

# Employee Empowerment and Organization Performance of Tata Chemicals Magadi Ltd, Kenya

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## Abstract

The study examined the link between four dimensions of empowerment (autonomy, decision making, information sharing and training) and organizational performance using gender, age and tenure as control variables. Only gender a significant contribution to organizational performance and all models had a positive influence on organizational performance. On the other hand, the results of multiple regression analysis on employee empowerment and performance revealed that training and information sharing had moderate contribution towards employee empowerment. Autonomy and decision making had no significant contribution to organizational performance.

**Keywords**-Employee empowerment, organizational performance, Tata Chemicals Magadi Ltd (TCML)

## 1. Introduction

Employee empowerment has engaged the attention of both academics and practitioners following the change in employment relationship in the last decade. The dominant practices in most organizations are downsizing, externalization of work, flattening of organizational levels which have been attributed to decline in workforce loyalty, commitment, satisfaction and overall performance. These trends in employment relationship have necessitated a closer look at the human resources of an organization, resulting in consensus amongst scholars that organization growth and competitive advantage largely depends on human resources (Pfeffer, 1994; Wright and McMahan, 2011). In 1990s, more attention to employee needs was given a priority and policies such as participative decision making, autonomous work groups, training and development were the central theme in most organizations giving rise to the concept of employee empowerment.

Studies in employee empowerment and various personal and work outcomes were undertaken, although mixed research findings were reported. A stream of research support significant relationship between employee empowerment and performance (Thomas and Velthouse, 1990; Spreitzer, 1995; Yang and Choi, 2009; Seibert et al. 2011 and Idua, 2014), while others have documented document negative effects relating to burnout (Schaufferi and Bakkei, 2004), cost on organizations empowerment, critics such as (Bowen and Lawler, 1992; 1995). Kazlauskaitė et al. (2012) draws our attention to the fact employee empowerment represent costs to firms. Their criticism is consistent with Ongori (2009) who observed that empowered employees work at a slower pace imposing financial cost such as higher employee and selection and training cost.

The inconclusive research findings present a major research gap that need to be addressed. First, difference in opinions constitutes a major gap in the study of employee empowerment. Second, most of the studies and measurement have been developed from developed countries orientation whose perceptions based on cultural orientation differs from developing countries. Scholars such as Kamoche (1992) and Nyambegera et al. (2000) criticize the generalization of findings and acts as a wakening call for both practitioners and academics in developing countries. In this paper, we seek to explore the different dimensions of performance and test the relationship between empowerment and performance in Kenya using a study of manufacturing firm, Tata Chemicals Magadi Limited (TCML). TCML is Africa's largest soda ash manufacturer and one of Kenya's leading exporters (TCML 2013).

## 2. Literature Review

### Organizational Performance

The debate on performance measures has been a domain of interest for academicians and practitioners. Organizational performance is the ultimate dependent variable of interest for scholars concerned in area of management and also an indicator for evaluating the operational efficiency of a business. Despite the importance

of the concept, studies have revealed disparities as to what constitute organizational performance. Venkatraman and Ramanujan (1986) note that there is no agreed definition and measures of organizational performance. They argue that the concept has multiple meaning depending on the specific discipline such as the service, production and manufacturing industry. For instance, Delaney and Huselid (1996) placed high emphasize on financial performance which are objective such as accounting measures such as profit per employee, return on sales, productivity per employee or subjective measures (perception of performance relative to similar organizations or relative to product market competitors). Guest (1997) criticizes the overreliance of financial performance that do not capture the full impact of human resource management on overall performance. The use of subjective measures is a common occurrence in existing studies examining the link between employee empowerment and organizational performance (Conger and Kanungo, 1988; Bowen and Lawler, 1992; 1995; Yang and Choi, 2009). Dess and Robinson (1984) and Venkatraman and Ramanujam (1987) comparing objective and subjective measures of organization performance revealed that the two methods are appropriate in different situations. In this regard, recent studies have focused on a combination of the different methods in order to avoid bias toward one or the other measure, that is, objective or subjective. The Balanced Scorecard (BSC) proposed by Kaplan and Norton (1992, 1996) is the most dominant performance module used world over. It focuses on four major perspectives of performance namely financial performance, customer focus, internal business process and learning and growth. The study utilized the non-financial measures of customer focus, internal business process, learning and growth and corporate social responsibility as the indicators of organization performance.

