# INFLUENCE OF ORGANIZATION POLITICS ON EMPLOYEE PERFORMANCE: A CASE OF EMERGING BUSINESS UNIT OF EAST AFRICAN BREWERIES LIMITED, KENYA

BY KIPTOO BONFACE NG'ENOH

# RESEARCH PROJECT REPORT PRESENTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF A DEGREE OF MASTER OF ARTS IN PROJECT PLANNING AND MANAGEMENT UNIVERSITY OF NAIROBI.

## DECLARATION

I declare that this project is my original work and has never been submitted for a degree in any other university or college for examination/academic purposes.

Signature: .......Date: .....Date: L50/71398/2014

This research project has been submitted for examination with my approval as the University Supervisor.

Signature.....Date.....

## PROF. CHRISTOPHER GAKUU,

DEPARTMENT OF EXTRA MURAL STUDIES,

UNIVERSITY OF NAIROBI.

# DEDICATION

I dedicate this work to my mum Angeline Rotich and my dad Samuel Rotich.

#### ACKNOWLEDGEMENTS

First I would like to thank my supervisor Professor Christopher Gakuu who guided me through the writing process, taken the time to read and comment my drafts and shared his knowledge within the research field.

I would also like to acknowledge the support from Department of Extramural studies starting with Dr. John Mbugua for stepping in from time to time to assist while working on this project. To the senior lecturers and lecturers from the department; Professor Charles Rambo, Professor David Macharia, Professor Kidombo, Dr. Bwibo Adiero, Dr. Peter makokha to mention but a few it is my sincere appreciation. To the support staff; Mr. Kimathi Nabea, Mr. Chris, Ms. Caren Awilly, Mr. Nyagah and colleagues it is my sincere appreciation.

I would also like to thank my brother Ken Kirera for the financial support and morale, Benard Ng'enoh for his pieces of advice and financial support, Josphat Kiplangat for research project advice. My sincere gratitude also goes to my friend David Mumita for financing the reproduction of the various copies of this project report.

I would also like to acknowledge my class of PPM 2014 for the support and day to day discussions and knowledge shared, to my brother Victor Kibet who was part of my group and class I acknowledge the challenge he used to give me to cherish this programme.

Finally to the Extramural fraternity God Bless You.

Many thanks to you all!

# TABLE OF CONTENTS

Contents Page Declarationii
Dedicationiii
Acknowledgementsiv
Table of Contentsv
List of Tablesix
List of Figuresx
Abbreviationsxi
Abstract
CHAPTER ONE:INTRODUCTION
1.1 Background of the Study
1.1.1 Organizational Politics and Employee Performance
1.1.2 Emerging Business (EB), East African Breweries Limited (EABL).
1.2 Statement of the problem
1.3 Purpose of the study
1.4 Objectives of the study
1.5 Research questions
1.6 Significance of the study
1.7 Delimitations of the study
1.8 Limitations of the study7
1.9 Assumption of the study7
1.10 Definition of key terms
1.11 Organization of the Study
CHAPTER TWO:LITERATURE REVIEW
2.1 Introduction
2.2 Employee performance
2.3 Leadership Style and Employee Performance
2.3.1 Laissez-Faire Factor:
2.3.2 Transactional Leadership Factors
2.3.3 Transformational Leadership Factors12
2.3.4 The link between Leadership and Employee Performance

2.4 Group Orientation and Employee Performance
2.5 Organizational/ Management structure and Employee Performance
2.5.1 Unitary versus Decentralized organization structure and employee performance16
2.5.2 Matrix, Functional and Project-Based Organization structure and employee
performance16
2.6: Moderating Variables
2.6.1: Education Level
2.6.2: Training and Development
2.6.3 Government Policies
2.7: Knowledge Gap
2.8: Summary
2.6. Summary
2.0. Summary
CHAPTER THREE:RESEARCH METHODOLOGY
CHAPTER THREE:RESEARCH METHODOLOGY
CHAPTER THREE:RESEARCH METHODOLOGY
CHAPTER THREE:RESEARCH METHODOLOGY
CHAPTER THREE:RESEARCH METHODOLOGY263.1 Introduction263.2 Research Design263.3 Target Population26
CHAPTER THREE:RESEARCH METHODOLOGY.263.1 Introduction.263.2 Research Design.263.3 Target Population.263.4 Sample size and sampling procedure26
CHAPTER THREE:RESEARCH METHODOLOGY.263.1 Introduction.263.2 Research Design.263.3 Target Population.263.4 Sample size and sampling procedure263.5 Validity of the Instruments27
CHAPTER THREE:RESEARCH METHODOLOGY.263.1 Introduction.263.2 Research Design.263.3 Target Population.263.4 Sample size and sampling procedure263.5 Validity of the Instruments273.6 Reliability of the Instruments27

# CHAPTER FOUR:DATA ANALYSIS, PRESENTATION AND INTERPRETATION

	30
4.1 Introduction	30
4.2 Questionnaire Return Rate	30
4.3 Demographic Profile	30
4.3.1 Gender	31
4.3.2 Age of respondents	31
4.3.3 Professional Qualification of Respondents	32
4.3.4 Length of service in the organization	33
4.3.5 Designation of respondent	33
4.4 Findings of the Study as per Research Objectives	34

4.4.1 Leadership and Employee Performance.	34
4.4.1.1 Managers level of motivating and empowering employees by offering Supp	ort
and Training	34
4.4.1.2 Managers Involvement of Employees on Decision Making	35
4.4.1.3 Managers' Level of Communication with Employees	36
4.4.1.4 Managers' Level of Supervision on Employees	36
4.4.1.5 Managers' Appreciation on Employees based on Reward system	37
4.4.2 Group Orientation and Employee Performance	38
4.4.2.1 Relationship between the Employee and the Manager.	38
4.4.2.1 Employee to Employee Relationship.	39
4.4.3 Organization/Management structure, Policies and Employee Performance	39
4.4.3.1. Employee's satisfaction with the existing organization structure	39
4.4.3.2. Contribution of Existing Organization/Management structure on Individual	
performance	40
CHAPTER FIVE:SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSIONS	
RECOMMENDATIONS	
5.1 Introduction	
5.2 Summary of findings	
5.2.1: Influence of the type of leadership on employee performance in EB, East Africa	
Breweries Limited	41
5.2.2: Influence of Group Orientation on employee performance in EB, East African	
Breweries limited.	
5.2.3: Influence of Organization Structure on employee performance in EB, East Afric	can
Breweries limited	43
5.3 Discussion of findings	44
5.3.1 Leadership and Employee Performance	44
5.3.1.1 Manager's motivation and empowerment on employee's performance	44
5.3.1.2 Manager's Involvement of Employees on Decision Making	45
5.3.1.3 Manager's Level of Communication with Employees	45
5.3.1.4 Managers' Level of Supervision on Employees	46
5.3.1.5 Managers' Appreciation on Employees based on Reward system	46
5.3.2 Group Orientation and Employee Performance	47
5.3.2.1 Organization/management structure and Employee Performance	47

5.4 Conclusions	48
5.5 Recommendations	49
5.6 Suggestions for further studies	50
REFERENCES	51
APPENDICES:	
Appendix I: Letter of Introduction	58
Appendix II: Questionnaire	59

# LIST OF TABLES

Table 3.1: Operationalization of Variables	
Table 3.2: Operationalization of variables	
Table 4.1: Response Rate	
Table 4.2: Gender	
Table 4.3 Age of respondents	
Table 4.4 Professional Qualification	
Table 4.5 Length of service in the organization	
Table 4.6 Designations of Respondents	
Table 4.7 Manager's level of motivation, empowerment and Support	
Table 4.8 Managers involvement of Employees	
Table 4.9 Managers communication	
Table 4.10 Managers' Level of Supervision	
Table 4.11 Managers' Level of Appreciation	
Table 4.12 Relationship between the Employee and the Manager	
Table 4.13 Employee to Employee Relationship	
Table 4.14 Employee satisfaction with the existing organization structure	
Table 4.15 Organization structure contribution to Performance	

## LIST OF FIGURES

Figure 1:	Conceptual	Framework	24	4
-----------	------------	-----------	----	---

### ABBREVIATIONS

- ABDM Area Business Development Manager
- **ANADS** Non-alcoholic drinks
- **Bop** Bottom of the Pyramid
- EABL East African Breweries Limited
- **EB** Emerging Business
- **TAB**Total adult beverage
- **DSR** Distributor Sales Representative
- **DTMM** Divisional Trade Marketing Manager
- **TDR** Trade Development Representative
- **TMR** Trade Marketing Representative

#### ABSTRACT

The purpose of this study was to explore the influence that organizational politics has on employee performance in Emerging Business (EB), East African Breweries limited. The target population of the study was the Emerging Business group of EABL with 51 employees. The list of all the 51 employees was the sampling frame. This target population is distributed throughout the country. The research methodology used to obtain answers to the questions was a descriptive study with mixed methods; Quantitative and Qualitative approach. The findings of the study confirmed that indeed transformational leadership style characterized by highly motivating managers, excellent communication, cooperation and integration of ideas, teamwork is what the organization's employees highly regard. It was also evident that Transactional leadership which is based on a reward system and attainment of territory goals for instance meeting and surpassing targets is was much appreciated with trainings through accompaniments and line manager support coming out as very much critical towards employee performance. Laissez-faire style of support also got support inferring that Territory managers like autonomy and empowerment to make decisions without coercion. This means that employee performance is stems from his/her ability to make decisions and be in charge of his/her duties/responsibilities. The value of this research will be to the Emerging Business unit in improving employee performance and as a point of reference for scholars.

#### **CHAPTER ONE**

#### **INTRODUCTION**

#### 1.1 Background of the Study.

Organizational politics and related perceptions have in the recent past received a greater attention and study extensively and have emerged as a good predictor of job performance (Vigoda-Gadot & Drory, 2006).Particularly, scholars have a lot of interest is the negative effect that perceptions of politics seem to have on job attitudes, for instance job satisfaction and organizational commitment and ultimately on affective performance in terms of job stress and job burnout as well as the indirect relationships that potentially mediate or moderate these relationships.

Harold Lasswell defined politics as "who gets what when and how." Politics is a way of determining, without recourse to violence, who gets power and resources in society, and how they get them. Power is the ability of getting others to get other people to do what you want them to do. German sociologist, Max Weber defined power as "the probability that one actor within a social relationship will be in a position to carry out his own will despite resistance. " Emerson suggests that "The power of actor A over actor B is the amount of resistance on the part of B which can be potentially overcome by A." Politics in reference to organizations refers to the use of power and authority to influence organizational outcomes. The tools of politics are compromise and cooperation; discussion and debate; even, sometimes, bribery and deceit. Politics is the process through which we try to arrange our collective lives in some kind of social order so that we can live without crashing into each other at every turn, and to provide ourselves with goods and services we could not obtain alone. But politics is also about getting our own way.

Talya and Berrin (2014) in an article on organizational behavior say that organizational politics are informal, unofficial, and sometimes behind-the-scenes efforts to sell ideas, influence an organization, increase power, or achieve other targeted objectives. Aristotle wrote that politics stems from a diversity of interests, and those competing interests must be resolved in some way. "Rational" decision making alone may not work when interests are fundamentally incongruent, so political behaviors and influence tactics arise.

Organizational politics described as an activity that permits people in organization to accomplish goal s without going through proper channels. Whether political activities assist or harm the organization depends on whether the goals of individuals are consistent with the goals of organization. There has no doubt that political beliefs are an ordinary observable fact in every organization. Organizational politics represented devious behavior of employees towards their work environment only for their self-interests. These self-interests may be at the cost of other employees or may be organizational goals as well, (Shamaila, 2012)

Employee performance denotes all the job related activities expected of a worker and how well those activities were executed assessed on annual or quarterly basis in order to help identify areas for improvement. This can be noted through creativity and innovation as opposed to doemanct, Communication to the team, absenteeism, and adherence to company policies. Employee performance can be interpreted as employee satisfaction whereby when the employee is satisfied with his/her job the performance index goes up and incase of dissatisfaction then performance consequently falls. Job satisfaction is the feelings of employees towards their job. Level of satisfaction that employees attain from different roles they play in an organization. It's simply the perception of employees that how well the job provides those things that are important for them like benefits, promotional opportunities, supervision, coworkers, working condition and the work itself. (Shamaila, 2012).

#### **1.1.1 Organizational Politics and Employee Performance**

According to Gotsis and Kortezi (2011) organizational politics is a search of selfinterest of individuals in the organization without consider to their effect on the efforts of the organization to achieve its objectives. By adopting an alternative view of behavioral assumptions it deduce a positive political behavior.

