EFFECT OF ETHICAL LEadership ON EMPLOYEE PERFORMANCE:
A CASE OF OLD MUTUAL KENYA

DAVID C KYALO

UNITED STATES INTERNATIONAL UNIVERSITY

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EFFECT OF ETHICAL LEADERSHIP ON EMPLOYEE PERFORMANCE:
A CASE OF OLD MUTUAL KENYA

BY
DAVID C KYALO

A Research Project Submitted to the School of Business in Partial Fulfilment of the Requirement for the Degree of Masters in Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY

SPRING 2019
STUDENT’S DECLARATION

I declare that this research project is my original work and has not been submitted to any other college or university other than the United States International University in Nairobi for academic credit.

Signed: ___________________________ Date: ______________

David Kyalo (656911)

This research project has been presented for examination with my approval as the appointed supervisor.

Signed: ___________________________ Date: ______________

Prof Francis Wambalaba

Signed: ___________________________ Date: ______________

Dean, Chandaria School of Business
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ABSTRACT

This study aimed to examine the effect of ethical leadership on employee performance. The study aimed to answer three research questions: To what extent does fairness influence employee performance at Old Mutual Kenya? To what extent does power sharing influence employee performance at Old Mutual Kenya? To what extent does role clarification influence employee performance at Old Mutual Kenya?

The study adopted an explanatory research design. The population for the study was 196 employees of Old Mutual Kenya. The stratified random sampling procedure was used to distribute the population of the study into management levels. The expected sample size of the study was 131 respondents; however, 116 respondents were reached. A structured questionnaire was designed, and its reliability was established using Cronbach Alpha to determine its internal consistency. Descriptive and inferential statistical methods were used to analyse the data. These included: frequencies, percentages, mean, standard deviation, correlation, and multiple regression analysis. The data was presented in tables and supported by the researcher’s interpretation.

The descriptive findings on influence of fairness on employee performance indicate that respondents agreed that the outcomes were justified given their performance in the organization by a mean score of 4.53 on a 5-point scale and a standard deviation of 0.638. The correlation findings show that there was a positive and significant association between fairness and employee performance with a correlation coefficient of 0.413 and a p – value of 0.000. The regression coefficients indicated that an increase in fairness resulted to a 0.482 increase in employee performance and this was statistically significant with a p value of 0.000.

The descriptive statistics on influence of power sharing influence on employee performance indicate respondents’ agreement that they had a high degree of influence in company decisions as shown by a score of 4.53 on a scale of 5 and a standard deviation of 0.639. The correlation analysis between power sharing and employee performance indicates a positive and significant association with a correlation coefficient of 0.402. The Linear regression coefficients showed that a unit increase in power sharing resulted to a 0.522 increase in employee performance at Old Mutual.

Descriptive findings on influence of role clarification on employee performance show that respondents agreed knowing the expected results of their work by a mean score of
4.71 on a scale of 5 and a standard deviation of 0.605. The findings show that there existed a positive and significant association between role clarification and employee performance at Old Mutual with a correlation coefficient value of 0.622. There was a positive and significant effect of role clarification on employee performance as a unit increase in role clarification resulted to a 0.755 increase in employee performance at Old Mutual.

With respect to whether fairness influence employee performance at Old Mutual Kenya, the study concludes that distributive justice had the greatest effect on employee performance. As for power sharing, the study concludes that participative decision making is an important part of employee performance at Old Mutual. Thus, involving employees at all levels in the organization contributed to employee performance. On role clarification, the study concludes that goal clarity has a greater effect on employee performance than process clarity at Old Mutual. Therefore, setting goals for employees would contribute to increased performance owing to goal clarity.

In regard to the influence of fairness on employee performance, the study recommends that management of Old Mutual Kenya should be fair to employees in terms of a reward system. The reward system should be based on the inputs that an employee puts in their performance. This can be done by having an appraisal system in place to be able to apply rewards equitably in the organization. In terms of the influence of power sharing on employee performance, there is need for participative decision making at Old Mutual which could be implemented by involving lower-level employees in the decision-making process. In respect to influence of role clarification on employee performance, top management should enhance goal clarity for employees to improve employees’ awareness and knowledge of what is expected of them. Human resources should be involved in goal setting for employees at Old Mutual.
ACKNOWLEDGEMENTS

I would like to express my gratitude to my supervisor Prof Francis Wambalaba for his invaluable advice, support and guidance which inspired me to see this project through. I also wish to appreciate Old Mutual Kenya staff members for participating in the study and to my fellow classmates for challenging me every step of the way.
DEDICATION

I dedicate this project to my wife, daughter, mother and siblings. Their love, support and encouragement during the course of this study was priceless. I reserve special mention to my late father, who constantly encouraged me to enrol for and pursue my graduate studies.
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### ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ADB</td>
<td>African Development Bank</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>EACC</td>
<td>Ethics and Anti-Corruption Commission</td>
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<td>ELQ</td>
<td>ethical leadership questionnaire</td>
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<td>ELS</td>
<td>Ethical Leadership Scale</td>
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<td>ELW</td>
<td>Ethical Leadership at Work</td>
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<td>LG</td>
<td>local government</td>
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<tr>
<td>OLS</td>
<td>Ordinary Least Squares</td>
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<tr>
<td>PDM</td>
<td>participation in decision-making</td>
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<td>QM</td>
<td>quality management</td>
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<td>SPSS</td>
<td>Statistical Package for the Social Sciences</td>
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

Leadership is an important resource that helps staff as well as an organisation into achieving its corporate objectives. The requirement for effective leadership in today’s business environment has been increased since for a firm to adapt to its environment and attain its objectives; the top leadership has an important function to play in determining its failure or success (Khademfar, Mohammad, Khairuddin, & Idris, 2013). Success or failure of any organization lies on the leadership. A leader is responsible for showing the way and putting in place guidelines to ensure an organization succeeds in its objectives.

Corporate frauds and misconduct are constant threats to the macro and micro prospective of the economy. The process of liberalization in developing countries and economies has witnessed corporate frauds in large scale as well as in small scale. The development and growth of ecommerce and technology has made corporate fraud a global phenomenon. This has been witnessed in the fast-growing economies which have experienced an enormous increase in cases of corporate fraud. As a result, professionals and researchers have seriously questioned the effectiveness of government regulations and corporate regulations mechanisms on individual ethics.

Ethical leadership is urgently required due to the latest credit disaster and also the most serious worldwide recession of the 1930s and serval other scandals in the past leading corporate business firms (Bello, 2012). Ethical leadership endorses ethical practice by leaders showing by example in their management roles as well as expecting employees to be accountable for their errors. Ethical leaders are people who carry themselves in a way that society, organizations, and individuals refer to as good (Toor & Ofori, 2009).

Piccolo (2010) states that leaders who are ethical and practice ethical leadership, can express themselves to their employees and are more effective in decision-making mechanisms. Ethical leadership entails a person influence over others in a group or firm to attain determined common goals via her or his internal virtues. In other words, ethical leadership is the authority or ability to direct and guide others toward attainment of a goal through the moral standard of the leader (Dei, Osei-Bonsu, & Dowuona, 2016).

There are several frameworks that have been used to measure and define the concept of ethical leadership in the literature. Kanungo and Mendonca (1998) proposed that ethical
leadership consisted of leader’s motive, leader’s influence, and leader’s character. One of the most influential frameworks for measuring ethical leadership is Brown, Treviño, and Harrison’s (2005) Ethical Leadership Scale (ELS). The ELS model states that ethical leadership is developed from practicing integrity and maintaining high ethical standards, being considerate and treating employees fairly. The model also proposes holding employees accountable for ethical conduct and behaviour.

De Hoogh and Den Hartog (2008) described ethical leadership as consisting of power sharing, role clarification, and fairness. Ethical leaders are asked to practice integrity and treat others fairly. Fair leaders make fair and principled choices, are honest and are trustworthy. Ethical leaders take responsibility for their actions and do not practice favouritism. Power sharing requires that ethical leaders give room to subordinates to participate in decision making and consider their ideas and proposals. Ethical leaders have a clear map of responsibilities for each subordinate to follow, it states the expectations and goals required of them. The ethical leader ensures that this is clear and understood by the people under them.

According to earlier ethical leadership frameworks proposed by De Hoogh and Den Hartog (2008) and Brown, et al. (2005) Ethical Leadership Scale (ELS), Kalshoven, Den Hartog, and De Hoogh (2011) proposed the Ethical Leadership at Work (ELW) questionnaire. The ethical leadership at work comprised of seven dimensions of ethical leadership. These ELS dimensions included; role clarification, integrity, people orientation, ethical guidance, power sharing, fairness, and concern for sustainability. Yukl, Mahsud, Hassan, and Prussia (2013) developed the ethical leadership questionnaire (ELQ) which stated the most important parts of ethical leadership as; honesty and integrity, leaders should have a behaviour intended to show kindness, concern for others’ feelings and needs, ethical standards, fairness in distribution of rewards and decisions, and compassion.

Organization performance is the concept that measures a firm’s position and achievements in the marketplace in comparison with other competitors and the firm’s ability in meeting its stakeholders’ needs (Lo, Mohamad, Ramayah, & Wang, 2015). The most used factors used to measure organization performance are growth, profitability and efficiency in business. According to Muda, Rafiki, and Harahap (2014), employees’ performance can be measured by their level of productivity.
The effectiveness of an employee action can be used to measure the performance of an employee if they meet the organization goals and objectives. Iqbal, Ijaz, Latif, & Mushtaq (2015) describe the employee performance as the way to do a job in the way described in the job description. Pradhan and Jena (2017) contributed to the discussion by stating that employee performance is an individual’s work achievement after putting in the required effort on the job while working together with fellow employees.

There are three factors that are used to measure employee performance which include; task performance, adaptive performance, and contextual performance. Task performance involves actions on the job that are geared towards job responsibilities given as part of the job description. Adaptive performance is described as the ability to familiarize oneself and work together with colleagues in a dynamic work place. Contextual performance is a prosocial behaviour exhibited by individuals in a dynamic work place (Pradhan & Jena, 2017).

A United Kingdom study revealed that in some Europe companies and found that the most significant ethical issues being faced by organizations include discrimination, bullying and harassment, facilitation and corruption of payments, and bribery (Webley, Basran, Hayward & Harris, 2011). Some illustrations of these issues are the case of Texaco in 1996 which had to make a 176 Million settlement for discrimination based on race, in 1998, Louisiana-pacific Corporation had to pay a fine of $37 million for environmental and customer fraud among other practices that were unethical. In 1998, Mitsubishi Motor Corporation had a $ 34 million settlement after a public investigation of a sexual harassment case (Bello, 2012).

