RELATIONSHIP BETWEEN DIRECT PARTICIPATION SCHEMES AND ORGANIZATIONAL PERFORMANCE IN GOVERNMENT OWNED AGENCIES IN KENYA

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ABSTRACT

The purpose of the study was to explore the degree to which direct employee participation practices in the organization contribute to organizational performance. Direct participation schemes in the organization include empowerment of individuals through attitude surveys, suggestion schemes and use of various work teams. In the study, these components formed the independent variables, while organizational performance was the dependent variable. The study was a descriptive survey design and utilized a correlation studies strategy to establish the relationship between independent and dependent variables. Multi stage sampling procedure was used for this selection, which identified a sample of 378 respondents who were expected to participate. The sampling frame was from a list of 178 state corporations that participated in performance contract in 2010/2011, with a population of 86,878 workers. Questionnaire was the main data collection instrument. A pilot study was carried out in two organizations. In the main study data was collected from a sample of 400 respondents categorized as managerial, supervisory and ordinary workers in state corporations. Usable and valid questionnaires from 348 respondents in 20 select state corporations in Kenya were returned and used for the study. Descriptive and inferential statistics were utilized. Correlation was analyzed using Pearson’s correlation method and with the help of SPSS tool to determine relationships between variables. Hypotheses were tested to establish whether various participation schemes had significant influence on the performance of state corporations in Kenya. Findings indicated a strong relationship between direct participation and performance of state corporations in Kenya. Direct team based participation was the more preferred mode of participation, compared with direct individual-based participation. One limitation of the findings is the use of self-report questionnaires to collect data on all measures. The study recommends enhancement of empowerment programmes as a business strategy aimed at improving performance, and stakeholder attitude; especially management and labor work attitudes. Future studies could investigate the level of planned performance management systems as a business and competitive strategy in the public sector.

Key words: individualized-participation, team-based participation, state corporation.

Introduction

Employee participation allows workers to exert some influence over their work and the conditions under which they work (Markey, Hodgkinson & Kowalczyk, 2002). Direct participation may take place in self-determination, and goal-setting plans by individuals, while at departmental level employees are formed into quality circles, and work groups. At the organizational level, use of dialogue conference where all employees are invited to offer their input to the planning and realization of the company’s strategy is widely used. Indirect participation involves use of employee’s chosen representatives or shop stewards (Juan et al., 2007). Employee empowerment provides an extension to authority by allowing workers to take decisions that were previously the preserve of their line managers and to assume responsibility for their consequences (Hyman & Cunningham, 1998). The seventeenth report of the public accounts committee on the accounts of state corporations (Republic of Kenya, 2010) noted that several state corporations continued to operate under financial constraints and mismanagement. Public institutions in Kenya are required to develop strategic plans anchored on national planning instruments such as national development plans, Medium term plans and vision 2030 (ROK, 2004). Employee participation has been identified as a strong pillar for
strengthening the reform based management in the public sector (ROK 2010: Performance contract Evaluation Report, Kenya, for 2008/2009). It was believed that more enhanced employee participation would ultimately lead to high levels of performance to both the employee and the organization (Private Sector Corporate Governance Trust, 2002).

The purpose of this study was to ascertain whether use of direct employee participation schemes play any significant role in the performance of an organization. The study intended to test whether engaging employees through various empowerment schemes improved the performance of state corporations in Kenya.

Performance in the state corporations

Performance is defined as a combination of outcomes and outputs. It emphasizes on efficiency and effectiveness (Armstrong, 2009). Efficiency is the ability to accomplish a task within a minimum expenditure of time, effort and other resources. Effectiveness involves producing the intended or expected results. Output is the quantity of units produced (Hair et al, 2010).

The parameters of measuring corporate performance in state corporations can be borrowed from various past researchers. Kagaari et al. (2010) indicated service delivery, service quality and cost reduction as important parameters of measuring organizational performance. Martins (2000) identified several performance characteristics. Managements should ensure that members of their organizations are congruent with competitive strategy; both financial and non financial strategies, and provide direction and support for continuous improvement (Ben Ner & Jones, 1995).

Organizations should also provide support in order to identify tendencies and progress in performance; be intelligible to majority of employees; communicate level of performance real time and regularly; be dynamic; induce employee performance; induce attitude and evaluate group performance instead of individual performance (Ichniowski et al, 1997). Managers should allow performance to be compared against competitive benchmarks and performance should contain effectiveness and efficiency measures. Employees should have linkage with processes, and also be part of individual and organizational learning. Allen et al. (2008) considered firm performance in relation to the competition from multiple organizational perspectives including quality, productivity, market share, profitability, return on equity, and overall firm performance.

Combs et al (2006) divided organizational performance measures into five dimensions: productivity, retention, accounting returns, growth, and market returns. Levesque (1993) identified results, quantity, diversity and proficiency as the major performance measurement dimensions and explained that these dimensions are measured through efficiency and economy; timeliness, accuracy and amount; quality; and work habits consecutively.

The performance contracting secretariat in Kenya has developed standard performance outcomes including resource utilization, cost cutting measures, financial performance, customer satisfaction, employee satisfaction, adherence to set budgets, and continuous improvement among others. Summers and Hyman (2005) used levels of productivity, reduction in company costs, customer satisfaction and equality in decision making as performance variables or parameters. Beitelspacher, Richey and Reynolds (2011) describe quality performance in threefold: quality service to customer, product quality to customer and image or reputation of the company.

The performance contracting secretariat in Kenya has categorized the overall performance of each participating public agency as follows: Excellent, Very good, Good, Fair and Poor.

Scope

The study focused on state corporations in Kenya. These are national institutions (organizations) which are established and supported through public financing and given guidance by the responsible parent government ministries. There were 192 state corporations in Kenya affiliated to various parent ministries during the start of the study (List provided by State Corporations Advisory Committee in 2012). The state corporations are governed under the State Corporations Act (Cap 446). 178 of these corporations participated in the performance contract in financial year 2010/2011 and they formed the scope of this study.
2. Theoretical Background and Hypotheses

The participatory approach to management is replacing the old command-and-control method. This method of management involves everyone in defining objectives, decision making and accountability (Kagaari et al., 2010).

Goal Setting

Goal setting theory was proposed by Edwin Locke in the 1960s. This theory proposes that goals tell an employee what is to be done and how much effort is required to be expended. Specific goals increase performance. Locke and Latham (2002) argue that setting a goal is a great way to encourage achievement and motivation. A specific goal has higher level of output than generalized goals. The more difficult the goal is, the higher the level of performance. People think more when tackling difficult tasks. People even do better when they get feedback on how well they are progressing towards their goals. Feedback guides behavior. Medlin and Green (2009) found that goal setting positively impacts on employee engagement, employee engagement positively impacts optimism and optimism impacts individual performance. There is therefore need for managers to enhance levels of employee optimism about their work and organization (Kagaari et al., 2010). When people participate in setting their own goals, they seem to perform better (Summers & Hyman, 2005). Participation, alongside task characteristic and national culture are said to influence goal-performance relationship. A major advantage of participation in goal setting is the acceptance of the goal as a desirable one towards work. Goal commitment is most likely to occur when goals are made public, when individuals have an internal locus of control and when goals are self-set, rather than assigned (Robbins & Judge, 2009).

