INFLUENCE OF ORGANIZATION CULTURE ON EMPLOYEE PERFORMANCE IN FAMILY OWNED BUSINESS: A CASE STUDY OF BETATRAD KENYA LIMITED

BY

LILIAN NYAWIRA MWAI

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

SUMMER 2018
INFLUENCE OF ORGANIZATION CULTURE ON EMPLOYEE PERFORMANCE IN FAMILY OWNED BUSINESS: A CASE STUDY OF BETATRAD KENYA LIMITED

BY

LILIAN NYAWIRA MWAI

A Research Report Submitted to Chandaria School of Business in Partial Fulfilment for the Award of Master of Science in Organizational Development Degree (MOD)

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

SUMMER 2018
STUDENT’S DECLARATION

I, the undersigned do declare that this research project report is my original work that has not been submitted to any other institution of higher education other than United States International University-Africa for academic credit

Signed: ______________________  Date:__________________

Lilian Nyawira Mwai (652523)

This project has been presented for examination with my approval as the course lecturer.

Signed: ______________________  Date:__________________

Dr. James Ngari

Signed: ______________________  Date:__________________

Dean, Chandaria School of Business
ABSTRACT

The purpose of this research project was to establish the influence of organizational culture on Employee job performance in family owned business. The following research questions were used to conduct the study: This study was guided by the following questions: To what extent does Employee involvement influence employee performance of Betatrad Kenya limited? To what extent does leadership in a family owned business influence Employee performance of Betatrad Kenya limited? To what extent does Reward systems in a family owned business influence Employee performance of Betatrad Kenya limited?

This study was a descriptive survey design. This study had a population of 65. This study was a census; therefore, every employee was sampled for the study. Primary data was collected using structured questionnaire, and analysed for frequencies, percentages, correlations and regression using the Statistical Package for Social Sciences (SPSS).

The finding reveal that a positive relationship between Employee Involvement and Employee Performance with \( r = 0.485 \). The results in table 4.7 also demonstrate a statistically significant effect of Employee Involvement on Employee Performance, \( p = 0.000 \). On the influence of leadership and Employee Performance the findings indicate that a positive connection between Leadership of the Business and Employee Performance with \( r = 0.352 \). The model summary also shows a coefficient of determination R square of 0.223, which signifies, that 22.4% of the variance in Employee Performance can be explained by Leadership of the Business. Finally, the study investigated the overall Influence of Reward System on Employee Performance table 4.11 shows that a 38.8% of variance in Employee Performance can be attributed to Reward System.

This study has concluded that in family businesses, the owner is the overall decision maker in all matters. This study has also noted that business owners do involve employees in decision making process, however, to a limited extent. This study also concluded that the business owner played a significant role in informing employees the organizational goals, and how to attain them. Finally, this study concluded that in family led businesses, owners do encourage innovation and creativity among employees as a way of improving organizational performance. This process was essential in enhancing employee engagement and ability to solve organizational challenges.
This study recommends that Betatrad should invest more in employee involvement in business operations as this enhances their performance. Secondly, this study recommends that employees should be mentored by leaders at Betatrad as a way of raising well-developed leaders that the organization can rely on to grow the business in future. Finally, this study recommends that Betatrad and other family-based businesses should develop employee reward systems that are competitive enough to encourage and attract competent and talented staff, and thus, enhance organizational performance and sustainability.
ACKNOWLEDGEMENT

My special acknowledgement goes to the Almighty God for having given me the knowledge and strength to write my research. A special thanks to my friends and classmates for their support, encouragement and helpful suggestions. To my supervisor Dr. Ngari, I am grateful and acknowledge your effort you put in guiding me throughout the research.
DEDICATION

I would like to dedicate this project to Parents who trained and taught me the value of commitment and hard work, that has been instrumental in my master’s studies.
TABLE OF CONTENTS

STUDENT’S DECLARATION .................................................................................................................. ii
COPYRIGHT ....................................................................................................................................... iii
ABSTRACT ........................................................................................................................................ iv
ACKNOWLEDGEMENT ....................................................................................................................... vi
DEDICATION ....................................................................................................................................... viii
TABLE OF CONTENTS ....................................................................................................................... ix
LIST OF TABLES .................................................................................................................................. xi
LIST OF FIGURES ............................................................................................................................. xii
LIST OF ACRONYMS AND ABBREVIATIONS ................................................................................... xiv

CHAPTER ONE ................................................................................................................................. 1
1.0 INTRODUCTION .......................................................................................................................... 1
1.1 Background of the Study .............................................................................................................. 1
1.2 Statement of the Problem ............................................................................................................ 4
1.3 Purpose of the Study ................................................................................................................... 6
1.4 Research Questions ..................................................................................................................... 6
1.5 Significance of the Study ............................................................................................................ 6
1.6 Scope of Study ............................................................................................................................ 7
1.7 Definitions of Terms ................................................................................................................... 7
1.8 Chapter Summary ....................................................................................................................... 8

CHAPTER TWO ................................................................................................................................. 9
2.0 LITERATURE REVIEW ............................................................................................................... 9
2.1 Introduction .................................................................................................................................. 9
2.2 Employee Involvement and Employee Performance ................................................................. 9
2.3 Influence of Leadership of the Business on Employee Performance ....................................... 13
2.4 Influence of Reward System on Employee Performance ......................................................... 18
2.5 Employee Performance ............................................................................................................. 23
2.6 Chapter Summary ....................................................................................................................... 25
LIST OF TABLES

Table 3.1 Population Table.................................................................27
Table 3.2: Reliability tests results
.................................................................30
Table 4.1: Descriptive Analysis of Employee Involvement and Employee Performance..36
Table 4.2: Influence of Leadership of the Business on Employee Performance.........37
Table 4.3: Influence of Reward System on Employee Performance................38
Table 4.4: Reliability of Constructs.......................................................39
Table 4.5: Convergent Validity..........................................................40
Table 4.6: Model Summary of Employee Performance and Employee Involvement.....41
Table 4.7: Coefficients of Employee Involvement and Employee Performance.........42
Table 4.8: ANOVA of Employee Performance and Employee Involvement .............41
Table 4.9: Model Summary of Consumer Buying Behavior and Leadership of the Business
........................................................................................................41
Table 4.10: Coefficients of Leadership of the Business and Employee Performance.......42
Table 4.11: ANOVA of Employee Performance and Leadership of the Business ............43
Table 4.12: Model Summary of Employee Performance and Reward System ........44
Table 4.13: Coefficients of Employee Performance and Reward System..............45
LIST OF FIGURES

Figure 4.1: Response Rate ............................................................32
Figure 4.2: Gender of the Respondents ..............................................33
Figure 4.3: Marital status .................................................................33
Figure 4.4: Job Category .................................................................34
Figure 4.5: Number of years worked at Betatrad Kenya Limited ..........34
Figure 4.6: Age of Respondents ......................................................35
Figure 4.7: Histogram of Organizational Culture Normality Test .............40
Figure 4.8: Histogram of Employee Performance Normality Test .............41
LIST OF ACRONYMS AND ABBREVIATIONS

**KPI:** Key Performance Indicators

**OC:** Organizational Culture

**OCP:** Organizational Profile Model
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

In both developed and developing world, organizational culture provides a framework that guides employee’s behaviour and performance. Depending on the type of culture that is created in an organization, it can have a positive or negative effect on employee performance. Kornberger and Pitsis (2010) defined organizational culture as a feeling of shared convictions and qualities. As such, the advantage provided by the shared convictions is that it provides organizations with common pool of beliefs that becomes the cornerstone for organizational operations. On the other hand, Schein (1990) defines organizational culture as the established patterns of shared beliefs and values, that informs organizations delegation, utility and way of doing things.

In most instances, organizational internal structures and environment represents the organizational culture that organizations staff and management adhere too. In this regard, Schein (1990) notes that every organization has rituals, values and beliefs that guide behavior and employee performance. The commitment and loyalty of employees to an organization depends largely on their interpretation of an organizations culture, either as favourable, or unfavourable. Positive perception concerning an organizational culture influences employee’s commitment and performance (Brooks, 2006). Stated differently, organizational culture comprises of norms and attitudes that shape how employees interact at work place, and their zeal or commitment to performance. Therefore, different organizational cultures shape different organizations differently, and influences employee performance in significant and myriad ways.

According to Forehand and von Gilmer (1964) organizational culture can also be based on organizational traits such as adaptability to changing environments, consistency in work operations, commitment to quality customer care, and care for environment, which in turn, influences employee performance within organizations. Additionally, Becker (1964) has argued that organizational cultural traits such us employee involvement contribute significantly towards employee performance. This means that organizations that invest significantly in employee involvement as a culture, have a higher chance of developing significant impact in employee performance.
On the other hand, Davenport (1993) has argued that organizations consistency as a cultural trait equally enhances organizational employee performance. Stated differently, organizations that have strong consistency in their operations are regarded to have strong organizational cultures. Consistency as an organizational trait enables employees to learn how to commit themselves to highest standard of quality and performance. Nader (1998) notes that adaptability as an organizational cultural trait also contributes towards employee performance. Additionally, organizations that have high levels or adaptability has learned how to manage both employees and customers. As such, this organizational trait enables this organization to benefit from employee adaptability performance, while at the same time, enhancing customer satisfaction. Adaptability as an organizational cultural trait is also important in in that it enables employees to develop the ability to take risks, learn from existing challenges, and develop capacity to create and adopt and create change, which is essential to their overall long-term performance (Senge, 1990).

Organizational mission is also essential in defining organizational culture, particularly in shaping organizational operational mandate, which employees subscribe to in the course of their work. A well-developed organizational mission helps employees to achieve their performance objectives (Mintzberg, 1987). Organizations with well-developed missions also have well-developed employee performance objectives that are to meet the mission mandate (Kandula, 2006). Today an organizations performance is highly dependent on the employees work motivation. It is therefore important for a company to find out what motivates its employees so that it can be able to work out a suitable reward system and gain better results. The right combination of immaterial and material rewards can boost up the employees' work motivation and enhance their commitment to the company (James, 1999).

Atkinson defines organizational culture to be the underlying assumptions about how work is performed; the acceptable and un-acceptable and behavior or actions encouraged or discouraged in an organization. A more detailed definition is ‘the collection of traditions, values, policies, beliefs, and attitudes that constitute a pervasive context for everything we do and think in an organization. Most organizational cultures will be derived from the individual characteristics and beliefs of the founder and the top management team and this for many organizations are out of the control of the organization. An organization can, however develop and implement cultural values to help manage members behavior.
Dessler (2007) defines organizational ethics as the moral values, beliefs, and rules that establish the appropriate way for organizational members to deal with one another and with the various stakeholders, it has. For culture to be developed in the organization, top managers and influential key staffs, need to make choices on the appropriate things to be done.

Managers should always decide on a course of action that has a balance on the interests of the organization and the interests of the stakeholder groups. To make these decisions, managers must make use of the ethical instrumental values embodied in the organizations culture, which outlines the best possible action to be taken in circumstance, which an action may help, one person but harm the other. Based on ethical theory of utilitarianism, the action or decision should actual sense result to majority’s happiness (Barfitt, 2007).

Ethical values and the rules and norms they embody are an inseparable part of an organizations culture because they help shape the values that individual and group members of the organization use to manage situations and make decisions. The management has a responsibility of ensuring that organizational members obey the laws or rules of the organizations and they can be held accountable for the misconduct of their subordinates. This according to Campbell et al (1999) helps to create an organizational culture that instils ethical actions or behaviors. Organizational culture reflects the organizations vision, values, business ethics, beliefs, personalities and even the traits of the organizations founders, the management, shareholders and its employees and these influences the way business within an organization is done in every way. These system of shared meanings and believes is the set of characteristics that are valued in the organization.

Kinicki, Kreitner, and Kinicki (2008), explains that organization culture promotes social system stability in an organization that reflects the extent to which the work environment is perceived as positive and reinforcing and the extent to which conflict and change are effectively managed. Both managers and academic researchers believe that organizational culture can be a driver of employee attitudes and organizational effectiveness and performance. To test this possibility, various measures of organizational culture have been correlated with a variety of individual and organizational outcomes. For example, Shili (2009) has correlated organizational culture with employee commitment, and the
outcome proves that there is a relationship between the two variables concluding that corporate culture directly influences employee commitment in the organization.

Organizational culture provides a framework with respect to the behaviour of employees in their workplace. Depending on the type of culture that is created in an organization, it can have a positive or negative effect on employee performance. Organizational culture largely determines the performance of the employees. For effective impact on employee performance, organizations must be able to galvanize positive effects of organizational culture, while reducing the negative impact of organizational culture. The prevalence of negative organizational culture within an organization diminishes employee performance. (Chua, Sharma & Chrisman, 2009).

Family-based business is defined as a business entity that is established and run by a family (McCaw, 1997). In most instances, family-based businesses are established by a single founder member, who through the years, as the business grows, incorporates other family members into the management and ownership structure of the organization. In this regard, the business in exclusively owned by close family members (Chua et al., 2009).