In China, the current social and economic transformation has resulted to a moral and value vacuum that has created a conducive environment for most corporate wrong doings and frauds indicating a deficiency in ethical leadership in the Chinese business environment (Liu, Kwan, Fu, & Mao, 2018). Among the various Chinese philosophies and religions that have shaped beliefs of ethical behaviour and responsible leadership, Confucianism has most likely had the greatest influence. Confucius puts emphasis on being virtuous as the main goal, benevolence, being humane and the role model being one who walked the talk (Lin & Huan, 2014).

Since the 2008 financial crisis in the United States, corporate leaders have faced lots of unanswered questions regarding the impact of ethical leadership behaviours. A national
research among the government employees revealed that 57% of government staff reported that they had witnessed or seen violations of ethical policies and standards in their workplace in a period of the last immediate 12 months. Majority of this violations went unreported. To highlight some of these unethical practices they included; misquoting hours worked, unfair treatment of workers, sexual harassment, and privacy invasion (Amisano & Anthony, 2017).

In India, Muniapan (2009) stated that unethical practices like corruption and fraud are some of the main causes of all the evil within societies. He became a recognized phenomenon during the Second World War for his research. Muniapan (2009) went on to say how ancient literature such as the Bhagavad-Gita (Mahabharata), Valmiki Ramayana and the Arthashastra had fuelled ethical leadership in the Indian community and country as well. He also mentioned about the The Thirukkural which is document that puts emphasis on the importance of ethics. It’s a document widely accepted in promoting ethical leadership. It was authored in the second century BC by Thiruvallavar.

Corruption, unethical behaviour and lack of accountability were found as so rampant in South Africa after a research by Cheteni and Shindika (2017). These unethical practices were almost accepted as normal in the Africa region. It was almost impossible to talk of a crisis in South Africa about unethical practices in public service. The practices have become so pervasive in South Africa public service to an extent of being almost accepted as the way of conducting business in the public sector. But it is not all gloom in the South African region since countries like Namibia and Botswana has tolerable levels of corruption going on in the counties. Unfortunately, these cannot be said for most African countries (Cheteni & Shindika, 2017).

The local system In Nigeria, in a study by Okagbue (2013) concluded that there was a leadership crisis caused by unethical practices of the public leaders. Their conduct has gone on to affect the quality of governance and services offered in these institutions hence creating a leadership crisis. Ethical practices like honesty, concern for people, citizen participation, accountability, transparency, and rule of law were noted to be important and needed to be upheld in order to provide ethical leadership in the West African state Okagbue’s (2013) study revealed.

In Congo, lack of visionary, positive and ethical leadership have continued to limit the impact of recent efforts by international institutions such as the World Bank and African
Development Bank (ADB) to address labour issues of employee commitment. The continuous lack of ethical leadership has prevented employees from being committed to their organizations and thereby affecting their performance. Research showed that ethical leadership predicted employees’ affective, continuance, normative and overall commitment (Mitonga-Monga & Cilliers, 2016).

Obicci (2015) revealed that ethical leadership was practiced by leaders in a leader’s balance processing in Uganda. A leader’s moral perspective is leading by rewards and punishment, and leader’s moral sensitivity. Some notable strides have been put into place by the Tanzanian government towards establishing an ethical culture in the public service. Some of the methods employed by the government are the establishment of proper ethics infrastructure e.g. rules, policies, regulations and structures to guide the behaviour of leaders and officials involved in public service delivery (Uronu, 2017).

Ethical leadership is learned by observing closely the behaviour of leaders who are ethical not by classroom lectures as stated In Ethiopia by Amsale, Bekele, and Tafesse (2016). They went on to explain that this meant that actions are more important than just mere words. Equal treatment of individuals, respect to the law and a system that abhors unethical practices through a well set out guideline defines what ethical leadership is and should be (Amsale et al., 2016).

In Kenya, a survey revealed that giving and receiving bribes was the leading form of corruption in the country. The survey also revealed other forms of unethical practices such as dishonest acquisition of public funds for personal use (embezzlement of public funds), misappropriation of public funds willingly or unwillingly and abuse of office which according to the survey defined it as use of office to benefit yourself or another person through unethical ways [EACC], 2015).

1.2 Statement of the Problem
The role of a leader in an organization is to plan, organize, control, and monitor that employees contribute to the objectives of the organizations. This role involves motivating, inspiring, and guiding employees to give their best performance to achieving personal success and organizational success. The background literature shows that laws and regulations, historical teachings, and theological arguments have been the basis with which to promote and demand ethical leaders in both public and private organizations. The literature indicates that ethical leadership practice in the organization has a positive
impact on performance of the organization through enhanced employee commitment, employee retention, employee satisfaction, employee morale. In the same vein, unethical leadership in the organization contributes to employee poor behaviour and practices. The role of leaders is to provide a good role model, build positive attitudes and behaviour among their employees which has a negative impact on their performance.

Despite the elaborate legislation and framework promoting ethical leadership in Kenya; the practice of ethical leadership in private and public organizations is still mediocre. This contributes to a less than average motivated workforce which is exemplified by the constant strikes, vulnerability to bribery, absenteeism all which can be addressed by practicing ethical leadership in the organization. Old Mutual Kenya has an ethical guideline to which employees and staff is required to practice in their work. There is need to understand how ethical leadership in the organization is associated with employee performance in an organization.

Tanui (2016) conducted a study on the perceptions of employee performance and ethical leadership at Kenya Ports Authority. The study was to about the effects of ethical leadership and employee performance. Another study was also carried out by Musyimi (2016) which investigated the effects of ethical leadership on employee performance among commercial banks in Kenya.

Njuguna (2018) also did the same study on non-government organizations in Kenya at Christ is The Answer Ministries. However, these studies had their shortcomings since they did not use an empirically tested ethical leadership framework; a gap that this study intends to fill by studying the influence of fairness, power sharing, and clear role clarification on employee performance.

1.3 Purpose of the Study
The study aimed to examine the effect of ethical leadership on employee performance at Old Mutual Kenya.

1.4 Research Questions
This study aimed to answer the following research questions;
1.4.1 To what extent does fairness influence on employee performance at Old Mutual Kenya?
1.4.2 To what extent does power sharing influence on employee performance at Old Mutual Kenya?
1.4.3 To what extent does role clarification influence employee performance at Old Mutual Kenya?

1.5 Justification of the Study

1.5.1 Old Mutual Kenya Management

The study hopes to be of significance to the leadership and management of Old Mutual Kenya as the recommendations from the study if adopted will be useful in promoting ethical leadership in enhancing employee performance. The study will also be of significance to leadership and management of Old Mutual Kenya as it will inform them for the knowledge and understanding of ethical leadership.

1.5.2 Investors

The study will be of significance to members of Old Mutual Kenya as the study will contribute to the promotion of organisational performance by adopting ethical practice in the organisation. The study will be of importance to retirees as recommendations of the study if adopted will lead to increased performance and thus increased benefits for beneficiaries and stakeholders.

1.5.3 Scholars and Researchers

The study hopes to be of significance to scholars and researchers as it will contribute to the body of knowledge on ethical leadership and its influence of employee performance. The study will also be of significance to future researchers as it will suggest areas of further research on ethical leadership in Kenyan organisations.

1.6 Scope of the Study

There are several retirement benefits organisations in Kenya, however, the study focuses on ethical leadership and employee performance at Old Mutual Kenya. The total population is 196 staff members at Old Mutual Kenya, Nairobi County. The study seeks to gather information on the perceptions on ethical leadership in the organisation. The study was conducted from June 2018 to September 2018.
1.7 Definitions of Terms

1.7.1 Fairness
This refers to the respect and dignity with people is treated and to the end to which a person is honestly, timely, and specifically informed about relevant issues that are personal (van Knippenberg, De Cremer, & van Knippenberg, 2007).

1.7.3 Power Sharing
This refers to the end to which a leader is listening to the concerns and ideas of the followers and gives them permission to participate in making a decision (Mitonga-Monga & Cilliers, 2016).

1.7.4 Role Clarification
This refers to the extent to which a set of activities that are expected of an individual are clear and accurately presented to them (Tang & Chang, 2010).

1.7.5 Ethical Leadership
This refers to the practice of normal suitable behaviour in both interpersonal and personal settings and the active promotion of behaviour that is socially responsible at all levels in the form strengthening a moral philosophy through ethical decision making and communication (Tourigny, Han, Baba, & Pan, 2017).

1.8 Chapter Summary
Ethical leadership is a concept that has become of interest in the business world especially after the 2008 recession in the United States and the collapse of major business organisations in the world due to unethical leadership practices. Unethical leadership practices contribute to employee absenteeism, strikes, and high turnovers which ultimately have a negative impact on employee performance. The study aims to contribute to the research gap of the perceptions of ethical leadership influence on the performance of employees at Old Mutual Kenya by answering the questions to what extent fairness, power sharing, and role clarification influence employee performance at Old Mutual Kenya. Chapter two of the study presents the literature review of the study presented in line with the study research questions. Chapter three presents, discusses, and rationalizes the research strategies that the study aims to adopt for this research. Chapter four presents and interprets the study findings. Chapter five of the study presents a discussion of findings, gives conclusions, and recommendations for policy and for further study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This chapter is a review of literature on the three research questions of the study. To determine what extent does fairness influence on employee performance at Old Mutual Kenya? To what extent does power sharing influence employee performance at Old Mutual Kenya? And to what extent does role clarification influence employee performance at Old Mutual Kenya. The chapter is presented in sub sections for each of the research questions which also have subsections under each of these. The literature is from past dissertations, reports, and journals on ethical leadership and employee performance.

2.2 Fairness and Employee Performance
Resick et al. (2012) states that ethical leaders are key in understanding that natural form of relationships develop in an environment of integrity, respect and justice, equity as well as fairness. Arshad, Asif, and Baloch (2012) highlights fairness in terms of the reward system, availability of resources to the employees to carry out their duties, fair amount of workload that an employee can handle, proper office infrastructure and equitable appraisal and recognition system.

Yukl et al. (2013) describes that fairness in decisions and the lack of favouritism in rewarding employees to motivate proper behaviour are a critical in enhancing ethical leadership in the workplace. Within an organization set up, fairness is an important issue and mostly it’s used to describe organizational trust and respect bestowed to the employees by the leaders. The working environment should be conducive, work load that fits one’s job description and is sustainable, provision of facilities to carry out tasks assigned to them and a fair reward system. When employees talk about fairness they are describing the organizational trust and respect (Arshad et al., 2012).

