

INFLUENCE OF TEAMWORK ON PERFORMANCE OF STATE CORPORATIONS IN KENYA

^{1*} **Maingi Inoti**

*PhD student Leadership and Governance
College of Social Science and Humanities
Jomo Kenyatta University of Agriculture and Technology
inotimaingi08@yahoo.com*

^{2**} **Professor Willy Muturi**

*Department of Economics and Finance,
Jomo Kenyatta University of Agriculture and Technology
mmuturi2001@gmail.com*

^{3***} **Dr. Wario Guyo**

*Director, Nairobi CBD Campus
Jomo Kenyatta University of Agriculture and Technology
wguyo@jkuat.ac.ke*

Abstract

Purpose: According to Menguc (2010) public corporations have been criticized for inefficiency and mismanagement as characterized by widespread misuse and loss of funds due to lack of proper internal management and political interference. The objective of this study was to establish the influence of working through teams on performance of State Corporations in Kenya.

Justification: A study done on performance of agriculture-based state companies in Kenya by Nyamu, Mwamye and Mrope (2012) concluded that leadership played a significant role in the performance of the corporations among other factors. The study therefore aimed at finding out the influence of Chief Executive Officers' leadership techniques on performance of state corporations in Kenya.

Research Design: The study adopted an exploratory research design which is suitable for studies that seek to determine relationships between variables. The study population consisted of a sample of 66 state corporations that constituted 30% of all state corporations in Kenya. Pilot testing was conducted to obtain some assessment of the questionnaire validity and the likely reliability of the data. Data was collected using questionnaires. Quantitative data was analysed by use of Statistical Package for Social Sciences.

Findings: The study findings indicated that there was improved corporation performance which was linked to working through teams. Results indicated that working through teams was a key determinants of performance of state corporations in Kenya. The study concludes that proactive techniques of chief executive officers in state corporations generally improve the performance levels of employees and those of the organizations. The strategic intention of leaders of state enterprises should be a creation of attractive organizational environment for optimum performance. The results also led to the conclusion that leadership techniques improve performance by increasing the use of working though teams by the chief executive officers.

Keywords: chief executive officer, organizational performance, state corporation

Statement of the Problem

Various empirical studies, namely Sun (2008), McGrath & MacMillan (2010), Fujin (2010), Hargreaves & Harris (2007), Bass & Avolio (2014), Haid & Sims (2012) attribute poor performance as a function of leadership. However, none of these empirical evidences further substantiate empirically how leadership techniques influence performance except theoretical propositions. Nevertheless, few studies, namely; Bono (2008), Sturges, (2013), Bass & Riggio (2008), Menguc (2010), conducted on the effects of leadership on

Objective of the Study

The specific objective was:

- i. To determine how CEO's working through teams affect performance of state corporations in Kenya

Research Hypothesis

The hypothesis of the study was:

H₀₂: CEO's working through teams does not affect performance of state corporations in Kenya.

H_{A2}: CEO's working through teams affects performance of state corporations in Kenya.

Literature Review

Teamwork Theory: There are numerous teamwork theories all with features to address different objectives. A teamwork theory is an organized way of comprehending certain circumstances, procedures and behaviours. The theory related to the study is the STAR Team Model. It is an acronym for strengths, teamwork, alignment and results. The model provides the substance (or content) to the stages, situation and surroundings of the teamwork theory. It helps to determine what a team and team leader need to focus on (Belsan, 2010).

Good team leadership is about creating the conditions that allow ideas and people to flourish,

performance are also limited to developed economies and social-cultural settings which is different from the Kenya aspect both in terms of economic and social-cultural setting. Miringu & Mworira (2011) observe that in spite of the subsidies paid to public corporations to the tune of 5.5% of GDP, many of them have performed poorly by way of making losses. In addition, despite recruiting highly qualified Chief Executive Officers, many state corporations have continued to perform poorly. This brings into focus the leadership techniques applied in State Corporations by the Chief Executive Officers.

people to come together and performance to flow. When a leader balances developing people's strengths with building good relationships and connections between people, in the pursuit of challenging and meaningful team goals, he or she moves a long way towards encouraging effective teamwork in the workplace (Higson, 2009).

The STAR team performance model brings together teamwork theories with some of the main principles of the happy manager focusing on individual strengths particularly when in the pursuit of goals that are meaningful to make a difference which is a crucial building block for being happier. The strengths of people's relationships have repeatedly been found to be the strongest links to finding happiness in life and so developing this kind of teamwork in the workplace will create a happier place to work (Sturges, 2009).

