

**The influence of Power Distance Culture on the relationship
between Empowerment and Performance: A Study of
Multinational Corporations in Kenya**

By
Margaret A. Oloko

**A Thesis submitted in fulfillment for the Award of the Degree of Doctor
of Philosophy in Business Administration, Department of Business
Administration, School of Business, University of Nairobi.**

2008

DECLARATION

This Doctoral Thesis is my original work and has not been submitted for an award of a Degree in any other University.

	Signature	Date
MARGARET AKOTH OLOKO	<u>M. O. Oloko</u>	<u>20/11/08</u>

This Doctoral Thesis has been submitted for examination with our approval as University Supervisors.

	Signature	Date
DR. MARTIN OGUTU Department of Business Administration, School of Business	<u>M. Ogutu</u>	<u>20th/11/2008</u>

PROF. PETER K'OBONYO Department of Business Administration, School of Business	<u>P. K'obonyo</u>	<u>25/11/2008</u>
---	--------------------	-------------------

DEDICATION

This doctoral thesis is dedicated to my husband Joseph, my children Eileen and Edgar for their love, patience, encouragement, perseverance and understanding throughout the entire long period of the study.

I would also like to dedicate it to my late father Kepha Oloko, my mother Sylvia Oloko and the whole fraternity of the Oloko family, not forgetting my sister Zilpah and her husband Nick Asinjo. To all, I say THANK YOU!

ACKNOWLEDGEMENT

I am highly indebted to my supervisors, Prof. Peter K'Obonyo and Dr. Martin Ogutu all of the School of Business, University of Nairobi, for their relentless encouragement, suggestions and constructive criticisms throughout this period of hard work and dedication, without which this undertaking would not have been a success. Therefore, it is indeed my pleasure to appreciate and acknowledge the continuous guidance and assistance they accorded me. To them, I say 'bravo.'

Special thanks go to M & O Consultants who spent many hours on my research data entry. I take great exception for their support. My special thanks also go to the Higher Education Loans Board for the financial support it accorded me to undertake the Doctoral Programme at the University of Nairobi.

I wish to acknowledge the company of Dr. Joseph Onjala, of the Institute for Development Studies, University of Nairobi and Mr. John Njuguna, a PhD candidate in the Business School, University of Nairobi for their relentless support and encouragement at every level of the study.

Further, I would like to appreciate my entire family members; my late dad, Kepha Oloko, my mother Sylvia Oloko, my brothers and sisters, who provided me with moral support and encouragement over the years. My mother better known as 'Nyar Awasi' is indeed my greatest source of inspiration. She has kept on encouraging me to continue with the struggle to acquire the highest in the line of academics despite the many challenges I faced in life.

My sincere thanks go to my husband and my little children without whose support, encouragement, and continuous understanding, my study would have been a fiasco. To the family, I say 'bravo.' And for everyone else who offered me support emotionally, intellectually, spiritually and socially, may God richly bless you ALL.

Table of Contents

	Page
Declaration.....	ii
Dedication	iii
Acknowledgement.....	iv
List of Tables.....	vi
List of Figure.....	viii
Abstract.....	ix
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background of the Study.....	1
1.2 The Research Problem.....	6
1.3 Objectives of the Study.....	8
1.4 Justification for the study.....	9
1.5 Organization of the Report.....	9
CHAPTERTWO: LITERATURE REVIEW.....	11
2.1 Introduction.....	11
2.2 Power Distance in Host Countries.....	12
2.3 Employee Empowerment.....	16
2.4 Employee Empowerment Outcomes.....	19
2.5 MNC Performance in Host Countries.....	23
2.6 Empowerment and MNC Performance.....	23
2.7 Power Distance and Employee Empowerment.....	24
2.8 Power Distance and MNC Performance.....	26
2.9 Power Distance, Empowerment and MNC Performance.....	26
2.10 Summary of the Empirical Literature and Knowledge Gap.....	27
2.11 Conceptual Model.....	31
CHAPTER THREE: RESEARCH METHODOLOGY.....	33
3.1 Introduction.....	33
3.2 Research Design	34
3.3 Population of study.....	35
3.4 Sampling Design.....	35
3.5 Data Collection	39
3.6 Reliability and Validity.....	41
3.7 Operationalization of Variables in the Study.....	43
3.8 Summary of objectives, Hypotheses and Interpretation.....	43
CHAPTER FOUR: DATA ANALYSIS AND INTERPTRETATIONS.....	44
4.1 Introduction.....	44
4.2 Demographic Profile of the Firms.....	44
4.3 Test of Hypotheses.....	48

CHAPTER FIVE: CONCLUSION	64
5.1 Introduction.....	64
5.2 Summary, Discussions and Conclusions.....	64
5.3 Limitations of the Study.....	69
5.4 Suggestions for Further Research.....	71
5.5 Contribution to Knowledge.....	71
5.6 Recommendations for Policy and Practice.....	72
5.7 Theoretical Implications.....	75
5.8 Summary	77
REFERENCES	78
APENDICES	83
APPENDIX I: The Questionnaire.....	84
APPENDIX II: Introductory Letter.....	90
APPENDIX III: Guilford's Five Interpretative Model.....	91
APPENDIX IV: Summary of study Variables and their Operationalization.....	92
APPENDIX V: Summary of Objectives, Hypotheses and Interpretation.....	95
APPENDIX VI: Summary of Demographic Profile of Firms.....	98
APPENDIX VII: MNCs in Kenya.....	100
APPENDIX VIII: Power Distance Index.....	102
APPENDIX IX: Reliability Test Statistics.....	104
APPENDIX X: Descriptive Statistics.....	111
APPENDIX XI: Low and High Power Distance.....	116