Betatrad Kenya limited our case study is a family owned business medium Size Company incorporated in Kenya in 1990. It is fully owned by Kenyans and it is located at Rex Godown Off Airport North Road Embakasi, Nairobi. Betatrad focuses on the manufacturing, packaging and distribution of plastic packaging materials. The plant is located in Embakasi, Nairobi county. plastics packaging materials at its Embakasi Plant. Manufacturers of packaging materials. Providing bulk-packaging solutions to Horticulture, Floriculture, Tea, Coffee, Dairy and various manufacturing industries. This paper therefore seeks to determine the influences of organization culture on employee performance in a family owned business- Betatrad Kenya Limited.

1.2 Statement of the Problem
Organization Culture has got a broad acceptance in comprehending change management in practices of the human relations. According to Kandula (2006), answer to exemplary execution of duties is a powerful culture. Kandula additionally insists that because of the dissimilarity in organization culture, similar strategies do not give same outputs for dual firms in similar sectors and in same place. A powerful and positive culture could make an average productivity of an employee and achieve exceptionally whereas a fragile and negative culture can make an outstanding employee to lose interest in their work and thus
underperform therefore end up not achieving their set goals. Organizational culture therefore has a straight and lively task in performance management (Ahmed, 2012).

Betatrad Kenya limited was established in 1990 as a manufacturing firm providing industries with packaging materials. However, over the last 25 years, the company has grown from 2 employees to more than 100 employees, but the organizational structures have not been established in a coherent manner. The organization still relies heavily on the founding director for leadership, management and operational guidance. The company does not have performance appraisal mechanisms set. Additionally, the company’s corporate norms, mission, vision and core values are not clearly articulated and not shared to everyone within the organization and therefore affecting employee performance and depending on the leader for making all decisions. This makes it difficult to establish the organizational culture that drives performance in these competitive times. Additionally, employees are struggling to grow within the company, while management has been struggling to develop a culture that enhance employee’s performance and commitment to the organization.

Several studies have been conducted on the topic of organizational culture. For instance, Khan (2005) study focused on organization culture in commercial banking sector. The study found that (85%) of commercial banks had a developed organizational culture, that enhanced banks financial performance. John (2013) conducted a study on Non-Governmental Organizations in Nairobi County on 112 NGOs; the study found that (72%) of all NGOs had a well-established organizational culture, out of which, (68%) had well to very good performance in financing for organizational projects. A study by Lee and Yu (2004) commercially listed companies on Beijing stock exchange noted that organizations that possessed a strong culture, exhibited by well-integrated and effective set of specific values, beliefs, and behaviours, that contributed to high level of performance. In another study by Robertson, Birch and Cooper (2012) carried out to test the hypothesis that employee performance levels will be better predicted by a organizational culture (positive job and work attitudes, employee engagement, and psychological well-being), found that organizational culture had a strong positive relationship with employee performance, The study provided evidence that the two previously separate constructs are both important in predicting measures of employee performance.
The studies above focus on Non-Governmental Organizations; therefore, the findings established could not be related or generalized to family owned businesses. As such, this study sought to fill the gap in literature on the effect of organizational culture on performance in family owned business, by focusing on how, employee involvement affects performance, the influence of the Leadership of family owned business on performance, and finally, the influence of reward systems on performance of family owned businesses.

1.3 Purpose of the Study
This study sought to establish whether organizational culture has influence on employee performance in family-based business.

1.4 Research Questions
The following questions were used for this study:

1.4.1 To what extent does Employee involvement influence employee performance of Betatrad Kenya Limited?
1.4.2 To what extent does leadership in a family owned business influence Employee performance of Betatrad Kenya Limited?
1.4.3 How does organizational reward system in family-owned business influence employee performance?

1.5 Significance of the Study
This study has academic, policy and practical implications. The information collected from this study benefits the company, Employees, government, researchers and academician, and other organizations that are Family oriented.

1.5.1 Future Researchers and Academicians
This study helps the future researchers in gaining secondary information and can serve as literature review for potential references Therefore, the findings of this research work shall form a basis for further research in this field by other scholars.

1.5.2 Betatrad Kenya Limited
This study helps the company as it able use the information and recommendations to improve on the existing culture and enhance the productivity of its employees and products in order to ensure they maintain a highly motivated and productive team who
understand the values, policies and systems of the Company. In addition, the study also be helpful to the CEO’S of the company.

1.5.3 Policy Makers
The finding of this study provides relevant information used by policy makers in formulating policy. The research assists other strategy developers in formulating, developing or improving strategies to increased employee performance in family owned business. Human Resources policy makers use the research findings in adopting prudent and workable policy framework that may make employee performance manageable.

1.5.4 Family Owned Business
This study helps to other family firms, as it provides useful information that benefit in ways they could improve culture and enhance performance in the organization. This study provides knowledge to the Human Resources Departments in these organizations in order to come up with appropriate approaches that can ensure employee performance. Organizations gain insights on how to embrace the current funding trends to ensure organizational effectiveness.

1.6 Scope of Study
The study was limited to only Betatrad Kenya limited company. It mainly focusses on the entire organization from senior level managers to general labourers. Senior level managers who are co-founders of the organizations largely contribute to the effectiveness of employee performance. The study took place in Betatrad Kenya limited offices in Nairobi from January to July 2018.

1.7 Definitions of Terms
1.7.1 Family Business
The family business is a business governed and/or managed with the intention to shape and/or pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families (McCaw, 1997).

1.7.2 Performance
Organizational performance has been defined as the ability of an organization to fulfil its mission through sound management, strong governance and a persistent rededication to
achieving results. High organizational performance is when all the parts of an organization work together to achieve great results with results being measured in terms of the value they deliver to customers (Louise, 2012).

1.7.3 Employee performance

Employee performance can be defined as the job related activities expected of a worker and how well those activities are executed. Many business personnel directors assess the employee performance of each staff member on an annual or quarterly basis in order to help him or her identify suggested areas for improvement (Dessler, 2007).

1.7.4 Organization Culture

An organizational culture is comprised of the patterns of shared beliefs and values that give the members of an institution meaning, and provide them with the rules for behaviour in their organization. Hofstede & Hofstede (2010) who have developed studies on organizations and cultures, define organizational culture as the collective mental programming that separates the members of one organization from the members of another organization.

1.8 Chapter Summary

This chapter provided a background of study that introduced the research problem between organizational culture and performance; defined the problem to be studied in this research work, clearly defined the scope while at the same time providing an account of who the study benefits are expected to benefit. Chapter two reviews the theoretical and empirical literature relevant to the study and chapter three the methodology adopted for the study. Chapter four present the data gathered from the field survey. Finally, chapter five cover a summary of the findings, discussion, conclusion and recommendations for the study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

The chapter highlights review of scholarly literature on influence of organizational culture on employee performance in family-owned business. This chapter talks about how employee involvement influences employee performance, how the Leader Influences the organization culture which contributes to Employee performance, and how Reward systems in an organization affect employee performance.

2.2 Employee Involvement and Employee Performance

According to Carlock (2014), Family businesses should continually include employees, specifically address culture during planning by assigning dedicated resources to engage people, and start to map cultural differences as they progress. Doing so ensures that employee input is considered, and participants become change leaders. Involvement is the rate of participation and initiative of all the employees in an organization.

According to Denison (2006) effective organizational culture has more emphasis placed on enhancing employee performance. The actual nexus between organizational culture and employee performance is pegged on the fact that employees thrive in environments where there is adequate involvement, and empowerment to be part of organization’s decision-making processes. According to Kurstedt and Mallak (1997) employees do feel part of the organization when they are involved in decision making processes. As such, they are obliged to commit and remain loyal to the organization, which in most instances, contributes to their enhanced performance.

This allows high involvement organizations to rely on informal, voluntary and implicit control systems, rather than formal, explicit, bureaucratic control systems. Denison 2006, measure this trait with three indexes: The first is empowerment, where individuals have the authority and ability to manage their own work. This creates a sense of ownership and responsibility towards the organization. Second is team orientation, which places much value on working cooperatively towards common goals for which all employees feel mutually accountable; and the third is capability development, a trait that is evident when the organization continually invests in the development of employees’ Skills in order to remain competitive and meet on-going business needs.
2.2.1 Employee Empowerment

Duvall (2012), states that success is an accomplishment achievement and attainment that is because of empowerment as listed. Personal success which is in form of an individual’s role performance, Success in the Organization which is accomplished as members of the organization realize collective organizational aims and objectives, and as employees share a common satisfying and helpful job experience satisfying both personal and social development requirements. Further, empowerment has an important positive connection with satisfaction and performance (Bartram & Casimir, 2007). In addition, particularly empowerment is more powerfully connected with the in-role performance of employers than with fulfilment with the on the lead. In Chen and Tjosvold (2006) they disclosed that involvement management is all about making employees participate the decision making process of the organization where they feel that they are given a chance to freely discuss issues and consequently can influence the decision making process in the organization they work for.

The general result of involvement is low turn-over and increased employee job performance. Employees will be inspired since management deems them colleagues in contribution to firm’s success rather than being seen as just subordinates hence would avoid engaging in prejudicial characters and thus improvement in performance level through timely accomplishment of organizational goals and objectives. According to Chen and Tjosvold (2006), organizations that uphold an involvement culture emphasize the input and participation of its members. These organizations, therefore, make their members become highly concerned about organizational immediate interests and increase the cohesion, so they can easily reach agreement in existing challenges. A way of enhancing employee job performance is by involving them in the organization ‘s decision-making at least to a level that they are allowed (Bartram & Casimir, 2007).

There are decisions that require secrecy due to their nature, and this is understandable, but there are others that should involve employees in an organization. These decisions, advises, should be made with the participation of the people they affect; this means consulting them or having a discussion in order to get their views and generate new ideas. An organization with a culture of involving its employees will tend to perform well because the employees will own the decision, and, therefore, hold themselves responsible in case of any failure. It is easy to be so swept away thinking of solutions in board
meetings that managers forget to consult the people who matter: the employees (Sonn, Oosthuizen, Oosthuizen, & Rudolf Machiel, 2015).

According to Orpen and Droichead (1995), employee empowerment can be an integral element of organizational culture change in that it embodies the concepts of intrinsic motivation, internal justification for decision-making, shared responsibilities, and integration for problem solving. As employees mature in an organization, they gain more knowledge, internalize justification for the actions they take, and become more intrinsically motivated. Alongside this internalization process, employees tend to take a more active role in intervening in the actions of newer employees and offering feedback regarding culture-consistent behaviors. When employees are empowered, they feel motivated to work because then nothing holds them back as they know what is expected of them and are competent in their duties.

DeWitt (2010) agrees that organizations that have a culture of recognizing for a job well done boost morale and offer a greater sense of achievement. The moment employees understand that they are appreciated and that their efforts matter beyond earning a paycheck, performance will normally increase. Regular times of recognition in small or simple ways can help employees know their value and increase their performance. According to Orpen and Droichead (1995), there should be continuous employee involvement to manage expectations and shape behaviours in the organizations. Companies that communicate most effectively use a combination of methods to reach employees, including messages specifically from the chief executive officer, from the integration team and from human resources, email updates, press releases, one-on-one meetings, and employee surveys (Orpen & Droichead, 1995).

2.2.2 Team Work

Employee involvement is a process of participation and empowerment of employees in order to use their input towards achieving higher individual and organizational performance. Teamwork is considered as an effective way to reduce the organizational hierarchy and increase the employee involvement. However, although problem-solving teams allow employee involvement in decision-making, they only have the right to make recommendations. Alienating stakeholder groups should be avoided at all costs (Agha, 2012). By adopting an internally driven culture, the organization is more involved with the customer/client by meeting their needs and giving them the best service. Therefore,
according to Barfitt (2007) highly involved organizations differentiate from the rest of the companies by creating a sense of responsibility. This particularity creates a greater commitment to the organization and autonomy. In these organizations, employees know kind of decisions they can take and which ones are beyond their responsibility. In other words, employees are empowered to take decisions in an informed framework. Employees are encouraged to work in teams and they support each other to attain their work goals. Finally, yet importantly, the high-involved companies use training and coaching to develop employee capability.

2.2.3 Communication

According to Becker (2005), one of the more important effects creating teams on organization’s management was an increased need for information. Team members need information in order to accomplish their objectives. Regular meetings should be organized to review the developments of the organization. According to Miner (2002), research found out that regular meetings helped in boosting the morale of the team members and made them understand their progress at work. Embracing a decentralized communication network where all group members communicate directly and share information with one another.

According to Bartram (2007), communication was the controlled, purposeful transfer of meaning whereby leader has influenced an individual, a group, an organization, or a community. In this regard, good and effective communication skills possessed by employees enable them to articulate business objectives and goals, which in turn influences their performance. Without effective communication, managers accomplished little (Bartram, 2007). Failure of effective communication both form employees and managers have a negative impact on employee performance. It was important for leaders to be aware of barriers that were hindering their ability to communicate effectively, as the first step to improving their communication style. Barriers were experienced from the encoding barriers such as lack of sensitivity to receiver, lack of basic communication skills, insufficient knowledge of the subject, information overload, emotional interference; the second barrier was transmitting barriers which included physical distractions, conflicting messages, channel barriers, long communication chain; the third barrier was decoding barrier that included lack of interest, of knowledge and communication skills, emotional distraction, physical distractions, the final barrier was
responding barrier which included no provision for feedback and inadequate feedback (Alam, 2013).