Team leaders need to ensure that they align the strengths of individuals with effective teamwork and a focus on meaningful results. The STAR team performance model can act as a guide to leaders by recognizing that different aspect of the model will need emphasizing at different stages of the team development cycle (Higson, 2009). For example, during the initial stages of team formation it is important to develop the purpose of the team, and clarify the results expected of the team alongside developing the strengths and alignment to the surrounding. Team leaders and their teams not only

have to be aligned, but the team also needs to be aligned to the surrounding factors outside the team. For a team to be effective the environment within which it is situated must also be considered such as customers, partners suppliers, competitors, the organization and other teams (Ann & Mark, 2008).

The theory is applicable to the study variable of working through teams since the Chief Executive Officer needs to recognize that for effective performance the team needs to be aligned to the objectives of the organization. The theory enables better understanding of the process of working collaboratively with a group of people in order to achieve a goal in the organization. Teamwork means that people will try to co-operative, using their individual skills and providing constructive feedback despite any personal conflict between individuals. The theory further enables the leader to appreciate that it is always good to use teamwork when working on a project to get as many ideas bounced around as possible.

Conceptual Framework

A conceptual framework is a tool researchers use to guide their inquiry; it is a set of ideas used to structure the research (Miles & Huberman, 2008). The major function of a conceptual framework is that it enables the researcher to find links between the existing literature and the research goals (Sarantokos, 2011). Conceptual framework links various concepts and serves as an impetus for formulation of theory. The conceptual framework in this study is based on leadership competency model, open mindedness theory, feedback theory and team theory.

The pertinent concepts included in this study form the conceptual framework which shows the relationship of the dependent variable (performance of state corporations) and independent variable (working through teams). Figure 1 illustrates the presumed relationships between the variable under investigation.

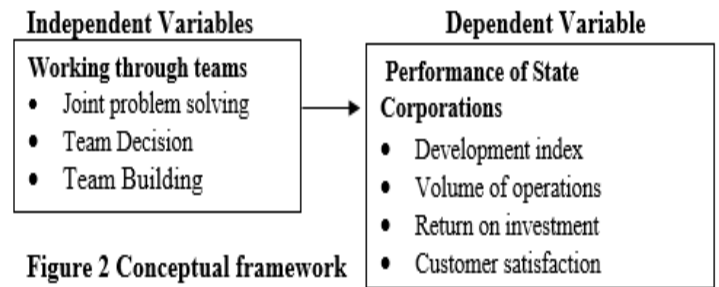


Figure 2 Conceptual framework

Working through Teams

Teamwork is one of the most important ways in which work is re-organized (Oysterman, 2011). The idea of delegating responsibilities to work groups has been defused under a range of labels namely human resource management, modern socio-technical theory, business process re-engineering and lean production (Austin and Carr, 2010). Various arguments have been advanced to explain the effectiveness of team-based work. For example, both socio-technical theory (Dress, 2010; Pasmore, 2008) and work design theory (Hooper & Porter, 2009) have focused on the design of the group task to explain positive results. Self-leadership theory has identified the supervisory behaviours that help self-managing teams achieve success (Manz & Sims, 2011).

According to Mueller (2010), a number of theoretical arguments have been developed to explain why team working might lead to improved organizational performance. Strategic HRM theory suggests that appropriately designed HR system which typically includes team work will have a positive effect on an employee's need for satisfaction, commitment and motivation, leading to behavioural changes that result in improved organizational performance (Buchen, 2012; Dyer & Reeves, 2013). Similarly, self-leadership theory focuses on participatory decision-making, individual discretion and teamwork as important motivating factors and suggests these will lead to more committed employees who strive for greater efficiency and effectiveness.

Decision making is dynamic process, and there are many feedback loops in each of the phases.

Feedback loops can be caused by problems of timing, politics, disagreements among managers, inability to identify an appropriate alternatives or to implement the solution, turnover of managers, or the sudden appearance of a new alternative. The essential point is that decision making is a dynamic process. This dynamic process has both strategic and behavioral implications for the organizations. Recent empirical research indicates that the decision making process that involves making the right strategic choices does lead to success decisions for the organization. Saunders, Lewis and Thornhill (2009) argue that decision-making is a fundamental function in organizations and the quality of the decisions that managers make influences their effectiveness as managers, and the effectiveness of managers, in turn, affects the success or failure of the organization and also these decisions very much affect employee and the organizational performance.