Politics is crucial and forms part of every organization, Vigoda-Gadot and Drory (2006) suggest that the issue is of prime importance to any type of organization, in any field, market, sector, and culture reiterating that organizational politics may be used to target, secure or maximize collective interests in cases where several decisions are possible that affect different interests.

On the other hand as was suggested by Kacmar and Ferris (1991) and Kacmar and Carlson(1994), perceptions of organizational politics represent the degree to which employees view their work environment as political in nature promoting the self-interests of others and thereby unjust and unfair from the individual's point of view. Bounded self-interest assumption is more representative of actual human behavior. Some of the selfish organizational members primarily promote self-interest even at the expense of organizational objectives and revealed their activities in the direction of greater organizational good.

Gadot (2007) shows the intervening effect of the politics of organization on the relationship between headship and performance. Performance includes the mode by which the employees perform their work and the flexible behavior of individual to go ahead of the basic requirements of job for the benefit of organization. He says that there is a direct and positive relationship between headship and performance. The individuals who show high involvement in their jobs consider their work to be a very important part of their lives. According to Poon(2006), trust in supervisor and employee willingness to assist the

coworker observes less politics. According to Field (2011) interest of members of organization are intimidated by the pay renegotiation and performance management which are also helpful for organizational change and learning.

According to the Sheard, Kakabadse and Kakabadse (2011)the political nature of manager and style of leadership are the main tenets that affect employee performance. This shows how leadership is effective in influencing performance of employees.

#### 1.1.2 Emerging Business (EB), East African Breweries Limited (EABL).

Emerging Business (EB) is a wing within sales department of Kenya Breweries limited (KBL) that is tasked within the sales and distribution of KBL products basically beers and spirits. The beers are majorly Senator KEG(available in 30 and 50-litre barrels) and senator Dark Extra(available in 50-litre barrels) while the spirits are Kenya cane, Jebel special, Jebel glass, Chrome vodka, liberty, popov vodka, kane extra and Jebel gold. Jebel Gold is the most innovative product in the world being the first spirit available in a barrel. It is available in 30litre barrels. The other spirits are available in various SKUs from 250ml, 350ml and 750ml.

Emerging Business (EB) came into existence in 2004 with the main aim of providing affordable beers to Kenyans especially those who live below 2-dolar every day. This is what is known as Bottom of the pyramid opportunity (Bop) which has since been dominated and appreciated by the majority of the people within the Bop.

East African Breweries Limited (EABL) is East Africa's leading branded alcohol beverage business with an outstanding collection of brands that range from beer, spirits and adult nonalcoholic drinks (ANADs) reaffirming our standing as a total adult beverage (TAB) company.

With breweries, distilleries, support industries and a distribution network across the region, the group's diversity is an important factor in delivering the highest quality brands to East African consumers and long-term value to East African investors.

As a consumer driven business EABL takes time to study the market and understand consumer needs and wants as well as how best to satisfy them. That is why we constantly invest in innovating and renovating our brands to stay at par with dynamic consumer trends. This goes hand in hand with our Vision to be the most celebrated business in Eastern Africa.

#### 1.2 Statement of the problem

Kacmar and Ferris 1991 while discussing Organizational politics consider it an elusive type of power relations in the workplace representing a unique domain of interpersonal relations, characterized by the direct or indirect ,active or passive engagement of people in influence tactics and power struggles. These activities are frequently aimed at securing or maximizing personal interests or, alternatively, avoiding negative outcomes within the organization.

Vigoda (2000) in an attempt to establish the relationship between organizational politics and employee performance explained that organizational political principles had a pessimistic association with work feelings of employment fulfillment and managerial loyalty. Further, Steers and Porter (1979) described organizational politics is the primary variable in establishing job attitudes. It consists of participation in and recognition with the association and it is appreciably influenced by work satisfaction and on the whole environment thereby affecting performance. K.A.M.S Kodisinghe (2010) explained the influence of supposed organizational political affairs on work pleasure of workers. The study used the sample size of 300 employees. Research examined the data by using regression analysis and correlation analysis. Hypothesis of the research tested in it. In this study, it is concluded that there is an inverse relationship between which implies that organizational politics negatively influences employee performance.

Typically, scholars have focused on the negative aspects of organizational politics, seeing it as representative of the dark side of human conduct. Organizational politics has been considered almost synonymous with manipulation, coercive influence tactics, and other subversive and semi-legal actions (Ferris & King, 1991; Mintzberg, 1983; 1985). This depiction led to the assumption that organizational politics contradicts the common goods of the organization and may damage performance at any level be it individual, team, unit, or system. During the 1990s and on into the 2000s, the interest in organizational politics took a more cognitive direction. To date the cognitive perspective is the dominant approach in the study of organizational politics and has led to an increase in the number of studies on the influence of organizational politics on employees' attitudes behavior and especially performance in the workplace. The relationship between organizational politics and employee performance and outcomes is important because it has both theoretical and practical implications. It can potentially help us better understand the meaning of organizational conflict, power, and influence tactics and posit hypotheses regarding their meaning for microand macro-level organizational outcomes. Furthermore, it can point to practical tools for handling workplace politics and minimizing its negative effect on individuals, teams, and the organization as a whole.

These research narrows down to Emerging business, EABL with the aim of establishing the relationship between organizational politics and employee performance and evaluating the extent to which organizational politics can affect performance of individuals in organizations.

#### 1.3 Purpose of the study

This study sought to establish the influence of organizational politics on employee performance, a case of Emerging Business of East African Breweries Limited.

#### 1.4 Objectives of the study

This study was guided by the following objectives:

- i. To establish how the type of leadership influences on employee performance in EB, East African Breweries Limited.
- ii. To establish the extent to which group orientation influences employee performance in EB, East African Breweries limited.
- To assess how organization structure influences on employee performance in EB, East African Breweries limited.

#### **1.5 Research questions**

The research endeavored to seek responses to the following research questions:

- i. To find out the extent to which the types of leadership styles influence on employee performance in EB, East African breweries limited?
- ii. How does group orientation influence on employee performance in EB, East African breweries limited?
- iii. How do organization structure influence on employee performance in EB, East African Breweries limited?

#### 1.6 Significance of the study

The purpose of this study was to determine the influence of organizational politics in on employee performance. With an endeavor to emphasize the latest advances in thought with the help of research and practice, the research breaks down organization politics into various dimensions of type of leadership, group orientations and centers of power existing within an organization have an influence on employee performance. Further, the study extends the existing research in this area by focusing on the impact of these political forces on employee performance and ultimately organization. The research aim is to make research a useful resource for scholars who want to have well incorporated reviews of the literature, advancement in research methods, and thoughts about practice which will open new ways of working within organizations to motivate employees and create successful change.

#### 1.7 Delimitations of the study

The study focused on the influence of organization politics on employee performance in the Emerging Business unit of East African Breweries Limited. The study covers all territories of EB in Kenya sampling responses from the Sales Director, Business Development Managers, TMRs, TDRs and DSRs.

#### 1.8 Limitations of the study

The study did not allow for wider generalization of the finding to cover other units of EABL. The study utilizes ABDMs, TMRs, TDRs and DSRs of the various territories of EB within the country as the only respondents because they are a representation of the company leaving out other stakeholders like distributors and stockists.

#### **1.9** Assumption of the study

There is an assumption that participants understood what organizational politics is and gave true reflection on the requirement of employee performance. Also there is an assumption that participants understood the various dimensions of organizational politics as to do with types of leadership, group orientation and organization structure. There is also an assumption that participants gave honest response that saw the success of this study.

#### 1.10 Definition of key terms

**Emerging Business** is a wing within sales department of Kenya Breweries limited (KBL) that is tasked within the sales and distribution of KBL products basically beers (Keg) and spirits and utilizes Bottom of the pyramid opportunity that spends two shillings or less for a milliliter of alcohol.

**Group orientation** in essence is either preference of one to act and perform his/her duties as an individual or as part of a team or group

**Management** in this sense refers to the line managers in charge of reams and territories and anyone above or higher on ranking.

**Organizational politics** described as an activity that permits people in organization to accomplish goal s without going through proper channels but at the same time can be a foundation for growth, zeal and enthusiasm on the part of employees therefore should be viewed positively.

**Employee Performance** includes the mode by which the employees perform their work and the flexible behavior of individual to go ahead of the basic requirements of job for the benefit of organization.

#### **1.11 Organization of the Study**

The study was organized into five chapters. Chapter One include the background of the study, statement of the problem, purpose of the study, objective of the study, research questions, significance of the study, limitation of the study and definition of terms. Chapter Two consist of introduction, theoretical review and conceptual framework. Chapter Three consist of research methodology that is the introduction, research design, target population, sampling procedure, methods of data collection, validity and reliability, operational definition of variables, methods of data analysis and summary. Chapter Four consist of data analysis and discussion of findings. Finally, Chapter Five consist of summary of findings, conclusion and recommendations.

# CHAPTER TWO LITERATURE REVIEW

#### **2.1 Introduction**

This chapter shall present the past or previous studies that have been done and theories advanced towards establishing the relationship between organizational politics and employee performance. Therefore it shall have theoretical review which shall focus on theories that explain the various dimensions and perspectives that form organizational politics. Secondly, it shall have the empirical review of the studies that have been done on these perspectives of organizational politics and shall be concluded by a conceptual framework.

#### 2.2 Employee performance

Employee Performance as opposed to organizational performance is also known as job performance. However, it seems that job performance is mostly subjectively measured in organizations and it will appear that there are few alternative options. It is therefore quite important to first give a clear distinction between organizational and job performance is made.

Performance in organizations can be separated in organizational performance and job performance (Otley, 1999). According to Otley, the performance of organizations is dependent upon the performance of employees (job performance) and other factors such as the environment of the organization. The distinction between organizational and job performance is evident; an organization that is performing well is one that is successfully attaining its objectives, in other words: one that is effectively implementing an appropriate strategy (Otley, 1999) and job performance is the single result of an employee's work (Hunter, 1986). Since the aim of this research project is to provide a link between organization politics and job performance, organizational performance lies outside the scope of this research and only job performance is addressed.

Ramlall, (2008); A good employee performance is necessary for the organization, since an organization's success is dependent upon the employee's creativity, innovation and commitment. According to Griffin et al. (1981), Good job performances and productivity

growth are also important in stabilizing our economy; by means of improved living standards, higher wages, and an increase in goods available for consumption.

Griffin et al. (1981) also argue that therefore research of individual employee performance is important to society in general.

Employee production and employee job performance seems to be related. For instance, in the U.S. performance is in some cases measured as the number and value of goods produced. However, in general productivity tends to be associated with production-oriented terms (profit and turnover) and performance is linked to efficiency or perception-oriented terms (supervisory ratings and goal accomplishments) (Pincus, 1986).

#### 2.3 Leadership Style and Employee Performance

There has been a great evolution on the concept of leadership which has generated lively interest, debate and occasional confusion as management thought has evolved. To date defining leadership is not easy, given the complexity of the subject, there is no general consensus about delimitation of the field of analysis.

According to Bass (1999), definition of leadership is related to the purpose associated with the attempt to define it, and so presents a wide range of possibilities. Leadership can be seen as a group process, an attribute of personality, an exercise of influence, a particular type of action or behavior, a form of persuasion, a power relationship and an instrument to achieve goals, the result of an interaction, a differentiated role or initiation of a structure (Bass, 2000). The concept of leadership is defined, according to Hersey and Blanchard (1979), "as the process of influencing the activities of an individual or a group in efforts toward goal accomplishment".

Senge (1990), leadership is associated with stimulants and incentives that motivate people to reach common objectives. Hersey et al. (2001), states that the essence of leadership involves achieving objectives with and through people. Weihrich and Koontz (1994) define leadership as the process of influencing people so that they make an effort by their own will and enthusiasm towards obtaining the groups goals. According to Kotter (1990), without leadership, the probability of mistakes occurring increases and the opportunities for success become more and more reduced. For these same authors, and in this context, leadership allows cooperation, diminishes conflicts, contributes to creativity and has an integrating role,

as it keeps people united even when not physically so. In this way, leadership, together with stimulants and incentives, promotes people's motivation towards achieving common goals, having a relevant role in the processes of forming, transmitting and changing organizational culture (Senge, 1990).

One of the most prominent formats for classifying and studying leadership includes three styles – transformational, transactional and laissez-faire leadership. According to Nguyen and Mohamed (2011),the success of the organization relies on the effective management of its leader.

Transactional leadership is the influence of a leader towards its subordinates in which a leader has to give something to his followers in exchange for performing certain tasks. In transformational leadership the leader works as a model and a motivator to encourage the followers to work not because of an exchange of value but for the love of their work.