Studies and research in organizational justice show that fair treatment has a direct effect desirable attitudes and behaviour in response by the employees. People respond in a more positive way if they feel like if they have been treated fairly. It is clear that people care about fairness. This could be because fairness serves a self-interested motive or because fairness is a value in itself. But it's so clear that people like it when some form of fairness has been used to deal with their situations (van Knippenberg et al., 2007). Luo (2007)
identified three types of justice (distributive, procedural, and interactional justice) that influence top management behaviours. These types of justice can be described as the concept of fairness in the organisation in terms of fairness of outcomes received (distributive justice) and fairness of the procedures (procedural justice), and interactional justice (Zapata-Phelan, Colquitt, Scott, & Livingston, 2009).

2.2.1 Distributive Fairness
Distributive justice is described as the fairness of rewards or outcomes received and are often seen in terms of equity. Bearing in mind of a person’s inputs, to what end is the outcome received compared to what one has received in the past and to what one can sensibly expect to receive in future (Sudin, 2011). Distributive justice refers to fair allocation of benefits and workloads in the organization (Ali & Saifullah, 2011).

There’s a relationship between distributive Justice and procedural equity theory which proposes that a person formulates perceive something as fair by comparing their required work outcomes to their efforts in relation to the perceived efforts to outcome ratio of a fellow worker doing the same job. Henceforth, employees view their appraisals and any rewards emanating from their inputs as fair when it reflects an individual input and contribution (Narcisse & Harcourt, 2008).

Nasurdin and Khuan (2011) found that distribute justice a positive and significant effect on performance. The study also found that there existed a positive and significant association between contextual performance and procedural justice, however there was no positive and significant association between distributive justice and contextual performance (Nasurdin & Khuan, 2011).

There are three dimensions of organisational justice. These are: interactional justice, procedural justice, and distributive justice. Kalay (2016) assessed that effects of these forms of organisational justice and staff performance in Turkey. The study used partial least squares structural equation modelling to analyse the relationship between the variables. The findings of the study revealed that the biggest impact was observed for distributive justice and task performance between the three forms of organisational justice.
Iqbal, Rehan, Fatima, and Nawab (2017) researched the effect of organizational justice on employee performance in public sector in Pakistan. The survey was done using a questionnaire supplied to approximately 120 employees of Pakistan Railways. A cross sectional study method and appropriate sampling method were employed to analyse the data collected. The data was further subjected to correlation and regression analysis. The results from the study indicated that distributive justice had a positive and huge impact on employee performance.

Colquitt (2012) questioned the rewards that employees received from their employees such as promotions, pay, evaluations, assignments, rewards etc. to what extent do these rewards reflect the effort employed by employees, are the outcomes a clear representation of the work done, do the outcomes justify the performance put in by the workers?

2.2.2 Procedural Fairness

Procedural justice is defined as the fairness of the procedures used to achieve these outcomes. Procedural fairness for example may include such factors as being given a role in the decision-making procedure and actually participating in the decisions arrived at, the accuracy, consistency, and non-partisan nature of decision-making procedures and processes (Akhtar & Khattak, 2013). Procedural justice describes that in what way an allocation for a decision is made in the organization either it was fair or not (Ali & Saifullah, 2011).

Kalay (2016) went ahead and conducted a study on the impact of procedural justice on employees’ task performance. The study was conducted in turkey and involved approximately 942 teachers working in the public schooling system in three Turkish towns. The hypotheses were tested using partial least squares structural equation modelling (PLS-SEM) techniques. The findings of the study showed that procedural justice had no noteworthy impact on task performance.

Iqbal, Rehan, Fatima, and Nawab (2017) studied the impact of organizational justice on employee performance in public sector organization of Pakistan. The data was collected using a questionnaire from around 120 employees of Pakistan Railways. The data was subjected to convenient sampling methods. Further the data was analysed using correlation and regression analysis. The results indicated that distributive justice had positive and huge impact on employee performance. The findings also revealed that procedural justice did not have a significant impact on employee performance.
Niazi and Hamid (2016) studied the effect of justice on employee performance in the banking sector of Pakistan. Approximately 300 bank employees responded to the survey. The mode of data collection was a self-administered questionnaire. Partial Least Squares Structural Equation Modelling Techniques (PLS-SEM) were used for statistical analysis of data. The conclusions of the study implied that procedural justice had a positive and significant relationship with employee performance.

2.2.3 Interactional Fairness

Suliman & Kathairi (2013) describes interactional fairness as the respect and dignity with which a person is treated and the degree in which one is accurately informed about issues that are important to them, honestly, and timely. In the business environment, interactional justice also describes to the fairness and quality of how a person is treated during organisational decision making. Interactional fairness also shows the human aspects of interactions which is revealed in politeness, dignity among peers, honesty, and respect (Iqbal et al., 2017).

Kalay (2016) opined that interactional justice refers to peer to peer justice and is the notion that justice among staff is that which informs staff of what organisational decisions is based on. Interactional fairness also entails behaviours and attitudes to which staff are exposed to when organisational decisions are being implemented. Kalay (2016) examined the effect of procedural justice on staff task performance in turkey among a sample of 942 teachers from three Turkish towns’ public schools. The findings of the study showed that there was no significant effect of procedural justice on task performance of employees. The study used partial least squares structural equation modelling (PLS-SEM) techniques to test the study hypothesis.

Niazi and Hamid (2016) studied the effect of justice on employee performance in the banking sector of Pakistan. Approximately 300 bank employees responded to the survey. The mode of data collection was a self-administered questionnaire. Partial Least Squares Structural Equation Modelling Techniques (PLS-SEM) were used for statistical analysis of data. The findings indicated that interactional justice had strong, positive and significant relationship with employee performance.

Krishnan, Loon, Ahmad, and Yunus (2018) did a study on the role of organizational justice on tasks performance of employees in a private manufacturing company in Malaysia. The study used a quantitative research method and the population was a total of
142 respondents. Correlation and multiple regression analysis were employed to analyse the data where the findings showed a positive association between interactional justice and employees’ job performance. Colquitt’s (2012) asked questions referring to the interactions employees have with supervisors as decision-making procedures.

2.3 Power-sharing and Employee Performance
Ethical leaders are accountable for using power and are in control of the process of influencing staff in achieving the objectives of the organisation (De Hoogh & Den Hartog, 2008). De Hoogh and Den Hartog described power sharing as an interactive feature of ethical leadership. Power sharing is important for better balance and checks to avoid manipulative and self-interest in place of the firm’s goals (Khalid, Agil, & Khalid, 2012).

Yukl (2006) opined that power sharing provides staff with the opportunity to improve skills and the capacity to comprehend the firm’s objectives. Power sharing affects the quality of staffs’ decision more so when the leader may not be physically available in specific settings. Kalshoven and Boon (2012) indicated that firm commitment is more for staff whose leaders inspire their involvement in making decisions instead of having the burden of making decisions alone.

Power sharing gives empowerment in all dimensions of ability for the organisation employees. Power sharing enables them to have more discretion in undertaking their tasks, more freedom to give input at the higher levels of making decisions, more confidence to act and think as firm partners, and improve their ability to address creatively and effectively with new work environments (Chen, Zhang, & Wang, 2014). Yukl (2010) argued that power sharing gives staff more control and made them less reliant on their leaders.

Several studies (Chen et al., 2014; Arslan & Zaman, 2014) have found evidence that shows a significant and positive association between staff performance and power sharing. Kim, Tavitiyaman, and Kim (2009) research among staff of a hotel in Thailand and established that hotel managers that adopted power sharing with their staff were more likely to empower their staff to give improved service to the firm. Zulkafli (2008) research found evidence that the levels of power sharing between teachers and the school leaders remained at low levels and had a negative impact on the commitment of teachers.
Kirkman and Rosen (1999) in Chen et al. (2014) distinguished power sharing into two distinct categories: participate decision making and authority delegation. Managers that promote participative decision making aimed to get follower's inputs but retained managerial authority for the final decision. Managers who delegated authority allowed followers authority to undertake job-related decisions.

2.3.1 Authority Delegation
Delegation of authority has an impact in an organization, on the manager and on the employees as well. Delegation of authority increases the morale of employees since they feel recognized. Delegation in any firm also makes employees to have the self-confident and sense of belonging as part of the leadership. They came up with the opinion that delegation of authority on organization helps a firm in achieving competitive advantage, increase in production and high task completion rate (Kiiza & Picho, 2014).

Senyuta (2013) carried out a study on the effects of delegation and Performance in the banking sector. The study utilized secondary data from sampled banks in monthly data sets, over the period from 2004-2008. The findings showed that more authority delegated had a positive effect on quantitative measures of bank performance albeit decreasing the quality of decisions taken.

Kombo, Obonyo, and Oloko (2014) examined the influence of delegation on staff performance among savings and credit cooperative societies in Kisii County, Kenya. The study adopted inferential, descriptive statistics, and t-tests to measure the relationships between the variables to determine if delegation resulted to any change in staff performance. The findings revealed that effective delegation in firms resulted to an improvement in firm performance and staff performance.

Olajide, Okunbanjo, and Adeoye (2016) conducted a study on the delegation of Authority and Employee Performance in Nigeria. The survey employed was administered through structured questionnaire to the appropriate respondents. To analyse the data Descriptive statistics and regression analysis were employed. The findings of the study were clear that delegation of authority has a significant impact on employee effectiveness.

Al-Jammal, Al-Khasawneh, and Hamadat (2015) studied the impact of the delegation of authority on employees' performance at great Irbid municipality in Jordan. 200 respondents were involved in the study. The study employed means, standard deviations,
percentages, frequencies, and T-test to analyse the data. The findings revealed that there is a statically significant effect for delegation of authority on efficiency, effectiveness and empowerment of employees' performance.

The study will employ different variables from past studies to construct questionnaire items to measure the influence of delegation of authority on employee performance. Chen and Aryee (2007) delegation and employee work outcomes study used two scales to measure the delegation of authority in the workplace. Al-Jammal et al. (2015) research on the relationship between staff performance and delegation of authority used several statements to measure the concept of delegation of authority.

2.3.2 Participative Decision Making
Participative decision making is an employee-oriented method. It is described as the extent to which employers engage employees in key decision making in an organization (Judge & Gennard, 2010). Participative management is not only participatory for employees but also how management treats ideas and suggestions made by the employees. Such ideas should be accorded respect and equal consideration. Nedd (2013) states that the most extensive form of participative decision making is direct employee ownership of a company.

Perkasa (2012) studied the changes in job performance from participative decision making among 100 academic staff from Universiti Utara Malaysia. The study adopted regression analysis and analysis of variance (ANOVA) to measure the relationship between the variables. The findings of the study revealed that teaching experience, participative decision making, rank of academic employees had a significant effect on the academic employees’ job performance.

