THE MODERATING EFFECT OF INSTITUTIONAL FACTORS ON THE RELATIONSHIP BETWEEN EMPLOYEE EMPOWERMENT AND PERFORMANCE OF PUBLIC UNIVERSITIES IN KENYA

MARY P. IBUA, PETER K'OBONYO, MARTIN OGUTU

The Strategic JOURNAL of Business & Change MANAGEMENT
ISSN: 2312-9492 www.strategicjournals.com
Vol. 3, Iss. 4 (5), pp 83-106, Sept 19, 2016, www.strategicjournals.com, ©strategic Journals

THE MODERATING EFFECT OF INSTITUTIONAL FACTORS ON THE RELATIONSHIP BETWEEN EMPLOYEE EMPOWERMENT AND PERFORMANCE OF PUBLIC UNIVERSITIES IN KENYA

[1]Mary P. Ibua, [2]Peter K'obonyo, [3]Martin Ogutu

[1]Dr., Department of Business Administration, Technical University of Mombasa, Mombasa, Kenya
[2] Prof., Department of Business Administration, University of Nairobi, Nairobi, Kenya
[3]Assoc. Prof., Department of Business Administration, University of Nairobi, Nairobi, Kenya

Accepted September 9, 2016

ABSTRACT

The research aimed at assessing the moderating effect of institutional factors on the relationship between employee empowerment and performance of Public Universities in Kenya. A review of extant conceptual and empirical literature was done and hypotheses formulated. A positivist paradigm using descriptive research design was used. The population comprised the staff of Chartered Public Universities in Kenya 2013. Proportionate random stratified sampling and multi stage sampling was used. A sample size of 1,011 staff was selected from employees of Chartered Public Universities in Kenya. The literature review revealed that a number of studies have been conducted on the predictors and antecedents of employee empowerment and performance. However, these studies did not examine the moderating effect of institutional factors. A structured questionnaire with Likert-type interval scale anchored on a five-point scale was used to collect primary data. Descriptive statistics were computed for organizational data and the main characteristics of the study variable. Data was presented in tables, charts and figures. Hypotheses were tested using Pearson's product moment, simple linear regression, stepwise and multiple regression and change statistics for data analysis and tests. The results revealed that employee empowerment and institutional factors have a positive relationship with the performance. The strength of the relationship between employee empowerment and organizational performance was found to be moderated by institutional factors. The study highlights an increased understanding that the institutional factors moderate the relationship between employee empowerment and organizational performance. Universities should strengthen their empowerment programs and support staff in pursuit of their development, at the same the institutional factors plays a key role in performance of staff.

Keywords: *Employee Empowerment, Institutional factors, and Organization Performance*

Introduction

Kenya being a developing country in Sub-Saharan Africa has undergone profound changes in management of public organizations. The government of Kenya acknowledges that over the years there has been poor performance in the public sector. Some of the factors that have affected performance in public institutions include: tribalism, corruption, excessive controls, frequent political interference, nepotism, mismanagement of the human resource and other resources (GoK, 2005). In recent years however, there have been major changes undertaken such as: introduction of performance contracting, performance ranking of public sector institutions based on agreed criteria and devolving of services. These changes have been seen as a tool aimed at improving accountability, transparency, efficiency and effectiveness in delivery of quality services, and improving efficient utilization of resources to improve overall performance. Further, the Kenya Vision 2030 strategy was crafted as a blue print to catapult Kenya into the next millennium. However, such expectations cannot be automatically realized. In response to these changes managerial approaches should embrace strategies that will foster empowering employee and stimulating employee behavior towards achievement of these goals.

The changes in public organizations have made human resources to be viewed from a different perspective. The public sector institutions including public universities are constantly under internal and external pressures that influence the necessity for potential change in the human resource management policy. Gore (1996) stated that the performance contracts in the USA federal government for example, have changed the way managers and bosses do their jobs. Managers have changed their attitudes towards employees by encouraging them to participate more by being innovative, and in delivery of quality service to the customers. This has led to employees connecting with the organization, enhanced feeling of empowerment, which has led to improved organizational performance.

The relationship between employee empowerment and performance has been a key issue in understanding the effectiveness of organizations. Many researchers (Thomas and Velthouse, 1990; Randolph, 2000) have recognized that empowerment is evidenced by organizational members who are inspired and motivated to make meaningful contributions and who have confidence that their contributions will be recognized and valued. In Kenya for example empowerment programs have been put in place in some organizations in the private sector and in multinationals; however the practice in public sector is a challenge due to inflexibility of the system and conditions necessary to make such an approach successful.

Despite the growth of empowerment in the last few years its effect still remains ambiguous. More than 25% of organizations surveyed by Lawler et al. (2001) study reported no significant empowerment-oriented practices in their organizations (Spreitzer and Doneson, 2005). Moreover those who have introduced empowerment practices often find it difficult to build genuine employee empowerment practices (Spreitzer and Quinn, 2005). Although there have been reports of success and failure of employee empowerment there has been little rigorous research on its antecedents and its consequences (Menon, 2001). Consistent with the stream of empirical studies examining the relationship between empowerment and performance there is evidence to suggest that empowerment initiatives do not always deliver expected outcomes for organizations, management, or for individuals (Claydon and Doyle, 1996). Wilkinson (1989) argues that while there are many programs labeled as empowerment most are designed not to give employees a very significant role in decision making; but rather to secure an enhanced employee contribution to the organization. From the foregoing discussion the debate on whether empowerment leads to improved performance is still inconclusive. Consequently, performance may be as a result of a combination of empowerment and other institutional factors such as strategy, structure, culture, and leadership types..

Most studies on empowerment have been done in developed countries' contexts. However few studies have been carried out in Asia and Africa. In Kenya, the few studies done have mainly focused on employee empowerment and performance but no known study to the researcher have incorporated factors such as strategy, structure, culture and leadership types. In this era of globalization empowerment is important for the universities to enable them respond quickly to any changes in macro-environment. With introduction of public sector reforms and performance contracting, the government expects to have an efficient and motivated workforce to serve the public.

This study is driven by empowerment, structural and psychological empowerment theories, and institutional theory. Theoretical works on employee empowerment indicate that empowering staff is one of the critical success factors in the organization (Spreitzer, 1995; Kanter, 1989). Employees need to perceive that they have been given power and authority to make decisions concerning their work, and in performing tasks (Conger & Kanungo, 1988). The organizations strategies and structures must be enabling and should fit the environment to achieve better performance.

Employee Empowerment Concept

The management perspectives on empowerment have a long history and offer a set of tangible practices that can pull to improve performance (Spretizer, 1995). Organizations are implementing employee empowerment practices with the hopes of building employees' commitment, overcoming dissatisfaction and reducing absenteeism turnover, poor quality of work, sabotage and giving employees greater autonomy in their work. The practices include training, participation, decision making, delegating provision of resources communication and team working (Huselid, 1995). Organizations have to build a fit between the people and empowerment practices.

A review of previous studies (Huselid, 1995; Youndit et al., 1996) reveal that HRM is no longer concerned with simply executing a standard set of policies and procedure. Rather it requires questioning and understanding the relationships between choices in managing people, the strategies and goals of the organization and possibilities presented by the external environment. Interest in the belief that individual performance affects organizational outcomes have intensified with the argument that organizations employees provide a unique source of competitive advantage that is difficult for competitors to imitate (Barney, 1991; Omari, 2012).

