ORGANIZATIONAL CULTURE DIMENSIONS AND EMPLOYEE PERFORMANCE OF STATE CORPORATIONS IN KENYA

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ABSTRACT

The study aimed to assess how specific cultural practices contribute to improved performance and identify strategies for fostering a productive work environment focusing on two key cultural dimensions: leadership style and communication. The research was driven by the need to address gaps in the literature, which has traditionally focused on the private sector. Given the distinct regulatory frameworks of state corporations, it is crucial to understand how these structures influenced employee behavior. The study was grounded in several theoretical frameworks, including Transformational Leadership Theory and Communication Accommodation Theory. These theories provided insights into how leadership and communication affected organizational dynamics and performance outcomes. The study used a descriptive cross-sectional survey design. The study will target state agencies in Kenya. According to The State Corporations Advisory Committee (SCAC) (2019), there are 46 state agencies in Kenya. The unit of analysis was therefore the 46 state agencies while the unit of observation was the management employees working in the state agencies. The study therefore targeted a total of 276 respondents comprising of 46 top managers, 92 middle level managers and 138 lower-level managers. The sample for this study was arrived at using the Slovin's sample size determination formula for categorical data. The sample size was 163 respondents. This study also used questionnaire to collect data relevant to this study. Quantitative data collected was analyzed using descriptive statistical techniques which are frequencies, mean, standard deviation. Inferential statistics which include Pearson correlation and the Regression Analysis Model was used to test the relationship between study variables. The significance of the model was tested at 5% level of significance. Data was analysed using Statistical Package for Social Sciences (SPSS) software. The study results were presented through use of tables and figures. The study concludes that leadership style has a positive and employee performance of state corporations in Kenya. Findings revealed that empowerment, evaluation and participation influences employee performance of state corporations in Kenya. The study also concludes that communication has a positive and significant effect on employee performance of state corporations in Kenya. Findings revealed that ethical and social responsibility, people orientation and outcome orientation influence employee performance of state corporations in Kenya. The study recommends that the management of State Corporation's in Kenya actively foster a collaborative work culture by promoting team-based projects, encouraging open communication, and providing platforms for shared decision-making.

Key Words: Organizational Culture Dimensions, Employee Performance, State Corporations, Leadership Style, Communication

Introduction

The impact of organizational culture on employee performance is a well-established topic of interest in the field of organizational behavior. Research has consistently shown that a positive organizational culture can have a profound impact on employee performance, as it fosters a sense of belonging and motivation among employees. In the context of state corporations in Kenya, organizational culture plays a crucial role in shaping employee behavior and performance.

A study by Omondi (2020) highlights the importance of organizational culture in driving employee performance. The study found that employees who worked in organizations with a positive culture reported higher levels of job satisfaction and engagement. Similarly, a study by Kipkoech (2022) found that employees in state corporations in Kenya who perceived their organization's culture as supportive and inclusive were more likely to report higher levels of job satisfaction and performance. Employee engagement is critical in driving performance and achieving organizational goals in state corporations in Kenya. Research has shown that employee engagement is positively related to productivity, retention, and overall organizational performance (Muthoni, 2020). According to a report by the Public Service Commission of Kenya (2022), employee engagement is a key factor in driving performance in state corporations in Kenya.

Despite the importance of organizational culture in driving employee performance, many state corporations in Kenya face challenges in creating and sustaining a positive culture. A study by Odhiambo (2022) identified lack of leadership commitment, inadequate communication, and limited resources as some of the key challenges facing state corporations in Kenya. To address these challenges, state corporations in Kenya need to prioritize creating a positive organizational culture that supports employee performance. Research has shown that organizations that prioritize culture are more likely to achieve their goals and have high-performing employees (Ng'ang'a, 2023). By prioritizing organizational culture, state corporations in Kenya can drive employee performance, improve productivity, and achieve their goals.

Statement of the problem

State corporations in Kenya continue to face persistent performance challenges, largely attributed to weak organizational cultures that adversely affect employee engagement, productivity, and overall service delivery. Omondi (2022) observes that the absence of a strong, supportive workplace culture has resulted in widespread inefficiencies, including low morale, high staff turnover, and declining quality of services. The Public Service Commission of Kenya (2022) further highlights that 60% of state corporations report low levels of employee motivation and engagement—factors that directly contribute to operational inefficiencies and diminished organizational effectiveness.

Underlying cultural issues such as poor leadership, ineffective communication systems, and inadequate support for staff development have compounded these problems. Kipkoech (2022) found that 70% of employees in state corporations are dissatisfied with their organizational culture, citing limited opportunities for growth and a lack of a positive work environment. This dissatisfaction has fueled high attrition rates, with Muthoni (2020) noting that disengaged employees are 22% more likely to leave their positions—costing organizations up to 10% of their annual budgets in recruitment and retraining expenses. Moreover, a weak organizational culture has also hindered innovation, a key element for institutional competitiveness. According to the Kenya National Bureau of Statistics (2022), 65% of public institutions face difficulties in adopting new technologies, compared to only 35% in the private sector. Ng'ang'a (2023) argues that organizations with strong cultural frameworks are twice as likely to innovate and adapt successfully. Despite their strategic importance to national development, Kenyan

state corporations still trail private-sector counterparts by 30% in competitiveness rankings (World Economic Forum, 2023).