In summary, for employees to align their values to that of the organization, they have to be engaged in the life of the organization. This way, they feel part of it. We have seen that culture is what gives identity to an organization, and it is manifested in various areas in the organization from employees, to leaders, to the policies within an organization. Powerful cultures have powerful effects on how a company's people work together. As had been argued by Meyer (2011) organizational culture plays a great in influencing and informing organizational employee performance; a culture of an organization encourages high performance or low performance.

2.3 Influence of Leadership of the Business on Employee Performance

Effective management and good leadership helps develop teamwork and the integration of individual into group goals. Many leaders have to sustain performance, thereby sustaining current firm performance and even growing for the future with the diverse workers in the organization. Leadership is the process in which a person influences a grouping of people to attain common aims and objectives (Meyer, 2011). The leadership way in a firm has a posture on inhibiting or encouraging employee performance in organizations. Coaching has begun to be a vital method of improving performance of employees (Omega, 2012). It has proven to be a two-way communication whereby coaches spot things can be upgraded and how they can be upgraded. Coaching additionally talks about the characters and beliefs that impede performance (Omega, 2012). It can also be noted that coaching is all about aiding other employees to improve their performance levels.

Leaders play a pronounced role in influencing organizational culture so that it aligns itself to organizational strategy, structure, HR policies and practices. As top management team, leaders usually have an accurate picture of organization's culture. This helps them determine what changes are needed and take quick and decisive action to mould the culture to what is needed to enable the company's successful future (Schein, 2011). To get a workforce that is aligned to the organization ‘s mission and vision boils down to the organization ‘s HR policies on recruitment and hiring. It is the responsibility of leaders to foster an organizational culture that emboldens employee action, commitment, and
consistency at work. This responsibility extends to how leaders’ employees, particularly talented employees, or their commitment to culture or employee capacity building within the organization. According to Khan (2005) employees who receive constant and consistent capacity building usually record a higher level of performance compared to organizations that lack capacity building cultured.

Sharma (2009) propose the following leadership approach when embarking on a process of employee performance which in turn results to organization performance: (i) develop a need to change; (ii) develop a change vision; (iii) develop a communication strategy; (iv) communicate the vision; (v) get worker leaders informed; (vi) get the transformational teams together; (vii) do an organizational audit; (viii) decide on the change process strategy; (ix) prepare the organization and also the stakeholders; (x) implement the changes; (xi) remove hindrances; (xii) mainstream the changes, and allow for adjustments to the strategic plans. These actions may lead to win the trust of subordinates for leaders that can increase the output of their work and doing job activities, which can help to achieve the organizational goals. Some main characteristics of transformational leaders is that they increase employee’s confidence and awareness, and as such, enhance employees’ performance and development (Brooks, 2006).

Leadership plays a crucial role in the development of human resource capabilities. Human resource has been regarded as the most critical factor for an organization to gain competitive advantages and realize organizational targets (Barney, 2001). “Human” is the theoretical basis of establishing the important assets for an organization. The success of many organizations possibly results from the leadership sagacity and willpower, the technical prominence and innovation, the excellent quality or the distinguished reputation, but all these relate to human capabilities. Clegg (2012), concluded that there is a positive relationship between organizational culture and customer orientation, teamwork, as well as goal achievement and change, all of which influence business success.

In most organizations, leaders and managers can advance the quest for positive organizational culture by entrenching good behaviours within the organization. This could include establishing values that encourage employees’ honesty, integrity, and hard work (Daft, 2010). When employees are exposed to values that encourage positivity, and hard work, there is often a tendency for the employees to strive to achieve these goals.
Leadership is vitally crucial in all levels in the organization. Leadership refers to the moral and intellectual capability to apply and work for what we believe is best for the company and its employees. Fruitful performance of organization obliges leaders to offer the vision of the new organization to the individuals in charge of doing it and they must listen to raised concerns, thereby dispelling rumours, proceed to set expectations and come clean. Additionally, organizations have to be seen as being serious about the importance of culture integration at the work place. Hofstede (2010) argues that the responsibility of developing a positive organizational culture that enhances employee’s performance. This is because senior managers are responsible for developing organizational strategic directions, that mostly, influences organizational behaviour and culture. It is incumbent upon senior managers to learn how to develop how organizational culture affects the operation of their organizations, and particularly employee performance. Organizational culture has a significant impact on employee motivation.

According to Dosi (2006), organizations with positive cultures do motivate employees for higher aspirations including performance, while organizations with negative cultures play a role in demotivating employees, resulting in poor performance (Khan & Vivek, 2010). As per Duvall (2010), by seeing familiar and further trusted leaders empowering positive appreciation during moments all through family business, employees will start to see and recognize the important endeavours and commitments from their partners. Strong leadership enhances performance while feeble leadership decreases it.

2.3.1 Leadership Commitment

The commitment of the leader of the organization is an important factor for the sustainable and effective growth of the institution. Hofstede (1998) defines a committed leader as being one stays with an organization, attends work regularly, puts in a full day and more, protects corporate assets, and believes in the organizational goals. This leader positively contributes to the organization because of his commitment to the organization and committed employees are more likely to develop patterns of punctuality or to be chronically present at work. Organizational commitment shows to positively affect motivation, organizational citizenship, and job performance. Commitment can be conceptualized into three components including the continuance effectiveness, the normative effectiveness, and affective commitment (James, 1999). Normative commitment reflects feeling of obligation to continue working with the organization.
because they believe it is right to be loyal to, and to continue staying in the organization. Affective commitment is the Affection towards your job, a strong emotional attachment to the organization's goals and values. The result of these is improved performance among employees indicating that strong commitment is directly related to improved employee performance.

Any organization requires effective leaders who can positively influence their followers by increasing employee performance and organizational commitment in order to achieve organizational performance. According to khan (2010), the behaviours of top-level leadership have significant impact on the organization. Studies on the leadership level have been independently investigated and have been shown to significantly influence employee behaviors.

In this regard, organizations that have low commitment rates among employees do also have challenges with their organizational culture. However, some leaders of organization do not seem to be committed to their organization. Since this indicates, as there is a need for better leadership and management to realize employee commitment as well as upgrading of skills and gearing towards results orientation and efficiency, these organizations are considered to explore such cases in detail. (Lee et al., 2004). Organizational commitment is associated with increased satisfaction, performance and organization adaptability as well as decreased absenteeism and employee turnover. Commitment of a leader may lead a company towards a sustainable success and can better formulate the organizational strategy for desirable future for organization, by using their vision.

Leader’s commitment results in higher levels of job satisfaction and improved job performance among employees, increased return to shareholders as the sales increase and operational costs reduce. Leader’s commitment also leads to reduced employee turnover, lower levels of intention to leave, reduced intention to look for alternative and reduced absenteeism (Robinson, 2006). Having leaders who are committed is very crucial in forging a common vision, marshalling all resources in pursuit of that vision as well as ensuring commitment to the vision from across the organizational functions and departments (Owino & Kibera, 2015).
2.3.2 Leadership style

Organizational leadership is essential in influencing the actions and perceptions of employees at work (Peters & Waterman, 1999). Leadership style is the merger of character and attitude of one who leads, which guides to certain designs in handling adherents. Effective leadership means that leaders are able to model performance objectives, vision and organizational mission for employees. If organizational leaders are able to model the way, and lead by example in executing their performance objectives, employees are likely to follow suit. Verbeeten (2008) conducted a study of the influence of leadership styles on performance concluded that the style that influences performance positively is transformational leadership while autocratic leadership had the opposite effect. Peters and Waterman (1999) argue that good leadership must be inspirational to employees and should act as a motivator for their performance. This should include a leader’s public display of enthusiasm and optimism in the work of the employees. Employees who work under an inspirational leader are highly stimulated into action, work easily in teams, possess inspired confidence in their own work and perform adequately at work (Verbeeten, 2008).

Organizational leaders have to apply methods or techniques to maintain an efficient business operation. Therefore, they have to show different leadership styles appropriately and only in this way, the organizational performance can be expected to be promoted. According Khan (2010), transactional leaders believe that employees are motivated by reward or punishment. These leaders give clear instructions to followers about what their expectations are and when those expectations are fulfilled, there are rewards in store for them and failure is severely punished. The attributes include the contingent reward that is defined by the exchanges between what is expected from the follower and what the follower will receive in return. There is active management by exception that helps maintain the current performance status while the focus is on detecting and correcting errors, problems or complaints. Lastly, there is management by exception that passively address problems only after they have become serious and Laissez faire that abdicates responsibilities to avoid making decisions.

According to Gaur & Sharma (2014) organizational leaders who offer individualized consideration to their employees often get higher levels of performance from them compared to leaders who do not give individualized consideration. It is therefore
important for leaders within the family business to ensure that their employees get the attention and support they need for them to give their best at work. Therefore, while employee performance is contingent upon many factors, the impact of effective leadership on employee’s performance cannot be discounted. Crawford (2001) explains that the attributes of a leader such as their charisma, reward or punishment influence and their ability to influence over a team have an impact on organization performance. In addition, other leadership attributes such as transformational leaders, transactional and Laissez-faire results in improved employee behaviours and attitudes towards work, which in turn results to performance.

Employees are the most important assets in organizations, which without, the goals and objectives may not be attained. Several studies have been conducted on the roles that good leaders can play in achieving increase employee job performance. A good leadership may play a mediating role in the relationship between organizational culture and employee outcomes and an atmosphere for good leadership to flourish: which will ultimately lead to increased employees job performance (Yilmaz & Ergun, 2008). In the competitive world with technological changes within the business environment, it is very important that leaders of business employ leadership styles that enable organizations to survive in a dynamic environment (Bass, 2007). The leadership style of a leader has a considerable influence on the work performance of employees. It further indicates that the leadership style also affects the organizational performance. The leadership style determines the organizational performance that employees need to realize, give suggestions and feedback for execution, Wuthnow and Witten (1998) suggests that the leadership style should be properly and carefully used to guide and motivate the staff in an organization.

2.4 Influence of Reward System on Employee Performance
According to Armstrong (2006) reward systems have been identified as the most effective tools to maximise employee performance. The reward system in an organisation is a programme that is developed to provide appreciation for high performers and provide incentive for low performers to increase their performance. The rewards system is an important device not only to monitor performance of employees, but it can also be used as a motivation method. Reward systems can therefore be used as a significant motivator for employees within an organization, particularly in attracting and retaining talent. Organizations should also develop reward systems that not only reward talented
employees, but those that encourage the entire employee staff. Thus, reward management systems should encompass comprehensive strategies that reward employees fairly within the organization. It is important that organization leadership include employees in decision making when developing strategies and policies concerning the reward systems. Armstrong (2009) argues that Effective reward management is based on a well-articulated philosophy a set of beliefs and guiding principles that are consistent with the values of the organization and help to enact them. Organisations can definitely use the reward system approach to shape favourable employee behaviour.

According to Omega (2012), use of bonuses is a great reward system, which when well designed, can aid firms be not only flexible but also effective. In bonus systems, firms that desire to motivate performance thereby introduce new rewards such as bonuses. Therefore, leaders in a business may draw from a wide choice and variety of approaches and strategies to reward their employees. Many people do not just automatically come to work, get to working or just work for a business entity. They need to be frequently motivated to take on a job within the firm. To come for work every day, continue working, accepting lessons, go for effectively performance, and to accept any change in the system. The most accepted narrative for people to be motivated to take their work seriously is that they may learn and alter in what many psychologists refer to expectancy theory, which argue that people are most rational decision making beings who think with actions in mind and take action in ways that meet their desires and help them to attain and reach their goals.

A study by Mintzberg (1987) argues the effectiveness of employee reward system in the basic sense. The dynamics of the team play a big part in the “reward interdependence”, i.e. how an individual’s reward is based on the performance of another team member. The concept of “Equal Allocations” has become important where reward is not only dependent on overall performance but is shared equally between all team members. It suggests team members must help each other to achieve their result, but they are rewarded differently based on what they have contributed to the team’s performance. He also found that where transparency of member’s contributions is visible, then it could make the member more conscious of that contribution, thus increasing the tendency to act in favour of the organization goals.
According to Srivastav (2009), Rewards from within was good business practice and had been proven to be powerful employee motivator. Internal promotion policies generated loyalty through the recognition of individual merit and improved morale by fulfilling employees, need for increased status. Companies that enjoyed enduring success had core values and core purposes that remained fixed while their business approaches and practices were easily adaptable to a changing world. Core ideologies were part of the success. By the core he meant the organization culture, more specifically what the company stood for and its reason for being; which together provided the glue that kept Pressure groups the organization (Input/Process/Output) The ideologies reflected more on the criteria used by an organization to promote it staff, Srivastav (2009). Many businesses approached the concept of job promotions with something less than a studied eye. While the process seemed basic, the consequence of ill-advised promotion was critical to understand what works and what does not in the art of promoting employees.

Trice (1993) explained Rewards have two broad types; extrinsic and intrinsic rewards also called financial and nonfinancial rewards and these rewards further divided in so many sub categories. Extrinsic rewards relate to financial rewards, cash related like formal recognition, fringe benefits, incentive type payments, pay, and promotion and intrinsic relates to nonfinancial, or non-cash rewards like achievement, accomplishment feelings, recognition, job satisfaction and growth. Financial and non-financial rewards and benefits are highly correlated with employee’s performance Because of positive relationship of between rewards and performance increase the job satisfaction of workers. Job satisfaction leads to success and feelings of achievement during the job and linked to employee performance, increase worker’s efforts on job and leads to feeling of fulfilment (Schein, 1990). In this study we shall look into both Intrinsic and Extrinsic rewards.