According to Kagaari et al. (2010), goal clarity and participation have been shown to contribute to higher levels of motivation to achieve managed performance provided managers accept those targets. Management by objectives (MBO) is a method that managers utilize as a product of goal setting, and where employees are allowed to participate in setting their goals. Goals specificity, participation in decision-making, and explicit time period and performance feedback are common ingredients of MBO programs. MBO therefore strongly advocates employee participation in setting goals of organizational activities and programs. Kagaari et al. (2010) citing Latham (2001) indicate that recent empirical studies have established that participative setting of goals leads to better accomplishment of complex tasks and development of effective task strategies.

Self – Efficacy Theory

The concept of self-determination may well be explained through self-efficacy theory. The theory was developed by Albert Bandura. It refers to a person’s belief that he can perform a certain task. The more a person’s self-efficacy, the more confidence one has in their ability to succeed in a task. Individuals who believe strongly in their own talents frequently desire to create something of their own. They want more individual expression, responsibility and freedom in their work environment. When this freedom is not availed, they get frustrated and sometimes quit (Hisrich et al., 2009). When a manager sets a challenging goal for employees, the employee develops higher level of self-efficacy in order to achieve this goal. The employee feels that he is valued and the management has confidence that he can manage it. He therefore puts more effort to meet the challenge. This obviously leads to better performance (Robbins & Judge, 2009). In this study, this theory is used to support the direct participation schemes of employee feedback survey and suggestion schemes.

The Collegial Model

The term ‘collegial’ relates to a body of people working together cooperatively (Newsrom, 2011). This model embodies a team concept. It seems to be more useful or successful in an intellectual environment, creative work, and considerable job freedom. It requires the management to build a feeling of partnership with employees (Summers & Hyman, 2005). In such a situation, employees feel needed and useful. Managers are seen as joint contributors rather than as bosses (Juan et al., 2007). Management develops a sense of teamwork, while employees respond by showing a heightened sense of responsibility. Employees strive to produce quality work not because they fear authority, but because they believe it is their obligation to give customers quality products or service. In this environment, employees normally feel some degree of fulfillment, worthwhile contribution, and self-actualization (Betts, 2000). This self actualization leads to moderate enthusiasm in performance. Employees develop self discipline which in turn improves team
performance. The model supports this study in participation, behavioral outcomes of job satisfaction and commitment, and performance relationships.

### 2.1Direct Individual-based Employee Participation

Direct participation involves employees in jobs or task-oriented decision making in the production process at the shop or office floor level (Markey et al., 2002). Summers and Hyman (2005) referred to this type of participation as direct individual-based employee participation. Gonzalez (2009) identifies three forms of direct participation: informative, consultative and delegative participation. Informative participation is mainly downward communication of instructions and other forms of communication by superiors, consultative participation includes employee attitude survey and suggestion systems, while delegative participation include semi-autonomous or problem-solving groups. Tonnessen (2005) recommended that employees may participate in innovation at different company levels both directly and indirectly. Direct participation may therefore take place at the three levels. At the individual level, self – determination (individuals making improvement without asking or involving others) is popular with employees. It could also be done through proposing change in improvement through management or staff – line of command, and people getting involved in specific task or job, and focuses on planning of specific jobs. O’Brien (1995) argued that all cadre of employees in an organization are enthusiastic and willing to participate in the process improvement. The management needs to provide them with the opportunity to participate in this, but more important is involving employees in activities which they understand best.

The most common forms of direct participation include employee attitude surveys, problem solving groups, quality circles, and decision making work teams, or semi-autonomous workgroups. Semi-autonomous work teams make recommendations to management. The study tested individual-based direct participation separate from team based direct participation as a way of checking possible effects of social loafing. Social loafing is a practice where an individual may expend less effort in performance due to working in a group. According to Summers and Hyman (2005), there are the ‘new’ forms of participation, which are predominantly direct, such as briefings groups, and individual in nature, such as attitude surveys or suggestion schemes. Most of these forms are conflated into the term employee involvement, or employee empowerment, and most of them can be included under HRM strategies or approaches. These forms of direct participation have become more important to managers seeking to gain voluntary commitment from employees to organizational goals.

### Survey Feedback

The most common individual empowerment schemes in Kenya’s public sector include training and development programs and employee feedback survey. According to Summers and Hyman (2005), survey involves the collection of information, mostly by interviews or questionnaires, from a sample of the target population. Attitude surveys examine a variety of attitudes and behaviours, such as beliefs, opinions, values, expectations and satisfaction (Bartlet, 1994).

Survey feedback is a system of reporting employee attitude or opinion survey results to employees. Workers may receive these results through bulletins or meetings. In a workgroup, the supervisor and subordinate may also discuss the survey feedback outcomes with intentions of working out improvements in work methods and procedures, attraction, and retention of employees, higher quantity and quality of output, enhanced decision making and smoother group processes and problem solving (Adsit, et al., 1996).

The effects of the survey feedback process depend on the principles of participative management. Employees may feel more involved in the organization when their input is requested. A study by Juan et al. (2007) concluded that survey feedback is the most widely used method of direct participation scheme in US organizations.

Employee participation throughout the survey feedback process is important for acceptance of the results. Adsit, et al. (1996) suggested that the upward survey feedback results may be used to evaluate managers' performances and make pay or placement decisions about the managers. Members of an organization can alternatively use this system to defend their performance.

### Suggestion schemes

Suggestion schemes are a procedure for submitting and evaluating ideas (Summers & Hyman, 2005).
Suggestion boxes, suggestion committees, or individual management can all be used as the transmission agency for ideas. It is wrong to assume that managers know everything and have ready solutions to all problems. Inviting the contribution of employees helps create effective and efficient managers (Juan et al., 2007). It is important that employees get to know what is going on in an organization so that they can use the knowledge that resides in the organization to its fullest potential (Bhatti & Qureshi, 2007). Management further needs to create a conducive environment for employees to feel free to make their contributions (Tonnessen, 2005; Joensson, 2008). A participatory style of management can be bolstered by a view of staff relations; which assumes that management and employees are working to the same goal of the organization’s success (Walters, 1995; Sheehan, 2009).

The study sought to test the following hypothesis:

H1: Use of direct individual-based participation schemes will have a significant influence on performance of state corporations in Kenya.

2.2 Direct Team-Based Participation Schemes

Summers and Hyman (2005) referred to this participation as direct collective participation. Barbara and Fleming (2006) have indicated that progressive organizations have moved from glorifying hierarchy and moved to self-managed teams. These teams have heightened the level of employee job satisfaction, productivity, improved quality, company image and career development. Every employee including the top managers should belong to various work teams.