These trends underscore an urgent need for cultural transformation within state corporations to enhance employee performance, drive innovation, and improve public service delivery. This study therefore sought to examine the relationship between organizational culture and employee performance in state corporations in Kenya, with the aim of identifying actionable strategies that can strengthen internal cultures and boost institutional effectiveness.

General Objective

The main objective of the study is to analyze the effect organizational culture dimensions on employee performance of state corporations in Kenya.

Specific Objectives

i. To examine the impact of Leadership Style on employee performance of state corporations in Kenya
ii. To determine the role of Communication on employee performance of state corporations in Kenya

LITERATURE REVIEW

Theoretical Review

Transformational Leadership Theory

Burns (1978) and Bass (1985) advanced transformational leadership theory, emphasizing how visionary and motivational leadership inspires employees to perform beyond expectations. Transformational leaders foster positive cultures by aligning employee goals with organizational values, building trust, and encouraging personal development. In state corporations, effective leadership that promotes participation and supports individual growth can enhance employee engagement, thereby boosting performance and reducing turnover.

Transformational Leadership Theory (TLT) serves as a robust framework for understanding how leadership styles impact both organizational culture and employee performance within state corporations. Leaders who adopt this style motivate and inspire their teams to exceed expectations by cultivating a shared vision and fostering an environment that promotes collaboration and innovation (Bass & Riggio, 2006). This is particularly important in state corporations, where bureaucratic structures can hinder employee engagement and performance. Transformational leaders create a sense of purpose, enhancing organizational culture through shared values and collective goals (Lowe et al., 1996). Their ability to empower employees leads to improved outcomes and a more engaged workforce.

A defining feature of transformational leadership is its focus on open communication and emotional intelligence. These leaders excel at creating environments where communication is encouraged, allowing employees to express their ideas and opinions freely (Goleman, 2000). In state corporations, where hierarchical structures may limit communication, transformational leadership promotes a culture characterized by transparency and trust. Research by Epitropaki and Martin (2005) indicates that such leadership positively affects organizational culture by fostering collaboration and reducing barriers between management and staff. This culture encourages deeper employee engagement and, consequently, higher motivation and commitment to organizational objectives.

Additionally, transformational leadership nurtures a culture of continuous learning and development, which is essential for enhancing employee performance. Leaders who embrace this style actively promote professional growth by providing opportunities for training and skill

development (Avolio & Gardner, 2005). Studies show that when employees perceive their leaders as supportive and invested in their growth, they are more likely to perform at higher levels (Barling et al., 2003). In the context of state corporations, where development initiatives may be limited due to bureaucratic constraints, transformational leaders can create opportunities for personal and professional advancement, which ultimately boosts both employee performance and organizational effectiveness.

Moreover, transformational leaders play a crucial role in fostering a culture of accountability within state corporations. They establish clear expectations and performance standards, encouraging employees to take ownership of their roles (Bass & Avolio, 1994). This emphasis on accountability not only improves individual performance but also promotes a collective sense of responsibility for achieving organizational goals. Heskett and Sasser (1990) highlight that a culture of accountability is vital for sustaining high performance, particularly in the public sector, where effectiveness and efficiency are critical.

Transformational leaders also serve as role models, significantly shaping organizational culture. When leaders demonstrate behaviors that align with the organization's values and mission, employees are more likely to imitate these behaviors, fostering a culture that prioritizes excellence and commitment (Kirkpatrick & Locke, 1996). In state corporations, where aligning employee actions with organizational objectives can be challenging, transformational leadership helps reinforce the organization's mission and values, promoting shared goals, and ultimately boosting employee performance.

Transformational Leadership Theory offers valuable insights into the influence of leadership styles on organizational culture and employee performance in state corporations. By encouraging open communication, continuous learning, accountability, and positive role modeling, transformational leaders can enhance workplace culture, which in turn improves employee performance. Evidence suggests that organizations led by transformational leaders tend to experience higher employee engagement, productivity, and alignment with organizational goals (Bass & Riggio, 2006; Epitropaki & Martin, 2005). As state corporations aim to enhance their performance, embracing transformational leadership practices is essential for fostering a culture that supports both individual and organizational success. This study used Transformational Leadership Theory to examine the impact of Leadership Style on employee performance of state corporations in Kenya

Communication Accommodation Theory (CAT)

Developed by Giles (1973), Communication Accommodation Theory explains how individuals adjust their communication style to align with others, fostering mutual understanding and collaboration. Clear, consistent, and transparent communication plays a critical role in building trust, promoting employee engagement, and reducing conflicts. Effective internal communication within state corporations ensures that employees understand their roles, expectations, and organizational goals, leading to better alignment and improved performance.

