RELATIONSHIP BETWEEN EMPLOYEE EMPOWERMENT AND PERFORMANCE OF THE CITY COUNCIL OF NAIROBI

BY

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DECLARATION

This management project is my original work and has not been presented for a degree in any other college, institution or university other than the University of Nairobi for an academic credit.

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This management project has been submitted for examination with my approval as university supervisor.

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DEDICATION

For Maku Makena.
ACKNOWLEDGEMENT

First I wish to give thanks to the almighty Allah for all the wonderful things He has done in my life and for seeing me through my course.

I acknowledge my family for being beside me all the way. Your support and encouragement has seen me this far.

I also acknowledge my supervisor, Mr. S. Nzuve, who guided me throughout the research period.

I also acknowledge the entire staff and management of the City Council of Nairobi for allowing me to gather information from them concerning the council. Your contribution to this research cannot be underestimated.

I cannot fail to acknowledge Peter for critiquing my write up.
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ABSTRACT

Local authorities in the country have been known for poor performance. In recent times, the trend has changed due to the introduction of performance contracts where employees must set and meet work targets from their supervisors, thus the need to be enabled to perform. The local authorities’ service provision would be largely improved with the implementation of employee empowerment in these local authorities. This study sought to establish the extent to which CCN has put in place employee empowerment programs and to determine the relationship between employee empowerment practice and the performance of the City Council of Nairobi.

Since this study sought to establish the relationship between employee empowerment and performance of the City Council of Nairobi, a case study design was deemed the best design to fulfil the objectives of the study. This design was preferred because data was obtained from one organisation. The population of interest comprised all the employees of the City Council of Nairobi. The City Council of Nairobi was picked since it is the largest local authority in Kenya and is, therefore, more likely to engage in the best human resource practices. A sample of 60 employees, 4 from each of the 15 departments were the respondents for the questionnaire. The respondents were selected randomly. The study used both primary and secondary data. The primary data was collected through a structured questionnaire administered on a drop and pick basis. Data on performance as measured by return on assets (ROA) was collected from secondary sources. The analysis was done mainly using descriptive statistics such as mean scores, frequencies and percentages. Pearson product moment correlation technique was used to establish the strength and significance of the relationship between empowerment and performance.

Generally, the employee empowerment score in the City Council of Nairobi shows that the employees are empowered to a large extent. This is given by an average score of 3.546. The study found that there is a very strong positive correlation between employee empowerment and performance. The study also concludes that employee empowerment has a large positive influence on the performance of the City Council of Nairobi.
CHAPTER ONE: INTRODUCTION

1.1 Background

1.1.1 Employee Empowerment

The concept of employee participation has been a focus for research and practice for many years. It has taken many different forms, evolving through the employee involvement and participative decision-making concepts into the contemporary empowerment perspective. The notion of empowerment involves the workforce being provided with a greater degree of flexibility and more freedom to make decisions relating to work. This contrasts markedly with traditional management techniques that have emphasised control, hierarchy and rigidity. The meaning of empowerment has tended to be associated with the concept of power, thereby implying that power is redistributed by those in a senior position to those in more subordinate positions (Tulloch, 1993). Whilst there are accounts of the supposed advantages of empowerment, it still remains a poorly defined concept, which is frequently used in a rhetorical sense (Mondros and Wilson, 1994). Empowerment is the process of enabling or authorizing an individual to think, behave, take action, and control work and decision making in autonomous ways. It is the state of feeling confident to take control of one’s own destiny (Heathfield, 2007).

The meaning of empowerment has been the subject of great debate but still remains poorly defined (Dainty et al., 2002). Mondros and Wilson (1994), and Russ and Millam (1995) similarly argued that the term is rarely defined clearly and is frequently used rhetorically. One possible reason for this lack of clarity is the tendency for empowerment to be attached to management concepts, for
example, business process re-engineering (BPR) and total quality management (TQM) (Dainty et al., 2002). Furthermore, the term empowerment represents a wide variety of activities, from "sham" empowerment (Rosenthal et al., 1997) to a high level of involvement and devolution of power. Wilkinson (1998) identified five types of empowerment: information sharing; upward problem solving; task autonomy; attitudinal shaping; and self-management.

The original meaning of empowerment has been referred to as "authorise, give power to" (Tulloch, 1993). The use of the term "power" appears to be common throughout the definitions of empowerment; for example, Legge (1995) argued that empowerment should be seen in terms of a redistributive model whereby power equalisation is promoted for trust and collaboration. Similarly, Conger and Kanungo (1988) focused on power as the central point of empowerment, "either to strengthen this belief or to weaken belief in personal powerlessness". Power is often redistributed by transferring control so that employees have the authority to make and implement their own decisions. Conger and Kanungo (1988) make a distinction between the relational and motivational meanings of empowerment. The relational aspect examines the relationship between managers and worker both before and after empowerment. The motivational dimension suggests a process through which initiative will need to pass for employees to feel motivated. Other authors in the field define empowerment in terms of its dynamic interaction, for example Pastor (1996, p. 5) stated that: "it is part of a process or an evolution - an evolution that goes on whenever you have two or more people in a relationship, personally or professionally". Lee and Koh (2001) refined this description further by looking at the inter-subjective nature of the subordinate and supervisor. They stated that empowerment is the
combination of the psychological state of a subordinate, which is influenced by the empowering behaviours of supervisors.

Organisations are increasingly looking at employee empowerment as a unique asset that can improve performance and provide sustained competitive advantage. The changes in the business environment with increasing globalisation, changing demographics of the workforce, increased focus on profitability through growth, technological changes, intellectual capital and the never-ending changes that organisations are undergoing have led to increased importance of employee empowerment (Wright, 1998). For any organization to function efficiently and effectively, a number of resources have to be employed. For example, physical facilities like building, machinery; financial resources and human resources.

Consideration of any development in an organisation, the component human capital is very crucial for any meaningful development in an organisation. For example to increase productivity you have to deal with people and to increase efficiency you need to work on the attitude and skills of your employees. Thus for people to perform well they have to be enabled through skills development and conducive environment for learning and development (Wright, 1998).

Everyone in the organisation from top to bottom, from offices to technical service, from headquarters to local sites must be involved. People are the source of ideas and innovation and their expertise, experience, knowledge and cooperation have to be harnessed to get these ideas implemented (Dale, 2003:181). Employees are the core ingredients of service products. Because minimal time separates the production of the service from its delivery, the idea of providing
workers the flexibility, latitude, and ability to meet customer service demands is intuitively appealing, thus it is not surprising that more and more service organizations are embracing employee empowerment programs. (Enz & Siguaw, 2000; Taborda, 2000)

1.1.2 Performance
Performance management is concerned with actions taken to improve performance in order to achieve organizational, team or individual effectiveness. Improving performance is only achievable where there are effective processes of continuous development. This in turn addresses the core competencies of the organization and the capabilities of individuals and teams (Lawson, 1995).

Performance management is the principal set of practices by which control is manifested in organizations. Control hence is defined as any process that is used to align actions of individuals to the interests of the organizations (Snell, 2006). Performance management is expected to regulate motivation and ability. It is a cybernetic system with feedback from both employer and employee driving modifications at each point in the system.

