ORGANIZATIONAL CULTURE AND ITS INFLUENCE ON EMPLOYEE JOB PERFORMANCE: A CASE OF DEVELOPMENT FINANCE INSTITUTIONS IN KENYA

Mbogo, S. W., & Nzulwa, J.

The Strategic JOURNAL of Business & Change MANAGEMENT
ISSN: 2312-9492 www.strategicjournals.com
Vol. 5, Iss. 4, pp 379 - 395, October 18, 2018. www.strategicjournals.com, ©Strategic Journals

ORGANIZATIONAL CULTURE AND ITS INFLUENCE ON EMPLOYEE JOB PERFORMANCE: A CASE OF DEVELOPMENT FINANCE INSTITUTIONS IN KENYA

Mbogo, S. W.,[*1] & Nzulwa, J.[2]

[*1] Msc. Candidate, Jomo Kenyatta University of Agriculture & Technology [JKUAT], Nairobi, Kenya
[2] Ph.D, Lecturer, Jomo Kenyatta University of Agriculture & Technology [JKUAT], Nairobi, Kenya

Accepted: October 11, 2018

ABSTRACT
This study assessed organizational culture and its influence on employee Job performance with reference to Development Finance Institutions (DFIs) in Kenya. The research would be of great importance to the board of directors, the investors, academicians, policy makers, the government and other research institutions. The study involved such DFIs as the tourism finance corporation, IDB Capital Limited, Agricultural Finance Corporation and Industrial and Commercial Development Corporation which were all located in Nairobi County. The results of the test of beta coefficients indicated that there was significant relationship between independent variables notably; (X_1) Employee involvement, (X_2) Employee training, (X3) Reward systems and (X_4) Job design and dependent variables Y=Performance of the Development finance institutions in Kenya. (X_1) Employee involvement coefficient of 0.799 was found to be positive at significant level of 0.004 and this indicated that Employee involvement has a positive influence on Performance of the Development finance institutions in Kenya. , (X_2) Employee training coefficient of 0.655 was found to be positive at significant level of 0.002 and this indicated that Employee training has a positive influence on Performance of the Development finance institutions in Kenya. , (X3) Reward systems coefficient of 0.701 was found to be positive at significant level of 0.003 and this indicated that Corporate Employee training has a positive influence on Performance of the Development finance institutions in Kenya (X_4) Job design coefficient of 0.811 was found to be positive at significant level of 0.001 and this indicated that Job design has a positive influence on Performance of the Development finance institutions in Kenya.

Key Words: *Job Performance, Training, Reward Systems, Job Design, Job Performance*

INTRODUCTION

Organization culture refers to the values as well as the behavior practiced in a given organization which contribute to a unique social and psychological environment of any given organization. Organization culture is very critical in an organization as the predefined policies guide the workers and give them a sense of direction in the workplace (Alvesson, 2013). It includes the experiences, philosophy, expectations, values that hold the organizations together which are all expressed in the self-image of the organization, its interactions with the external environment, inner workings as well as the future expectations. The employees in the workplace are conversant with their roles as well as responsibilities and are aware of the ways to accomplish these tasks before the deadlines (Alvesson, 2013).

An organization's culture can be one of the strongest assets or even the biggest liability that an organization may have. An organization that has a rare or even a hard to imitate culture will always have a competitive advantage (Hakim, 2015). Organizational culture decides the way the employees will interact in the workplace. If there is a healthy culture within the organization, it will always motivate the employees and make them loyal towards the management. Organizational culture does promote healthy competition within the workplace. Employees will try their best to perform better than their fellow workers so as to earn recognition and be appreciated by their supervisors (Alvesson, 2013). This is a culture that always motivates the employees and will improve their performance.

Recent research in India agrees that corporate organizational culture has a great influence on the work performance of employees. Moreover, the culture of the corporate sector does greatly determine the productivity level of employees in an organization (Gunaraja, 2014).The top management is always responsible for ensuring there is a culture that holds transparent and clear procedures and policies (Uddin et al., 2012). The employee performance is always maintained and influenced by motivation, codes of conduct as well as rewards. Moreover, the use of open discussions and meetings help in resolving conflicts in the organization, promote open learning and improve the organizational culture.

Jiddah, Rayyan,and Umar (2016), notes that many organizations focus on the extrinsic and intrinsic reward systems which give less concern on the traditional cultural activities. There has been little empirical literature on organizational culture and employee performance. This is because little evidence exists to prove the effect of organizational culture on the performance of employees. Jiddah et al., (2016), determines the impact of the organizational culture of job efficiency in Nigeria and finds out that a direct and significant relationship exists between employee involvement and his or her job productivity. There is a need for each and every organization to make regular appraisals which will determine the performance of employees and the organization can learn from this so as to address the issues at hand and help the employees to exploit their potential fully.

The ability of employees to communicate better has a great influence on their knowledge as well as understanding the work, their capability to carry out the work as per the set standards, time management, proper allocation of resources and well thought about responses to customers (Omondi, 2014). According to a research carried out in Kenya, Omondi (2014), notes that organizations that do perform very well have a very committed workforce, which follows the mission, values and the vision of the organization so keenly. The management of the organizations is usually very committed, and they help the employees to ensure that they fulfill the purpose of the organization fully. If the personal values and the behavior of employees are consistent with the values of the organization, then the performance of the organization improves. The senior staff members who form the management of the organization will always set the tone and apply the core values that do form the overall prevailing culture of the organization which will be shared among all the members in that organization.

Normative culture: This is a culture whereby the norms and the procedures of the organization are predefined, and the rules, as well as the regulations, are set according to the prevailing guidelines. The employees do behave well and adhere to the organization's policies very strictly. All the employees endeavor to stick by the rules and all the laid down policies (Driskill& Brenton, 2010).

