis (H<sub>3</sub>) that relationship between employee empowerment and performance of Civil Service Ministries in Kenya is moderated by management of workforce diversity was supported.

#### **4.8.6 The Moderating Effect of Employee Competence in the Relationship between Employee Empowerment and Performance of Civil Service Ministries in Kenya**

The fourth objective of this study was intended to establish the moderating effect of employee competence on the relationship between employee empowerment and performance of Civil Service Ministries in Kenya. Corresponding to this objective is hypothesis 4 formulated as follows:

**H<sub>4</sub>:** Relationship between employee empowerment and performance of Civil Service Ministries in Kenya is moderated by employee competence.

A stepwise regression analysis involving three steps was used to test this hypothesis. The steps are presented:

Step One: Performance of Civil Service Ministries in Kenya (dependent variable) was regressed on empowerment (independent variable).

Step Two: Employee Competence (moderating variable) was entered in the regression model.

Step Three: Interaction term (Employee Empowerment\*Employee Competence) was entered in the regression model.

The regression outcomes at each step are presented in table 4.16.

**Table 4.16: Moderating effect of Employee Competence on the Relationship between Employee Empowerment and Performance of Civil Service Ministries in Kenya**

		Model Summary				
Model	Variable	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Standard Error	F
1	Employee Empowerment	0.699 <sup>a</sup>	0.488	0.487	0.3796	260.691*
2	Employee Empowerment, Employee Competence	0.774 <sup>b</sup>	0.599*	0.597	0.2986	407.026*
3	Employee Empowerment, Employee Competence, Employee Empowerment *Employee Competence	0.798 <sup>c</sup>	0.637*	0.635*	0.3202	239.073*

ANOVA						
Model	Variable	Sum of Squares	Df	Mean Square	F	P-Value
1	Employee Empowerment					
	Regression	37.571	1	37.571	260.691	.000
	Residual	39.345	273	.144		
	<b>Total</b>	<b>76.915</b>	<b>274</b>			
2	Employee Competence					
	Regression	46.037	1	46.037	407.026	.000
	Residual	30.878	273	.113		
	<b>Total</b>	<b>76.915</b>	<b>274</b>			
3	Employee Competence					
	Regression	49.026	2	24.513	239.073*	.000
	Residual	27.889	272	.103		
	<b>Total</b>	<b>76.915</b>	<b>274</b>			

		Coefficients				
Model	Variables	Un-standardized Coefficients		Standardized Coefficients	t-Value	P-Value
		β	Std. Error	β		
1	Constant	1.900	0.127		14.972	0.000
	Employee Empowerment	0.531	0.033	0.699*	16.146*	0.000
2	(Constant)	0.721	0.160		4.516	0.000
	Employee Empowerment, Employee Competence	0.764	0.038	0.774*	20.175*	0.000
3	(Constant)	1.757	0.152		4.978	
	Employee Empowerment, Employee Competence, Employee Empowerment*Employee Competence	0.557	0.053	0.564*	10.570*	0.000
		0.219	0.041	0.288	5.399	0.000

\*P<0.05

Predictors: (Constant), Employee Empowerment and Employee Competence and employee empowerment \* employee competence

Dependent Variable: Performance of the Civil Service Ministries in Kenya

Source: Researcher 2016

Table 4.16 shows that relationship between employee empowerment and performance of Civil Service Ministries in Kenya was significant ( $R^2 = 0.488$ ,  $F = 260.691$ ,  $p < 0.05$ ). The results show that 48.8% of the changes in performance of Civil Service Ministries in Kenya are attributed to employee empowerment. The results further indicate that beta coefficient was significant ( $\beta=0.699$ ,  $t=16.146$ ,  $P<0.05$ ). This suggests that a unit change in employee empowerment contributes 69.9% of change in performance of Civil Service Ministries in Kenya.

As shown by the results in step 2, the relationship between employee competence and Performance of the Civil Service Ministries in Kenya is strong and statistically significant ( $R = 0.774$ ,  $P < 0.05$ ). Employee Competence accounts for 59.9% of the variance in Performance of the Civil Service Ministries in Kenya ( $R^2 = 0.599$ ,  $F = 407.026$ ,  $P < 0.05$ ). In addition, the model coefficient was significant ( $\beta=0.774$ ,  $t=20.175$ ,  $P < 0.05$ ), indicating that one unit of change in employee competence results in 59.9% change in performance of Civil Service Ministries in Kenya.

Regression equation in step three had three predictors namely, employee empowerment, employee competence, and interaction between employee empowerment and employee competence. As shown in Table 4.16 the effect of the interaction of the predictors (Employee Empowerment and Employee Competence) on performance of Civil Service Ministries in Kenya was positive and significant ( $R^2 = 0.637$ ,  $F = 239.073$ ,  $P < 0.05$ ). Beta coefficient for employee empowerment was equally significant ( $\beta = 0.564$ ,  $t = 10.570$ ,  $P < 0.05$ ). However, the beta coefficient for the effect of employee competence on performance of Civil Service Ministries in Kenya (dependent variable) was not significant ( $\beta = 0.288$ ,  $P < 0.05$ ). Since the interaction term was statistically significant, these results imply that the relationship between employee empowerment and performance of Civil Service Ministries in Kenya is positive and significant. Thus, the hypothesis that relationship between empowerment and performance of Civil Service Ministries in Kenya is moderated by employee competence was supported.



#### **4.8.7. Hypothesis 5: Individual and Joint Effects of Employee Empowerment, Employee Outcomes, Management of Workforce Diversity and Employee Competence on Performance of Civil Service Ministries in Kenya**

The fifth objective of this study sought to establish whether the joint effect of employee empowerment, employee outcomes, management of workforce diversity, and employee competence is greater than the individual effect of employee empowerment on performance of Civil Service Ministries in Kenya. The following hypothesis was derived from the said objective:

**H<sub>5</sub>:** The joint effect of employee empowerment, employee outcomes, management of workforce diversity and employee competence on performance of Civil Service Ministries in Kenya is greater than the individual effect of employee empowerment on Performance of Civil Service Ministries in Kenya.

Hypothesis 5 was tested using multiple regression analysis. In the regression model, performance of Civil Service Ministries in Kenya was the dependent variable. Employee empowerment, employee outcomes, management of workforce diversity, and employee competence were predictor variables. To determine the joint effect of the predictor variables namely; employee empowerment, employee outcomes, management of workforce diversity, and employee competence, performance of Civil Service Ministries in Kenya was regressed on the predictor variables jointly. The regression weights for the individual and joint predictors and the beta coefficients were examined for significance. The overall results of the hypothesis test are presented in table 4.17.