The effective implementation of a strategic decision requires the active cooperation of the team members. To effectively usher a decision through this complex web of operational details, team members must do much more than simply agree to or comply with the decision. They must both understand and commit to the decision if it is to be implemented effectively and that will enhance organizational performance through the individual/employee performance. In order to increase the workers commitment and humanize the workplace with the intention of improving work performance and good citizenship behavior, managers need to permit a high degree of employee involvement. Thus, the involvement of workers in decision making is considered as a tool for inducing motivation and satisfaction in the workers leading to positive work attitude and high productivity (Kouzes & Posner, 2010)

Empirical Review

Research done by Southwick (2008) support the relationship between transformational leadership

and organizational performance. The research concludes that the CEOs transformational leadership affects the organizational outcomes by influencing cohesion among top management and teamwork among organizational members hence enhancing performance. The researcher further concludes that CEOs who adopt transformational leadership style are more positively related to subordinate

Some studies have focused mainly on business units through study performance variables like sales, earnings and profits, internal structure, other external factors such as involving community blocks, factional conflicts affecting organizational performance without looking at leadership qualities. Other studies such as Obikuku (2011) focused mainly on management by exception, contingent reward and loyalty as performance variables in organizational performance mainly in small scale enterprises.

DATA ANALYSIS AND PRESENTATION OF RESULTS

Factor analysis for working through teams

The Cronbach alpha coefficient for this variable was 0.921. The factor loading for each indicator

is contained table 1.

Table 1. Factor loading for working through teams

| Item | Factor Loading |
|--|----------------|
| To what extent do you take teams for norming and storming phases in order to improve performance? | 0.922 |
| To what extent do you encourage teamwork? | 0.891 |
| To what extent do you make use of team decision making? | 0.867 |
| To what extent do you jointly organize resources with employees to accomplish tasks for maximum efficiency? | 0.850 |
| To what extent does working through teams achieve the organizational goals of improved performance? | 0.842 |
| Commitment to improve performance is gained by influencing teams to set objectives of what is to be accomplished | 0.824 |
| High-performing teams are developed by establishing a spirit of co-operation and cohesion to achieve goals | 0.815 |
| In my organization team decision making is encouraged | 0.814 |
| Appropriate interpersonal style is used to steer team members towards the goal of increased performance | 0.789 |
| High-performing teams are developed by establishing a spirit of co-operation and cohesion to achieve goals | 0.781 |
| In my organization team decision making is encouraged | 0.780 |

The analysis indicates that the highest indicator had a factor loading of 0.922 while the lowest had a factor loading of 0.780 indicating that the 11 items were suitable to explain the variable and used for further analysis. Factor analysis was conducted using Principal Component Method (PCM) approach.

Factor analysis was conducted after successful testing of validity and reliability using KMO coefficient and Cronbach alpha results. Factor analysis was conducted using Principal Components Method (PCM) approach. The extraction of factors followed the Kaiser criterion where an eigen value of 1 or more indicates a unique factor. Total variance analysis indicates that the 11 statements on working through teams and corporation performance can be factored into a factor.

Influence of working through teams on performance of state corporations in Kenya

Descriptive Analysis

Table 2 indicates that 68.8 % of respondents agreed that teams are taken for norming and storming phases to improve performance. 72% agreed that they encourage team work, 64.2 % agreed that they organized resources jointly for maximum efficiency; 87.1% agreed that working through teams achieved organizational objectives; 58% agreed that high performing teams are developed by establishing co-operation and cohesion. 72% agreed that team decision making is encouraged; 74% agreed that appropriate interpersonal style is used to steer team members towards increased performance and 81% agreed that performance feedback is attained through teamwork; 74% agreed that duties are delegated; 72% agreed that team decision is encouraged.

The mean score for the responses for this section was 4.245 which indicates that majority of the respondents agreed that working through teams was a key determinant of organizational performance. Means greater than 1 and less than 1.5 implied that working through teams influenced performance to no extent.

Table 2. Working through teams and performance descriptive analysis

| Statement | Strongly Agree | Agree | Neutral | Dis-agree |
|--|----------------|------------|-----------|---------------|
| Teams taken for norming and storming. | 28.8% | 39.2% | 12% | 10% |
| Encourage teamwork. | 37% | 35% | 16% | 8% |
| Use of team decision making | 23.1% | 40.9% | 2% | 20% |
| Organize resources with employees to accomplish tasks. | 32.1% | 56.9% | 0% | 8% |
| Working through teams to achieve the goals. | 25% | 33% | 12% | 15% |
| Influencing teams to set objectives | 35% | 37% | 6% | 16% |
| High-performing teams are developed. | 36% | 38% | 15% | 7% |
| Team decision making is encouraged | 42% | 39% | 0% | 12% |
| Interpersonal style is used to steer team members. | 37% | 35% | 16% | 8% |
| Feedback is attained through teamwork. | 38% | 36% | 14% | 11% |
| Performance feedback is encouraged. | 38% | 36% | 14% | 11% |
| Average | 33.4% | 39% | 9% | 11.5 % |