The notion of empowerment involves the workforce being given a greater degree of flexibility and freedom to make decisions in organizations (Awan et al. 2011). Empowerment differs in definition based on individual perception and understanding. Conger and Kanungo (1988); Thomas and Velthouse (1990); Spreitzer (1995), tried to explicitly define empowerment as giving authority to employees or to delegate legal power to them so as to commission and authorize them in their task performance (Spreitzer, 1995). Fox (1998) opined that empowerment is a process of risk taking, growth, change, and understanding employees' needs.

Scholars propose that there are two dimensions of empowerment: the structural and psychological approaches. Structural Empowerment (SE) (Kanter 1977; 1983) proposes that employees' work behavior arises from conditions and situations in the work place, and not from personal attributes. The structural view focuses on empowerment management practices of delegation of decision-making, access to information, support, power, and resources availability. Psychological Empowerment (PE) on the other hand is defined as a motivational construct manifested in four cognitions: meaning, competence, self-determination, and impact (Thomas and Velthouse, 1990). Spreitzer (1995) argues that these four cognitions reflect an active, rather than a passive, orientation toward a work role. Spreitzer (1995) who built her work upon Thomas and Velthouse Model (1990) by developing and validating a multidimensional measure of empowerment in workplace concluded that the four cognitions measure psychological empowerment. An employee with empowered state of the mind experiences feelings of control, awareness and accountability (Spreitzer, 1995). This study is anchored on both structural and psychological approach to empowerment.

Institutional Factors

Institutions do not operate in a vacuum, they operate in a context where there are existing factors in which may influence the relationship between variables. These variables have to be controlled. These variables are within the organizations' ability to manipulate so as to achieve the organizations objectives. Such variables may include strategy, structure, size age, union, culture, leadership, resources and others within reach of management (Galbraith, 2002). Every organization has a unique internal and external environment where these factors play a critical role in overall performance of the organization.

Institutional factors have been theorized in literature to be potentially important determinants of empowerment and performance in an organization (Greenwood and Suddaby, 2010). Institutional factors are the process by which structures, schema, rules, norms, and routines become established as guidelines for social behavior (North, 1990; Scott, 2004). Drawing on proposition of institution theory (Meyer and Rowan, 1991; Suchman, 1995) postulates that performance increases legitimacy because it shows how well a firm is fulfilling its roles in society. In this regard, Greenwood and Suddaby (2006) concurs that institutions set the conditions under which the process of empowerment works. Employees in universities are governed by a number of such institutional factors, the most prominent among them being structures, strategies, organization culture, leadership, practices and policies. Galbraith (2002) concurs that these factors play a crucial role in the overall performance of the organization. North (1990) further postulates that institutions reduce uncertainty by providing a structure to everyday life for they provide structures, strategies and organization culture.

Further, organizations survive and succeed through interaction between them and their environment (Scott, 2004). Arguably, most related literature has looked at profit making organizations in developed western countries which have advanced and clear structures, culture and strategies. In view of theoretical studies depicting the importance of institutional factors on the operation of an organization, it is important to understand the relative effect these institutional factors have on the relationship between employee empowerment and performance in an organization especially in a developing country scenario and in the universities.

The Research Problem

Empowerment is critical to multi-dimensional success of the organization. This is because human resources is one of the most reliable sources of organizational efficiency, effectiveness and performance. But though this may be true, strategies that are adopted by an institution to empower the employees can affect its performance. However, how these strategies interact with other institutional factors to influence performance is still unexplored. Institutional factors such as structure, strategy, culture, policies, practices and technology play a crucial role in the overall performance of the organization. Managerial decisions are influenced by the structure and culture the organization adopts as it interacts with the environment. Empowerment has impact on performance however; institutional factors could influence this relationship.

Universities in Kenya play an increasingly important role in economic and social development. However universities are encountering challenges such as increased student numbers, rapid expansion, inadequate facilities, less number of staff, low salaries, inadequate funding, low research output among others. They have lost staff to foreign universities in what is commonly known as “brain drain” depriving the country of much needed talent. Wosyanju et al. (2012) confirmed, for example, that Kenyatta University lost 20 lecturers in a span of just one year. Staff in these institutions have joined unions such as University Academic Staff Union (UASU) to fight for empowerment and welfare of their members. In October 2011, and September 2012, 2013 the teaching and non-teaching staff in the public universities went on strike because of delay in review of their remuneration and working conditions. The management of these challenges depends on holistic approach which should incorporate institutional factors, the extent of employee empowerment.

Several studies (Spreitzer, 1995; Wilkinson, 1998) have tried to explain the link between employee empowerment and performance. However most of the studies have concentrated on isolated facets of empowerment. Ritzen (2011) looked at empowerment as granting formal autonomy to make decisions in the universities, but empowerment is more than autonomy. Wong et. al., (2011) in his study concluded that the four cognitions of psychological empowerment namely meaning, competence, self-determination and impact were positively related to organizational performance. While this may be true, the study did not incorporate other factors such as structures, strategies, culture and structural empowerment. Ngambi (2010) established that attracting and retaining skilled, knowledgeable and competent employees in tertiary educational institutions is important. For most higher education institutions have experienced challenges of low morale, skills shortage, stifled academic freedom, low salaries, high student-academic staff ratio, higher workload, and exclusion from decision-making processes.

While extant literature depicts advantages regarding the theoretical aspects of empowerment, there is still inconclusive evidence that empowerment achieves the benefits promised. Empowerment has been found to be positively related to performance (Spreitzer 1995; Menon 2001). At the same time empowerment has been found in some instances to have negative relationship (Hill and Hug, 2004). Researchers in employee empowerment (Spreitzer, 1995; Wilkinson, 1998; Monari, 2012) have also reported that there is still lack of concurrence on the ideal empowerment program that could empower employees. The ongoing debate on the relationship between empowerment and performance and the effect of the moderating effect of institutional factors on this relationship confirms the lack of satisfactory evidence to support the findings as discussed above. Given the mixed research findings on the relationship between empowerment and performance there is need for further research to address this gap. Further most studies investigating aspects of the relationship have been done in different contexts, measurements, conceptualizations and methodologies. Most of the studies have been done in the western context and a few in Asia. Very few studies have been done in Kenya linking empowerment and performance. Although it is well established that a relationship exist between empowerment and performance less is known about other variables that influence the relationship. Strategy, structure, culture, leadership type have been found to have effect on the relationship between employee empowerment and performance. This study attempted to answer the question: What is the moderating effect of institutional factors on the relationship between employee empowerment and performance of public Universities in Kenya.

Literature Review

This section provides a review of the major theory guiding the study on employee empowerment and institutional factors. This is followed by literature review on key variables on employee empowerment and their respective relationship leading to formulation of hypotheses

Institutional Theory

Institutional theory (IT) emphasize that modern organizations depend on their environments which can strongly influence the development of formal organization structures. It acknowledges the importance of economic and social forces that shape the systems and structures of organizations (North 1990; DiMaggio, 1983). Institutions may hinder or enhance performance in organizations. The underlying proposition by institution theory is that organizational structures and processes become institutionalized over time and these have an effect on workers behaviour and performance. These factors would include economic, social and political that constitute a structure of a particular environment of an organization that gives it a competitive edge.

The core concept of institutional theory is that organization structures and process tend to acquire meaning and achieve stability in their own right rather than on the basis of their effectiveness and efficiency. Institutional theorists (Oliver, 1997) are interested in examining the organizational structures and practices that have no economic or technical purpose and therefore they do not enhance organization performance. Although scholars vary in the relative emphasize of these elements and in the level of analysis at which they work, all recognize the common theme that social behavior and associated resources are anchored in rules and schemas.