Teams, while not necessarily offering a high level of employee participation in organizational decision making, are an important consideration given the often uncritically assumed link between team working and attitudinal change in favour of management/organizational goals (Summers & Hyman, 2005). Team working is suggested to have a positive impact on employees (Peters & Waterman, 1982).

Quality Management Teams or Quality Circles

The concept of quality circles (QC) originally emerged in Japan. It is a workgroup of employees who meet regularly to discuss their quality problems, investigate causes, recommend solutions and take corrective measures (Khanka, 2000). This strategy enhances participation at the shop floor level, giving groups of workers responsibility for the regulation, organization and control of their jobs and an influence on their immediate environment. Quality circles are intended to be a form of information sharing about how to improve the quality of production (Lee, 1991). These are voluntary groups focused on specific techniques or products. The group makes decisions on issues such as scheduling of work allocation and rotation of jobs, quality acceptability, organizing breaks, selecting and training new members, and providing maintenance, for pay purposes (Betts, 2000). Quality circles are aimed at improving quality of products, and methods of production (Adel, 2010). They are also used in development of employees, promoting employee morale and creating a happy workplace (Summers & Hyman, 2005). The idea behind quality circles is to enable workgroup teams to assess and implement improved methods of production and delivery of services.

Problem Solving Teams

Decision-making by consensus has been the subject of a great deal of research in Europe and the United States over the past two decades, and the evidence strongly suggests that a consensus approach yields more creative decisions and more effective implementation than does individual decision-making (Sheehan, 2009). Decision making work teams enjoy great discretion in organizing their own work within broad guidelines with minimal direct supervision (Lee, 1991). They require re-organization of technology and workflow, multi skilling and training. These participatory management practices have a positive and significant impact on employee/employer relations, employee productivity and organizational performance, indicating too that employees’ participation in decision making leads an employee to perform much better (Juan et al., 2007). Quality circles and problem-solving teams consist of a group of people coming together from the same work area, performing similar work, who voluntarily meet on a regular basis to identify, analyze and solve their own work- related problems (Summers & Hyman, 2005).
The study sought to test the following hypothesis:

H1: Use of direct team-based participation schemes will have a significant influence on performance of state corporations in Kenya.

Research design/methodology

This study was a descriptive survey research. Descriptive survey is used to describe phenomena or characteristics associated with a subject population (Blumberg, Cooper & Schindler, 2011). Survey strategy is most frequently used to answer who, what, where, ‘how much’ and ‘how many’ questions (Saunders, Lewis & Thornhill, 2009). Information regarding profile of the organization was sought from select ordinary employees and line managers in the state corporations.

Population

Population is the entire group of individuals, events or objects with similar observable characteristics (Kothari, 2004). The study was carried out among employees working in state corporations in Kenya. These corporations were selected from a list of state corporations that participated in performance contracting exercise in 2010/2011, with a population of 86,878 workers. These corporations are grouped into various functional categories, namely: training and research institutions, commercial and manufacturing, financial institutions, regulatory bodies, regional development bodies, public universities, tertiary institutions and general service providers. These are affiliated to relevant parent ministries. Employees in twenty selected state corporations were used for the study.

Targeted respondents included employees with management portfolio and those with jobs that would allow them the opportunity to participate in decision making. In this study the employee category includes ordinary employees, supervisors and line managers. Multi stage sampling was utilized by randomly selecting the state corporations in stage one. The sample of corporations was derived from a list of 178 corporations. During stage two, the selected sample of state corporations were distributed proportionately among the eight categories of state corporations in Kenya. During stage three, with the help of HR officers, respondents from the select state corporations were identified or determined using a simple random sampling procedure. A pre-test was carried out among lower-level managers and employees in two select organizations. It was aimed at assessing the validity of the questions as well as reliability of the collected data. The pilot study assisted the CI to identify where the data collection instrument needed to be improved.

Data Collection

The study employed both quantitative and qualitative data collection techniques. Quantitative technique generates or uses numerical data. In contrast qualitative techniques generate or use non-numerical data (Saunders et al., 2009). The questionnaire was used to generate quantitative data while observation was used as an instrument to collect qualitative data. Data was obtained by use of a semi-structured questionnaire, developed by the researcher. Observation was employed among the general body of employees by the researcher and a research assistant. The questions for measuring employee participation and performance or productivity were developed using Likert-like scale in which respondents would provide responses using a 4-point scale with 1-being strongly disagree, to 4—being strongly agree. The reason for using a 4-point scale is in order to avoid cases of indecisiveness. One should therefore agree or disagree; not being neutral because neutral responses will not be objectively used to make a decision or conclusion. Kagaari et al. (2010) used a similar scale with success. The chief investigator (CI) contacted the managements of the 20 selected state corporations either by letter or telephone to be granted permission to conduct research in their organizations. Once authority to conduct the study was granted, questionnaires were delivered to the twenty selected companies/public corporations. Questionnaires were submitted to each corporation through a ‘Drop and Pick later’ procedure. The CI and assistant completed the collection of data in two and a half months.

Data processing and analysis

SPSS version 17 programme was used as a tool of analysis to test the relationship between the dependent variable and the two independent variables. This study utilized descriptive statistics to determine frequencies and percentages (analyzed using SPSS). This was useful in the interpretation of respondents’ perceptions on performance of state corporations. Employee participation was measured with modified items adapted from a scale originally developed by Nyhan (2000). Scores ranged from 1-4
with 4 indicating strong agreement with the statement. It was also adapted from Godwin and Gyan (1999), where employee participation was measured with a question about their satisfaction with direct participation. Employee performance was measured using Lynch et al. (1999). Employee performance scale comprised items that measured in-role performance. In this approach participants indicated the most appropriate response in a range of 1 (strongly disagree) to 4 (strongly agree). This was mainly borrowed from a study by Biswas & Varma (2007).

After descriptive analysis, data was subjected to correlation analysis. Correlation is a technique used to analyze the degree of relationship between two variables. It helps in determining the strength and direction of association between two variables which in turn helps to select variables for further statistical analysis such as regression analysis. Correlation analysis was done using Pearson’s correlation to determine the strength and direction of the relations between the variables. The coefficient of correlation(r) determines the degree/strength of relationship and its value is between -1 and 1. A value of 0 implies no relationship (Iman & Conover, 1989). In this study, regression and correlation were used to find the level of relationship between the variables: direct employee participation schemes and organizational performance.

4. Findings/Results

The study was conducted in 5 counties; Isiolo, Meru, Embu, Nairobi and Mombasa, covering 20 state corporations. Out of the 400 questionnaires that sought responses from state corporation staff, 348 questionnaires were returned, screened and considered complete and valid, and therefore were used for analysis. Male respondents were 173 (49.7%) and female 175 (50.3%). According to Babbie (2010), a response rate of 50% and above is adequate for analysis. The response rate of 87% attained in this study was therefore quite adequate for analysis.