Pragmatic culture: It is a culture that is placed on both clients and the external parties. Employees who adopt this culture aim at satisfying the customers first. In such organization, they ensure they treat their clients as gods, even without following any set rules.All the employees do strive very hard to satisfy their clients and ensure maximum business from them(Cameron & Quinn, 2011).

The job performance of employees is determined during job performance reviews that are carried out by the employer who considers such factors as the organizational skills, time management, leadership skills as well as productivity to analyze each employee on an individual basis. Reviews of employee job performance,determine whether the employee is executing his or her job duties and responsibilities well and can be done on a quarterly or annual basis in order to access areas of improvement.

Development Finance Institutions do have a great role in providing public aid as well as a private investment which enhances the flow of capital to the economy. These institutions have a common objective of ensuring economic growth and fostering sustainable development. The DFIs mainly focus on servicing, investment shortfalls of most companies and bridging the gap between the state development aid and the commercial investment. They offer a wide range of financial services to investors, which include loans, equity participation in firms as well as investment funds and also finance public infrastructure projects. The do initiate projects in industrial fields and in situations where the commercial banks are reluctant due to lack of viable collaterals. The DFIs do finance the small and medium enterprises and offer loans to companies. They include the Tourism Finance Corporation (TFC), Agricultural Finance Corporation, IDB Capital Limited and Industrial and Commercial Development Corporation. The DFIs create job opportunities for people, which is an addition to domestic investment. They cause a great impact as they directly affect the productivity by changing the composition and economic structure of an economy.

AFC is a government owned Development Finance Institution that was incorporated in 1963 and initially served as a subsidiary of the land and agricultural bank. In 1969, it was incorporated as a fully-fledged financial institution under the agricultural finance corporation act cap 323 of the laws of Kenya. The role of the corporation was to assist in the effective and peaceful transfer of land to indigenous farmers and also inject capital to farm owners in order to increase development. In 1969, the company was reconstituted and tasked with taking over the functions of the land and the agricultural bank of Kenya. Till today AFC is the leading government credit institution that provides credit for the sole purpose of developing agriculture. The role is very critical as agriculture is the backbone of the Kenyan economy and about 80% of the Kenyan population that is rural based relies solely on agriculture as its source of livelihood (Agrifinance.org, 2018).

The IDB Capital Limited formerly known as Industrial Development Bank has been in existence for 40 years and has the experience of financing industries in Kenya (Industrialization.go.ke., 2018). It offers a wide range of products that are tailored to meet the needs of specific customers. The products and the services are usually available to the general public and include persons that live with disabilities. The State Corporation recognizes the importance of the dynamic private sector in securing as well as encouraging sustainable and rapid economic growth, offering job opportunities as well as reducing poverty. The Corporation has developed high competence in selection of projects, their appraisal as well as project management. IDB Capital Limited endeavors to assist the large, small and even medium and large businesses in any sector of the economy. The corporation helps new as well as existing companies, those seeking expansion, modernization as well as diversification and the creditworthy borrowers who have to prove their commitment to the project by contributing at least 20 to 40% of the project cost. IDB Capital Limited lends finances that have been fully secured to borrowers who have proven management abilities and have a good reputation (Industrialization.go.ke. 2018).

ICDC is a commercially oriented Development Finance Institution whose mandate is to facilitate the industrial and economic development of Kenya by providing various financial services, in line with its vision and mission statements (Icdc.co.ke, 2018). Over the past years, ICDC have actualized citizens' ideas into wealth through continuous engagement of their employees. Employee performance has seen the organization's survival through the past 63 years, despite competition from other similar institutions (Icdc.co.ke, 2018). The company has approximately 100 employees among them being permanent employees who and temporary and contract employees considering the company branches. The management need to design a good organizational culture that will motivate the employees, make them feel respected and appreciated in their work which will help to increase and improve performance in the workplace (Icdc.co.ke, 2018).

Statement of the problem

A major factor in the success of an organization is its culture since it can significantly influence the performance and effectiveness of an organization, the morale and productivity of its employees, and its ability to attract, motivate, and retain talented people. Organizational culture has a straightforward and direct role in employee job performance (Odhiambo, 2016).

In DFIs characterized and driven by numbers, organization culture is often seen as vague and difficult to grasp concept because it has not been empirically proven to have any effect or contribute to an organization's financial performance. Various organization culture elements such as employee involvement, employee training, reward systems and job design are rich ingredients of organization culture yet they are not considered by DFIs as factors that need consideration when dealing with profitability issues and organization performance at large.

Declining organizational performance noted in the Annual Reports for DFI's since the financial year 2014/2015 is mostly attributed to declining customer service delivery as a result of low employee morale. The reports also reveal declining Employee Job Satisfaction Index. It's generally accepted that motivated employees offer superior customer service to the clients while demotivated employees offer poor customer service. There is need for DFIs to assess the impact the existing organization culture has on employee job performance.

There is varied research on organizational culture and its influence on employee job performance. Maina (2016), concluded that employees of commercial banks observed acceptable personal habits at the workplace who were guided by the organization's overall strategic plan in doing their work, completed work that was assigned to them as per the desired standard and committed maximum efforts to their work.

Arinanye (2015), indicated that organizational culture and organizational communication positively affected the performance of employees at the college of computing and information sciences (COCIS), Makerere University, Kampala – Uganda. She concluded that the college management should improve and build teamwork and develop the current leadership in order to maintain a good culture, increase in employee salaries, reward long-serving employees, and create opportunities for employees in order to work together with the managers of the college in order to improve on performance.

None of the above researchers have focused on Development Finance Institutions. Most of the researches are on commercial banks and in the private sector. This had created a research gap that the study seeks to address by investigating organization culture and its influence on employee job performance in DFI’s in Kenya.