### **The concept of Empowerment**

The concept of empowerment surfaced in 1980s (Yong and Choi, 2009) and has received varying degree of attention from diverse discipline within business management especially in human resource management. Empowerment has been defined as a process of enhancing feeling of self-efficacy among participants (Conger and Kanungo, 1988). Bowen and Lawler (1992) used the term service delivery to capture the concept of employee empowerment. Employee empowerment includes

Despite differences in definitions, there is general agreement among scholars of two distinct theoretical perspectives dominate the study of employee empowerment: situational and psychological perspective (Conger and Kanungo, 1988; Bowen and Lawler, 1992; 1995; Thomas and Velthouse, 1990). The situational approach also known as relational (Conger and Kanungo, 1988, Ongori, 2009) or management practice approach (Fernandez and Moldogaziev, 2011) describes how those in power share power and authority with those in lower position (Conger and Kanungo, 1988; Bowen and Lawler, 1992; 1995). Bowen and Lawler (1992; 1995) contend that the managerial perspective has its origin in McGregor Theory X and Y with focus being management practices and behaviours aimed at sharing power, information and rewards with employees to improve results. Critics of the situational approach contend that managers contend with loss of control and fail to address the cognitive state of employees (Yang and Choi, 2009) and that it does not address the nature of empowerment as experienced by employees.

The psychological perspective is motivational construct and defined as internal cognitive state characterized by increased motivational and enhanced feelings of self-efficacy (Thomas and Velthouse, 1990). This view agree with Conger and Kanungo (1988) who suggest that the psychological approach takes into account several factors that lead to increased intrinsic motivation and proposes four cognition including: Thomas and Vethouse (1990) extended Conger and Kanungo (1988) model and identified four cognitive components: impact, competence, meaningfulness and choice. Spreitzer (1995) using Thomas and Velthouse (1990) and Bowen and Lawler (1992) proposed dimensions of locus of control, self-esteem, access to information and rewards. Petter et al. (2002) proposed seven dimensions: power, decision making, information, autonomy, initiative, creativity, knowledge, skills and responsibility. Yang and Choi (2009) drawing from Petter et al. (2002) pointed that there is an overlap between decision making and autonomy and identified four dimensions; decision making, autonomy, responsibility, information and creativity.

Despite variety of conceptualization, there is consensus that employee empowerment is a multidimensional concept and drawing from the work of (Thomas and Vethouse, 1990; Spreitzer, 1995; Petter et al. 2002) we propose the dimensions of training, decision making, autonomy and information sharing. The choice of measures was based on the reliability and validity of scales used in different studies. Second, we propose that empowerment practices are likely to offer an array of benefits including job satisfaction (Spreitzer et al. 1997), team performance (Yang and Choi, 2009; Chen et al. 2007). However, we also acknowledge that there are negative effects of employee empowerment. Furthermore it can be argued that the application of various employee empowerment practices is dependent on contextual factors. In supporting this argument, writers from an African context such as Kamoche (2000) and Nyambegera et al. (2000) criticize the application of western

style management practices for countries in political and economical factors. Thus, the concepts of employee empowerment dimension presented in this paper are presented with an overview of the Kenyan context. Below is a discussion of the four dimensions and their effect on organizational performance

### **Autonomy**

Autonomy is synonymous with choice dimension of (Thomas and Vethouse, 1990) and refers to the extent to which employees experience substantial freedom and discretion in their work. Autonomy is one of the dimensions of job redesign proposed by Hackman and Oldman (1980) which affect desired outcomes through experiencing control and discretion over work (Jose and Mampilly, 2014). The major defining characteristics of autonomy are the freedom and discretion to make decisions about how to schedule work. Pfeffer (2005) posits that autonomy entails moving from a hierarchical control and coordination system to a system where low level employees given discretion over hoe to perform their work.