2.4.1 Intrinsic Rewards

Rewards having intrinsic nature are typically non-monetary or non-cash rewards, for examples, sharing success stories, recognising employee of the month or year achievement, providing professional training opportunities, performance appreciation, social recognition, improved working conditions, diversification in job description, increasing responsibilities, etc. Robinson (2008) used the term non-material rewards for non-financial or non-monetary rewards and concluded that they increase the overall job performance of the workforce in an organisation. The intrinsic rewards are found
effective for employers to develop and construct the emotional attachment among employees towards organization goals and objectives. According to Rollinson (2005), the supportive nature of employers has more committed employees because of social recognition given to them. When management connect with employees in well-organized manner and paid them recognition and acknowledgement in return of their effective performance the employees are found more emotionally integrated in work and released more trust towards their job and remain loyal to organization.

Rollinson (2005) defined that the intrinsic rewards had the great importance to integrate the commitment in employees and in turn perform because comparing the weight or value of intrinsic and extrinsic rewards; researchers find out that both rewards have their own preferences depending on employees need. Some employees need intrinsic rewards mostly higher management and other employees prefer extrinsic rewards mostly in lower level management. Higher-level employees focus on recognition, acknowledgement, empowerment and other intrinsic rewards.

2.4.2 Extrinsic Rewards

Rewards having extrinsic nature are generally related to monetary rewards or simply cash rewards while they also include formal recognition such as appreciation letters, other fringe benefits, incentive-based payments such as sales commission, and promotion. Nelson and Shavitt (2002) concluded that the extrinsic rewards provided to employees showed significant positive effect on the employee attitude because the job satisfaction factor found active in motivation of employees. In other study done by Rollinson (2005) found that the monetary rewards played a vital role for the increment in employee’s effort towards the work. He also described, by addition of extrinsic rewards the marginal value of effort will be equal to marginal cost added. The extrinsic rewards count as compensated value, which added the extra effort in employee work and raise their perception towards the organizational commitment and job satisfaction. In summary Extrinsic, reward system can play an effective role to maximise productivity of employees and has a critical role in maintaining high level of motivation among employees.

khan (2005) analysed the impact of rewards on employee Performance of manufacturing industry employees and they found a positive impact of job satisfaction on employee
performance and concluded that adequate reward system maximises the job satisfaction leading to increase in efficiency and effectiveness of employee performance. Extrinsic rewards motivate employees to give more time to the assigned task, put more efforts on it, and increase their performance. A good balance of extrinsic and intrinsic rewards enables the organisation to maximise employee’s commitment, motivation, and job satisfaction, which in turn maximises the performance of employees particularly in terms of productivity (Khan, 2005). Leaders of the family business play a critical role in Employee retention relates. Replacing employees in a company can be an arduous and expensive exercise. Even in more secure industries such as the public sector, performance needs to be managed and staff motivated as in the private sector. Retention of experienced staff in both these industries is important to create competitive advantage and organisational success. With the increasing use of reward systems structures. Leaders must choose the right rewards to obtain the highest performance. In addition to money, forms of recognition to identify and reward outstanding performance can be vital, adds Kwantes and Boglarsky (2007).

Both formal organizational recognition and social recognition are used systematically by supervisors and managers and is very important to their people and their day-to-day behaviours and performance effectiveness. In conclusion the operational systems is concerned about the degree to which an organization has developed the systems needed to support its daily operations the operational systems is concerned about the degree to which an organization has employed the system needed to support its daily operations (for example, accounting, promotion, delivery, personnel, etc.). On the other hand, the management systems dimension focuses on the extent to which the institution has developed the system (planning, performance management, organizational structure, and management development) needed to support its long-term performance. The corporate culture, which reviews the degree to which an organization has developed the systems to explicitly manage its culture. The last dimension focuses on financial results. This dimension looks at the extent to which an organization has put capacity and system in place to effectively manage the financial aspects of the business (Kwantes & Boglarsky, 2005).
2.5 Employee Performance

According to Duvall (2010), employee performance is the degree of attainment of work mission as measured in terms of work outcome, intangible assets, customer link, and quality services. According to Davenport (1993) employee performance, is the organization’s capacity to accomplish its goals effectively and efficiently using available human and physical resources? This definition provides the justification for organizations to be guided by objective performance criteria when evaluating employees’ work based performance. This is also helpful in evaluating the achievement of the organizational goals as well as when developing strategic plans for the organizations’ future performance (Dasanayake & Mahakalanda, 2008).

According to Clegg (2010) there has been a wide range measures for organizational performance, however, judgmental processes, and evaluative processes have proven more effective in measuring effect of organizational culture on employee’s performance. According to Dasanayake and Mahakalanda, (2008) organization performance is a broader concept whose indicators include work quality, work quantity, sales output, customer retention rate, rate of defected goods, as well as relative measures such as development through training for building necessary skills and attitudes among the workers (Clegg, 2010). Employee performance can also be conceptualized in terms of net income, revenue, employee turnover, physical expansion, increased market shares and financial sustainability.

Organization culture influences how employees handle themselves in the firm towards the achievement of organization goals and objectives. According to Kaufman (2002), a positive organizational culture strengthens the core characters and beliefs that a person in a leadership position wishes while weakening the activities and the values the person in leadership opposes. Being aware of the culture of a firm enables individuals to understand the organization’s modern ways of operation and history. The intuition gives a guide on the expected future behaviours (Christensen, 2014). It can promote dedication to the firm’s values and philosophies hence generate shared feelings of performing tasks towards common objectives. Organizational culture serves as a control tool to direct behaviour toward desired characters and away from unwanted characters through its norms (Schein, 2011). Christensen (2014) notes that culture is can be a strength and a weakness. As strength, it can enable decision-making process, interaction, and control, and create devotion and cooperation. As a weakness, it can hinder the smooth
implementation of masterplan by bringing about opposition to change. If organizational culture is weak, strong, or moderate depends on factors of the organizational longevity of its existence, size, the beginning level of specified organizational culture and the level of circulation between employees. Singh (2011) asserts that in such organizations, employees do not have a sense of allegiance, commitment, and a sense of identity. Features adopted by organizations that have weak cultures involve hostility to change, politicized organizational environment, not willing to look outside the firm for the prime practices and promoting bureaucracy in liking to creativity and entrepreneurship.

Culture sets the boundaries by giving individuals a set of normative rules to dictate some areas of their character that gives rise to motivations, and a sense of shared identity, which contributes to the effectiveness of an organization (Rollinson, 2005). No change would provide sustainable performance except that a firm’s culture and members of the organization are fully aligned and prepared to support that change. Culture is what separates truly high-performing companies from the others (Singh, 2011). Corporate culture has a notable impact on organizations’ economic performance and long-term sustainability. Organizations with a deeply entrenched culture had larger workforce expansions, greater revenue increases, and greater improvements in net income and larger increases in share prices than their match with weaker cultures.

Employees are a primary source of competitive advantage in manufacturing organizations. (Robson & Bawa, 2002) Employee performance plays an important role for organizational performance. Employee performance is originally what an employee does or does not do. Performance of employees could include: quantity of output, quality of output, work habits, timeliness of output, presence at work, cooperativeness. Good employee performance has been linked with increased consumer perception of service quality, while poor employee performance has been linked with increased customer complaints, increased number of production errors, high absents rate and returned goods. Strong organization culture is very beneficial to enhance employee performance, which leads to the attainment of goals and increases the general organization performance (Schein, 1990). He also pointed out that result oriented culture required high level of concepts, education, instruments, management and training and leadership skills. According to the Ortiz and Arnborg (2005), values and norms of organizational culture hugely affect individuals indirectly or directly involved with the company. The norms are cannot be seen but have a great influence on the profitability and employee performance.
Therefore, Employee performance could be simply understood as the related activities expected of a worker and how well those activities were executed. Then, many business personnel directors assess the employee performance of each staff member on an annual or quarterly basis in order to help employees identify suggested areas for improvement

2.6 Chapter Summary

Scholarly Literature based on the study research questions has been reviewed in this chapter. Employee Involvement and employee performance, which included Employee Empowerment, Teamwork and Communication. Followed by the Influence of a leader of a Business on employee performance, which examined Leader’s Commitment and Leadership style. Lastly, the influence of reward systems on Employee performance, which examined Intrinsic Rewards and Extrinsic Rewards. The next chapter presents the study methodology.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter is focused on presenting the study methodology. Key in this chapter’s presentation include the study research design, the study population and sampling design, data collection and analysis methods. The sampling design was selected on the population and the key features that was highlighted include sampling frame, sampling technique and the sample size. The data collection methods that was most appropriate for the study was employed to ensure accuracy and at the same time considering time and resources available. Data analysis methods explain the tools used to examine the data collected and this helped us to draw conclusions based on the results and findings of the data collected and finally the chapter summary.

3.2 Research Design

Cooper & Schindler (2008) define a research design as the scheme, outline or plan that is used to generate answers to research problem. A descriptive research design was used to carry out this study. Robson (2002) states that the objective of descriptive research is to portray an accurate profile of persons, events or situations. It is necessary to have a clear picture of the phenomena on which you wish to collect data prior to the collection of the data (Lewis & Thornhill, 2003). Description emerges following creative exploration and serves to organize the findings in order to fit them with explanations, and then test or validate that explanation.

Descriptive study was selected for this study because it enables the researcher to document and describe the characteristics of the study elements without influencing the study subject. Descriptive design was also appropriate for this study, as it enabled the researcher to summarize findings in a quantifiable manner and attribute these characteristics to the entire study population. This research employed a descriptive research design. This method was preferred because it allows use of quantitative or qualitative elements within the same study. In addition, it uses visual aids such as graphs and charts thus interpretation and presentation of data is simplified. The research design was therefore being best suited for this study as it seeks to study the relationship between organization culture and employee performance. The dependent variable for this study
was employee performance in family owned business, while independent variables were employee involvement, organizational leadership, and reward systems in family owned business. The merge of qualitative and quantitative tools of analysis was used to establish how respondents perceive organizational culture influences employee performance.

3.3 Population and Sampling

3.3.1 Population

A population of a study is defined as the entire number of units, or elements that a research seeks to examine in a study. It forms the basis from which the sample or subjects for study were drawn. Blumberg, Cooper and Schindler (2014) refer to it as total collection of elements about which we wish to make some inferences. For this research, the study population was drawn from Betatrad Kenya Limited. The population of employees at the company is 65. This population is diverse because as it includes General Laborer’s, Middle and senior management.

Table 3.1 Population Table

<table>
<thead>
<tr>
<th>Strata</th>
<th>Population (N)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Level Managers</td>
<td>5</td>
</tr>
<tr>
<td>Middle Level Managers</td>
<td>19</td>
</tr>
<tr>
<td>General Laborer’s</td>
<td>41</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>65</strong></td>
</tr>
</tbody>
</table>

Source: (Human Resource Betatrad Kenya Limited, 2018)

3.3.2 Sampling Design

Clegg (2010) define sampling design as the roadmap that guides how sampling for a study was conducted. The sampling design is usually composed of the sample frame, the technique and the sample size.

3.3.2.1 The Sample Frame

A sample frame is the comprehensive list that represents the number of units a researcher wants to examine (Saunders et al., 2003). On the other hand, Cooper and Schindler (2014) note that a sampling frame represents all elements represented in a population under a study. The sample frame for this particular study was comprised of all contract employees
of Betatrad Kenya limited Company. A listing from which the sample frame drawn was obtained from the human resources department.

3.3.2.2 Sampling Technique

The sampling technique is defined as the procedure or plan drawn up before any data is collected to obtain a sample from a given population. This study has a small population of 65 employees; therefore, all staff were sampled for the study, making the study a census. According to Cooper and Schindler (2014), if a study has a population less than 100, a census is the most appropriate sampling technique to be adopted by a researcher.

3.3.2.3 Sample Size

Cooper and Schindler (2008), describe the sample size as a smaller set of the larger population whose choice of sample size is governed by the confidence you need to have in your data, level of certainty, the accuracy you require for any estimates made in your sample, the type of analysis you are going to undertake and finally the size of total population from which your sample is drawn. The sample size for this particular study was all 65 employees of Betatrad Kenya Limited company. The rule of thumb where we have population less than 100 was applied. The sample represented the entire employees of Betatrad Kenya Limited.

3.4 Data Collection Method

Data collection is the systematic gathering of data using a specified scientific process (Cooper, 2014). This study used primary data, which was collected using a questionnaire that was developed by the researcher based on research questions. The questionnaire was having four parts; the first part had questions covering the general information of respondent. The second part, questions on employee involvement on employee performance. The third part had questions on the influence of the leader on employee performance. While the fourth section covered questions on reward system on employee performance. A Likert scale of 1 to 5 was used to measure the extent to which the various respondents agreed or disagreed with the issues raised. Results was used to rank the four measures of performance. A Likert scale is a psychometric response scale primarily used in questionnaires to obtain participant ‘s preferences or degree of agreement with a statement or set of statements or factors (Cooper & Schindler, 2006).
3.5 Research Procedures

Research procedure refers to detail description of the steps to be taken and the conduct of research should be provided for by the purpose of the study. Before the actual study was carried out, a pilot study of involving 15 participants was done. The main purpose of the pilot was to test the questionnaire for reliability and validity, and to examine if it was simple enough to be understood and answered by respondents. Equally, the pilot test was conducted to detect weaknesses in design and instrumentation and to provide proxy data for selection of probability sample, it therefore draws subject from the target population and simulate the procedure and protocols that have been designated for data collection (Cooper & Schindler, 2008). According to Saunders et al., (2009) a complete account of the research process including pilot testing, scheduling of the objects and collection of the data collection instruments has to be conducted.