**Table 4.17: The Joint Effect of Employee Empowerment, Employee Outcomes, Management of Workforce Diversity and Employee Competence and Individual Effect of Employee Empowerment on Performance of Civil Service Ministries in Kenya**

**Table 4.17 (a): Model Summary**

	Variable	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Standard Error	F
1	Employee Empowerment	.699 <sup>a</sup>	.488	.487	.3796	260.691*
2	Employee Outcomes	.902 <sup>b</sup>	.813	.813	.2293	589.972*
3	Management of Work force Diversity	.827 <sup>c</sup>	.684	.597	.2986	489.871*
4	Employee Competence	.774 <sup>d</sup>	.599	.682	.3363	407.026*
5	EE, EO, WDM, & EC.	.922 <sup>e</sup>	.849	.847	.2071	507.914*

**Table 4.17 (b): ANOVA and Coefficients**

		ANOVA				
Variable	Sum of Squares	Df	Mean Square	F	P-Value	
1	Employee Empowerment					
	Regression	37.571	1	37.571	260.691*	.000
	Residual	39.345	273	.144		
	<b>Total</b>	<b>76.915</b>	<b>274</b>			
2	Employee Outcomes					
	Regression	62.562	1	62.562	1189.972	.000
	Residual	14.353	273	.053		
	<b>Total</b>	<b>76.915</b>	<b>274</b>			
3	Management of Work force Diversity					
	Regression	52.580	1	52.580	589.871	.000
	Residual	24.335	273	.089		
4	Employee Competence					
	Regression	65.337	4	16.334	507.914	.000
	Residual	11.579	270	.043		
	<b>Total</b>	<b>76.915</b>	<b>274</b>			

		Coefficients				
Variable	Un-standardized Coefficients		Standardized Coefficients	t-Value	P-Value	
	$\beta$	Std. Error	$\beta$			
1	(Constant)	1.900	0.127		14.972	0.000
	Employee Empowerment			0.699	16.146*	0.000
2	(Constant)	0.531	0.033		10.428	0.000
	Employee Outcomes	0.761	0.022	0.902	34.496*	0.000
3	Management of Work force Diversity					
	Regression	46.037	1	46.037	407.026	.000
	Residual	30.878	273	.113		
	<b>Total</b>	<b>76.915</b>	<b>274</b>			
4	Employee Competence					
	(Constant)	0.721	0.160		4.516	.000
	Employee Competence	0.764	0.038	0.774	20.175	.000
5	(Constant)	0.495	0.105		4.725	0.000
	Employee Empowerment	0.026	0.028	0.034	0.909	0.364
	Employee Outcomes	0.563	0.038	0.667	14.926	0.000
	Management of workforce diversity	0.936	0.133	0.902	7.032	0.000
	Employee Competence	0.665	0.115	0.674	5.768	0.000

\* P<0.05.

Predictors: (Constant), Employee Empowerment, Employee Outcomes, Management of Workforce Diversity, and Employee Competence. Dependent Variable: Performance of Civil Service Ministries in Kenya

The results in Table 4.17 (a) indicate a positive relationship between employee empowerment and Performance of Civil Service Ministries in Kenya. This relationship

was statistically significant ( $R = 0.699$ ,  $P < 0.05$ ). Employee empowerment accounts for 48.8% of the variance in performance of Civil Service Ministries in Kenya ( $R^2 = 0.488$ ,  $F = 260.691$ ,  $P < 0.05$ ).

The results in Table 4.17 (b) further show that the relationship between employee outcomes and Performance of Civil Service Ministries in Kenya is strong and statistically significant ( $R = 0.902$ ,  $P < 0.05$ ). Employee outcomes account for 81.3% variance in Performance of the Civil Service in Kenya ( $R \text{ Squared} = 0.813$ ,  $F = 1189.972$ ,  $P < 0.05$ ).

The results in table 4.17 (b) also show that the relationship between management of workforce diversity and performance of Civil Service Ministries in Kenya is positive and statistically significant ( $R = 0.827$ ,  $P < 0.05$ ). Management of workforce diversity accounts for 68.4.7% of the variance in performance of Civil Service Ministries in Kenya ( $R \text{ Squared} = 0.684$ ,  $F = 589.871$ ,  $P < 0.05$ ). Employee competence accounts for 59.9% of the variance in of Civil Service ministries in Kenya ( $R \text{ Squared} = 0.599$ ,  $F = 407.026$ ,  $P < 0.05$ ).

The results in table 4.17 (b) show that the joint effect of employee empowerment, employee outcomes, management of workforce diversity, and employee competence on performance of Civil Service Ministries in Kenya was statistically significant ( $R^2 = 0.849$ ,  $F = 507.914$ ,  $\beta = 0.922$ ,  $P < 0.05$ ). The joint effect was stronger and significant as compared with the individual effect of employee empowerment on performance of Civil Service Ministries in Kenya ( $R^2 = 0.488$ ,  $F = 260.691$ ,  $\beta = 0.699$ ,  $t = 16.146$ ,  $P < 0.05$ ). These results imply that the joint effect of employee empowerment, employee outcomes, management of workforce diversity and employee competence is greater than the individual effect of employee empowerment when regressed on performance of Civil Service ministries in Kenya.

Based on the results in Table 4.17, the hypothesis that the joint effect of employee empowerment, employee outcomes, management of workforce diversity, and employee competence on performance of Civil Service Ministries in Kenya is greater than the

individual effect of empowerment on performance of Civil Service Ministries in Kenya was supported.

#### **4.9. Discussion of the Findings**

This study was conducted in the area of employee empowerment and organizational performance with Civil Service Ministries in Kenya as the population. It focused on the relationship between employee empowerment and performance of Civil Service Ministries in Kenya as mediated by employee outcomes and moderated by management of workforce diversity and employee competence. The study also assessed the joint effect of employee empowerment, employee outcomes, management of workforce diversity, and employee competence on performance of Civil Service Ministries in Kenya. The discussion of the findings is based on the objectives with exception of the respondents' demographics.

##### **4.9.1. Results of the test of Hypotheses**

The general objective of this study was to establish the role of employee outcomes, management of workforce diversity, and employee competence in the relationship between employee empowerment and performance of Civil Service Ministries in Kenya. The results of this study tend to confirm the contentions of the related studies and the generalization in the pertinent literature. Previous studies established that there is a relationship between empowerment and organizational performance. Subsequent sub-sections discuss the extent to which the findings of this study support or do not support the previous studies on empowerment and organizational performance. The discussion is based on research objectives and related hypotheses.

#### **Employee Empowerment and Performance of Civil Service Ministries in Kenya**

The first objective of this study was to establish the relationship between employee empowerment and performance of Civil Service Ministries in Kenya. This objective was linked to the first hypothesis which sought to determine the relationship between employee empowerment and performance of Civil Service Ministries in Kenya. The first hypothesis stated that there is a relationship between employee empowerment and performance of Civil Service Ministries in Kenya. This hypothesis was tested using Pearson's Product Moment Correlation. From the findings of this study, there is a

compelling support for the relationship between employee empowerment and organizational performance. The findings concur with the previous studies conducted in private organizations by Li and Guisinger (1992), Luo and Peng (1999), Eylon and Au (1999), Robert et al. (2000), Randolph et al. (2002) and Cartin (2004), which established that employee empowerment is significantly related to organizational performance. These results imply that employee empowerment is directly related to organizational performance. It can therefore, be argued that organizations that empower their employees are likely to attain superior performance, which may enable them to have a sustained competitive advantage over their competitors.

This research has given some insights in the area of employee empowerment and organizational performance. From human capital theory, it can be argued that people possess skills, knowledge and abilities that provide economic value to firms. The higher the potential for employee contribution in a firm, the more likely it is that the firm will invest in human capital through appropriate human resource management practices, which include empowerment. These investments will in turn lead to higher individual productivity and superior organizational performance. Therefore, human capital theory maintained that human capital and how it is harnessed is an essential factor in human resource management. Further, this study has made a contribution to knowledge by confirming the findings of the previous studies and by virtue of being the first known study to be conducted in the Civil Service to the best of the researcher's knowledge. It can also be stated that since the findings of this study have replicated the findings of the previous studies, they can be generalized in other organizations which so far, have not been considered in any empirical study in this area.

### **Employee Empowerment, Employee Outcomes and Performance of Civil Service Ministries in Kenya**

The second objective of this study was designed to establish the mediation of employee outcomes in the relationship between employee empowerment and performance of Civil Service Ministries in Kenya. Hence, hypothesis 2 stated that the relationship between employee empowerment and performance of Civil Service Ministries in Kenya is mediated by employee outcomes. The test as indicated in the findings did not satisfy all the four conditions that were to be met for a mediation relationship to be considered. Thus the hypothesis that relationship between employee empowerment and

performance of Civil Service in Kenya is mediated by employee outcomes was rejected.