The findings reported by Langfred and Moye (2004) and Feranadez and Moldogozev (2011) draws attention to Choi and Yong (2009) idea that autonomy has an expected outcome of higher motivation, satisfaction and performance. Collectively implied in preceding discussion is the assumption that autonomy will result in improved performance. We propose that:

*H<sub>2</sub>: Autonomy has a significant positive influence on performance.*

### **Decision Making**

Thomas and Velthouse (1990) use choice, Spreitzer (1995) self-determination. . For adequate decision making to be made there is need for information, meaning that there is a close link between information sharing and decision making. Yong and Choi (2009) point out that Petter et al. (2002) decision making overlaps autonomy. The difference between their study and that of Petter et al. (2002) was that they looked at team performance as a dependent variable where autonomous decision making are central to team performance.

Kariuki (2014) survey of 34 human resource managers in firms listed on Nairobi Securities Exchange and established that the firms were organized around teams, highly formalized but decisions were made at the top and cascaded to the employees. The findings of the study are in line with Dimba and K'Obonyo (2007) earlier analysis of Hofstede (1980) cultural dimension which established that hierarchical decision making prevails in Kenya

Mulinge (2001) found no significant effect of participation in decision making in organizational commitment of technicians. They argued that Kenya employees have little power and therefore enter employment with little expectation. This view is further confirmed by Idua (2014) who postulates that employees in public universities do not feel that they are involved in decision making. Her study did not make a distinction between academic and non-academic employees and those that occupied managerial position. Based on convention wisdom, it is expected that companies that actively engage in participative decision making have a positive effect on organizational performance.

*H<sub>2</sub>: Decision making has a positive influence on performance*

### **Training**

Extant literature drawing from the human capital theory shows that organization performance is closely associated with employee training (Becker, 1993). Arthur (1994) suggest that training and development may be interpreted by employees as an indication of the organizational commitment resulting in psychological bonding with the organizational and willingness to work hard and increase organizational effectiveness. Past empirical studies have suggested that training offers a means to increase individual employee skills, performance, internal mobility, creativity, productivity, loyal customers (Delaney and Huselid, 1996; Stovel and Bontis 2002; Ling and Huang, 2005) and has major implication for work attitudes such as commitment. Locally, Alusa and Kariuki (2015) study on HRMP and performance of a state corporation found that training was not a significant predictor of organizational performance. In Kenya, there is mismatch between education and training system and skill demand by the industry being associated to the fact that education policy framework has more focus on theory than practical. In addition, Onsomu et al. (2007) note that there is limited support between from industry for apprenticeship and attachment training, curriculum development and sponsorship. This can be demonstrated by number of strikes that occurred in various public universities where students complained that they had not been registered by appropriate regulatory bodies especially for engineering courses. Training and development act as a catalyst of improving individual and organizational performance. Based on the foregoing argument, we propose that:

*H<sub>3</sub>: Training has a significant positive influence on performance*

### **Information Sharing**

Pfeffer (1994) emphasizes information sharing as a key human resource management practice in their analysis of best practices. He argues that information sharing is a necessary for Lawler (1986) points that information is necessary in decisions and an important element of empowerment. Wilkinson (1998) opine that information sharing results to higher level of trust between worker and management and that it facilitates teamwork through providing employees with information on where to base their suggestions for improvement. He argues that both downwards, horizontal and upwards communication results in understanding of the organizational goals and thereby an increase in their commitment to the achievement of organization goals and increased problem solving. Information sharing undermines effective teamwork in organizations. In organizations where there is high status differential, information upward communication tends to prevail and often important information may not be passed to low level employee. It is conceivable that Kazlauskaitė et al. (2012) information sharing has a negative impact on psychological empowerment.