LIST OF TABLES

	Page
Table 1: Differences between High and Low Power Distance	14
Table 2: Summary of Empirical Literature.....	27
Table 3: Number of Questionnaire Distributed.....	36
Table 4: Response Rate.....	36
Table 5: Results of Tests of Reliability.....	43
Table 6: Classification of Power Distance.....	45
Table 7: Employee Empowerment Status.....	45
Table 8: Length of Time Worked.....	46
Table 9: Position Held in Organization.....	46
Table 10: Employee Gender.....	46
Table 11: Level of Education.....	47
Table 12: Power Distance and level of Education.....	47
Table 13: Descriptive Statistics and Pearson Correlations.....	48
Table 14: Regression Analysis for Empowerment and Perf.....	50
Table 15: Influence of Power Distance on relationship between Empt and Perf.....	50
Table 16: Results for the Univariate Regression Analysis	53
Table 17: Multiple Regression Analysis for Empowerment and its outcomes.....	53
Table 18: Summary of Multiple Regression Analysis.....	57
Table 19: Correlation Results for Empowerment and its Outcomes.....	59
Table 20: Relationship between Employee Empowerment and MNC Perf.....	60
Table 21: Power Distance and relationship Empowerment and MNC Perf.....	62
Table 22: Summary of the Coefficient of Correlation Tests.....	63

LIST OF FIGURES

Fig. 1: A Model of Empowerment and MNC Performance.....	31
---	----

ABSTRACT

Employee empowerment is of utmost importance in terms of its contribution to the performance of organizations today. It is, therefore, an integral component of management. Pfeffer (1994) observed that employee empowerment can be used as a competitive tool for success in business operations. The specific objectives developed for this study were to determine if the strength of the relationship between employee empowerment and performance of a multinational corporation depends on power distance, to establish the influence of power distance on the strength of the relationship between employee empowerment and empowerment outcomes, to determine the relationship between employee empowerment and its empowerment outcomes, to establish the relationship between empowerment outcomes and performance and lastly to establish whether there is a direct relationship between employee empowerment and multinational corporations' performance.

The data for study was collected using a questionnaire which contained measurements of power distance (host country culture), employee empowerment, empowerment outcomes (organization commitment, job autonomy and job satisfaction) and non-financial measures of performance of the organizations. A pilot study was conducted to pre-test the questionnaire using a sample of 10 respondents. The questionnaire consisted of a Likert type scale ranging from 5 – very great extent to 1 – not at all. The data was collected and where this was not possible, the researcher used personal interviews to supplement the study. The study population comprised 60 multinational corporations operating in Kenya. The response rate was 65%. That is, 39 firms were interviewed. Data was analyzed using various forms of regression and correlation analysis.

The findings showed that power distance moderated the relationship between employee empowerment and MNC performance as well as the relationship between employee empowerment and its outcomes. These findings showed that the practice of empowerment in organizations leads to favourable outcomes thereby increasing the performance level of MNCs. Therefore management of MNCs must always take into consideration the power distance culture of the host country when implementing employee empowerment programmes.

The study suffered a number of limitations which included cross-sectional analysis that limited the determination of cause and effect results of the study. The study was only limited to perceptual measures of performance which are likely to be subjective. And finally, the study only explained a certain level of variation in performance implying that there are other variables that account for the unexplained variance in performance.

The following areas are suggested for further study. More studies should be conducted in different parts of the world to confirm, or otherwise, the findings of this study on the influence of power distance culture on the relationship between employee empowerment and MNC performance. There is also need to extend this study to other cultural dimensions. Finally, longitudinal studies should be conducted to ascertain cause and effect among the variables.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Today, multinational corporations (MNCs) are increasingly conducting their business globally, which has increased in scope due to the increasing complexity as the companies operate across national, cultural and social boundaries. The greatest challenge facing the corporations is to acknowledge the cultural differences in every host country and to manage the business cohesively in order to achieve corporate objectives and enhance MNC performance. Current literature indicates that culture is an important determinant of organizational performance in host countries. This is because for success of business operations, MNCs have to understand the prevailing culture (power distance) in each of the host countries they operate in (Hofstede, 1983; Blunt and Jones, 1986; Kuada, 1994; Newman and Nollen, 1996).

In any organization, power distance influences the amount of formal hierarchy, the degree of centralization, the amount of participation in decision-making and the performance level. According to Tung and Miller (1990) and Hofstede (1991), culture varies from one country to another resulting in MNC performance variations hence, the need to understand its effect on host countries and thus, include it in the empowerment - performance equation.

Many researchers in this area of study have only concentrated on the importance of empowerment practice in facilitating organizational performance (Argyris, 1998; Eylon and Au, 1999 and Robert et al. 2000). That is, to them empowerment is the perfect panacea for success in organizations. However, some researchers report that there has to be congruence between the management practices (like empowerment) of foreign firms and the cultural practices in the specific host countries (Kaloki, 2001; Tihanyi et al., 2005).

The existing literature shows that employee empowerment leads to positive performance (Li and Guisinger, 1992; Argyris, 1998; Morosini et al., 1998; Eylon and Au, 1999 and Robert et al., 2000). However, empowerment practice may lead to higher performance only if organizations

are able to understand the influence of the prevailing host country's power distance. More so, the studies have mainly been carried out in the developed world and with very little attention on the developing countries.

This thesis study attempts to establish the influence of power distance on the relationship between employee empowerment practice and MNC performance and how empowerment outcomes (organizational commitment, job satisfaction and job autonomy) are likely to affect the performance level (Figure 1, Conceptual Model, pg. 31). In this case, the researcher will study MNCs outside their countries of origin; particularly those operating in Kenya, which originate from both high and low power distance culture countries (Appendix VIII). Kenya being a country classified as experiencing high power distance culture, the researcher would want to establish whether power distance in Kenya would moderate the relationship between empowerment and performance and the effect of empowerment outcomes on MNCs' performance.