Laissez-faire Style: An avoidant leader may either not intervene in the work affairs of subordinates or may completely avoid responsibilities as a superior and is unlikely to put in effort to build a relationship with them. Laissez-faire style is associated with dissatisfaction, unproductiveness and ineffectiveness (Deluga, 1992).

Bass and Avolio, (1993) on Transactional Style of leadership say that transactional leaders focus mainly on the physical and the security needs of subordinates. The relationship that evolves between the leader and the follower is based on bargaining exchange or reward systems. Transactional leadership, "Using a carrot or a stick, transactional leadership is usually characterized as instrumental in followers goal attainment" (Bass, 1997). There are three components in transactional leadership – Contingent reward, whereby subordinates performance is associated with contingent rewards or exchange relationship; Active Management by exception, whereby leaders monitor followers' performance and take corrective action if deviations occur to ensure outcomes achieved; Passive Management by exception, whereby leaders fail to intervene until problems become serious (Bass, 1997).

Burns (1978) discussing Transformational Style says that transformational leaders encourage subordinates to put in extra effort and to go beyond what the subordinates expected before. The subordinates of transformational leaders feel trust, admiration, loyalty, and respect toward leaders and are motivated to perform extra-role behaviors (Bass, 1985; Katz and Kahn, 1978). Transformational leaders achieve the greatest performance from subordinates

since they are able to inspire their subordinates to raise their capabilities for success and develop subordinates innovative problem solving skills (Bass, 1985). This leadership style has also been found to lead to higher levels of organizational commitment and is associated with business unit performance (Barling et al., 1996).

The leadership factors used to measure transformational, transactional and laissez-faire leadership style in this study is from the Multifactor Leadership Questionnaire (MLQ) developed by Bass and Avolio (2004) based on the theory of transformational leadership. They are discussed below in detail:

#### 2.3.1 Laissez-Faire Factor:

The Non-leadership. Leaders in this type will always avoid getting involved when important issues arise and avoid making decisions.

#### 2.3.2 Transactional Leadership Factors

Contingent reward: This factor is based on a bargaining exchange system in which the leader and subordinates agree together to accomplish the organizational goals and the leader will provide rewards to them. Leaders must clarify the expectations and offer recognition when goals are achieved.

Management-by-exception (active): The leader specifies the standards for compliance, as well as what constitutes ineffective performance, and may punish subordinates for being out of compliance with those standards. This style of leadership implies closely monitoring for mistakes and errors and then taking corrective action as quickly as needed.

Management-by-exception (passive): Passive leaders avoid specifying agreements, clarifying expectations and standards to be achieved by subordinates, but will intervene when specific problems become apparent. This style does not respond to situations and problems systematically.

#### 2.3.3 Transformational Leadership Factors

Idealized influence (charisma): This factor consists of firstly; idealized influence attributed, and secondly, idealized influence behavioral. They are the charismatic elements in which leaders become role models who are trusted by subordinates. The leaders show great

persistence and determination in the pursuit of objectives, show high standards of ethical, principles, and moral conduct, sacrifice self-gain for the gain of others, consider subordinates needs over their own needs and share successes and risks with subordinates.

Inspirational motivation: Leaders behave in ways that motivate subordinates by providing meaning and challenge to their work. The spirit of the team is aroused while enthusiasm and optimism are displayed. The leader encourages subordinates to envision attractive future states while communicating expectations and demonstrating a commitment to goals and a shared vision.

Intellectual stimulation: Leaders stimulate their subordinates efforts to be innovative and creative by questioning assumptions, reframing problems, and approaching old situations in new ways. The intellectually stimulating leader encourages subordinates to try new approaches but emphasizes rationality.

Individualized consideration: Leaders build a considerate relationship with each individual, pay attention to each individual's need for achievement and growth by acting as a coach or mentor, developing subordinates in a supportive climate to higher levels of potential. Individual differences in terms of needs and desires are recognized.

#### 2.3.4 The link between Leadership and Employee Performance

The leadership factors used to measure transformational, transactional and laissez-faire leadership style in this study is from the Multifactor Leadership Questionnaire (MLQ) developed by Bass and Avolio (2004) based on the theory of transformational leadership. They are discussed below in detail:

Kouzes & Posner, (1995), in a summary says that assuming "the essence of leadership is influence", leadership could broadly be defined as "the art of mobilizing others to want to struggle for shared aspirations". Peter drucker states that "Leadership is about results" and therefore it can be argued that this "influence, mobilization and struggle" is of little value in an organizational context unless it ultimately yields an outcome in line with the "shared aspiration" for leadership to be deemed successful.

Creating results in today's ever changing environment and increasingly competitive world requires a very different kind of leadership from what was studied in the past. While leaders in the past managed perhaps complex organizations, this was in a world of relative stability and predictability. In today's globalized world, with organizations coping with rapidly changing environments, leaders face a new reality and challenges. Working in flexible contexts and connected by real-time electronic communication reduced to a global village, increasingly mobile employees have themselves become the critical resource of their organizations (Reger, 2001). What is now needed are leaders who simultaneously can be agents of change and centers of gravity, keep internal focus and enable people and organization to adapt and be successful, while at the same time never letting go of the customer focus and external perspective (Alimo Metcalfe, 1998). Furnham (2002) assert that the appropriate measurement outcome from leadership quality is effectiveness that stems from the leader's efficacy in achieving organizational outcomes, objectives, goals and subordinates needs in their job. Thus, the measure of employee performance in the current study represented the degree to which a company achieved its business objectives.

## 2.4 Group Orientation and Employee Performance

Group orientation in essence is either preference of one to act and perform his/her duties as an individual or as part of a team or group. Carsten (2009) in an article on article self-concern and other-orientation argues against other authors who claim that many theories on work behavior assume humans to be either self-interested or to be social in nature with strong other-orientation. He says that this assumption is empirically invalid and may lead to overly narrow models of work behavior. The proposers of these say that self-concern and other orientation are independent. The further propose that job performance, pro-social behavior, and personal initiative are on one hand a function of individual-level attributes, such as job characteristics when employees are high in self-concern and on the other hand group-level attributes, such as justice climate when employees are high in other-orientation. Three studies involving 4 samples of employees from a variety of organizations support these propositions. Implications are discussed for theory on work behavior and interventions geared toward job enrichment and team-based working.

Carsten (2009) in this study found out that Since pro-social behavior may or may not serve personal interests it may or may not be driven self-concerns and therefore people may perform pro-social acts because it somehow serves their personal interests and/or because

they "simply can," because they feel morally compelled or because they are genuinely concerned with the potential beneficiaries. As such, one may expect a positive relationship between self-concern and pro-social behavior, as well as a positive relationship between other orientation and pro-social behavior.

Fay and Kamps (2006) using data from more than 300 individuals on perceptions of work characteristics job control, complexity, task completeness and prescription of one-best-way of doing the job found out that individuals who held jobs characterized by high complexity, task completeness, and control displayed more personal initiative. Along similar lines, one could argue that jobs characterized by high skill variety and high job autonomy are more likely to give rise to personal initiatives than jobs lacking these motivating characteristics and therefore a high correlation between the self(personal initiative) and employee performance. Christopher (2001) in a study on organizational individualism versus collectivism did an empirical test of the organizational individualism and collectivism constructs and measures was conducted using survey responses from 916 employees from 46 Turkish organizational culture predicted job attitudes, and that organizational individualism was related to the use of individualistic human resources practices at the organizational level.

Triandis (1995) says Idiocentrism is the tendency to treat the self as the most meaningful social unit while allocentrism is belonging to collectivistic societies. Idiocentrism is characterized by adherence to notions such as independence, uniqueness, and self-reliance; while allocentrism is suggestive of interdependence, belongingness to in-groups, and subservience to the wishes of the in-group. From an analysis done it appears that although a highly individualistic organizational culture does not necessarily contribute to more positive job attitudes for high idiocentrics, when the expectation of a highly individualistic organizational culture is violated, high idiocentrics may develop more negative job attitudes. The greater tendency for high idiocentrics in comparison to high allocentrics to have more negative job attitudes in high misfit or low fit situations is reminiscent of Chatman and Barsade's (1995) observation that people with an individualistic orientation were less willing to adapt to different organizational cultures.

#### 2.5 Organizational/ Management structure and Employee Performance

Joyce (2008): "the division of public authority between two or more constitutionally defined orders of government – and a set of ideas which underpin such institutions", federalism emphasizes issues such as shared and divided sovereignty, multiple loyalties and identities, and governance through multi-level institution.

#### 2.5.1 Unitary versus Decentralized organization structure and employee performance

For purposes if this research we shall liken federal government structure to decentralized systems of management of institutions with different levels of autonomy in decision making. On the other hand we shall have unitary systems which rely on one and only boss characterized by rigidity in decision making unless the "boss" decides.

Proponents of federalism have linked federalism with improved economic and social benefits, including increased political participation and personal liberties, efficient public and private markets, and a check on governmental power. Nevertheless, few studies have attempted to empirically prove these claims. In "Federalism's Values and Value of Federalism", Robert Inman created a multiple regression model to assess the contribution of federal governance to a country's economic and social performance and came up with the following conclusions:

Diffusion of political power improves rights performance and democratic accountability, of which federalism provides an important institutional framework.

The contribution of federalism to aggregate economic performance remains ambiguous, Decentralization improves access to public goods, in both federal and unitary governments. Federalism, however, potentially creates political fragmentation that may block important reforms or give rise to a power vacuum for populist leaders. As a result, rights performance, democratic accountability, and economic and social progress may stall or deteriorate. Borrowing from the study above by Joyce (2008), we shall find out whether the decentralized system of management employed by Emerging business has an influence on employee performance.

# 2.5.2 Matrix, Functional and Project-Based Organization structure and employee performance

Matrix management is the practice of managing individuals with more than one reporting line that is people with similar skills are pooled for work assignments, resulting in more than one manager. Matrix management is also commonly used to describe managing cross functional, cross business group and other forms of working that cross the traditional vertical business units. According to Clarke and Clegg (1998), Modern organizations require new structural forms to cope with uncertainties arising from the challenges of global competition and rapid technological and environmental changes. The Matrix concept emerged so as to bridge the gap in the developments and enhance planned change and how to work with large systems so as to initiate and sustain change over time.

In the 1960s the matrix was sought as a fundamental alternative for dealing with unique management problems of coordination, communication and control (Davis and Lawrence, 1977).

PMI (2008, p. 222) states that:

"It is important to recognize that different organization structures have different individual response, individual performance, and personal relation-ship characteristics".

From a project perspective, the structure of an organization can affect the availability of resources and influence how projects are conducted (PMI, 2008).Dwivedula and Bredillet (2010), while discussing traditional organizations say that they are characterized by vertical communication channels and hierarchical structure therefore making them more functional, hierarchical organizations whereby each employee has one clear superior and each department will do its project work independent of other departments (PMI, 2008, p. 28).

On the extreme opposite of these traditional organizations are the project-based organizations with structures that are quite dominant in the construction industry but have some significant disadvantages which for many organizations would overcome the advantages. Therefore an organization structure with a mix of functional and project organization characteristics was invented as a way of achieving the benefits of project organization without getting the disadvantages and this is the Matrix organization structure. In a matrix organization, project managers have little or no direct authority over the project team (Maylor, 2005; PMI, 2008,).

A matrix organization can be either light-weight (weak), balanced or heavy-weight (strong), where the light-weight matrix is very similar to a functional organization with limited power of the project managers and the heavy-weight is closely related to the project-based organization with project managers working full time and with full control over the project budget. It is possible for different projects to have different matrix structures (Maylor, 2005, pp. 224-226; PMI, 2008).

Maylor (2005) argues that there are three factors vital for a matrix organization to be successful: training - both of managers and team members; support systems – administrative, informational and career-wise; and the individual's personality – such as tolerance for role ambiguity and working in an uncertain environment with conflicting priorities. A mix of these factors will directly influence positively on employee performance and a contrary will consequently negatively influence employee performance.

#### 2.6: Moderating Variables

A moderating factor is a very special type of independent variable. It is a variable that changes (increases or decreases/affects positively or negatively) the otherwise established effect of the independent variable upon the dependent variable. In this case, the moderating variables being education level or academic or professional qualification and government policies would somehow strain alter the strength of this relationship.

#### **2.6.1: Education Level**

The Manpower Services Commission (1981), which was superseded by the now defunct Training Commission, U.K.) Defines education as follows:

'Activities which aim at developing the knowledge, skills, moral values and understanding required in all aspects of life rather than knowledge and skill relating to only a limited field of activity.'

