

Effect of Ethical Culture on the Employee Performance in the County Governments in Kenya: A Case Study of Kisii County

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Abstract- *Organizational culture given that organizational culture acts as glue that binds employee performance. It acts as the road map on which organizations make decisions leading to employees having a better feel of their organization leading to performance. The study was based on four objectives namely: to establish the effect of ethical culture on the employee performance in the county governments in Kenya: a case study of Kisii County. This study used positivistic paradigm with a survey research design as it assumes quantitative data using questionnaires. The target population consisted of all heads of departments and departmental employees. This study utilized the Yamene (1967) formula in establishing the sample from the study population. Questionnaires were used to collect from staff of various departments. The pilot test was done in the neighbouring Nyamira County which bears similar characteristics with the study area and was not involved during the actual data collection process. Reliability of the study tools with an alpha coefficient with a value of 0.7 and above, was considered reliable enough for data collection. Data from the questionnaires was cleaned, coded and entered into the Statistical Package for Social Sciences, Version 27.0, for analysis. Analysis was run using both descriptive and regression analysis. The study established that the ethical culture predictors of employee performance. From the study findings, the study recommends that since ethical culture is a significant predictor of employee performance, the county government of Kisii County should endeavour to entrench the ethical culture since it predicts positively Employee Performance.*

Indexed Terms- *Departmental Employees, Organizational Performance, Ethical Culture*

I. INTRODUCTION

There is no organization that can be sustained globally in the 21st century without an organizational culture, as this culture serves as the road map on which organizations make decisions, allowing employees to have a better sense of their organization leading to performance (Barrow, 2019). While literature from the two studies by Barrow (2019) and Kamiri (2018) supports the role of organizational culture and employee performance in commercial related organizations, there is a dearth in literature on the role of the county government, which is primarily a service organization. Kamiri (2018) makes the case that when the beliefs and values of the organization are aligned to the organization's mission and vision, better and quality performance is realized.

According to Matko and Takacs (2017) globally, an organization with a well-founded culture has higher chances of improving employee performance given the leverage of coordination and cooperation they create due to alignment of the organization's current and future direction. This analogue is supported by Tedla (2016) who argues that organizational culture leads to better employee performance; it gives organizations a competitive advantage since the employees have an understanding of the basic values, beliefs and basic assumptions. Whereas Matko and Takacs (2017) and Tedla (2016) have generated literature to the significant positive association between organizational culture and performances, there is a dearth in literature locally on the effect of organizational culture on employee performance in the new order of the county governments in Kenya, a gap that this study seeks to fill.

Zakari et al. (2013) studied organizational culture and employee performance in the banking industry in Ghana and established that organizational culture is focal in determining the success or failure of organizations. In this study, they found that banks with cultures that placed an emphasis on good leadership from managers at all levels outperformed those that did not. Whereas the study by Zakari et al. (2013) was done in Ghana, there is a geographical gap in Kenya that warrants a study to be done to establish the effect of organizational and employee performance locally, hence, this study.

A study by Okwata, Wasike, and Kifleyesus (2022) examined the impact of organizational culture transformation on Kenya Wildlife Service's performance as an organization. In the research region, Nairobi National Park found a direct link between organizational culture and performance. The study found that organizations' organizational capacities are increased when their culture is in line with their goals, vision, and strategy. They also came to the conclusion that management should promote work ethics and effective communication because doing so will increase employee commitment, which in turn will improve performance.

II. LITERATURE REVIEW

According to a study by Abun, Fredolin, and Vallente (2022) on the impact of employees' work ethics on their productivity in the Philippines, employees' work ethics across three dimensions—attitude toward the work itself, moral attitude toward the work, and intrinsic motivation—are rated highly. Contrary to unproductive behavior, their work performance is high along with task and contextual performance. The results showed a strong association between work ethics and individual work performance in terms of the relationship between work ethics and performance. But taking the dimensions of work ethics separately, only the attitude toward the work itself and intrinsic motivation affect the individual work performance along with task and contextual performance. Moreover, a moral attitude toward the work affects counterproductive behavior. Whereas the study was done in Philippines and generated literature on the effect of work ethics of employees on their work performance, there is a paucity of

literature on the effect of ethics on employee performance in the county governments in Kisii County a gap that this study needs to fill.