1.1.1 Power Distance culture

The study adopts Hofstede's (1983) definition of power distance culture. Hofstede defined power distance as the extent to which a society accepts an unequal distribution of power in institutions or organizations within a hierarchy. The researcher divided his study on power distance into two, namely; high (countries in Latin America, Asia and Africa) and low (countries like the United States of America, Germany, Great Britain, Canada, France, Belgium, e.t.c.) power distance. Hofstede reported that subordinates in a high-power distance culture are highly dependent on their superiors for direction and further suggested that employees manage their work according to what the managers stipulate (respect for hierarchy). In this case, the employees are more co-operative dealing with the superiors and are, frightened of disagreeing with them, but are reluctant to cooperate with their peers.

Therefore, employees of multinational corporations operating under high power distance country culture may not feel comfortable making decisions that had previously been made by their superiors. That is, they may be slower to take on greater problem- solving and decision-making responsibility. The workers in such a culture will expect their supervisors to control information, provide clear boundaries, make decisions and tell them what to do. This results in low levels of

employee empowerment and in turn likely to lead to low organizational performance.

1.1.2 Empowerment and Empowerment Outcomes

Vogt and Murrell (1997) define employee empowerment (empowerment of individuals, groups, organizations and societies) as a noble, necessary and natural part of human development for the success of multinational corporations' operation throughout the world. The researchers further reported that employee empowerment is a technique to enable, to allow or to permit, that which, can be perceived as both self-initiated and initiated by others. That is, the process of empowerment enlarges the power in a situation as opposed to merely re-distributing it.

Randolph (2000) referred to employee empowerment as a means of transferring appropriate and sufficient authority to employees and making resources available to enable them succeed in their jobs, providing them with a conducive environment and proper tools to enable them contribute to the organizational performance at a higher level. The researcher reported that management must help employees achieve these goals by coaching; teaching and enabling them to acquire the right skills for effective performance. He further suggested that this process is an interactive process based on a synergistic assumption about power. Employee empowerment can also refer to an act of building, developing and increasing power through cooperation, sharing and working together or giving the employees the discretion to make decisions regarding their own tasks and responsibility within an organization (Randolph et al., 2002).

Employee empowerment practices result in outcomes like organizational commitment which refers to the relative strength of an individual's identification with and involvement in decision-making within an organization or the extent to which employees are committed to their work (Mowday et al., 1979). Mowday and colleagues further reported that organizational commitment is an antecedent to job satisfaction to the extent that it involves a strong belief in and acceptance of the organization, a willingness to exert considerable effort on behalf of the organization, and a strong desire to maintain membership in the organization. That is, individuals who feel empowered at work are likely to be more committed to the organization (Allen and Meyer, 1991).

The second outcome is job autonomy which refers to the freedom an employee possesses in order to participate in decision-making rather than being restricted by procedure. That is, it may enhance organizational performance when employees are allowed the freedom in their work accomplishment (Miller and Monge, 1986). In addition, individuals who have more autonomy over their work-related decisions are rated higher on job performance by their superiors than those with less autonomy over their work (Liden et al., 1993)

The third employee empowerment outcome is job satisfaction which refers to an employee's general attitude towards his/her job and the employee's mental set with regards to the job, which may be positive or negative, as far as a multinational corporation performance is concerned. Research on job satisfaction reports that, highly satisfied employees tend to have better mental and physical health, learn new job-related tasks more quickly, have fewer on-the-job accidents, file fewer grievances and are more likely to exhibit 'pro-social citizenship' type of behaviour, get involved in activities like helping co-workers, customers and become more co-operative, as well as, less likely to leave the firm (Liden and Tewsksbury, 1995).

1.1.3 Empowerment and MNC Performance

Today, performance of MNCs has become a dominant research theme, and a growing number of research studies consider empowerment practice as paramount in organizations; an important predictor of performance (Argyris, 1998; Luo and Peng, 1999; Eylon and Au, 1999; Robert et al. 2000). The researchers reported that for organizations to increase their performance in a global environment, they need to empower their employees to make faster decisions within the organizations.

The researches that have been advanced in this area show that employee empowerment may directly lead to organizational performance and this notion has been supported by many researchers like, Eylon and Au (1999), Robert et al. (2000) and Randolph et al. (2002) who conducted studies on empowerment and performance and concluded that, when employees are empowered, organizational productivity increases, thus leading to an increase in MNC performance. But, the link between employee empowerment practice and MNC performance is not likely to be direct, especially in countries that experience high power distance cultures, like

Kenya and other countries from the developing world. This is because performance of an organization depends, to a great extent, on the outcomes of empowerment practice (such as organizational commitment, job autonomy and job satisfaction), which may be favourable or unfavourable. For example, if empowerment outcomes are unfavourable resulting in low organizational commitment, low job autonomy and low job satisfaction on the part of employees, then MNC performance will be unfavourable or low in a host country.

1.1.4 Power Distance, Empowerment and MNC Performance

In a high power distance culture, employee empowerment is low, and the organizational performance is likely to be low. That is, low employee empowerment results in low levels of the job factors (organization commitment, job autonomy and job satisfaction). To this extent, employees in a high power distance culture show a high level of dependence on their superiors for direction within the organization, and a multinational corporation is likely to experience low performance.

On the other hand, a multinational firm operating in a low power distance country culture is likely to rely on high employee empowerment, and consequently, the job factors (organization commitment, job autonomy and job satisfaction) will tend to be high. This is because the job factors may be favourable leading to high organizational performance since the employees are willing to use their discretion in decision-making to achieve higher goals. But, in some instances, high employee empowerment may not lead to high organizational performance, especially if the right employee skills and equipments are not put in place. From the forgoing, it can be concluded that the performance of a multinational corporation in a host country depends a lot on the host country culture. That is, culture will moderate how an organization will conduct its business within a host country and consequently how the corporation is likely to perform (Farmer and Richman, 1995).