Notwithstanding the above, critiques of institutional theory have argued that researchers have overlooked the problem of appropriately measuring the institutions. Suddbay (2010) contend that institutional research moved from treating organizations as sedimented (taken for granted) to being hyper muscular. Any change no matter the magnitude is treated as ‘institutional’ and any change agent is regarded as an institutional entrepreneur. Suddbay (2010) further contends that institutional research should only value instances of significant profound, field-level change, and not merely incremental changes. The institutional theory should focus more on the processes of how the organizations become institutionalized rather than on the effects of institutionalization.

Researchers Meyer and Rowan (1991) and DiMaggio and Powel (1983) further contend that institutional system should be viewed as a class of elements (Scott, 2004). This is because loci of institutionalized rules, standards and norms do not come from one source but multiple environments shaped by different actors. This shift is accompanied by other changes such as cultural elements, multiplicity and diversity of organizational sources, markets, strategy, competitors and customers.

Institutional Factors

Institutional factors relate to structures in the organization. These include rules, policies, procedures, norms, shared beliefs and routines of behavior in an organization. According to Scott (1995) institutions are social structures that have attained a high degree of resilience and they include cultural elements, normative and regulatory factors. As such institutional factors are important for they govern how organizations run. Academic and popular writing have suggested that institutional factors influence leadership styles and performance of organization. Institutions can be formal or non-formal. Formal institutions arise from laws, regulations, rules and other statements formulating sanctions, while non-formal institutions arise from interactions with the formal institutions. Universities are formal institutions governed by such rules and procedures.

The study adopted strategy, structure, and organization culture and leadership style of transactional and transformational as moderating variables.

Organization Strategy

Johnson and Scholes (2006) define organization strategy as the direction and scope of an organization in the long term. Miles and Snow (1978) advocate that according to strategic type, organizations can be classified into four groups: defenders, analyzers, prospector and reactors. Organizations that follow prospector strategy is highly innovative and constantly seeking new markets; defender strategy organization tend to concentrate on defending its markets, while analyzers strategy tends to seek innovation at the same time concentrate on their market; and reactors tend to be inconsistent in their strategic approach and drifts with the environment. The organization will adopt any of these strategies at a given time. The universities are faced with similar challenges as the private sector; as such they have to come up with new approaches to be able to survive in the turbulent environment.

Organization Structures

Structure is defined by Mintzberg (1983) simply as the sum total of the ways in which labour is divided into distinct tasks and how coordination is achieved of those tasks. Daft (1986) defines structure as the degree of complexity, formalization, standardization and centralization. Robbins (1990) clusters structural dimension into three factors complexity, formalization and centralization. Complexity refers to degree of differentiation that exists within in an organization. Formalization pertains to the amount to amount of written documentation in the organization. This includes clearly written job descriptions, rules, and clearly defined procedures. Centralization is concerned with decision making in the organization. Decisions will either be made by top-management leading to centralization or is located to lower levels that are decentralization.

Burns and Stalker (1961) on the other hand argue that structure is either mechanistic or organic. This notion is based on a study carried out by twenty organizations in England and Scotland where they found out the two distinct structures. Mechanistic structures performed routine tasks, relied heavily on programmed behaviors, and relatively slow in responding to the unfamiliar. Organic structures are relatively flexible and adaptive, with emphasis on lateral rather than on vertical communication influence based on expertise and knowledge rather than authority of the position. There is need for compatibility on an organizations design structures and processes. Formalization in modern organizations are complex entities, with some functions relatively centralized and others decentralized. Structures have to be enabling to achieve empowerment of employees.

Organization Culture

Organization culture according to Schein (1992) is a pattern of shared basic assumptions that the group learned as it solved its problems of external adaption and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. Hofstede (1980) posits that culture is the collective mental programming of the mind which distinguishes one team from another, and values 'as broad tendency to prefer certain states of affairs over others' (Hofstede, 1998). Hofsted (1998) uses power distance, collectivism and individualism, femininity and masculinity, and uncertainty avoidance as cultural characteristics to differentiate one group from another. Dimba and K'Obonyo (2007) further reiterated that this collective mental programming shared by an organization forms the basics of that organization. Every organization develops their own culture which is distinct from the other. Organization culture can influence organization decisions and human resource policies which in turn affects performance. Nyabegera (2000) argue that culture of a nation permeates all aspects of life within the given state, including the behavior of managers in the organizations. The finding is consistent with Hostede (1980) study which pointed out that a national culture influences attitude, behavior and management style of organizations. Cultural values exert a significant influence on managerial process and employee behavior which in turn affect performance (Nyabegera, 2000).

Leadership Styles

One of the critical functions of leadership in an organization is to facilitate the attainment of organizational strategy and goals by eliciting desirable behavior from the employees. Leader behavior can lead to success or failure of an organization. An organization depends on the leaders at various hierarchical levels to initiate action programs for achievement of organizational these goals (Dhladhla 2011). Leadership has been defined as the process where one influences another who is referred to as a "follower" (Yukl, 1994). The follower gets inspired to achieve the target, the group is maintained in cooperation and the planned mission is achieved (Yukl, 1994). Avolio et al (2004) contend that leader behavior has direct influence on job satisfaction, psychological empowerment, and organization commitment. Leadership is a critical factor in the success or failure of an organization. Leadership is the core and spirit of the organization. Jing-Zhou et al (2008) postulates that leaders are not only in charge of the organization but also of the people; as such the relationship between leaders and their followers influences employees attitude towards the organization.

Transactional Leadership

Transactional leadership is an exchange process. It is a matter of contingent reinforcement of employees based on performance (Men, 2010). Transactional leadership involves motivating and directing followers primarily through appealing to their own self-interest. The power of transactional leaders comes from their formal authority and responsibility in the organization. The main goal of the follower is to obey the instructions of the leader. The style can also be mentioned as a ‘telling style’. This style of leadership was first proposed by Max Weber (1968) and then by Bass (1981). The leader believes in motivating through a system of rewards and punishment. If a subordinate does what is desired, a reward will follow, and if he does not go as per the wishes of the leader, a punishment will follow. Here, the exchange between leader and follower takes place to achieve routine performance goals. This style is occasionally referred to as authoritative style of leadership (Bass, 1981).

Transformational Leadership

Transformational leadership creates value and positive change in people and it embraces changing with the times. It calls for a leader to focus on innovative ideas, influences the bosses to support their ideas, and inspires subordinates to make changes happen (Conger and Kanungo, 1987). Research evidence suggests that transformational leadership is positively associated with work attitudes and behaviors at both an individual and organizational level (Dumdum, Lowe, & Avolio, 2002; Lowe, Kroeck and Sivasubramaniam, 1996). This concept was first introduced by MacGregor Burns (1978) who stated that it is a process in which leaders and followers help each other to advance to a higher level of morale and motivation. Bass (1985), went further to state the transformational leadership can be measured in terms of influence on the followers. The followers of such a leader feel trust, admiration, loyalty and respect for the leader.

Employee Empowerment, Organizational Performance and Institutional Factors

Substantial evidence suggests that empowerment and performance are positively related. Hill and Hug (2004) in their study concluded that empowered employees do not necessarily seek power in a political sense in the organization, but seeks for more discretion in decision-making and within their own work situation. This is in line with the ideology of total quality management which contributes greatly to continuous improvement in modern organizations. However there is also evidence to suggest that empowerment initiatives do not always deliver expected outcomes (Claydon and Doyle, 1996). Conger and Kanungo (1988) confirms that this could be due to lack of clarity in management literature on what empowerment really means. This lack of clarity and ambiguity surrounding empowerment literature leads to misinterpretation in its conceptualization.