Given the significance of the organization's strategic direction and available financial resources to support the fulfillment of the organization's vision and purpose, employees must be prepared with the proper values and work ethics (Benedicto & Caelian, 2021). Employee work ethics are prioritized since they can impact the organization's effectiveness and performance (Bataineh, 2020). The lack of work ethics has been associated with many corruption-related difficulties (Whitton, 2021; Tasi & Syamsir, 2021).

Whitton (2021) of Transparency International offers some recommendations to address this problem and prevent corruption, including anticipating specific threats to ethical standards and integrity in the public sector, enhancing civil servants' ethical competence, bolstering professional ethics support systems, and creating administrative procedures that uphold moral principles and integrity. There is a dearth of information locally on the impact the ethical culture on employee performance, a gap that this study will attempt to fill. While all of these studies suggest that management needs to establish policies and practices that guide employee behavior, failing to instill the right work values in the employees can greatly affect the organization's productivity and performance.

According to a study by Bataineh (2020) on the impact of work ethics on employee performance in international SMEs in Al-Hassan Industrial Estate, work ethics improve employee job performance. Additionally, the qualities of a good employee include integrity, responsibility, equality, and self-discipline. According to a study by Bataineh (2020) on the impact of work ethics on employee job performance in international SMEs in Al-Hassan Industrial Estate, work ethics improves employee job performance in SMEs in Al-Hassan. Additionally, the company should provide all auditors with the necessary information honestly, managers should be given authority to manage employees, managers should treat all employees fairly, and workers should complete the tasks assigned to them.

The structural model is acceptable in terms of validity and reliability and can be used to quantify the relationship between two variables, according to a study by Salahudin (2016) on the effect of Islamic work ethics on organizational commitment in Selangor, Kuala Lumpur, and Johor. The study also discovered that organizational commitment, including its three dimensions of affective, normative, and continuous commitment, is influenced by Islamic work ethics. The study, which had its headquarters in Kuala Lumpur, produced literature on the impact of Islamic principles on organizational performance, the current study will be carried in Kenya and will endeavour to establish the link between organisational culture and employee performance in the county governments in Kenya.

According to Brown and Trevio (2014), strong bonds based on mutual respect and trust are the most crucial factors influencing organizational performance. These leaders are aware that fundamental norms like honesty, fairness, equity, trust, respect, regard for others, integrity, justice, and compassion are the deep, fertile soils in which relationships at these levels germinate and thrive. The moral leader should be aware that human activity may develop and endure if it coexists in harmony with these fundamental values. In addition to ensuring that decisions are based on moral principles, ethical leaders help give purpose to their employees' work (Avolio et al., 2011). Whereas the studies by Treviño (2014) and (Avolio et al., 2011) opines that good quality relationships, there is paucity of information on the effect organizational culture on employee work performance at County Government of Kisii, a gap that the study will endeavour to fill.

According to a study by Dorkenoo (2015) on the topic of workplace values and their impact on employee productivity and company profitability in Ghana, values are what people consider to be significant in their everyday lives and serve to define their conduct in every situation they come into. Values act as a sort of internal compass for how employees behave in the workplace because they frequently have a significant impact on both attitude and behavior. The degree to which an individual is passionate about their work and their environment can be determined by their values, and this

enthusiasm can result in above-average returns, high employee satisfaction, good team dynamics, and synergy. The study revealed that inspiring workplace value that encourages and enables employees to bring their best efforts and best ideas to work every day is one that promotes individual growth and organizational performance and profitability. Whereas the study was done in Ghana and generated information on workplace values and employee performance, there is a paucity of information on the effect of ethics and employee performance a gap that the study wishes to fill.