Means greater than 1.5 and less than 2.5 implied that working through teams influenced performance to a less extent. Means greater than 2.5 and less than 3.5 implied that working through teams influence performance to a moderate extent. Means greater than 3.5 and less than 4.5 implied that working through teams influenced performance to a great extent, while means greater than 4.5 implied that working through teams influenced performance to a very large extent.

The standard deviation on the other hand describes the distribution of the responses in relation to mean. It provides an indication of how far the individual responses to each factor vary from the mean. A standard deviation of more than 1 indicates that the responses are moderately distributed, while less than 1 indicates there is no consensus on the responses obtained. An average of 0.667 for all

statements on working through teams indicates that there is no consensus in responses.

The findings concur with those of Mueller and Buchanan (2010) who argued that working through teams is one method which organizations use to make workers own processes and consequently improve performance. The culture of team work promotes organizational decision making and minimizes friction at work (Cohen & Spreitzer, 2009). The findings further support those of Austin and Carr (2010) who argue that delegating responsibilities to teams or groups has been defused under a range of labels namely human resource management, social-technical theory, business process re-engineering and lean production. The findings further corroborate findings by Buchen (2012) who suggests that appropriately designed human resource system which includes teamwork will have a positive effect on employees need for satisfaction, commitment and leading to behavioral changes that result in improved organizational performance. The findings enhance the self-leadership theory that focus on participatory decision-making, individual discretion and teamwork as important motivating factors which will lead to more committed employees who strive for greater efficiency and effectiveness.

Correlation Analysis

The findings of correlation analysis as contained in table 4.12 indicate that the correlation coefficient between working through teams and performance of state corporations is 0.305 with a p-value of 0.019 for a 5% 2-tailed test. Since the p-value is less than 0.05, this shows a positive and significant relationship between working through teams and performance of state corporations.

Regression Analysis

The distribution of the scatter plots in figure 3 indicates the relationship between working through teams and they appear to fall on a line evenly on either side. There is no skewness to either side

indicating that there is a constant variance. This means that a straight line can be fitted, suggesting that there was a linear relationship between working through teams and performance of state corporations and this relationship can be represented as follows:-

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \epsilon$, Where, $\beta_0 =$ A constant, $=30.028$, $\beta_1=0.305$, $\beta_2 = 0.673$, X_1 is joint problem solving, $X_2 =$ team decision and $\epsilon =$ Error term. Hence ; $Y=30.028 + 0.673(X_2) +\epsilon$

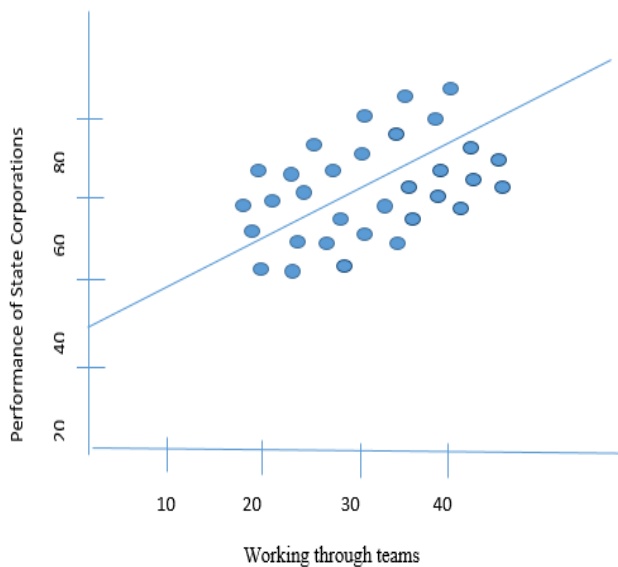


Figure 2 Performance of state corporations versus working through teams

Analysis of variance (ANOVA) also referred to as f-test was used to test the significance of the following statistical model known as multiple linear regression model that was used for analysis.

$$Y = a + \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Where $Y =$ Performance of State Corporations; X_1 is joint problem solving; X_2 is team decision; X_3 is team building.

$a = Y$ intercept i.e. the basic leadership that is not influenced by the study variable

$e =$ Error term which is assumed to be normal distribution with mean zero. This refers to other unexplained or unknown factors that influence performance of state corporations.