4.1 Descriptive Analysis

Direct-individualized participation:

Applying SPSS, the principal component analysis (PCA) was carried out to explore the underlying factors associated with 13 items. The construct validity was tested through the Kaiser-Mayer-Olkin Measure of sampling adequacy. Factor analysis was administered on the data collected on use of direct individual-based participation schemes. All items of the variable had a factor loading of more than .33 and were therefore qualified for further statistical analysis of data. The Cronbach Alpha of the 13 items was established to be .874. Cronbach Alpha is a commonly used method where alpha coefficient values range between 0 and 1 with higher values indicating higher reliability among the indicators (Hair et al., 1998; Rahman et al, 2011). This means that there was a high degree of reliability of study instrument and data. Thus, the Cronbach Alpha for this case surpassed the minimum reliability coefficient of 0.7 as recommended by Burns and Burns (2008). Results indicate that use of direct individual-based participation schemes (an independent variable) had 13 items that were considered and the variable met the threshold, having a Cronbach Alpha of 0.874.

On descriptive statistics, a question sought to find out if the respondents had participated in employee attitude survey in the organization within the previous three years. 54% of the respondents agreed to have participated in employee attitude survey, while 46% indicated that they did not. This result corroborate findings of a study by Juan et al. (2007) which found survey feedback as the most widely used method of direct participation schemes in US organizations. In the study, The Use of Employee Participation in USA and Spanish Companies, Juan et al. (2007), it concluded that survey feedback was the most widely used method of direct participation scheme in USA organizations, with over 60 percent using it. Attitude surveys examine a variety of attitudes and behaviours, such as beliefs, opinions, values, expectations and satisfaction (Bartlet, 1994).Employee involvement provides employees the opportunity to use their private information, which can lead to better decisions for the organization (Williamson, 2008). Kobia and Mohammed (2006) argued that government and firm managements needed to support workers by giving them certain levels of autonomy.

Another item sought to find out whether those in the management positions were providing honest feedback to their subordinates. 76.5% of the respondents agreed that their seniors gave them honest feedback on their performance. 23.5% indicated that managers did not provide feedback. According to Adsit et al. (1996) members of an
organization can use this system to defend their performance. Mueller (2012) cited FitzRoy and Kraft (1985) who postulates that the most competent managers are able to install effective communication without the need for a works council. People even do better when they get feedback on how well they are progressing towards their goals. Medlin and Green (2009) found that feedback guides behavior. There is need for managers to enhance levels of employee optimism about their work and organization (Kagaari et al., 2010). Kobia and Mohammed (2006) also noted that top management competencies and participatory approach to decision making was crucial for good performance of civil service in Kenya.

Respondents who agreed that they regularly participated in developing work-plans and determining their work schedules were 75% while 25% felt that members of their organizations did not have autonomy to determine their work schedules or developing work plans. This means that majority of respondents have opportunities to develop these work instruments, and for the minority (25%), work-plans were developed by their supervisors, while they only followed instructions. A study by Medlin and Green (2009) found that goal setting positively impacts on employee engagement, employee engagement positively impacts optimism and optimism impacts individual performance. When people participate in setting their own goals, they seem to perform better (Summers & Hyman, 2005). Goal commitment is likely to occur when goals are self-set, rather than assigned (Robbins & Judge, 2009) Management must possess both leadership and motivational skills, in order to get employees on board with plans (Beitelspacher, Richey & Reynolds, 2011).

On selection of working tools, materials or equipment for individual employees, the study found out that 72% of respondents were involved in selecting materials they used in their work, while 28% reported that they never participated in selection of materials and tools they used in their job units. Selection of working instruments is one way of giving employees an opportunity to engage in innovations and creativity for future performance improvements (Kobia & Mohammed, 2006). The duo further argue that timeliness in availing resources is crucial; when resources are availed late, or not at all, workers get frustrated, and this adversely affects performance in the organization. 76.2% felt that supervisors and senior managers supported and motivated subordinates to play a bigger role in influencing processes and decisions made in their units or departments. 24% disagreed, indicating that members of their organizations did not get a lot of support to influence decisions in their departments. Tseng (2010) indicated that more formalized companies usually possess formalized controls and processes, and thus they have better developed corporate performance because of its effective management. Kay et al (2005) in their study Employee perceptions on empowerment found out that the strict health and safety regulations under which construction workers operated limited their freedom to influence the work that they undertook. The result further indicated that 66% of respondents agreed that their state corporations had managed that supported career development of their staff. Another question sought to examine whether employees in state corporations held discussions with managers and supervisors regarding individual work progress. A great number of respondents (82%) agreed that they held such discussions. Only 18% of respondents indicated non-participation in discussing work progress with superiors. This exercise is considered as part of empowering individuals and to make it work, every management needs to create a conducive environment for employees to feel free to make their contributions (Tonnessen, 2005).

Respondents were asked to state whether employees in their organizations regularly used suggestion systems, such as suggestion boxes to air their views, complaints or compliments. An overwhelming majority (73.3%) indicated that suggestion systems were in use in state corporations. Only 26.7% respondents indicated that they did not use suggestion systems in their organizations; This level of positive response is supported by Juan et al. (2007) who found out that inviting the contribution of employees helps create effective and efficient managers. When employees are given the opportunities of contributing their ideas and suggestions in decision making, increased firms' performance may result because deep employee involvement in decision making maximizes viewpoints and a diversity of perspectives (Kemelgor, 2002). Another item sought an opinion on whether managements in state corporations provided feedback to employees after the employees gave their suggestions to the organization. The result indicated that the majority 61% agreed. The minority (39%) disagreed that managements gave them feedback. It is important that employees get to know what is going on in an organization so that they can use the
knowledge that resides in the organization to its fullest potential (Bhatti & Qureshi, 2008).

A slight minority (49.4%) agreed that organizations gave them some autonomy to determine how they did their work. A slight majority (50.6%) opposed that there was autonomy granted to employees to determine how their work was to be done. Wang et al. (2012) defined empowerment as perceptions of the degree to which the leader empowers his or her employees. ‘The primary emphasis being on the extent to which employees are given autonomy and discretion in connection with their work. This includes participation in decision-making and supervisors informing employees of organizational goals. Goal setting theory proposes that subordinates be allowed to determine how they do their work by setting their goals independently but in line with the broader organizational goals. Summers and Hyman (2005) indicated that giving an individual autonomy in deciding their job implementation empowers them to perform better in the organization. Medlin and Green (2009) argue that goal setting has been explored in the past in terms of motivational impact toward improving performance and found to be very successful. A question was asked as a further probe aimed at determining whether besides allowing employees to give suggestions, the state corporations took the initiative to implement suggestions provided by subordinates. 50% of respondents felt that state corporations implemented suggestions provided. An equal number disagreed. Brunt and McCourt (2011) conducted a study Employee Participation in INGOs in Kenya and found that contrary to other studies’ emphasis on introducing and achieving employee control in organizations, codetermination and employee control were undesirable as well as unrealistic goals. On the other hand, a consultation style of participation was appropriate in the international non-governmental organizations (NGOs) in Kenya. Most respondents seemed to be happy with the internal communication processes in their organizations. A great number of respondents (68.4%), felt that state corporations in Kenya communicate internal information in a timely and honest fashion and 72.7% of total respondents felt that managements of state corporations in Kenya appreciated employees’ contribution to their organization.