*H<sub>4</sub>: Information sharing has significant a positive influence on performance.*

### **Empowerment and Organizational Performance**

Menon (1995) surveyed 311 employees of a corporation to determine the effectiveness of empowerment. His findings among others, were that the greater the empowerment, the higher the internal work motivation and job satisfaction; the lower the job stress, the greater the job involvement and involvement beyond the defined job of the individual and the greater the organizational commitment. Spreitzer (1995) surveyed 393 midlevel administrators of Fortune 500 corporations and found that empowered employee have little ambiguity about their role in the organization. From these findings, she came to the conclusion that leaders in organizations that are empowered have an unlimited control scope, leading to greater autonomy. Lee et al. (2006) survey data on federal employees yielded positive and weak association with employee perception of organizational effectiveness for a period of 30 years.

Yang and Choi (2009) survey of 176 municipal work teams is US on employee empowerment (autonomy, responsibility, information, creativity) and team performance found a significant effect on team performance. Idua (2014) findings on employee empowerment, institutional factors and job related attitudes revealed that institutional factors moderated the relationship between employee empowerment and performance. The study revealed that employee empowerment had a significant influence on performance of public universities in Kenya. The study did not take into consideration the effect of control variables on relationship variables.

*H<sub>5</sub> Employee empowerment has a positive influence on performance.*

## **3. Methodology**

Data was collected using a self-administered questionnaire. The population of the study was employees of Tata Chemicals Magadi Limited. The choice of the company was informed by a number of reasons: First, number of employees was sufficient to create a valid generalization of the data to be collected. Secondly, it is a manufacturing firm, and is a viable company since it comprises of different departments which gave varied responses to the questions brought forward.

Data was collected at one point in time in the organization. 96 questionnaires were distributed randomly to selected employees representing around 13.2% percent of total population. Of the 96 questionnaires distributed, 86 were returned and usable representing a response rate of 91.6%. Indeed the attained response rate represented better results compared to similar studies that used smaller samples in international settings. Yang and Choi (2009) recorded a 48.9% response rate in their survey of municipal employees in the USA. Idua (2014) in her study on employee empowerment and performance in Public Universities in Kenya reported a response rate of 72%. Thus, the response rate of 91.6% seems an acceptable response rate.

### **Measures**

**Dependent variable:** Organizational performance was modeled as function of four dimensions of empowerment. 9 items were used to measure organizational performance. Subjective measures were used to measure organizational performance. Respondents were asked to indicate on a 5-point likert-type scale ranging from 1- 'not at all' to 5- 'to a very large extent' on how they perceive the 12-items of organizational performance. The Cronbach alpha coefficient of the 12-item instrument was (.632).

**Independent Variable:** Based on extensive review of literature, the survey instrument included items that assessed employee empowerment across a wide range of human resource management practices twenty (20 items) were used to measure employee empowerment. The study measurement were drawn from (Thomas and Velthouse, 1990; Spreitzer, 1995; Yang and Choi, 2009; Petter et al. 2002) and modified to suit the context of the study. The items were divided into four dimensions of empowerment consisting of five (5) items each for training, decision making, information sharing and decision making. The perception of the respondents was rated on a five point-likert type scale with anchors ranging from 1-‘not all’ to 5-‘to a very large extent’. The Cronbach alpha coefficient for the scale items; autonomy (.312), decision making (.426), training (.439) and information sharing (.606). Although the scale on autonomy, decision making and training was below the 0.7 threshold criterion established by Nunnally’s (1978), it was included in further analysis because overall Cronbach for employee empowerment was (.984 ) and the overall Cronbach for the six items was .771.