Since performance management is concerned with satisfying the needs and expectations of various stakeholders such as owners, management, employees, customers, suppliers and the general public, employees should be treated as partners in the enterprise whose interests are respected. To this end, Performance Management encourages communication and involvement of managers and their team members in defining expectations and sharing information on the organization’s mission, values and objectives (Lawson, 1995).
1.1.3 Empowerment and Performance

Most of the studies that relate empowerment and performance use an individual level of analysis, typically focusing on the association between job design and task performance. Little is known of the relationship between job enrichment and company performance (Patterson et al, 2004). This is an important omission, as several of the potential benefits of job enrichment may occur at the organizational level. For example, lower costs from a reduction in supervisory, engineering, and other support staff are important at an organizational level of analysis but would not register in a measure of task performance.

Research on the effectiveness of human resource management (HRM) practices to some extent mitigates the above problem. Measures of HRM typically encompass job enrichment and skill enhancement, and studies have found HRM to be positively associated with company performance (for example, Guthrie, 2001). In research, HRM is typically measured as a multi-dimensional construct covering a wide range of different practices additional to those of current interest (for instance, performance and profit-related pay, harmonization).

More direct support for the importance of empowerment to firm performance is provided by Hitt, Bierman, Shimizu, and Kochhar’s (2001) study, who found a positive relationship between human capital (based on intellectual capabilities, knowledge, and social capital) and firm performance in a sample of professional organizations.

In another study, Hechanova et al. (2006) did a study on the relationship between psychological empowerment, job satisfaction and performance among Filipino
service workers. The study found that psychological empowerment was positively correlated with performance.

Although there are few empirical tests of the impact of empowerment practices on company performance, there are strong conceptual grounds for arguing that each initiative will contribute to company performance, and it is precisely because they should do so that they have proved so attractive to companies.

1.1.4 Overview of City Council of Nairobi

Nairobi was made a Municipality in 1935 by a Charter given by the Queen of Britain before the independence of Kenya in 1963. City Council of Nairobi (CCN) was set up in 1952 and its function is to deliver services to the residents of Nairobi and maintain the City status of Nairobi. CCN derives its legal mandate from the Local Government Act (Cap 265) of the Laws of Kenya amongst other Acts of Parliament that augment its diverse core functions and priorities (CCN Handbook, 2007).

These priorities are contained in various policy and planning documents such as the National Development Plans, Poverty Reduction Strategy Paper and Economic Recovery Strategy (ERS) for Wealth and Employment Creation in the medium term and Kenya’s vision 2030 & the Millenium Development Goals (MDG’s) in the long term (CCN Handbook, 2007).

The council is mandated to provide and manage basic social and physical infrastructure services to the residents of Nairobi. These services include basic education, housing, health, water and sewerage, refuse and garbage collection,
planning and development control, urban public transport and fire services among others (CCN Handbook, 2007).

The department of Human Resources was formed in the year 2000 after the Mbogua Extra-ordinary Inspection team recommended the upgrading of Establishment section to a full fledged department. This recommendation was approved by the Minister for Local Government. In February, 2003 the Ministry of Local Government deployed a personnel officer to the Council with a mandate of assisting the Town Clerk in setting up effective measures within the Council, identifying weaknesses in staffing and deployment procedures, suggesting optimum staffing levels within the department among others (CCN Handbook, 2007).

In order to operationalise the department, the Directorate of Personnel Management deployed an officer to perform the duties of Director Human Resources Management with a mandate to undertake a reconciliation of the Council establishment, reviewing the disciplinary code and establishing modern Human Resource Practices, improving Performance Management practices through selection, promotion and retention of staff, reviewing the Collective Bargaining Agreement (CBA) with a view of removing anomalies and contradictions with the Service Commission Act among other responsibilities. The Human Resource Department is now fully operational and is headed by a Director, an appointee of the Public Service Commission (CCN Statement of the Problem Handbook, 2007).
1.2 Statement of the Research Problem

Human resources are one of the most critical capital to any organisation be it labour intensive or capital intensive. The physical resources such as land, machinery and finance require competent human resources for them to be employed both efficiently and effectively. Thus, development and success of any organization requires involvement of all its employees as they pursue organisational objectives. The vision and mission of companies give direction to all employees as they pursue organisational objectives. Local authorities in the country have been known for poor performance. In recent times, the trend has changed due to the introduction of performance contracts where employees must set and meet performance targets from their supervisors, thus, the need to be enabled to perform. The local authorities' service provision would be largely improved with the implementation of employee empowerment in these local authorities.

A number of studies have been done on employee empowerment in the University of Nairobi. For instance, Odongo (2006) did a study on employee empowerment programs among international NGOs in the public health sector in Kenya. The study intended to identify the employee empowerment programs adopted by international NGOs in the public health sector and secondly to determine the factors that influence the adoption of empowering programs in the sector. Another study by Gumato (2003) sought to establish the relationship between the perceived empowerment and job satisfaction of employees in commercial banks in Kenya. Ndungu (2005) did a survey of managers' attitudes towards employee empowerment in selected oil companies in Kenya. More
recently, Monari (2007) identified the factors that influence employee perception of empowerment with a focus on the staff of the University of Nairobi. The studies that have been done on the City Council of Nairobi on the other hand have tackled issues other than employee empowerment. For instance, Mvove (2006) did a study on the operation strategies in solid waste management with a focus on the City Council of Nairobi. Gupta (1982) did a study on scheduling and control of transport labour force and material in City Council of Nairobi’s water department. Lastly, Gathumbi (1997) did a study on the application of inventory models in drug inventory management for the City Council of Nairobi health department. It is clear from the foregoing discussion that none of the studies on empowerment have been carried out on the City Council of Nairobi. Further, none of the studies has established the relationship between employee empowerment and firm performance in Kenya. Given the existing gap in literature and the underlying importance of employee contribution to the overall performance of firms, the proposed study aims at filling in this gap.

Studies done elsewhere have established a strong relation between employee empowerment and organisational performance. It is important for organisations to empower its employees if it expects to achieve its objectives. For instance, Geralis and Terziovski’s (2003) study on Australian banks revealed that empowerment practices, when simultaneously implemented, are associated with greater employee well-being, productivity, performance, and service quality. It is in this context that the present study seeks to find out if the CCN has empowered its employees and the extent to which this has influenced its performance.
1.3 Objectives of the Study

The study seeks to:

i. establish the extent to which CCN has put in place employee empowerment programs

ii. to determine the relationship between employee empowerment practice and the performance of the City Council of Nairobi

1.4 Scope of the study

The study will be done in Kenya on City Council of Nairobi. Since this will be a case study, the City Council Nairobi shall be studied.

1.5 Importance of the Study

The study will make a significant contribution to local authorities in Kenya as it will provide a lot of insight about what employee empowerment really is.