Education level refers to the academic credentials or degrees an individual has obtained. Although education level is a continuous variable, it is frequently measured categorically in research studies. Here, we use the term "educated employees" to refer to those individuals who hold at least bachelor's degrees because these degrees are necessary for entry into many higher paying occupations (Howard, 1986; Trusty & Niles, 2004).

Comparison between productivity in companies vis-à-vis employee level of qualification is affirmed by one study looking at productivity differences across manufacturing companies which found out that staff in the most productive companies had an extra level of qualification compared to the lower performing companies (Haskel and Hawkes, 2003).

Bosworth, Davies and Wilson, (2002) on a research focusing on the relationship between academic qualification and innovation on productivity found out that there is some evidence that highly qualified managers are more innovative. They argue that highly qualified managers are more likely to adopt strategies introducing new, higher quality products and improving the quality of existing products, while less qualified managers are more likely to seek to increase the efficiency of production of existing products and services.

There is considerable positive evidence linking educational attainment to organizational performance. For example the most productive manufacturing organizations tend to have a more highly educated workforce than the least productive —equivalent on average, to an extra qualification level (Haskel and Hawkes, 2003). This kind of relationship has also been found in the US where it has been estimated that the equivalent of an extra year of schooling raised productivity by between 4.9 and 8.5 per cent in the manufacturing sector and between 5.9 and 12.7 percent in services (Lynch and Black, 1995). These results have been supported by Mason and Wilson in 2003 for the UK.

A series of hugely influential and robust research projects has also strongly indicated a link between skills and business productivity. A number of well-known 'matched plant' studies (Keep, Mayhew, Corney; 2002) by the National Institute for Economic and Social Research (NIESR) considered the impact of workforce skills and development on productivity alongside a range of other factors such as investment in capital equipment and maintenance practices for matched comparator establishments. A clear connection between higher skills and higher productivity was identified particularly at the intermediate skills level. All the studies found that the higher average levels of labor productivity in firms in continental Europe were closely related to the greater skills and knowledge of their workforces, especially intermediate skills. Skill levels were also shown to be associated with the uptake of new equipment and to maintenance activity. These studies mostly took place in the mid to late 80s and early 90s but the findings have been replicated very recently (Mason and Wagner, 2002) with similar results.

Other studies have explored if there is a relationship between skills and other organizational outcomes. Haskel and Hawkes (2003) found that higher skill (qualification) levels support innovation and more sophisticated production processes and were associated with the production of higher quality products.

Green et al.(2003) on a research of UK workforce, found a strong relationship between different levels of skills and the sophistication of products. An OECD study looked at innovation in UK SMEs and found that higher qualification levels of both managers and staff boosted innovation (Albaladejo and Romijn, 2001) and was associated with higher technological complexity and originality. Others have shown a link to company survive. (Reid, 2000).

#### 2.6.2: Training and Development.

Training can be defined as 'A planned process to modify attitude, knowledge or skill behavior through a learning experience to achieve effective performance in any activity or range of activities. Its purpose, in the work situation, is to develop the abilities of the individual and to satisfy current and future manpower needs of the organization' (Manpower Services Commission, 1981)

#### Gansberghe (2003) defines Development using the glossary of HRM and HRD definition:

'a long-term process designed to enhance potential and effectiveness. It is also defined as the growth or realization of a person's ability, through learning, often from planned study and experience.' Development can encompass a wide range of activities, including coaching and more formal educational commitments and experiences, and is generally used to encompass a wider scope than 'learning' or 'training'—which may, in fact, be included in the concept of development (Chartered Institute of Personnel and Development (CIPD), 2007).

The benefits of employee training are numerous and widely documented (Wilson, 1999; Jensen, 2001; Sommerville, 2007), with organizations as well as workers reaping the rewards in terms of improved employee skills, knowledge, attitudes, and behaviors (Treven, 2003) and results like enhanced staff performance (Brown, 1994), job satisfaction, productivity and profitability (Hughey and Mussnug, 1997).

Training in an ideal sense is best supplemented with practical, hands -on experience (Hughey and Mussnug, 1997). Overman (1994) observes, 'what people hear they forget what they see they remember, what they they understand while, Hughey and Mussnug (1997) note that 'most employees simply do not learn very well when they are 'talked to' They need to be more actively involved in the learning experience.'

Individuals benefit from training. Studies have indicated that training received from a current or previous employer brings wage benefits, improved likelihood of promotion, and reduced likelihood of redundancy for the individual. (Blundell et al., 1999; Arulampolam, Booth and Elias, 1997; Blanchflower and Lynch, 1992).

Training employees has a great impact on performance. Dearden, Reed and Van Reenen (2000) did a research on a number of UK sectors and found strong connections between more training and higher labor productivity thereby affirming that training is associated with productivity improvements and softer benefits to organizations.

Collier et al. (2003), have found that increasing investment in training reduces the chance of firm closure and on other hand, there is some evidence of benefits from training in terms of motivation and attitude; Booth and Zoega (2000) suggested that training fosters a common firm culture and helps attract good quality workers.

Green et al. (2000) found training had a downward impact on employee turnover, and recent work by IES has found that training and development opportunity is a significant driver of employee engagement (Robinson et al.2004).

The key question is where is the point of convergence between training and development whether more education, training and skills are enough or whether training needs to be embedded in the strategic context of the organization. Indeed there is evidence that training is most effective when there is a strategic association between training and development policy and business strategy (Keep et al.2002; Thomson et al. 1997; Mabey and Thomson, 2001) and that more extensive and formalized training is advantageous — off the job training appears to confer greater benefits to individuals and organizations (Lynch and Black, 1995; Bishop; 1994; Black and Lynch, 1996; Barrett and O'Connell in 1998 and in 2001) but also Development, on the other hand, is 'a learning activity that is designed for future impact, for a role or job one will do in the future, Kitson (2003).

Kitson (2003) points out that 'the concepts of development, training, education and learning all manage to overlap meanings and purposes and are often interchangeable.' Nevertheless, it is useful to consider the work of Garavan (1997), which reviews and concludes that 'learning' is best seen as an umbrella term encompassing training, education and development, all of which tend ultimately to be defined on the ground, in practical rather than theoretical terms.

In the field of human resources, where the immense benefits of appropriate employee training, education, development and/or learning are widely recognized, it is imperative to undertake them with a view to empowering individuals and organizations to achieve their objectives using the most appropriate strategies available.

#### 2.6.3 Government Policies.

Government intentions for intervening in industry development are usually articulated in some policy forms such as industrial policy, trade policy, fiscal policy, etcetera. Torjman (2005) defines policy as "a deliberate and (usually) careful decision that provides guidance for addressing selected concerns".

Policy development is therefore a decision making process, which generally involves identifying the objective and determining pathway to the objective based on criteria such as effectiveness, costs, resources required for implementation and political context (Torjman 2005). The outcome of policy development is usually a policy statement that outlines the objectives of the policy and the measures to realize the same. Further, the measures for implementation of the policy may necessitate new legislation, amendment to existing legislation, modification of institutional context or design of specific programme initiatives (Torjman 2005).

Depending upon the form of government in a nation whether a federal system of government or otherwise, the policy formulation might also take place separately at the regional or local level, apart from that at the national level.

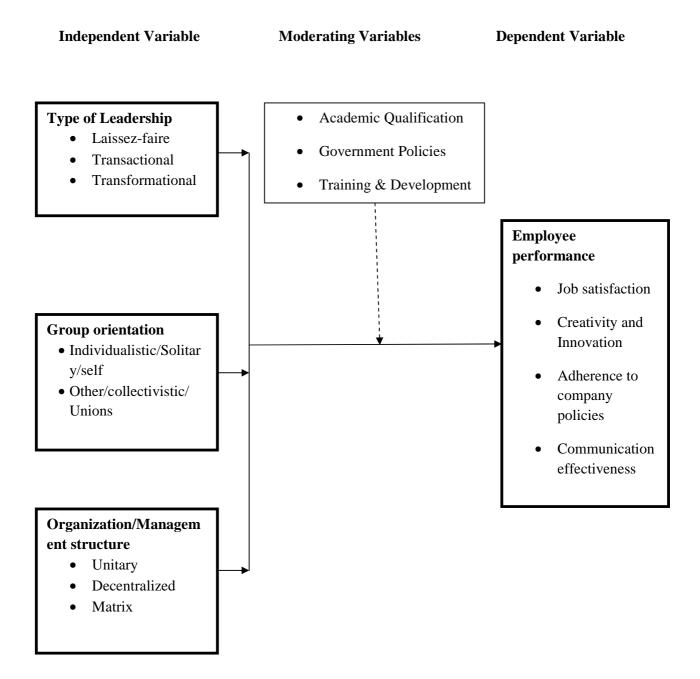
The objectives that governments strive to accomplish are usually complex and therefore involve numerous ministerial departments. As a result, the pathway to the objective is reflected in many policies from different departments. The policies are generally intertwined and the choices made in one policy area have effects on the other. For instance, an R&D policy decision to promote in-house R&D might be reflected in fiscal policy as tax-break to firms for their expenditure on R&D. There also subsists a sort of hierarchical relationship between policies that mutually address a particular concern. With respect to industry development, an industrial policy forms the core of the policy framework. Other policies such as trade policy, foreign investment policy, monetary policy, fiscal policy, education policy and infrastructure policy mainly support the decisions made in industrial policy within their particular policy areas. However, the policies interact in a complex assimilated manner and a policy could both influence and be influenced by other policies. For example, shortage of foreign exchange might require a nation to slacken its foreign investment policy, which in turn has repercussions on the industrial policy.

Thus, so far the segment discussed the role government ought to play in the growth of an industry, both for developed as well as developing nations (with more emphasis laid on the latter). Based predominantly upon the authoritative work of Porter (1990) on the subject matter, the section discussed a changing role for the government through successive stages of industry development – from a more direct one in the factor-driven to an indirect or partial one in the innovation-driven stage. Further, policies as the means for orchestrating government interventions on industry development were explained. While the whole discussion made was to an extent idealistic and therefore prescriptive in nature, the role that government actually plays in the advancement of an industry might be a differing one. The difference is basically explained by the political and social pressures under which a government operates. For example, the political pressure on the government to save jobs in the short-run might result in a policy verdict that extends the duration of protection given to an industry, thereby conceding on its long-term competitiveness. Furthermore, a complete government policy might not be able to spawn the desired upshots, if the institutional structure like the bureaucratic apparatus is not in sync with the policy objectives.

In a nutshell to support Porter (1990), business case studies (2015) argue that a key area of government economic policy is the role that the government gives to the state in the economy. Taxation policies industrialized by governments affects business costs, for instance, a rise on corporation tax has the same effect as an increase in costs. Businesses can pass some of this tax on consumers in higher prices but will also affect the end result. VAT (Value Added Tax) is usually passed down the line to the final consumer but the administration of the VAT system is a cost for business.

Another key area of economic policy is it relates to interest rates in a country where interest rates are determined by a government body for instance a pecuniary policy committee meeting once every month. A rise in interest rates raises the costs of borrowing money and causes consumers to reduce expenditure which results in significant fall in business sales.

**Conceptual Framework** 



**Figure 1: Conceptual Framework** 

# 2.7: Knowledge Gap

Several studies have been done on the various issues to do with Leadership and its effects on performance, but not from the dimension of Leadership as an element of organizational politics. Leadership and the leadership style adopted by the manager through communication, decision making, trainings and motivation will either build the team towards performance or otherwise. The research gap was a leadership as an element of organization politics and how it influences employee performance.

On the other hand, group orientation as an element of organization politics has to do with the aspect of individual preference towards belonging to a group or not. This preference especially a case of Emerging Business unit of EABL is a research gap that has not been studied by anyone before.

On management structure, no research has been done on how the kind of management structure adopted by Emerging Business affects performance of employees of East African Breweries limited.

# 2.8: Summary

In conclusion, this chapter has dealt with the introduction, employee performance, leadership and how it affects employee performance discussing various types of leadership styles from laissez-faire, transactional and transformational leadership. It further looks into group orientation and employee performance, organization structure and employee performance with specifically matrix organization structure, decentralized and centralized structures.

Lastly the chapter closes with moderating factors discussing training and development, education level and government policies. It interlinks these relationships with a conceptual framework.

#### **CHAPTER THREE**

# **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter describes the research methodology that was followed in achieving the objectives of the study. The subsections covered here are research design, target population, sample size and sampling procedure, instrument validity, reliability, data collection, data analysis, ethical issues a summary.