A further research on conceptualization of empowerment is necessary and its’ impact on performance. This will shape various parties expectations and outcomes. The policies, strategies, structures adopted will enhance or hinder employee performance. Hill and Hug (2004) contend that when management wants to implement empowerment they should develop and communicate their definitions. Saif and Saleh (2013) who conducted a study on employee empowerment and performance of private hospitals in Jordan found that organizations that pursued empowerment strategies had the highest return on customer satisfaction, achieved better quality and enhanced performance because the employees were loyal, committed, psychologically empowered. They proposed that employees who feel psychologically empowered feel more satisfied, this leads to better performance and delivery of service. The discussion above leads to two hypotheses for this study.

Hypothesis 1: Employee empowerment has influence on performance of Public Universities in Kenya.

Hypothesis 2: The influence of employee empowerment and organization performance is statistically and significantly moderated by institutional factors.

Research Methodology

The study was carried out in the twenty two chartered public universities in Kenya. The target population contained of 1,011 employees of charted public universities in Kenya. Stratified random sampling was used to select samples from the population of the twenty two charted public universities. To identify respondents in each university a multi-stage sampling technique was applied. Multistage sampling allows a larger number of units to be sampled at a given time.

The study used both primary and secondary data. The research mainly relied on quantitative data which was using a questionnaire. The primary data was collected using a structured questionnaire with statements anchored on a Likert-type five-point scale ranging from "Not at all (1) to "to a very great extent (5)" was used to collect primary data.

Internal consistency of the research instrument was measured through Cronbach's Coefficient Alpha. The study used face, content and constructs validity. Cronbach's Alpha coefficient of the independent variable, namely employee empowement is .939, and institutional factors .950, while for organizational performance .919. All the coefficients for the instrument measured above the minimum 0.7. These Alpha coefficients compare well with those obtained from other studies (Fernandes and Moldogaziev (2011); Ming 2010; Menon 2001) in the area.

Data Analysis

Data was analyzed using both descriptive statistics (frequency distributions, means, and standard deviations) and inferential statistics (correlation analysis, analysis of variance and regression) to analyze the data. Descriptive analysis was conducted to present main characteristics of the collected data. Inferential statistics were used to test a number of hypothesized relations as to allow generalization of the findings to a larger population. To test the pattern of relationships between research variables as stated in the hypotheses, simple and multiple regression equations were used as required. The regression analyses provided estimate equations to predict the magnitude of the dependent variable and provide values for the predictor variables.

Pearson Moment Correlation (r) was derived to show the nature and strength of the relationship among variables of the study. The relationship is strong when r=0.5 and above, moderately strong when r is between 0.3 and 0.49, weak when r is below 0.29, and a correlation of 0 indicates no relationship. The square of the correlation coefficient, the Coefficient of Determination (R^2) was used to determine goodness of fit of different models and used to measure the amount or degree of variation in the dependent variable(s) attributed to the predictor variable(s). The closer R^2 is to 1, the better the fit of the regression line to actual data. The Beta values show the amount of change in the dependent variable attributable to the amount of change in the predictor variable, and the F ratio is a measure of how well the equation line developed fits with the observed data or it simply measures the model fit. The statistical significance of each hypothesized relationship is interpreted based on the F and t values. High values of the Coefficient of Determination (R^2) (usually above 0.6) signal the extent to which the model accounts for variation in the dependent variable, and Analysis of Variance (ANOVA =F test).

To test the moderating effect of IF on the influence of EE and OP stepwise regression analysis was used. In the first step independent variable (EE and OP) were entered into the model as predictors of the outcome variable (OP). The independent variables do not have to be statistically significant predictors of the dependent variable (OP) in order to test for an interaction term (Baron and Kenny, 1986). In the second step, an interaction term was computed. An interaction term presents a joint relationship between employee empowerment and institutional factors and this relationship accounts for additional variance in the dependent variable beyond that explained by either employee empowerment or institutional factors alone. The moderator effect is present if the interaction term explains a statistically significant amount of variance in the dependent variable. The single regression equation was presented as:

$Y= \alpha + \beta_1X+ \beta_2Z+ \beta_3XZ+ \varepsilon_1$ where α is a regression constant or intercept, β_1 is the coefficient relating to the independent variable, X(EE) to the outcome, Y(OP), β_2 is coefficient relating to the moderator, Z, to the outcome when X=0, XZ is the product of employee empowerment and institutional factors and ε_1 is the error term. The regression coefficient for the interaction term β_3 provides an estimate of the moderation effect. If $\beta_{3,}$ is statistically different from zero, there is a significant moderation on the X (EE) and Y (OP) relation.

Research Findings

The sample response rate was 72%. According to Fowler (1984) a response rate of 72% is representative. Demographically, 40.3 per cent of the respondents were female while 59.7 male. 51.7% of respondents were non-academics and 42.5% academics. The respondents age ranged from 20-0ver 50 years. Most of the staff were in the age bracket of 40-49 years. This reveals that most of the staff were young and dynamic. 32% of the respondents had worked with the institutions for between 5-10 years. On reliability and validity, Cronbach's Alpha Coefficient was used to test reliability of the instrument. The results in showed that organizational performance had Cronbachs' Alpha coefficient of .919 while Employee empowerment scored .939 while. Different scholars have used different Cronbach's Alpha Coefficient factors cut-off points (Nunnally 1978; Hair et al., 1998). The reliability results exceeded the 0.7 level of acceptability revealing a very high degree of reliability. The internal consistency reliability measures used were considered high and to have adequately measured the study's variables and were therefore considered for further analysis. Validity was tested through carrying out a pilot study. The instrument was then modified in the form of structure and results incorporated in the final instrument.

Correlation Analysis (Employee Empowerment, Institutional Factors and Organizational Performance)

Correlation analysis using Pearson's Product Moment (PPM) technique was used to establish the relationship between the main variables of the study. Correlation analysis is a measure of linear association between two variables. The test was done to identify the strength and direction of the associations among the variables of the study. The variables in the study were employee empowerment and organizational performance. Values of correlation coefficient range from -1 and +1. A correlation coefficient of +1 indicates that two variables are perfectly and positively related in a linear sense. While -1 indicates that two variables are perfectly related but in a negative linear sense. Hair et al (2006) recommended that correlation coefficient (r) ranging from .81 and 1.0 are very strong; from .61 to .80 are strong; from .41 to .60 moderate; from .21 to .40 weak; and from .00 and

.20 indicates no relationship. Results are given in Table 1.

Table 1 Correlations Matrix (employee empowerment, institutional factors and organization performance)

		Employee Empowerment	Institutional Factors	Organizational Performance
Employee Empowerment	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	520		
Institutional Factors	Pearson Correlation	.729**	1	
	Sig. (2-tailed)	.000		
	N	402	503	
Organizational Performance	Pearson Correlation	.535**	.488**	1
	Sig. (2-tailed)	.000	.000	
	N	477	469	620

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

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

Source: Primary Data (2014)

The correlation analysis with the main variables indicated positive and significant coefficients between the variables. The pertinent results from Table 1 reveal that there is significant relationship between employee empowerment and performance (r=.535, p-value<.001). The Strength and direction of relationship is moderate; while employee empowerment with institutional factors the relationship is strong and significant at (r=.729, p-value <.001). Institutional factors and performance (r=.488, p-value<.001). These results were all positive and statistically significant; hence supporting the fact that employee empowerment has a positive influence on organizational performance. The correlation findings are consistent with other reported findings in previous research by Fox (1998), Kanooni (2005), and Saif & Saleh, (2013) among others.