Objectives of the study

To establish how organizational culture influences employee job performance in Development Finance Institutions in Kenya. The specific objectives were:-

- To investigate the influence of employees involvement in employee job performance in DFIs in Kenya
- To determine the influence of training on employee job performance in DFIs in Kenya
- To assess the influence of reward systems on employee job performance in inDFIs in Kenya
- To examine the influence of job design on employee job performance in DFIs in Kenya

LITERATURE REVIEW

Theoretical Review

Edgar Schein theory

This model was established by Edgar Schein who believes that organizations do not embrace a culture within a single day, but a culture will be formed in due time as the workers go through all the changes, embrace the external environment and also provide solutions to problems (Schein, 2010). The employees do get some insight from their past experiences and start practicing it each day and later form the culture of the place of work. The new employees strive hard and try to change to the new culture, enabling them to enjoy a stress-free life. According to Schein, there are three levels of organization culture, namely the Artifacts, values and Assumed values (Schein, 2010). Artifacts is an organization characteristic that can be felt, viewed or heard by individuals in a collective manner. For example, the vision and mission of an organization, office furniture, the dress code of employees as well as their behavior. These aspects of an organization are a great determinant of the workplace culture (Schein, 2010).

Robert A Cooke theory

According to Robert Cooke, people from different backgrounds and with varying interests do come together in an organization to accomplish the targets of the organization and earn income. The employees do work with unity and have a common goal (Reisyan, 2016). Notably, the behavior of any employee is dependent on an organization's culture at the place of work. The interactions of people amongst themselves as well as with the outsiders are attributable to the organizational culture. Robert, further asserts that each employee has a way that he or she behaves while at the workplace through which he or she feels is the best way and will help with survival at the organization for a long duration to ensure a stable future as well as growth. These perceptions of employees do form the organizational culture (Reisyan, 2016).

Hofstede theory

According to Hofstede, there are five main factors that influence the culture of an organization. One is the power distance which refers to the differences in the work culture as per the power delegated to the employees (Piepenburg, 2011). Hofstede notes that in an organization where power is distributed equally among all employees irrespective of their designations or level in the hierarchy will enjoy equal benefits as well as rights. In some instance, every employee is left to be accountable for his or her own performance; no special person is assigned to be in charge of the employees. However, they have to take ownership of their work.

On the other hand, some organizations do employ team leaders or managers who are responsible for their teams and have a task of extracting the best out of the members. Superiors are given special treatment by the management and delegate more of their responsibilities to team leaders compared to the team members. Team members are expected to respect team leaders and work according to the orders and advice.

Charles Handy theory

According to Charles handy, there are four types of cultures that an organization will follow. One is the power whereby in some organizations, power always remains in the hands of few individuals and they are not authorized to take any decisions. The few individuals do enjoy special privileges at the place of work, they are major decision makers and have an important place in the organization setting. They also do delegate their duties to their juniors. In such an organization setting, the junior employees have no option but to comply with the set rules. They lack the freedom to express their views or even share ideas during an open forum and thus will have to follow instructions from the supervisors. Managers in such an organization setting maybe partial to someone or others and can lead to major unrest within the organization (Ashkanasy et al., 2011).

Charles Handy also notes that task culture is another type of culture whereby teams are formed to help the organization meet the set goals and also solve any problems within the organization. This culture is characterized by individuals who have common specializations as well as interests and are comprised of four to five members in each team. All the members have to equally contribute as well as accomplish all the tasks in the most innovative way (Ashkanasy et al., 2011).

Conceptual framework

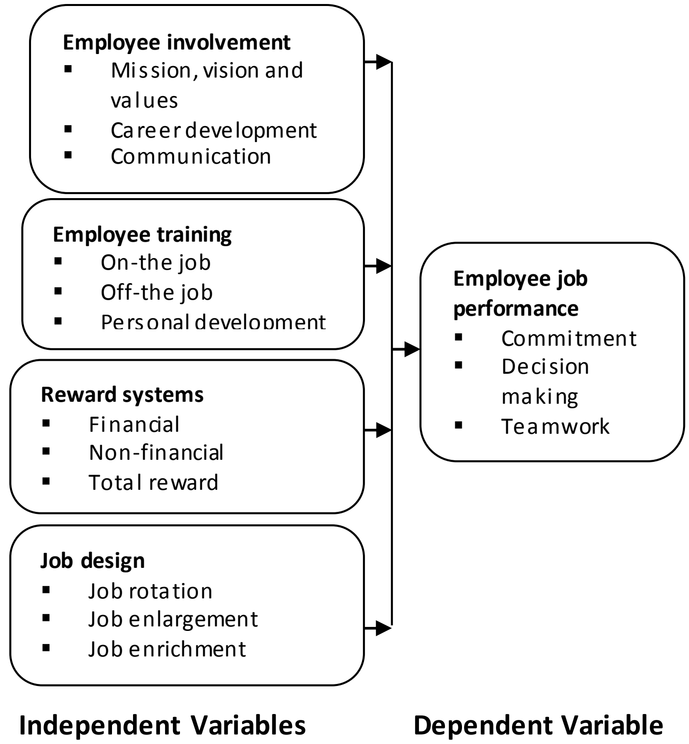

Fig 1: Conceptual framework

Employee job performance

Job performance is the evaluation of the work done by an employee to determine whether they have done a commendable job (Kumari et al., 2010). This is a personal assessment where an individual is assessed based on their efforts. In organizations, human resource departments usually conduct employee evaluation. The performance of an individual employee often determines the productivity of the entire organization. Some factors that determines employee job performance include commitment, teamwork as well as decision making. Commitment refers to the willingness to give time as well as energy to something which may be a Job, a promise or a decision to carry out a given task. If employees at ICDC are committed at their work, there will be improved job performance such that the output will increase. Moreover, employing a good organization culture within ICDC would ensure employees are committed to their work which will ultimately the performance of the organization. An organizational culture that involves its employees in decision making ensure quick business growth, it motivates employees and also increases efficiency thus ensuring better performance of the organization. Teamwork which is entails combined effort by a group tin an organization is another fundamental factor in ensuring improved employee job performance.