#### 3.2 Research Design

The research design applied for this study is descriptive survey design. According to Copper at al. (1994) a descriptive study design is a method of collecting information by interviewing or administration of a questionnaire to a sample of individuals (Orodho, 2003). It can be used when collecting information about people's attitudes, opinions, habits or any of the varieties of education and social issues (Orodho and Kombo 2002).

Concurrent mixed methods procedures were used. Qualitative and quantitative data were collected concurrently and merged for interpretation in order to provide a comprehensive analysis of the research problem. This provides an in depth analysis.

# **3.3 Target Population**

According to (Mugenda & Mugenda, 1999), target population is a whole group covered by the study. In this study, the Emerging Business group of EABL is the target population. There are 51 employees attached to the EB section. The list of all the 51 employees was the sampling frame. This target population is distributed throughout the country.

#### 3.4 Sample size and sampling procedure

Sampling is the procedure a researcher uses to gather people, places or things to study. It is a process of selecting a number of individuals or objects from a population such that the selected group contains elements representative of the characteristics found in the entire group, (Orodho and Kombo 2002). A census of all the 51 employees was done which is the entire EB unit. The Sales Director (EB), Operations Manager (EB), Sales

administrators in every territory, Business Development Manager (EB) and every ABDM and five team members will be the respondents.

### **3.5 Validity of the Instruments**

(Mugenda & Mugenda, 1999) defines validity as accuracy and meaningful inferences which are based on research results. Validity is the degree to which obtained results from the analysis of data actually represent the phenomenon under study. Validity calls for the instrument to measure what is supposed to or purports to measure (Gall, Borg, & Gall, 1996). Content validity was ensured by checking whether the items in the questionnaire reflect the research questions. The questionnaire design was in the form of Likert scale where respondents are required to indicate their views on a scale of 1 to 5.

## 3.6 Reliability of the Instruments

Reliability is the measure of the degree to which a research instrument yields consistent results or data after repeated trials (Mugenda & Mugenda, 1999). A measuring instrument is reliable if it provides consistent results. If the quality of reliability is satisfied by an instrument, then while using it we can be confident that the transient and situational factors are not interfering. (Kothari, 2004).In order to achieve this, the researcher administered the instruments himself in order to assess clarity.

### 3.7 Data Collection

The study utilized primary data. Primary data was obtained through use of structured and semi-structured questionnaires which were given to the staff/employees in EB and picked up later by the researchers. Closed-ended questions were used to capture the respondents' perception of the various variables that constitute to their overall performance.

#### 3.8 Data Analysis

The researcher collected the filled up questionnaires, confirmed the number and ensured that they were fully filled up. He edited the questionnaires to ensure that they were completely filled up and that all the answers were consistent, legible, uniform and accurate. The gaps for missing data were filled up by consulting the respondent for completeness or filling the obvious missing information. The researcher organized the data in terms of the instruments used in the questionnaire. The researcher then conceptualized the respondents' information and classified it into meaningful and relevant categories for the purpose of analysis. The categorization was based on the themes that were developed as per the research questions based on relationship between organization politics and employee performance. The researcher then used descriptive statistics to arrange order and manipulate the data. To allow easy punching and computation and storage of information using a computer statistical package for social sciences (SPSS), the researcher assigned a code number to each of the research questions. Descriptive statistics was used which involved arranging, ordering and manipulation of data to provide descriptive information. The data was presented in form of tables showing frequency and percentage distribution.

## **3.9 Ethical Issues**

The researcher sought clearance for this study from the University of Nairobi. The respondents were then be assured that information accessed and secured in the course of this study would be protected from unauthorized persons and that the information obtained would be used for the sole purpose of the study.

## **Table 3.1: Operationalization of Variables**

This sub-section identifies and operationalizes the key variables (independent and dependent variables) of the study. It further highlights the criteria of measurement that the researcher used as shown in table 3.2

# Table 3.2: Operationalization of variables

Objective	Type of Independent variable	Indicators	Measurement	Data collection	Level of scale	Tool/Approach of analysis	Type/level of analysis
To establish how the type of leadership influences on employee performance.	Type of leadership. Laissez-faire Transactional Transformational	Role modeling, pride and ownership.	Extent of convergence in Manager- employee perception of the job.	Questionnaire	Ordinal	Qualitative	Descriptive
		Motivation and empowerment of employees Involvement of Employees on	Love for the job and pride in it	Questionnaire	Ordinal	Qualitative	Descriptive
		Decision Making Communication with Employees	Common plans, solutions and success				
To establish the extent to which group orientation influences	Individualistic/Solitary/self Other/collectivistic/ Unions	Relationship between the Employee and the Manager	Number of conflict cases within a given time.	Questionnaire	Ordinal	Quantitative	Descriptive
employee performance.		Employee to Employee Relationship.	Participation in team activities	Questionnaire	Ordinal	Qualitative	Descriptive

		Complete Autonomy on Decision and work-related matters	Number of times of conversations	Questionnaire	Ordinal	Qualitative	Descriptive
		Level of Supervision on Employees	Number of persons involved in work related matters' decision	Questionnaire	Ordinal	Qualitative	Descriptive
		Appreciation of Employees based on Reward system	Number of times visited by manager per week	Questionnaire	Ordinal	Quantitative	Descriptive
			Attachment and love for rewards	Questionnaire	Ordinal	Quantitative	Descriptive
To establish the extent to which group orientation influences employee performance.	Individualistic/Solitary/self Other/collectivistic/ Unions	Relationship between the Employee and the Manager Employee to Employee Relationship.	Number of conflict cases within a given time. Participation in team activities	Questionnaire	Ordinal	Quantitative	Descriptive
				Questionnaire	Ordinal	Qualitative	Descriptive

To assess how	Organization/Management	Existing	Number of	Questionnaire	Ordinal	Quantitative	Descriptive
organization	structure	channels of	management				
structure	Unitary	management	levels				
influences on	Decentralized						
employee	Matrix	Flow of					
performance.		Information	Number of days taken to get specific information	Questionnaire	Ordinal	Quantitative	Descriptive
		Reporting structure based on projects Key decision maker even on cases of reprimand	Number of managers/bosses allocated on average per task/project Who makes key decisions even on reprimanding	Questionnaire	Ordinal	Quantitative	Descriptive
				Questionnaire	Ordinal	Qualitative	Descriptive

### **CHAPTER FOUR**

# DATA ANALYSIS, PRESENTATION AND INTERPRETATION

#### **4.1 Introduction**

This chapter deals with data analysis, presentation and interpretation of findings guided by the questionnaire attached in the appendix section. The data collected has been analyzed by use of percentages, frequencies, and cumulative frequencies. This analysis shows the Questionnaire Response Rate and demographic characteristics of the respondent. It also shows the influence of Organizational politics on employee performance within EB, East African Breweries Limited.

# 4.2 Questionnaire Return Rate

The researcher issued by hand delivery 51 questionnaires to the whole Emerging Business unit. 35 questionnaires out of the 51 issued were returned representing 69% response rate. Therefore the study proceeded backed up by Shutt (1999) who argues that 60% and above return rate of questionnaires is adequate since it is representative of the sample.

Description	Frequency	Percentage
Questionnaires returned	35	69
Questionnaires not returned	16	31
Total	51	100

### Table 4.1: Response Rate

# **4.3 Demographic Profile**

This section analyses the gender, age, professional qualification, length of service in the organization and current designation in the organization

# 4.3.1 Gender

The respondents were asked to indicate their gender; this was expected to guide the researcher on the conclusions regarding the degree of congruence or divergence of views and responses with regard to gender difference. Table 4.1 shows the study finding.

Category	Frequency	Percentage
Male	21	60
Female	14	40

# Table 4.2: Gender

The results in figure 4.1 show that majority of the respondents were male at 60% while female respondents were 40% implying that most of the employees of Emerging business are male. This shows that female persons either do not prefer working with the Emerging Business unit or either staff deployment prefers male employees.

# 4.3.2 Age of respondents

The researcher sought to establish the age bracket of the respondents. This was to enable the researcher obtain the age difference of the various employees and the age to which most employees of EB fall into. This is shown in figure 4.3

Table 4.	3 Age o	of respon	dents
----------	---------	-----------	-------

Age(years)	Frequency	Percentage
21-30	7	20
31-40	21	60
41-50	5	14
Above 50	2	6
Total	35	100

Figure 4.3 shows that 20% of the respondents are aged between 21 and 30, 60% are aged between 31 and 40, 14% are aged between 41 and 50 and 6% are aged above 50. This shows that majority of the respondents were aged between 31- 40, this are the employees who are energetic enough and have stayed fairly long within the organization to gain and master processes and delivery and very keen on their profession.

# 4.3.3 Professional Qualification of Respondents

The researcher sought to find out the qualifications possessed by the respondents by asking them to indicate their level of professional qualification. Figure 4.2 shows the study finding.

Qualification	Frequency	Percentage
Certificate	4	11
Diploma	11	31
Bachelor's Degree	16	46
Master's Degree	3	9
PhD	1	3

#### **Table 4.4 Professional Qualification**

From figure 4.3 shows majority of the respondents at 46% have a Bachelor's degree, followed by Diploma holders at 31 percent and certificate ones at 11 %. There are only three employees representing 9% with a Master's degree and 1 employee with a PhD representing 3%. The high number of Bachelor degree holders could be interpreted as complacency on the side of employees or failure of the organization to empower their employees academically while the apex of the qualification with three masters and one PhD can be interpreted as ambition on the employees' side and on-the-job demand for higher qualification up the scale.

# 4.3.4 Length of service in the organization

The respondents were asked to indicate the number of years worked in their current position firm. Figure 4.3 shows the results of the research question.

Length of Service(years)	Frequency	Percentage
Below 5	7	20
5-10 years	11	32
10-15 years	12	34
Above 15years	5	14
Total	35	100

# Table 4.5 Length of service in the organization

Figure 4.4 indicates that 34% of the respondents have worked for a period of 10-15 years, 32% have worked for a period of 5-10 years, 20% have worked for a period of less than 5 years and 14% have worked for a period of more than 15 years.

# 4.3.5 Designation of respondent

The respondents were asked to indicate their current work designation. Table 4.4 shows the results of the findings.

Designation	Frequency	Percentage
Sales Director	1	3
ABDM/DTMM	7	20
TMR/TDR/DSR	23	65
Sales Administrators	5	14
Total	35	100

#### **Table 4.6 Designations of Respondents**

Figure 4.5 indicates that 65% of respondents were TMRs/TDRs or DSRs, 20% were ABDMs/BDMs/DTMMs, 14% were sales Administrators and 3% were Sales Directors. The results indicate that the respondents were from different designations and thus gave

independent views on the influence of Organization politics on employee performance and majority of the response (65%) came from those designated as TMRs, TDRs and DSRs.

## 4.4 Findings of the Study as per Research Objectives

There were three objectives which were being investigated under this study. Organization politics as independent variables has various dimensions of leadership, group orientation and management structure. Each of these dimensions was analyzed to get the respondent's view and ultimately the relationship with employee performance.

#### 4.4.1 Leadership and Employee Performance.

The Type of leadership was one of the variables under investigation where the following issues were examined.

# 4.4.1.1 Managers level of motivating and empowering employees by offering Support and Training.

In pursuit to establish the extent to which the line managers motivates their employees either through accompaniments or recommendation for the required support from the organization, the researcher asked the respondents to rate their various line managers by providing them that necessary support to help them grow professionally.

Details are shown in table 4.6

Description	Frequency	Percentage
Very low	0	0
Low	0	0
Average	5	14
High	20	57
Very High	10	29
Total	35	100

Table 4.7 Manager's level of motivation, empowerment and Support

Out of 35 employees who responded, 57% rated their managers as highly empowering, 29% gave a very high rate, and 14% rated the managers as average. The line manager's motivation

and support to employees determined their performance at work. The average rating represented by 14% implies that line managers need to do more in motivating and empowering teams by offering support and training to help them grow into effective future managers.

#### 4.4.1.2 Managers Involvement of Employees on Decision Making

It was also important for the researcher to find out the level at which the manager involves and incorporates the opinions of other employees in decision making in the organization. This was intended to know how much opinion in diversity is considered, the acceptance and respect managers accorded to opinions of employees and the extent to which employees have ownership.

Description	Frequency	Percentage
Very low	2	6
Low	2	6
Average	7	20
High	17	48
Very High	7	20
Total	35	100

#### Table 4.8 Managers involvement of Employees

Out of 35 responses received from the employees, 48% of them confirmed that the managers in question highly involved them in decision making, 20% rated very highly involved equal to average rating while low and very low rated at 6%.

From the information gathered, it can therefore be concluded that the various line managers of the various territories seek the contributions of their teams in making crucial decisions as evidenced by the 48% high and 20% very high rating respectively. However, managers on average, low and very low contribute to low employee performance through partial or non-involvement leading to loss of vital contributions towards performance.