Communication Accommodation Theory (CAT) serves as an insightful framework for understanding the impact of communication culture on organizational culture and employee performance in state corporations. The theory posits that individuals often modify their communication styles in response to their interactions, which fosters belonging and understanding within teams (Giles & Ogay, 2007). In state corporations, where employees come from diverse backgrounds and possess varied communication styles, a strong communication culture can significantly boost engagement and performance. By promoting adaptability in communication to fit organizational norms, state corporations can cultivate an environment conducive to collaboration and collective success.

A vital component of communication culture is its influence on interpersonal dynamics within organizations. According to CAT, when employees adjust their communication styles to

accommodate each other, it enhances mutual respect and rapport (Giles, 2016). In state corporations, where rigid hierarchies might hinder open dialogue, fostering a culture of accommodation can dismantle barriers and promote inclusivity. This not only improves interpersonal relationships but also encourages teamwork, ultimately leading to increased employee satisfaction and commitment (Meyer & Riva, 2018). When employees feel valued and understood, they are more likely to engage actively in organizational initiatives, which can positively affect overall performance.

Moreover, an accommodating communication is essential for effective conflict resolution in state corporations. CAT emphasizes that effective communication can alleviate misunderstandings and encourage constructive discussions (Bradac, 2001). In contexts where conflicts are common, such as state corporations, promoting a culture of accommodation can facilitate more efficient conflict resolution strategies. By encouraging employees to adapt their communication styles during disputes, organizations can foster a more harmonious workplace. Research by Hinds et al. (2011) demonstrates that effective communication during conflicts can lead to improved relationships and better team dynamics, which in turn enhances performance outcomes.

Additionally, a strong communication culture that emphasizes accommodation supports organizational learning and knowledge sharing. CAT highlights the significance of adaptable communication as a key to learning from others (Gallois et al., 2005). Within state corporations, where sharing knowledge is crucial for innovation and development, a communication culture that encourages style adaptation can promote effective collaboration. When employees are comfortable sharing their ideas and feedback, it contributes to a vibrant organizational culture focused on continuous improvement (Schein, 2010). This supportive learning environment can enhance employee performance, as individuals are more likely to engage with team goals and align with organizational objectives.
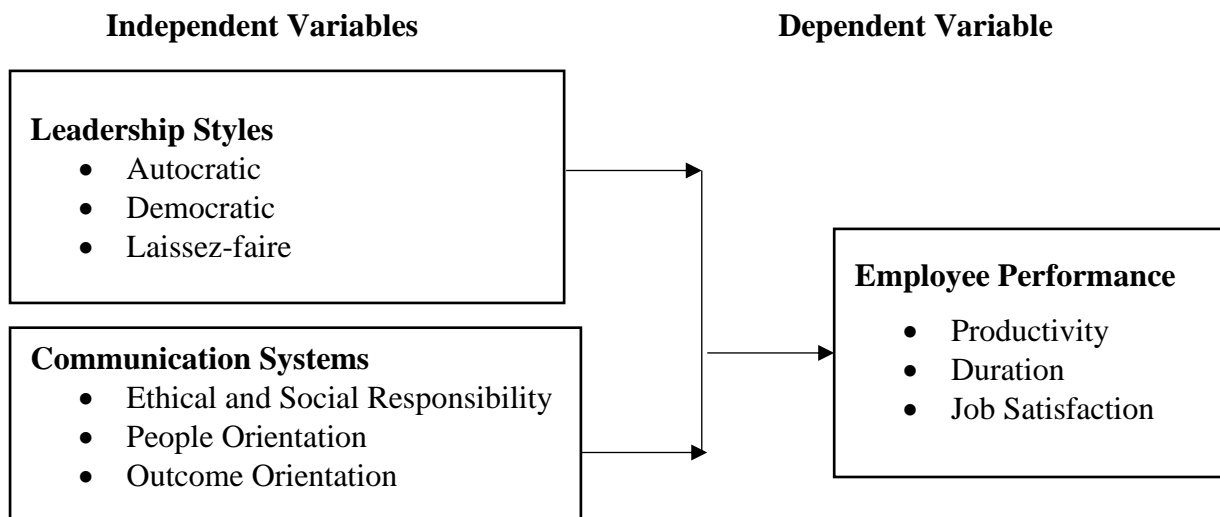
Leadership plays a pivotal role in shaping the communication culture of an organization. Leaders who exhibit accommodating communication behaviors set a standard for their teams (Kahn & Byun, 2017). In state corporations, leaders who demonstrate adaptability and openness can inspire similar behaviors among employees. This alignment between leadership and employee actions strengthens a culture of accommodation, leading to improved communication and collaboration throughout the organization. Studies suggest that when leaders emphasize effective communication, employee engagement and performance are likely to rise (Rhoades & Eisenberger, 2002).