Ambani (2016) assessed the effects of staff involvement on job performance at the Kenya Medical Research Institute in Kisumu. The study employed a descriptive study survey as the design of the study and used the census sampling strategy in order to include all members of staff in the sample. Descriptive analysis approach was used analysis. The study confirmed that representative participation was an important means to involve employees for efficient job performance.

Lumbasi, K’Aol, and Ouma (2015) examine the influence of a leadership style that practiced participative leadership on the performance of a firm among senior managers.
The study used the census approach to select the sample 84 top managers who were under the supervisor of the Chief Executive Officer (CEOs) of 13 firms. The study adopted a self-administered questionnaire to collect data from the sample and used Chi-Square tests, correlation, ANOVA, and regression whereby the results showed that staff performance was increased significantly when participative leadership style was used.

Oloo and Orwar (2016) analysed the association between staff performance and lower level staff participatory decision making among staff in retail markets in Nairobi. Using stratified random sampling procedures, 30 employees from Uchumi supermarket were selected and their inclusion in the study relied on a working experience of five years. The data was analysed using multiple regression analysis and Spearman rank correlation and the findings indicated that lower level employees’ communication, capability development, motivation, and staff retention which affected their performance due to participatory decision making.

Ardekani and Jahromi (2011) explored the relationship between Participative Management and employee Productivity in Gachsaran Gas and Oil Company in Iran. The population was compromised of the employees of Gachsaran’s Gas and Oil Company. A structured questionnaire was used to collect data from the respondents. The findings revealed a significant relationship between participative decision-making and capital of personnel’s output in this organization.

Sukirmo and Siengthai (2011) investigated the impact of participative decision making on lecturer performance in higher education institution in Indonesia. Respondents were issued with Mailed survey to collect the data. Open-ended questionnaires were given to the lecturers in Yogyakarta Province in Indonesia. The study also supported the idea that participative decision making, and academic rank have significant effect on lecturer performance. This finding concluded that lecturer involvement in decision making improved the overall output.

Nazeri, Javanmard, Rashidi, and Tohidi (2011) analysed staff response to quality management (QM) and their participation in decision (PDM) and the influence that this had on staff performance. The study was conducted among a sample of three industrial organisations in Iran using QM and found that participatory decision making had a higher effect on staff performance that QM. This finding meant that PDM is a significant aspect
of the QM process that has an influence on individual performance and improvement efforts. Siegel and Ruh (1973) used a five-item scale to measure participative decision making. Muindi (2011) study on the relationship between participation in decision making and job satisfaction among academic staff in the University of Nairobi and the items used in the study will be adopted for this research.

2.4 Role Clarification and Employee Performance

Role clarity is the extent to which an individual is persuaded about how she or he is anticipated to do their work. The clarity level has also been associated with performance where a person who is clear her or his function will be more poised in meeting the specific roles (Kalay, 2016). Role clarity describes the clarity with which a staff member’s set of activities are expressed (Onuoha, Ogunjinmi, & Owodunni, 2016).

A staff goes through role clarity when they understand what is needed of them and what is anticipated of them. The content of their work methods, priorities, tasks are all clear and the staff is aware of their function in the firm. On the opposite side of the scale, role ambiguity happens when the work methods, priorities, and content are not clear. In each firm, role clarity is a critical function as a staff member who goes through role clarity will know what to do, what is anticipated of them, and what they need to do. The higher the role clarity assists the organisation to achieve higher performance (McEnrue, 2013).

Role clarification needs ethical leaders to engage in open communication and be transparent on performance roles, expectations, and responsibilities (Min, 2015). Role clarification shows what the performance expectation of each team members is and also explains what is needed from each team members and what is needed of a the individual and their colleagues (Min, 2015). Studies (Allameh, Harooni, Chaleshtari, & Asadi, 2013; Khalid & Bano, 2015) have found that there exists a relationship between role clarity and employee performance.

Role clarity is one of the important issues which should be explained clearly to staff when they are employed. In other words, what responsibilities the employees will have should be clear for them from the outset of the career. High levels of role clarity enable employees to present strategies and solutions to perform the assigned tasks more effectively therefore, they make more effective decisions (Samie, Riahi, & Tabibi, 2015). Role clarity has been shown to contribute significantly to an increase in staff performance and has been shown to also enhance staff job satisfaction, firm commitment, lower
burnout, co-workers’ satisfaction, lower turnover intentions, and reduced job-related tension (Agnihotri, Rapp, Kothandaraman, & Singh, 2012; Lynn & Kalay, 2016).

According to Kahn et al’s (1964) classical role theory, role ambiguity is the lack of necessary information to conduct one’s roles effectively. Persons going through role ambiguity do not have adequate information of their expectations and have insufficient information on the process to meet these responsibilities. Role ambiguity is the opposite of role clarity (Srikanth & Jomon, 2013).

Role ambiguity may result to incomplete tasks and failure to meet the set goals. Taghavi and Woo (2017) introduced the role clarity framework which entailed three dimensions of a firm’s role: consequences, expectations, and activities. Sawyer (1992) measured the concept of role clarity with the process and goal clarity dimensions which were used to define role clarity for this search. According to Akhtar and Zia-ur-Rehman (2017), role clarity concept contains two parts: goal clarity and process clarity.

2.4.1 Goal Clarity
Sawyer (1992) sees goal clarity as the degree to which the outcome of the objectives and goals of the work are well defined and clearly stated. He referred to these as clarity of expectations about the objectives and goals of job role. Goal clarity supported staff in understanding what was expected of them and what behaviours are needed for achieving goals and lessening role ambiguity (Davis & Stazyk, 2015). Job goal clarity is described as the degree to which goal outcomes and objectives of the work are well defined and clearly stated (Anderson & Stritch 2016).

Hall (2004) examined the association between psychological empowerment, role clarity, strategic performance measurement systems (PMS), and work outcomes using the survey approach from a sample of 83 strategic business department supervisors from a manufacturing firm in Australia. The data was analysed using Partial Least Squares (PLS). The results showed that managerial performance was positively associated with goal clarity. Ahmad and Rehman (2011) investigated the role of goal clarity of public sector organizations on the perceived benefits of performance measurement. The study focused its attention towards managers of 12 public sector organizations involved in plan implementation and decision making. The results show that goal clarity had positive relationship with perceived benefit of efficiency and effectiveness.
In another study, van der Hoek, Groeneveld, and Kuipers (2016) investigated the association between Goal clarity and team performance in the Netherlands public sectors. The study hypothesized that teams with a higher level of goal clarity perform better compared to teams with lower levels of goal clarity. The study used an online administered questionnaire to 914 team members of 105 teams. Ordinary Least Squares (OLS) regression analyses were conducted to analyse the data. The findings revealed that goal clarity positively affected team performance.

Kim (2016) conducted a study on the association between work performance, job characteristics, and public service motivation in Korea using secondary data from a 2011 Public Service Panel Survey. In order to measure the relationship, partial least squares and structural equation modelling were adopted. The findings indicated that goal clarity had a positive association with work performance. The clearer the goal was the higher the performance and quality was.

### 2.4.2 Process Clarity

Process clarity is described as the degree to which a person is sure about how to do her or his job. Process clarity refers to the clarity of the necessary behaviour to meet a work role (Sawyer, 1992). Process clarity also describes a common comprehension of plan of action, team goals, and each other’s responsibilities and roles (Hu & Liden, 2011). Process clarity is the concept that each member of a team understands all elements of the project in front of them – the overall goal, his or her role in achieving that goal, each team member’s responsibilities, the timeline, and all expectations.

Organizational research has focused on examining issues such as goal and process clarity and role ambiguity. Hall (2004) conducted a study on the relationship between strategic performance measurement systems (PMS) and role clarity. The study data involved a survey of 83 business unit managers from Australian manufacturing organisations. The data was analysed using Partial Least Squares (PLS). The results revealed that managerial performance was positively associated with goals and process clarity.

Hu and Liden (2011) research on servant leadership, process, and goal clarity among 304 staff in 71 teams in five banks using postal addressed questionnaires to the respondents’ homes and mail them back with stamped envelopes. The study used hierarchical linear modelling was used to test the hypothesis. The findings revealed that process clarity served as an antecedent of team potency and subsequent team performance.
In the case of teams, it is of importance to make sure that roles and processes are made clear in order to achieve the overall goal (Hu & Liden, 2011). The study indicated that employees would improve performance when processes and goals are clear to all staff. This clarity can result to higher team strength beliefs where members of the team believe in each other colleagues’ capacity to achieve the set down objectives effectively. Hall (2004) conducted an assessment of the association between role clarity, strategic performance measurement systems, psychological empowerment, and work outcomes adopted several questionnaire items of process and goal clarity. These questionnaire items were borrowed from Sawyer (1992) research on process and goal clarity.

2.5 Chapter Summary
This chapter presented the literature review for this study. The chapter is presented in sections that are in subsections of the research questions. Under each of these sections are subsections that are used to present the sub variables that the study will use to measure the independent variables of the study. The next chapter of the study presents the research methods and techniques that the study proposes to use to conduct this research.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter comprises the different methods and techniques that the study hopes to adopt in conducting this research. The chapter is presented in sections of the research design, population and sampling design, data collection methods, research procedures, and data analysis methods.

3.2 Research Design

A research design is a strategy or plan for how a research is going to be implemented in order to get answers to research problems or questions (Blanche, Durheim, & Painter, 2006). A research design is a comprehensive plan of activities of the work involved in a study. The research design gives an outlining of the process of undertaking a research such as from whom, when, and under what circumstances the data will be obtained (McMillan & Schumacher, 2006).

The explanatory research design aims to explain a research problem by showing casual relationships between the variables. This form of study helps a researcher to gain new insights into a phenomenon and to extend, elaborate, or test a theory. Cohen, Manion, and Morrison (2013) stated that explanatory research helps this type of study for example explanatory research assists the researcher to understand the reasons behind the occurrence of a particular phenomenon. According to Rahi (2017), the prime objective of explanatory research is to notify main issues and key variable in a given research problem.

The explanatory research design was appropriate for this study as it attempts to explain the effect of ethical leadership on employee performance in the organisation. Employee performance is assumed to be influenced by ethical leaders’ behaviour and thus measuring this causal relationship is best investigated using explanatory research. An explanatory research, rather than describe the phenomena, aims to explain the phenomena under study.
3.3 Population and Sampling Design

3.3.1 Population
Ogula (2005) labels a population a group of objects, people, or organisation that possess similar features. A population is the collective of cases, people, or things that are units of observation and are of interest and continue to be an emphasis of the research (Pacho, 2015). The population of the study was 196 staff of Old Mutual Kenya.