Hypothesis Testing

The hypothesis describes the relationship and linkages of the various variables as conceptualized and illustrated in the conceptual model of the study. The Hypothesis (H) focused on establishing the influence of employee empowerment on performance of public universities in Kenya. Test of hypothesis was done using employee empowerment as independent variable and non-financial indicators of performance as dependent variable and secondly, using financial performance, measured by revenue growth. Composite index for four indicators of non-financial performance was the criterion variable while composite index for the five indicators of employee empowerment constituted the measure for the independent variable. A composite index for employee empowerment was computed as the sum of responses divided by the total number of indicators/measurement items. Simple linear regression analysis was used to test the hypothesis. The regression results are presented in Table **2**.

Table 2 Results for Effect of Employee Empowerment Influence on Organizational Performance

Variables	**Non- Financial Performance**			**Financial Performance (Revenue Growth)**		
	B	SE	B	B	SE	B
Constant	-224	.037		3.328	.315	
Employee Empowerment	.858	.062	.535	-2.363	-525	-.194
	R=.535 R Square=.286 F=190.353 T=13.797			R=.193 R Squared=-038 F=20.276 T=-4.503		

*p<0.01 *p<0.05

Source: Primary Data (2014)

The regression results show that 28.6% of the variance in non-financial performance is explained by employee empowerment (R^2=.286, p-value<0.05) which is statistically significant. However the regression did not explain 71.4% of the variation in performance which was not captured in the model.

F ratio was significant (F=190.353, p-value<0.01). This implies that the regression of employee empowerment on non-financial performance is statically significant at p<0.0.1 level of significance. This shows that the relationship between the two variables is strong, positive and statistically significant. Equally, β coefficient indicates that employee empowerment contributes substantially to the change in the non-financial performance (β=.858, t=13.797, p-value<0.05). Specifically, for one unit change in employee empowerment there is a corresponding 0.858 variation in non-financial performance. The change is statistically significant. From these results, the hypothesized influence of employee empowerment on non-financial performance is confirmed.

The results above show that employee empowerment explains variations of the relationship between employee empowerment and non-financial performance. The findings are consistent with the findings by Wilkinson (1998) which showed that empowering employees brings a lot of benefit to the organization. Further, findings by Wilkinson (1998) urged organizations to move away from hierarchical authority and limited employee discretion to where there was great employee trust and empowerment which lead enhanced performance. Further, study by Chen (2011) concur that there is significant relationship between employee empowerment and performance. They proposed that when employees feel empowered with autonomy, and opportunities to influence decisions in their jobs, their performance improves significantly.

The regression results for financial performance show that 3.8% of the variation in revenue growth is explained by employee empowerment (R^2=.038, p-value<0.01). F ratio was significant (F= 20.276, p<0.01). The F ratio implies the regression model of employee empowerment on revenue growth is statistically significant at p<0.01. The t value implies that the coefficient of the model parameter is statistically significant (β=-2.363, t=-4.503, p-value<0.01). The β value implies that one unit change in employee empowerment is associated with -2.363 changes in revenue growth. The β value for revenue growth is affected inversely (β=-2.363), however the influence of employee empowerment on revenue growth was statistically significant. The finding were surprising and contrary to what was expected. It was difficult for the researcher to explain why employee empowerment would lead to negative revenue growth. This could probably be due to error in the methodology which could not possibly be detected.

Moderating Effect of Institutional Factors on Employee Empowerment and Organization Performance

The study sought to assess the moderating effect of institutional factors on the influence of employee empowerment and performance. Moderated effects in a regression model capture the effect of an independent variable on the dependent variable as a function of a third variable. The moderating effect is assessed in terms of how the effect of the explanatory variables changes when the moderator variable is introduced. To test this hypothesis the moderating effect was computed using stepwise method proposed by Baron and Kenny (1986). This involved testing the main effect of the independent variable (employee empowerment) and moderator (institutional factors) on the dependent variable (organizational performance) and the effect of interaction between employee empowerment and the institutional factors on organizational performance. Moderation is assumed to take place if the effect of interaction between the employee empowerment and institutional factors on organizational performance test is significant.

Step One: Influence of Employee Empowerment on Non-Financial Performance

In step one; employee empowerment was regressed on non-financial performance. The findings show the result of stepwise regression analysis for Model 1 when only employee empowerment and non-financial performance variables are in the equation model (R^2=.286, p<0.05). These indicate that employee empowerment accounts for 28.6% of the variability in non-financial performance. Further the table shows beta coefficient is .858, t=13.797, p<.001 when employee empowerment is in the model. These results indicate that for every unit increase in employee empowerment, non-financial performance increased by 0.858. The overall model was also significant (F=190.33, p<.001).

Step Two: Effect of Employee Empowerment and Institutional Factors on Non-financial Performance

The introduction of the moderator institutional factors in Model 2 significantly improves the effect of institutional factors on the relationship between employee empowerment and non-financial performance (R^2=.331, p<0.05). Employee empowerment and institutional factors explain 33.1% of the variation in non-financial performance. The F values are statistically significant (F=111. 447, p=<0.05 and F=79.138, p<0.05) that the influence of the independent variable and the moderator were significant in the model. Further the results shows the beta coefficient is β=.383, t=5.083, p<0.05 that is for every unit increase in institutional factors non-financial performance increases by 0.383.

Step Three Effect of Employee Empowerment, Institutional Factors and Interaction Term on Non-financial Performance

In step 3 the interaction term was introduced in the model. All the variables of employee empowerment, institutional factors and the interaction term were entered in the regression model. The results under change statistics, reveal that the R^2 change increased by .015 from .331 to .346 (R^2 change =.015) when the interaction variable (employee empowerment*institutional factors) was added. The change was statistically significant at α=.05 (p-value<0.05). The results show statistically significant relationship between employee empowerment, institutional factors and the interaction (F=79.138, p-value<.001). The F changed from 190.353 to 79.138 showing a decrease when interaction was added. The F ratio shows that the regression of employee empowerment and institutional factors on non-financial performance is statistically significant. The t values reveals that the coefficient of the model parameters are statistically significant at less than p<0.05. The results in Model 1 (for step one) show statistically significant regression coefficients for employee empowerment (β=.648, t=8.363, p-value<0.01) indicating that there is a linear dependence of employee empowerment on non-financial performance. The Model was also statistically significant (β =.366, t=4.836, p=<.001). The beta coefficient decreased from .648 to .366 when institutional factors were introduced. When interaction term was introduced the beta coefficient reduced to -.018 for every unit change in non-financial performance. However the interaction showed an inverse relationship (β=-.018, t=-3.169, p<0.05) though it is significant.

These findings are consistent with observations made by Ahadi, (2011), Gailbraith (2002), Spreitzer (1995), and Kanter (1983) among others. The researchers concluded that organization strategy, culture and leadership is critical in the success of empowerment programs. In an empowered organization employees are able to participate in decision making, performance of powerful tasks, they develop initiatives, and receive management support in teams and individually. In addition, these findings support conclusions by Gailbraith (2002) that employee empowerment and institutional factors have influence on organization performance. The hypothesis that the institutional factors moderate the influence of employee empowerment and non-performance is confirmed.

Moderating effect of Institutional Factors on the Influence of Employee Empowerment on Revenue Growth

To test for the moderating effect of institutional factors on the influence of employee empowerment on revenue growth stepwise regression analysis was performed. The results showed a positive and significant relationship between employee empowerment and revenue growth.