Employee Involvement

The mission of ICDC is to catalyze the creation of wealth by investing in opportunities with the potential to create tomorrow's blue chip companies. Employees who follow this mission within ICDC will ensure there is increased creation of wealth within the organization and ultimately an improvement in job performance. The vision of ICDC is to be Africa's world class development finance institution. It aims at focusing on industrial growth as well as development in Kenya and having significant impact on creating jobs and raising household incomes for a profit. Some of the values employed by the organization include honesty, reliability, integrity, credibility and trustworthiness. These core values need to be adopted in the organizational culture which will then ensure that the employees practice the best work values and ethical standards at work which if properly utilized will ensure increased employee job performance. Employee involvement also entail career development of employees

Training

Training is the act of teaching individual specific skills or type of behavior. It is usually well organized, and it is aimed at imparting information as well instruction to the trainees in order to improve their performance and help them to gain or attain their level of skills or knowledge (Warhurst et al., 2017). On the Job training refers to training of employees at the place of work while he or she is still doing the actual job. It also includes mentoring and coaching. Introducing this type of training creates an organizational culture that new employees as well as those whom the organization wish to impact more skills will always be done within the organization. Off the job training is whereby the organization trains its employees away from the normal work environment. The training involves use of case studies, simulation and role play. If this is introduced within an organization, then it adopts an organizational culture which only allows off the job training. Training evaluation involves assessing the effectiveness of a training program. Personal development is a process in which people assess their skills as well as qualities consider their aims in life and set goals in order to identify and maximize their potential. Personal development involves self-actualization which is the process through which people develop inbuilt needs. The needs that employees develop at ICDC do form a hierarchy and until one need is satisfied another need cannot be satisfied (Rohn, 2016). The needs that motivate the behavior of an employee at a given time may change and this may affect the employee performance at the workplace.

Reward systems

Companies do reward their employees in different ways, which can be financial, non-financial and also total reward. Effective reward programs helps to solve many human resource problems within the organization. The reward programs will revolve around, compensation of employees, the benefits, appreciation as well as recognition. When developing reward programs, ICDC should consider financial rewards like giving bonuses to its employees, paying for performance, sharing of company profits for example through dividends and giving allowances to employees. Non-financial rewards include recognition for good performance, promotions, praise from the boss, attention from leaders, stock options, dinner with the CEO, enhanced decision making or being in a new office with upgraded work space (Daft, et al., 2010). These incentives are usually not part of the employees pay but are provided to ensure that the employee is motivated. They do not cost the company any money but carry a significant weight. Total rewards refers to all the available tools for the employer to ensure that he or she attracts, retains and motivates the employees. To an employee, total reward will entail perceived value as a result of the employment relationship. The total rewards package may comprise of compensation, benefits, work life benefits, performance and service recognition as well as career development,

Job design

Job design is a work arrangement that is meant to reduce or overcome job dissatisfaction. It aims at giving proper outline a well as organizing tasks, responsibilities and duties and responsibilities into a single unit of work so as to achieve certain objectives (Daft et al., 2010). Job rotation is a systematic movement of employees from one job to another in the same organization which is aimed at achieving various objectives of human resources. The objectives may include orientation of new employees, training the employees, preventing boredom and burnout as well as enhancing career development. Job enrichment on the other hand, is a concept in management which involves redesigning the jobs so that they are more challenging to employees and have less repetitive work. The aim of job enrichment is to make the position more satisfying to the employee (Savall, 2010). This makes them happier, more productive and are less likely to seek job in another organization.

Empirical review

Employee involvement and organization culture

Employee involvement is a value that is practiced by organizations which gives the employees a stake in the decisions that directly affect their jobs. The employees do regularly participate in making a decision of how work will be done, making suggestions for improvement, the setting of goals, planning, as well as monitoring of their performance at the workplace (Cumming & Worley, 2009).

According to the previous study done by Mildred (2016), highly competitive environment does require a different approach when managing employees and that employee involvement is a critical component of the Human resources management. The level of employee involvement in their job is usually the determinant of the success of individual performance on their jobs as well as the overall organization performance. In a study about the employees of KEMRI Centre for Global health research; Mildred (2016), established that the employees had well-defined objectives and they understood how their individual performance contributed to the overall organizational goals. According to the study, the employees are always updated by their supervisors about the plans of the organization. Mildred (2016), found out that representative participation was an important way through which HR managers could involve the employees for efficient job performance.

Employee training and organization culture

According to Kamau (2014), employee training and development became an ideal answer to business challenges and the management of human resources in the modern management. Kamau (2014), found out that through training and development of employees the human resources management provided constant knowledge innovation, it created conditions for mutual knowledge and mutual knowledge as well as experience exchange and proactive behavior. It also contributed to competitive advantage and ensured satisfaction of all participants in business procedures. Kamau (2014), carried out a study involving KCB employees and noted that trainings enlightened employees on what was expected of them in various departments thus helping in the elimination of job discrepancies and minimized risks so as to ensure harmony as well as consistency within the entire team. The training helped the employees to use their efforts optimally and attain the mission as well as the vision of the organization. Kamau (2014), noted that frequent training and development ensured that the employees are well equipped and refreshed in terms of the skills and knowledge of job performance.

Reward systems and organization culture

Muchiri (2016), concludes that employee's ability, recognition, employee's view of achievement as well as managers trust in employees enhances the performance of employees. In a case involving Nairobi Serena hotel, Muchiri (2016), notes that intrinsic rewards do help in addressing the employees at the core of their needs and do form a suitable base that motivates and influences employees to higher standards of performance. Muchiri (2016), confirms that salaries and wages paid leave, travel allowances, bonuses, and paid vacations are very important components of extrinsic rewards which enhances the performance of employees. When managers invest in extrinsic rewards, the employees will always feel valued by their organization and will work hard to better their performance so that they can be rewarded more.