In the event that the study proves that impact on local authorities which have implemented the employee empowerment is positive, consequently the study will encourage and reinforce interest of managers in employee empowerment as a tool for remaining competitive in today's' rapidly changing workforce.
CHAPTER TWO: LITERATURE REVIEW

2.1 Employee Empowerment

Empowerment has become one of the most salient concepts in modern management theory and practice. Definitions vary, but for the purposes of this study, empowerment is defined as: the process of providing employees with the necessary guidance and skills, to enable autonomous decision making (including accountability and the responsibility) for making these decisions within acceptable parameters that are part of an organizational culture.

Similarly, Vogt (1997), defined empowerment as the act of giving people the opportunity to make workplace decisions by expanding their autonomy in decision making. Empowerment also has been described as the breaking down of traditional hierarchical structures, as in an empowered organization, the line personnel closest to a problem, are given the authority to solve the problem (Blanchard, 1997). The concept has spanned cultures and industrial sectors. Morales (1997), for example, has quoted a fellow Mexican, Freddie Lopez, as suggesting that empowerment is "training employees to offer each other trust, support, education, ideas, respect and motivation with the aim of developing each person’s skills". Lopez also commented that empowerment must be a process and a long-term commitment that is incorporated into a company’s growth strategy, so as to motivate and to breed loyalty among workers. Indeed, employees who have autonomous decision making capabilities can act as business partners, keeping watch on profitability (Ettorre, 1997).

From a service perspective, empowerment gives employees the authority to make decisions concerning customer service. True empowerment means that
employees can bend and break rules to do whatever is necessary (within reason) to take care of the customer (Tschohl, 1997). In other words, empowerment is the "wisdom to know what to do, the will to do what needs to be done, and the wherewithal to do it" (Troyer, 1997, 27).

Leitch et al. (1995, p. 72) described employee empowerment as "the importance of giving employees both the ability and the responsibility to take active steps to identify problems in the working environment that affect quality or customer service and to deal effectively with them". According to Argyris (1998, p. 98), a CEO once said, "No vision, no strategy can be achieved without able and empowered employees". Moreover, empowered employees are not only preferable but also essential to implement the organization's goal to be fiscally sound and environmentally responsible (Enander and Pannullo, 1990).

The introduction of a new program will yield optimal results when employees are treated as major stakeholders in an organization (Mohrman et al., 1996). Empowered employees are motivated and committed to participate and engage in improving the company performance. Employees who are not empowered have less commitment for improvement than the empowered employees (Argyris, 1998). Management can encourage employee empowerment by changing the organizational structures that support empowerment (Leitch et al., 1995). One way that management can encourage employee empowerment is by changing the form of the organization. The traditional top down organization inhibits employee empowerment; instead, a flatter, horizontal organization should be in place to encourage employee empowerment.

Companies need to shift to a more open form of participative management in order to empower their employees (Mallak and Kurstedt, 1996). Workers can
contribute more effectively when management moves the decision power down
to the employees, allowing them the freedom and power to make suggestions
and implement good business practices (Wever and Vorhauer, 1993).

Empowered employees who have autonomy and decision-making power are
also more likely to be more involved in the improvement of the environment.
Employee involvement (EI) can be described as "a participative process to use
the entire capacity of workers, designed to encourage employee commitment to
organizational success" (Cotton, 1993, p. 3). In addition Enander and Pannullo
(1990), believe employee involvement may affect cultural change and
significantly reduce pollutants at their starting place. Since many of the efforts in
pollution prevention rely on employees working and interacting with other
departments, employee involvement becomes a necessity to improve chances for
success.

Employee involvement in the form of quality circles allows diverse skills to be
tapped encourages a measure of simple fun, and it provides an audience for the
demonstration of effective performance (Storey, 1992). Everyone in the
organisation from top to bottom, from offices to technical service, from
headquarters to local sites must be involved. People are the source of ideas and
innovation and their expertise, experience, knowledge and co-operation have to
be harnessed to get these ideas implemented (Dale, 2003:181).
2.2 Dimensions of Empowerment

While there are conflicting descriptions of empowerment, it appears that the focus of the concept is the dynamic process of redistribution of power between management and employee (most commonly in the form of increasing employee authority and responsibility). It is possible to identify two key aspects of empowerment from the literature: first, the psychological dimension which focuses upon how the individual perceives empowerment; and secondly the multi-dimensional perspective which closely examines the role of managers and leaders.

2.2.1 The psychological dimension - the individual perspective

The psychological dimension of empowerment moves away from the traditional study of management practices and instead emphasises employees' perceptions and experiences of empowerment. Through such an approach, the emphasis is upon perceptions and beliefs of power, competence, control and self-efficacy (Psoinos and Smithson, 2002). The work of Conger and Kanungo (1988) is often used as a staring point in literature on psychological empowerment, for they claimed that empowerment involves a motivational concept of self-efficacy. This notion was further refined by Thomas and Velthouse (1990) who developed a cognitive model of empowerment. They defined empowerment as increased intrinsic task motivation and outlined four cognitions which they claim are the basis of worker empowerment: sense of impact; competence; meaningfulness; and choice.
A very similar definition of empowerment was outlined by Lee and Koh (2001) who described these four dimensions (listed below) as describing the psychological state of the subordinate: meaningfulness: the meaning of a value of a task goal or purpose judged in relation to an individual's own ideals or standards; competence: competence is an individual's belief in his/her capability to perform task activities skilfully; self-determination (or choice): autonomy in the initiation and continuation of work behaviours and processes; and impact: the perception of the degree to which an individual can influence certain outcomes at work.

The higher an individual "scores" in each of these elements, the greater the sense of empowerment. However, the authors are careful to point out that the behaviour of the supervisors must also be examined, for "it would not be appropriate to say that they were empowered, if their supervisor did nothing intentional to empower them". Thomas and Velthouse (1990) considered that six key variables influence these cognitions. They included environmental events, task assessments, global assessments, interpretative styles, behaviours and interventions. Those who favour the psychological nature of empowerment argued that it is simply not enough to implement a change in management practices (as deemed appropriate in some empowerment literature) but it is also necessary to ensure that those practices are fully realised.
There has been limited emphasis in empirical research on employees' perceptions of empowerment and recent studies have instead focused upon management practices (Nesan and Holt, 2002; Cunningham et al., 1996). This may be considered somewhat surprising as essentially empowerment is a perceptual matter, or as one writer puts it: (empowerment) is a cognitive state of perceived control, perceived competence and goal internalisation (Menon, 1995). It is, however, necessary to examine the individual’s perception of empowerment within an organisational context, as this plays a vital role in the way that empowerment is perceived by employees.

2.2.2 The multi-dimensional perspective
It has been suggested that to empower successfully it is necessary to examine the role of managers/leaders, as they have considerable impact upon the psychological sense of empowerment held by the employee. The way in which managers/leaders can implement and maintain empowerment strategies is multi-dimensional, as outlined below. Johnson (1994) considered that it is necessary for managers to give people the power to do their job. However, Vogt and Murrell (1990) viewed the power relationship as a complex interactive process whereby empowerment is an act of developing and increasing power by working with others. Therefore, until power is shared (and employees perceive that power is shared) empowerment is not possible.