Communication Accommodation Theory, therefore, provides critical insights into how communication culture influences organizational culture and employee performance in state corporations. By fostering an environment that prioritizes accommodating communication, organizations can improve interpersonal relationships, facilitate effective conflict resolution, and promote knowledge sharing and continuous learning. The synergy between leadership behaviors and communication culture further enhances this dynamic, resulting in higher employee engagement and performance. Evidence indicates that state corporations that emphasize accommodating communication practices often experience better organizational outcomes, highlighting the crucial role of communication culture in shaping employee performance (Giles & Ogay, 2007; Schein, 2010). As state corporations face complex challenges, cultivating a robust communication culture is essential for creating a high-performance environment that nurtures both individual and organizational success. This study used Communication Accommodation Theory (CAT) to assess the the role of Communication on employee performance of state corporations in Kenya

Conceptual framework

A conceptual framework according to Imenda (2014) is a description of the way a researcher understands the variables that are involved in the study and their expected relationships to one another. It is the final lens used for viewing the deductive resolution of an identified issue and a means of identifying and constructing for the researcher and reader alike an epistemological mindset and a functional worldview approach to the identified problem.

Independent Variables   **Dependent Variable**

Leadership Styles
- Autocratic
- Democratic
- Laissez-faire

Communication Systems
- Ethical and Social Responsibility
- People Orientation
- Outcome Orientation

Employee Performance
- Productivity
- Duration
- Job Satisfaction

Figure 2. 1: Conceptual Framework

Leadership Style

A plethora of empirical studies have demonstrated that leadership style is a critical variable that significantly influences organizational culture and employee performance at state cooperation. According to a study by Wang et al. (2020), transformational leadership style is positively correlated with organizational culture and employee performance. The study found that leaders who empower their employees, provide regular feedback, and evaluate their performance are more likely to create a positive organizational culture that supports employee growth and development. This is because transformational leaders inspire and motivate their employees, which leads to increased job satisfaction, motivation, and commitment. Additionally, a study by Zhang et al. (2020) found that leaders who adopt a servant leadership style are more likely to create a culture of empowerment, which in turn leads to increased employee performance. Servant leaders prioritize their employees' needs and well-being, which leads to increased employee satisfaction and performance.

Empirical studies have identified several indicators of leadership style that influence organizational culture and employee performance. According to a study by Kim et al. (2020), empowerment, evaluation, and feedback are critical indicators of leadership style that influence organizational culture. The study found that leaders who empower their employees are more likely to create a culture of autonomy and self-directed work teams. This is because empowerment gives employees the authority and responsibility to make decisions, which leads to increased job satisfaction and motivation. Additionally, a study by Lee et al. (2020) found that leaders who provide regular feedback and evaluation are more likely to create a culture of continuous learning and improvement. Regular feedback and evaluation give employees the opportunity to learn and grow, which leads to increased employee performance.

Empowerment is a critical indicator of leadership style that influences organizational culture and employee performance. According to a study by Wang et al. (2020), empowerment is positively related to organizational culture and employee performance. The study found that leaders who empower their employees are more likely to create a culture of autonomy and self-

directed work teams. This is because empowerment gives employees the authority and responsibility to make decisions, which leads to increased job satisfaction and motivation. Additionally, a study by Zhang et al. (2020) found that empowerment is positively related to employee performance, including job satisfaction, motivation, and commitment. Empowerment also leads to increased employee engagement, which is critical for organizational success.

Evaluation and feedback are also critical indicators of leadership style that influence organizational culture and employee performance. According to a study by Kim et al. (2020), regular evaluation and feedback are positively related to organizational culture and employee performance. The study found that leaders who provide regular feedback and evaluation are more likely to create a culture of continuous learning and improvement. Regular feedback and evaluation give employees the opportunity to learn and grow, which leads to increased employee performance. Additionally, a study by Lee et al. (2020) found that evaluation and feedback are positively related to employee performance, including job satisfaction, motivation, and commitment. Regular feedback and evaluation also lead to increased employee engagement, which is critical for organizational success.

Leadership style significantly influences organizational culture and employee performance in state corporations. Participative leadership, where employees are involved in decision-making, has been linked to higher job satisfaction, innovation, and productivity by fostering a culture of trust and respect (Ng'ang'a, 2023). Research shows that organizations adopting this style experience increased employee commitment and motivation, which directly improves performance (Eisenbeiss et al., 2023). In contrast, autocratic leadership, characterized by top-down decision-making, can stifle creativity and reduce employee engagement, ultimately harming organizational culture and performance (Aina, 2023). Thus, leadership style plays a crucial role in shaping a positive organizational culture and enhancing employee outcomes in state corporations.

Communication

Effective communication systems are central to shaping organizational culture and influencing employee performance in state corporations. Ethical and social responsibility, as a key indicator, highlights the necessity of transparent and accountable communication practices. Recent studies suggest that organizations emphasizing ethical communication systems cultivate trust and integrity, which directly enhance employee morale and performance (Smith & Johnson, 2023). For example, when state corporations adopt communication systems that prioritize ethical decision-making and social responsibility, employees are more likely to align their actions with organizational values, resulting in better performance outcomes. On the other hand, inadequate ethical communication can lead to mistrust and disengagement, ultimately reducing productivity.

Another vital indicator, people orientation, emphasizes the importance of communication systems that promote inclusivity and employee well-being. Research shows that organizations implementing people-focused communication strategies, such as regular feedback channels and open-door policies, achieve higher levels of employee satisfaction and engagement (Brown et al., 2022). In state corporations, where hierarchical structures are prevalent, communication systems that prioritize employee input can help bridge the gap between management and staff, fostering collaboration and improving performance. For instance, platforms that encourage two-way dialogue allow employees to voice concerns and share ideas, creating a sense of belonging and boosting motivation.