Khan and Ibrar (2015), notes that there is a positive relationship between rewards and employee job performance. Notably, most companies do implement reward systems in order to increases the job satisfaction and job performance.

Edirisooriya (2014), asserts that human resource is a very strategic asset in any firm as it helps in the achievement of the objectives of the firm and this depends on the employees. It is thus essential to have motivating factors that encourage employees to achieve their goals. In a study of ElectriCo, Edirisooriya (2014), concluded that there was a positive correlation between extrinsic, intrinsic as well as employee performance. The author also revealed that there was a guideline on how the organization would have a better understanding of the importance of the reward system on employee performance and more so help in designing and implementation the strategic reward system that would bring competitive advantage.

Job design and organization culture

Job design entails assimilating job responsibilities or the content as well as particular qualifications that are essential in performing the same. Job design summarizes the responsibilities of a given job clearly and helps in attracting the right personnel for the right job (Randhawa, 2007).

According to Ngugi (2014), in the ever-changing world, managers need to take account of the changes in attitudes as well as expectations of employees. They should find new ways of organizing work in order to allow more flexibility and bring forth motivation as well as job satisfaction to the employees. Ngugi (2014), notes that in order for a company to have productive employees as well as maximize on the production, work redesigning is very vital. Some of the concepts that influence job redesigning include empowerment, self-efficacy, role identity, autonomy, emotional identity, job feedback, interdependence, social identity as well as accountability. In a study involving 180 employees of Equity Bank of Kenya, the researcher found out that there was a positive and significant relationship between the level of job design as well as the perceived degree of employee's performance at the bank. Ngugi (2014), found out that a relationship was very essential as it implied that the bank needed to adopt an effective task identity, feedback as well as autonomy so as to improve the performance of employees.

METHODOLOGY

Kothari (2008) defines a research design as the "arrangement of conditions for collection of analysis of data in a matter that aims to combine relevance to the research purpose. The study embraced descriptive research design in order to provide a framework to examine current conditions, trends and status of events. The study targeted the development finance institutions, the target population was all the General Managers and the Operations directors (total=142). A questionnaire was designed to collect information and contain open ended and closed ended questions. Data was analysed using both descriptive and inferential statistics. The filled in questionnaires were collected, cleaned, coded and fed in the computer for analysis by SPSS V22 for both descriptive and inferential statistics. Multiple regression equation was used:

$Y= \beta_0+ \beta_1X_1+\beta_2X_2+ \beta_3X_3+ \beta_4X_4+\varepsilon$

Where Y is the dependent variable (Organizational Performance),

β_0 is the regression coefficient constant,

β_1, β_2, β_3 and β_4 are regression coefficients,

X_1- Employee involvement

X_2- Employee training

X_3- Reward systems

X_4- Job design, while ε is an error term

RESULTS

Descriptive Results

The study sought to establish the influence of Employee involvement on Performance of the Development finance institutions in Kenya. Specifically, the study focused on Employee involvement, Employee training, Reward systems, Job design and performance of the Development finance institutions in Kenya in schools.

Employee involvement

The study sought to identify the influence of Access to computers on Performance of the Development finance institutions in Kenya. According to Blair (2001) Employee involvement relates to processes and decisions that seek to define actions, grant power and verify performance.

On extent to which Employee involvement Influenced performance of the Development finance institutions in Kenya, From the findings majority (43%) indicated that Employee involvement influenced Performance of the Development finance institutions in kenya to a large extent, 30% to a very large extent, 15% to a moderate extent, 8% to a small extent and 4% not at all.

These echoed findings by O'Donnell (2007) that Employee involvement in many development finance institutions have led to increase in Performance of the Development finance institutions in Kenya (Rosi, 2010). The study therefore infers that Employee involvement helps improve Performance of the Development finance institutions in Kenya.

Table 1 Extent to which Employee involvement influenced Performance of the Development finance institutions in Kenya

Employee involvement	Frequency	Percent
To a very large extent	18	30
To a large extent	26	43
To a moderate extent	9	15
To a small extent	4	8
Not at all	2	4
Total	59	100

Employee training

The study sought to find out the influence of Employee training on Performance of the Development finance institutions in kenya. Employee training is providing one-to-one support to employees in a particular field of study (De Fabrizio, 2001). In this study, it meant that support offered to employees by experts boost their knowledge.

On extent to Which Employee training influenced the Performance of the Development finance institutions in Kenya, From the findings, majority (41%) indicated that Employee training influenced Performance of the Development finance institutions in kenya. to a very large extent, 31% to a large extent, 19% to a moderate extent, 7% to a small extent and 2% not at all.

These findings corroborated with findings by Hui (2011) who found out that Employee training plays a key role in improving performance of the Development finance institutions in kenya.

Table 2: Extent to Which Employee training Influence Performance of the Development finance institutions in kenya

Employee training	Frequency	Percent
To a very large extent	25	41
To a large extent	18	31
To a moderate extent	11	19
To a small extent	4	7
Not at all	1	2
Total	59	100

Reward systems

The study sought to examine the influence of Reward systems on the Performance of the Development finance institutions in Kenya. According to Collier (2006) Reward systems is the involvement of the employees in work related responsibilities (Foster, 2000).

On extent to which Reward systems influenced the Performance of the Development finance institutions in Kenya, from the findings, majority (49%) indicated that Reward systems influenced Performance of the Development finance institutions in Kenya to a large extent, 32% to very a large extent, 11% to a moderate extent, 4% to a small extent and 4% not at all.

These findings were in agreement with findings by Collier (2006) who found out that Reward systems influenced Performance of the Development finance institutions in Kenya.