Step One: Influence of Employee Empowerment on Financial Performance (Revenue Growth)

In step one; employee empowerment was regressed on revenue growth. The findings show the result of stepwise regression analysis for Model 1 when only employee empowerment and financial performance variables are in the equation model (R^2=.040, p<0.05). These indicate that employee empowerment accounts for 4% of the viability in financial performance. Further the results show beta coefficient is .-2.407,t=-4.478, <.05 when employee empowerment is in the model. These results indicate that for every unit increase in employee empowerment, revenue decreased by -2,407. This implies that empowerment in the universities does not contribute to revenue growth. Revenue growth in the universities could be attributed to other factors such as engagement in income generating activities and increased student enrolment as is the trend currently. The overall model was also significant (F=20.054. p<.05).

Step Two: Effect of Employee Empowerment and Institutional Factors on Revenue Growth

The introduction of the moderator institutional factors in Model 2 significantly improves the effect of institutional factors on the relationship between employee empowerment and financial performance (R^2=.042, p<0.05). Employee empowerment and institutional factors explain 4.2% of the variation in revenue growth. The F values are statistically significant (F=10.571, p=<0.05) that the influence of the independent variable and the moderator were significant in the model. Further the results showed the beta coefficient is β=.-651, t=.-1.091, p>0.05 and for every unit increase in institutional factors financial performance changes by.-651. The relationship is inverse. This implies that employee empowerment and institutional factors affect revenue growth inversely. This can be interpreted to mean that the basic characteristics of universities is different from other scenarios where there is emphasize more on profit making strategies; while in the universities the strategies are geared more on delivery of efficient services. When the R^2 (squared) increases in either mediating or moderating it indicates a stronger empirical explanatory power on the relationship between the variables. The VIF values show that the results are not invalidated by multicollinearity effects. Therefore on the basis of these statistics, the hypothesis is supported. The study concludes that institutional factors moderate the influence of employee empowerment and performance of public universities in Kenya.

Step Three: Employee Empowerment, Institutional Factors, Interaction Term on Revenue Growth

In step 3 the interaction term was introduced in the model. All the variables of employee empowerment, institutional factors and the interaction term were entered in the regression model. The results under change statistics, reveal that the R^2 change increased by .002 from .040 to .042 (R^2 change =.002) when the interaction variable (employee empowerment*institutional factors) was added. The change was statistically significant at α=.05 (p-value<0.05). The results show statistically significant relationship between employee empowerment, institutional factors and the interaction (F=7.039, p-value<.001). The F changed from 20.054 to 7.039 showing a decrease when interaction was added. The F ratio shows that the regression of employee empowerment and institutional factors on revenue growth is statistically significant. The t values reveals that the coefficient of the model parameters are statistically insignificant at less than p<0.05 (t=.-1.019, and t=.134, p>0.05). The Model was also statistically insignificant β=.651, t=-1.019, p-value>0.05. The beta coefficient decreased from.-1997 to -.651 when institutional factors were introduced. When interaction term was introduced the beta coefficient reduced to -.006. However the interaction showed an inverse relationship (β=-.018, t=-3.169, p<0.05). The findings were surprising and it was difficult to explain the inverse relationship for it could be due to other factors such the methodology used.

However the results indicate that the regression model is significant (F=20.054, p<.001, F=10.571, p<0.001; F=7.039, p<0.001 in model 1, 2, and 3 respectively. However the influence of institutional factors (β=-.651, t=-1.019, p>0.05) and the interaction term (β=.006, t=.134, p>0.05) were statistically insignificant.

Discussions

As noted earlier influence of employee empowerment on financial and non-financial performance is statistically significant. This relationship is moderated by institutional factors. The moderating effect of institutional factors was tested using stepwise regression analysis. Significant relationships were found between employee empowerment and non-financial performance and employee empowerment and revenue growth. The data supported the moderation effect of institutional factors on the influence of employee empowerment and organizational performance. The adjusted R squared increased from .286 to .342, which implied moderation effect.

The findings of the study showed that employee empowerment has a statistically significant influence on non-financial performance ($F=190.353$ $\beta=.858$, $t=13.797$, $p<.005$), has statistically insignificant influence on customer satisfaction ($F=1.654$, $p>0.05$, $\beta=.057$, $t=1.286$ $p>.005$), has statistically insignificant influence on employee satisfaction ($F=.011$, $p>0.05$, $\beta=-.005$, $t=-.104$, $p>.005$) and statistically significant influence on financial performance- revenue growth ($F=20.276$ $\beta=-2.363$, $t=-4.503$, $p<.005$). From the findings it is evident that all the criteria for moderation were met. The influence of the independent variable and the moderator were significant in the model (p-value<.001 in both cases). The interaction term was also statistically significant ($\beta= -.018$, $t=-3.169$, $p<0.05$). The findings thus supported the hypothesis. The findings are in line with extant literature.

These findings support the results of the study by Yazdani et al., (2011). The study emphasized that it is important to have a clear vision, objectives and clear direction both to the employees and the organization as a whole. Organization strategy entails specifying the universities vision and mission, developing policies and plans and allocating of resources to implement the empowerment programs. There is need to involve the employees in the process of strategy planning and formulation. A clearly communicated strategy is all inclusive. The said study established that strategy has impact on the relationship between employee empowerment and performance.

Further studies by Lorsch et al (1973) revealed that highly centralized structures can lead to bureaucracy which can have negative impact especially in view of the changing environment organizations operate in. Rather than trying to control employees they should be given mandate and discretion to carry out their work. Employees who feel like their contributions are not valued sometimes will experience feelings of discontent and less empowerment. This study’s findings revealed that having decentralized structures was preferred to having centralized structures in the public universities. The respondents in the study indicated that power in the universities is highly centralized at the top (mean=4.05, SD=2.958) which means in the majority of decisions employees are not involved or consulted (mean=4.01, SD=1.019). This type of structure is perceived by employees to be controlling and decisions can sometimes take long. This has impact on employee empowerment in the public universities.

Although literature relating to the moderating effect of institutional factors on the relationship between employee empowerment and performance is limited, it has been argued that institutional factors reinforce or determine the success of empowerment programs. Studies by Schein (2004) posited that organization culture (which is part of institutional factors) may determine or hinder organization success. Culture exerts a strong influence on behavior of employees and work related attitudes of job satisfaction and organization commitment (Yazdani et al., 2011). When employees are involved in decision-making they develop a sense of ownership and take responsibility and hence become accountable for their actions. Specifically this provides employees with greater goal and motivation that makes them willing to go an extra mile in performing their roles. Further organizations that allow participative culture create a positive working environment which facilitates creativity, innovation and flexibility by employees. This in turn leads to employee autonomy have positive effects on the organizational performance.

On the other hand, a rigid and autocratic culture inhibits employees the ability to be creative and innovative thus lowering their morale or quality of work life and a barrier to performance. The result of this study therefore supports the existing body of literature on influence of organization culture on performance. This study measured culture using modified involvement scale measures; which looks at the extent of employee participation in organizations decisions. This is in line with the proposal by Glasser, Hacker and Zamano (1987) who introduced six measures of organization culture. These dimensions include employees' perception of teamwork, morale, information flow, involvement, supervision and quality of meetings.

Previous studies seeking to establish the moderating effect of institutional factors received mixed results. Monari (2013); Kandie (2009) established that organizational leadership provided significant moderating effect on linking empowerment and performance. Leaders who articulate the importance of having an aligned vision can receive positive support. Organizational goals must be aligned with the vision of the organization. Other studies have indicated that organizational leadership exerts effects on employee attitude and behavior (Bass 1999). A study conducted by Boonyarit et al (2010) in public schools in Thailand revealed that perceived leadership towards managers was positively related to psychological empowerment and further confirmed that teachers' perception of empowerment was predicted by transformational leadership. Leaders who articulate the importance of organizations having an aligned strategy and structure can receive positive work output from their staff. As such transformational leadership style affects employee empowerment. Bonyaati et al (2010) further established that there is a relationship between leadership and structural and psychological empowerment. Positive leadership leads to psychological empowerment and when employees feel there is management support performance increase.