#### **Employee Empowerment, Management of Workforce Diversity and Performance of Civil Service Ministries in Kenya**

The findings of this research are consistent with resource based theory. This theory has suggested the importance of developing rare and inimitable human resources. According to Barney and Conner (1991), the fundamental assumption is that organizations can be successful if they gain and maintain competitive advantage. To them, competitive advantage is gained by implementing a value creating strategy that competitors cannot easily copy and sustain and for which there are no ready substitute. Wright et al. (1994) also supported this view and argued that a resource can be a source of sustained competitive advantage if it is non-substitutable, inimitable, rare and valuable.

#### **Employee Empowerment, Employee Competence and Performance of Civil Service Ministries in Kenya**

Previous studies had examined the link between employee competence and organizational performance in private organizations and found a positive correlation. However, these studies also did not consider the associations among the three concepts. Thus, by examining the moderating effect of employee competence on the relationship between employee empowerment and performance of Civil Service in Kenya, this study has gone a step further in proving the importance of developing employee competence in an organization. The results of this study are consistent with human capital theory and resource based view. Since there is no study to the best of the researcher's knowledge that had been conducted to establish moderating effect of employee competence on the relationship between empowerment and organizational performance, no comparison could be drawn.

#### **The Joint Effect of Employee Empowerment, Employee Outcomes, Management of Workforce Diversity and Employee Competence and Individual Effect of Employee Empowerment on Performance of Civil Service Ministries in Kenya**

The findings of this study are in line with the human capital theory. The human capital theory emphasizes the critical importance of internal resources for sustained

competitive advantage. Human capital theory provides a perspective that value addition by people within an organization can contribute to better organizational performance. This theory represents the human factor in an organization. The human factor refers to the combined intelligence, skills and expertise that give the organization its distinct character. The human capital theory emphasizes the added value that people can contribute to an organization. According to Boxall (1996), this situation confers the human capital advantage. The findings of this study are also consistent with resource based theory.

So far, there is no empirical study to the best of the researcher's knowledge that has assessed these variables jointly. This study has therefore made a contribution to this area of knowledge, which had not been previously considered. The findings of this study imply that when empowering employees, issues related to management of workforce diversity such as harnessing the differences for the benefit of the service and issues related to employee competence such as improving the capability of the employees should also be considered for excellent results. As there is no known study that had examined the joint association among the five concepts, it was not possible draw comparisons.

#### **4.10. Chapter Summary**

The results of the study have been presented in three major parts. The first part of the chapter has given the results from the data. These results are presented in form of descriptive statistics. Profiles of respondents and ministries that participated in the study have been presented as well as the results of the measures for each variable of the study. The second part has presented the results of the test of hypotheses and interpretation. The third part presented a discussion of the findings of the study.

In this study, correlation and regression analyses were used to test the hypotheses. Relationship between employee empowerment and performance of Civil Service Ministries in Kenya was tested using Pearson's Product-Moment Correlation analysis. The mediation of employee outcomes in the relationship between employee empowerment and performance of Civil Service Ministries in Kenya was assessed using Baron and Kenny's (1986) approach of testing for mediation. The moderating effect of management of workforce diversity and the moderating effect of employee



competence on the relationship between employee empowerment and performance of Civil Service Ministries in Kenya were assessed using stepwise regression analysis. The study also assessed the joint effect of employee empowerment, employee outcomes, management of workforce diversity, and employee competence on performance of Civil Service Ministries in Kenya. Multiple regression analysis was used to test the individual and joint effects of the variables on performance of Civil Service Ministries in Kenya. The results of each hypothesis were presented as shown earlier. Five hypotheses were subjected to statistical tests, Out of these, hypotheses 1, 3, 4 and 5 were supported whereas hypothesis 2 was not supported.

## CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

### 5.1. Introduction

The first chapter of this report discussed the problem studied and the second one reviewed the literature on the problem. The literature review covered both the general problem and some specific areas that had been empirically studied. The review of the empirical studies served to illustrate the relationship between this study and previous studies. The third chapter presented the research methodology. The research methodology covered the methods and procedures used in both designing and carrying out the study. These include the population of the study, sample selection, data collection and hypotheses that were tested. Chapter four presented data analysis, findings and discussion. This final chapter summarizes the findings, interprets the results and presents the conclusions drawn following the general pattern of the initial questions and hypotheses. The structure of the chapter is guided by the research objectives and hypotheses. Attempt is made to relate the results to the objectives of the study and hypotheses. This is followed by the main limitations of the study, recommendations and suggestions for further research.

### 5.2. Summary

This study was conducted in the area of employee empowerment and organizational performance. The main purpose of the study was to establish the role of employee outcomes, management of workforce diversity and employee competence in the relationship between employee empowerment and performance of Civil Service Ministries in Kenya. The data for the study were gathered by questionnaire furnished in Appendix 1. Out of a possible 384 persons to whom the questionnaires were given, 275 responded. The instrument was self administered. The measures were presented on a five-point Likert-type scale questions. The responses were summarized and relationships analyzed as presented in chapter four.

The findings of this study covered level of education of the respondents, period served in the ministry, level of management and gender. The study found that majority of Civil Servants in Job Group J and above have at least a bachelor's degree, which could well prepare them for advancement to higher positions. The results presented in table 4.3 on distribution of respondents by level of education show that 33.1 percent of the

respondents had bachelor degrees while 29.5 had master's degree. However, since positions get fewer upwards, majority of Civil Servants stagnate at the lower management level, job group bracket J/K/L/M as shown in Table 4.4 on distribution of respondents by level of management. This can result in low morale and negativity on the part of the employees, which may adversely affect performance. Research has shown that one of the sources of extrinsic satisfaction of an employee is advancement in one's career (Naumann, 1993). Dissatisfied workers are implicitly thought to make little contribution to the organization.

Further, the findings of the study revealed that majority of the employees holding top positions are male, whereas majority in lower positions are female. This has implications on management of diversity since it does not reflect a fair gender distribution. Notably, the results of this study also revealed that the male respondents accounted for 50.2 percent whereas female respondents accounted for 49.8 percent, which is a small difference. Since the results also showed that both male and female employees in the Civil Service are well educated, there should not have been a very big difference when it comes to upward mobility.

This study also established that male employees tend to stay longer in the Ministries than female employees as shown in table 4.5 on distribution of respondents by gender and period served in the ministry. This does not show a fair labour practice, and an indication that female employees are not given equal opportunity with their male counterparts to be stable in their stations. It is also an indication that majority of female employees are deployed in common cadre posts therefore, fall victims of frequent transfers.