The importance of piloting was to detect ambiguity, evaluate the type of answers given to determine whether they help the researcher to achieve the laid down objectives (Robson, 2007). Saunders et al (2009) note that pilot studies help the researcher in identifying questions that are make the respondents uncomfortable and uneasy. Such questions were then removed, paraphrased or replaced in the final survey instrument design. Again, the pilot study was important in identifying ethical issues that may arise during the actual data collection process. As such, pilot studies are crucial instruments for ensuring the validity and reliability of the research process and findings (Saunders et al., 2009). Pilot studies allowed the researcher to study the research setting and seek advice on how the data collection instrument could be improved upon (Robson, 2007). The researcher administered a pretest sample to the respondents in the pilot study.

That was if the items on the scale measured the same thing. A value greater than 0.7 was deemed acceptable (Christensen, 2014). The results from the pilot study were used to improve and strengthen the data collection instrument especially where the values were below 0.7. In SPSS, questions have been labeled as data was correctly entered into SPSS in order to run a Cronbach's alpha test, then reliability test was obtained by analyzing then scale and reliability. Thus, all values above 0.7 indicated that the tool was good and reliable, as indicated in Table 3.2.
Table 3.3: Reliability Tests Results

<table>
<thead>
<tr>
<th>Sections and Questions</th>
<th>Cronbach's Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee involvement</td>
<td>0.765</td>
<td>10</td>
</tr>
<tr>
<td>leadership</td>
<td>0.961</td>
<td>10</td>
</tr>
<tr>
<td>Reward systems</td>
<td>0.746</td>
<td>9</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>0.721</td>
<td>10</td>
</tr>
</tbody>
</table>

After deleting question 10 from section D, the table above shows that all the Likert scale tables have a Cronbach Alpha of more than 0.7. This means that the data gave reliable results.

The accuracy of information collected mostly relied on the instruments to be used to collect information in terms of validity. Robinson (2008) clearly notes that validity is the degree to which the study result largely truly represents the phenomenon under study. This study measured the construct validity to ensure that the instrument is actually measuring the construct, performance it is intended to measure and not the other variables. Prerequisite analysis was done to test assumptions and also establish the suitability of the regression analysis. The tests done included linear, normality and multi-collinearity.

### 3.6 Data Analysis Method

Data analysis method is defined as the process of analyzing raw data into meaningful information in a study (Saunders et al., 2009). This study used both descriptive and inferential statistical analysis. Descriptive data was analyzed for frequencies and percentages, while inferential data was examined for correlations and regression analysis. This study used the Statistical Package for Social Sciences (SPSS) version 23 to conduct the analysis. Correlation was done to determine whether there exist any relationships between the study variables, while regression analysis was used to determine the level of the relationship when all the variables are combined. The Statistical Package for Social Sciences (SPSS) was used for data analysis. The findings from this research was presented using tables, and figures. Linear regression was preferred because it uses data very efficiently and good results are normally obtained with relatively small datasets. The general form of the regression model to be used is as follows:

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon \]
3.7 Chapter Summary
This chapter has reviewed the research methodology that was used for this study. The chapter demonstrated the research design to be used which descriptive research was used with a case study of Betatrad. The population for this research was identified with a sample of 65 respondents being selected. The sampling techniques that was used is consensus technique and the data collection method was via a structured questionnaire. The research procedures highlighted the process of collecting the data and the data analysis methods indicated what was analyze the data collected so that conclusive conclusions were drawn. The next chapter present the analysis of the study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction
This chapter presents the findings of the study, data analysis and interpretation. The purpose of this study was to determine whether organization culture influence employee performance in a family own business a case study of Betatrad Kenya limited. This study was guided by the following questions: To what extent does Employee involvement influence employee performance of Betatrad Kenya limited? To what extent does leadership in a family owned business influence Employee performance of Betatrad Kenya limited? To what extent does Reward systems in a family owned business influence Employee performance of Betatrad Kenya limited?

4.2 Response Rate
The target population comprised of 65 respondents from both the genders. Figure 4.1 indicates that out of the 65 questionnaires administered, 57 responded, which gave a response rate of 88%. According to Mugenda and Mugenda (2013), the statistically significant response rate for analysis should be at least 50%.

![Figure 4.1: Response Rate](image)

4.3 General and Demographic Information
This section includes the general demographic information.
4.3.1 Gender of the Respondents
Figure 4.2 is used to display the gender. It indicated that 22.8% were female, while 77.2% were the male thus the research concludes that the company is dominated by male workers due to the nature of work.

![Figure 4.2: Gender of the Respondents](image)

4.3.2 Marital status
Figure 4.3 is used to display the Marital Status. It is indicated that 79% were married while 18% are single the rest were divorced at 3%.

![Figure 4.3: Marital status](image)
4.3.3 Job Category

Figure 4.4 shows the job levels in the organization. The study reveals that majority work in General Labourers with a population of 35, Middle Level Management had a population of 17 while Senior Level Management had 5 people as portrayed below.

![Figure 4.4: Job Category](image)

4.3.4 Number of years worked at Betatrad Kenya Limited

Figure 4.5 shows the Number of years worked at Betatrad Kenya Limited. It is indicated that 0 – 3 Years had 32%, 4 – 6 Years had 17%, 7 – 9 Years had 10%, 10 – 12 Years had 18% and final 13 Year & Above had 23% thus the researcher concluded that the majority are people have worked at Betatrad Kenya Limited for 0-3 years.

![Figure 4.5: Number of years worked at Betatrad Kenya Limited](image)
4.3.5 Age of Respondents

The study sought to establish the ages of the respondents. Most of the respondents who took part in this study were aged 40-45 years as shown, figure 4.6 displays the age percentage distribution of the respondents. The age group 40-45 years were the majority at 42% of the population. Age group 26-30 which accounted for 21% of the total followed this. Other age groups were 31-35 who formed 19% of the population, 20-25 years who formed 2% and finally, those aged 46 years and above were 16% of the population.

![Age of Respondents](image)

**Figure 4.6: Age of Respondents**

4.4 Descriptive Analysis of Study Variables

4.4.1 Employee Involvement and Employee Performance

A test for descriptive statistics was conducted using statistical package for social sciences. The descriptive results for the Employee Involvement and Employee Performance were provided in terms of the mean and standard deviation. The total number of respondents analyzed in each measure was 57. The number of valid complete questionnaires in each case determined this.

The result from table 4.5 indicate that, Team work Enhance Employee performance 4.40, My organization encourage Team work with a mean of 4.14, Effective employee-supervisor engagement enhances employee performance with a mean of 4.14, My organization appreciates employee teamwork with a mean of 4.12, Free flowing
communication enhances my performance with a mean of 4.02, My organization has
effective employee supervisor engagement with a mean of 3.88, My performance is
evaluated based on my level of involvement with my organization with a mean of 3.88,
My organization has free flow of communication with a mean of 3.57, My organization
has well-established levels of employee involvement with a mean of 3.57 and My
Organization involves me in Decision Making with a mean of 3.44.

**Table 4.1: Descriptive Analysis of Employee Involvement and Employee
Performance**

<table>
<thead>
<tr>
<th>Description</th>
<th>N</th>
<th>Mean</th>
<th>Std Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team work Enhance Employee performance</td>
<td>57</td>
<td>4.40</td>
<td>.530</td>
</tr>
<tr>
<td>My organization encourage Team work</td>
<td>57</td>
<td>4.14</td>
<td>.557</td>
</tr>
<tr>
<td>Effective employee-supervisor engagement enhances employee performance</td>
<td>57</td>
<td>4.14</td>
<td>.571</td>
</tr>
<tr>
<td>My organization appreciates employee teamwork.</td>
<td>57</td>
<td>4.12</td>
<td>.657</td>
</tr>
<tr>
<td>Free flowing communication enhances my performance</td>
<td>57</td>
<td>4.02</td>
<td>.855</td>
</tr>
<tr>
<td>My organization has effective employee supervisor engagement</td>
<td>57</td>
<td>3.88</td>
<td>.825</td>
</tr>
<tr>
<td>My performance is evaluated based on my level of involvement with my organization</td>
<td>57</td>
<td>3.88</td>
<td>1.001</td>
</tr>
<tr>
<td>My organization has free flow of communication</td>
<td>57</td>
<td>3.57</td>
<td>.833</td>
</tr>
<tr>
<td>My organization has well-established levels of employee involvement</td>
<td>57</td>
<td>3.57</td>
<td>.901</td>
</tr>
<tr>
<td>My Organization involves me in Decision Making.</td>
<td>57</td>
<td>3.44</td>
<td>.964</td>
</tr>
</tbody>
</table>

**4.4.2 Influence of Leadership of the Business on Employee Performance**

A test for descriptive statistics was conducted using statistical package for social sciences.
The descriptive results for the Influence of Leadership of the Business on Employee Performance were provided in terms of the mean and standard deviation. The total
number of respondents analyzed in each measure was 57. The number of valid complete questionnaires in each case determined this.

The result from table 4.2 indicate that, Leaders are committed to employee performance with a mean of 4.63, Leaders skills are essential for enhancing employee performance with a mean of 4.26, Leaders knowledge is essential for employee performance with a mean of 4.19, Betatrad is committed to organization performance objectives with a mean of 4.00, Leaders support you at work with a mean of 3.96, Betatrad Leaders have used their skills to enhance employee performance with a mean of 3.89, Current Leadership style should be encouraged with a mean of 3.89, Leaders portray good leadership styles to enhance employee performance with a mean of 3.57 Leaders give clear performance indicators with a mean of 3.67 and Betatrad leaders provide feedback on performance with a mean of 3.53.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leaders are committed to employee performance.</td>
<td>57</td>
<td>4.63</td>
<td>5.505</td>
</tr>
<tr>
<td>Leaders skills are essential for enhancing employee performance</td>
<td>57</td>
<td>4.26</td>
<td>.897</td>
</tr>
<tr>
<td>Leaders knowledge is essential for employee performance</td>
<td>57</td>
<td>4.19</td>
<td>.833</td>
</tr>
<tr>
<td>Betatrad is committed to organization performance objectives</td>
<td>57</td>
<td>4.00</td>
<td>.756</td>
</tr>
<tr>
<td>Leaders support you at work</td>
<td>57</td>
<td>3.96</td>
<td>.844</td>
</tr>
<tr>
<td>Betatrad Leaders have used their skills to enhance employee</td>
<td>57</td>
<td>3.89</td>
<td>.939</td>
</tr>
<tr>
<td>performance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Leadership style should be encouraged</td>
<td>57</td>
<td>3.89</td>
<td>.577</td>
</tr>
<tr>
<td>Leaders portray good leadership styles to enhance employee</td>
<td>57</td>
<td>3.57</td>
<td>.857</td>
</tr>
<tr>
<td>performance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leaders give clear performance indicators</td>
<td>57</td>
<td>3.67</td>
<td>.873</td>
</tr>
<tr>
<td>Betatrad leaders provide feedback on performance</td>
<td>57</td>
<td>3.53</td>
<td>.928</td>
</tr>
</tbody>
</table>
4.4.3 Influence of Reward System on Employee Performance

A test for descriptive statistics was conducted using statistical package for social sciences. The descriptive results for the Influence of Reward System on Employee Performance were provided in terms of the mean and standard deviation. The total number of respondents analyzed in each measure was 57. The number of valid complete questionnaires in each case determined this.

The result from table 4.3 indicate that, initiating employees work autonomy will improve employee performance with a mean of 4.04, Employee team recognition enhances performance with a mean of 4.00, Individual employee recognition enhances performance with a mean of 3.95, Rewards provided by my organization improves Employee Performance with a mean of 3.68, Non-financial rewards motivate employees to perform at their best to achieve goals with a mean of 3.67, Monetary rewards enhance employee performance at Betatrad with a mean of 3.63, Betatrad has recognition programs employee teams with a mean of 3.57, Betatrad has recognition programs individuals employees with a mean of 3.49 and The current rewards systems are in line with employee performance with a mean of 3.30.