The results of this study confirm previous studies that have organization strategy aligned with their structures and leadership styles being considered as one of the most important components in increasing performance (Wilkinson, 1998) as such they influence the relationship between employee empowerment and performance. These components of institutional factors moderate the relationship between employee empowerment and organizational performance. When leaders involve staff in propelling the organization forward, it builds synergy and commitment at all levels. By fostering participative culture employees are engaged to deliver quality service and achieving universities goals

From the literature and empirical evidence it is clear that studies on empowerment and performance concluded that when employees are empowered, and institutional factors are in place organizational productivity increases. One of the major findings of this study is that a significant relationship exists between institutional factors and performance. Transformational and transactional leadership, strategy, structure and culture had a positive effect on performance and the results were significant. The hypothesis was therefore supported that institutional factors moderated the influence of employee empowerment on performance of public universities in Kenya.

CONCLUSION

The study supports existing body of knowledge on the role of involving employees in planning and articulating the strategy in the universities. The organization structures should be enabling, the leadership style inspirational and encourage empowerment culture. These factors play a critical role in organizational performance. Studies reveal that positive culture is very important in an academic environment, for academics are greatly affected by the kind of institution in which they work (Ahadi 2011; Hamidifar 2009).

The findings concur with Robbin (1990) study, who found that organization structures have moderating effect on the relationship between employee empowerment and organizational performance. In his study Robbin (1990) found that the structure of an organization is not isomorphic with its control system and that structure is related to control. Government institutions tend to have many levels of hierarchy and many divisions which lead them to develop more complex measures of output. This study is in line with Burns and Stalker (1961) who found that complex organizations tend to have more homogeneous tasks within departments which increases the supervisory efficiency of the managers and decreases the need for complete measures of output. Structures whether centralized or decentralized can optimize performance, hence providing much support in the current study.

At the same time findings indicated that employee empowerment has a positive and significant correlation with institutional factors. These findings help the study to conclude that in an organization that has proper structures, forward looking strategies, and transformational leadership fosters an empowerment culture. This leads to job satisfaction and organization commitment. An involvement culture has significant effect on the performance of universities.

Institutional factors were found to positively and significantly moderate the influence of employee empowerment and performance. This was confirmed further by the moderating role of institutional factors interaction effect of employee empowerment and institutional factors which showed that the strength of the relationship between employee empowerment and performance was reduced. This implies a moderating effect on the influence of employee empowerment and performance of Public Universities in Kenya

It is therefore reasonable to conclude from the empirical evidence adduced in the study that employee empowerment influence performance and this influence is moderated by institutional factors in Public Universities in Kenya. Based on the findings of the study the hypotheses was confirmed. In conclusion this research has brought in new insight into human resource management fields showing that organizational competiveness depends on alignment of human resource practices such as employee empowerment in order to enhance performance. However, further studies need to be done to give clear understanding if there are other factors namely: age of organization, employee characteristics and technology which could have greater impact on the relationship between employee empowerment and organization performance.

References

Ahadi, S. (2011). Mediating Role of Psychological Empowerment In The Relationships Between Structural Empowerment And Organizational Culture And Workplace Outcomes Among Academics In Malaysian Research Universities. *PhD Unpublished Thesis*, University Putra Malaysia

Avolio, B.J., Zhu, W., Koh, W., & Bhatia, P. (2004). Transformational Leadership and Organizational Commitment: Mediating Role of Psychological Empowerment and Moderating role of Structural Distance. *Journal of Organisational Behaviour, 25(8): 951–968.*

Awan, H.M., Bukhari, & K.S., Talia, S. (2011). Influence of Leadership Empowerment Behaviour on Organizational Performance. *Management Research Review*

Awino Z. B. & Gituro W. (2011). An Empirical Investigation of Supply Chain Management Best Practices in Large Private Manufacturing Firms in Kenya. *Prime Journals Business Administration and Management (BAM).* 1 (2): 26-31.

Barney, J. (1991). Firm Resources and Sustained Competitive Advantage *Journal of Management 17: 99-120*

Baron, R. M., & Kenny, D. A. (1986). Moderator - Mediator Variables Distinction in Social Psychological Research: Conceptual, Strategic and Statistical Considerations. *Journal of Personality and Social Psychology*, *51*(6):1173 - 82.

Bass,B. M. 1985.Leadership and performance beyond expectations. New York: Free Press

Bass, B. M. (1990). From transaction to transformational leadership: Learning to share the vision. *Organizational Dynamics 3*

Boonyarit, I. Chomphupart, S., & Nattawut, A. (2010). Leadership, Empowerment & Attitude Outcomes. *The Journal of Behavioural Science.* 5(1):1-14.

Bowen, D. E. & Lawler, E. E. 1995. “Empowering Service Employees.” *Sloan Management Review,* 36:73-84.

Burns, T. & Stalker, G. M. (1961). *The Management of Innovation*. Tavistock, London

Chen, C.K., & Chen, Y.C., (2008). The Impact of Work Redesign and Psychological Empowerment on Organizational Commitment in a Changing Environment: an example of from Taiwan’s State-owned Enterprises*. International Public Management Association for Human Resources, (37): 279-302*

Chen, K.P. (2011). A Study on the Impact of Empowerment on Employee Performance in the Automotive Industry in Malayasia. Open University of Malaysia

Claydon, T. & Doyle, M. (1996). Trusting me, rusting you? The Ethics of Employee Empowerment. *Personnel Review, 25 (6): 13-25*

Commission of University Education (CUE) (former Commission for Higher Education (CHE), (2012)

Conger, J. A. & Kanungo, R. N. 1988. The Empowerment Process: Integrating Theory and Practice. *Academy of Management Review.* 12, 471-482.

Cooper, R. D. & Schindler, S. P. (2006). *Business Research Methods.* 9th Edition. cGraw-Hill Publishing Co. New Delhi-India.

Cronbach, L. (1951). Coefficient Alpha and the Internal Structure of Tests. *Psychometrika*, 16:3

Daft, R. l. (2007). *Understanding the Theory and Design of Organizations*. Thompson South Western: West Publishing Company

DiMaggio P., & Powell, W. (1983). ‘The Iron Cage’ Institution Isomorphism and Collective Rationality in Organizational Fields. *American Sociological Review, 48:147-60*

Dimba E. & K’Obonyo P. (2007). *Influence of Culture on Strategic Human Resource*

Management (SHRM) Practices in Multinational companies (MNC) in Kenya: A Critical Literature Review. www.strathmore.edu August, 14th 2012

Dhladhla, T.J. (2011). The Influence of Leader Behaviour, Psychological Empowerment, Job Satisfaction, and Organizational Commitment on Turnover Intention. MA University of Stellenbosch

Dumdum, U. R., Lowe, K. B., & Avolio, B. J. (2002). *A meta-analysis of transformational and transactional leadership correlates of effectiveness and satisfaction*: An update and extension. In B. J. Avolio & F. J. Yammarino (Eds.). Transformational and charismatic leadership: The road ahead (pp. 36-66). Oxford: Elsevier Science

Fernandez S. & Moldogaziev T. (2011).Using Employee Empowerment to Encourage Innovative Behaviour in the Public Sector. *School of Public and Environmental Affairs, Indiana University.*

Fox J. (1998). *Employee Empowerment: Apprentice Model*. Barney School of Business University of Hartford.

Fowler, F. J. Jr. (1984). *Survey research methods*. Thousand Oaks, CA: Sage.