### **Control Variables**

Recent reviews of literature (Huselid 1995; Jackson and Schuler, 1995) suggest that a variety of conditions in the external and internal organizational environment influence human resource management activities and firm performance, these conditions represent sources of potential extraneous variance. To reduce the possibility of spurious results caused by correlation among these variables and constructs of interest, we included the following control measures in our statistical analysis. Following, Yong and Choi (2009) and Biron and Bamberger (2010), proposition that age, gender, educational level, tenure and personality type had a confounding effect on employee empowerment, we included age, gender and tenure in our analysis.

### **4. Analyses and Results**

The majority of respondents were male, 89.8 percent. The average age of the respondents ranged between 30-39 representing 50 percent of employees. In regard to the length of service with the organization, majority of the respondents, 66 percent had over 10 years in the company. For educational level, 47.1 percent had a diploma as their highest level of education followed by Bachelor’s degree 25.3 percent.

Means, standard deviations and correlation between scales are shown in Table 1. Respondents reported training (M=3.192) as the highest, information sharing (M=2.829), followed decision making (M= 2.829) and the lowest on autonomy (M=2.099) which shows that employees do not experience independence in exercising their duties. The correlation among the four dimensions of employee empowerment ranged from ( $r=.296$  to  $r=.352$ ,  $p<.01$ ). The pair wise correlation does not seem to present serious multicollinearity as none of the variables is above 0.5. All the four dimensions were positively related with organizational performance, ( $r=.297$  to  $r=.592$ ,  $P<.01$ ),. Of the four control variables, gender ( $r=-.224$ ,  $P<.01$ ) there was significant negative relationship between autonomy and gender ( $r=-.224$ ,  $P<.01$ ), autonomy and age group ( $r=-.224$ ,  $P<.01$ ) and decision making ( $r=-.225$ ,  $p<.01$ ). For each of the regression models, Variance Inflation Factor (VIF) was examined to determine the existence of multicollinearity. The VIF scores ranged from 1.037 to 1.254 for all the 5 models which were below 10 thresholds an indication that multicollinearity was not a problem with the data (Hair et al. 2006). The F statistics indicate that all models in Table 2 are significant,  $p<0.05$  and hence useful for explaining the hypotheses.

Table 1: Correlation Matrix

	Mean	S.D	1	2	3	4	5	6	7	8	9
1. Gender	.247	.434	1								
2. Age Group	3.067	.798	.050	1							
3. Academic Qualification	3.602	.1.402	.083	-.052	1						
4. Years of Experience	2.461	1.439	<b>.216*</b>	<b>.698**</b>	-.046	1					
5. Autonomy	2.099	.868	<b>-.224*</b>	<b>-.223*</b>	-.026	-.100	1				
6. Decision	2.829	1.154	-.113	-.225*	.042	-.139	<b>.296**</b>	1			
7. Training	3.192	1.253	-.064	.074	.150	.073	.024	.159	1		
8. Communication	2.829	1.17	-.180	.001	.004	-.015	<b>.239*</b>	<b>.345**</b>	<b>.352**</b>	1	
9. OP	2.681		<b>-.310**</b>	-.045	.091	-.075	<b>.308**</b>	<b>.297**</b>	<b>.442**</b>	<b>.592**</b>	1