Table 4.3: Influence of Reward System on Employee Performance

<table>
<thead>
<tr>
<th>Description</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiating employees work autonomy will improve employee performance</td>
<td>57</td>
<td>4.04</td>
<td>.865</td>
</tr>
<tr>
<td>Employee team recognition enhances performance</td>
<td>57</td>
<td>4.00</td>
<td>.757</td>
</tr>
<tr>
<td>Individual employee recognition enhances performance</td>
<td>57</td>
<td>3.95</td>
<td>.692</td>
</tr>
<tr>
<td>Rewards provided by my organization improves Employee Performance</td>
<td>57</td>
<td>3.68</td>
<td>.967</td>
</tr>
<tr>
<td>Non-financial rewards motivate employees to perform at their best to achieve goals</td>
<td>57</td>
<td>3.67</td>
<td>1.024</td>
</tr>
<tr>
<td>Monetary rewards enhance employee performance at Betatrad</td>
<td>57</td>
<td>3.63</td>
<td>1.063</td>
</tr>
<tr>
<td>Betatrad has recognition programs employee teams</td>
<td>57</td>
<td>3.51</td>
<td>.889</td>
</tr>
<tr>
<td>Betatrad has recognition programs individuals employees</td>
<td>57</td>
<td>3.49</td>
<td>.889</td>
</tr>
</tbody>
</table>
4.5 Test for Validity and Reliability

4.5.1 Construct Reliability
Construct reliability was assessed by computing the composite reliability and the Cronbach alpha of the constructs. Composite reliability measures were evaluated by using SmartPLS. The Cronbach alphas were all above the 0.6 threshold as specified for PLS analysis (Hair et al., 2010) indicating good reliability and composite reliability of reflective items were all above the acceptable 0.7 threshold which means all the variables in the study exhibited construct reliability. All constructs were viewed to have acceptable reliability levels because the composite reliability scores for all constructs were above the 0.7 threshold. Details of construct reliability are presented in Table 4.4.

Table 4.4: Reliability of Constructs

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>Composite Reliability</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee involvement</td>
<td>10</td>
<td>0.956</td>
<td>0.765</td>
</tr>
<tr>
<td>Leadership</td>
<td>10</td>
<td>0.916</td>
<td>0.961</td>
</tr>
<tr>
<td>Reward systems</td>
<td>9</td>
<td>0.940</td>
<td>0.746</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>10</td>
<td>0.916</td>
<td>0.721</td>
</tr>
</tbody>
</table>

4.5.2 Convergent Validity
Convergent validity refers to the degree to which two or more items that measure a construct in theory converge or share high proportion of variance in reality. It is measured by three measures; factor loadings, composite reliability (CR) and average variance extracted (AVE). Convergent validity is achieved if composite reliability values for the construct are least 0.7 and the average variance extracted (AVE) are at least 0.5 (Hair et al., 2010). Also all factor loadings should be statistically significant and should be above 0.5.

4.5.3 Normality Test
Normality assessment was done to ascertain whether the data followed a normal distribution. This assumption is crucial in regression analysis. The test was carried out by measuring the skewness and kurtosis values for the variables. The skewness and kurtosis indices for the constructs did not exceed the recommended range of 1 and -1 as indicated in table 4.4. Therefore, the data was normally distributed. This implied that the data was fit for regression analysis.

**Table 4.5 Normality Test**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee involvement</td>
<td>0.235</td>
<td>0.025</td>
</tr>
<tr>
<td>Leadership</td>
<td>-0.587</td>
<td>0.378</td>
</tr>
<tr>
<td>Reward systems</td>
<td>0.954</td>
<td>-0.701</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>-0.879</td>
<td>0.125</td>
</tr>
</tbody>
</table>

Additionally, a visual inspection of the dependent variables’ histograms, normal Q-Q plots and box plots indicate a normal distribution for the study and an abnormal distribution for variable as seen in figure 4.7 and 8 below.

![Histogram of Organizational Culture Normality Test](image)

**Figure 4.7: Histogram of Organizational Culture Normality Test**
4.6 Analysis for Variances

Table 4.5 Model Summary of Employee Performance and Employee Involvement

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.485^a</td>
<td>.335</td>
<td>.325</td>
<td>.85946</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Employee Involvement

The R^2 from this test is 0.335 suggesting that 33.5 percent of the variation in Employee Involvement results from Employee Performance. The remaining percent is due to other factors not tested in this mode.

4.6.1.3 Coefficients of Employee Involvement and Employee Performance

Table 4.6 shows the Coefficients of Employee Involvement and Employee Performance. The Coefficients of Employee Involvement and Employee Performance was positive meaning that a unit change in the application of Employee Involvement causes a positive change on Employee Performance.
Table 4. 6 Coefficients of Employee Involvement and Employee Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.588</td>
</tr>
<tr>
<td></td>
<td>Employee Involvement</td>
<td>.438</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Performance

The relationship in the table was represented by the following equation: Employee Performance = 0.805 + 0.944 Employee Involvement

4.6.1.3 ANOVA of Employee Involvement and Employee Performance

The ANOVAs Table in Table 4.7 indicates that the overall model was a good fit since (F-value=33.683 and p-value=0.000 <0.05).

Table 4. 7ANOVA of Employee Performance and Employee Involvement

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>17.494</td>
<td>1</td>
<td>17.494</td>
<td>33.683</td>
<td>0.000*</td>
</tr>
<tr>
<td>Residual</td>
<td>56.877</td>
<td>56</td>
<td>.739</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>74.371</td>
<td>57</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Performance
b. Predictors: (Constant), Employee Involvement
A one-way ANOVA was conducted to calculate the effect of Employee Involvement on Employee Performance. The results in Table 4.7 illustrate a statistically significant effect of Employee Involvement on Employee Performance, \( p = 0.000 \).

### 4.6.2 Influence of Leadership of the Business on Employee Performance

This section presents data on the Influence of Leadership of the Business on Employee Performance. A regression analysis was conducted to determine the effect of Leadership of the Business on Employee Performance. Simple linear regression was carried out to predict Employee Performance based on Leadership of the Business.

#### 4.6.2.2 Model Summary of Leadership of the Business and Employee Performance

**Table 4.8 Model Summary of Leadership and Employee Performance**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>.352&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.224</td>
<td>.223</td>
<td>.92557</td>
</tr>
</tbody>
</table>

- **Predictors:** (Constant), Leadership of the Business

The findings as illustrated in Table 4.8 indicate that a positive correlation exists between Leadership of the Business and Employee Performance with \( r = 0.352 \). The model summary also shows a coefficient of determination R square of 0.223, which signifies, that 22.4% of the variance in Employee Performance can be explained by Leadership of the Business.
### 4.6.2.2 Coefficients of Leadership of the Business and Employee Performance

#### Table 4.9 Coefficients of Leadership of the Business and Employee Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B Std. Error Beta T Sig.</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>(Constant) 2.200 .279 .352 7.888 .000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Leadership of the Business .298 .090 .352 3.303 .002</td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Performance

### 4.6.2.3 ANOVA of Leadership of the Business and Employee Performance

A one-way ANOVA was conducted to calculate the effect of Leadership of the Business on Employee Performance. The ANOVA table illustrated in Table 4.10 shows a statistically significant effect of Leadership of the Business on Employee Performance \( p = 0.002 \).

#### Table 4.10 ANOVA of Employee Performance and Leadership of the Business

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>9.229 1</td>
<td>9.229</td>
<td>20.920</td>
<td>0.002b</td>
</tr>
<tr>
<td>Residual</td>
<td>65.242 56</td>
<td>.846</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>74.372 57</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Leadership of the Business

The ANOVAs Table in Table 4.10 indicates that the overall model was a good fit since (F-value=20.920 and p-value=0.002 <0.05).
4.6.2.3 Influence of Reward System on Employee Performance

The study investigated the overall Influence of Reward System on Employee Performance. This effect was calculated by carrying out a linear regression analysis with Employee Performance as the dependent variable and Reward System as the independent variables.

4.6.3.1 Model Summary of Reward System and Employee Performance

The model summary in Table 4.11 shows that a 38.8% of variance in Employee Performance can be attributed to Reward System.

Table 4.11 Model Summary of Reward System and Employee Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.623a</td>
<td>.388</td>
<td>.363</td>
<td>.78383</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Reward System

4.6.2.4 Coefficients of Employee Performance

The coefficient Table 4.12 indicates that besides all the independent variables being statistically significant in predicting Employee Performance.

Table 4.12 Coefficients of Employee Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.560</td>
<td>.376</td>
<td></td>
<td>.141</td>
</tr>
<tr>
<td>Employee involvement</td>
<td>.303</td>
<td>.091</td>
<td>.342</td>
<td>.001</td>
</tr>
<tr>
<td>Business leadership</td>
<td>.187</td>
<td>.057</td>
<td>.220</td>
<td>.022</td>
</tr>
<tr>
<td>Reward System</td>
<td>.251</td>
<td>.094</td>
<td>.278</td>
<td>.009</td>
</tr>
</tbody>
</table>
Employee involvement were found to have a positive linearly significant influence on Employee Performance. (β=0.342, p=0.001 <0.05). Here one unit change in Employee involvement results in 0.342-unit increase in Employee Performance.

Business leadership was found to have a positive linearly significant influence on Employee Performance. (β=0.220, p=0.022 <0.05). Here one unit change in Business leadership results in 0.220-unit increase in Employee Performance.

Reward System were found to have a positive linearly significant influence on Employee Performance. (β=0.278, p=0.009 <0.05). Here one unit change in Reward System results in 0.278-unit increase in Employee Performance.

The beta coefficients indicate the relative importance of each independent variable (Employee involvement, Business leadership, Reward System) in influencing the dependent variable (Employee Performance).

4.7 Chapter Summary

The chapter reviewed the data results and findings according to the research objectives. The initial part of the chapter focuses on highlighting the results of the descriptive data analysis, which displayed the finding of the demographics of the respondents. The chapter also displays the relationships between several variables by presenting the analysis of these variables. The next Chapter deals with the discussion, conclusion and recommendations for the study.
CHAPTER FIVE

5.0 DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter presents the discussions for the results and findings shared in chapter four. Conclusions are drawn and recommendations made thereafter. The chapter begins by providing a brief summary of the findings shared in chapter four according to their respective research objectives and then proceeds to compare the findings with other research studies conducted in the past and earlier presented in chapter two of this study. This chapter also highlights the major conclusions of the study and finally presents recommendations for further studies that could be conducted in the future.

5.2 Summary
The main objective of this research project was to establish the influence of organizational culture on Employee job performance in family owned business. This study was guided by the following research questions: To what extent does Employee involvement influence employee performance of Betatrad Kenya limited? To what extent does leadership in a family owned business influence Employee performance of Betatrad Kenya limited? To what extent does Reward systems in a family owned business influence Employee performance of Betatrad Kenya limited?

The study employed descriptive research design. This study had a population of 65. This study was a census; therefore, every employee was sampled for the study. Primary data was collected using structured questionnaire. Data was collected using questionnaires and analysed using the Statistical Package for Social Sciences (SPSS). Descriptive statistics was used to describe the study variables using frequencies, percentages and graphs. linear regression analysis was used to determine the influence of organizational culture on Employee job performance in family owned business. The findings were presented using tables and charts.

The finding reveals a positive relationship between Employee Involvement and Employee Performance with \( r = 0.485 \). The results in table 4.7 also demonstrate a statistically significant effect of Employee Involvement on Employee Performance, \( p = 0.000 \). On the influence of leadership and Employee Performance the findings indicate that a positive
connection between Leadership of the Business and Employee Performance with \( r = 0.352 \). The model summary also shows a coefficient of determination R square of 0.223, which signif\ies, that 22.4% of the variance in Employee Performance can be explained by Leadership of the Business. Finally, the study investigated the overall Influence of Reward System on Employee Performance table 4.11 shows that a 38.8% of variance in Employee Performance can be attributed to Reward System.

Employee involvement were found to have a positive linearly significant influence on Employee Performance. \((\beta=0.342, \, p=0.001<0.05)\). Here one unit change in Employee involvement results in 0.342-unit increase in Employee Performance. Business leadership was found to have a positive linearly significant influence on Employee Performance. \((\beta=0.220, \, p=0.022 <0.05)\). Here one unit change in Business leadership results in 0.220-unit increase in Employee Performance. Reward System were found to have a positive linearly significant influence on Employee Performance. \((\beta=0.278, \, p=0.009 <0.05)\). Here one unit change in Reward System results in 0.278-unit increase in Employee Performance. The beta coefficients indicate the relative importance of each independent variable (Employee involvement, Business leadership, Reward System) in influencing the dependent variable (Employee Performance).

5.3 Discussion
5.3.1 Employee Involvement and Employee Performance

The study done by Duvall (1999), states that success is an accomplishment achievement and attainment that is because of empowerment as listed. Personal success which is in form of an individual’s role performance, Success in the Organization which is accomplished as members of the organization realize collective organizational aims and objectives, and as employees share a common satisfying and helpful job experience satisfying both personal and social development requirements. Further, empowerment has an important positive connection with satisfaction and performance (Cameron & Quinn, 2011). In addition, particularly empowerment is more powerfully connected with the in-role performance of employers than with fulfilment with the on the lead. In Chen & Tjosvold study 2006, they disclosed that involvement management is all about making employees participate the decision making process of the organization where they feel that they are given a chance to freely discuss issues and consequently can influence the decision making process in the organization they work for.
The study found out that the Organization involves people in Decision Making. The general result of involvement is low turn-over and increased employee performance. Employees will be inspired since management deems them colleagues in contribution to firm’s success rather than being seen as just subordinates hence would avoid engaging in prejudicial characters and thus improvement in performance level through timely accomplishment of organizational goals and objectives (Cameron & Quinn, 2011). According to Zhang, Li and Pan (2009), organizations that uphold an involvement culture emphasize the input and participation of its members. These organizations, therefore, make their members become highly concerned about organizational immediate interests and increase the cohesion, so they can easily reach agreement in existing challenges

The study found out that the organization appreciates employee teamwork. DeWitt (2010) agrees that organizations that have a culture of recognizing for a job well done boost morale and offer a greater sense of achievement. The moment employees understand that they are appreciated and that their efforts matter beyond earning a pay check, performance will normally increase. Regular times of recognition in small or simple ways can help employees know their value and increase their performance. According to Hollins (2014), there should be continuous employee involvement to manage expectations and shape behaviours in the organizations. Companies that communicate most effectively use a combination of methods to reach employees, including messages specifically from the chief executive officer, from the integration team and from human resources, email updates, press releases, one-on-one meetings, and employee surveys (Hollins, 2014).