#### 4.4.1.3 Managers' Level of Communication with Employees

The study also sought to establish the level to which the manager communicates with their employees and teams. The respondents were asked to rate their line's manager communication in order to determine how the manager valued cooperation and consultation in the management and leadership. This also measured the flexibility of communications between the management and the staff. This information was critical in bringing out leadership and whether there is a swift relay in helping employees sort issues and give prompt solutions to problems as well as personal attention to employees by managers.

Description	Frequency	Percentage
Very bad	1	3
Bad	1	3
Good	15	44
Very Good	10	29
Excellent	8	23
Total	35	100

**Table 4.9 Managers communication** 

Out of 100%, 44% of the respondents confirmed that their line managers maintained and showed good communication to them while 29% said that the communication was very good, 23% gave an excellent rating while 3% rated bad equal to the extreme. This result implies that there was cooperation and consultation in the day-to-day running of unit and flexibility and ease in communication between managers and teams. The details are as shown in table 4.8.

However, there is a dire need to improve on communication especially the pathetic scenarios with 3% each giving a cumulative negative of 6. This would ensure that the organization boosts achievement and higher employee performance.

### 4.4.1.4 Managers' Level of Supervision on Employees

The study further wanted to find out the level at which the managers in various territories supervise their employees or is it a question of complete employee autonomy? Table 4.9 shows the details from the study.

	Frequency	Percentage
Low	0	0
Average	8	14
High	17	49
Very High	10	37

# Table 4.10 Managers' Level of Supervision

From the table 4.9, it is clear that the respondent felt that their managers' level of supervision was high at 49% while 37% of the respondents rated supervision as very high. Some respondents however rated their managers at 14% Average. This supervision by managers therefore brings a kind of discontentment in employees and the 14% shows dissatisfaction. These results are fair but require improvement for higher employee performance.

# 4.4.1.5 Managers' Appreciation on Employees based on Reward system

The study also sought to find out whether managers used the reward system to enhance employee performance. Table 4.10 shows the details of the study.

Description	Frequency	Percentage
Low	0	0
Average	2	6
High	15	43
Very High	18	51
Total	35	100

# **Table 4.11 Managers' Level of Appreciation**

From the results tabulated in table 4.10, it is evident that 51% of managers use the reward system while 43% rate highly and only 6% rate average. Interpreting this results therefore mean that managers peg rewards to enhance employee performance. A highly performing employee is likely to be appreciated much more that a low performing one.

The Study findings from the results have therefore shown the various leadership types adopted by the various managers. For instance in the cases where there was low involvement and supervision then the manager undertook a laissez- faire kind of leadership.

On other scenarios, the manager maintains a high level of communication, motivation and empowerment of employees making them have ownership and pride in their work leading to high employee performance. This is a case where the manager is the role model and leader to be emulated. This is a case of transformational leadership that has to with the manager being keen on supporting the juniors to enhance performance through proper communication and empowerment.

Transactional mode of leadership based on reward system on performance as shown in table 4.10 is employed widely by managers who peg rewards on performance in order to have a highly motivated team working towards achieving set targets to be rewarded.

# 4.4.2 Group Orientation and Employee Performance

This was the second objective of the study, under which the employee relationship with the team and with the line manager was studied.

# 4.4.2.1 Relationship between the Employee and the Manager.

The study also tried to establish the nature of the relationship between the employee and the line manager and the level of relationship. The respondents were asked to give their ratings on their relationships with their line managers.

Description	Frequency	Percentage
Bad	2	6
Good	10	29
Very Good	12	34
Excellent	11	31
Total	35	100

 Table 4.12 Relationship between the Employee and the Manager.

The results show that 34% of the responded maintained a very good relationship with their managers while 31% had an excellent relationship, 29% rated the relationship good (average) while 6% felt that they had a bad relationship. The results are in table 4.11 which in a nutshell indicate that many respondents feel very good just that effort has to be put to ensure that the sour relationships do not ruin performance or lead to segregation hence individualism from a negative stance.

#### 4.4.2.1 Employee to Employee Relationship.

Among the goals of the study was to study the level of interaction that existed among the employees themselves. High level of interaction and preference to interaction would indicate the possibility of better performance since the employees would be in a position to support one another through teamwork and freely consult between one another.

The respondents being staff members, the researcher sought their opinions on the level of interaction that they were part of and preferred. The results of the study are shown in table 4.12.

Description	Frequency	Percentage
Too low	0	0
Low	2	6
Average	14	40
High	11	31
Very High	8	23
Total	35	100

# Table 4.13 Employee to Employee Relationship

It was inferred from the respondents that the level of relationship and interaction that exists among employees was 40% average, 31% high, 23% very high and 6% low with non at 0. The results indicate the level of interaction is average among the employees and therefore a preference by employees to relate to the team as opposed to solitude. This suggests that there is need to promote the level of interaction among employees in the unit which will better performance due to the benefit of employee to employee consultations and teamwork.

#### 4.4.3 Organization/Management structure, Policies and Employee Performance

This was the third variable that was put under consideration as an aspect of the organization that either is the force towards implementation or a stumbling block. This directly affects employee performance on the job. The aspects studied under it are.

#### 4.4.3.1. Employee's satisfaction with the existing organization structure

In regard to performance, the respondents were asked to rate their satisfaction with the existing organization or management structure. Their responses are recorded in table 4.13.

Description	Frequency	Percentage
Too low	0	0
Low	0	0
Average	7	20
High	13	37
Very High	15	43
Total	35	100

Table 4.14 Employee satisfaction with the existing organization structure

As shown in the table 4.13, majority of the employees are very satisfied with the existing management structure at 43% inferring that the respondents see it very critical and embrace the management structure in place. It is followed by highly satisfied employees at 37% then averagely satisfied at 20% with no dissatisfaction completely as shown by 0s(low/too low).

This therefore infers that the organization structure with regard to employee performance is doing well except for slight adjustments on a few areas to boost the satisfaction levels to excellent.

# 4.4.3.2. Contribution of Existing Organization/Management structure on Individual performance.

The study also sought to find out the extent to which employees regard their performances to the existing management structure. The results are shown in table 4.14.

Description	Frequency	Percentage
Too low	0	0
Low	0	0
Average	14	40
High	11	31
Very High	10	29
Total	35	100

 Table 4.15 Organization structure contribution to Performance

From table 4.14, it is evident that the respondents' views regard the existing structure to have supported and enabled their performance at an average of 40% while 31% and 29% regard the structure as high and very high respectively. This means that the employees of the unit are confident about the interacting efforts of their own and the management to boost

performance.

# CHAPTER FIVE SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

### **5.1 Introduction**

This chapter represents the summary of the findings, conclusions and appropriate recommendations in line with the objectives and elements of the study. It also gives suggestions on the areas that the researcher considered and deemed fit to be accorded more attention for further investigation.

## 5.2 Summary of findings

The study was intended to investigate the influence of organizational politics on employee performance, a case of Emerging Business unit of East African Breweries Limited which was guided by three objectives and a few identified elements that form part of the main objectives of the study.

# **5.2.1: Influence of the type of leadership on employee performance in EB, East African Breweries Limited.**

The findings of the study confirmed that indeed transformational leadership style characterized by highly motivating managers, excellent communication, cooperation and integration of ideas, teamwork is what the organization's employees highly regard. For instance from this element of motivation, it was evident that out of 35 employees who responded, 57% rated their managers as highly empowering, 29% gave a very high rate, and 14% rated the managers as average. The line manager's motivation and support to employees determined their performance at work and the employees appreciated this kind of leadership. On the other hand, the average rating represented by 14% implied that line managers needed to do more in motivating and empowering teams by offering support and training to help them grow into effective future managers.

Communication, as an element of leadership that cuts across the three as to do with an avoidant leader (Laissez faire), an Integrating leader (Transformational), a highly rewarding leader (Transactional)that has to with the manager maintaining effective and reliable communication from time to time is key to the manager-employee relationship to employee performance. The manager instills ownership for work and support through this key element

of communication and as evidenced out of 100%, 44% of the respondents confirmed that their line managers maintained and showed good communication to them while 29% said that the communication was very good, 23% gave an excellent rating while 3% rated bad equal to the extreme. This result implies that there was cooperation and consultation in the day-to-day running of unit and flexibility and ease in communication between managers and teams It was also evident that Transactional leadership which is based on a reward system and attainment of territory goals for instance meeting and surpassing targets is was much appreciated with trainings through accompaniments and line manager support coming out as very much critical towards employee performance.

Laissez-faire style of support also got support inferring that Territory managers like autonomy and empowerment to make decisions without coercion. This means that employee performance is stems from his/her ability to make decisions and be in charge of his/her duties/responsibilities.

# **5.2.2: Influence of Group Orientation on employee performance in EB, East African Breweries limited.**

On Group Orientation, the findings established that being part of team/group resulted in better employee performance. Individuals prefer being part of a team/group that is preference towards collectivism as opposed to individualism.

Drawing inference from the results of relationship of manager-employee, 34% of the responded maintained a very good relationship with their managers while 31% had an excellent relationship, 29% rated the relationship good (average) while 6% felt that they had a bad relationship. These findings indicate therefore that the respondents feel very good just and effort has to be put to ensure that the sour relationships do not ruin performance or lead to segregation hence individualism from a negative stance.

Further on employee- employee relationship respondents felt their relationship with each other was 40% average, 31% high, and 23% very high and 6% low with non at 0. These findings indicate the level of interaction on an employee to employee level is quite well, therefore a preference by employees to relate to the team as opposed to solitude.

This suggests that there is need to promote the level of interaction among employees in the unit which will thus boost employee performance due to the benefit of employee to employee consultations and teamwork.

This in a nutshell places relationship whether employee to employee or manager to employee at an average of 33%, Very High at 27% and okay at 34.5%, which means that the level of interaction is averagely well among the employees of the unit and therefore a preference by employees to relate to the team and a need by the organization to foster team spirit.

# **5.2.3: Influence of Organization Structure on employee performance in EB, East African Breweries limited.**

Findings from this research objective revealed that majority of the employees are very satisfied with the existing management structure at 43% inferring that the respondents see it very critical and embrace the management structure in place. It is followed by highly satisfied employees at 37% then averagely satisfied at 20% with no dissatisfaction completely as shown by 0s(low/too low). What this means therefore is that the organization structure with regard to employee performance is doing well and needs probably input and feedback from the employees on how to make the lagging bits fit in. This will ensure that the slight adjustment on a few areas boosts the satisfaction levels hence employee performance to excellent.

The study also revealed that the respondents in this case the employees attribute their performance partly to the existing management or organization structure. Study findings rate this attribution from the respondents' views to the existing structure at an average of 40% while 31% and 29% regard the structure as high and very high respectively. This means that the employees of the unit are confident about the interacting efforts of their own and the management to boost performance.

The study in summary revealed that individuals were more comfortable with the current management/organization structure and recognized the support they get from the management which is decentralized in nature. This also meant that individual employees support and embrace the management structure in place. This is further confirmed by the little support for change of the management and strong belief that the structure in place has supported employee performance.

#### 5.3 Discussion of findings

Organization politics is a key determinant and influencer on employee performance. This can be seen on the different variables for instance the Type of Leadership whereby employees look up to managers to support them either through trainings, resources and effective communication while they (managers) empower the team to make decisions and embrace autonomy.

Elsewhere, individuals tend to prefer collectivism which can be achieved through group activities and teamwork. This therefore gives thumbs up to market storms and group report which bring together various individuals and territories within EB.

It can be concluded that employees embrace and admire the organization/management structure in place which allows individual employees to report to a single line manager as opposed to centralized power location or matrix and functional organizations.

The discussion of the findings with key elements in place is as follows.

# 5.3.1 Leadership and Employee Performance.

The relationship between the type of leadership employed by managers and employee performance was one of the variables under investigation where the following elements of leadership were examined.