$\beta_0 =$ the extent of influence on performance by each independent variable. The multiple linear regression model was used to measure the extent to which each of the independent variables influence the dependent variable.

The ANOVA tests done on the independent variable and the results obtained in table 4 show that the p-values are equal to .000, a demonstration that the regression model is statistically significant considering that the p-value is less than 0.05 at 95% level of confidence. This implies that there is a significant positive relationship between working through teams and performance of state corporations. The fitted model appears as follows

$$PSC = 30.028 + 0.673 X_2$$

This implies that a unit change in working through teams will increase performance of state corporations by the rate of 0.673. Even when working through teams is non-existent, corporation performance is still positive at 30.028 indicating that there are other drivers of performance of corporations including enhancing employee competences, being open-minded and seeking feedback.

Regression analysis indicates that working through teams had a goodness of fit of a 12.0% indicating that working in teams explained 12% of the variation in corporation performance in Kenya since the R square is 0.12. The result finding therefore concludes that there was significant association between working through teams and corporation performance.

Test of Hypothesis

The hypothesis on working through teams was:

H_{02} : CEO’s working through teams does not affect performance of the state corporation in Kenya.

H_{A2} : CEO’s working through teams affects the performance of state corporations in Kenya.

The t-test was carried out to test the hypothesis. A t-statistic was calculated in order to compare it with the t-value from t-tables which is 1.96, the critical value. The t-value tabulates the observed and expected frequencies of performance in working through teams. The results in table 3 showed that the t-calculated, 2.497 is greater than the t-critical value of 1.96. Therefore, the null hypothesis (H_{01}) is rejected and the alternative hypothesis (H_{A1}) accepted since the calculated value lies within the rejection region.

Table 3 Predictors of performance of state corporations

| Variable | Beta | t- Calculated | t- critical |
|--------------------------------|-------|------------------|----------------|
| Intercept (Constant) | 6.681 | 1.96 | |
| Enhancing Employee Competences | .434 | 2.241 | |
| Working Through Teams | .653 | 2.497 | |
| Being open-minded | .711 | 3.220 | |
| Seeking feedback | .386 | 1.992 | |

The finding implies that working through teams has significant influence on performance of state corporations at a beta value of 0.653.

Summary of the Findings

The general objective of the study was to establish the influence of Chief Executive Officers’ leadership techniques on performance of State Corporations in Kenya. One of the key findings was that Chief Executive Officers of State Corporations were concerned with improved performance of the corporations. This was demonstrated by the extent of agreement with the statements in the questionnaire in support of improved performance of state corporations in Kenya. The findings indicated that there was

improved organizational performance which was linked to leadership techniques.

Influence of working through teams on performance of State corporations in Kenya

The third objective of the study was to determine how CEOs working through teams affect performance of State Corporations in Kenya. The study findings indicated that working through teams has contributed to improved performance of State Corporations. Regression results showed that working through teams was statistically associated with organizational performance. An increase in working through teams increases performance. The findings imply that those corporations in which CEOs work through teams have higher organizational performance compared to those where the CEO does not work through teams or work less through teams.

Conclusion

Based on the objectives and findings of the study the following conclusions are made. Leadership techniques of the Chief Executive Officers in State Corporations generally improve the performance levels of employees and those of the corporations through achieving the set targets within the period in which the performance is evaluated. Improved output of employees and consequently the organizational output is directly and positively affected by strategic leadership techniques that the Chief Executive Officers apply in their endeavor to make their organizations better. Therefore, the strategic intention of leaders as managers of state enterprises should be a creation of attractive organizational environment based on deliberate co-operation between leaders and their subjects with the objective of achieving optimum levels of performance.

Results of the study findings led to the conclusion that leadership techniques improve performance by increasing an organization’s teamwork to ensure that individual targets are aimed at achieving

corporate targets. It can also be concluded that organizations where teamwork is the mode of operation have higher chances of improved productivity. The study concludes that corporate leader characteristics such as team player, team decision maker, co-operative spirit, good interpersonal skills were prevalent in the corporations that were studied and as such this improved their achievement of the set targets.

Recommendations

Based on the results, findings and conclusion, the following recommendations have been made. The study recommends to management of state corporations that leadership techniques such as working through teams should be enhanced as a performance improvement strategy. This is because leadership techniques have positive influence on performance of organizations.

Officers should always strive to be open to new ideas, new and improved methods of carrying out their operations in order to continuously improve their performance. Leaders should be flexible on alternative mechanisms of dispute resolution, making their employees comfortable to bring in suggestions to improve the organization.

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