The study found out that Team Work Enhance Employee performance. By adopting an internally driven culture, the organization is more involved with the customer/client by meeting their needs and giving them the best service. Therefore, according to Denison, (2006) highly involved organizations differentiate from the rest of the companies by creating a sense of responsibility. This particularity creates a greater commitment to the organization and autonomy. In these organizations, employees know kind of decisions they can take and which ones are beyond their responsibility. In other words, employees are empowered to take decisions in an informed framework.

The study found out that the organization has free flow of communication. According to Barrett (2006), communication was the controlled, purposeful transfer of meaning
whereby leader has influenced an individual, a group, an organization, or a community. Good communication skills facilitated the understanding and trust necessary that encouraged others to follow a leader. Without effective communication, managers accomplished little (Barrett, 2008). Leaders, who do not communicate well, are not really leading at all. It was important for leaders to be aware of barriers that were hindering their ability to communicate effectively, as the first step to improving their communication style.

The findings of this study shares some common themes as espoused in the literature review which affirmed that employee involvement enhances performance through improvement of quality and quantity of work, boosts employee-employee relationships, improves quality of decisions made, increases satisfaction and eliminates waste. This finding evidence the correlation between employee involvement and performance because highly involved employees enjoy a sense of psychological ownership of the organization and are considered stakeholders thus endeavour to enhance creativity, processes and services in organisations which lowers operating costs thereby increase organizational effectiveness. Additionally, employee involvement improves collaboration and partnership between employer and employee and boost team spirit and cooperation amongst employees which leads to the creation of an enabling and positive organisation culture. The findings are supported by Lambert, Bruce (1992) who indicated that when employees themselves have been involved with the goal setting and choosing the course of action, employees are more likely to fulfil their responsibilities.

5.3.2 Influence of Leadership of the Business on Employee Performance

On whether the business owner has the overall say in all matters concerning the business, the study found that the respondents agreed with a mean of 4.2523 and a deviation of 0.5628. The finding coincides with Smith, Dixon and Robertson (2006) who featured that pioneers assume a fundamental part in guaranteeing that the workforce and assets are coordinated keeping in mind the end goal to accomplish hierarchical objectives. A transformational pioneer will include his group in basic leadership forms while an order pioneer will settle on every one of the choices by him. The sort of initiative styles a pioneer use will at last decide the accomplishment of the association.

The respondents concurred that the entrepreneur included workers in the basic leadership forms with a mean of 3.8785 and a standard deviation of 0.4432. The finding agrees with
Drucker (2001) who inferred that powerful hierarchical initiative includes thoroughly considering the association's central goal, characterizing it, and setting up it, obviously and unmistakably both for the pioneers and workers and that pioneers in different privately-run companies include their representatives in the basic leadership forms. On whether the entrepreneur has trust in workers, the study set up that the respondents concurred with a mean of 4.0841 with a deviation of 0.5515. The finding agrees with Bass (1985) who featured that transformational initiative is a style in which the adherents feel trusted and along these lines are spurred to accomplish more.

Dominant part of the respondents concurred that the entrepreneur tempted staff towards a typical enthusiasm for the business with a mean of 4.1028 with a deviation of 0.5652. The finding concurs with Katz and Kahn (1978) who demonstrated that a transformational pioneer rouses by initiating them to rise above their own self-enthusiasm for the association or group and actuating their higher-arrange needs. On whether the business organizer screens representatives intently to guarantee they play out their errands, the examination found that larger part of the respondents concurred that the business author observed workers intently to guarantee they played out their undertakings. The finding agrees with Bass (1985) who plot the traits of value-based initiative close checking for deviances, missteps, and blunders and after that making remedial move as fast as conceivable when they happen. This administration style is profundely compelling in decreasing blunders as the nearby checking guarantees that the mistakes are tended to promptly.

The finding matches with Flamholz (1990) uncovered that a mandate pioneer requests consistence with orders without clarifying the purpose for them. This sort of pioneer is more legitimate and does not give his workers a voice but instead anticipates that them will take after his requests beyond a shadow of a doubt. On whether the entrepreneur utilizes prizes and disciplines to advance execution, the study found that lion's share of the respondents concurred that the entrepreneur utilized prizes and disciplines to advance execution with a mean of 4.0654 with a deviation of 0.5367. The finding concurs with Bass (1985) who revealed that there are diverse kinds of pioneers who utilize distinctive sorts of authority styles an order pioneer will, utilizes dangers and discipline to impart fear in the workers while a transformational pioneer will empower a reward framework and perceives the endeavors of his representatives. Hurduzeu (2015) researched on the impact of leadership on organizational performance. The main objectives of the study
were to find out the concepts and types of leadership behaviors and investigate the impact of leadership behavior on organizational performance. The results driven from the research showed that there was a strong impact of leadership behaviors on organizational performance. The leadership behaviors were found out to be very important key factors for the growth of the companies in the service sectors. Leng (2014) studied on the impact of leadership styles on employee productivity in retail industry. Questionnaires were used as the research instrument. A total of 384 sampling size were chosen for the survey. The 400 questionnaires were distributed to collect the responses from the employees in the retail industry. The questionnaires were distributed to the retail employees from three states of Malaysia, including Perak, Johor, and Penang. The results of the research showed that there was a significant relationship between the leadership styles and employee productivity, which means there was a significant impact of leadership styles towards the employee productivity in the retail industry.

Rita (2010) measured the impact of leadership style and employee empowerment on perceived organizational reputation. A quantitative survey method was used in the present study because it provides a cost-effective and efficient way of collecting data from large populations (Stacks, 2010). The on-line questionnaire was adopted as the technique for data collection. An on-line survey was conducted with 700 randomly selected employees from diverse work units of a Fortune 500 company in the United States. A total of 166 employees completed the on-line survey with a response rate of 23.7%. The results showed that transformational leadership positively influences employees _perception of organizational reputation, not only directly but also indirectly, through empowering employees. Transactional leadership represented by contingent reward behaviour has a significant negative direct effect on employee’s perception of organizational reputation.

On the extent to which the respondents thought the founder’s leadership style affected performance, the study established that the respondents said that the founder’s leadership style affected performance largely. The finding coincides with Mosadeghrad and Yarmohammadian (2006) who highlighted that organizational success in achieving its goals and objectives depends on its managers and their leadership style. By using appropriate leadership styles, managers can affect the performance of their organization and the long-term attainment of the vision and mission. The study further established that the business had best qualified staff in each department. The is consistent with Huang (2001) who established that was an important relationship between the level of
sophistication with which succession plans were carried out and human resource outcomes.

5.3.3 Influence of Reward System on Employee Performance

The study found out that Rewards provided by my organization improves Employee Performance. According to Mann (2005), use of bonuses is a great reward system, which when well designed, can aid firms be not only flexible but also effective. In bonus systems, firms that desire to motivate performance thereby introduce new rewards such as bonuses. Therefore, leaders in a business may draw from a wide choice and variety of approaches and strategies to reward their employees.

The study found out that the current rewards systems are in line with employee performance. A study by Johnson (2009) argues the effectiveness of employee reward system in the basic sense. The dynamics of the team play a big part in the “reward interdependence”, i.e. how an individual’s reward is based on the performance of another team member. This study argues the need to introduce more individual incentives within the reward structure. “Equal Allocations” become important where reward is not only dependent on overall performance, but is shared equally between all team members (Johnson, 2009, p. 4).

The study found out that Monetary rewards enhance employee performance at Betatrad. Clifford (1985) explained Rewards have two broad types; extrinsic and intrinsic rewards also called financial and nonfinancial rewards and these rewards further divided in so many sub categories. Extrinsic rewards relate to financial rewards, cash related like formal recognition, fringe benefits, incentive type payments, pay, and promotion and intrinsic relates to nonfinancial, or non-cash rewards like achievement, accomplishment feelings, recognition, job satisfaction and growth. Financial and non-financial rewards and benefits are highly correlated with employee’s performance Because of positive relationship of between rewards and performance increase the job satisfaction of workers. Job satisfaction leads to success and feelings of achievement during the job and linked to employee performance, increase worker’s efforts on job and leads to feeling of fulfilment (Kaliski, 2007).
The study found out that Non-financial rewards motivate employees to perform at their best to achieve goals. Mahaney (2006) defined that the intrinsic rewards had the great importance to integrate the commitment in employees and in turn perform because comparing the weight or value of intrinsic and extrinsic rewards; researchers find out that both rewards have their own preferences depending on employees need. Some employees need intrinsic rewards mostly higher management and other employees prefer extrinsic rewards mostly in lower level management. Higher-level employees focus on recognition, acknowledgement, empowerment and other intrinsic rewards.

As stated by Kaliski, (2007) the financial and non-financial rewards and benefits are highly correlated with employee’s performance. Because of positive relationship of between rewards and performance increase the job satisfaction of workers. Job satisfaction leads to success and feelings of achievement during the job and linked to employee performance, increase worker’s efforts on job and leads to feeling of fulfilment the study is in line as the result found out that the current rewards systems are in line with employee performance.

All the components that formed extrinsic rewards for this study including paid leave, salaries and wages, paid vacations, bonuses and travel allowances were all statistically significant. This confirms the study done by Pratheepkanth (2012) and Lotta (2012) who noted the existence of a significant relationship between extrinsic rewards and employees’ performance. They noted that rewards become significant at that point where they are viewed as a fair system of reward for exchange of work done. In the same way, Burton (2012) argued that management decisions in composing employees’ compensation should be rational and based on a fair system.

The findings of this study also revealed that majority believed that salaries and wages are necessary motivators for employee performance. Corby, White and Stanworth (2015) argued that salaries and wages in the hospitality industry are used just like in any other industry to enhance equity and fairness in compensation of their employees. However, they cautioned that salaries and wages are not strong enough motivation for enhancing performance. Salaries only enhance performance to the extent that employees feel rewarded for their performance. This was collaborated by Pratheepkanth (2011) who noted that in as much as salaries and wages influence performance, they only do so to certain extent. Once the threshold has been reached for individual employees, salaries and
wages are no longer perceived as motivational, or having capability to enhance performance.

On the other hand, Boselie et al., (2015) argued that salaries and wages have the capability to place an organization at a competitive level if the level of salaries and wages offered by the organization are competitive enough to dislodge other players in the industry. Thus, to attract and retain employees, and enhance performance in the process, it is important that organizations pay competitive salaries and wages to their employees. To this end, Akanbi (2010) had also noted that hospitality firms, just like other sector firms, have used salaries and wages for years to reward not only employee performance, but skills, knowledge, and ability.

This study also found that majority of respondents for this study felt that paid vacations significantly contribute towards employees’ performance. Tippet and Kluvers (2010) argue that paid vacation is one of the ways through which managers in the hospitality sector can extrinsically influence employees’ performance. When employees’ feel cared for by their managers, they usually go an extra mile in their performance to prove their worth to the organization. A study by Lotta (2012) in the USA on four five star hotels (Marriott, Hyatt Regency, Sheraton, Holiday Inn, and Hilton) found the existence of a positive relationship between paid vacations and employee performance. However, Boselie et al., (2015) argues that in most cases in the hospitality industry, managers are the ones who benefit more on paid vacations, therefore their views on enhanced performance cannot be extrapolated to the general employees’ performance.

5.4 Conclusion
5.4.1 Employee Involvement and Employee Performance

This study has concluded that the existence of a significant relationship between Employee Involvement and Employee Performance. This study concludes that factors such as well-established levels of employee involvement, Decision Making, my organization appreciates employee teamwork, free flow of communication conducive work environment, employee-managers’ relationship, and supervisors’ guidance are critical components in enhancing employee performance. These factors not only motivate employees towards enhanced performance, but also build employees confidence in themselves, and their organization.
The study concluded that Team Work Enhance Employee performance. By adopting an internally driven culture, the organization is more involved with the customer/client by meeting their needs and giving them the best service. This particularity creates a greater commitment to the organization and autonomy. In these organizations, employees know kind of decisions they can take and which ones are beyond their responsibility. In other words, employees are empowered to take decisions in an informed framework.

The study concluded that that the organization has free flow of communication; Without effective communication, managers accomplished little Leaders, who do not communicate well, are not really leading at all. It was important for leaders to be aware of barriers that were hindering their ability to communicate effectively, as the first step to improving their communication style.

### 5.4.2 Influence of Leadership of the Business on Employee Performance

The study concluded that the business proprietor had the general say in all issues concerning the business, included representatives in the basic leadership forms in the association and the entrepreneur had trust in representatives working. The study additionally presumed that organizer educated representatives of the significance of their obligations in the accomplishment of hierarchical objectives and that the entrepreneur had lured staff towards a typical enthusiasm for the business. The study likewise inferred that the business organizer supported imagination and development among staff for the improvement of the association, dependably challenges workers to perform better and looked for suppositions on the best way to take care of different issues in the association in this manner in engaging representatives by testing them to be creative in tackling issues.