The dynamic relationship of the leader with employees is frequently cited as crucial in the empowerment literature. Honold (1997) and Johnson (1994) both argued that the leader is responsible for creating a common goal, which they communicate and share. Furthermore, the leader should continually monitor that their subordinates feel empowered.
The leader may also play a part in recognising the contributions made by employees by emphasising efforts of an employee as important (Psoinos and Smithson, 2002). There may be limits to the rewards that leaders are able to offer, and so senior management may also need to consider the implementation of profit related incentive schemes (Cunningham et al., 1996).

The leader/manager may also be influential in team development by concentrating on strategies that encourage self-management and group decision autonomy. It is argued that managers/leaders must focus on team empowerment as well as individual empowerment if the organisational environment relies upon cohesive teams (Dainty et al., 2002). The final area in which managers/leaders play a pivotal role is training. As noted in the previous section, it is necessary that employees believe themselves to be "capable", and training can be a key mechanism that provides employees with this reassurance. Pastor (1996) argues that the principal training focus should be on communication development so that they can engage in this new participative and facilitative management/leadership style.

In summary, it is evident that management and leaders may influence individual perceptions of empowerment in many ways. Thus, a multi-dimensional approach is necessary if a culture of empowerment is to be implemented and maintained. The way in which this is achieved is context dependant and managers/leaders need to adapt empowerment to the needs of their own particular organisation.
2.3 Employee empowerment in the service sector

Interest in employee empowerment in service industry firms has been associated with many of the key issues related to employment practices in general, namely in gaining competitive advantage through improved service quality. Paradoxically, however, attempts to gain competitive advantage through service quality can present some major problems for service operators. In the first instance, there are difficulties in defining the successful service encounter, particularly in the intangible sources of customer satisfaction. Customers vary considerably in their expectations of service quality (Rust and Oliver, 1994). Indeed individual customers may define and re-define their needs from service deliverers as their circumstances, experiences and expectations change. In turn, customer evaluates a successful service encounter, and thereby repeat visits. This evaluation will be a product of the extent to which their experience matches their expectations (Foulkes, 1994).

 Whilst there are difficulties in defining successful encounters, many writers agree that "front line staff" (ohnston, 1989; Horovitz and Cudenne-Poon, 1990; Barbee and Bott, 1991) play a crucial role in the service encounter. There are in fact, some base level customer expectations of employee performance, positive interpersonal contacts, service deliverer attitudes, courtesy and helpfulness that are all closely related to customer evaluations of service quality (Adelmann et al., 1994). Hence human resources management and the strategies needed to engage employees emotionally in the objective of customer service take on a new and urgent meaning.
This leads to the second difficulty for service deliverers. Unlike other resources used within an organisation there is a problem in predicting the levels of output, efficiency and general effectiveness which will be the outcome of a given level of labour employed. Human resources can be uniquely unstable. Under certain circumstances they physically leave the organisation, they may collectively resist management instructions or individually just not give "a fair days work for a fair days pay". Clearly, these are problems shared by all employers but given the pivotal role of service delivery employees these issues are of particular concern to service sector employers.

The response of many employers in the sector has been to look to manufacturing industry for models of control which minimised the significance of individual idiosyncrasies. What Levitt (1972) called the "production-line approach to service" or the "industrialisation of service" (1976). Based on essentially Taylorist (1947) views of job design, they establish standardised procedures and one best way of doing each task. In many cases this extended to scripting the interaction with clients and left little to the discretion of the individual service deliverers. The consequence of this has been the rapid growth of organisations specialising in high volume, mass produced, standardised services which minimised the significance of labour inputs in the delivery of predictable tangible and intangible product attributes to customers (Bowen and Lawler, 1992). Ritzer’s (1993) somewhat overblown comments about the "McDonaldization of Society" are little more than observations about the application of manufacturing techniques to the production of mass services, which are themselves but one of a number of service offers (Wood, 1997).
Whilst the above strategy was tremendously successful over the two decades preceding 1990, many of these operators now see the limits of standardisation and control. A point largely ignored by Ritzer. Apart from high labour turnover which has been endemic in many of these firms, any attempt to compete on service quality cuts across the rigidities of the production line approach. Firstly, even the most standardised operation encounters occasions when customer service needs are difficult to predict and a quick response is needed at the point of the service encounter. A small child in a family group at a McDonald’s is getting restive and the quick intervention of a crew member with a balloon or a hat calms the child. A customer knocks over his coffee in a Welcome Break and the service operative replaces it without charge. Whilst these responses may well be prescribed in operational manuals, they still require employees to act with initiative and discretion. The intangible element of the service encounter requires some form employee of participation, even in highly standardised and Tayloristic situations.

The second problem is in the quality of the service encounter itself. Hochschild’s (1983) work with air stewardesses reveals much in common with "the commercialisation of feelings" across the service sector in general. She makes the point that seeming to love the job becomes part of the job; and managing the appropriate feelings of enjoyment of the customer helps the worker in this effort. Fineman (1993) also comments on the interplay between feelings and performance in service interactions. Enabling employees to sense their own power and the significance of their role in the service drama may help employees manage the emotions required of their performance. It is here that empowerment of employees seems to offer the prize of generating feelings of commitment to the service encounter (Barbee and Bott, 1991) with the appropriate amount of
power and the freedom to use that power) to meet customer needs as they arise (van Oudtshoorn and Thomas, 1993).

For the advocates of empowerment, empowered employees willingly take responsibility for the service encounter, they respond more quickly to customer needs, complaints and changes in customer tastes (Barbee and Bott, 1991). The organisation will experience lower labour turnover (Cook, 1994), there will be high staff morale and employees will take responsibility for their own performance and its improvement (Barry, 1993). Employees’ inherent skills and talents will be put to work for the organisation (Ripley and Ripley, 1993) so as to produce more satisfied customers (Johns, 1993) and greater profits (Plunkett and Fournier, 1991).

2.4 Employee empowerment programs

Employee empowerment programs include measures taken by the management to increase the capability of employees to perform their duties and develop themselves (Jackson, 1999). These programs are availing information to employees, protection of employees’ rights, developing the knowledge and skills capacity of employee, coaching and mentoring, provision of opportunity for employee involvement and participation in corporate decision making, and encouraging innovation and creativity among staff. These programs result in enhanced corporate competency through HR.

Many organization take deliberate steps in empowering their employees. According to Sitterly (1998) most organisations have exactly the level of empowerment the management wants. This is demonstrated by amount of communication, level of training provided, opportunity for personal growth,
soliciting and implementing of ideas, recognition and reward system promotion and advancement criteria, unaccountable little signals from management that demonstrates whether employees are valued or not (Sitterly 1998).

One of the strongest signs is when employee take the lead to advance their knowledge and skills with education and training either provided by organization or outside the organization (Friedman, 1992)

2.5 The potential benefits of empowerment

The espoused benefits of empowerment can be broadly divided into two areas: benefits for the organisation and benefits for the individual. Much of the research into empowerment has focused on organisational benefits assuming these are the driving force behind attempts to engender empowered working (Cunningham et al., 1996).