As reviewed in chapter two, previous empirical studies in this area revealed a positive relationship between employee empowerment and organizational performance. Nevertheless, this study departed from the previous pattern and went a step further to assess the role of employee outcomes, management of workforce diversity and employee competence in the relationship between employee empowerment and performance of Civil Service Ministries in Kenya. Previous studies seemingly, did not consider the role of these other variables. Summary of the findings from the tests of hypothesis are synthesized in Table 5.1

**Table 5.1: Summary of the Results of the Tests of Hypotheses**

Objective	Hypothesis	Results	Remarks on Hypothesis
To establish the relationship between employee empowerment and performance of Civil Service Ministries in Kenya	H <sub>1</sub> : There is a relationship between employee empowerment and performance of Civil Service Ministries in Kenya	r = .699 P < 0.05	Confirmed
To establish the mediation of employee outcomes (job satisfaction and organizational commitment) in the relationship between empowerment and performance of Civil Service Ministries in Kenya	H <sub>2a</sub> : Relationship between employee empowerment and performance of Civil Service Ministries in Kenya is mediated by job satisfaction	β = 0.375 t = 11.9 P < 0.05	Not Confirmed
	H <sub>2b</sub> : Relationship between employee empowerment and performance of Civil Service Ministries in Kenya is mediated by organizational commitment	β = 0.195 t = 7.470 P < 0.05	Not Confirmed
To establish the moderating effect of management of workforce diversity on the relationship between employee empowerment and performance of Civil Service Ministries in Kenya	H <sub>3</sub> : Relationship between employee empowerment and performance of Civil Service Ministries in Kenya is moderated by management of workforce diversity	R = 0.835 R <sup>2</sup> = 0.697 F = 312.553 β = 0.695 t = 13.671 P < 0.05	Confirmed
To determine the moderating effect of employee competence on the relationship between employee empowerment and performance of Civil Service Ministries in Kenya	H <sub>4</sub> : Relationship between employee empowerment and performance of Civil Service Ministries in Kenya is moderated by employee competence	R = 0.798 R <sup>2</sup> = 0.637 F = 239.073 β = 0.564 t = 10.570 P < 0.05	Confirmed
To determine the joint effect of employee empowerment, employee outcomes, Management of workforce diversity, and employee competence on performance of Civil Service Ministries in Kenya.	H <sub>5</sub> : The joint effect of employee empowerment, employee outcomes, management of workforce diversity and employee competence is greater than the individual effect of employee empowerment on performance of Civil Service Ministries in Kenya.	Joint Effect R = 0.922 R <sup>2</sup> = 0.849 F = 507.914 β = 0.902 t = 14.926 P < 0.05	Confirmed

Individual	=	0.488
R <sup>2</sup>	=	260.69
F	=	0.699
β	=	16.146
t	=	0.699
R	=	0.05
p	>	

Source: Researcher-2016

This summary is based on the results of the tests of hypotheses synthesized in Table 5.1. The first objective of the study was to establish the relationship between employee empowerment and performance of Civil Service Ministries in Kenya. From this objective, it was hypothesized that employee empowerment and performance of Civil Service Ministries in Kenya are related. Hypothesis 1 was tested using Pearson Product-Moment Correlation statistical technique. The results of the correlation analysis showed a positive and statistically significant relationship between employee empowerment and performance of Civil Service Ministries in Kenya ( $r = 0.699$ ,  $P < 0.05$ ). Therefore, hypothesis 1 on employee empowerment and performance of Civil Service Ministries in Kenya was supported. This study confirmed the findings of the previous studies that there is a significant relationship between empowerment and organizational performance.

The second objective sought to determine whether the relationship between employee empowerment and performance of Civil Service Ministries in Kenya is mediated by employee outcomes. From this objective, it was hypothesized that relationship between employee empowerment and performance of Civil Service Ministries in Kenya is mediated by employee outcomes. To determine the mediating effect of employee outcomes on the relationship between employee empowerment and performance of Civil Service Ministries in Kenya, Baron and Kenny's (1986) approach of testing for mediation was employed in this equation. Two hypotheses were derived from employee outcomes as follows; Hypothesis 2a addressed job satisfaction, whereas Hypothesis 2b addressed organizational commitment.

The results from the tests of the above hypotheses did not provide statistically significant evidence to support mediation. The results from the test of hypothesis 2a indicated that the effect of empowerment on performance of Civil Service Ministries in Kenya was significant ( $\beta = 0.375$ ,  $t=11.9$ ,  $P < 0.05$ ) in the presence of job satisfaction contrary to the expectation. The effect of job satisfaction (a mediator) on performance of Civil Service Ministries in Kenya was significant ( $\beta=0.894$ ,  $t=20.362$ ,  $P < 0.05$ ). This implies that relationship between employee empowerment and performance of Civil Service Ministries in Kenya is not mediated by job satisfaction. Thus, the hypothesis that relationship between employee empowerment and performance of Civil Service

Ministries in Kenya is mediated by job satisfaction was not supported. Mediation would have been confirmed if the effect of employee empowerment (independent variable) was not significant while the effect of job satisfaction was significant in the presence of the independent variable.

The results yielded by test of hypothesis 2b indicate that when the effect of organizational commitment on performance of Civil Service Ministries in Kenya was controlled, the effect of employee empowerment on performance of Civil Service Ministries was significant ( $\beta = 0.195$ ,  $t=7.470$ ,  $P<0.05$ ). The effect of organizational commitment on performance of Civil Service Ministries in Kenya was also significant ( $\beta=0.941$ ,  $t=30.480$ ,  $P<0.05$ ). These results imply that the relationship between employee empowerment and performance of Civil Service Ministries in Kenya is not mediated by organizational commitment. Thus, the hypothesis that relationship between employee empowerment and performance of Civil Service Ministries in Kenya is mediated by organizational commitment was not supported. These results thus imply that the effect of employee empowerment on the performance of Civil Service Ministries in Kenya is direct. In other words, it is not indirect through organizational commitment as was hypothesized.

The third objective aimed at assessing the moderating effect of management of workforce diversity on the relationship between employee empowerment and performance of Civil Service Ministries in Kenya. Based on this objective, it was hypothesized that the relationship between empowerment and performance of Civil Service Ministries in Kenya is moderated by management of workforce diversity. Stepwise regression analysis was employed to test this hypothesis. The effect of interaction between employee empowerment (independent variable) and management of workforce diversity (moderating variable) on performance of Civil Service Ministries in Kenya was positive and significant ( $R^2 = 0.697$ ,  $F=312.553$ ,  $P<0.05$ ). These results provided sufficient statistical evidence that management of workforce diversity moderates the relationship between empowerment and performance of Civil Service Ministries in Kenya. Thus, the hypothesis that relationship between empowerment and performance of Civil Service Ministries in Kenya is moderated by management of workforce diversity was supported. This implies that the more effective

the management of workforce diversity, the greater the effect of employee empowerment on the performance of Civil Service Ministries in Kenya.

The fourth objective of this study was intended to establish the moderating effect of employee competence on the relationship between empowerment and performance of Civil Service Ministries in Kenya. This objective gave rise to the hypothesis that the relationship between employee empowerment and performance of Civil Service Ministries in Kenya is moderated by employee competence. Stepwise regression analysis was used to test this hypothesis. The interactive effect of empowerment (independent variable) and employee competence (moderating variable) on performance of Civil Service Ministries in Kenya (dependent variable) was positive and significant ( $R^2 = 0.637$ ,  $F=239.073$ ,  $P<0.05$ ). These results provided sufficient statistical evidence to indicate a moderating effect of employee competence on the relationship between empowerment and performance of Civil Service Ministries in Kenya. Thus, the hypothesis that the relationship between empowerment and performance of Civil Service Ministries in Kenya is moderated by employee competence was supported.

The fifth objective sought to establish the joint effect of employee empowerment, employee outcomes, management of workforce diversity, and employee competence on performance of Civil Service ministries in Kenya and individual effects of employee empowerment. Thus, responding to this objective, hypothesis five stated that the joint effect of empowerment, employee outcomes, management of workforce diversity, and employee competence is greater than the individual effect of empowerment on performance of Civil Service Ministries in Kenya. This hypothesis was tested using multiple regression analysis.

The joint effect of employee empowerment, employee outcomes, management of workforce diversity, and employee competence on performance of Civil Service Ministries in Kenya showed that  $R=0.922$ ,  $R^2=0.849$ ,  $F=507.914$ ,  $\beta = 0.902$ ,  $t = 14.026$ ,  $P<0.05$  whereas the individual effect of employee empowerment showed that  $R=0.699$ ,  $R^2=0.488$ ,  $F=260.691$ ,  $\beta = 0.699$ ,  $t = 16.146$ ,  $P<0.05$ . Thus, the joint effect of employee empowerment, employee outcomes, management of workforce diversity and employee competence on performance of Civil Service Ministries in Kenya as explained by the



model is greater than the individual effect of employee empowerment on performance of Civil Service Ministries in Kenya. Therefore, hypothesis 5, which stated that the joint effect of employee empowerment, employee outcomes, management of workforce diversity, and employee competence on performance of Civil Service Ministries in Kenya is greater than the individual effect of employee empowerment on performance of Civil Service Ministries in Kenya, was supported.