Outcome orientation, the third indicator, stresses the need for communication systems that align with organizational objectives and performance metrics. In state corporations, effective communication systems should clearly define goals, monitor progress, and provide

constructive feedback. Studies indicate that outcome-driven communication tools, such as performance dashboards and regular updates, significantly improve employee focus and accountability (Lee & Thompson, 2023). By incorporating these systems, state corporations can ensure employees understand their roles in achieving organizational goals, thereby enhancing overall performance.

Despite these benefits, integrating communication systems with these indicators presents challenges. Bureaucratic structures and resistance to change within state corporations can impede the adoption of effective communication practices. For example, research by Mwangi and Ochieng (2023) found that outdated technologies and rigid hierarchies often hinder the implementation of ethical, people-oriented, and outcome-focused communication strategies. Overcoming these obstacles requires a cultural shift toward embracing modern communication tools and fostering an environment of openness and adaptability.

In summary, communication systems are a cornerstone of organizational culture and employee performance in state corporations. Aligning these systems with ethical and social responsibility, people orientation, and outcome orientation creates an environment conducive to employee growth and productivity. Current research highlights the significance of transparent, inclusive, and goal-oriented communication practices in achieving these outcomes. As state corporations evolve, prioritizing effective communication systems will remain crucial for sustaining performance and nurturing a positive organizational culture.

Employee Productivity

An in-depth empirical review of employee productivity within state corporations highlights communication, feedback, and accountability as key drivers significantly influenced by organizational culture. Effective communication is foundational for creating alignment between employees and organizational goals, fostering a productivity-oriented environment. Studies have shown that when communication channels are transparent, bidirectional, and accessible at all hierarchical levels, employees are better able to focus on tasks aligned with organizational priorities. Kim et al. (2018) argue that in public sector settings, clear communication minimizes bureaucratic delays, promotes clarity around expectations, and bolsters mutual trust. Effron et al. (2021) further emphasize that open communication contributes to a supportive workplace culture where misunderstandings are reduced, allowing employees to perform more efficiently and effectively.

Feedback is essential for productivity as it provides employees with the information they need to improve performance continually. Research underscores that constructive feedback encourages a culture where employees feel valued and understood, which directly contributes to their motivation and drive to excel. Liu et al. (2020) found that regular feedback, especially when growth-oriented, enhances employees' sense of support from management. Eisenberger et al. (2019) support these findings, showing that feedback tied to clear, measurable performance metrics reinforces productive behaviors and enhances engagement. Through feedback, employees gain a sense of direction, understanding both their strengths and areas needing improvement, which ultimately helps them meet organizational goals and improve productivity.

Accountability, another critical factor, enhances productivity by instilling a sense of responsibility among employees. Holding individuals accountable not only ensures that tasks are completed but also creates an environment of ownership and commitment. Goleman (2000) notes that an accountability-focused culture empowers employees to take responsibility for their work, which fosters intrinsic motivation and encourages them to go beyond basic job requirements. In public sector organizations, where decision-making can sometimes be bogged down by bureaucracy, a structured approach to accountability can streamline processes and improve efficiency. Bass and Riggio (2006) further assert that when leaders model

accountability, it has a ripple effect, creating a culture that prioritizes high performance and satisfaction.

Cultivating an organizational that values communication, feedback, and accountability has proven benefits for employee productivity in state corporations. Prioritizing these elements fosters an environment where employees feel well-informed, supported, and accountable for their contributions. Empirical studies suggest that a positive culture with these priorities leads to reduced turnover, increased engagement, and a more productive workforce aligned with the organization's objectives (Effron et al., 2021; Liu et al., 2020). Such an approach enables state corporations to navigate structural challenges more effectively, achieving sustainable improvements in public sector performance.

Empirical review

Leadership Style and employee performance

Aftab *et al* (2020) conducted a study on the effect of does CSR mediate the nexus of ethical leadership style and employee's job performance? Evidence from North Italy SMEs. leadership has a decisive role in the success of all types of businesses and firms, including small- and medium-sized enterprises (SMEs), and the ethical behavior of leaders is a key component which brings a sense of respect, fulfillment, trustworthiness and acceptance among the employees, which later become visible in their job performance (JP) Primary data was obtained from the employees of manufacturing SMEs of Northern Italy using a cross-sectional design from the end of 2019 to the start of 2020. The results indicate that EL has a strong positive connection with EJP and CSR. Interestingly, CSR positively influences EJP. The study concluded that this study demonstrates how EL and CSR activities in the firms affect EJP. Organizational structure and systems should support and encourage EL and CSR practices to establish and sustain a value-based culture so that the employees can stay enthusiastic about their job

Masianoga and Govender (2023) conducted an assessment on the effect of ethical leadership style and employee creative behavior: a case study of a state-owned enterprise in South Africa. The target population comprised middle and executive managers representing the leaders and low-level managers representing followers and referred to as the employees. Although a sample of 348 employees (followers) was generated using the Raosoft (2004) sample size calculator. The data from 160 respondents comprising managers and employees was collected using pre-developed questionnaires. And analyzed through structural equation modeling and multiple regression techniques conducted with the Smart PLS statistical software. The study found that it was confirmed that ethical leadership has a significant positive influence on employee creative behavior, as well as with each of the creative behavior dimensions namely: idea exploration, idea generation, and idea championing. The study concluded that ethical leadership style in the SOE has a significant positive influence on employee creative behavior.