1.1.5 MNCs Operating in Kenya

Hofstede's (1983) research on intercultural management defines dimensions of differences in value orientations that affect the work of MNCs in different cultural settings, in terms of power

distance, collectivism/individualism, masculinity/femininity and uncertainty avoidance. Of interest to this study is the dimension of power distance in which Hofstede found Latin America, Asia and Africa to have higher scores while those of Anglo - Saxons and Scandinavians were lower. According to him, high power distance score indicates that the relationship between superiors and subordinates are unequal, with both sides accepting status and privileges as normal levels of authority. For example, the French are fairly high on Hofstede's power distance scale (Appendix III), while North Americans rank much lower. Despite the fact that, the French carry out their management activities with some level of formality, the Americans are rather very casual, and symbols of the former need to show rank and the latter's tendency to downplay it. This means that the two countries have different cultural backgrounds, which affect their behaviour pattern thus different performance levels.

Hofstede (1997) reported that countries in Africa (Kenya included) are classified as experiencing high power distance culture (Appendix V), which refers to the extent to which the less powerful members expect and accept that power is distributed unequally in the organization. For example, in high power distance culture countries, employee empowerment practice tends to be low and the outcomes tend to be low or unfavourable. This is because employees do not take initiatives in decision-making processes but wait upon the managers to define direction for them. That is, the techniques for employee empowerment in Kenya may be similar to those used elsewhere, but the difference would be in the extent of use.

1.2 The Research Problem

Despite great emphasis laid on research in the field of employee empowerment and MNC performance throughout the world, there is inadequacy of literature on this subject especially in the developing countries and how organizational performance may be influenced by the prevailing host country culture. The existing literature has only focused on explaining the importance of employee empowerment in facilitating MNC performance particularly in the developed world (Denison and Mishra, 1995; Argyris, 1998; Eylon and Au, 1999 and Robert et al. 2000).

Empirical work on employee empowerment and MNC performance supports the assertion that organizations that make use of empowerment practice are likely to experience higher levels of performance than their counterparts who do not (Earley, 1994; Henart and Larimo, 1998; Robert, et al. 2000; Randolph et al. 2002). While this may be true, that the practice of empowerment increases performance in organizations, most studies have ignored the influence of power distance on this relationship, yet culture influences the way activities are conducted in every host country thereby determining the performance level.

Most researches in this field have devoted much attention to studying the relationship between empowerment and MNC performance as if there were a direct link between them. But, the direct relationship may only be possible in countries where there is low power distance culture especially, in the developed world like, North America, Britain, Germany and Canada (Earley, 1994; Henart and Larimo, 1998; Robert et al. 2000; Randolph et al. 2002). That is, empowerment practice in low power distance countries leads to favourable empowerment outcomes (high organization commitment, high job satisfaction and high job autonomy), which in turn translates into favourable performance levels. It would also appear that given the high power distance culture in the developing countries, the management techniques like empowerment might not likely succeed because of the gap between the top management and the lower level employees in terms of decision-making.

Despite all this, there has been no study conducted to establish the influence of power distance on the relationship between employee empowerment and performance throughout the world and more so, for the less developed countries. For example, the few studies that have been carried out in Africa and Kenya in particular have only emphasized the importance of empowerment or the congruence between the management practices and the cultural practices of the local firms. That is, it is suggested that for success of firms in host countries, the MNCs' management practices must be consistent with the countries' cultural background. Nzalibe (1986) reported that expatriate managers in Nigeria applied Western management practices and failed to consider the implications of the local cultures on those management practices, resulting in unfavourable performance levels. He concluded that local cultures play a key role in the success of MNCs and further added that local cultures call for flexibility by MNC operations if they are to succeed especially in less developed countries.

Blunt and Jones (1986) study on organizational change in Africa, found little understanding of effects of local cultures on the part of foreign managers and that they did not consider this factor (local culture) in their operations, hence failed to take into account its implications on their management practices, resulting in unfavourable performance. Kuada (1994) also concurred with Blunt and Jones (1986) when he conducted a study on managerial behaviour in Ghana and Kenya and found that there was no regard for local cultures. The researchers concluded that management practices by foreign firms should be consistent with national cultures in both Ghana and Kenya. Kaloki (2001) also carried out a research on MNCs and cultural beliefs in Kenya and found disparity between the foreign firms' management practices and the local cultures. He concluded that MNCs need to understand the relationship between the employee behaviour and management practices if they are to succeed in their operations.

The departure of this study from the previous ones is the inclusion of intervening and moderating variables that influence and or explain the relationship between employee empowerment and MNC performance. This study is therefore an attempt to answer the question: is the relationship between employee empowerment and MNC performance influenced by power distance culture prevailing in a country?

1.3 Objectives of the Study

1.3.1 Broad Objective

The broad objective of this study is to determine the influence of high power distance cultural dimension on the relationship between employee empowerment and MNC performance.

1.3.2 Specific Objectives

- a) To determine if the strength of the relationship between employee empowerment and performance of a multinational corporation is influenced by power distance.
- b) To establish the influence of power distance on the strength of the relationship between employee empowerment and employee empowerment outcomes in multinational corporations in Kenya.
- c) To determine the relationship between employee empowerment and empowerment outcomes.

- d) To establish the relationship between empowerment outcomes and the performance of multinational corporations.
- e) To establish whether there is a direct relationship between empowerment and multinational performance.

1.4 Justification for the Proposed Study

Due to many complexities in the today's world economy, there has been an increasing need to change the way MNCs conduct their businesses and to achieve higher performance levels. This can only be achieved through proper management practices (like employee empowerment) and adherence to host country cultures. Employees can only embrace empowerment positively if the prevailing culture is favourable. The MNC managers must be concerned with cultural preferences of every host country so as to target the uniqueness in different countries. This is because; each of these cultural variations will affect business operations differently. Therefore, the purpose of this study is to enhance the understanding of the relationship between employee empowerment practice, empowerment outcomes and MNC performance with regards to host country culture.