3.3.2 Sampling Design
3.3.2.1 Sampling Frame
A sampling frame is defined as a complete list of the eligible sampling units in the pool available to be sampled (Gentles, Charles, Ploeg, & McKibbon, 2015). According to West (2004) sampling frame consist of the variables of the population who meet the criteria to be in a sample and having a limit to the units that are suitable for being included in the sample. The sampling frame was made up of 196 staff as shown in Table 3.1.

Table 3.1: Population Distribution

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old Mutual Investment Group</td>
<td>23</td>
</tr>
<tr>
<td>Old Mutual Life Assurance Company</td>
<td>166</td>
</tr>
<tr>
<td>Old Mutual Securities</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>196</td>
</tr>
</tbody>
</table>

Source: Old Mutual Kenya (2018)

3.3.2.2 Sampling Technique
Bryman (2008) stated that a sample is the portion of a population that is selected for research. Leedy and Ormrod (2005) define sampling as the process of selecting a part of the population which will be used as a representation of the whole population in a study. The study proposes to apply the stratified random sampling technique in this study. Babbie (2005) describes a stratified sample approach as a technique that makes sure that there is adequate representation of the variables in a population. To meet inclusive and full representation in this study, samples are categorised into small units referred to as strata. The study used simple random sampling to select respondents from each of the strata using Microsoft Excel.
3.3.2.3 Sample Size

Sample size is often small to enable in-depth understanding and exploration of the problem under study. The study adopted Yamane (1967) sampling formula to determine the sample size of the study. The sample size was thus determined as 131 respondents as shown in Table 3.2. To get the proportionate sample for each of the strata, the population was divided in each stratum over the total population and multiplied that to the sample size.

\[
n = \frac{N}{1 + N(e^2)}
\]

Where;

- \(n\) = sample size
- \(N\) = study population
- \(e\) = tolerance at the preferred level of confidence
- \(\alpha = 0.05\) at 95% confidence level.

\[
n = \frac{196}{1 + 196 (0.05)^2}
\]
\[
= \frac{196}{1.49}
\]
\[
= 131
\]

Table 3.2: Sample Distribution

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Population</th>
<th>Percent</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old Mutual Investment Group</td>
<td>23</td>
<td>11.4</td>
<td>15</td>
</tr>
<tr>
<td>Old Mutual Life Assurance Company</td>
<td>166</td>
<td>84.0</td>
<td>110</td>
</tr>
<tr>
<td>Old Mutual Securities</td>
<td>7</td>
<td>4.6</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>196</strong></td>
<td><strong>100.0</strong></td>
<td><strong>131</strong></td>
</tr>
</tbody>
</table>

Source: Old Mutual Kenya (2018)

3.4 Data Collection Methods

Data collection techniques refer to the different means that a researcher can use to collect information from respondents in a research. Data collection methods can be classified into two primary approaches. These are quantitative and qualitative data. Quantitative data refers to that which is mostly numerical and can be analysed using statistical procedures.

Qualitative data is that which is more in-depth, involves used of words, descriptions, and is not amenable to statistical procedures (Gelo, Braakmann, Benetka, 2008). Sources of data can be distinguished into two groups, that is, primary data and secondary data. Primary data is defined as that which a researcher collected directly for purposes of a
current study. On the other hand, secondary data refer to that which is already was collected previously and is accessible to the present researcher (Lohr, 2010). This study used primary data.

A structured questionnaire was intended to collect the data from Old Mutual Staff which consisted of a series of questions and other prompted action for gathering data from study participants (Neuman, 2002). A 4-point Likert Scale was used to design the questionnaire for the independent and dependent variables and close – ended questions for the demographic information of respondents.

The questionnaire was designed into five sections (Appendix 1). The first section consisted of demographic information of the respondents, the second section presented statements on fairness, third section presented power-sharing statements, fourth section presented statements on role clarification, and the final section presented statements on employee performance.

3.5 Research Procedures

The data collection process began by seeking a letter of authorization to collect data from the university. The researcher then approached senior personnel management of Old Mutual Kenya to seek permission to collect data from their staff. The study pre-tested the instrument before data collection to establish the reliability and validity of the questionnaire. A pre-test is basically a study on a small scale that aims to collect quantitative and qualitative data to enable a study to measure the usefulness and accuracy of the study protocols before the actual study. (Yan, Kreuter, & Tourangeau, 2012).

To establish the validity of the instrument, the researcher adapted questionnaire items and constructs from previous studies. This combination of items from different studies was checked for consistency using the Cronbach Alpha to check the reliability of the designed instrument. Cronbach’s Alpha is a common reliability tests that needs the researcher to conduct a single administration of an instrument in order to get a special estimate reliability for the instrument. This measure is a summary value of the reliability coefficients that are observed from a mix of possible responses and are split into half-tests (George & Mallery, 2003).
The pre-test was conducted among 5 staff members from the Old Mutual Kenya whom were not included in the final sample of the study to avoid contamination of the sample. The researcher used the Statistical Package for Social Sciences (SPSS) to check for the internal consistency of the instruments. The study hopes to reach a Cronbach Alpha value of 0.7 and above which is deemed acceptable in research. George and Mallery (2003) provide the following rules of thumb: alpha values higher than 9 as Excellent, _ > .8 – Good, _ > .7 – Acceptable, _ > .6 – Questionable, _ > .5 – Poor, and _ < .5 – Unacceptable. The overall reliability of the instrument was established at 0.72 which is acceptable.

3.6 Data Analysis Methods
Marshall and Rossman (2006) defined data analysis as the procedure that involves bringing meaning, structure, and order to the huge data collected in a study. The aim of data analysis is to comprehend data in a way that you can describe present and past trends, make good decisions, and predict future events. The Statistical Package for Social Sciences (SPSS) was used to perform the analysis. Descriptive statistical analysis and inferential statistical analysis tools were used for this study. Descriptive statistics are used to describe the relationship between pairs of variables (Argyrous, 2005). Simply explained, descriptive statistics summarize the data with the purpose of describing what occurred in the sample. The descriptive statistics used were frequencies, percentages, mean, standard deviation, and checking for normality of distribution of the data.

Inferential statistics is made up of diverse statistical significance measures that a study can adopt to make conclusions and inferences from their data. These tests can be distinguished into three groups: making prediction, examining relationships, and evaluating differences Regression analysis was used to make predictions on the study variables by modelling the influence of independent variables on the dependent variable. Correlation was used to determine the relationship between independent and dependent variables (Allua & Thompson, 2009). The proposed regression model for the study is thus presented as:

\[ Y = a + bX_1 + cX_2 + dX_3 + \varepsilon \]

Where:
Y = Employee performance
a = constant, b, c, and d, coefficients of X_1, X_2, and X_3 respectively.
\[ X_1 = \text{Fairness} \]
\[ X_2 = \text{Power-sharing} \]
\[ X_3 = \text{Role clarification} \]
\[ \varepsilon_j = \text{Error term} \]

3.7 Chapter Summary

This chapter presented the research methods of the study. The descriptive research design is selected, specifically, the cross-sectional survey research design is proposed. The population and sample size of the study is 169 and 131 respondents respectively. A structured questionnaire consisting of Likert scale and close ended questions was designed to collect the primary data. Both inferential and descriptive statistics were used to analyse the data. The next chapter of the study presents the results and findings of the study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the findings of the study. The sections in this chapter include the general information, demographic information section. The chapter also focuses on the findings for each of the study research questions which consist of the descriptive and inferential statistics.

4.2 General Information

4.2.1 Response Rate

The response rate refers to the percentage of individuals who responded to a survey that was administered to them. Response rate refers to the number of survey responses divided by number of individuals to whom the survey was administered (Perkins, 2011). The sample size for the study was 131 respondents. Out of this, 5 respondents were involved in the pilot study and were not included in the final sample size. One hundred and twenty-six questionnaires were administered out of which 116 were returned and were used for analysis. The response rate for the study is therefore 92 % which is acceptable.

Table 4.1: Study Response Rate

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Questionnaires administered</td>
<td>126</td>
</tr>
<tr>
<td>Questionnaires received</td>
<td>116</td>
</tr>
<tr>
<td>Non-response</td>
<td>10</td>
</tr>
</tbody>
</table>

4.2.2 Demographic Information

4.2.2.1 Gender

The findings show that most of the respondents were male who accounted for 53.6 % of the sample with women representing 46.4 % of the sample as shown in Figure 4.1. This outcome is attributed to the core business of Old Mutual Kenya which is asset management and investments which is an area not previously pursued by female staff. Asset management and investments is a financial technical field whose dominant applicants tend to be male.
4.2.2.2 Age

Figure 4.2 shows the age groups of respondents which indicate that 53.6% were in the 35-44 years age group, 24.2% were in the 25-34 years age group, and 22.0% were in the 45-54 years age group. This later age category is the most productive in terms of work experience. The 25-34 age group tends to be staff who has recently joined Old Mutual Kenya as sales personnel.

Figure 4.1: Gender Distribution among Respondents

Figure 4.2: Age Distribution of Respondents
4.2.2.3 Education Level
In terms of respondents’ education levels, the findings show that 85.0 % had a university level of education whereas 15.0 % had a college level of education as indicated in Figure 4.3. Most of the staff had a university degree which is the minimum education requirement for Old Mutual Kenya. Those staff with a college level of education was from support departments and sales personnel whom are employed with diploma qualifications.

![Figure 4.3: Education Level of Respondents](image)

4.2.2.4 Years Working at Old Mutual
The results revealed that respondents had 2-5 years working experience at Old Mutual Kenya representing 72.0 % of the sample, 22.0 % had 6-9 years working experience, and 6.0 % had more than 10 years’ experience in the organisation as shown in Figure 4.4. The findings are attributed to the high attrition rates of the insurance sector which sees employees change organisations frequently.

![Figure 4.4: Respondents’ Years Working at Old Mutual Kenya](image)
4.3 Fairness Influence on Employee Performance at Old Mutual Kenya

This section of the chapter presents the descriptive statistics results for each of the independent variables and the dependent variable. The mean and standard deviation for each of the statements for each of the variables is presented. The respondents were asked to indicate the level of extent they thought that recognitions received from supervisors, such as pay, rewards, evaluations, promotions, assignments were fair. The findings indicate that respondents strongly agreed that the outcomes were justified given their performance in the organisation by a mean score of 4.53 on a 5-point scale and a standard deviation of 0.638. The findings also show that respondents were neutral on the on the ability to express your views during those procedures as shown by a mean score of 3.61 and a standard deviation of 0.810 on a 5-point scale. This means that employees were apprehensive of being able to express their view at Old Mutual.