According to a study by Nyamongo and Wambua (2018) that used mixed methods and a descriptive survey design to examine the impact of leaders' integrity and ethics training on the performance of state corporations in Kenya: a case study of the Kenya Revenue Authority, there is a positive and significant correlation between leaders' integrity and ethics training and the performance of state corporations. According to the report, managers in state firms should make sure that their leaders perform competently and that employees receive sponsorships and scholarships to help them develop their skills, integrity, and ethics. Whereas the study has revealed literature on leaders' integrity and ethics training on performance in state corporations, there is a dearth in literature on the effect organizational culture on employee work performance at County Government of Kisii, a gap that the study will endeavour to fill.

III. MATERIALS AND METHODS

According to Sekaran (2016), a good research design should be consistent between the research questions and the suggested methodology. It should also have a clearly stated aim. Assuming the use of questionnaires to collect quantitative data, this study adopted the positivistic paradigm. This study used positivistic paradigm with a survey research design as it assumes quantitative data using questionnaires. The target population consisted of all heads of departments and departmental employees. This study utilized the Yamene (1967) formula in establishing the sample from the study population. Questionnaires were used to collect from staff of various departments. The pilot test was done in the neighbouring Nyamira County

which bears similar characteristics with the study area and was not involved during the actual data collection process. Reliability of the study tools with an alpha coefficient with a value of 0.7 and above, was considered reliable enough for data collection. Data from the questionnaires was cleaned, coded and entered into the Statistical Package for Social Sciences, Version 27.0, for analysis. Analysis was run using both descriptive and regression analysis.

IV. FINDINGS AND DISCUSSIONS

A case study of Kisii County was used in the study to examine the impact of ethical culture on employee performance in Kenyan county governments. The purpose of the study was initially to determine whether or not employees were driven to uphold and uphold the ideals of their employers. Table 1 shows their responses.

Table 1: Motivation to upholding of values

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	277	82.9	82.9	82.9
no	57	17.1	17.1	100.0
Total	334	100.0	100.0	

Table 1 observed that majority of the respondents 82.9% were motivated by the employer to uphold and live up to the organisational values as opposed to 17.1% who felt different.

Table 2: Ethical culture on the employee performance

	N	Min	Max	Mean	Std. Dev.
Would you say the leadership support culture at your work place is characterized by teamwork, consensus and participation	334	1	2	1.07	.259
Do you have a work-related recognition policy in the establishment	334	1	2	1.10	.299
My leaders at work provide mentorship and support to is employees	334	1	2	1.26	.441

To what extent does your employer emphasis on result-oriented performance	334	1	4	2.28	1.284
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Table 2 observed that majority of the respondents with a mean of 1.07(SD=0.259) were in strongly disagree that the My supervisors are committed to doing what is right according to organizational cultural beliefs and values. This was a sign that the office culture lacks participation, consensus, and teamwork, which may be contributing to low performance. The majority of respondents, with a mean of 1.10 (SD=.299), strongly disagreed with the statement that the establishment has a My superiors do demonstrate a level of moral value that emphasizes their trustworthiness. The study also found that the majority of respondents, with a mean of 1.26 (SD=0.441), were in strong disagreement with the idea that The county government has a functional policy on norms, guidelines, and expectations that regulates employee e.g. dealing with customers/public, and that the majority of respondents, with a mean of 2.28 (SD=1.284), were in strong disagreement with the idea that The leadership at the county government encourages employees to uphold the same moral values that they practice.

V. REGRESSION ANALYSIS

- Tests of Normality

It is always vital to have the data set checked for normality to help the researcher make decisions on the type of data beforehand for analysis. Therefore, Table 3 represents the normality tests and decisions made on the type of analysis to be computed.