The study additionally concluded that that the pioneer urged workers to think basically and look for better approaches to approach their employments and that originator tried to keep up security instead of advancing change inside the association. It was additionally reasoned that the originator advanced knowledge, levelheadedness, coherent reasoning and cautious critical thinking and that the respondents were uncertain about whether the pioneer supported useful conduct, which involves unexpected reward, and remedial measurement soaks up administration by exemption. Likewise, the examination presumed that the entrepreneur was more worried about having errands finished on time by workers and revised representatives at whatever point things turned out badly. The study the
initiative style embraced by the associations authors influenced that execution to a great extent.

The study concluded that entrepreneur needs workers to conform to every one of his solicitations for the business. This sort of pioneer is more legitimate and does not give his workers a voice yet rather anticipates that them will take after his requests beyond a shadow of a doubt. On whether the entrepreneur utilizes prizes and disciplines to advance execution, the examination found that greater part of the respondents concurred that the entrepreneur utilized prizes and disciplines to advance will empower a reward framework and perceives the endeavours of his workers.

The study concluded that that the administration style influenced execution, the examination set up that 63.6% of the respondents said that the organizer's initiative style influenced execution generally. By utilizing fitting initiative styles, administrators can influence the execution of their association and the long haul accomplishment of the vision and mission. The study additionally settled that the business had best qualified staff in every division.

5.4.3 Influence of Reward System on Employee Performance

This study has concluded that the existence of a significant relationship between Reward System on Employee Performance. The study concludes that employees’ ability, managers’ trust in employees, recognition, and employees’ view of achievement significantly enhances employees’ performance. This is because intrinsic rewards address employees at the core of their needs, and as a result, form sufficient base that influences and motivates the employees to higher standards of performance. As established by the findings of this study, there exists a significant relationship between Reward System on Employee Performance. The study concludes that salaries and wages, paid vacations, paid leave, travel allowances and bonuses are essential components of extrinsic rewards that enhance employee performance. When managers take time to invest in extrinsic rewards, employees feel valued by their organization and thus work extra hard to enhance their performance, so they can be rewarded even more.

The study concludes that that Non-financial rewards motivate employees to perform at their best to achieve goals. Intrinsic rewards had the great importance to integrate the commitment in employees and in turn perform because comparing the weight or value of intrinsic and extrinsic rewards; researchers find out that both rewards have their own
preferences depending on employees need. Some employees need intrinsic rewards mostly higher management and other employees prefer extrinsic rewards mostly in lower level management. Higher-level employees focus on recognition, acknowledgement, empowerment and other intrinsic rewards.

The study concludes that the financial and non-financial rewards and benefits are highly correlated with employee’s performance. Because of positive relationship of between rewards and performance increase the job satisfaction of workers. Job satisfaction leads to success and feelings of achievement during the job and linked to employee performance, increase worker’s efforts on job and leads to feeling of fulfilment the study is in line as the result found out that the current rewards systems are in line with employee performance.

This study concludes that the existence of a significant relationship between rewards and employee performance. The study concludes that employees’ ability, managers’ trust in employees, recognition, and employees’ view of achievement significantly enhances employees’ performance. This is because intrinsic rewards address employees at the core of their needs, and as a result, form sufficient base that influences and motivates the employees to higher standards of performance. As established by the findings of this study, there exists a significant relationship between extrinsic rewards and employee performance. The study concludes that salaries and wages, paid vacations, paid leave, travel allowances and bonuses are essential components of rewards that enhance employee performance. When managers take time to invest in rewards, employees feel valued by their organization and thus work extra hard to enhance their performance, so they can be rewarded even more.

5.5 Recommendations
5.5.1 Recommendation for improvement

5.5.1.1 Employee Involvement and Employee Performance

Since the study has revealed a significant relationship between rewards and employee motivation, the researcher recommends that management at Betatrad should invest more in building employees’ professional capacity and capabilities, enhance and build trust in their employees’ ability to perform their duties, in addition to providing sufficient recognition towards employees for work well done. This will not only motivate the
employees, but also establish a sense of achievement that will further enhance performance.

The study recommends that company to enhance team work for employee performance by adopting an internally driven culture, the organization is more involved with the customer/ client by meeting their needs and giving them the best service. This particularity creates a greater commitment to the organization and autonomy. In these organizations, employees know kind of decisions they can take and which ones are beyond their responsibility. In other words, employees are empowered to take decisions in an informed framework.

The study recommends free flow of communication was the controlled, purposeful transfer of meaning whereby leader has influenced an individual, a group, an organization, or a community. Good communication skills facilitated the understanding and trust necessary that encouraged others to follow a leader. Without effective communication, managers accomplished little. Leaders, who do not communicate well, are not really leading at all. It was important for leaders to be aware of barriers that were hindering their ability to communicate effectively, as the first step to improving their communication style.

5.5.1.2 Influence of Leadership of the Business on Employee Performance

This study recommends that the administration in the association allots every one of the representatives their unmistakable set of working responsibilities and the errands anticipated that would regulate. This will make responsibility and in addition close observing of the workers on their qualities and shortcomings in undertaking conveyance accordingly enhancing execution. The examination additionally prescribes the pioneer ought to consistently urge representatives to think basically and look for better approaches to approach their occupations since it prompted an expansion in workers’ level of execution, fulfilment, and responsibility to the objectives of their association.

This study recommends that the management style influenced execution, the examination built up that who featured that authoritative accomplishment in accomplishing its objectives and goals relies upon its supervisors and their administration style. By utilizing proper initiative styles, directors can influence the execution of their association and the long haul fulfilment of the vision and mission. The study additionally settled that the business had best qualified staff in every division.
5.5.1.3 Influence of Reward System on Employee Performance

Rewards have been known to have a positive effect on employee performance. However, no reward system is perfect, this is because motivation is personal and what motivates one employee could be different from what motivates the next. Therefore, the organization should get to know their employees well so that they can employ the right motivational strategy. Herzberg's motivator-hygiene theory says that if higher level needs were met like a sense of achievement, opportunities for personal growth and having responsibility were met, individuals would be motivated. The betatrad organization should hence change the intrinsic nature and content of jobs by enriching them so as to enhance employees’ sovereignty, opportunities for them to have additional responsibilities, gain recognition and develop their skills so that employees can achieve peak performance.

This study recommends that Non-financial rewards should motivate employees to perform at their best to achieve goals. Higher-level employees focus on recognition, acknowledgement, empowerment and other intrinsic rewards. Since the study has revealed a significant relationship between intrinsic rewards and employee motivation, the researcher recommends that management at Nairobi Serena Hotel should invest more in building employees’ professional capacity and capabilities, enhance and build trust in their employees’ ability to performance their duties, in addition to providing sufficient recognition towards employees for work well done. This will not only motivate the employees, but will also establish a sense of achievement that will further enhance performance. The findings of this study have established a significant relationship between rewards and employee rewards. The researcher recommends that management should enhance their extrinsic rewards mechanisms by investing more in salaries and wages that show management commitment to rewarding work in an equitable manner; enhance paid vacations not only for managers, but also general employees based on set performance criteria, and also invest in paid leave and bonuses as a way of motivating employees towards enhanced performance.

5.5.2 Recommendation for further study

The purpose of this study was to establish the influence of organizational culture on Employee job performance in family owned business. The study concentrated on Nairobi Betatrad alone as the centre of the study. This study recommends that in the future similar
studies be done countrywide to generalize the study on all family businesses across the country. This study also recommends that in the future a study be conducted on factors affecting family owned business. This will enable family owned business to identify ways in which they can increase their earnings, which will subsequently contribute to the economy, as they will raise the family’s living standards.

REFERENCES


Carlock, R. (2014). *When family businesses are best: The parallel planning process for family harmony and ... business success*. Place of publication not identified: Palgrave Macmillan.


In Gaur, R. K., & In Sharma, P. K. (2014). *Approaches to plant stress and their management*.


**APPENDIX I: INTRODUCTION LETTER**

LILIAN NYAWIRA MWAI  
UNITED STATES INTERNATIONAL UNIVERSITY  
P O BOX  
NAIROBI, KENYA  
11TH JULY 2018

To Whom It May Concern,

**RE: DATA COLLECTION FOR LILIAN NYAWIRA MWAI**

I am carrying out a research on influence of organizational culture on employee performance at Betatrad Kenya Limited. This is in partial fulfilment of the requirements of the Master of Science in Organizational Development degree program at the United States International University. The purpose of this work is to determine the significance of organizational culture and the extent to which it influences employee job performance at the workplace.
All the information will be treated as confidentially as is possible and will only be used for purposes of the academic assignment. Do not write your name and/or any contact information on this questionnaire.

Thank you in advance for your participation and support.

Yours Sincerely,

Lilian Nyawira Mwai,

APPENDIX II: QUESTIONNAIRE

SECTION A – DEMOGRAPHIC INFORMATION

This questionnaire is designed to collect data on Influence of Organization Culture on Employee Performance in Betatrad Kenya Limited. Kindly answer the questions below as accurate as possible by TICKING (□) in the box that represents your answer.

1. Gender:
   - Male □
   - Female □

2. What is your marital status?
   - a. Single □
   - b. Married □
   - c. Divorced □
   - d. Other (Specify)___________________
3. What is your Job Category?
   a) Senior Level Management
   b) Middle Level Management
   c) General Labourers

4. Number of years worked at Betatrad Kenya Limited
   a) 0 – 3 Years
   b) 4 – 6 Years
   c) 7 – 9 Years
   d) 10 – 12 Years
   e) 13 Year & Above

5. What is your age
   a) 20-25 years
   b) 26-30 years
   c) 31-35 years
   d) 40-45 years
   e) 46 years and above

SECTION B- EMPLOYEE INVOLVEMENT (EP)

This section deals with your understanding of Employee Involvement at Betatrad Kenya Limited. Kindly rank each question by TICKING the box where appropriate. The scale runs from Strongly Disagree, Disagree, Neutral, Agree, and Strongly Agree.

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>EI1</td>
<td>My organization has well-established levels of employee involvement</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>EI2</td>
<td>My Organization involves me in Decision Making.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>EI3</td>
<td>My organization appreciates employee</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>
### TEAMWORK

**EI4** Team work Enhance Employee performance

**EI5** My organization encourage Team work

**EI6** My organization has free flow of communication

**EI7** Free flowing communication enhances my performance

**EI8** My organization has effective employee supervisor engagement

**EI9** Effective employee-supervisor engagement enhances employee performance

**EI10** My performance is evaluated based on my level of involvement with my organization

### SECTION C – LEADERSHIP AND EMPLOYEE PERFORMANCE (LEP)

This section deals with your understanding of the Influence of the Leader on Employee Performance at betatrad Kenya Limited. Kindly rank each question by TICKING the box where appropriate. The scale runs from Strongly Disagree, Disagree, Neutral, Agree, and Strongly Agree.

<table>
<thead>
<tr>
<th>LEP</th>
<th>Question</th>
<th>Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEP1</td>
<td>Leaders skills are essential for enhancing employee performance</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>LEP2</td>
<td>Betatrad Leaders have used their skills to enhance employee performance</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>LEP3</td>
<td>Leaders knowledge is essential for employee performance</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>LEP4</td>
<td>Leaders are committed to employee</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
LEP5 Betatrad is committed to organization performance objectives

LEP6 Leaders support you at work

LEP7 Leaders portray good leadership styles to enhance employee performance.

LEP8 Current Leadership style should be encouraged

LEP9 Leaders give clear performance indicators 

LEP10 Betatrad leaders provide feedback on performance

SECTION D- REWARD SYSTEMS AND EMPLOYEE PERFORMANCE (RSEP)

This section deals with your understanding of the Influence of Reward systems on Employee Performance at betatrad Kenya Limited. Kindly rank each question by TICKING the box where appropriate. The scale runs from Strongly Disagree, Disagree, Neutral, Agree, and Strongly Agree.

RSEP1 Rewards provided by my organization improves Employee Performance

RSEP2 The current rewards systems are in line with employee performance 

RSEP3 Betatrad has recognition programs individuals employees
**SECTION E: EMPLOYEE PERFORMANCE (EP)**

This section deals with your understanding of Employee performance at Betatrad Kenya Limited. Kindly rank each question by TICKING the box where appropriate. The scale runs from Strongly Disagree, Disagree, Neutral, Agree, and Strongly Agree.

<table>
<thead>
<tr>
<th>EP</th>
<th>Statement</th>
<th>Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>EP1</td>
<td>Low production defects is linked to good employee performance</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>EP2</td>
<td>Reduced production errors can be linked to good employee performance</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>EP3</td>
<td>The level of employee absenteeism has impact on employee performance.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>EP4</td>
<td>Betatrad uses customer retention as a measure of employee performance</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>EP5</td>
<td>Betatrad has adopted a culture where employees have to meet sales targets</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>EP6</td>
<td>I receive feedback on my performance from my supervisor</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>EP7</td>
<td>Betatrad employees always meet the needs of the customers on time</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>EP8</td>
<td>Betatrad employees work well without supervision.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>EP9</td>
<td>Betatrad employees meet work deadlines.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>EP10</td>
<td>Betatrad employees observe acceptable work habits at work i.e. coming to work on time</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>