The study further asked workers in state corporations to indicate the level of decision-making influence they thought they had in their organizations in case there was going to be some change about the way they did their work. 62% felt that they had no say on such matters, and 38% felt that they had varied levels of say. Those who responded in the positive were further probed to find out their level of influence. Among them, 5% indicated a great deal, 28% indicated quite a lot while the majority (67%) indicating that their level of influence was just little. This shows that the quality of decisions that employees participated in also matter. Responses to the question on important decisions that employees participated in making and which they felt had contributed to improvement and performance of their organization during the previous 3 years gave varying responses. Since it was an open-ended question, the question received less than 20% response rate, and these responses indicated that either the question had been misunderstood or respondents did not have the capacity or opportunity to make decisions in the organization. Only a few respondents (45) attempted the question. Other respondents declined. Key among the decision issues were related to meeting set goals, performance contract and customer service. The indication was that making decisions in state corporations mainly relied on the top management team.

Table 1: Summary of responses to items on use of direct individual-based participation

<table>
<thead>
<tr>
<th>Activity</th>
<th>SD</th>
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<th>A</th>
<th>SA</th>
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<tbody>
<tr>
<td>Participation in employee attitude survey in this organization within the last 3 yrs</td>
<td>12.4%</td>
<td>33.6%</td>
<td>36.5%</td>
<td>17.5%</td>
</tr>
<tr>
<td>My manager gives feedback honestly to me</td>
<td>8.3%</td>
<td>15.2%</td>
<td>56.6%</td>
<td>19.8%</td>
</tr>
<tr>
<td>I participate in determining my work schedule and work plans</td>
<td>1.7%</td>
<td>23.6%</td>
<td>50.6%</td>
<td>24.1%</td>
</tr>
<tr>
<td>I participate in selecting tools, equipment and materials for my job/unit</td>
<td>10.6%</td>
<td>17.5%</td>
<td>51.7%</td>
<td>20.1%</td>
</tr>
<tr>
<td>My manager encourages me to influence what goes on my unit/department</td>
<td>6.3%</td>
<td>17.5%</td>
<td>54.9%</td>
<td>21.3%</td>
</tr>
<tr>
<td>Manager openly discusses employee career development with employee</td>
<td>13.8%</td>
<td>20.1%</td>
<td>44.0%</td>
<td>22.1%</td>
</tr>
</tbody>
</table>
I regularly discuss my work progress with my supervisor 4.6% 13.5% 58.6% 23.3%
Employees regularly use suggestion boxes/systems in this organization 12.4% 14.4% 56.3% 17.0%
Employees are given feedback after giving suggestions 14.9% 24.1% 48.6% 12.4%
I have the autonomy to determine how my work is to be done in this organization 13.5% 37.1% 36.5% 12.9%
The management in this organization implements suggestions made by employees 14.1% 35.9% 35.6% 14.4%
The corporation communicates internal information in a timely and honest fashion 4.6% 27.0% 50.3% 18.1%
My service to this state corporation and contributions that I make are appreciated 3.4% 23.9% 56.3% 16.4%

### 4.2 Direct Team-Based Participation Schemes

**Factor Analysis on the use of team based participation schemes**

<table>
<thead>
<tr>
<th>Use of team-based direct participation schemes</th>
<th>Factor Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>I participate in setting group or departmental policies</td>
<td>.880</td>
</tr>
<tr>
<td>I am an active member of a semi-autonomous work group in the organization</td>
<td>.857</td>
</tr>
<tr>
<td>The management holds meetings in which I can express my views about what is happening in the organization</td>
<td>.835</td>
</tr>
<tr>
<td>I am a member of quality management work team in my department/division</td>
<td>.833</td>
</tr>
<tr>
<td>Workers general meetings in this corporation are held regularly</td>
<td>.827</td>
</tr>
<tr>
<td>My head of department encourages my work closely with other members of a team to achieve a common goal or results target</td>
<td>.814</td>
</tr>
<tr>
<td>I am a member of a problem-solving team in the organization</td>
<td>.718</td>
</tr>
<tr>
<td>I participate in the planning of the departmental budget</td>
<td>.713</td>
</tr>
<tr>
<td>My work requires me to work closely with other members of a team to achieve a common goal or target</td>
<td>.698</td>
</tr>
<tr>
<td>I participate in strategic management meetings</td>
<td>.642</td>
</tr>
</tbody>
</table>

**Reliability**

Data on use of direct team-based participation schemes was subjected to a reliability test. The Cronbach Alpha of the 10 items of this independent variable was established to be .928, meaning there was a high degree of reliability of study instrument and data collected. Cronbach Alpha was above the minimum acceptable reliability coefficient (0.70).

<table>
<thead>
<tr>
<th>Table 7: Cronbach Alpha of items of direct team based participation schemes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach Alpha</td>
</tr>
<tr>
<td>.928</td>
</tr>
</tbody>
</table>

A question sought to investigate whether state corporations utilized problem-solving teams. A slightly larger number of respondents (51.4%), indicated that they belonged to problem-solving teams in their organizations. On the other hand, 48.6% of total respondents indicated that they did not participate in such teams in their organizations. Kobia and Mohammed (2006) advised the government and management of state agencies to enhance teamwork if they expected to have continuous good performance. On the issue of membership to strategic management teams charged with the responsibility of developing strategic plans for their organizations, a simple minority (44%) agreed that they belonged to a strategic management team in their organizations. Majority of respondents (56%) indicated that they did not belong to strategic management teams in their organizations. Another
question sought to establish whether members of the organization got involved in setting departmental or unit plans. A minority (40.8%) indicated that they participated in developing departmental or unit policies and plans. The majority (59.2%) indicated disagreement. Of those sampled, 45.4% of total respondents indicated that they were involved in budget making processes, and majority (54.6%) indicated lack of involvement.

On the question of membership to a semi-autonomous work group in the organization, slightly less than half of the total respondents (49.1%) indicated that their organizations did. A simple majority (50.9%) indicated that their state corporations did not make use of semi-autonomous work groups. The intention of individuals or group participation goes beyond democratic purpose. Apart from serving as an expansion of democratic space, it also includes bringing efficiency, and the right to influence decisions (Grant & Jordan, 2004). Another means by which team working is assumed to influence organizational performance is via increased employee discretion and empowerment in decision making (Lawler, 1986, cited in Summers & Hyman, 2005).