Table 4.2: Descriptive Statistics for Fairness

<table>
<thead>
<tr>
<th>Fairness statements</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do those outcomes reflect the effort you have put into your work</td>
<td>116</td>
<td>3.82</td>
<td>0.871</td>
</tr>
<tr>
<td>Are those outcomes appropriate for the work you have completed</td>
<td>116</td>
<td>4.08</td>
<td>0.815</td>
</tr>
<tr>
<td>Do those outcomes reflect what you have contributed to your work</td>
<td>116</td>
<td>3.82</td>
<td>0.965</td>
</tr>
<tr>
<td>Are those outcomes justified, given your performance</td>
<td>116</td>
<td>4.53</td>
<td>0.638</td>
</tr>
<tr>
<td>Are you able to express your views during those procedures</td>
<td>116</td>
<td>3.61</td>
<td>0.810</td>
</tr>
<tr>
<td>Can you influence the decisions arrived at by those procedures</td>
<td>116</td>
<td>4.07</td>
<td>0.777</td>
</tr>
<tr>
<td>Are those procedures free of bias?”</td>
<td>116</td>
<td>4.30</td>
<td>0.749</td>
</tr>
<tr>
<td>Are you able to appeal the decisions arrived at by those procedures</td>
<td>116</td>
<td>4.34</td>
<td>0.823</td>
</tr>
<tr>
<td>Does supervisor treat you in a polite manner?”</td>
<td>116</td>
<td>4.11</td>
<td>1.036</td>
</tr>
<tr>
<td>Does supervisor treat you with dignity?”</td>
<td>116</td>
<td>4.20</td>
<td>0.815</td>
</tr>
<tr>
<td>Overall mean score</td>
<td></td>
<td>4.08</td>
<td>0.830</td>
</tr>
</tbody>
</table>

The correlation findings show that there was a positive and significant association between fairness and employee performance with a correlation coefficient of 0.413 and a p – value of 0.000 as shown in Table 4.3. This means that an increase in fairness leads to an increase in employee performance. The findings suggest that an increase in fairness by
leaders contributed to an increase in employee performance at Old Mutual Company. This means that leaders practiced ethical leadership, and this improved employee performance.

Table 4.3: Fairness and Employee Performance Correlation Results

<table>
<thead>
<tr>
<th></th>
<th>Fairness Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fairness</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>.413**</td>
<td>.000</td>
</tr>
<tr>
<td>Performance</td>
<td>Sig. (2-tailed)</td>
<td></td>
</tr>
</tbody>
</table>

A linear regression analysis was conducted to determine the influence of fairness on employee performance. The regression coefficients summarized in table 4.4 indicate that an increase in fairness resulted to a 0.482 increase in employee performance and this was statistically significant with a p value of 0.000. This means that a unit increase in fairness by organisational leaders resulted to a 0.482 positive increase in employee performance.

Table 4.4: Fairness and Employee Performance Regression Results

<table>
<thead>
<tr>
<th>Model Summary</th>
<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></td>
<td>1</td>
<td>.407a</td>
<td>.165</td>
<td>.158</td>
<td>.56718</td>
</tr>
</tbody>
</table>

ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>7.272</td>
<td>1</td>
<td>7.272</td>
<td>22.605</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>36.673</td>
<td>114</td>
<td>.322</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>43.944</td>
<td>115</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Coefficients

<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>1</td>
<td>(Constant)</td>
<td>1.804</td>
<td>.419</td>
<td>4.304</td>
</tr>
<tr>
<td></td>
<td>Fairness</td>
<td>.482</td>
<td>.101</td>
<td>.407</td>
</tr>
</tbody>
</table>

4.4 Power Sharing Influence on Employee Performance at Old Mutual Kenya

The respondents were asked to show to what extent they perceived that supervisors delegated authority at the workplace. Table 4.5 shows that respondents agreed that they had a high degree of influence in company decisions as shown by a score of 4.53 on a
scale of 5 and a standard deviation of 0.639. This finding suggests that employees felt that they participated in decision making and this indicated a positive practice of ethical leadership which allowed for employee participation in decision making at Old Mutual.

The results further show that respondents moderately agreed that delegation reduces level of authority being controlled by supervisors in decision-taking with as shown by a mean score of 3.99 and a standard deviation of 0.797. This means that delegation of tasks at Old Mutual, respondents agreed that delegation was used but there was still control of tasks by supervisors.

Table 4.5: Descriptive Statistics for Power-Sharing

<table>
<thead>
<tr>
<th>Power sharing statements</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does supervisor refrain from improper remarks or comments?</td>
<td>116</td>
<td>4.08</td>
<td>0.846</td>
</tr>
<tr>
<td>Does supervisor treat you with respect?</td>
<td>116</td>
<td>4.39</td>
<td>0.669</td>
</tr>
<tr>
<td>Delegation prevents work being done in the case of manager absence</td>
<td>116</td>
<td>4.41</td>
<td>0.632</td>
</tr>
<tr>
<td>Delegation reduces level of authority being controlled by supervisors in decision-taking</td>
<td>116</td>
<td>3.99</td>
<td>0.797</td>
</tr>
<tr>
<td>Delegation upgrades level of job performance</td>
<td>116</td>
<td>4.50</td>
<td>0.692</td>
</tr>
<tr>
<td>In this organization, I have high degree of influence in company decisions</td>
<td>116</td>
<td>4.53</td>
<td>0.639</td>
</tr>
<tr>
<td>In this organization, I have high degree of influence in the decisions affecting me</td>
<td>116</td>
<td>4.47</td>
<td>0.639</td>
</tr>
<tr>
<td>In this organization, I can participate in setting new company policies</td>
<td>116</td>
<td>4.44</td>
<td>0.749</td>
</tr>
<tr>
<td>In this organization, my views have a real influence in company decisions</td>
<td>116</td>
<td>4.23</td>
<td>0.795</td>
</tr>
<tr>
<td>I know what the company’s aims are</td>
<td>116</td>
<td>4.24</td>
<td>0.730</td>
</tr>
<tr>
<td><strong>Average mean</strong></td>
<td></td>
<td><strong>4.33</strong></td>
<td><strong>0.718</strong></td>
</tr>
</tbody>
</table>

Table 4.6 shows the results of the correlation analysis between power sharing and employee performance at Old Mutual which indicates a positive and significant association with a correlation coefficient of 0.402. This finding suggests that an increase on power sharing at Old Mutual resulted in a positive increase in employee performance.
Table 4.6: Power Sharing and Employee Performance Correlations

<table>
<thead>
<tr>
<th>Power sharing</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>Pearson Correlation</td>
<td>.402**</td>
</tr>
<tr>
<td>Performance</td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
</tbody>
</table>

The linear regression findings indicate that there was positive and significant effect of power sharing on employee performance. Table 4.7 shows the regression coefficients which show that a unit increase in power sharing resulted to a 0.522 increase in employee performance at Old Mutual.

Table 4.7: Power Sharing and Employee Performance Regression Results

<table>
<thead>
<tr>
<th>Model Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ANOVAa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Coefficientsa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

4.5 Role Clarification Influence on Employee Performance at Old Mutual Kenya

Table 4.8 shows findings in response to what extent respondents’ roles were clarified in their workplace. The results show that the respondents strongly agreed that I know the expected results of my work by a mean score of 4.71 on a scale of 5 and a standard deviation of 0.605.
The findings show that respondents were aware of what was expected of them in their work. This knowledge enhanced employee performance as staff can be able to attribute their roles to specific outputs. The findings indicate that employees moderately agreed to know how their work related to the overall objectives of my work unit as shown by a mean score of 3.50 and a standard deviation of 1.067. The respondents were also neutral in regard to know what aspects of their work led to positive evaluations as shown by a mean score of 3.70 and a standard deviation of 0.944.

### Table 4.8: Descriptive Statistics for Role Clarification

<table>
<thead>
<tr>
<th>Role clarification statements</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I know my duties</td>
<td>116</td>
<td>4.67</td>
<td>0.643</td>
</tr>
<tr>
<td>I know the goals and objectives for my job</td>
<td>116</td>
<td>4.58</td>
<td>0.635</td>
</tr>
<tr>
<td>I know the expected results of my work</td>
<td>116</td>
<td>4.71</td>
<td>0.605</td>
</tr>
<tr>
<td>I know how my work relates to the overall objectives of my work unit</td>
<td>116</td>
<td>3.50</td>
<td>1.067</td>
</tr>
<tr>
<td>I know what aspects of my work will lead to positive evaluations</td>
<td>116</td>
<td>3.70</td>
<td>0.944</td>
</tr>
<tr>
<td>I know how to divide my time among the tasks required of my job</td>
<td>116</td>
<td>4.04</td>
<td>0.690</td>
</tr>
<tr>
<td>I know how to schedule my work day</td>
<td>116</td>
<td>4.28</td>
<td>0.789</td>
</tr>
<tr>
<td>I know how to determine the appropriate procedures for each work task</td>
<td>116</td>
<td>4.18</td>
<td>0.840</td>
</tr>
<tr>
<td>I know the procedures I use to do my job are correct and proper</td>
<td>116</td>
<td>4.22</td>
<td>0.866</td>
</tr>
<tr>
<td>I am quite certain that I know the best way to do my tasks</td>
<td>116</td>
<td>3.72</td>
<td>0.974</td>
</tr>
<tr>
<td><strong>Average mean</strong></td>
<td></td>
<td><strong>4.16</strong></td>
<td><strong>0.805</strong></td>
</tr>
</tbody>
</table>

Table 4.9 shows the correlation coefficient results between role clarification and employee performance. The findings show that there existed a positive and significant association between role clarification and employee performance at Old Mutual. This means that an increase in role clarification resulted to an increase in employee performance as employees were more aware of what was expected of them and thus put their efforts towards their defined roles.
Table 4.9: Role Clarification and Employee Performance Correlation Results

<table>
<thead>
<tr>
<th>Role clarification</th>
<th>Role clarification Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>Employee Performance Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role clarification</td>
<td>1</td>
<td></td>
<td>.662**</td>
<td>.000</td>
</tr>
</tbody>
</table>

Linear regression analysis was conducted to determine the influence of role clarification on employee performance. Table 4.10 shows the findings which indicate that there was a positive and significant effect of role clarification on employee performance as a unit increase in role clarification resulted to a 0.755 increase in employee performance at Old Mutual.