Thus, the information from this study would be useful to the following categories of people. Firstly, MNC managers will use it on the application of the empowerment practice in their organizations with a view of gaining a competitive advantage over others in host countries, especially those that use the universal concept in dealing with foreign nationals (Pfeffer, 1994). Secondly, the information will be useful to the MNCs contemplating multinational operations throughout the world. Finally, the academicians will use it as a basis for further research into the area of employee empowerment practice, host country culture and MNC performance.

1.5 Organization of the Thesis Report

This thesis report examines the relationship between employee empowerment, empowerment outcomes and MNC performance with regards to the moderating effect of power distance in Kenya. The report is divided into five parts. Chapter 1 talks about the introduction and gives a background of the study in terms of power distance (an aspect of culture), empowerment and

MNC performance. It further highlights the statement of the problem and the research objectives.

Chapter 2 is an extensive literature review on the major variables of the study, namely, power distance, employee empowerment and empowerment outcomes (like, organizational commitment, job satisfaction and job autonomy) and MNC performance. This section discusses Hofstede's concept of culture, with special emphasis on high power distance and its influence on MNC performance, differentiating the practical and the cross-cultural schools of thought. It culminates in a conceptual framework depicted schematically as figure 1, Pg. 31 showing the relationships between the four variables under study and chapter 3 is the research methodology used in the study and outlines how the variables are operationalized

Chapter four contains data analysis and interpretation of the research results, the research instruments and measurement models used. It also gives a detailed analysis of the tests of hypotheses for the study namely, i) the strength of the relationship between employee empowerment and performance of a multinational corporation depends on power distance, ii) the strength of the relationship between employee empowerment and employee empowerment outcomes (such as organization commitment, job satisfaction and job autonomy) is influenced by power distance, iii) whether there is a relationship between employee empowerment and employee empowerment outcomes such as organization commitment, job satisfaction and job autonomy, iv) whether there is a relationship between employee empowerment outcomes and performance of multinational corporations, and finally, v) whether there is a direct relationship between employee empowerment and multinational corporation performance. The researcher used a combination of both descriptive and inferential statistics to analyze data collected. Finally, chapter five outlines, the summary, discussions and conclusions, limitations of the study, suggestions for future research and recommendations for policy and practice.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section reviews literature and research pertinent to the variables depicted in the conceptual framework at the end of this chapter (Figure 1, pg. 31) to explain the relationships between the study variables: employee empowerment, empowerment outcomes, power distance and MNC performance. Literature on employee empowerment practice and MNC performance is reviewed to find out whether this relationship is moderated by power distance in a host country. It also attempts to find out how empowerment outcomes (organizational commitment, job satisfaction and job autonomy) contribute to MNC performance.

The influence of employee empowerment on organizational performance has become a major concern for academicians and practitioners despite little empirical research carried out in this area, particularly in the less developed countries. For theory and practice alike, the premise of employee empowerment has been performance, which is majorly affected by the existing culture of a country.

Researches that have been advanced in this area show that employee empowerment directly leads to high MNC performance. For example, Denison and Mishra (1995) conducted a study on the U.S. firms (that experience low power distance culture) to find out how employee empowerment influences organizational decision-making. The researchers reported that for effective organizational decision-making, employee empowerment is paramount and that employees may be well versed with their work conditions. They further suggested that an organization that allows its employees to be part of decision-making might be efficient and faster growing than others. This notion has also been supported by other researchers like, Eylon and Au (1999), Robert and colleagues (2000) and Randolph and colleagues (2002) who conducted studies on empowerment and performance and concluded that, when employees are empowered, organizational productivity increases, thus leading to an increase in MNC performance. This shows a direct relationship between empowerment and performance.

However from the foregoing, emphasis has been laid on the importance of employee empowerment in enhancing MNC performance. But, this may only be true in countries where power distance is low and the practice of empowerment is high. This is particularly so in the developed countries. None of the studies has shown the influence of national culture on the relationship between the two variables. In a case of the developing nations, a host country culture may influence this relationship negatively due to high power distance, thus resulting in unfavorable MNC performance. For example, a developing country like Kenya, where power distance is high, empowerment outcomes tend to be low, thus leading to low or unfavorable level of MNC performance.

2.2 Power Distance in Host Countries

Culture is a concept that is familiar to all of us. However, it is difficult to specify what it means. It is further compounded by the fact that the word has several separate meanings from one host country to another. Hofstede (1980) defined culture as the collective programming of the mind that distinguishes one society from another and their behaviour patterns. Child's (1981) observation that national culture was woefully underdeveloped conceptually for comparative research has been addressed in recent years with several attempts to conceptualize and measure differences in culture among nations and to relate cultural variations to differences in MNC performance. That is, there is ample empirical evidence that host country cultures vary from one country to another and that a variety of organizational practices including empowerment, leadership and human resource management differ by national cultures (Hofstede, 1991). The question is whether these differences among the MNC management practices and host country cultures matter to work place performance. The argument is that they do.

Hofstede's (1980; 1983; 1991) work still remains the most dominant piece of cross-cultural research. His empirical framework of national culture is based on a survey of 117,000 IBM employees across 53 countries in 3 multi-country regions. He developed power distance index (PDI) score and classified countries as low or high power distance. That is, the higher the power distance index (PDI) score, the higher the power distance in a country (Appendix VIII). Data for this study was collected using a self-completed questionnaire at two points in time between 1968 and 1972. The questionnaire focused on work-related issues using 32 items to measure the

importance of various work goals. He used factor analysis of country mean scores to explain the variance between the variables of study. This suggested that, specific host country cultures dictate different management styles and further present different challenges to the MNC managers on how to deal with the employees, who need to be handled differently given their unique backgrounds. Miller (1994) further suggested that the search for the understanding of this global concept of cultural diversity is often frustrating and elusive. That is, everyone is aware of these differences, but this awareness is compounded by many half-truths and stereotypes and the ever-changing business landscapes. This implies that, MNCs' practices that reinforce cultural values of a host country are more likely to yield predictable behaviour, self-efficacy and high performance in an organization (Earley, 1994).