A question sought to establish whether respondents were involved in teams charged with quality management and control in their organizations. The findings revealed that a slight majority of 50.3% of respondents belonged to quality management teams in their departments. Slightly less than half of total respondents (49.7%) indicated non-involvement in quality management in their divisions or sections within the state corporations. In a similar study, Freeman and Rogers (1994) while studying US employees noted that one-third (32 percent) of employees reported being involved with self-directed work teams, total quality management, quality circles or other forms of employee involvement programs, and over half reported such programs existing at their firms. Barbara and Fleming (2006) have indicated that progressive organizations have moved from glorifying hierarchy and moved to self-managed teams. An earlier study by Adam (1991) had earlier explained the association between attitude and behavior as one of contradiction; that the introduction of participation in the form of quality circles was found to have no significant impact on employee attitudes towards quality, but still managed to affect behavioral changes, resulting in improved productivity. Respondents’ opinion was also sought on whether managements of state corporations held general meetings regularly. Results indicated that majority of respondents (62%) agreed that management held regular general meetings with subordinates.

Another question intended to find out if employees in state corporations were encouraged to work in teams within their departments. An overwhelming majority (82.8%) agreed, and a smaller proportion (17.2%), disagreed. Team working increases the employees’ motivation to extra responsibility and care for the organization. Studies stretching back to two or three decades supported use of team working. Team working benefits the employees and employer such that the outcome of team working is greater job satisfaction and motivation. Cully et al (1999) claimed that team working participation was being used in two-thirds of the British industries. Batt and Appelbaum (1995) had also found that performance enhancement was most associated with self-managed teams.

Another question further probed the utilization of work teams in the organization. Respondents’ opinion was sought on whether the kind of tasks employees undertake in the state corporations required them to work closely with other members of their departments to accomplish organizational goals. The result indicated that an overwhelming majority (86.7%) agreed that their jobs demanded them to work in teams. Summers and Hyman (2005) found that teams, while not necessarily offering a high level of employee participation in organizational decision making, are an important consideration given the often assumed link between team working and attitudinal change in favor of organizational goals. On whether employees in state corporations freely expressed themselves in regard to what was happening in the organization, great number of respondents (60%) indicated that their organization’s managements gave them opportunity to express themselves freely.

Four work teams were identified by respondents as most popular in the state corporations. These included problem-solving (62%), brainstorming (56%) semi-autonomous work teams (51%), and quality control teams (59%). The rest of the listed work teams attracted insignificant responses. The study had expected that innovation as well as decision-making work teams were popular in state corporations owing to liberalized business world and increased competition from multinational firms. This however was not the case.
Table 8: Summary table on response items of team-based participation.

<table>
<thead>
<tr>
<th>Response Item</th>
<th>SD</th>
<th>D</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am a member of problem-solving team in the organization</td>
<td>18.1%</td>
<td>30.5%</td>
<td>39.9%</td>
<td>11.5%</td>
</tr>
<tr>
<td>I participate in strategic management meetings</td>
<td>18.4%</td>
<td>37.6%</td>
<td>33.9%</td>
<td>10.1%</td>
</tr>
<tr>
<td>I participate in setting group or departmental policies</td>
<td>22.7%</td>
<td>36.5%</td>
<td>32.5%</td>
<td>8.3%</td>
</tr>
<tr>
<td>I participate in the planning of the departmental budget</td>
<td>29.0%</td>
<td>25.6%</td>
<td>36.5%</td>
<td>8.9%</td>
</tr>
<tr>
<td>I am an active member of a semi-autonomous work group in the organization</td>
<td>19.0%</td>
<td>31.9%</td>
<td>43.4%</td>
<td>5.7%</td>
</tr>
<tr>
<td>I am a member of quality management work team in my department/division</td>
<td>22.7%</td>
<td>27.0%</td>
<td>45.7%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Workers general meetings in this corporation are held regularly</td>
<td>10.1%</td>
<td>28.4%</td>
<td>47.4%</td>
<td>14.1%</td>
</tr>
<tr>
<td>My head of department encourages my work closely with other members of a team to achieve a common goal or results target</td>
<td>8.6%</td>
<td>8.6%</td>
<td>61.8%</td>
<td>21.0%</td>
</tr>
<tr>
<td>My work requires me to work closely with other members of a team to achieve a common goal or results target</td>
<td>7.5%</td>
<td>5.7%</td>
<td>55.7%</td>
<td>31.0%</td>
</tr>
<tr>
<td>The management holds meetings in which i can express my views about what is happening in the organization</td>
<td>13.8%</td>
<td>26.1%</td>
<td>45.1%</td>
<td>14.9%</td>
</tr>
</tbody>
</table>

4.2 Correlation to determine relationship between use of direct individual-based participation schemes and organization performance.

Correlation is the degree of correspondence between variables. Correlation coefficient is a numerical index which expresses the degree or magnitude of the relationship (Burns & Burns, 2008). A correlation coefficient indicates both the direction and the strength of relationship between two variables. Pearson correlation was computed to determine if there was any significant relationship between use of direct individual-based participation schemes and organizational performance as independent and dependent variable respectively. A scatter plot was used to present the data collected on the use of direct individual-based participation versus performance of state corporations as independent and dependent variables respectively. A scatter plot gives a good visual picture of the relationships between two variables and aids in the interpretation of the correlation coefficient or regression model.

Fig.1: Direct individual based participation Vs organizational performance
Table 2: Correlations between direct individual-based participation schemes and organizational performance.

|                      | Pearson Correlation | Sig. (2-tailed) | N   |  |  |
|----------------------|---------------------|-----------------|-----|  |  |
| Organizational       |                     |                 |     |  |  |
| Performance          | 1                   | .341**          |     |  |  |
| Direct Individual    |                     |                 |     |  |  |
| Based Participation  | .341**              | 1               |     |  |  |
|                      |                     |                 | 348 |  |  |
|                      |                     | .000            | 348 |  |  |

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

Use of direct individual-based participation schemes versus performance of state corporations was computed as presented in table 2. 348 pairs of scores were used to obtain the correlation coefficient. The correlation between use of direct individual-based participation schemes and organization’s performance was found to be .341. This is significant at .01 level. It could therefore be concluded that there is a positive correlation between the two variables although the results belong to the low correlation category according to Burns and Burns (2008). Hence the use of direct individualized participation schemes significantly influences the performance of state corporations at 99% confidence level because the P-value for the Pearson correlation coefficient was .000, which is less than 0.01. The null hypothesis is therefore rejected, while the alternative hypothesis is accepted. The alternative hypothesis stated that use of direct individual-based participation scheme had a significant relationship with performance of state corporations. Use of direct participation schemes that involve direct involvement of individual employee and management appear to influence the organization’s performance in state corporations in Kenya.