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

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

In order to test the study's hypotheses and their impact on control variables a series of hierarchical multiple regression models with separate models for each of the four dimensions of employee empowerment as shown in Table 2. The hierarchical regressions allow one to specify the fixed order of entry of variables in order to control for the effect of covariate. In the first step we entered control variables in all the analyses (Model 1 to 4) we entered the control variable (age group, gender and tenure). In the second step, we entered the composite index of each of the four dimensions of employee empowerment. Age and tenure had no significant association on organizational performance for model 1 to model 4. However, gender is statistically significant for all the models (See Table 2). As shown in Model 1, when control variables of gender, experience and age were entered they accounted for 9.9 percent of organizational performance ( $R^2=.099$ , adjusted  $R^2=.067$ ,  $F =3.045$ ,  $p<.05$ ). Autonomy was entered in the second step, the results indicates that autonomy almost added no additional variance,  $R^2=.168$  ( $R^2$  change=.069). The beta coefficient of autonomy is statistically significant ( $\beta=.358$ ,  $P<.05$ ) implying that autonomy has a significant influence on organizational performance, thus supporting  $H_1$ . In model 2, it was assumed that decision making positively influences performance. The first step which only included control variables (gender, age and tenure) accounted for 10.8 percent of the variation in organizational performance. The inclusion of decision making resulted in additional 6.6 percent of the variation being explained by decision making ( $R^2$  change=.066) showing a very substantive effect on organizational performance. The overall model was significant ( $F=4.257$ ,  $p<.05$ ) so as the beta coefficient ( $\beta=.182$ ,  $p<.05$ ) providing support for hypothesis  $H_2$  that decision making positively influence organizational performance. In model 3, the control variables (gender, age and tenure) accounted for 10.4 percent of the variance in

organizational performance and the overall model was statistically significant ( $F= 3.173$ ,  $p<.05$ ) but the beta coefficient of gender was negative but significantly predicted performance ( $\beta=-.095$ ,  $p<.05$ ). An additional of training into the model resulted in additional of 17.2 percent of the variation in organizational performance being explained by training ( $R^2$  change=.172) showing a moderate effect on organizational performance. The overall model and the individual parameters were statistically significant ( $F=7.738$ ,  $\beta=.225$ ,  $p<.05$ ) providing support for hypothesis  $H_3$  that training positively influences organizational performance. Model 4, when control variables were entered in the first step, they accounted for 9.9 variations in organizational performance. The F-static was significant,  $F=3.045$ , and of the three control variables, only the coefficient of gender had a significant influence on organizational performance ( $\beta=-.093$ ,  $p<.05$ ). In the second step, the 33.3 percent increment of the variance in organizational performance was accounted for by information sharing ( $R^2$  change=.333). The F-statistic and the beta coefficient ( $F=13.934$ ,  $\beta=.408$ ,  $p<.05$ ) were statistically significant supporting hypothesis  $H_4$  that information sharing positively influences organizational performance. Thus hypothesis  $H_1$ ,  $H_2$ ,  $H_3$  and  $H_4$  were all supported with varying impact on organizational performance.

In model 5 the control variables (gender, age and tenure) accounted for 11.4 percent of the variance in organizational performance and the overall model was statistically significant ( $F=3.482$ ,  $p<.05$ ) but only the beta coefficient of gender was significant but negative ( $\beta=-.098$ ,  $P<.05$ ). A linear combination of the employee empowerment dimensions explained 49.1 percent of the variance in organizational performance ( $R^2$  change=.405). The F statistic and coefficient was significant ( $F=10.622$ ,  $p<.05$ ). Of the four dimensions of employee empowerment, information sharing ( $\beta= .294$ ,  $p<.05$ ) and training ( $\beta=.148$ ,  $P<.05$ ) had a positive and significant contribution to organizational performance, while autonomy ( $\beta=.209$ ,  $p<.05$ ) and decision making ( $\beta=.026$ ,  $p< .05$ ) had no contribution to organizational performance.