Table 4.10: Role Clarification and Employee Performance Regression Results

<table>
<thead>
<tr>
<th>Model Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>a. Predictors: (Constant), Role Clarification</td>
</tr>
</tbody>
</table>

ANOVAa

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>19.257</td>
<td>1</td>
<td>19.257</td>
<td>88.924</td>
<td>.000*b</td>
</tr>
<tr>
<td>Residual</td>
<td>24.687</td>
<td>114</td>
<td>.217</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>43.944</td>
<td>115</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
a. Dependent Variable: Employee Performance  
b. Predictors: (Constant), Role Clarification

Coefficientsa

<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>1 (Constant)</td>
<td>.639</td>
<td>.336</td>
<td>1.903</td>
<td>.060</td>
</tr>
<tr>
<td>Role Clarification</td>
<td>.755</td>
<td>.080</td>
<td>.662</td>
<td>9.430</td>
</tr>
</tbody>
</table>
a. Dependent Variable: Employee Performance

4.6 Chapter Summary

This chapter included the study response rate demographic information, descriptives sections which show the means and standard deviation for each of the study variables, and the inferential statistics section which presents the correlation and multiple regression analysis results. The next chapter of the study presents the discussion, conclusions and recommendations.
CHAPTER FIVE
5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter presents a discussion, conclusion, and recommendations. The study will first present a summary of the study. The discussion, conclusion, recommendations for improvements for the study are presented in line with the study research objectives. Recommendations for further research are also presented in this chapter.

5.2 Summary of the Study
This study examined the effect of ethical leadership on employee performance. The study aimed to answer three research questions: To what extent does fairness influence employee performance at Old Mutual Kenya? To what extent does power sharing influence employee performance at Old Mutual Kenya? To what extent does role clarification influence employee performance at Old Mutual Kenya?

The study adopted both descriptive and explanatory research design. The population for the study constituted employees of Old Mutual Investment Group who were 196 employees. The stratified random sampling procedure was used to distribute the population of the study into three management levels. The sample size of the study was 131 respondents and the actual sample size was 116 respondents. A structured self-administered questionnaire was used to collect the data. Descriptive and inferential statistical tests were used to analyse the data. These included frequencies, percentages, mean, standard deviation, correlation, and multiple regression analysis. The data was presented in figures, tables, and supported by the researcher’s interpretation.

The first research question of this study was to determine to what extent fairness influenced employee performance at Old Mutual Kenya. The descriptive findings indicate that respondents agreed that the outcomes were justified given their performance in the organisation by a mean score of 4.53 on a 5-point scale and a standard deviation of 0.638. The correlation findings show that there was a positive and significant association between fairness and employee performance with a correlation coefficient of 0.413 and a p-value of 0.000. The regression coefficients indicated that an increase in fairness resulted to a 0.482 increase in employee performance and this was statistically significant with a p-value of 0.000.
The second research question of the study was to determine to what extent does power sharing influence on employee performance at Old Mutual Kenya. The descriptive statistics indicate respondents’ agreement that they had a high degree of influence in company decisions as shown by a score of 4.53 on a scale of 5 and a standard deviation of 0.639. The correlation analysis between power sharing and employee performance indicates a positive and significant association with a correlation coefficient of 0.402. The Linear regression coefficients showed that a unit increase in power sharing resulted to a 0.522 increase in employee performance at Old Mutual.

The third research question of the study was to establish the extent to which role clarification influences employee performance at Old Mutual Kenya. Descriptive findings show that respondents agreed knowing the expected results of their work by a mean score of 4.71 on a scale of 5 and a standard deviation of 0.605. The findings show that there existed a positive and significant association between role clarification and employee performance at Old Mutual with a correlation coefficient value of 0.622. There was a positive and significant effect of role clarification on employee performance as a unit increase in role clarification resulted to a 0.755 increase in employee performance at Old Mutual.

5.3 Discussion
5.3.1 Fairness Influence on Employee Performance at Old Mutual Kenya
The first research question of this study was to determine to what to what extent fairness influenced employee performance at Old Mutual Kenya. The respondents were asked to indicate the level of extent they thought that recognitions received from supervisors, such as pay, rewards, evaluations, promotions, assignments were fair. The findings indicate an overall mean score of 4.08 and a standard deviation of 0.830 which means that supervisors were fair to a great extent according to respondents. The correlation findings showed positive association between fairness and employee performance. There was no effect of fairness and employee performance at Old Mutual Kenya.

This study goes against previous studies that have found a positive effect of fairness on employee performance. Niazi and Hamid (2016) studied the effect of justice on employee performance in the banking sector of Pakistan. Approximately 300 bank employees responded to the survey. The mode of data collection was a self-administered questionnaire. Partial Least Squares Structural Equation Modelling Techniques (PLS-
SEM) were used for statistical analysis of data. The findings indicated that interactional justice had strong, positive and significant relationship with employee performance.

These study findings, however, agree with earlier studies that have found no effects of fairness on employee performance. Iqbal et al. (2017) conducted a study on impact of organizational justice on employee performance in public sector organization of Pakistan. The study was conducted among 120 employees of Pakistan Railways using a survey instrument to collect the data. The study established that procedural justice did not have a significant impact on employee performance.

The findings indicated that staff perceived that supervisors gave rewards and promotions at Old Mutual Kenya were justified given their performance. This form of fairness is described as distributive justice. Sudin (2011) defines distributive justice is described as the fairness of rewards or outcomes received and are often seen in terms of equity. Bearing in mind of a person’s inputs, to what end is the outcome received compared to what one has received in the past and to what one can sensibly expect to receive in future.

The descriptive statistics revealed that distributive justice statements were highly ranked by respondents. These findings thus indicate that distributive justice is the most important form of fairness that is practiced at Old Mutual Kenya. This agrees with several past studies that have found that distributive justice plays a significant role in employee performance. Nasurdin and Khuan (2011) found that distributive justice a positive and significant effect on performance. The study also found that there existed a positive and significant association between contextual performance and procedural justice, however there was no positive and significant association between distributive justice and contextual performance (Nasurdin & Khuan, 2011).

Kalay (2016) analysed the impacts of distributive justice, procedural justice and interactional justice on job performance of employees. The hypotheses were tested using PLS-SEM techniques. The study indicated that distributive justice had the largest positive and significant impact on task performance among the three aspects of organizational justice.

The descriptive findings revealed that procedural justice and interactional justice has a less impact on employee performance. These findings are also corroborated by past studies that did not find any impact of interactional and procedural justice. Kalay (2016) found that interactional justice had no significant impact on task performance. Niazi and
Hamid (2016) studied the effect of justice on employee performance in the banking sector of Pakistan. The findings indicated that interactional justice had strong, positive and significant relationship with employee performance.

On the other hand, there is evidence of studies that indicate that interactional justice had a positive impact on employee performance. Krishnan, Loon, Ahmad, and Yunus (2018) study on role of organizational justice on tasks performance of employees in Malaysia found a positive association between interactional justice and employees’ job performance. Suliman (2007) determined that interactional justice and procedural justice had a significant and positive influence on supervisor-rated and self-rated performance and performance. Wang, Liao, Xia, and Chang (2010) established that interactional justice had a strong impact on staff task performance.

5.3.2 Power Sharing Influence on Employee Performance at Old Mutual Kenya

The second research question of the study was to determine to what extent does power sharing influence on employee performance at Old Mutual Kenya. The respondents were asked to show to what extent they perceived that supervisors delegated authority at the workplace. The findings show that the overall mean score was 4.33 and a standard deviation of 0.718 which suggests that power-sharing was practiced by supervisors to a great extent at Old Mutual. A positive and significant association was found between power sharing and employee performance but no effect of power sharing on employee performance.

The descriptive findings indicate that respondents felt that they had a high degree of influence in company decisions and high degree of influence in the decisions affecting them. According to Yukl (2006), power sharing entailed giving followed the space to develop skills and the capacity to comprehend the firm’s objectives. Power sharing affected the quality of staff decisions more so when the manager was not present in specific settings. These results supported the earlier established association between staff performance and power sharing. Kalshoven and Boon (2012) argued that commitment to the firm is greater to staff whose leaders motivate them to participate in making decisions rather than having the burden to make decisions alone.

Chen et al. (2014) distinguished power sharing into two distinct categories: participate decision making and authority delegation. Managers that promote participative decision making aimed to get follower’s inputs but retained managerial authority for the final
decision. Managers who delegated authority allowed followers authority to undertake job-
related decisions. Senyuta (2013) research on the effects of delegation and performance
among banking institutions found that the delegated authority resulted to increase in
quantitative measures of bank performance despite decreasing the quality of decisions
made.

Kombo, Obonyo, and Oloko (2014) examined the influence of delegation on staff
performance among savings and credit cooperative societies in Kisii County, Kenya. The
study adopted inferential, descriptive statistics, and t-tests to measure the relationships
between the variables to determine if delegation resulted to any change in staff
performance. The findings revealed that effective delegation in firms resulted to an
indicated that delegating power to the lower levels staff in the firm that the decentralised
decision making were the main influences of products with greater quality and increased
productivity with increased sales. The study recommended that giving staff the power of
making decisions in a manufacturing organisation resulted to employee and department
performance and increases sales, quality, and productivity.

The findings agree with past studies that have provided support that participative decision
making had a positive effect on employee performance. Perkasa (2012) studied the
changes in job performance from participative decision making among 100 academic staff
from Universiti Utara Malaysia and found that teaching experience, participative decision
making, rank of academic employees had a significant effect on the academic employees’
job performance. Ambani (2016) assessed the effects of staff involvement on job
performance at the Kenya Medical Research Institute in Kisumu and confirmed that
representative participation was an important means to involve employees for efficient
job performance.

Lumbasi, K’Aol, and Ouma (2015) examined the influence of a leadership style that
practiced participative leadership on the performance of a firm among senior managers.
The study used the census approach to select the sample 84 top managers who were under
the supervisor of the Chief Executive Officer (CEOs) of 13 firms and found that staff
performance was increased significantly when participative leadership style was used.
Oloo and Orwar (2016) analysed the association between staff performance and lower
level staff participatory decision making among staff in retail markets in Nairobi finding
that lower level employees’ communication, capability development, motivation, and staff retention which affected their performance due to participatory decision making.

5.3.3 Role Clarification Influence on Employee Performance at Old Mutual Kenya

The third research question of the study was to establish the extent to which role clarification influences employee performance at Old Mutual Kenya. The results suggested that roles were clarified for employees at Old Mutual. The findings also indicate that respondents knew the expected results of their work and knew their duties to a great extent.

However, the respondents indicated to a moderate extent they knew how my work relates to the overall objectives of my work unit; what aspects of their work resulted to positive evaluations; and certainty that they knew the best way to do their tasks. A positive and significant association was established between role clarification and employee performance and this was confirmed by the regression analysis which revealed a positive and significant effect of role clarification on employee performance.