### **5.3. Conclusion**

The general objective of this study was to establish the mediating role of employee outcomes and the moderating roles of management of workforce diversity and employee competence in the relationship between employee empowerment and performance of Civil Service Ministries in Kenya. The first objective of the study was to establish the relationship between employee empowerment and performance of Civil Service Ministries in Kenya. From this objective it was hypothesized that there is a relationship between employee empowerment and performance of Civil Service Ministries in Kenya. The findings revealed apposite and statistically significant influence on performance of Civil Service Ministries in Kenya. Based on the findings of the test of the hypothesis, it can be concluded that there is a positive relationship between empowerment and performance of Civil Service Ministries in Kenya.

Organizations that strive to empower employees may attain a competitive advantage over their competitors. Nevertheless, for leaders to truly empower employees and have a sustained competitive advantage, they must be ready to delegate leadership and decision making down the lowest level possible. This is because employees are often the closest to the problem and have the most information, and therefore, can often assist in making best decisions. Delegation of responsibility and authority empowers them to take initiative. In addition, owing to the fact that most Civil Servants at the level of Job Group J and above are well educated, performance of Civil Service Ministries can improve if proper empowerment initiatives are put in place. One of the most overlooked areas by many organizations is equipping employees with the resources, knowledge, and skills necessary to make good decisions. Often, organizations adopt empowerment programmes and push decision making down to the employee level, but those employees have no relevant skills and knowledge. Yet as confirmed in this study, competence contributes significantly to the relationship between employee

empowerment and organizational performance. Therefore, if relevant training that meets the needs of the ministries is designed, performance of Civil Service in Kenya can highly improve, particularly if the employees are empowered.

It was hypothesized that the relationship between empowerment and performance of Civil Service Ministries in Kenya is mediated by employee outcomes. The results failed to provide sufficient statistically significant evidence to support the hypothesis. Based on the findings, it is concluded that the effect of employee empowerment on the performance of Civil Service Ministries in Kenya is direct and not through employee outcomes as hypothesized.

It was also hypothesized that relationship between empowerment and performance of Civil Service Ministries in Kenya is moderated by management of workforce diversity. The results provided sufficient statistically significant evidence to signify a moderation relationship. It is therefore, concluded that the relationship between employee empowerment and performance of Civil Service Ministries in Kenya depends to a significant extent on management of workforce diversity. Thus, empowerment initiatives can succeed better if management of workforce diversity is taken seriously. Previous studies that examined management of workforce diversity and organizational performance in private organizations found that management of workforce diversity was positively correlated to organizational performance. As such, in the current global economy that demands innovation, speed and adaptability, management of workforce diversity has taken a more vital role in enhancing performance than in the past. In view of this, organizations that take management of workforce diversity seriously can highly benefit from the differences people bring to the workplace. Civil Service in Kenya has a diverse workforce, and with consistent and equitable treatment of employees and compliance with fair labour practices, stands a chance of attaining superior performance.

It was also hypothesized that the relationship between employee empowerment and performance of Civil Service in Kenya is moderated by employee competence. The results provided sufficient statistically significant evidence to signify a moderation relationship. Based on the findings of the study, it was concluded that relationship between empowerment and performance of Civil Service Ministries in Kenya is

moderated by employee competence. Thus empowerment initiatives can improve performance of Civil Service Ministries in Kenya if employees are competent.

Lastly, it was hypothesized that the joint effect of employee empowerment, employee outcomes, management of workforce diversity, and employee competence is greater than the individual effect of employee empowerment on performance of Civil Service Ministries in Kenya. The results indicated that the joint effect of empowerment, employee outcomes, management of workforce diversity, and employee competence is greater than the individual effect of empowerment on performance of Civil Service Ministries in Kenya. It is therefore, concluded that the joint effect of empowerment, employee outcomes, management of workforce diversity, and employee competence is on performance of Civil Service Ministries in Kenya is greater than the individual effect of empowerment on performance of Civil Service Ministries in Kenya. In other words, the simultaneous application of these concepts in the management of human resources has greater contribution to performance than applying them in isolation.

In summary, organizations that empower employees, properly manage workforce diversity and also invest on improving employee competence can attain superior organizational performance. This implies that if proper attempts are made to simultaneously empower employees, effectively manage the diverse workforce, and also develop employees' skills and knowledge, performance of Civil Service Ministries in Kenya can improve.

#### **5.4. Implications of the Findings**

The results of this study have implications for theory, practice and policy. Following is a discussion of some of these implications.

##### **5.4.1. Implications for Theory**

Value addition by people within an organization is a reflection of better performance. According to human capital theory, employees are regarded as assets and not a cost to an organization. Human capital represents the human factor in the organization; the combined intelligence, skills and expertise that gives the organization its distinct character. Human capital theory emphasizes the added value that people can bring to an organization. A firm that aspires to succeed in the current globalized business

environment must make appropriate investment to acquire and build the employees who possess better skills and capabilities than their competitors.

This study was anchored on the resource based theory. Other theories also provided the foundation for this study, namely, knowledge based view, human capital theory and resource dependence theory. Some of the findings of this study were consistent these theoretical underpinnings. The study findings had inferences to resource based theory and knowledge based theory. The resource based view focuses on the role the internal resources among others that employees play in developing and maintaining a firm's competitive advantage. The knowledge based view of the firm emphasizes the importance of the resources and the organizational capabilities that distinguish an organization from the others.

From the literature review, people constitute the organization's human capital. While human capital, like other assets has value in the market place, its potential value can fully be utilized only with the cooperation of the employee. Therefore, finances on training designed to have people develop positive attitudes towards the job, and also work independently, is an investment for the organization. Civil Service in Kenya can develop human capital by ensuring that when doing annual budgeting, substantial amount of money is set aside for human resource development.

#### **5.4.2. Implications for Practice and Policy**

The results of this study have implications for practice. From the literature review, it was stated that competitive advantage is gained by implementing a value creating strategy that competitors cannot easily copy and for which there are no ready substitutes. Employee empowerment results in innovativeness and creativity, organizational commitment and job satisfaction, which are unique to an organization, and for which the competitors cannot easily copy and sustain. This draws management attention to the importance of empowerment in an organization and should be considered when employment policies are being developed. Thus, it is important that empowerment initiatives form part of the on-going Kenya Civil Service reforms.

This study found that employee outcomes, namely, job satisfaction and organizational commitment, affect the relationship between employee empowerment and performance

of Civil Service Ministries in Kenya. Generally, these outcomes point to the attitudes of employees concerning the organizations they work for. For example, organizational commitment benefits the organization from the wealth of experience of employees, commitment to work, and a strong desire to maintain membership in the organization. Organizational commitment can also benefit an organization by reducing costs associated with hiring new employees and training new employees. On the other hand, job satisfaction also benefits an organization by boosting employee morale.

#### **5.5. Contribution to Knowledge**

The purpose of this study was to establish the mediating role of employee outcomes and the moderating role of management of workforce diversity, and employee competence in the relationship between employee empowerment and performance of Civil Service Ministries in Kenya. To achieve this objective, the resource based view of the firm and human capital theory were used to examine and analyze the relationships. Some empirical research has been done to investigate these relationships and the outcomes of these constructs. Essentially, this study has helped to fill this knowledge gap, and hence has enhanced the understanding of the role of empowerment, employee outcomes, management of workforce diversity, and employee competence in performance of Civil Service Ministries in Kenya.