Global competition and a changing business environment have instigated organisational change in response to increased pressures to improve efficiency and performance (Lawler et al., 1992). Specifically organisations have sought improvements in cost control, flexibility, quality improvement (Psoinos and Smithson, 2002). It has been argued that empowered organisations have demonstrated improvements in various economic performance areas (Applebaum et al., 1999). However, measurement of the economic benefits of empowerment specifically may be difficult as often it is introduced as part of a broader initiative such as BPR and TQM (Psoinos and Smithson, 2002).
While the primary motive of empowerment is usually to improve the economic performance of the organisation, benefits to the individual employee have also been identified. Nykodym et al. (1994) found that employees who consider themselves empowered have reduced conflict and ambiguity in their role, as they are able to control (to a certain extent) their own environment. They suggested that this reduces emotional strain on the employee. On a similar theme, it was reported that empowered employees have a greater sense of job satisfaction, motivation and organisational loyalty (Mullins and Peacock, 1991), as they feel more involved in the achievement of the organisational goals. Despite these benefits being frequently cited, the nature and meaning of this job satisfaction and motivation have not been fully explored within the academic field.

Measurement of the employee benefits is very difficult to achieve. Unlike organisational benefits which can be measured using objective "facts", individual benefits are much more subjective and complex. Certain factual measures, such as absence and turnover rates have been applied in this aim, as too have the Investors in People awards which can be used as an indirect indicator of the company’s commitment to the development skills (Psinos and Smithson, 2002). However, it is often considered that softer measures of employees' attitudes may be more appropriate than these "objective" measures (Psinos and Smithson, 2002).

Managers are faced with many difficulties when attempting to empower employees and these may prevent a business from becoming an empowering organisation. First, there is often resistance to the change both from managers/leaders and from employees themselves. It is often assumed that
employees will buy into empowerment, as the benefits are "obvious". However, this has been disputed by Johnson (1994) who claims that previously disempowered employees may resist empowerment, as they fear the increased levels of responsibility and accountability. Further, employees may consider empowerment to be just empty rhetoric and yet another management attempt to exploit them. Adler (1993) demonstrated that empowerment is linked to downsizing as frequently these two activities occurred simultaneously. Therefore, it is hardly surprising that employees may be reluctant and suspicious of management schemes.

Managers/leaders may also be resistant to empowerment for this may be perceived as relinquishing power. They may view the reduction of their power as a threat (Denham et al., 1997), particularly as they too fear job loss or loss of status as the organisational structures become flatter during the downsizing process. They may also vary in their inclination to introduce empowerment in spite of its being a component of organisational policy.

The gap between rhetoric and practice is a further area that is open to criticism. A number of studies have identified that, in some instances, the problems encountered are present in name only (Honold, 1997). While this is not a barrier to empowerment per se, it can lead to inaccurate criticisms of the empowerment concept and more importantly, those who supposedly empower and those who are empowered may be disillusioned and reject empowerment as ineffective. Furthermore, it is important that those who incorporate an empowerment strategy do not believe that it will solve all organisational problems, if they do they will ultimately be disappointed.
There are different views on what performance is. Performance can be regarded simply as the record of outcomes achieved on an individual basis; it is a record of a person’s accomplishments. The Oxford English Dictionary defined performance as 'the accomplishment, execution, carrying out and working out of anything ordered or undertaken' (Armstrong 2006:498). This refers to outcomes as well as results being achieved. Aldag (1987) defines performance as the accomplishment of some organisational goal. Accomplishment where creativity and flexibility is encouraged. Goal is in terms of quantity and quality.

A more comprehensive view of performance is thus achieved if it is defined as embracing both behaviour and outcomes. This is well put by Snell (2006) "Performance means both behaviour and results". Behaviours emanate from the performance and transform performance from abstraction to action. Not just the instruments for results, behaviours are also outcomes in their own right- the product of mental and physical effort applied to tasks and can be judged apart from results."

The fundamental goal of performance management is to establish a culture in which individuals and groups take responsibility for continuous improvement of business processes and for their own skills and contribution. Previously, PM has been criticised as not improving performance, this argument holds that performance appraisal which is mostly the formal way of determining performance results neither motivates employees nor guide their development, if anything it cause conflict between appraisers and appraisees and lead to dysfunctional behaviours (Snell, 2006).
Probably the main criticism that has rightly been made about the application of Performance management is that it has been introduced as a top-down and rigid system that seeks easy solutions to complex problems, which it will inevitably fail to deliver. It is much better to regard PM as a flexible 'process' not as a system. The use of the term 'system' may imply interconnected parts for common purpose or a rigid standardised and possibly bureaucratic approach that is inconsistent with the concept of mutual understanding in PM which is an evolutionary process applied by managers working with their staff in accordance with the circumstances in which they are working (Armstrong, 2001).

2.7 Relationship between employee empowerment and Performance

Performance management is linked to employee empowerment in two ways; first, through goal setting. The more an employee understands his or her job, and how the job contributes to the overall organization, the better they will be able to make decisions on their own, informed and expert decisions. Employee empowerment requires this clarity, or the decisions that get made will often be the wrong ones. Second, empowerment implies accountability, along with the freedom to make decisions. The performance management process helps to create that accountability for results and the outcomes of decisions the employee makes through ongoing communication, and of course, the performance review process.

There is limited research on the relationship between employee empowerment and performance. Most of the available literature on employee empowerment has linked it to job satisfaction. There are vast studies done on the relationship between job satisfaction and employee empowerment.
Thus, job satisfaction often has an intervening effect between employee empowerment and performance.

One of the studies that provide a direct support for the relationship between empowerment and firm performance is provided by Hitt, Bierman, Shimizu, and Kochhar's (2001). This study found a positive relationship between human capital (based on intellectual capabilities, knowledge, and social capital) and firm performance in a sample of professional organizations.

Another study that makes a possible link between empowerment and performance was done by Hechanova et al. (2006) on the relationship between psychological empowerment, job satisfaction and performance among Filipino service workers. The study found that psychological empowerment had a positive correlation with performance.

Wood (2007) also did a study which found that employee empowerment was the key to improving performance and promoting innovation among manufacturing firms in Ireland. The study found that empowerment is the only practice that has significant effects on performance in all companies surveyed. The study found that performance in companies that empowered their employees was 7% higher than that of companies that did not empower their employees.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research design of the study, data collection and data analysis technique.

3.2 Research design

This was a case study design. A case study is an in-depth investigation of an individual, institution or phenomenon (Mugenda and Mugenda, 2003). The primary purpose of a case study was to determine factors and relationships among the factors that have resulted in the behaviour under study. Since this study sought to establish the relationship between employee empowerment and performance of the City Council of Nairobi, a case study design was deemed the best design to fulfil the objectives of the study.

3.3 Data Collection

The study used both primary and secondary data. The primary data was collected through a structured questionnaire administered on a drop and pick basis. The questionnaire had both open-ended questions and closed ended questions. The questionnaire was divided in two parts; part one focused on biographical data while part two addressed employee empowerment. Data on performance as measured by return on assets (ROA) was collected from secondary sources.
The population of interest comprised all the employees of the City Council of Nairobi. The City Council of Nairobi was picked since it is of the largest local authority in Kenya and is, therefore, more likely to engage in the best human resource practices. This was reinforced by the fact that the council was top performer in performance contract for 2006/2007 financial year. A sample of 60 employees, 4 from each of the 15 departments were the respondents for the questionnaire. The respondents were selected randomly.