Table 2: Hierarchical Regression Results

Variable name	Model 1	Model 2	Model 3	model 4	
<b>Control variables</b>					
Constant	-.530*	.543*	-.538*	.530*	.552*
Age	-.003	-.007	-.005	-.003	-.009
Gender-	.093*	-.096	-.095*	-.093*	-.098*
Academic Qualification	.011	.011	.011	.011	.012
$R^2$	.099	.108	.104	.099	.114
Adjusted $R^2$	.067	.076	.071	.067	.081
F	3.045*	3.3.16*	3.173 *	3.045*	3.482*
<b>Independent Variables</b>					
Constant	.341 *	.418*	.424*	.286	.165
Autonomy	.358*	.209			
Decision making	.182*	.026			
Training	.225	.148*			
Information sharing	.408*	.294*			
$R^2$	.168	.174	.276	.405	.491
$R^2$ change	.069	.066	.172	.333	.405
Adjusted $R^2$	.127	.133	.241	.376	.445
F	4.139 *	4.257 *	7.738*	13.934*	10.622*

\*Correlation is significant at the 0.05 level

## 5. Discussion

The underlying assumption was that employee empowerment conceptualized as decision making, autonomy, information sharing and training had a significant effect on organizational performance. The findings of the hierarchical regression analysis indicate that each of the four dimensions of employee empowerment (autonomy, decision making, training and information sharing) significantly influence organizational performance providing

support for the four hypothesis:  $H_1$ ,  $H_2$ ,  $H_3$  and  $H_4$ . These relationships were confirmed after controlling for a range of control variables, including gender, age and tenure. A notable observation was that of the three control variable, only gender significantly but negatively had an influence on organizational performance. The results of control variable present mixed findings. These results are comparable to other researcher, for instance, Kazlauskaite et al. (2012) who established that age and gender had no significant association with attitude but tenure was positively related to customer-oriented behavior. Furthermore, Yong and Choi (2009) reported not significant effect of control variable (gender, race, age, education level and length of employment) and team performance. As discussed by Wiersema and Bird (1993) the influence of demographic varies across nations as population and socio-cultural varies. In this regard, gender emerged as a significant predictor of organizational performance in all the five models. Gender related studies provide a difference; in addition 89.8 percent of the employees in the company were men. The results supported

Overall, the results of linear combination of the employee empowerment dimensions explained 49.1 percent of the variance in organizational performance. These findings to some extent support prior research that show significant association between employee empowerment and organizational outcomes such as performance (Ibua, 2014), teamwork (Yong and Choi (2009), employee attitudes and behavior (Kazlauskaite et al. 2012). Ibua (2014) who established that employee empowerment significantly explained performance of public universities in Kenya. Her analysis was based on simple regression analysis and it was not possible to examine the contribution of each dimension of employee empowerment on organizational analysis. In addition, her study was conducted in public organizations whose structures and human resource policies differ from those of the private sector.

Of the four dimensions of empowerment only information sharing ( $\beta=.294$ ,  $p<.05$ ) and training ( $\beta=.148$ ,  $P<.05$ ) had a positive influence on organizational performance, while decision making and autonomy had significant influence on organizational performance provide partial support for  $H_5$ . The results indicate that some dimensions were more beneficial than others and it is therefore, appropriate to distinguish among employee empowerment dimensions and their influence on organizational performance. The results largely supported empirical findings supported by Fernandez and Moldogaziev (2011) who established that providing job related knowledge and skills had substantive significant effect on perceived performance. Indeed, the results confirms our earlier assertion that most there is a mismatch between education qualification and skill requirement in Kenya which necessitates organizations to provide training and development as a catalyst of improving individual and organizational performance. Thus, it is not surprising that training has an effect on organizational performance. However, the results differ from those of Alusa and Kariuki (2015) who established that training as a component of human resource management practices was not a predictor of organizational performance. The cited study was in the public sector whereas the current study is in the private sector. Dimba and K'Obonyo (2007) argument states that training and development is affected by values of collectivism where scholarship are granted to employees on request and not based on organizational need and this could be truer for the public sector than the private sector. Findings in this study also suggest that, information sharing has a positive effect on organizational performance supporting prior work of Yang and Choi (2009). There are reasons to expect a positive effect on information sharing and performance.