This study has contributed to knowledge by combining and testing the joint effect of employee empowerment, employee outcomes, management of workforce divers, and employee competence on performance of Civil Service Ministries in Kenya. This combination of variables has hitherto not been used in any other study known to the researcher. This study has therefore, made a contribution to knowledge by enhancing the understanding that the joint effect of the study variables is greater than the individual effect of empowerment on performance of Civil Service Ministries in Kenya. Previous studies had merely suggested that employee empowerment could lead to superior organizational performance. Previous studies did not consider such a comparison.

The most significant contribution this study has made to knowledge was the moderation of management of workforce diversity and employee competence in the relationship between employee empowerment and performance of Civil Service Ministries in

Kenya. Previous literature had merely suggested that management of workforce diversity could have effect on organizational performance. No empirical study to the best of the researcher's knowledge had considered management of workforce diversity as a variable that could enhance or otherwise the effect of employee empowerment on organizational performance.

#### **5.6. Limitations of the Study**

There were some limitations encountered, but which did not have any significant interference with the study. The first limitation was connected with the assessment tool. This study employed a self assessment tool (self-reporting) where the respondents rated themselves on a series of questions. Self-reporting tools have their limitations because responses are based on perceptions which are sometimes inaccurate. In addition, the length of the questionnaire might have made the respondents rush without thinking before responding, taking into account their busy work schedules.

Lastly, this study covered employees in job group J to job group V who were stationed at the Ministries' Headquarters in Nairobi. As such, views of employees below job group J and those stationed in the field were not obtained. Lastly, time and finances available were not enough to carry out research in the entire Civil Service in Kenya. As such, views were based on a specific category of employees. This could have lead to biased data.

#### **5.7. Recommendations**

This section presents recommendations based on the objectives and findings of the study. Some of these recommendations might require management attention wherever possible, whereas some recommendations might require that a further empirical study be conducted to fill the knowledge gap. The findings of this study may have policy implications for leaders, managers, administrators and other sectors that are people oriented, results driven and competency based. It was concluded that there is a positive relationship between employee empowerment and performance of Civil Service Ministries in Kenya. For the fact that empowerment influences organizational performance it is therefore, recommended that Civil Service in Kenya and other organizations may develop greater understanding and appreciation of various

empowerment initiatives and also implement them to ensure superior organizational performance.

### **5.7.1. Employee Empowerment**

As was noted in the literature review, empowerment is believed to offer many benefits to the organization. Employee empowerment encourages proactive problem solving and accepting challenges, innovativeness, continuous improvement and optimum utilization of employee efforts. These findings were also supported by this study. As such, it is recommended that all the Government Ministries in the Civil Service of Kenya should embrace empowerment alongside other reform initiatives in order to improve performance. This will also enable the Civil Service Ministries in Kenya to obtain and retain a competitive advantage over their competitors thereby becoming a world class sector.

### **5.7.2. Management of Workforce Diversity**

It was concluded that relationship between empowerment and performance of Civil Service in Kenya is moderated by management of workforce diversity. From the literature review, it was established that workforce diversity has become an imperative for organizational competitiveness and effectiveness. This study also established that management of workforce diversity moderates the relationship between empowerment and performance of Civil Service Ministries in Kenya. As such, management of workforce diversity is increasingly becoming a principle in human resource management. It is therefore recommended that ministries should make diversity management a must. It is also important to note that the complexity of work operations demands more diverse functions and the use of more diverse talents. As the need for diverse workforce increases in the Kenyan Civil Service, so do demands like the need for effective interaction among diverse employees, and the potential for conflicts among them, thus, the urgency to manage not just to attain the required diversity in the Civil Service of Kenya.

### **5.7.3. Employee Competence**

Based on the findings, it was concluded that employee competence moderates the relationship between empowerment and performance of Civil Service Ministries in Kenya. These findings could have implications for human resource managers in

organizations. It is recommended that human resource managers should design trainings for line managers at all levels on competency development. It should not be assumed that having employees who are different would somehow automatically lead to superior organizational performance. However, managers should learn to be more accommodating to diverse groups of people by continuously developing their skills and knowledge.

#### **5.7.4. Delegation of Authority**

As this study concluded that a positive relationship exists between employee empowerment and performance of Civil Service Ministries in Kenya, it is recommended that more empowerment programmes should be put in place. This will entail ensuring that employees are well trained to have relevant skills and knowledge to make decisions. In addition, top management should ensure that employees have power over what and how they do their work. Thus, empowerment has both delegation and development components; delegation without development is often perceived as abandonment, and development without delegation can often be perceived as micromanagement. It is therefore, recommended that managers wishing to empower employees must determine what employees are capable of doing, enhance and broaden these capabilities, and give employee commensurate increases in authority and accountability.

#### **5.7.5. Deployment of Employees**

The study established that male employees tend to stay longer in Ministries than female employees. This does not show fairness in the management of a diverse workforce. It could imply that majority of male employees perform core functions of the ministries unlike their female counterparts. Therefore, it is recommended that the issue of gender should be addressed, particularly by top management. Failure to address this might adversely affect performance of the Civil Service in future.

#### **5.7.6. Academic Qualification**

This study established that 33.1 percent of the Civil Servants on job group J and above have bachelors' degrees, while 29.5 percent had master's degrees. Only 0.3 percent had doctorate degrees. For Civil Service of Kenya to be a world class learning sector, it is



recommended that doctoral studies should be encouraged. Doctorate degree should also be made mandatory in the departments where a lot of research is required.

#### **5.7.7. Labour Practices**

The results of this study revealed that majority of Civil Servants (60.36 percent) are in lower management level that is, J/K/L/M job group bracket. The study also revealed that majority of employees in higher management levels were males, whereas majority in lower job groups were females. This implies that there is no fairness when it comes to upward mobility. It is therefore, recommended that fair labour practices, which should include affirmative action be taken seriously in the Kenyan Civil Service. In addition, female officers should be encouraged to attend more management trainings so as to prepare them for top positions, thus preparing them to compete with their male counterparts.

#### **5.8. Suggestions for Further Research**

It is evident from the findings that this study uncovered some questions that needed to be addressed. As the foregoing discussion has pointed out, many questions need answers. As such, there are some suggestions that could assist in the search for those answers.

The initial suggestion is for more studies to be conducted in this area. Previous studies established a link between employee empowerment and organizational performance. Although the findings showed a strong relationship between employee empowerment and organizational performance, doubts have been cast on the generalization of these findings since some studies found no direct relationship. This study also established a significant relationship between employee empowerment and performance of Civil Service Ministries in Kenya and thus, supported the findings of the previous studies. Conversely, a study by Mowday (1979) found that there is no direct or significant role of employee empowerment on the success of organizations, but rather, employee empowerment leads to employee outcomes. Given the mixed findings, and owing to the fact that this study covered only Civil Service Ministries in Kenya, the degree of generalization is still minimal. As such, a comparative study needs to be conducted in the public service to provide more extensive data on the area of employee empowerment and organizational performance.

This study used management of workforce diversity and employee competence as moderating variables. It was established that management of workforce diversity and employee competence moderate the relationship between empowerment and performance of Civil Service Ministries in Kenya. It is suggested that a study be conducted in other organizations using management of workforce diversity and employee competence as moderating variables to facilitate a comparison.

A study needs to be conducted on empowerment in the Civil Service from employee perspective. This study assessed empowerment from employer perspective. Such a study will help determine the validity of empowerment initiatives in place. This is because empowerment connotes the granting of authority or transferring some managerial powers to employees. This requires full assessment from both employer and employee perspectives as empowerment entails pushing decision making down to the operating level, where workers are being given the freedom to make choices about schedules and procedures to solve work-related problems. Therefore, such a study will help to come up with other ways of empowering employees.