Table 3: Extent to which Reward systems Influence the Performance of the Development finance institutions in Kenya

Reward systems	Frequency	Percent
To a very large extent	19	32
To a large extent	29	49
To a moderate extent	7	11
To a small extent	2	4
Not at all	2	4
Total	59	100

Job design

The study sought to determine the effect of Job design on Performance of the Development finance institutions in Kenya. This is a summary of policies and procedures governing collaboration of the employees in relation to the performance of the Development finance institutions in Kenya (Gelderman et al., 2006). O'Donnell (2007) articulates that a Job design is simply the rules and regulations that are set in place to govern the process of long functionality and efficiency of employees.

On the extent to Which Job design Influence the Performance of the Development finance institutions in Kenya, From the findings, majority (42%) indicated that Job design influenced Performance of the Development finance institutions in Kenya to a large extent, 26% to a very large extent, 18% to a moderate extent, 7% to a small extent and 7% not at all. These findings corresponded with those by Eyaa and Oluka (2011) who found out that Job design disruptions interfere with performance of the Development finance institutions in Kenya.

Table 4: Extent to Which Job design Influence the Performance of the Development finance institutions in Kenya

Job design	Frequency	Percent
To a very large extent	15	26
To a large extent	25	42
To a moderate extent	11	18
To a small extent	4	7
Not at all	4	7
Total	59	100

Performance of the Development finance institutions in Kenya

From the findings, Funds availability had a mean score of 4.311, technical Skills had a mean score of 3.909 and Bureaucracy had a mean score of 3.942. These findings were in line with those of Braxton (2008) who found out that performance of the Development finance institutions in Kenya is determined by Funds availability, technical Skills and Bureaucracy. Inferences reveal that Funds availability, technical Skills and Bureaucracy to a large extent determines performance of the Development finance institutions in Kenya.

Table 5: Performance of the Development finance institutions in Kenya Factors Mean, Std. Deviation and Variance Results

Performance of the Development finance institutions in Kenya	N	Mean	Std. Deviation	Variance
Funds availability	107	4.311	.8404	.648
Technical Skills	107	3.909	.7152	.612
Bureaucracy	107	3.942	.7176	.582
Average	**107**	**4.054**	**0.7577**	**0.614**

Regression Results

The model used for the regression analysis was expressed in the general form as given below:

$Y= \beta_0 + \beta_1 {*} X_1 + \beta_2 {*} X_2 + \beta_3 {*} X_3 + \beta_4 {*} X_4 + \beta_5 {*} X_5 + \varepsilon$

From the findings of the study it showed that the regression model coefficient of determination (R^2) is 0.859 and R is 0.901 at 0.05 significance level. This was an indication that the four independent variables notably; (X_1) Employee involvement, (X2) Employee training, (X3) Reward systems and (X4) Job design were significant in contributing to Performance of the Development finance institutions in Kenya. The coefficient of determination; R^2 indicates that 85.9% of the variation on Performance of the Development finance institutions in Kenya is influenced by independent variables (X_1) Employee involvement, (X_2) Employee training, (X3) Reward systems and (X_4) Job design. This implies that there exists a strong positive relationship between independent variables and Performance of the Development finance institutions in Kenya.

The remaining 14.1% of the variation on Performance of the Development finance institutions in Kenya can be explained by other variables not included in the model. This shows that the model has a good fit since the value is above 75%. This concurred with Graham (2002) that (R2) is always between 0 and 100%: 0% indicates that the model explains none of the variability of the response data around its mean and100% indicates that the model explains all the variability of the response data around its mean. In general, the higher the (R2) the better the model fits the data.

Table 6: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std Error
1	.901.	.859	3.545	3.545

Predictors: (Constant), X1, X2, X3, X4

The study further used one way Analysis of Variance (ANOVA) in order to test the significance of the overall regression model. Green and Salkind (2003) posits that one way Analysis of Variance helps in determining the significant relationship between the research variables. Table 4.13 hence shows the regression and residual (or error) sums of squares. The variance of the residuals (or errors) is the value of the mean square which is 2.280. The predictors X1, X2, X3 and X4 represent the independent variables notably; (X_1) Employee involvement, (X_2)Employee training, (X3) Reward systems and (X_4) Job design as the major factors influencing Performance of the Development finance institutions in Kenya.

Results of ANOVA test reveal that all the independent variables notably; (X_1) Employee involvement, (X_2) Employee training, (X3) Reward systems and (X_4) Job design have a significance influence on Performance of the Development finance institutions in Kenya.

Since the P - value is actual 0.02 which is less than 0.05% level of significance. Results indicated that the high value of F_{calc} (83.433) with significant level of 0.02 was large enough to conclude that all the independent variables significantly influence Performance of the Development finance institutions in Kenya.

Table 7: Analysis of Variance (ANOVA)

	Model	Sum of Squares	Df	Mean Square	F	P-Value.
1	Regression	8.332	3	3.280	83.433	.002
	Residual	2.000	103	.027		
	Total	10.332	106			

a. Predictors: (Constant), X1, X2, X3, X4

b. Dependent Variable: Y

Table 7 presented the results of the test of beta coefficients which indicated that the significant relationship between independent variables notably; (X_1) Employee involvement, (X_2) Employee training, (X3) Reward systems and (X_4) Job design and dependent variables Y=Performance of the Development finance institutions in Kenya. (X_1) Employee involvement coefficient of 0.799 was found to be positive at significant level of 0.004 and this indicates that Employee involvement has a positive influence on Performance of the Development finance institutions in Kenya. , (X_2) Employee training coefficient of 0.655 was found to be positive at significant level of 0.002 and this indicates that Employee training has a positive influence on Performance of the Development finance institutions in Kenya. , (X3) Reward systems coefficient of 0.701 was found to be positive at significant level of 0.003 and this indicates that Corporate Employee training has a positive influence on Performance of the Development finance institutions in Kenya (X_4) Job design coefficient of 0.811 was found to be positive at significant level of 0.001 and this indicates that Job design has a positive influence on Performance of the Development finance institutions in Kenya.