M'Mugambi, Okeyo and Muthoka (2021) conducted a case study on the role of strategic leadership style and employee performance on compliance with public service ethics in the county governments of Kenya. The study used positivism paradigm which is based on real facts, objectivity, neutrality, measurement and validity of results. The target population of the study was all the 47 County Governments of Kenya. The total study sample is the product of the County sample and the eight selected Counties which is 584 respondents while the unit of analysis was permanent County employees randomly selected based on duty station at major towns. Results indicated that the relationship between strategic leadership style and public service ethics compliance had a strong association between strategic leadership style predictor variables and dependent variable (public service ethics compliance). The study concluded that the relationship between strategic leadership style and public service ethics compliance had a

strong association between strategic leadership predictor variables (strategic visioning, strategy formulation, strategy implementation, strategy evaluation and leader character, and dependent variable (public service ethics compliance)

Kosgey, Ongera and Thuo (2020) conducted a study on the challenges facing leadership style on employee performance and governance in Kenya. A case of Uasin Gishu County. This paper delved into the challenges facing ethical leadership style and governance in Kenya with specific reference to the County of Uasin Gishu. Several studies had indicated that public and private institutions in Kenya face governance challenges as a result of lack of and/or inadequate ethical leadership style this paper argued that entrenchment of ethical leadership style practices can ameliorate governance challenges that bedevil counties in Kenya. The study adopted descriptive survey research design, where the target population comprised of elected and non-elected leaders in Uasin Gishu County (N=728). Study findings revealed that organizational structure influences effectiveness of ethical culture in addition to low levels of competence among the staff. Level of resourcefulness influences managers' professionalism on ethical leadership style and governance. The study concluded that challenges facing ethical leadership style and governance showed that dwindling support from top managers, rigid organizational culture, level of staff competence, managers' professionalism, and organizational structure affect effectiveness of ethical leadership style and governance

Communication and employee performance

Kulachai *et al* (2020) conducted a study on the effect of internal communication, employee participation, job satisfaction, and employee performance in Thailand. The main objective of this research was to examine relationship between internal communication, employee participation, job satisfaction, and employee performance. The results indicated that internal communication had positive influence on employee participation and job satisfaction. The conclusion indicated that internal communication had positive influence on employee participation which was consistent with the study of Ruck

Rodrick (2024) conducted a study on the role of workplace communication on employees' performance in Tanzania: a case of Tanzania electric supply company. This study aimed to examine the role of workplace communication on employee performance within Tanzania Electric Supply Company Limited, focusing on how communication influences job correctness, decision-making, planning, and overall employee productivity. A total of 36 participants were sampled using simple random. Data were gathered through questionnaires and analyzed using SPSS for quantitative data insights. The findings indicate a significant correlation between effective communication and enhanced employee performance. The conclusions of this study present the critical role of workplace communication in enhancing employee performance.

Atambo and Momanyi (2020) conducted a study on the effect of internal communication on employee performance: a case study of Kenya power and lighting company, South Nyanza Region, Kenya. The purpose of this study was to explore the effects of communication on employee performance in the context of the Kenya Power and Electric Company, South Nyanza Region. The population under study was 256 employees who were currently working at the South Nyanza Region but the researcher only targeted 30% of this since the number was large. It was found that downward communication is appreciated by KPLC thus information is timely, enhancing performance. Respondents also acknowledged that through upward communication the management gets feedback on performance and employees are able to raise complaints to the management hence enhancing performance. The research concluded that effective communication can enhance employee performance and recommended that strong communication systems should be emphasized in the region to ensure effectiveness of communication.

RESEARCH METHODOLOGY

The descriptive cross-sectional survey design is appropriate for this study as it allows for the examination of public perspectives on leadership's influence in addressing societal challenges at a specific point in time. This approach is ideal for capturing current attitudes, opinions, and perceptions without requiring long-term data collection. By utilizing an observational method, the study can accurately reflect real-world conditions without manipulating variables, ensuring that the findings remain objective and reliable. As noted by Ethridge (2014), cross-sectional surveys are valuable for identifying trends, patterns, and discrepancies within a population, making them suitable for studies seeking to analyze broad societal issues comprehensively. For this study, the research philosophy adopted positivism, as it aligns with the foundational principles of objectivity, empirical evidence, and deductive reasoning. Positivism posits that knowledge is derived from observable phenomena and factual data, ensuring that research outcomes are unbiased and replicable (Neuman, 2018).