#### 5.3.1.1 Manager's motivation and empowerment on employee's performance

The study revealed that leadership through manager's motivation and empowerment influenced employee performance in Emerging Business. According to the study, the managers were found to be very supportive and empowered their employees. The managers gave the employees a lee-way towards decision making and customer management. The average rating represented by 14% implies that line managers need to do more in motivating and empowering teams by offering support, motivation and empowerment to help them grow into effective future managers. This is in agreement with Amabile (1963) who says that work performance are dependent upon the individual's level of motivation; the individual's level of motivation can be intrinsically and/or extrinsically based; in this case extrinsically from the manager's angle. It is also argued that certain job characteristics are necessary in establishing the relationship between motivation and employee performance (Brass, 1981; Hackman & Oldham, 1976)

### 5.3.1.2 Manager's Involvement of Employees on Decision Making

According to the study, the style of leadership adopted by managers either allowed for maximum autonomy of employees in decision making, for instance in laissez faire, while in scenarios consultative approach other managers adopted а to decision making(transformational) which in whichever case affected employee performance. The study found out that managers involve and incorporate the opinions of other employees in decision making in the organization. This ensures that diverse opinions are considered, the acceptance and respect managers accorded to opinions of employees and the extent to which employees have ownership had an overall effect on employee performance. Employee participation may have a positive impact on employees' willingness to be innovative and change management (Wexley and Yukl 1984), as well as increase job satisfaction (Donald et al. 2001; Wright and Kim 2004). In particular, it also provides intrinsic personal benefits, including personal growth and development, job satisfaction, and willingness to change (Lawler and Hackman 1969). Kearney and Hays (1994, 44) note, "Participative decision making provides personal benefits to the individual employee as well as desired organizational outcomes." Additionally, employee participation allows workers at all levels of the organization to share information, knowledge, power, and rewards so that they can influence and be rewarded for organizational performance (Miller and Monge 1986).

#### 5.3.1.3 Manager's Level of Communication with Employees

The study also sought to establish the level to which the manager communicates with their employees and teams. Communication by the manager in this case inferred for instance the duration employees at lower cadres took to receive some information from the senior management. The respondents were asked to rate their line's manager communication in order to determine how the manager valued cooperation and consultation in the management and leadership. This also measured the flexibility of communications between the management and the staff. This information was critical in bringing out leadership and whether there is a swift relay in helping employees sort issues and give prompt solutions to problems as well as personal attention to employees by managers.

The study revealed that out of 100%, 44% of the respondents confirmed that their line managers maintained and showed good communication to them while 29% said that the communication was very good, 23% gave an excellent rating while 3% rated bad equal to the extreme. This result implies that there was cooperation and consultation in the day-to-day

running of unit and flexibility and ease in communication between managers and teams and which is highly correlates to employee performance.

This research is n tandem with Gray et al. (2004) who says that employees who have open lines of communication with managers are more likely to build effective work relationships with those managers, to increase their organizational identification and enhance their performance, and to contribute to organizational productivity (Gray & Laidlaw, 2004; Muchinsky, 1977; Tsai, Chuang, & Hsieh, 2009). Further, there is strong evidence that different aspect of effective management communication, such as high frequency, openness and accuracy, performance feedback, and adequacy of information about organizational policies and procedures, are positively related to employees 'performance (Kacmar,Witt, Zivnuska & Gully, 2003; O'Reilly, 1977; O'Reilly & Roberts, 1977;Roberts & O'Reilly, 1979; Snyder & Morris, 1984).

# 5.3.1.4 Managers' Level of Supervision on Employees

The study also sought to find out level at which the managers in various territories supervise their employees or is it a question of complete employee autonomy and it was revealed that manager's supervision levels ranked at a high of 49% and very high at 37%. Some respondents however rated their managers at 14% Average. To some employees supervision by managers brought some kind of discontentment represented by 14% show of dissatisfaction. These roles of supervisors confirm or agree with Mills (1997) that supervision has direct effect on employees' performance, since they assign tasks and clear responsibilities for performing activities.

#### 5.3.1.5 Managers' Appreciation on Employees based on Reward system

This study revealed that the reward system mode of leadership (Transactional), for instance commission based, is employed widely by managers who peg rewards on performance in order to have a highly motivated team working towards achieving set targets to be rewarded. 51% of managers use the reward system while 43% rate highly and only 6% rate average. Interpreting this results therefore mean that managers entice their employees with rewards to enhance employee performance. A highly performing employee is likely to be appreciated much more that a low performing one. Maund (2001); Reward systems are very crucial for an organization. Rewards include systems, programs and practices that influence the actions of people. The purpose of reward systems is to provide a systematic way to deliver positive

consequences. Fundamental purpose is to provide positive consequences for contributions to desired performance (Wilson, 2003). The only way employees will fulfill the employers dream is to share in their dream (Kotelnikov, 2010). Reward systems are the mechanisms that make this happen. They can include awards and other forms of recognition, promotions, reassignments, non monetary bonuses like vacations or a simple thank–you.

#### **5.3.2 Group Orientation and Employee Performance**

Group orientation in this case was interpreted to mean the preference that an individual has for or against belonging to a group or team. This is brought out by two elements of relationship with the manager and one on one relationship with a fellow employee. The study revealed that 34% of the responded maintained a very good relationship with their managers while 31% had an excellent relationship, 29% rated the relationship good (average) while 6 % felt that they had a bad relationship. This therefore indicated that many respondents felt very good and were able to maintain a healthy relationship with their managers. On the other hand, on an employee to employee basis, the results indicated the level of interaction is average among the employees and therefore a preference by employees to relate to the team as opposed to solitude. This meant that there is a high level of interaction and need to promote this interaction among employees in the unit further which will better performance due to the benefit of employee to employee consultations and teamwork. While the construct of Group orientation (individualism-collectivism) was developed to measure cultural differences in the level of society, it has been treated as an individual difference variable in recent studies (Ramamoorthy and Flood 2004). Studies that focus on individualismcollectivism at micro (e.g., personal) levels argue that individualists put an emphasis on selfinterests and personal development (i.e., idiocentrism), whereas collectivists emphasize collective interests and group-based benefits (i.e., allocentrism).

In particular, the former emphasizes personal achievement, equity-oriented formal reward systems, and independence from in-group membership, whereas the latter stresses collective harmony, equality-based reward systems, and interdependence with in-group members.

#### 5.3.2.1 Organization/management structure and Employee Performance

The study revealed that employees attribute their performance to the existing management structure meaning that there is shared and point of convergence between the efforts off both

the employee and the management on ensuring that performance is exemplary. This is confirmed by the respondents' views on their performance with regard to the existing structure at an average of 40% while 31% and 29% regard the structure as high and very high respectively. This means that the employees of the unit are confident about the interacting efforts of their own and the management to boost performance. A large portion of literatures examined the relationship between organizational structure and job performance (Cummings & Berger, 1976). Some dimensions have stronger relationship; for example, the degree of centralization was negatively relatively strongly related to organization performance (Miller, 1986)

# **5.4 Conclusions**

Following the study analysis, the researcher concludes that organizational politics with dimensions of leadership, group orientation and organization structure play a central role in employee performance. Through many elements of leadership for instance Manager's ability to motivate and empower his/her employees, the study revealed that managers were very supportive and managed to motivate their employees by even giving them the power to decide on certain pertinent customer issues. This makes the employees feel empowered and therefore the right environment for performance.

On the other hand, the study revealed that maintenance an excellent communication system within the organization where there is effective and efficient communication flow boost performance since information received on time allows for fast action. Good communication structure as shown boosts cooperation and consultation in the day-to-day running of affairs and activities within the unit. This efficient and effective communication allows flexibility, fast solutions, growth and ultimately high performance.

The study also revealed that decision making is critical in determining employee performance. From the study, involvement of the employees by managers in decision making ensures that managers incorporate the opinions of other employees in decision making in the organization. This ensures that diverse opinions are considered, and employees feel the acceptance and respect from their managers. Elsewhere valuable information from these employees is incorporated for the betterment of the management hence an overall effect on employee performance.

The study also revealed the importance of appreciation based on a reward on performance system which might be through commissions or other rewards. This rewards pegged on attainment of certain threshold makes employees work extra hard so as to be reward, therefore this reward acts as a motivation towards individual performance.

According to the findings of this study, Group orientation which is either preference to or against a group or team is broken down to employee- manager and employee-employee relationship and it is revealed that employees have a higher preference to belonging to a group than being alone. This boosts on performance as individuals are able to consult and seek solutions fast.

On management structure, employees have a high regard to management and even appreciate and think that management has contributed immensely to their performance. This ensures that there are joint efforts between the two, the management and employees, in ensuring that performance is not jeopardized.

# **5.5 Recommendations**

From the above study, the researcher recommends the following,

- The managers of the Emerging Business unit need to learn more on the importance of motivating and empowering employees. They have to develop strategies on showing and manifesting support to their employees and teams so that they can achieve maximum effort and goodwill from these teams. This in the long run will breed the right environment for work hence improved employee performance.
- 2. Proper leadership and support to employees is critical towards realization of both employee and organization objectives. It is therefore recommended that managers embrace a mesh or interconnectedness of various kinds of leadership to bring out a blend empowerment, autonomy, growth and ultimately a whole round employee capable of productivity both to himself/herself, to the organization and to the society at large. Improve on communication. Communication is indeed power as fast flow of information will trigger fast response and fast solutions which in turn saves on lost time and significantly accrued time on work which translates into performance. Effective communication also leads to effective solutions which are from different sources and have undergone efficient panel-beating resulting into solutions of best-fit.

- 3. Supervision should not be taken from a negative perspective but rather the intention of the manager should in the first place be right as to do with guidance and employee development and on the other hand should be received positively by the employee so that it can have its intended purpose of development and productivity hence performance.
- 4. Relationships horizontally or vertically within the organization are primary since good relationship facilitates effective and efficient communications which in the long run boosts teamwork. Teamwork is essential in achieving both personal and organizational objectives. Converging efforts between the management and the employees are critical in realization of the goals and objectives of the organization. This shared vision is achievable only if the efforts put in by the management are in tandem with the efforts put in by the individuals. This means that cooperation and group activity/teamwork is crucial.

#### **5.6 Suggestions for further studies**

As a result of this study, the researcher suggests that further research need to be carried out on the influence of organization politics on employee performance. There is need to conduct a study to find out other variables that explain this relationship. It is important for a more comprehensive study to be done on organization politics and its influence on employee performance not only in the Emerging Business unit, but also other units of East African Breweries Limited. A study should be carried out to establish on how best to utilize organization politics as a basis for improving employee performance.

#### REFERENCES

- Bass, B.M. and Avolio, B.J. (1993) *Transformational Leadership and Organizational Culture*, Public Administration Quarterly, 17.
- Bass B.M. (1997). *Transformational leadership: industry, military, and educational impact.*Mahwah, NJ: Lawrence Erlbaum Associates.
- Beyes, T., and Volkmann, C. (2010). The Fantasy of the Organizational One; Postdemocracy, Organizational Transformation and the impossibility of Politics. Journal of Organizational Change Management Vol. 23, No. 6.
- Blanchflower D, Lynch L (1992), 'Training at Work: A Comparison of US and US and British Youths', CEP Discussion Papers 078, Centre for Economic Performance, LSE
- Blundell R, Dearden L, Meghir C (1999), *Work-Related Training and Earnings*, Institute for Fiscal Studies
- Booth A L, Zoega G (2000), 'Why Do Firms Invest in General Training? "Good" Firms and "Bad" Firms as a Source of Monopsony Power', CEPR Discussion Papers 2536, Centre for Economic Policy Research
- Brass, D. J. (1981). *Relationships, Job Characteristics and Work satisfaction and Performance.* Administrative Science Quarterly, 26(3)
- Brown, A. (1994) "TQM: Implications for Training." Training for Quality 2, (3) 4-10
- Burns IM. (1978). Leadership. New York, NY: Harper and Row
- Carsten K. (2009). Self-Interest and Other-Orientation in Organizational Behavior: Implications for Job Performance, Pro-social Behavior, and Personal Initiative. Vol. 94, No. 4.
- Chartered Institute of Personnel and Development (2007) *Training*: an overview available from <u>http://www.cipd.co.uk/subjects/training/general/trngoverview.htm</u> [9 November 2011]

- Christine B. and Matthew J. (2010). *Clued in to Politics: A Critical Thinking Reader in American Government,* 3rd ed. Washington, DC: CQ Press.
- Christopher, R. (2001). Organizational Individualism and Collectivism: Theoretical Development and an Empirical Test of a Measure. Journal of Management 2002, 28(4).
- Clark, K.E., Clark, M.B. and Campbell, D.P. (Eds), *Impact of Leadership, Centre of Creative Leadership,* Greensboro, NC.
- Collier W, Green F, Peirson J, Wilkinson D (2003), *Training and Establishment* Survival, Working Paper
- Cresswell, J. W. (2003) *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches.* 2nd ed. Thousand Oaks: Sage Publications, Inc.
- Cummings, L. L., & Berger, C. J. (1976). Organization structure: How does it influence attitudes and performance? Organizational Dynamics, 5(2).
- Dearden L, Reed H, Van Reenen J (2000), *Who Gains when Workers Train? Training and Corporate Productivity in a Panel of British Industries*, IFS Working paper No. WP 00/04, Institute for Fiscal Studies
- Deluga, R.J. (1992), The relationship of leader-member exchange with laissez faire, transactional, transformational leadership in naval environments.
- Donald, Carrie G., Thomas S. Lyons, & Rebecca C. Tribbey. (2001). A partnership for strategic planning and management in a public organization. Public Performance & Management Review, 25(2): 176-93.
- Fay, D., & Kamps, A. (2006). Work characteristics and the emergence of a sustainable workforce: Do job design principles matter? Gedrag en Organisatie, 19, 184–203.
- Gadot, E. V. (2007). Leadership Style, Organizational Politics, and Employees' Performance; an Empirical Examination of Two Competing Models. Personnel Review, Vol. 3, No. 5.