This clearly demonstrates that all the independent variables significantly influenced Performance of the Development finance institutions in Kenya but the relative importance of each independent variable was different. However, since the significance values were less than 0.05, all the coefficients were significant and thus the regression equation was;

$Y= 221 + 811X_1 + 799X_2 + 701X_3 + 655X_4 +\varepsilon$

Table 8: Coefficients

	β- Coefficients	Std. Error	Sig
(Constant)	0.221	.211	.00314
X4	0.799	.184	.00423
X2	0.655	.184	.00253
X3	0.701	.170	.00312
X1	0.811	.168	.00109

Dependent Variable Y

The Beta coefficients indicated that a unit change in the independent variables; X1, X2, X3 and X4 will in effect lead to the dependent variable Y to change by 811, 655, 701 and 799 respectively.

CONCLUSION

The findings indicated that Employee involvement clarity was low. With regard to the integration of ICT, the respondents expressed overwhelming excitement and eagerness to implement ICTs; however, these attitudes are dampened by various challenges that they face.

Employee training has the potential to provide a framework for professional development; one consistent with experiential learning and the development of a learning organization‟; "Prior research has shown that one-shot workshops without ongoing individual technology support often fail to meet the specific needs of most educators; instead one-on-one technology mentoring models show promising results"

It is clear that collaboration is keen to encourage further study through the provision of ICT opportunities. The aims of this initiative were to i) enhance teachers‟ personal skills; ii) enrich their understanding; and (most importantly) iii) support them to develop into capable (as opposed to simply competent) computer users – those who could go on learning beyond the period of the course

On the other hand, the study also revealed that lack of operational Job design policies is another challenge hindering the implementation of performance of the Development finance institutions in Kenya.

Based on the research findings it is logical to conclude that performance of the Development finance institutions in Kenya. Given the backdrop that the performance of the Development finance institutions in Kenya is below par.

RECOMMENDATIONS

Expansion of ICT and e-learning infrastructure to facilitate access to e-learning by staff and other stakeholders through allocation of more resources towards ICT and e-learning infrastructure development. Availability of computers, laptops, networks and other relevant infrastructure will improve accessibility to e-learning.

Identifying a way of employee training use e-learning and convert their course materials to e-content either through being given extra credit points during promotions, monetary incentives etc. Relevant and high quality e-content is vital to success of e-learning. Collaborations and partnerships with other successful Performance of the Development finance institutions in Kenya partners in a bid to acquire best practices to accelerate the implementation of performance of the Development finance institutions in Kenya.

Using blended learning approach and piloting with few schools as a starting point before implementation of full scale e-learning. This recommendation is supported by Awidi (2008) who advises that developing an e-learning environment that is trusted and sustainable for higher education requires pursuing a blended approach to educational delivery, at least initially.

Recommended Areas for Further Research

Due to constraints highlighted in the first chapter, this study could not exhaust all the challenges. Research should be conducted to establish other factors that influence performance of the Development finance institutions in Kenya since those covered in this study account for 58.9% only. Such a research should be conducted in other regions to establish their unique challenges so that some harmonization can be realized.

REFERENCES

Ahmed, M., &Shafiq, S. (2014). The impact of organizational culture on organizational performance: A case study of the telecom sector.*Global Journal of Management & Business Research*, 14(3), 21–30.

Amadi E.J., (2014).*The Effect of Training and Development on Employees' Performance; At Safaricom Limited Call Centre*. University of Nairobi.

AADFI (2016). 32 African DFIs declared best performing institutions in 2016. *Adfi-ci.org.*Retrieved from http://www.adfi-ci.org/news.php?id=84

The central bank of Kenya (2013). Supervision of Development finance institutions. Annual Association of African development finance institutions forum (AAADFIF).*Central bank.go.ke.*Retrieved from https://www.centralbank.go.ke/wp-content/uploads/2016/08/aadfi-forum.pdf

Achua, C. F. &Lussier, N. R (2013) *effective leadership 5th International Edition.* Canada: South-Western Cengage Learning.

Alvesson, M. (2013). *Understanding organizational culture*. Los Angeles, London: SAGE.

Arinanye R.T., (2015). *Organizational Factors Affecting Employee Performance At The College Of Computing And Information Sciences (Cocis),*Makerere University, Kampala – Uganda

Ashkanasy, N., Wilderom, C. & Peterson, M. (2011). *The handbook of organizational culture and climate*. Thousand Oaks: SAGE Publications.

Awadh, A.M., &Saad, A.M., (2013). Impact of Organizational Culture on Employee Performance. *International Review of Management and Business Research,* Vol. 2 issue.

Cameron, K. & Quinn, R. (2011). *Diagnosing and Changing Organizational Culture : Based on the Competing Values Framework*. Somerset: Wiley.

Cummings, T. & Worley, C. (2009). *Organization development & change*. Australia Mason, OH: South-Western/Cengage Learning.

Cushway B., (2015)., How to guide for managing employee performance. *Kogan page.com.* Retrieved from https://www.koganpage.com/article/the-importance-of-managing-performance

Daft, R., Murphy, J. & Willmott, H. (2010). *Organization theory and design*. Mason, Ohio: South-Western Cengage Learning.

Driskill, G. & Brenton, A. (2010). *Organizational Culture in Action: a Cultural Analysis Workbook*. Thousand Oaks: SAGE Publications.

Dajani M.A.Z (2015). The Impact of Employee Engagement on Job Performance and Organisational Commitment in the Egyptian Banking Sector. *Journal of Business and Management Sciences, 2015, Vol. 3, No. 5, 138-147* Available online at http://pubs.sciepub.com/jbms/3/5/1. Science and Education Publishing. DOI:10.12691/jbms-3-5-1

Edirisooriya W.A., (2014). *Impact of Rewards on Employee Performance: With Special Reference to ElectriCo.* Reshaping Management and Economic Thinking through Integrating Eco-Friendly and Ethical Practices Proceedings of the 3rd International Conference on Management and Economics.