2.2.1 Power Distance Culture

Power distance refers to the extent to which members of an organization expect and accept that power is distributed unequally amongst themselves within the hierarchy. It can be understood in terms of high or low power distance. Hofstede (1980) reported that subordinates in high-power distance cultures are highly dependent on their superiors and tend to agree with Mc Gregor's (1960) Theory "X," whereas, subordinates in low - power distance country cultures tend to agree more frequently with Mc Gregor's Theory "Y." Hofstede (1984) further reported that employee empowerment in high power distance cultures inhibit sharing of information since the employees feel that it is the managers' prerogative to make decisions and solve problems.

Secondly, the workers believe that information is equated to knowledge power and that managers should have more power than themselves, and thirdly, the managers also wonder why they should share information with the workers since they have better access to information than the employees.

Table 1: Differences between High and Low Power Distance

Low Power Distance	High Power distance
Employees place high value on independence	Employees place high value on conformity
Managers make decisions after consultation with subordinates	Managers make decisions autocratically and paternalistically
Stronger perceived work ethics: strong disbelief that people dislike work	Weaker perceived work ethics; more frequent belief that people dislike work
Close supervision negatively evaluated by subordinates	Close supervision positively evaluated by subordinates
Managers like seeing themselves as practical, benevolent and systematic managers; they admit a need for support	Managers like seeing themselves as decision- makers
Power inequality in organizations should be minimized	There should be an order of inequality in this world in which everyone is in a rightful place; high and low are protected by this order
Employees are less afraid of disagreeing with their supervisors	Employees fear disagreeing with their bosses
Employees are more cooperative	Employees are reluctant to trust each other
All should have equal rights	Power holders are entitled to privileges
People at various power levels feel less threatened and more prepared to trust others	Other people are potential threats to one's power and rarely can be trusted
Powerful people should try to look less powerful than they are	Powerful people should try to look as powerful as possible
Cooperation among the powerless can be based on solidarity	Cooperation among the powerless is difficult to bring about because of low faith in people's norm

Source: Hofstede, G. (1980) "Culture's Consequences: International Differences in Work-Related Values," In Kaloki, P.K.K. (2001) Job Satisfaction as a Function of Cultural Beliefs, Expectations and Goals.

For multinational corporations that operate in low power distance cultures like North America, Switzerland and Canada, employees have the discretion to perform their duties independently because the prevailing cultures are favourable, empowerment practice is encouraged and thus, performance of MNCs is enhanced. That is, MNC managers must appreciate that every host country exhibits a different cultural behaviour pattern that they must adhere to uniquely as shown in Table 1.

2.2.2 Schools of Thought in the Study of Culture

In understanding the effect of culture on empowerment and performance, it is necessary to consider the following two schools of thought: the practical and the cross-cultural schools of thought. The practical school of thought advocates for the universality of management practices everywhere in the world and that, they are similar. To the proponents, this implies that good management practices are effective everywhere and that, good managers function in the same way regardless of a host country cultural difference. This is an underestimation because it ignores the fact that different host countries exhibit different cultural practices, which will in turn affect the performance of a MNC operating in a particular host country culture (Miller and Monge, 1986).

A study by Black (1988) showed approximately 70% of the Americans appointed to foreign management assignments had no special preparation and training to effectively manage foreign operations. Most scholars and MNC managers have assumed a universal management style in carrying out their operations throughout the world. The main assumption here is that, all nationalities work within a framework of common cultures and business practices. Research has shown that these companies that have a tendency to use management techniques (such as employee empowerment) that work well in their home countries into other countries and cultures are likely to experience unfavourable performance levels. It is now clear that this practice that holds a universal assumption is not relevant for businesses today. That is, a multinational corporation using this theory assumes that host country cultures are similar across the world (headquarter mentality) and many of them tend to ignore the differences that may exist. Yet every host country culture is likely to affect employee empowerment practice differently, thus leading to differences in the level of performance. That is, business standards and practices must

reflect the cultures in which they are deeply rooted (Bonvillian and Nowlin, 1994).

Another research finding by Black and Porter (1991) raised serious doubts about the efficacy of the practical school approach. The researchers conducted a statistical analysis of Americans and the local managers' behaviour in foreign countries. They discovered that there was a difference in behaviour patterns between the American managers and the managers from the local countries. This is because different countries exhibit different cultural backgrounds and would carry out their activities in different ways. The researchers also reported that, the American managers (in the foreign countries) behaved essentially in the same way as their counterparts in America (home-mentality). They concluded that there is no positive correlation between the managers' behaviour patterns and successful MNC performance in foreign countries, especially where the host country cultures are different. Therefore, the practical school of thought fails to recognize the differences in host country cultures.

The cross-cultural school of thought advocates for the understanding of the cultural differences in various host countries. This is a more realistic view of looking at empowerment as a management practice as it appreciates the existence of cultural variations in every host country. Therefore, performance of a MNC in a specific country largely depends on how well the MNC is able to understand and cope with the behaviour patterns in that country (Bonvillian and Nowlin, 1994). That is, the cross-cultural school of thought supports employee empowerment and emphasizes that management behaviour and effectiveness are affected by the cultural backgrounds in which MNCs operate.

2.3 Employee Empowerment

Employee empowerment is a common theme that emphasizes the power of confident people, passionately committed to meaningful goals, acting in accordance with own higher values, taking risks and demonstrating initiativeness and creativity in the service of these goals. Underlying these beliefs, employee empowerment practice has been viewed as fulfilling employees' hygiene and motivator needs including a sense of security and achievement since the time of Mc Clelland (1962). To this extent, empowered employees are motivated to pursue task accomplishment through independent action, a sense of meaning and efficacy.