Regression

According to Table 3 below, the use of direct individual-based participation schemes has a positive effect on performance of state corporations with a gradient of 0.339. This implies that a unit change in the use of direct individual-based participation schemes increases performance of state corporations at the rate of 0.339.

Table 3: Coefficients of the use of direct individual-based schemes to enhance performance of state corporations

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized coefficients</th>
<th>Std error</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>B</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Constant</td>
<td>16.720</td>
<td>1.109</td>
<td>15.081</td>
</tr>
<tr>
<td></td>
<td>Direct-individual-based</td>
<td></td>
<td>.050</td>
<td>6.741</td>
</tr>
<tr>
<td></td>
<td>participation</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: ORGANIZATIONAL PERFORMANCE

The result of ANOVA result showed that the model of organizational performance with direct individual based participation was significant with a p-value of 0.000 (p<0.01) and explained the variance in organizational performance among state corporations in Kenya. Table 4 shows ANOVA for this univariate model. These results corroborate with those of Sherk (2012) who noted that use of individual empowerment schemes in the organization greatly improved performance of employees as well as the organization.
Table 4: Analysis of Variance between direct individual based participation and organizational performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1736.613</td>
<td>1</td>
<td>1736.613</td>
<td>45.441</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>13223.018</td>
<td>346</td>
<td>38.217</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total (TOTAL)</td>
<td>14959.631</td>
<td>347</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), INDIVIDUAL - BASED DIRECT PARTICIPATION
b. Dependent Variable: ORGANIZATIONAL PERFORMANCE

The scatter-plot in Figure 2. indicated that there is a linear association between direct individual-based participation schemes and performance of state corporations. Therefore a regression line (also called line of best fit) can be fitted in the scatter plot to demonstrate this association further. Figure 2. shows a regression line of individual-based participation schemes and performance of state corporations. This means that use of direct individual-based participation schemes in the organization predicts the performance of the state corporation.

![Scatter plot with regression line showing use of direct individual-based participation versus performance of state corporations](image)

Correlation between use of direct team-based participation and organization’s performance

![Correlation](image)
Pearson correlation was computed to determine if there was any significant relationship between use of direct team-based participation schemes and organization’s performance.

Fig. 4.5: Scatter graph showing relationship between direct team based participation and organization’s performance

![Scatter graph](image)

Table 9: Correlations between direct team-based participation and organization’s performance

<table>
<thead>
<tr>
<th></th>
<th>Organizational Performance</th>
<th>Direct Team Based Participation</th>
<th>Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational</td>
<td>Pearson Correlation</td>
<td>.429**</td>
<td></td>
</tr>
<tr>
<td>Performance</td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>348</td>
<td>348</td>
</tr>
<tr>
<td>Direct Team Based</td>
<td>Pearson Correlation</td>
<td>.429**</td>
<td>1</td>
</tr>
<tr>
<td>Participation</td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>348</td>
<td>348</td>
</tr>
</tbody>
</table>

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

Use of direct team-based participation schemes versus performance of state corporations was computed as presented in table 9. 348 pairs of scores were used to obtain the correlation coefficient. The correlation between use of direct team-based participation schemes and organization’s performance was found to be +.429. This is significant at .01 level. It could therefore be concluded that there is a moderate positive correlation between the two variables because the results belong to the moderate category according to Burns and Burns (2008). Hence the use of direct team-based participation schemes significantly influences the performance of state corporations at 99% confidence level because the P-value for the Pearson correlation coefficient was .000, which is less than 0.01. The null hypothesis is therefore rejected, while the alternative hypothesis was accepted. The alternative hypothesis stated that use of direct team-based participation scheme had a significant relationship with performance of state corporations. Use of direct participation schemes that involve direct involvement of work teams at departmental level appear to influence the organization’s performance in state corporations in Kenya.
4.4.5 Regression

According to table 10 below:

The use of direct team-based participation schemes has a positive effect on performance of state corporations with a gradient of 0.424.

This implies that a unit change in the use of direct team-based participation schemes increases performance of state corporations at the rate of 0.424.

**Table 10: Coefficients of the use of direct individual-based schemes to enhance performance of state corporations**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std error</td>
</tr>
<tr>
<td>Constant</td>
<td>16.819</td>
<td>.858</td>
</tr>
<tr>
<td>Direct team-based participation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: ORGANIZATIONAL PERFORMANCE

**Table 11: Analysis of Variance between direct team-based participation and organizational performance**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>2752.091</td>
<td>1</td>
<td>2752.091</td>
<td>78.003</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>12207.540</td>
<td>346</td>
<td>35.282</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>14959.631</td>
<td>347</td>
<td></td>
<td></td>
<td>.347</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), TEAM BASED DIRECT PARTICIPATION

b. Dependent Variable: ORGANIZATIONAL PERFORMANCE

The result of ANOVA showed that the model of organizational performance with direct team based participation was significant with a p-value of 0.000 (p<0.01) and explained the variance in organizational performance among state corporations in Kenya. Table 4. shows ANOVA for this univariate model. These results corroborate with those of Biswas and Varma (2007) who noted that use of work-teams in the organization greatly improves performance of employees as well as the organization.
Fig. : (Scatter plot) regression line of the use of direct team-based participation versus performance of state corporations

The goodness-of-fit (GOF) namely R-square for direct team-based participation scheme was computed and established to be .184. This means that 18.4% of variation in performance of state corporations can be explained by the use of direct team-based employee participation. The remaining 81.6% is explained by other variables.

This is presented in Table 12.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R-Square</th>
<th>Adjusted R-Sq</th>
<th>Std Error of estimation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.184</td>
<td>.184</td>
<td>.182</td>
<td>.93986</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), TEAM BASED DIRECT PARTICIPATION

SUMMARY OF PEARSON’S CORRELATION OF COEFFICIENTS

Correlations between dependent and each independent variable are demonstrated. The test results of correlations further indicate inter-correlations between independent variables.

The results of correlation coefficients of the relationship between dependent variable (organizational performance) and independent variables were .341 (Direct individual-based participation), and .429 (direct team-based participation). The two independent variables were found to have significant correlation with organizational performance against P-values of .000.

The test results of Pearson’s correlation coefficient on the relationship between direct individual-based participation and direct team-based participation was .368 with a P-value of .000, which is less than .01 acceptable level of significance. This shows that the correlation between direct individual based participation and direct team-based participation is significant. The correlation coefficient of the relationship between direct individual-based participation and indirect participation was .173, with a P-value of .001, implying that the correlation was significant since .001 is less than the acceptable .01 level of significance.

SUMMARY OF FINDINGS

The participation schemes discussed include direct individual-based participation which mainly concerns empowerment of individual employees in order to make significant contribution in the organization. Another participation scheme discussed is the direct team-based participation schemes which lay emphasis on forming and developing various work teams in the organization.

a) Use of direct individual-based participation schemes and their influence on performance of state corporations.