Contrary to prior research finding (Yang and Choi, 2009; Kazlauskaite et al. 2012), the results established that autonomy and decision making had no significant effect organizational performance. Autonomy and decision making are two related dimensions ( $r=.296$ ,  $p<.01$ ) and had the highest correlation. The insignificant association between autonomy and organizational performance can be attributed to cultural values of developing countries. As discussed by Nyambegera et al. (2000) study of MNC in Kenya, support that managerial paternalism is a prevailing managerial style that is largely authoritative and associated with lowering employee's social status while demanding unquestionable allegiance to employee and employer or manager.

In such a systems, respect of authority is of paramount, implying that employees have to accept non-participative systems and lack of discretion in their work which in turn affects their performance. As pointed by Nyambegera et al. (2000) scarcity of alternative jobs makes employees to endure with authoritative system. Cultural values to a large extent determine on whether managers are going to share their power or not and the willingness of employees to accept responsibility.

A large body of research advocates that human resource practices must fit the cultural and institutional context within which they operate (Nyambegera et al. 2000; Kamoche 2000; Aycan et al. 2001). In addition, the models 1 through 5 are not strong predictors of organizational performance, and it is possible that other factors not included in the research such as cultural values have an effect on organizational performance. Thus, more research is needed to examine contextual factors such as culture, structure.



Pfeffer (2005) amongst others have stressed that symbolism egalitarianism as a hindrance to decentralization in decision making. Typical of organizations in Kenya is a reserved parking space for directors and senior members of management, exclusive club membership for senior management, large offices in the top most floor of the building and emphasize on titles such as 'Sir', 'Madam' 'Boss' or 'mkubwa' distinguish various statuses of employees. Kamoche (2002) suggest that there is a sense of 'them' versus 'us' between managers and employees creating a dependency attitude. This implies that those in management are reluctant to delegate or engage in decision making so as to maintain their status quo. Ibuga (2014) and Kariuki (2014) studies in Public Universities in Kenya and firms listed at Nairobi Securities exchange respectively concur that power is highly centralized at the top management. A study by Dimba and K'Obonyo (2007) established that hierarchical decision making prevails in Kenya.

The study demonstrates importance of the influence of employee empowerment on organizational performance in the manufacturing sector. First, the results show that each of the dimensions of employee empowerment has a significant effect on organization performance. Second, the simultaneous examination of the dimensions provides differing results. A major management implication derived from the findings of this study is that an employee-organization relationship approach needs to be enhanced. It is important for the organization to provide structures that eliminates ground for sharing information and decision making. In this regard, we propose that more research need to be advanced on symbolism egalitarianism to eliminate status differences among employees and promote involvement of employees in decision making.

## 6. Study Limitations and Recommendations

A number of weaknesses of the current study are noteworthy. First, the common use of perceptual measures of performance in management raises the question of how closely these measures are objective. It is recommended that future studies incorporate the financial aspect of the BSC method of measuring organizational performance, since this study only used the non-financial measures. This will help practitioners and policy makers to have a holistic view of the impact of empowerment on both financial and non-financial aspects of organization performance. Bollen et al. (2005) observed that the five point liker-type scale has inherent advantage and disadvantage. First, questions used are easy to understand and may lead to consistent answers. It also offers a simple way of gauging specific opinions especially when the information sought is of such sensitive nature that respondents would not answer categorically in large range. In contrast, Bollen et al. (2005) submitted that responses elicited are not static but dynamic and continuous. Further, the scales do not sufficiently address or account for cases of respondents who have sufficient knowledge about the subject of study. To mitigate the shortcoming of likert-type scale the study utilized a self-administered questionnaire.

The research was conducted on one organization and the sample size was small raising problems of generalizability. The information would not reflect the characteristics of other firms or industries at large. This is in conformity with the limitations and recommendations brought forward by Kazlauskaitė et al. (2012) which included the aspect of data collection in more than one industry. Future studies should conduct in-depth interviews and focus groups to complement information gathered from the questionnaire in the future.

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