Hopson and Scally (1981) pointed out that empowerment is not an end state, but a process that all human beings experience. That throughout employees' lives; an employee will behave in more or less empowered ways depending on his/her level of self-esteem and skill development, tempered by surrounding circumstances. That is, the practice of employee empowerment has been toughened as a panacea for improving organizational performance through enhanced employee motivation, morale, satisfaction, organization commitment and innovation, thus leading to favourable organizational performance. It involves a creative act that frees a person, a group, an organization, and even a total society, to behave in a new way. It provides options and degrees of freedom not allowed before (Argyris, 1998).

The process of empowerment can be viewed as a means through which a MNC manager can improve work performance for its employees and in turn improve MNC efficiency and productivity (Lawler, et al., 1992). Lawler and colleagues further reported that to achieve empowerment in organizations, managers must be sure that employees at the lowest hierarchical levels have the right mix of information, knowledge, power and rewards to work autonomously or independently of management's control and direction. They further reported that, when employees are empowered, they experience more control or autonomy over their responsibilities and become more motivated and creative over their work duties. Thus, MNCs are able to achieve greater returns on sales than firms that do not involve their staff in organizational decision-making. However, the researchers seem to conclude that empowerment is essential for companies that hope to succeed in this knowledge-based economy, where employee innovation and creativity is an asset to an organization (Bowen and Lawler, 1992). However, the researchers have failed to recognize the effect of power distance on their organizational performance.

Employee empowerment can also refer to an act of building, developing and increasing power through cooperation, sharing and working together or giving the employees the discretion to make decisions regarding their own tasks and responsibility within an organization (Randolph et al., 2002). Research in this area has identified two distinct, yet related theories of empowerment, namely relational or structural approach and motivational or psychological approach (Hardy and Leiba-O'Sullivan, 1998)..

2.3.1 Structural Approach to Empowerment

The structural or relational view of empowerment practice entails delegation of decision-making prerogatives to the employees along with the discretion to act on their own. In this view, the employees will feel more personal control over how to perform their tasks; would be more aware of the business and the strategic contexts in which the tasks are performed; and would be more accountable for their performance outcomes (Bowen and Lawler, 1995). That is, if the structural view is favourable, then employees are likely to be motivated leading to an increase in job satisfaction, organizational commitment, job autonomy and thus, favourable MNC performance in a host country.

2.3.2 Psychological Approach to Empowerment

Employee empowerment practice is thought to hold motivational potential that directs work, which structured and predetermined routine does not achieve (Maslow, 1952; Conger and Kanungo, 1988). Conger and Kanungo (1988) noted that the practice of empowering subordinates is a principal component of managerial and organizational effectiveness. This view focuses mainly on the perceptual dimensions of empowerment (Liden et al., 2000). That is, the employees' willingness to work and their desire to constantly improve their performance is likely to be high. This approach puts less emphasis on delegation of power to the subordinates and instead advocates for open communication, inspirational goal setting and giving encouragement and feedback to increase commitment and involvement (Conger and Kanungo, 1988; Thomas and Velthouse, 1990).

The psychological view of empowerment has been the focus of many scholars. For example, Thomas and Velthouse (1990) conceptualised empowerment as a set of four task assessments or cognitions that individuals make as they attempt to interpret their work situations; meaningfulness, impact, competence and choice.

From the foregoing, the practice of employee empowerment is believed to offer many benefits to MNCs by creating an environment, which encourages proactive problem-solving and accepting challenges, innovation, continuous improvement, optimum utilization of employee efforts, a high

degree of employee motivation and enhancement of MNC performance (Greenberger and Strasser, 1991). That is, it provides a sense of high self-esteem, high degree of involvement, and participation, a learning environment and opportunity for personal growth and development and a greater sense of achievement. Thus, replacing the 'fear and greed' hierarchy with a network of empowered workers resulting in benefits like faster responses to organizational tasks, loyal customers, high quality, lower costs of production, greater productivity and employee orientation to work (Greenberger and Strasser, 1991).

2.4 Employee Empowerment Outcomes

Employee empowerment practice results in outcomes, such as organizational commitment: job satisfaction and job autonomy which are expected to influence both the amount and quality of products and services produced by employees in an organization. That is, employees who feel that what they do at work is meaningful, who have the skills necessary to do work, who are able to choose how to complete their work, and who believe that they have an impact on their decisions are expected to show higher levels of performance than those who perceive low levels of empowerment.

Previous studies (Maslow, 1943; Herzberg, 1959; Mc Gregor, 1960) have identified organizational commitment and job satisfaction as the key work attitudes that constitute the direct or immediate outcomes of empowerment. Herzberg (1959) reported that job satisfaction seeks to provide jobs with more motivational factors, thus leading to increased MNC performance. Mc Clelland (1962) further suggested that without personal responsibility, employees would get little personal satisfaction for the successful achievement of an organizational goal. Employee empowerment practice further builds on the higher needs for self-actualization and achievements, which are the top motivators in Maslow's Hierarchy of Needs and in Herzberg's Two-Factor Theory. Equally critical to the link between empowerment practice and performance is the concept of job autonomy, which enables an employee to get an opportunity to expend energy released via empowerment. Infact meaningful empowerment is only possible in a situation where employees are reasonably free to make discretionary decisions (Randolph, 1995).

Literature has it that empowerment outcomes depend, to a large extent on the prevailing host country culture. According to Robert et al. (2000), MNCs originating from high power distance culture countries, especially Asia and Japan, where employee empowerment is low, the performance level is likely to be low since the employees may not have the power to make decisions. In addition, high power distance culture inhibits direct involvement in decision-making. For the purposes of this research, employee empowerment outcomes include the following:

2.4.1 Organizational Commitment

Organizational commitment is the relative strength of an individual's identification with and involvement in decision-making within an organization or the extent to which employees are committed to their work (Mowday et al., 1979). Mowday and colleagues further reported that organizational commitment is an antecedent to job satisfaction to the extent that it involves a strong belief in and acceptance of the organization, a willingness to exert considerable effort on behalf of the organization, and a strong desire to maintain membership in the organization. That is, individuals who feel empowered at work are likely to be more committed to the organization and exhibit higher performance levels (Allen and Meyer, 1991). Mathieu and Zajac (1990) concurred with this and argued that Lewin's (1943) field theory supports the notion that entities closer in proximity to the employees have the strongest influence on employee attitudes and their subsequent behaviours in the organization.