Galbraith, J. R. (2002). *Designing Organizations: An Executive Guide to Strategy, Structure, and Process.* San Francisco: Jossey-Bass, (10).

Glaser, S.R., Zamanou, S., & Hacker, K. (1987). Measuring and interpreting organizational culture. *Management Communication Quarterly*, 1, 173-198.

GoK, (2005). *Ministry Human Resources Development Strategy*. Government Printers: Nairobi.

Gore, A. (1996). The Best Kept Secrets In Government- Digest Version. National Performance Review, September 1996. *Public Administration Review, (30)*

Hair, J.F. Jr.Anderson, R.E., Tatham, R.L., & Black, W.C. (1998). *Multivariate Data Analysis, (5th Edition)*. Upper Saddle River, NJ: Prentice Hall

Hamidifar, F. (2009). A Study of the Relationship between Leadership Styles and Employee Job Satisfaction at Islamic Azad University branches in Tehran, Iran. *Journal of Management 4(2)*

Hill, F., & Huq, R. (2004). Employee Empowerment: Conceptualizations, Aims and Outcomes *Total Quality Management, 15, (8), 1025–1041*

Hofstede, G, (1991). *Cultures and Organizations*. London: McGraw-Hill.

Huselid, M. (1995). The Impact of HRM Practices on Turnover, Productivity and Corporate Financial Performance, *Academy of Management Journal, 38(3):635-672*

Greenwood R. & Suddaby. R. (2006). Institutional Entrepreneurship In Mature Fields: The Big Five Accounting Firms. *Academy of Management Journal,* 49(1): 27–48.

Johnson, G., & Scholes, K. (1984) *Exploring Corporate strategy*. Prentice Hall International

Kandie, Y.P. (2009). *The influence of organizational strategy and institutional factors on performance of small, medium enterprises (SME) in Kenya*. PhD Thesis, University of Nairobi

Kanooni, A. (2005). The Employee Empowerment in Information Technology Department. *Capella University*

Kanter, R. M. (1993). *Men and Women of the Corporation.* (2nd Ed.). New York: Basic Books.

Kanter, R. M. (1983). *The Change Masters*. New York: Simon & Schuster

Kanter, R. M. (1977). *Men and Women of the Corporation*. New York: Basic Books.

Lorsch, Jay W., & Stephen A. Allen.1973) *Managing Diversity and Interdependence*. Cambridge, MA: Harvard University Press

Lowe K.B., Kroeck, K.G., Sivasubramaniam, N. (1996) Effectiveness Correlates of Transformation and Transactional Leadership: A Meta-Analytic Review of The MLQ Literature” *Leadership Quarterly, 7 (3)*

Menon, S.T. (2001). Employee Empowerment an Integrative Psychological Approach. *Applied Psychology: An International Review*, *50(1): 153-80*

Ming J.S. (2010). A Model of Higher Education Institutions Choice in Malaysia – A Conceptual Approach. *International Conference on Business and Economics Research*

Mintzberg, H. (1998). *Integrated Performance Management Framework: A guide to strategic implementation.* Sage Miles, R.E. & Snow, C.C. (1984). Designing Strategic Human Resources Systems. *Organizational Dynamics, 31(1):36-52*

Meyer, J. W., & Rowan, B. (1991). Institutionalized organizations: Formal structure as myth and ceremony. In W. W. Powell and P. J. DiMaggio (Eds.). *The New Institutionalism in Organizational Analysis (41-62).* Chicago: University of Chicago Press

Monari F. (2013). The Influence of Time Management Tendencies and Organizational Factors on The Relationship Between Employee Attributes And Organizational Performance Of Universities In Kenya. *Unpublished. PhD Thesis.* University of Nairobi

Ngambi, H. C. (2010). The Relationship between Leadership and Employee Morale in Higher Education. *African Journal of Business Management 5(3): 762-776.*

Oliver, C. (1997). Sustainable Competitive Advantage: Combining Institutional and Resource-based Views. *Strategic Management Journal*, 18: 697-713.

Quinn, R. E., & Spreitzer, G. M. (1997). The Road to Empowerment: Seven Questions every Leader should consider. *Organizational Dynamics, 26(2): 37-49*

Randolph, W.A. (2000) – Re-thinking Empowerment it is hard to achieve? *Organization Dynamics*, 29 (2): 94-107

Ritzen, J. (2011) Strategy, Structure and Organization: Mission Differentiation. *2nd International Conference and Exhibition in Higher Education. Riyadh*

Robbins, S., & Stephen P. (1990) *Organization Theory: Structure, Design and Applications*. New Jersey: Prentice Hall International Editions

Saif, N.I., & Saleh, A.S. (2013) Psychological Empowerment and Job Satisfaction in Jordan Hospitals. *International Journal of Humanities and Social Sciences. 50.*

Scott, W. R. (1995 & 2004). Institutions and Organizations. Thousand Oaks, CA, Sage

Schein, E. (1992). *Organizational Culture and Leadership: A Dynamic View*. San Francisco, CA: Jossey-Bass. p. 9.

Sekeran, U. (1992). *Research Methods for Business: A Skill building Approach*. NY: John Wiley

Shin, J. C. (2010) Impacts of performance-based accountability on institutional performance in the U.S. Higher Education *60:47–68 DOI 10.1007/s10734-009-9285*

Spreitzer, G., & Doneson, D. (2005). *Musings on the Past and Future of Employee Empowerment*. Handbook of Organizational Development. Thousand Oaks: Sage.

Spreitzer, G.M. (2007). Taking Stock: A Review of more thanTwenty Years of Research on Empowerment at Work. *Centre for Effective Organizations*.

Spreitzer, G. M. (1995). Social Structure Characteristics of Psychological Empowerment. *Academy of management Journal, 39: 483-504*

Spreitzer, G. & Quinn, R. (2005). *Entering the Fundamental State of Leadership: A Framework for the Positive Transformation of Self and Others*. University of Michigan

Suchman, M. C. (1995). Localism and Globalism in Institutional Analysis: The Emergence of Contractual Norms in Venture Finance. In *The Institutional Construction of Organizations: International and Longitudinal Studies,* 39- 63, W. Richard Scott, & Søren Christensen, ed. Thousand Oaks, CA: Sage

Suddaby, R. (2010). Construct clarity in theories of management and organization. *Academy of Management Review*, 35: 346-357.

Thomas, K.W., & Velthouse, B.A. (1990). Cognitive Elements of Empowerment: An Interpretive Model of Intrinsic Task Motivation. *Academy of Management Review, 15(4): 666-681*

Wasyonju , M.G., Kindiki, J.N., & Kali J. (2012). Impact of Brain Drain on the quality of Education in Moi University, Kenya. *Journal of Emerging Trends in educational Research and Policy Studies. (3),241-246*

Wernerfelt. B. (1984). A Resource-Based View of the Firm. *Strategic Management Journal. (5):*171-180.

Wilkison, A. (1998). Empowerment: Theory and Practice. *Personnel Review. 27(1): 40-56*

Wong, Kee-Luen., Choon. Y., & Lau T. (2011). Psychological Empowerment and Organizational Commitment in the Malaysian Private Higher Education Institutions: A Review and Research Agenda. *Academic Research International 1: 3.*

Yazdani, B. & Yaghoubi, N.M. & Giri, E.S., (2011) Factors affecting the Empowerment of Employees. *European Journal of Social Sciences, 20 (2): 267-274.*

Yang, S. & Choi, S. O. (2009). Employee Empowerment and Team Performance: Autonomy, Responsibility, Information, and Creativity *Team Performance Management, 15* (5/6): 289-301.