3.4 Data Analysis

The data was checked for accuracy and completeness. The analysis was done mainly using descriptive statistics such as mean scores, frequencies and percentages. Pearson product moment correlation technique was used to establish the strength and significance of the relationship between empowerment and performance.
CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter presents the data analysis, findings and discussion in line with the research objectives. The objectives of the study were; to establish the extent to which CCN had put in place employee empowerment programs and to determine the relationship between employee empowerment practice and performance of CCN.

The data has been presented using tables and graph. In addition, the researcher has also employed means to present rankings of responses.

4.2 Characteristics of the respondent

A total of 60 questionnaires were issued out. The completed questionnaires were edited for completeness and consistency. Of the 60 questionnaires issued 56 were filled and returned. As shown in fig 4.1, the study achieved a response rate of 93%. The 7% non response rate was as a result of delay by the respondent in filling the questionnaire.

Fig 4.2: Respondents’ rate

Source: Researcher 2008
4.3 Demographic Characteristics and workers profile

The demographic information considered in this study for the staff of CCN included gender of the respondents, duration at the position currently held, level of education, age and marital status, departments worked, designation. These have bee analyzed as follows.

4.3.1 Gender

The respondents were asked to indicate their gender, this was expected to guide the researcher on the conclusions regarding the congruence of responses to the gender characteristics. The results as in the table 4.3.1 below show that a majority of the respondent were male at 55%. To this extent, the findings can be generalized on the male respondents.

Table 4.3.1: Distribution of respondents on gender

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>31</td>
<td>55.4</td>
<td>55.4</td>
</tr>
<tr>
<td>Female</td>
<td>25</td>
<td>44.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>56</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher 2008
As shown in Figure 4.3, the respondents were made up of 55.4% male and 44.6% female.

4.3.2 Department worked

The respondents were asked to indicate the department they worked. This was also expected to guide the researcher in setting classifying the responses from each department. The results of the study show that a majority of the departments had same number of respondents: particularly, administration, audit, city inspectorate, city treasurer, human resource and investigations and information analysis had four respondents each. City planning and city engineering department had 3 respondents each. The other respondents were from education, health, legal affairs and public health department. The implication on the study is that varied responses from the different departments can adequately explore all the expected responses from the entire council.
4.3.3 Designation
The respondents were asked to indicate their designations in the departments they worked. The respondents had different designations such as administrative officers, city askaris, clerical officers, copy typists, secretaries, clerks, cleaners, directors and messengers. The implication on the research is that the respondents were evenly distributed and therefore a variety of the responses were obtained.

4.3.4: Length of Service in the current position
The researcher sought to establish the years that the respondents had been in the positions stated. The findings in table 4.3.4 show, that the number of years of service in the current position varies from a period of 1 year to over 10 years. 17.9% of the respondents had worked in their present position for a period of 1 to 3 years, 16.1% had worked for a period of 4 to 6 years, 19.6% had worked for a period of 7 to 9 years and 46.4% had worked for over 10 years. Majority of the respondents (82.1%) have worked in their current positions for over 4 years.

Table 4.3.4: Length of service in the current position

<table>
<thead>
<tr>
<th>Length of service (years)</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3</td>
<td>10</td>
<td>17.9</td>
<td>17.9</td>
</tr>
<tr>
<td>4-6</td>
<td>9</td>
<td>16.1</td>
<td>33.9</td>
</tr>
<tr>
<td>7-9</td>
<td>11</td>
<td>19.6</td>
<td>53.6</td>
</tr>
<tr>
<td>10 and above</td>
<td>26</td>
<td>46.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>56</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher 2008

The results show that a majority had been in the organisation for 10 years and
above, others had also been in the council for 7 to 9 years, this implies that the majority of the respondent had enough experience to give acceptable responses to the study questions.

4.3.5: **Education level of respondents**

The respondents were asked to indicate their level of education. This was in order to help the researcher judge the ability of the respondent to answer the questions as was set in the study. The results show that a majority of the respondents had attained the college level of education. A significant number had also attained university level of education. This implies that majority of the respondents had adequate knowledge to enable them respond to the questions asked in the study.

The findings presented in table 4.3.5 show that, 1.8% of the respondents had gone up to primary school, 12.5% had secondary certificate, 46.4% had college certificates, 35.7% had university degree (first degree) while 3.6% had other certificates which includes masters of business administrations, higher diplomas, CPA(K) and CPS(K)

<table>
<thead>
<tr>
<th>Education level</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary level</td>
<td>1</td>
<td>1.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Secondary level</td>
<td>7</td>
<td>12.5</td>
<td>14.3</td>
</tr>
<tr>
<td>College level</td>
<td>26</td>
<td>46.4</td>
<td>60.7</td>
</tr>
<tr>
<td>University level</td>
<td>20</td>
<td>35.7</td>
<td>96.4</td>
</tr>
<tr>
<td>Others</td>
<td>2</td>
<td>3.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>56</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher 2008
4.3.6 Age Bracket of Respondents

The respondents’ age, this was also to assist the researcher in judging the seniority of the respondent and to hint on the general experiences of the respondents with regard to social aspects. The results show that a majority of the respondents were aged between the ages of 34 to 41 years; this was followed by a significant percentage that had also attained ages between 42 to 49 years. The age composition shows that most of the respondents were of the senior age levels and therefore apart from their rich experiences, they could also appreciate the importance of the study.

The findings presented in table 4.3.6 show that, 16.1% of the respondents were of age 26-33 years, 44.6% were between 34-41 years of age, 26.8% were between 42-49 years old and a few (12.5%) were 50 years and above. On average the majority of the employees are between the age brackets of 34-49 years.

Table 4.3.6: Age bracket

<table>
<thead>
<tr>
<th>Age bracket (Years)</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>26-33</td>
<td>9</td>
<td>16.1</td>
<td>16.1</td>
</tr>
<tr>
<td>34-41</td>
<td>25</td>
<td>44.6</td>
<td>60.7</td>
</tr>
<tr>
<td>42-49</td>
<td>15</td>
<td>26.8</td>
<td>87.5</td>
</tr>
<tr>
<td>50 and above</td>
<td>7</td>
<td>12.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>56</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher 2008

4.3.7 Marital Status

The respondents were asked to indicate their marital status. The results show that a majority of the respondents were married, this was represented by 87% percent, and the rest were single. The implication is that for some interpersonal reasons, the conclusions may be drawn on the marital status.
As indicated in fig 4.3.7, the respondents marital status were categorized in to two groups, that is, 12.5% were single while 87.5% were married. This is in line with the age brackets of the respondents as shown in table 4.3.7.