Common direct individualized or empowerment schemes identified in the study include customer and employee opinion surveys, suggestion systems, goal-setting, developing work plans and planning work schedules. It was studied as an independent variable containing 15 items on employee empowerment. Findings indicated that although state corporations are required to entrench customer and employee opinion surveys as part of the performance contracting this study found that only half of respondents participated in the employee survey in the period covered by the study.

For those who participated in the employee opinion survey, superiors gave them feedback and discussed the way forward in order to improve performance. This feedback was found to be important as a means of motivating future performance of the employee. Most employees in state corporations developed their work plans in consultation with their superiors.

The study shows that employees further participated in determining their work schedules and only a few seemed to expect superiors to solely determine work schedules for them. Determination of work plans and work schedules reflects an increased level of employee empowerment in the organization.
Employees in state corporations further determined the tools, equipment and materials to use in the job unit. The study further sought to find out if workers in state corporations had sufficient autonomy to make decisions regarding how work was to be done in their units. A slight majority reported that their level of autonomy was not adequate to determine the direction of their work process.

Employee empowerment is further strengthened by providing opportunity to ordinary employees to influence what goes on in their units or departments. Most state corporations allowed employees to influence the direction and decision affecting their departments.

Most state corporations indicated willingness to support employee development as a competitive business strategy. Managers and supervisors spent time in discussing employee career progression with individual workers as well as level of individual output in the department. The study further indicates the state corporations in Kenya widely use employee suggestion system. The most popular is use of suggestions boxes where employees as well as customers communicate their compliments, views and complaints to the management.

However when it came to acting on the compliments or complaints that employees expressed through suggestive system, quite a number of organizations did not seem to have an efficient system for responding to views and opinions. Thus, only a slight majority of respondents indicated that their managers sufficiently supplied responses to the suggestion system used in the organization.

State corporations were credited for communicating internal information in a timely and honest fashion. Timely communication aids in facilitating efficient performance by employees. Most employees in state corporations are appreciated by their management when they make individual contribution that adds value to the organization. Slightly above half of the respondents reported that they had a say on work changes that management intended to introduce in the organization. Most respondents did not however feel that as individuals they would attribute the performance of the organization to an individual person’s performance, rather it was as a result of teamwork.

On determination of the relationship between direct individualized participation and organizational performance, Pearson correlations coefficient indicated a correlation of +.341 which was significant at .01’ level. The study concluded that there was a positive relationship between the direct individual-based participation scheme and organizational performance. This implied that a unit change in the use of direct individual-based participation schemes, increased performance of state corporations at the rate of +0.339.

Regression was further compiled to determine the level of influence and found that 11.6% of variation in performance of state corporations can be explained by the use of direct individualized employee participation.

5.2.1 Effect of direct team-based participation on performance of state corporations

This independent variable had 10 items. Factor analysis indicated that the 10 items met the threshold (factor loading) where the highest factor loading was .880 and the lowest .642. The threshold was set at 0.6 factor loading as recommended by Farrar and Glauber (1967).

Reliability test indicated a Cronbach Alpha of the 10 items for this independent variables (use of direct team-based participation) which was established to be .928.

Only 51% of respondents were members of problem-solving teams and fewer members (44%) of employees indicated participation in strategic management planning teams in their organizations. Again only 41% of employees indicated involvement in planning and setting of departmental budgets in state corporations. Still fewer members than average (49%) participated in semi-autonomous work groups. Half of the respondents (50.3%) belonged to the quality management teams in state corporations.

Findings further indicated that general meetings were more utilized (61%) regularly in state corporations with subordinates where superiors communicated important departmental as well as organizational issues.

State corporations in Kenya further utilize well the use of work teams as a means of improving performance. They encourage ordinary employees to
work in teams (83%). This is further confirmed by the respondents’ view that subordinates can achieve organizational goal or meet set targets through team working. However, only 60% of respondents indicated that their organizations allowed workers to freely express their opinions to the management. Common work teams utilized by state corporations included: Self managed work teams, problem-solving work team, brainstorming teams and quality management teams. These are teams that were utilized mainly to help solve emergent problems related to performance.

Pearson correlation that was computed to determine the significance of relationship between independent and dependent variables indicated that there was a positive correlation of .429 which was significant at 0.01 level. The conclusion therefore is that there was a moderate positive correlation between use of direct team-based participation and performance of state corporations.

A scatter plot with a regression line showing the goodness of fit established an R-square of .184. This meant that 18.4% of variation in performance of state corporations in Kenya can be explained by the use of direct team-based employee participation.

Conclusion

Direct individual-based participation schemes are important for empowering an individual employee. Empowered employees are able to determine how best to carry their duties and responsibilities in the organization. This study has provided proof that use of empowerment schemes in organizations develops both an individual and contributes in an enhanced performance of the organization. This result led to the rejection of the null hypothesis and acceptance of alternate hypothesis which stated that: use of direct individual-based employee participation schemes influences the performance of state corporations in Kenya.

In attempting to determine the relationship between direct team-based participation schemes and organizational performance, the study found that state corporations utilize work-teams mostly as a means to solve emerging problems in departments and organizations. Brain-storming, problem solving and quality improvement teams are the most common. The ANOVA tests conducted on the relationship between this independent variable and organizational performance led to the conclusion that use of direct team-based participation schemes improves significantly the performance of state corporations in Kenya. The null hypothesis was thus rejected whereas alternative hypothesis was accepted; that use of direct team-based participation schemes significantly improves performance of state corporations in Kenya.

Recommendations

The study makes the following recommendations to the stakeholders in the public sector. There is no doubt that increased involvement of employees (workers) as an important element in the decision-making process is important to both the worker and the employer or manager. Respondents in the study strongly associated direct participation (both individualized and team-based) to increase in organizational performance levels. Direct team-based participation is more popular between the two. State corporations in Kenya are run by highly qualified personnel. Efficiency is poor partly due to issues of attitude; especially managements’ attitude towards subordinates. One of the key dimensions that should therefore be considered in the measurement of performance is stakeholders’ attitude, besides profitability and growth of the organization. Every state corporation that wishes to move ahead of the pack need to think about encouraging and investing in the right leadership and employee work attitude.

Area of further research

Future studies could investigate the level of planned performance management as a business and competitive strategy in the public sector. Investing in performance management will perhaps help rescue state-owned agencies that are facing dissolution by the government in the rationalization program the government has already made public.

A future study need to be carried out to investigate if citizens in Kenya perceive service delivery as having been improved since the introduction of devolved system of government in 2013. This would confirm if the objective of citizen participation in running county governments is being achieved in Kenya. The devolved system of government is a strong proponent of public participation in decision making.

Contribution to the existing body of knowledge

This study wishes to emphasize on democratizing our workplaces, with hope of reaping immense gains; both as individuals and organized groups in modern organizations. It has tried to demonstrate that good
employee-employer relations have economic value to every organization.

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