- Gansberghe, D.V. (2003) A Glossary of Terms for Human Resource Management (HRM) and Human Resource Development (HRD) <http://203.110.68.60/documents/strategy\_docs/U2-02\_HRDGlossary.pdf > [3 August 2011]
- Gotsis, G., and Kortezi, Z. (2011). *Bounded self interest: a basis for constructive organizational politics*. Management Research Review Vol. 34, No. 4.
- Gray, J., & Laidlaw, H. (2004). Improving the measurement of communication satisfaction. Management Communication Quarterly, 17.
- Griffin, R. W., Welsh, A. & Moorhead, G. (1981). Perceived Task Characteristics and Employee Performance: A Literature Review. Academy of Management Review, 6 (4), 655-664.
- Green F, Mayhew K, Molloy E (2003), Employer Perspectives Survey, DfES, Nottingham
- Hackman, J.R. & Oldham, G.R. (1976) Motivating through the Design of work. Organizational behavior and Human performance, 16.
- Haskel J, Hawkes D (2003), How Much of the Productivity Spread is explained by Skills? UK Evidence Using Matched Establishment /Workforce Survey Data, CeRIBA discussion paper
- Hersey, P., Blanchard, K. and Johnson, D.E. (2001), *Management of Organizational Behavior*, 8th ed., Prentice Hall, Englewood Cliffs, NJ.
- Hughey, A. W., and Mussnug, K. J. (1997) "Designing effective employee training programmes." Training for Quality 5.
- Hunter, J. E. (1986). Cognitive Ability, Cognitive Aptitudes, Job Knowledge, and Job Performance. Journal of Vocational Behavior, 29, 340-362.
- Joyce, M. (2008). Impact of Governance Structure on Economic and Social Performance: A Case Study of Latin American Countries. University of Pennsylvania Scholarly Commons.

- Kacmar, K. M., Witt, L. A., Zivnuska, S., & Gully, S. M. (2003). The interactive effect of leader-member exchange and communication frequency on performance ratings. Journal of Applied Psychology, 88.
- Kotter, J.P. and Heskett, J.L. (1992). *Corporate Culture and Performance*. New York: The Free Press.
- Kacmar, K. M., Andrews, M. C. (2001). Discriminating among Organizational Politics, Justice and Support. Journal of Organizational Behaviour, 22 (4).
- Keep E, Mayhew K, Corney M (2002), Review on the Evidence of the Rate of Return to Employers of Investment in Training and Employer Training Measures, SKOPE Research Paper No. 34
- Kearney, Richard C., & Steven W. Hays. (1994). Labor-management relations and participative decision making: Toward a new paradigm. Public Administration Review, 54(1): 44-51.
- Kitson, M. (2003) *what is Management development*? available from <a href="http://www.intlearning.com/assets/What">http://www.intlearning.com/assets/What</a> is Management Development.pdf > [3 June 2011]
- Kipnis, D., Schmidt, S.M., & Wilkinson, I. (1980). *Intra organizational influence tactics: exploration in getting one's way.* Journal of Applied Psychology, 65, 440-452.
- Kodisinghe, K. (2010). Impact of Perceived Organizational Politics on Employees' Job Satisfaction in the Commercial Banking Sector of Sri Lanka. 2<sup>ND</sup> International Conference Business and Information, (pp. 2-10). Kuliyapitiya.
- Kotelnikov, V. (2010). *Reward Systems & Reward Motivation* (Effective Reward Systems: Increasing Performance & Creating Happier Employees). Retrieved from <u>http://www.1000ventures.com/business-guide/crosscuttings/motivating-reward-</u> <u>system.html</u>
- Lawler, Edward. E. (1992). *Employee involvement and total quality management*. San Francisco: Jossey-Bass.

- Lynch L, Black S (1995), Beyond the Incidence of Training, Evidence from a National Employers' Survey, NBER working paper W 5231 \
- Mabey C, Thomson A (2001), *The Learning Manager: A Survey of Management Attitudes to Training and Development*, Institute of Management
- Manpower Services Commission (1981) Glossary of Training Terms. London: HMSO
- Maund, L. (2001). An Introduction to Human Resource Management Theory & Practice. Palgrave, Macmillan
- Maylor, H. (2005) *Project Management*. 3rd ed. Harlow: Pearson Education Limited, pp. 220-224
- Mills (1997) Daniel Quinn Mills (1997), *real power to the people*. Management Development Review, vol. ID, 87-89
- Miller, D. (1986).. Configurations of strategy and structure: Towards a synthesis Strategic Management Journal, 7(3), 233.
- Miller, Katherine I., & Peter R. Monge. (1986). Participation, satisfaction, and productivity: A meta-analytic review. Academy of Management Journal, 29(4).
- Mintzberg, H. (1983). Power in and around organizations. Englewood Cliffs, NJ: Prentice.
- Nguyen, H.N., and Mohamed, S. (2011). *Leadership behaviors, organizational culture and knowledge management practices; An empirical investigation.* Journal of Management Development Vol. 30, No.2.
- OECD, 2008. OECD Journal on Development: Development Co-operation Report 2007, vol. 9: no. 1.

htttp://www.oecd.org/statisticsdata/0,3381,en\_2649\_33721\_1\_119656\_1\_1\_1,00.html

- Otley, D. (1999). *Performance management: a framework for management control systems research*. Management Accounting Research, 10, 363-382.
- Pincus, J. D. (1986). *Communication satisfaction, job satisfaction, and job performance*. Human Communication Research, 12 (3), 395-419

- Porter, M. E. (1990): "*The competitive advantage of nations*", First Edition, New York: The Free Press.
- Project Management Institute (2008) A Guide to the Project Management Body of Knowledge, 4th ed., Newtown Square: Project Management Institute, Inc., pp. 22-32, 215-242, 417-420
- Poon, J. M. (2003). Situational antecedents and outcomes of organizational politics perceptions. Journal of Managerial Psychology Vol. 18, No. 2, 138.
- Ramamoorthy, Nagarajan, & Patrick C. Flood. (2004). Individualism/collectivism, perceived task interdependence and teamwork attitudes among Irish blue-collar employees: A test of the main and moderating effects. Human Relations, 57(3):347-66.
- Reger, R.K. (2001). From the Special Issue Edition: Managing in the information age. Journal of Management, May, 27(3).
- Roberts, K. H., & O'Reilly, C. A. (1974). *Measuring organizational communication*. Journal of Applied Psychology, 59.
- Roberts, K. H., & O'Reilly, C. A. (1979). Some correlates of communication roles in organizations. Academy of Management Journal, 22.
- Senge, P. (1990), the Fifth Discipline: *The Art and Practice of the Learning Organization*, Doubleday Currency, New York, NY.
- Shamaila, G. (2012). Impact of Organizational politics on employee job satisfaction in the health sector in Lahore, Pakistan. Interdisciplinary Journal of Business commerce Volume 4, No. 2.
- Sheard, G., Kakabadse, A., and Kakabadse, N. (2011). Organizational politics: reconciling leadership's rational emotional paradox. Leadership & Organization Development Journal Vol. 32, No. 1.
- Sommerville, K. L (2007) Hospitality Employee Management and Supervision: Concepts and Practical Applications. John Wily & Sons: New Jersy

- Snyder, R. A., & Morris, J. H. (1984). Organizational communication and performance. Journal of Applied Psychology, 69.
- Torjman (2005): "What is policy?" Caledon Institute of Social Policy, Canada, online in

Internet: Format: www.caledoninst.org/Publications.

- Triandis, H. C. 1995. Individualism and collectivism. Boulder, CO: Westview Press.
- Vigoda, E. (2000). Organizational politics, job attitudes, and work outcomes: Exploration and implications for the public sector. Journal of Vocational Behavior
- Vigoda, E.Vinarski, H., & Ben, E. (2003). Politics and image in the organizational landscape: An empirical examination among public sector employees. Journal of Managerial Psychology.
- Weber, M. (1947). *The theory of social and economic organization*. Translated By A.M. Henderson and Talcott Parsons. London: Collier Macmillan Publishers.
- Wexley, Kenneth N., & Gary P. Latham. (1991). *Developing and training human resources in organizations*. New York: HarperCollins.
- Wilson, B. T. (2003). *Innovative Reward Systems for the Changing Work Place*. NewYork: McGraw Hill.

Retrieved from http://books.google.co.ke/books?id=qRBSya4773AC

# **APPENDICES**

# **Appendix I: Letter of Introduction**

The Respondent,

Dear Sir/Madam,

# **Re: Request for Research Data**

I am a postgraduate student at the University of Nairobi pursuing a Degree of Master of Arts in Project Planning and Management

Pursuant to the pre-requisite course work, I am currently conducting a research project on INFLUENCE OF ORGANIZATION POLITICS ON EMPLOYEE PERFORMANCE: A CASE OF EMERGING BUSINESS OF EAST AFRICAN BREWERIES LIMITED KENYA.

The focus of my research will be on Emerging Business of East African breweries limited Kenya and this will involve use of questionnaires administered to management staff in the Emerging Business of East African breweries limited

I kindly request you to participate in this study by assisting to fill the questionnaires and providing with any other relevant information. The information collected will be treated with utmost confidentiality and is for academic purpose only. The findings and recommendations of the research will be availed to you upon completion of the research

Thank you in advance.

Bonface Kiptoo Ng'enoh

**Appendix II: Questionnaire** 

# PART 1: DEMOGRAPHIC DATA (Please tick where appropriate)

# **SECTION A: General Information**

i) What is your gender? Male Female	
ii) What is your age? (optional) Below 30 31-40 41-50 Above 50	
<ul> <li>iii) What is your highest professional qualification</li> <li>Certificate</li> <li>Diploma</li> <li>Degree</li> <li>Masters</li> <li>PhD</li> </ul>	
iv) How long have you served in this organization Below 5 years 5-10 years 10-15 years above 15 years	
v) Your designation Sales Director	
TMR/TDR/DSR Others (specify)	

# SECTION B: EMPLOYEES WITHIN EB; PERCEPTION OF ORGANIZATIONAL POLITICS AND ITS ELEMENTS ON OWN/INDIVIDUAL PERFORMANCE

Please tick as appropriate in the spaces provided the extent to which you are confident with your organization approach with respect to each of the following aspects.

6. How do you rate your manager's efforts in motivating and empowering of employees of Emerging Business?

a. Very Bad
b. Bad
c. Good
d. Very Good
e. Excellent

7. What is your rating of your Managers Involvement of Employees on Decision Making?

a. Very Bad
b. Bad
c. Good
d. Very Good
e. Excellent

8. How would you regard the manager involvement of employees in decision making?

a. Very low
b. Low
c. Average

d.	High	
e.	Very high	

9. How would rate flow of information and frequency of manager's communication with Employees?

a.	Very Bad	
b.	Bad	
c.	Good	
d.	Very Good	
e.	Excellent	

10. What is your rating on Managers' Level of Supervision on Employees?

a. Very low
b. Low
c. Average
d. High
e. Very high

11. How do you rate your Managers' Appreciation on Employees based on Reward System?

a. Low
b. Average
c. High
d. Very high

12. How would you rate your relationship with your manager?

a.	Bad	
b.	Good	
c.	Very Good	
d.	Excellent	

13. How would you rate your level of interaction and one on one interaction with fellow colleagues?

a.	Very low	
b.	Low	
c.	Average	
d.	High	
e.	Very high	

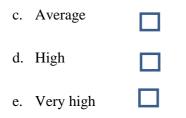
14. To what level would you say is your satisfaction with the existing organization structure?

a.	Very low	
b.	Low	
c.	Average	
d.	High	
e.	Very high	

15. To what level would you attribute your performance to the existing management structure?

a. Very low

b. Low



- 16. How would you rate the interdependence and support government policies has accorded to you and affected your performance?
  - a. Very low
    b. Low
    c. Average
    d. High
    e. Very high