Fig 4.3.7: Marital Status

Source: Researcher 2008

Table 4.3.7: Analysis of marital status

<table>
<thead>
<tr>
<th>Marital status</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married</td>
<td>49</td>
<td>87.5</td>
</tr>
<tr>
<td>Single</td>
<td>7</td>
<td>12.5</td>
</tr>
<tr>
<td>Total</td>
<td>56</td>
<td>100</td>
</tr>
</tbody>
</table>
4.4 Employee Empowerment Practices

The respondents were asked to indicate the extent to which they agreed with the statements, as were listed in the questionnaire. The statements represented the characteristic practices of successful empowerment. The likert scale of 1 to 5 was used, 1 represented strongly disagree while 5 represented strongly agree.

The results as presented below shows that the respondents agree that they have mastered skills necessary for their jobs and that their work is meaningful to them. The respondent neither agreed nor disagreed with the statements that they had control over the aspects of the job that they are accountable, that their work gives them ability to contribute to the success of the organisation, that their impact on what happened in their department was large.

The respondents also neither agreed nor disagreed with the statements that their supervisors encouraged team work and delegated authority, that they had significant autonomy in determining how they did their job, that their position allowed career growth and development.

In addition, the respondent also neither agreed nor disagreed that they had significant opportunity for freedom and independence in doing their jobs. These were represented by mean scores of three. The respondents stated that they disagree to some extent with the statement that there is a clear system of handling employee discontent and that they normally get sufficient resource to do their jobs.
Generally, the employee empowerment score in the City Council of Nairobi shows that the employees are empowered to a large extent. This is given by an average score of 3.546. These results are summarised in Table 4.4.

Table 4.4: Employee Empowerment Practices

<table>
<thead>
<tr>
<th>Practices</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have mastered skills necessary for my job</td>
<td>4.3214</td>
</tr>
<tr>
<td>the work I do is meaningful to me</td>
<td>4.1250</td>
</tr>
<tr>
<td>I have control over those aspects of my job for which I am accountable</td>
<td>3.8750</td>
</tr>
<tr>
<td>my work gives one ability to contribute to the success of my organisation</td>
<td>3.8214</td>
</tr>
<tr>
<td>my impact in what happens in my department is large</td>
<td>3.8214</td>
</tr>
<tr>
<td>my supervisor encourages team work</td>
<td>3.8036</td>
</tr>
<tr>
<td>My supervisor delegates authority to me</td>
<td>3.6964</td>
</tr>
<tr>
<td>I have significant autonomy in determining how I do my job</td>
<td>3.6964</td>
</tr>
<tr>
<td>my position allows for career growth and development</td>
<td>3.6071</td>
</tr>
<tr>
<td>I have significant opportunity for independence and freedom in how i do my job</td>
<td>3.5357</td>
</tr>
<tr>
<td>In my organisation, employees are encouraged to take quick action to improve service quality</td>
<td>3.5357</td>
</tr>
<tr>
<td>I always get support and feedback from my superiors</td>
<td>3.4821</td>
</tr>
<tr>
<td>Items</td>
<td>Scores</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>I am always informed of what is going on in the organisation</td>
<td>3.1964</td>
</tr>
<tr>
<td>there is enough flexibility and independence allowed in the organisation</td>
<td>3.1429</td>
</tr>
<tr>
<td>I am encouraged to develop creative and innovative ideas</td>
<td>3.1250</td>
</tr>
<tr>
<td>there is a clear system of handling employee discontent</td>
<td>2.8750</td>
</tr>
<tr>
<td>I normally get sufficient resource to do my job</td>
<td>2.6250</td>
</tr>
</tbody>
</table>

### 4.5 Relationship between empowerment and performance

A regression analysis was carried out to establish the effect of employee empowerment on the financial performance of the City Council of Nairobi. The financial periods covered in the study were 2005, 2006 and 2007. The financial data for these periods were found from the statements of accounts of the council for the period. Employee empowerment was the independent variable while performance, measured by return on assets, was the dependent variable. Given the nature of financial reporting of councils, the ratio for return on assets was determined by the ratio of income to the assets of the organisation.

\[
\text{Return on Assets} = \frac{\text{Income}}{\text{Assets}}
\]
The table below shows the calculation of ROA for the years 2005, 2006, and 2007.

**Table 4.5.1: Return on Assets**

<table>
<thead>
<tr>
<th>Mean</th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
<th>average</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.3214</td>
<td>2601200</td>
<td>886331</td>
<td>964969</td>
<td>1484167</td>
</tr>
<tr>
<td>4.125</td>
<td>10559275</td>
<td>10907553</td>
<td>7499336</td>
<td>9655388</td>
</tr>
<tr>
<td>3.875</td>
<td>24.63427</td>
<td>8.125846</td>
<td>12.86739</td>
<td>15.20917</td>
</tr>
<tr>
<td>3.8214</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.8214</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.8036</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.6964</td>
<td></td>
<td></td>
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<tr>
<td>3.6964</td>
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<td></td>
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<td></td>
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<tr>
<td>3.6071</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>3.5357</td>
<td></td>
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<tr>
<td>3.5357</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.4821</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1964</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1429</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.125</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.875</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.625</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.546206</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EMP</td>
<td>24</td>
<td>3.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----</td>
<td>----</td>
<td>-----</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>1.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>13</td>
<td>1.8</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Regression analysis on the performance of City Council of Nairobi (Dependent variable) versus employee empowerment (independent variable) was performed.**

The analysis indicated that 99.7% of the changes in performance of CCN were explained by the employee empowerment (R square).

Using hypothesis testing on the established model of:

\[ Y = 0.158 + 6.85 \text{ employee empowerment} \]
At 5% significance level, the results show that the p-value of 0.04 > 0.05 hence there exist a linear regression relationship.

The predictor p-value of 0.036 is also less than 0.05 hence employee empowerment is positively linearly related with the performance of NCC.

The established model can therefore be recommended for forecasting, that is employee empowerment has a significant role to play in the performance of CCN.

Thus the study found that there is a very strong positive correlation between employee empowerment and performance. As shown, the correlation coefficient, $R$, was found to be 0.997 indicating that employee empowerment accounted for 99.7% of the variance in performance as measured by ROA.
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of findings, conclusions and recommendations. The conclusions and recommendations are guided by the objectives of the study.

5.2 Summary of findings

The objective of the study was to determine the employee empowerment practices that exist at the City council of Nairobi. Specifically, the study sought to establish the extent to which CCN had put in place employee empowerment programs and to determine the relationship between employee empowerment practice and the performance of the City Council of Nairobi.

Considering the demographic characteristics of the respondents, the study established that a majority of the employees were male. The findings can be generalized on the male respondents. A majority of the departments had same number of respondents: particularly, administration, audit, city inspectorate, city treasurer, human resource and investigations and information analysis had four respondents each. City planning and city engineering department had 3 respondents each. The other respondents were from education, procurement, environment, social services and housing, housing development, legal affairs and public health department. The implication on the study is that varied responses from the different departments can adequately explore all the expected responses from the entire council.
Regarding the designations of the respondents, the results show that the respondents had different designations such as administrative officers, city *askaris*, clerical officers, copy typists, secretaries, clerks, cleaners, directors and messengers. The implication on the research is that the respondents were evenly distributed and therefore a variety of the responses were obtained. Regarding the number of years in position, results show that a majority had been in the organisation for 10 years and above, others had also been in the council for 7 to 9 years, this implies that the majority of the respondent had enough experience to give acceptable responses to the study questions.