Table 3: Tests of Normality

	Kolmogorov-Smirnov ^a		Shapiro-Wilk	
	Statistic	df	Statistic	df
Ethical culture	.266	298	.841	298
Employee performance	.265	298	.841	298

a. Lilliefors Significance Correction

Findings from Table 3 indicated that data set was non-parametric since the Shapiro-Wilk probability

value is statistically significant whereas it was expected to be not statically significant if the data was said not be parametric data hence, a decision was made to analyze the data sets under ordinal regression.

• Ordinal Regression Results

The study ran the model fitting summary to establish how well the data set fits into the model before adapting the parameter estimates as shown in Table 1.

Table 4: Model Fitting Information for ethical culture and employee performance

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	1227.600			
Final	.000	1227.600	1	.000

Link function: Logit.

Findings from Table 4 observed that the data set fitted well into the model by fact that the p-value <0.05 was statistically significant.

Table 5: Goodness-of-Fit for ethical culture and employee performance

	Chi-Square	df	Sig.
Pearson	26.759	175	1.000
Deviance	43.848	175	1.000

Link function: Logit.

Table 5 revealed that the model met its goodness of fit by meeting the test of Pearson and deviance were both non-significant with a p-value >0.05 implying that the model meets test of goodness-of-fit.

Table 3: Pseudo R-Square for ethical culture and employee performance

Cox and Snell	.975
Nagelkerke	.983
McFadden	.774

Link function: Logit.

Table 6 revealed a Nagelkerke value of .983 implying that 98.3% of the changes in the dependent variable, employee performance in County Government of Kisii, is as a result of ethical culture by the county government in Kisii County, indicating a good model fit.

Table 7.: Test of Parallel Lines

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Null Hypothesis	.000			
General	.000 ^b	.000	10	1.000

The null hypothesis states that the location parameters (slope coefficients) are the same across response categories.
a. Link function: Logit.

Table 7 observed that the model was found to have not violated the test of parallel lines. The rule of the thumb states that for a model to meet the test of parallel lines, the p-values should not be statistically significant. Therefore, since the p-value was found to be not statistically significant 1.000, the model met the test of parallel lines since the p-value is >0.05. Hence, the study proceeded to interpret the parameter estimates in the Table 8

Table 8: Parameter Estimates

	Estimate	Std. Error	Wald	df	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
[Performance = 1.00]	15.359	1.390	122.071	1	.000	12.635	18.084
[Performance = 1.33]	24.888	2.415	106.217	1	.000	20.155	29.621
[Performance = 1.67]	27.338	2.363	133.805	1	.000	22.706	31.970
[Performance = .67]	55.035	4.713	136.363	1	.000	45.798	64.272
Ethical culture	12.315	1.000	151.590	1	.000	10.354	14.275

Link function: Logit.

Table 8 it was revealed that ethical culture is a significant predictor of employee performance p-value <.05 implying that employees. This is evident since the estimates reveals that for every one unit increase in the independent variable, ethical culture, there is a predicated positive increase in the dependent variable, of 12.315 in the log-odds of

being at a higher level of the employee performance in Kisii County.

• Nonparametric Correlations

The study sought to establish whether there were correlations between and among the study variables and table 4.22 records the findings

Table 9: Correlational analysis

		Culture	Performance
Culture	Correlation Coefficient	1.000	.983**
	Sig.(2-tailed)	.	.000
	N		334

Table 6 shows that the correlation between culture and employee performance in County Government of Kisii is significantly correlated p-value <0.05 and of a good model fit at 98.3%.

CONCLUSION

The study concludes there is a significant positive effect between ethical culture and organisational performance hence, ethical culture is a significant predictor of employee performance.

RECOMMENDATIONS

From the study findings, the study recommends that since ethical culture is a significant predictor of employee performance, the county government of Kisii county should endeavour to entrench the ethical culture since it predicts positively employee performance. This can be done through the department of human resources which should develop a culture profile that will provide an in-depth analysis of the core values, as well as believes and norms that should be practiced in the organization, and how they influence employee behavior and performance. Through the culture profile, desired changes in employees will be entrenched leading to performance.

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