The study targeted state agencies in Kenya. According to The State Corporations Advisory Committee (SCAC) (2019), there are 46 state agencies in Kenya. The unit of analysis was therefore the 46 state agencies while the unit of observation was the management employees working in the state agencies. The study therefore targeted a total of 276 respondents comprising of 46 top managers, 92 middle level managers and 138 lower-level managers.

The sample for this study was arrived at using the Slovin's sample size determination formula for categorical data. According to Burns and Grove (2019), sampling is the process of selecting a group of people, events, or behaviors to examine. Sampling is used when it is not possible to include the whole population in a study (Cooper & Schindler, 2019). This study used simple random sampling to select 163 respondents.

In this study, primary data was collected through a well-structured questionnaire designed to meet the research objectives. The questionnaire included both open-ended questions, allowing for detailed insights, and closed-ended questions, enabling quantitative analysis (Saunders et al., 2019). The design prioritized clarity and neutrality to minimize biases and improve response rates, with pre-testing conducted to ensure validity and reliability (Bryman, 2016). This approach provided comprehensive and actionable data for meaningful analysis and conclusions.

Data processing and analysis, employing both descriptive and inferential methods, are crucial for gathering relevant data and facilitating comparisons and analysis, as noted by Mugenda and Mugenda (2018). First, descriptive statistics was undertaken which involved computation of means and standard deviations for observations about variables. This means that each construct for every variable was analyzed into mean so that inferences can be obtained. Considering that the study used ordinal scale in Likert's scale, the data was coded to make it possible to get the quantitative data for running the statistics. Second, inferential statistics was obtained in terms of regression analysis.

DATA ANALYSIS AND FINDINGS

The sample size of the study was 163 respondents. The questionnaires were dropped off and picked up later after they were filled by the respondents. Out of 163 questionnaires which were distributed, 142 were duly filled and returned. The drop-off and pick-up-later method yielded the high response rate of 87.1%. This implies that the response rate of 87.1% was adequate for analysis, drawing conclusions and reporting.

Descriptive statistics

Leadership Style and Employee Performance

The first specific objective of the study was to examine the impact of leadership style on employee performance of state corporations in Kenya. The respondents were requested to indicate their level of agreement on the statements relating to leadership style and employee performance of State Corporation's in Kenya. The results were as shown in Table 1.

From the results, the respondents agreed that leaders in this organization are approachable and supportive (M=3.964, SD= 0.997). In addition, the respondents agreed that leadership encourages innovation and creativity (M=3.917, SD= 0.831). Further, the respondents agreed that leaders provide clear direction and feedback (M=3.858, SD=0.563). From the results, the respondents agreed that leadership promotes employee engagement and participation (M= 3.831, SD= 0.851). In addition, the respondents agreed that leaders set clear goals and expectations for their work (M=3.751, SD= 0.935). Further, the respondents agreed that poor performance is met with corrective actions or penalties (M=3.742, SD=0.692).

Table 1: Leadership Style and Employee Performance

	Mean	Std. Deviation
Leaders in this organization are approachable and supportive.	3.964	0.997
Leadership encourages innovation and creativity.	3.917	0.831
Leaders provide clear direction and feedback	3.858	0.563
Leadership promotes employee engagement and participation.	3.831	0.851
Leaders set clear goals and expectations for my work.	3.751	0.935
Poor performance is met with corrective actions or penalties.	3.742	0.692
Aggregate	**3.844**	**0.812**

Communication Systems and Employee Performance

The second specific objective of the study was to determine the role of communication on employee performance of state corporations in Kenya. The respondents were requested to indicate their level of agreement on various statements relating to communication and employee performance of state corporations in Kenya. The results were as presented in Table 2.

From the results, the respondents agreed that communication channels are open and accessible (M=3.943, SD= 0.981). In addition, the respondents agreed that they receive timely and accurate information from management (M=3.866, SD= 0.850). Further, the respondents agreed that feedback is encouraged and acted upon in the organization (M=3.731, SD= 0.914).The respondents also agreed that inter-departmental communication is clear and effective (M=3.696, SD= 0.947). In addition, the respondents agreed that leadership regularly communicates organizational goals and expectations (M=3.689, SD= 0.856). Further the respondents agreed that there are regular staff meetings to discuss performance and progress (M=3.671, SD=0.621).

Table 2: Communication Systems and Firms Performance

	Mean	Std. Deviation
Communication channels are open and accessible.	3.943	0.981
I receive timely and accurate information from management	3.866	0.850
Feedback is encouraged and acted upon in the organization.	3.731	0.914
Inter-departmental communication is clear and effective.	3.696	0.947
Leadership regularly communicates organizational goals and expectations.	3.689	0.856
There are regular staff meetings to discuss performance and progress.	3.671	0.621
Aggregate	**3.766**	**0.862**

Employee Performance

The respondents were requested to indicate their level of agreement on various statements relating to performance of state corporations in Kenya. The results were as presented in Table 3. From the results, the respondents agreed that they consistently meet or exceed performance expectations (M=3.896, SD=0.865). In addition, the respondents agreed that they are satisfied with the level of support I receive to do my job (M=3.819, SD=0.945). Further, the respondents agreed that organizational culture motivates them to perform well (M=3.798, SD=0.611).From the results, the respondents agreed that they actively contribute to the achievement of organizational goals (M=3.731, SD=0.908). In addition, the respondents agreed that the work environment is conducive to productivity and success (M=3.724, SD=0.877). Further, the respondents agreed that the organization provides the necessary tools and resources to perform my job well (M=3.709, SD=0.543).