In relation to the education level, the results show that a majority of the respondents had attained the college level of education. A significant number had also attained university level of education. This implies that majority of the respondents had adequate skills to respond to the questions asked in the study. The results show that a majority of the respondents were aged between the ages of 34 to 41 years; this was followed by a significant percentage that had also attained ages between 42 to 49 years. The age composition shows that most of the respondents were of the senior age levels and therefore apart from their rich experiences, they could also appreciate the importance of the study. Most of the respondents were married. The implication is that for some interpersonal reasons, the conclusions may be drawn on the marital status.

Regarding the empowerment practices in CCN, the results show that the respondents agree that they have mastered skills necessary for their jobs and that their work is meaningful to them. The respondent neither agreed nor disagreed with the statements that they had control over the aspects of the job that they are
accountable, their work gives them ability to contribute to the success of the organisation and their impact on what happened in their department was large.

The respondents also neither agreed nor disagreed with the statements that their supervisors encouraged team work and delegated authority, they had significant autonomy in determining how they did their job, their position allowed career growth and development. In addition, the respondent also neither agreed nor disagreed that they had significant opportunity for freedom and independence in doing their jobs. These were represented by mean scores of three. The respondents stated that they disagree to some extent with the statement that there is a clear system of handling employee discontent and that they normally get sufficient resource to do their jobs.

The study found that there is a very strong positive correlation between employee empowerment and performance. The Pearson product moment of correlation, R, was found to be 0.997 indicating that employee empowerment accounted for 99.7% of the variance in performance as measured by ROA.

5.3 Conclusions

The study sought to establish the extent to which CCN had put in place employee empowerment programs and to determine the relationship between employee empowerment practice and the performance of the City Council of Nairobi. In relation to the empowerment practices, it can be concluded that the employees of CCN have been able to master the skills necessary for their job and that their work is meaningful to them. These are the most important aspects of a job description, an employee must have the requisite skills, knowledge and understanding of the job roles and expectations to be able to be given authority
with minimum supervision.

The study also concludes that employee empowerment has a large positive influence on the performance of the City Council of Nairobi. This is because the regression analysis indicated that 99.7% of the variance in performance as measured by ROA is as a result of employee empowerment.

5.4 Recommendations

The following recommendations are given to both the policy makers and researchers for further study in the future:

5.4.1. Recommendations on system for handling employee discontent

The study recommends that to improve empowerment, the CCN needs to undertake various steps and improve on certain aspects of work environment. In particular a serious consideration needs to be given to the establishment of systems for handling employee discontent and provision of adequate resources for each job position.

Employees' discontent directly impact on their output. The analysis shows that employees are not satisfied with the current system of handling discontent. It is therefore recommended that a new system be put in place to address the issues which are not being fully addressed by the current system. This will require the development of policy on handling employees' discontents if there is none in place and if there is, then a thorough review of the same needs to be done.
5.4.2. Recommendations on a program on delegation and team work.

The CCN needs to address job autonomy and opportunity for growth and development for the well performed job roles. Team work and delegation of authority allows employees to be prepared for bigger roles, it implies therefore that CCN to be able to achieve it roles of empowering employees, there needs to be a program to address delegation and team work.

5.2.1. Recommendations on support for the implementation of the process

Employee empowerment process should be full supported by top management. As witnesed in the analysis, top management support was lacking. There is an urgent need for top management to fully support the process. The study also recommends that for the City Council of Nairobi to have better results in terms of revenue collection, employee empowerment needs to be considered as a priority because it has a large influence on its performance. Failure to look into the issues of employee empowerment may result to adverse effects on its performance.

5.2.2. Recommendations on communication channels

In view of the results findings, it is recommended that all supervisors should improve on their communication speed and mode. This can be done by organizing a training course on the effectiveness of prompt feedback to the overall performance of the organization as well as the dos and don'ts of communication.
5.2.4. Recommendations for Further Research

The study confined itself to City Council of Nairobi. This research therefore should be replicated in other city councils, municipal councils and county councils which have also implemented the employee empowerment process and the results be compared so as to establish whether there is consistency among the councils.

5.3 LIMITATIONS OF THE STUDY

The scope and depth of study was limited by the time factor and financial resource constraints. This put the researcher under immense time pressure.

The researcher also encountered problems with the respondents' unwillingness to complete the questionnaires promptly. Some of them kept the questionnaires for too long and others failed to return at all, thus delaying data analysis.
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Appendix 1: Research Questionnaire

SECTION A: GENERAL INFORMATION

1. What is your gender?
   - Male (  )
   - Female (  )

2. Which department do you work under?

3. What is your designation/position in the department?

4. How many years have you been working in your current position?
   - 1-3 years (  )
   - 4-6 years (  )
   - 7-9 years (  )
   - 10 years and above (  )

5. What is your education background?
   - Primary level (  )
   - Secondary level (  )
   - College level (  )
   - University level (  )
   - Others, specify (  )
6. What is your age bracket?
   18 - 25 years ( )
   26 - 33 years ( )
   34 - 41 years ( )
   42 - 49 years ( )
   50 years or above ( )

7. What is your marital status?
   Single ( )
   Divorced ( )
   Widowed ( )
   Married ( )
   Separated ( )
SECTION B: EMPLOYEE EMPOWERMENT PRACTICES

State the extent to which you agree or disagree with the statements in the table.

Use the key provided below.

5. Strongly agree
4. Agree to some extent
3. Neither agree nor disagree
2. Disagree to some extent
1. Strongly disagree

<table>
<thead>
<tr>
<th>#</th>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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<tbody>
<tr>
<td>1</td>
<td>In my organization there is a clear system for handling employee discontent</td>
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<td>2</td>
<td>My supervisor encourages team work.</td>
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<td>3</td>
<td>I am always informed of what is going on in the organization</td>
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<td>4</td>
<td>My supervisor delegates authority to me</td>
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<td>5</td>
<td>There is enough flexibility and independence allowed in the organization</td>
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<td>6</td>
<td>My work gives one the ability to contribute to the success of my organization</td>
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<td>7</td>
<td>I have mastered the skills necessary for my job</td>
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<td>8</td>
<td>I have significant autonomy in determining how I do my job</td>
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<td>9</td>
<td>I have considerable opportunity for independence and freedom in how I do my job</td>
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<td>10</td>
<td>My impact in what happens in my dept is large</td>
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<td></td>
<td>The work I do is meaningful to me</td>
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<td>12</td>
<td>In my organization employees are encouraged to take quick action to improve service quality or to correct quality problems in their jobs.</td>
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<td>bl3</td>
<td>I normally get sufficient resource to do my job</td>
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<td>14</td>
<td>I am encouraged to develop creative and innovative ideas</td>
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<td>15</td>
<td>I have control over those aspects of my job for which I am accountable</td>
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<td>16</td>
<td>My position allows for career growth and development</td>
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<td>17</td>
<td>I always get support and feedback from my superiors and co-workers</td>
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