It is recommended that future research considers incorporating the use of several types of data collection methods and techniques. This study was delimited to the use of questionnaire only. As such, other data collection methods such as interviews, observations and case studies would be recommended.

With the results of this study as a take-off point, a longitudinal study on workforce diversity in the civil service be conducted to examine in greater detail the composition and management of workforce in the Civil Service. This will help come up with better ways of managing the diverse workforce.

## **5.9. Chapter Summary**

Chapter Five presented the summary, conclusions and recommendations of the study. The chapter begins with the summary of objectives. Out of the five hypotheses tested, four hypotheses were supported and one was not supported. The implications of the findings for practice and theory, limitations of the study and suggestions on areas of further research were also provided.

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## APPENDICES

### Appendix I: Questionnaire

#### Employee Empowerment and Performance of Civil Service in Kenya

##### Section One: Personal Information

Please indicate the name of your Ministry in the space provided below:

-----

How long have you worked in this Ministry?

Tick (✓) as Appropriate

- Below 5 years
- 5-10 years
- Over 10 years

What is your highest level of education?

Tick (✓) as Appropriate

- Ordinary Diploma
- Higher Diploma
- Secondary School
- Bachelor's Degree
- Master's Degree
- Other (specify) -----

What is your Job Group bracket?

Tick (✓) as Appropriate

- J/K/L/M
- N/P/Q
- R/S/T
- U/V
- Other (specify)-----

What is your gender?

Tick (✓) as Appropriate

- Male
- Female

##### Section Two: Employee Empowerment

Show the extent to which you agree with the following statements in respect of employee empowerment in your Ministry by ticking the appropriate number in the scale below:

- Very great extent = 5
- Great extent = 4
- Moderate extent = 3
- Little extent = 2
- Not at all = 1

In my Ministry:

Tick (✓) as Appropriate

(a)	Employees have power over what and how they do their work	5	4	3	2	1
(b)	Employees perform tasks skillfully	5	4	3	2	1
(c)	Employees take part in pro-active problem solving in the Ministry	5	4	3	2	1
(d)	There is teamwork in the Ministry	5	4	3	2	1
(e)	Employees are allowed to make decisions independently	5	4	3	2	1
(f)	Employees are allowed to choice and discretion in work performance	5	4	3	2	1
(g)	Employees have confidence in their jobs	5	4	3	2	1
(h)	Creativity and innovation in work performance are encouraged in my Ministry	5	4	3	2	1
(i)	Employees have influence over Ministry decisions	5	4	3	2	1

### Section Three: Employee Outcomes

Show the extent to which the following statements are exhibited in your ministry by ticking the appropriate number in the scale below:

Very great extent	=	5
Great extent	=	4
Moderate extent	=	3
Little extent	=	2
Not at all	=	1

### Organizational Commitment

In my Ministry:

Tick (✓) as Appropriate

(a)	Employees are highly committed to their work	5	4	3	2	1
(b)	Employees like working for the Ministry	5	4	3	2	1
(c)	Employees are satisfied with the job	5	4	3	2	1
(d)	Employees look forward to coming to work the next day	5	4	3	2	1
(e)	Employees stay overtime to finish work	5	4	3	2	1
(f)	Employees have strong desire to maintain membership in	5	4	3	2	1

	the Ministry					
(g)	Employees have closer cooperation with the seniors	5	4	3	2	1
(h)	Work gives employees a strong sense of meaning	5	4	3	2	1
(i)	Employees would be very lucky to spend the rest of their lives within the ministry	5	4	3	2	1
(j)	Employees complete work as scheduled	5	4	3	2	1
(k)	Employees talk well about the ministry to friends as the best organization to work for	5	4	3	2	1
(l)	Employees consider the Ministry as part of their lives	5	4	3	2	1
(m)	Employees perceive current and future opportunities as adequate	5	4	3	2	1

### Job Satisfaction

Tick (✓) as Appropriate

(a)	Major happiness of employees comes from work	5	4	3	2	1
(b)	The job gives employees a sense of accomplishment	5	4	3	2	1
(c)	Opportunities for advancement are very good	5	4	3	2	1
(d)	The job gives employees better mental and physical health	5	4	3	2	1
(e)	Employees are able to learn new job-related tasks quickly	5	4	3	2	1
(f)	Employees experience fewer on- the job- related accidents	5	4	3	2	1
(g)	The job has little impact on the success of the Ministry	5	4	3	2	1
(h)	The job is highly meaningful	5	4	3	2	1
(i)	Most part of the day is spent day dreaming about a better job	5	4	3	2	1
(j)	Employees are less likely to leave my job	5	4	3	2	1
(k)	The job is related to one's previous training	5	4	3	2	1
(l)	Employees are likely to exhibit pro-social citizenship	5	4	3	2	1

Tick (✓) as Appropriate

**Section Four: Management of Workforce Diversity**

Show the extent to which you agree with the statements in respect of management of workforce diversity in your Ministry/Department by ticking the appropriate number in the scale below:

- Very great extent = 5  
 Great extent = 4  
 Moderate extent = 3  
 Little extent = 2  
 Not at all = 1

Tick (✓) as Appropriate

My Ministry:

(a)	Ensures equitable treatment of all employees	5	4	3	2	1
(b)	Is continually making effort to reduce gender imbalances.	5	4	3	2	1
(c)	Encourages both male and female participation in decision making.	5	4	3	2	1
(d)	Considers experience in appointments	5	4	3	2	1
(e)	Ensures meaningful jobs to all employees irrespective of gender.	5	4	3	2	1
(f)	Ensures objectivity in rewards.	5	4	3	2	1
(g)	Encourages flexibility in performance to accommodate differences.	5	4	3	2	1
(h)	Is continually making effort to reduce ethnic imbalances	5	4	3	2	1
(i)	Ensures all promotions are on merit	5	4	3	2	1
(j)	Ensures diversity in decision making	5	4	3	2	1
(k)	Encourages productive relationships in the Ministry	5	4	3	2	1
(l)	Complies with fair labour practices	5	4	3	2	1
(m)	Ensures deployments are based on qualifications	5	4	3	2	1

**Section Five: Employee Competence**

Show the extent to which you agree or disagree with the following statements on employee competence by ticking the appropriate number in the scale below:

Very great extent = 5  
 Great extent = 4  
 Moderate extent = 3  
 Little extent = 2  
 Not at all = 1

Employees in my Ministry are: Tick (✓) as Appropriate

(a)	Well qualified for my job	5	4	3	2	1
(b)	Finish set targets	5	4	3	2	1
(c)	Effectively manage time	5	4	3	2	1
(d)	Optimize use of resources	5	4	3	2	1
(e)	Compete against a standard of excellence in doing the job	5	4	3	2	1
(f)	Listen to others to get their perspectives	5	4	3	2	1
(g)	Have ability to persuade others	5	4	3	2	1
(h)	Understand the power relationships in the Ministry	5	4	3	2	1
(i)	Give direction and feedback to others	5	4	3	2	1
(j)	Set priorities for tasks in order of importance	5	4	3	2	1
(k)	Anticipate obstacles and think ahead about next step	5	4	3	2	1
(l)	Have ability to view the Ministry in macro or strategic terms.	5	4	3	2	1

THANK YOU VERY MUCH FOR YOUR TIME AND PATIENCE



Appendix 2: University of Nairobi- Letter of Authority to Conduct Research



**UNIVERSITY OF NAIROBI**  
**COLLEGE OF HUMANITIES AND SOCIAL SCIENCES**  
**SCHOOL OF BUSINESS**  
**DOCTORAL STUDIES PROGRAMME**

Telephone: 4184160/1-5 Ext. 225  
Email: dsp@uonbi.ac.ke

P.O. Box 30197  
Nairobi, Kenya

5<sup>th</sup> August, 2014

**TO WHOM IT MAY CONCERN**

**RE: GRACE AOKO OMOLO: D80/80022/2007**

This is to certify that, **GRACE AOKO OMOLO: D80/80022/2007** is a Ph.D student in the School of Business, University of Nairobi. The title of her study is: "Employee Empowerment and Performance of Civil Service in Kenya"

The purpose of this letter therefore, is to kindly request you to assist and facilitate in carrying out the research/study at your organization. A questionnaire is herewith attached for your kind consideration and necessary action.