Table 3: Employee Performance

	Mean	Std. Deviation
I consistently meet or exceed performance expectations	3.896	0.865
I am satisfied with the level of support I receive to do my job	3.819	0.945
Organizational culture motivates me to perform well	3.798	0.611
I actively contribute to the achievement of organizational goals	3.731	0.908
The work environment is conducive to productivity and success	3.724	0.877
The organization provides the necessary tools and resources to perform my job well	3.709	0.543
Aggregate	**3.780**	**0.792**

Inferential Statistics

Inferential statistics in the current study focused on correlation and regression analysis. Correlation analysis was used to determine the strength of the relationship while regression analysis was used to determine the relationship between dependent variable (employee performance of State Corporation's in Kenya) and independent variables (leadership style, and communication).

Correlation Analysis

The present study used Pearson correlation analysis to determine the strength of association between independent variables (leadership style, and communication) and the dependent variable (employee performance of State Corporation's in Kenya). Pearson correlation

coefficient range between zero and one, where by the strength of association increase with increase in the value of the correlation coefficients.

Table 4: Correlation Coefficients

		Employee Performance	leadership style	communication
Employee Performance	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	142		
leadership style	Pearson Correlation	.842**	1	
	Sig. (2-tailed)	.002		
	N	142	142	
communication	Pearson Correlation	.910**	.179	1
	Sig. (2-tailed)	.000	.081	
	N	142	142	142

The results revealed that there is a very strong relationship between leadership style and employee performance of State Corporation's in Kenya (r = 0.842, p value =0.002). The relationship was significant since the p value 0.002 was less than 0.05 (significant level). The findings conform to the findings of Masianoga and Govender (2023) that there is a very strong relationship between leadership style and employee performance.

The results also revealed that there was a very strong relationship between communication and employee performance of State Corporation's in Kenya (r = 0.910, p value =0.000). The relationship was significant since the p value 0.000 was less than 0.05 (significant level). The findings are in line with the results of Rodrick (2024) who revealed that there is a very strong relationship between communication and employee performance.

Regression Analysis

Multivariate regression analysis was used to assess the relationship between independent variables (leadership style and communication) and the dependent variable (employee performance of State Corporation's in Kenya)

Table 5: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.205	0.053		3.867	0.000
	Leadership Style	0.486	0.123	0.487	3.951	0.000
	Communication	0.430	0.113	0.431	3.805	0.001

a Dependent Variable: employee performance of State Corporation's in Kenya

The regression model was as follows:

$$Y = 0.205 + 0.486X_1 + 0.430X_2 + \varepsilon$$

The results also revealed that leadership style has significant effect on employee performance of State Corporation's in Kenya ($\beta1$=0.486, p value= 0.000). The relationship was considered significant since the p value 0.000 was less than the significant level of 0.05. The findings

conform to the findings of Masianoga and Govender (2023) that there is a very strong relationship between leadership style and employee performance.

In addition, the results revealed that communication has significant effect on employee performance of State Corporation's in Kenya ($\beta1=0.430$, p value= 0.001). The relationship was considered significant since the p value 0.001 was less than the significant level of 0.05. The findings are in line with the results of Rodrick (2024) who revealed that there is a very strong relationship between communication and employee performance.

Conclusions

In addition, the study concludes that leadership style has a positive and employee performance of state corporations in Kenya. Findings revealed that empowerment, evaluation and participation influences employee performance of state corporations in Kenya.

The study also concludes that communication has a positive and significant effect on employee performance of state corporations in Kenya. Findings revealed that ethical and social responsibility, people orientation and outcome orientation influence employee performance of state corporations in Kenya.

Recommendations

In addition, the study recommends that the management of State Corporation's in Kenya should adopt and promote leadership approaches that are inclusive, supportive, and performance-driven. Transformational and participative leadership styles, which emphasize motivation, clear vision, employee empowerment, and open communication, should be prioritized.

The study also recommends that the management of State Corporation's in Kenya should prioritize open, timely, and transparent communication across all levels of the organization. Establishing clear communication channels, encouraging two-way feedback, and ensuring that employees are regularly informed about organizational goals, changes, and expectations can greatly enhance clarity, trust, and alignment.

Suggestions for Further Studies

This study was limited to the effect organizational culture dimensions on employee performance of state corporations in Kenya hence the study findings cannot be generalized to firm performance in other corporations in Kenya. The study therefore suggests further studies on the effect organizational culture dimensions on employee performance of all corporations in Kenya.

Further, the study found that the independent variables (leadership style and communication) could only explain 75.7% of employee performance of state corporations in Kenya. This study therefore suggests further research on other factors affecting employee performance of state corporations in Kenya.

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