Gunaaraja T.M., (2014). Organizational Corporate Culture on Employee Performance. *IOSR Journal of Business and Management* (IOSR-JBM). Volume 16, Issue 11.Ver.VI (Nov. 2014), PP 38-42

Hakim A,(2015). Effect of Organizational Culture, Organizational Commitment to Performance: Study In Hospital Of District South Konawe Of Southeast Sulawesi. *The International Journal Of Engineering And Science (IJES.)* volume 4, issue 5, pages PP.33- 41. 2015.

Hanson, F. (2004). *Meaning in culture*. London: Routledge.

Hose C., (2017). What is the definition of job performance? *bizfluent.com*. Retrieved from https://bizfluent.com/info-7856570-definition-job-performance.html

ICDC (2017).*About Us*. Retrieved from http://www.icdc.co.ke/

Ibrar M., and Khan O., (2015). The Impact of Reward On Employee Performance. (A Case Study Of Malakand Private School). *International Letters of Social and Humanistic Sciences.* Vol. 52, pp 95-103doi:10.18052/www.scipress.com/ILSHS.52.95

Jeppkorir E., Lagat C, and Ng'eno V (2017). Effect Of Organizational Culture On Job Performance In Commercial Banks In Kenya. *International Journal Of Economics, Commerce And Management*. Vol. V, Issue 8, August 2017

Jones, S. & Gottschalk, R. (2016). *Achieving financial stability and growth in Africa*. Abingdon, Oxon New York, NY: Routledge.

Jiddah S.A., Rayyan S.M.B., and Umar M.I., (2016). Impact of Organizational Culture on Employee Performance in Nigeria. *International Journal of Novel Research in Marketing Management and Economics.* Vol. 3, Issue 3, pp: (48-65), Month: September - December 2016

Kamaamia A.T. (2017). *The Effect Of Organizational Culture On Organizational Performance: A Case Of Kenya School Of Monetary Studies (Ksms).* United States International University – Africa.

Kagwiria K.L (2017). *Influence of employee participation on performance of Government Healthcare Institutions in Kenya.* JKUAT.

Kamau M.W., (2014). *Perceived Relationship between Training and Development Practices and Employee Performance at Kenya Commercial Bank in Kenya*. University of Nairobi.

Muchiri H., (2016). *Effects of Rewards on Employee Performance In The Hospitality Industry: A Case of Nairobi Serena Hotel*. United States International University Africa

Maina J., (2016). *Influence Of Organizational Culture On Performance Of Commercial Banks In Kenya. The* University Of Nairobi.

McQuerrey L., (2016). Importance of Good performance. *woman.thenest.com.* Retrieved from https://woman.thenest.com/importance-good-job-performance-14252.html

Marković, M. (2012). *Impact of globalization on organizational culture, behavior and gender role*. Charlotte: Information Age Pub.

Mildred A.K., (2016). *Effect of Employee Involvement on Job Performance At The Kenya Medical Research Institute* (Centre For Global health Research) Kisumu. The University Of Nairobi.

Ngugi J.K., (2014). Effects of Job Design on Employees Performance (A case study of Equity bank). South Eastern Kenya University.

Nikpour (2017), The impact of organizational culture on organizational performance: The mediating role of employee's organizational commitment. Industrial Management Institute. *International Journal Of Organizational Leadership.* 6(2017) 65-72

Odhiambo L.F., (2016). *Influence Of Organizational Culture On Employee Performance AtNic Bank Limited, Kenya.* The University Of Nairobi.

Omondi D.O., (2014). *The Influence Of Organizational Culture On Employee Job Performance: A Case Study OfPacis Insurance Company Limited.* United States International University.

Omukanga A.A., (2016). Effects Of Organizational Culture On Employee Performance At Aon Limited, Nairobi, Kenya. TheUniversity Of Nairobi.

Piepenburg, K. (2011). *Critical analysis of Hofstede's model of cultural dimensions To what extent are his findings reliable, valid and applicable to organizations in the 21st century*. München: GRIN Verlag GmbH.

Prescott, R. & Rothwell, W. (2012). *Encyclopedia of Human Resource Management, Key Topics and Issues*. Hoboken: John Wiley & Sons.

Reisyan, G. (2016). *Neuro-organizational culture : a new approach to understanding human behavior and interaction in the workplace*. Cham: Springer.

Randhawa, G. (2007). *Human resource management*. New Delhi: Atlantic Publishers & Distributors.

Rohn. J., (2016). Rohn" The 3 parts of personal development. Retrieved from https://www.success.com/rohn-the-3-parts-of-personal-development/

Schein, E. (2017). *Organizational culture and leadership*. Hoboken: Wiley.

Schein, E. (2010). *Organizational culture and leadership*. San Francisco: Jossey-Bass.

Savall, H. (2010). *Work and people : an economic evaluation of job-enrichment*. Charlotte, N.C: Information Age Pub.

Shahzad, F., Luqman, R. A., Khan, A. R., &Shabbir, A. L. (2012). Impact of organizational culture on organizational performance: *An overview. Interdisciplinary Journal of Contemporary Research in Business,* 3(9), 975–985.

Tsai, Y (2011). *The relationship between Organizational Culture, Leadership Behavior, and Job Satisfaction.* US National library of medicine, National Institutes of health. National Center for biotechnology information. Doi: 10.1186/1472-6963-11-98.

Warhurst, C., Mayhew, K., Finegold, D. & Buchanan, J. (2017). *The Oxford handbook of skills and training*. Oxford, United Kingdom: Oxford University Press.