The findings also indicated that respondents knew the duties, knew the goals and objectives for their job, and knew the expected results of their work to a great extent. Sawyer (1992) referred to these as clarity of expectations about the objectives and goals of job role. Goal clarity supported staff in understanding what was expected of them and what behaviours are needed for achieving goals and lessening role ambiguity (Davis & Stazyk, 2015). These findings therefore suggest that goal clarity has a greater influence on employee performance at Old Mutual Kenya. There are several studies that established positive and significant effects of goal clarity on employee performance.

Ahmad and Rehman (2011) assessed the function of goal clarity on public sector firms and the perceived merits of performance measurement and established that goal clarity had a positive effect on perceived merits of effectiveness and efficiency. van der Hoek et al. (2016) investigated associations between goal clarity and team performance in the Netherlands public sectors and established that goal clarity positively affected team performance. Kim (2016) examined the relationship between job characteristics, public service motivation, and work performance in Korea using data from an earlier Public Service Panel Survey by the Korea Institute of Public Administration and found that goal clarity had a positive association with work performance. The clearer the goal was the higher the performance and quality was.
This finding provides support for Pradeep and Prabhu (2011) studied the association between staff performance and effective leadership finding that ethical leadership practices had a positive and significant effect on staff performance, goal clarity, and creative thinking. This result suggested that a leader influences staff performance by clarifying the actions that can contribute to desired results (Griffin & Moorhead, 2012).

Muthike (2017) studied the impact of employee engagement on organization performance and found evidence that that goal clarity is an important employee engagement strategy. Wanjala (2014) study on the change of employees' job performance by ethical leadership in the hospitality industry further provide prove of the influence of role clarity on employee performance as the findings indicated that the firm needed to enhance its practice of clarifying goals for staff performance as this was the least ranked factors.

Anderson and Stritch (2015) evaluated the relationships between personal level task performance, goal clarity, and task significance and found that task goal clarity had a positive impact on task performance. Faraji (2013) measured the influence of role motivation on staff work performance in public organisation department where respondents agreed that goal clarity can help employees to improve on their levels of performance.

5.4 Conclusion
5.4.1 Fairness Influence on Employee Performance at Old Mutual Kenya
The first research question of this study was to determine to what to what extent fairness influenced employee performance at Old Mutual Kenya. The correlation findings showed positive association between fairness and employee performance. The study concludes that distributive justice had the greatest effect on employee performance. Staff at Old Mutual were be treated on equal basis of employees in terms of salary, working hours, promotion, and other rewards.

5.4.2 Power Sharing Influence on Employee Performance at Old Mutual Kenya
The second research question of the study was to determine to what extent does power sharing influence on employee performance at Old Mutual Kenya. A positive and significant association and effects was found between power sharing and employee performance. The study concludes that participative decision making is an important part
of employee performance at Old Mutual. Hence, involving employees at all levels in the organisation contributed to employee performance.

5.4.3 Role Clarification Influence on Employee Performance at Old Mutual Kenya
The third research question of the study was to establish the extent to which role clarification influences employee performance at Old Mutual Kenya. The study concludes that goal clarity has a greater effect on employee performance than process clarity at Old Mutual. Therefore, setting goals for employees would contribute to increased performance owing to goal clarity.

5.5 Recommendations
5.5.1 Recommendations For Improvements
5.5.1.1 Fairness Influence on Employee Performance at Old Mutual Kenya
The study findings revealed that fairness had no effect on employee performance at Old Mutual Kenya despite having strong associations. The findings showed that distributive justice had the greatest impact on employee performance. The study recommends that management of Old Mutual Kenya should be fair to employees in terms of a reward system. The reward system should be based on the inputs that an employee puts in their performance. This can be done by having an appraisal system in place so as to be able to apply rewards equitably in the organisation.

5.5.1.2 Power Sharing Influence on Employee Performance at Old Mutual Kenya
The results indicated that respondents felt that supervisors and managers practiced power sharing and they had a high degree of influence in company decisions. This study therefore recommends that management of Old Mutual Kenya should involve employee in decision making and delegate tasks to employees more to enhance their performance. There is need for participative decision making at Old Mutual which could be implemented by involving lower-level employees in the decision-making process.

5.5.1.3 Role Clarification Influence on Employee Performance at Old Mutual Kenya
The findings indicate that respondents agreed that roles were clarified for employees at Old Mutual Kenya and this had a positive effect on their performance. Therefore, this study recommends that leaders at old mutual should continuously provide role clarification for employees to maintain and improve their performance. Specifically, top management should enhance goal clarity for employees so as to improve employees’
awareness and knowledge of what is expected of them. Human resources should be involved in goal setting for employees at Old Mutual.

5.5.2 Recommendations for Further Research
This study examined the effect of ethical leadership on employee performance at Old Mutual Kenya. The study measured the influence of fairness, power sharing, and role clarification as dimensions of ethical leadership on employee performance. The study recommends for further research by adopting the different dimensions of ethical leadership available in the literature. The study was conducted in the insurance sector, however, there is need for further research in other sectors.
REFERENCES


De Hoogh, A. H. B., & Den Hartog, D. N. (2008). Ethical and despotic leadership, relationships with leader's social responsibility, top management team effectiveness


Dear Respondent,

I am a student at the United States International University - Africa pursuing a degree of Master’s in Business Administration (MBA). I have designed a questionnaire to gather information on Effect of Ethical Leadership on Employee Performance: A Case of Old Mutual Kenya. As a member of staff at Old mutual Kenya, I humbly request you to assist me by answering the questions in the questionnaire as accurately as you can. The recommendations from this study if adopted will contribute to improving employee performance at the Old Mutual Group by developing leadership in teams, departments, and the overall organisation.

Kindly note that any information provided will be treated with utmost confidentiality and at no time will it be used for any other purpose other than for this project. Your name will also not be used in this research but rather the research number given to you by the researcher. Your assistance is highly appreciated. I look forward to your favourable response. Please tick as appropriate.

Yours Faithfully,

David Kyalo
Email: dckyalo@gmail.com
Phone No: 0722 588187
ID. 656911
APPENDIX B: QUESTIONNAIRE FOR OLD MUTUAL KENYA STAFF

Section 1: Staff Background Information

1. What is your gender?
   - Male (  )
   - Female (  )

2. What is your age?
   - 25-34 years old (  )
   - 35-44 years old (  )
   - 45-54 years old (  )

3. What is your highest education level?
   - College level (  )
   - University level (  )

4. Number of years worked in the organisation? …………………..

Section 2: Fairness

To what extent do you think recognitions received from supervisors, such as pay, rewards, evaluations, promotions, assignments are fair. Where: 1=not at all, 2=to a small extent, 3=moderate extent, 4=to a great extent, 5=N/A

<table>
<thead>
<tr>
<th>Fairness statements</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>N/A</th>
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<tbody>
<tr>
<td>5. Do those outcomes reflect the effort you have put into your work</td>
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<td>6. Are those outcomes appropriate for the work you have completed</td>
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<td>7. Do those outcomes reflect what you have contributed to your work</td>
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<td>8. Are those outcomes justified, given your performance</td>
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<td>9. Are you able to express your views during those procedures</td>
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<td>10. Can you influence the decisions arrived at by those procedures</td>
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<td>11. Are those procedures free of bias?”</td>
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<td>12. Are you able to appeal the decisions arrived at by those procedures</td>
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<td>13. Does supervisor treat you in a polite manner?”</td>
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<td>14. Does supervisor treat you with dignity?”</td>
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</table>
Section 3: Power-Sharing

Please indicate to what extent you think supervisors delegate authority in your workplace.
Where: 1=not at all, 2=to a small extent, 3=moderate extent, 4=to a great extent, 5=N/A

<table>
<thead>
<tr>
<th>Power-sharing statements</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>N/A</th>
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</thead>
<tbody>
<tr>
<td>15 Does supervisor refrain from improper remarks or comments?</td>
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<td>16 Does supervisor treat you with respect?</td>
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<tr>
<td>17 Delegation prevents work being done in the case of manager absence</td>
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<td>18 Delegation reduces level of authority being controlled by supervisors in decision-taking</td>
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<tr>
<td>19 Delegation upgrades level of job performance.</td>
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<td>20 In this organization, I have high degree of influence in company decisions</td>
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<tr>
<td>21 In this organization, I have high degree of influence in the decisions affecting me</td>
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<td>22 In this organization, I can participate in setting new company policies</td>
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<td>23 In this organization, my views have a real influence in company decisions</td>
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<td>24 I know what the company’s aims are</td>
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Section 4: Role Clarification

Please indicate to what extent you think your roles are clarified in your workplace.
Where: 1=not at all, 2=to a small extent, 3=moderate extent, 4=to a great extent, 5=N/A

<table>
<thead>
<tr>
<th>Role Clarification statements</th>
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<th>2</th>
<th>3</th>
<th>4</th>
<th>N/A</th>
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<tbody>
<tr>
<td>25 I know my duties</td>
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<tr>
<td>26 I know the goals and objectives for my job</td>
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<td>27 I know the expected results of my work</td>
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<td>28 I know how my work relates to the overall objectives of my work unit</td>
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<td>29 I know what aspects of my work will lead to positive evaluations</td>
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<td>30 I know how to divide my time among the tasks required of my job</td>
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<td>31 I know how to schedule my work day</td>
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<td>32 I know how to determine the appropriate procedures for each work task</td>
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<tr>
<td>33 I know the procedures I use to do my job are correct and proper</td>
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<tr>
<td>34 I am quite certain that I know the best way to do my tasks</td>
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Section 5: Employee Performance

The following statements refer to your individual performance in your workplace. Please indicate how often this happens in your work. Where: 1=Never, 2= seldom, 3= About Half the Time, 4=usually, and 5=N/A

<table>
<thead>
<tr>
<th>Employee performance statements</th>
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<th>2</th>
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<th>N/A</th>
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<tbody>
<tr>
<td>35 I was able to separate main issues from side issues at work</td>
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<td>36 I am able to perform my work well with minimal time</td>
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<td>37 I manage to plan my work so that it is done on time</td>
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<td>38 I work towards the end result of my work</td>
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<td>39 I kept in mind the results that I had to achieve in my work</td>
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<td>40 I help others when their workload increases</td>
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<td>41 I Take initiative to orient new employees to the department even though not part of my job description</td>
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<td>42 I follow rules to support organizational objectives</td>
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<td>43 I Pay close attention to details</td>
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<td>44 I Take on more challenging tasks</td>
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THANK YOU FOR YOUR PARTICIPATION