Data and information obtained through this exercise will be used for academic purposes only. Hence, the respondents are requested not to indicate their names anywhere on the questionnaire.

We look forward to your cooperation.

Thank you.

A handwritten signature in black ink, appearing to read 'M. Ogutu'.

**PROF. MARTIN OGUTU**  
**FOR: ASSOCIATE DEAN**  
**GRADUATE BUSINESS STUDIES**  
**SCHOOL OF BUSINESS**

msd

### Appendix 3: Researcher's Introduction Letter

The University of Nairobi,  
School of Business,  
Department of Business Administration  
P.O. Box 30197-00100  
NAIROBI.

Date.....

Dear Respondent,

#### RE: RESEARCH DATA COLLECTION

I am a PhD student at the University of Nairobi, School of Business. In order to fulfill one of the requirements for the award of the degree, I am undertaking an academic research on employee empowerment and performance of Civil Service in Kenya.

You have been selected to form part of this study. I would therefore, be grateful if you could spare some of your time to fill the attached questionnaire and answer the questions as honestly as possible. The study is purely academic and the information provided will be used strictly for academic purposes.

I look forward to your cooperation in this exercise.

Yours sincerely,

**Grace Aoko Omolo**  
Ph. D Student, University of Nairobi

#### Appendix 4: List of Civil Service Ministries in Kenya

Serial No.	Ministry	No. of Staff in JG J & Above in the Ministry HQ Nairobi
1.	Interior and Coordination of National Government	1716
2.	Devolution and Planning	706
3.	Foreign Affairs	564
4.	Defense	336
5.	Education, Science and Technology	779
6.	The National Treasury	1025
7.	Health	3602
8.	Transport and Infrastructure	1273
9.	Environment, Water and Natural Resources*	1253
10.	Lands, Housing and Urban Development	1063
11.	Information, Communication and Technology (ICT)	296
12.	Sports, Culture and the Arts	840
13.	Labour, Social Security and Services*	626
14.	Energy and Petroleum	179
15.	Agriculture, Livestock and Fisheries	1266
16.	Industrialization and Enterprise Development	373
17.	East African Affairs, Commerce and Tourism	595
18.	Mining	56
	<b>TOTAL</b>	<b>16548</b>

*Source: Office of the President, Organization of the Government of the Republic of Kenya,*

2013. \* PILOT STUDY MINISTRIES

Appendix 5: Performance Grade and Composite Score

Performance and Composite Score

Performance Grade	Composite Score
Excellent	5
Very Good	4
Good	3
Fair	2
Poor	1

### Appendix 6: Framework for Civil Service Performance Evaluation

Scores (Criteria Range)	Range Span	Performance Grade
<b>Upper – Lower</b>		
1.00 - 1.49	0.49	Excellent
1.50 – 2.49	0.99	Very Good
2.50 – 3.49	0.99	Good
3.50 – 3.59	0.09	Fair
3.60 – 5.00	1.40	Poor

Source: Office of the Prime Minister, Evaluation of the Performance of the Public Agencies (2011)

**Appendix 7: Ministries' Performance Evaluation Results for 2007/2008-2010/2011**

NO.	CURRENT MINISTRY	FORMER MINISTRIES COVERED	COMPOSITE SCORE 2007/2008	AVERAGE SCORE	COMPOSITE SCORE 2009/2010	AVERAGE SCORE	COMPOSITE SCORE 2010/2011	AVERAGE SCORE	AVERAGE SCORE, FORMER MINISTRIES	AVERAGE SCORE, CURRENT MINISTRY
1	Interior and Coordination of National Government	Provincial Administration and Internal Security Special Programmes, Immigration and Registration of Persons	3.87	3.88	3.88	3.89	3.87	3.88	3.88	3.88
			3.88		3.89		3.86		3.89	
			3.89		3.89		3.88		3.88	
2	Defense	Same	-	-	-	-	-	-	-	-
3	Foreign Affairs	Same	3.69	3.69	3.70	3.70	3.71	3.71	3.70	3.70
4	Devolution and Planning	Planning, National Development and Vision 2030.	3.65	3.66	3.64	3.65	3.64	3.64	3.65	3.65
		State for Public Service.	3.66		3.65		3.63		3.64	
		The Development of	-		3.65		3.65			

		Northern Kenya and other Arid Lands								
		Local Government.	3.67		3.66		3.64		3.66	
5	Education	Education	3.54	3.55	3.53	3.54	3.55	3.56	3.54	3.55
	Science and Technology	Science and Technology	3.56		3.55		3.57		3.56	
6	The National Treasury	Finance	2.66	2.66	2.64	2.64	2.65	2.65	2.65	2.65
7	Health	Medical Service	2.82	3.82	3.83	3.84	3.82	3.83	3.82	3.83
		Public Health and Sanitation	-		3.85		3.84		3.84	
8	Transport and Infrastructure	Transport	2.75	2.76	2.76	2.77	2.74	2.75	2.75	2.766
		Roads and Public Works	2.77		2.78		2.76			
9	Environment, Water and Natural Resources	Environment and Mineral Resources	3.97	3.98	3.99	3.99	3.98	3.99	3.99	3.98
		Water and Irrigation	3.98		3.99		3.99		3.98	
		Regional Development Authorities	3.99		3.98		3.99		3.97	
10	Lands, Housing	Lands	3.16	3.17	3.17	3.18	3.18	3.19	3.19	3.18

	and Urban Development	Housing Nairobi	3.18		3.18		3.19		3.19	
		Metropolitan Development	-		3.19		3.19		3.18	
11	Information, Communication and Technology (ICT)	Information and Communications	3.78	3.78	3.79	3.79	3.80	3.80	3.79	3.79
12	Sports, Culture and the Arts	Youth Affairs and Sports	3.84	3.85	3.81	3.82	3.81	3.80	3.83	3.82
		National Heritage and culture	3.86		3.83		3.79		3.81	
13	Labour, Social Security and Services	Labour	3.69	3.70	3.72	3.73	3.73	3.74	3.71	3.72
		Gender, Children and Social Development	3.71		3.74		3.75		3.73	
14	Energy and Petroleum	Energy	3.88	3.88	3.87	3.87	3.89	3.89	3.88	3.88
15	Agriculture, Livestock and Fisheries	Agriculture	3.57	3.58	3.56	3.57	3.59	3.59	3.59	3.58
		Livestock Development	3.59		3.57		3.59		3.58	



		Fisheries Development	-		3.58		3.58		3.57	
16	Mining	-	-	-	-	-	-	-	-	
17	Industrialization and Enterprise Development	Industrialization	-	3.88	3.89	3.89	3.89	3.90	3.88	3.89
		Cooperative Development and Marketing	3.88		3.89		3.91		3.90	
18	East African Affairs, Commerce and Tourism	East African Community Trade Tourism	3.93	3.94	3.92	3.93	3.93	3.92	3.94	3.93
			3.94		3.93		3.92		3.93	
			3.95		3.94		3.91		3.92	

Source: Office of the Prime Minister, Evaluation of the Performance of Public Agencies-2007/2008-2010/2011