Becker (1996) developed a three-component model of organizational commitment measuring affective (employees emotional attachment to, identification with and involvement in the organization and its goals or an employee wanting to remain in the relationship), continuance (calculative and exchange based in nature and refers to the costs associated with leaving the organization and that leaving will cost too much and the fact that they perceive fewer opportunities elsewhere) and normative (employee's desire to stay with the organization based on a sense of duty, loyalty and obligation) commitment.

Becker and Gerhart (1996) further reported that strong commitment to the organization on the part of employees would lead to higher MNC performance. Other researches on organizational

commitment have recently shown that individuals form different strengths of attachments towards an organization, supervisor, and workgroup (Cohen, 1993; Becker et al. 1996). Therefore, employees will generally be satisfied with their jobs, and will show commitment to their organizations, if they are content with the nature of their work, are involved in organization decisions, are satisfied with their supervisors and perceive current pay policies and future opportunities for promotion within their firm as adequate (Becker et al. 1996).

Most of the literature on organizational commitment has focused on the nature and outcomes of empowerment, but no study has shown how power distance will affect the relationship between organizational commitment and MNC performance. For example, Becker and Gerhart (1996) reported that employees make strong commitments to supervisors and co-workers only if they view them as important references to themselves. The researchers further suggested that in high power distance countries, employee commitment is low due to high power distance culture practice leading to unfavourable performance.

2.4.2 Job Autonomy

Job autonomy can be defined as the freedom to participate in decision-making rather than being restricted by procedure. That is, it may enhance organizational performance when employees are allowed the freedom in their work accomplishment (Miller and Monge, 1986). In addition, individuals who have more control over their work-related decisions are rated higher on job performance by their superiors than those with less control over their work (Liden et al., 1993). Furthermore, a sense of control and self-determination over one's work may be satisfying because any accomplishments can be attributed to oneself rather than to other individuals. Thomas and Tymon (1994) reported that employees who have a choice regarding how to perform their own work are found to be higher performers than those with little work autonomy. According to the researchers, in a high power distance country culture, job autonomy is likely to be low and employees might be unwilling to work independently, thereby, leading to an unfavourable MNC performance. Blanchard et al. (1996) reported that countries experiencing high power distance cultures find it easier to create autonomies with boundaries, since people in such countries expect managers to define boundaries for their work and thus, organizational performance may not be high.

2.4.3 Job Satisfaction

After two decades of research, empowerment is now widely accepted as a potent way of enhancing job performance and employee satisfaction or the feeling a person may have about his or her job (Conger and Kanungo, 1988). Spreitzer and colleagues (1997) examined this relationship between empowerment and job satisfaction and found that meaning, self-determination and impact were the strongest predictors of job satisfaction. Kirkman and Rosen (1999) found support for this notion and reported that employee empowerment is positively related to job satisfaction, job autonomy and organizational commitment, thus leading to a high MNC performance. But, in a high power distance culture country, this may not be true due to low empowerment level and high power distance.

Furthermore, research on job satisfaction reports that, highly satisfied employees tend to have better mental and physical health, learn new job-related tasks more quickly, have fewer on-the-job accidents, file fewer grievances and are more likely to exhibit 'pro-social citizenship' type of behaviour, get involved in activities like helping co-workers, customers and become more cooperative, as well as less likely to leave the firm and in turn increases employee motivation (Blanchard, 1999). Therefore, in a high power distance country culture, job satisfaction is likely to be low leading to low MNC performance due to employee disillusionment in the organization.

In another related research, Robert and colleagues (2000) examined the effects of empowerment on job satisfaction in four nations (Mexico, India, Poland and America). They concluded that employee empowerment was negatively associated with job satisfaction in India, which is regarded as a high power distance culture country (Appendix II), where employee empowerment is low, thus leading to unfavourable MNC performance. However, they found no significant association between empowerment and job satisfaction in the remaining three national groups, which presented both high (Mexico and Poland) and low (the US) power distance. The researchers attributed this inconsistency to conceptual and methodological factors. The researchers argued that the different sampled groups might have shared the same set of values as a result of their affiliation with the same organization or institution hence might have simply reflected the same organizational value. However, the researchers only emphasized on the importance of employee empowerment on job satisfaction, but did not highlight the effect of

culture on this linkage or the effects of the empowerment outcomes on MNC performance in a host country.

Kaloki (2001) conducted a study on job satisfaction as a function of cultural beliefs, expectations and goals in foreign-owned firms in Kenya. He found that adherence to national culture was very important for effective management of foreign-owned firms. He concluded that the understanding of this relationship would enable managers to implement the right employee empowerment techniques. He further reported that there is a significant relationship between the variables (job satisfaction, cultural beliefs, people's expectations and goals) and the management practices used in each organization. But, did not comment on job satisfaction, employee expectation, cultural beliefs and goals and how this relationship will impact on the performance of the foreign-owned firms in Kenya.

2.5 MNC Performance in Host Countries

Today, a number of growing studies consider cultural distance in the MNC portfolio of operations as an important predictor of performance in host countries (Luo and Peng, 1999; Palich and Gomez-Mejia, 1999). Many researchers contend that doing business under conditions of high cultural distance leads to low MNC performance (Chang, 1995). Luo and Peng (1999) further argued that incongruence with national cultures results in lower performance. According to the researchers, high cultural differences tend to lead to intra-organizational conflicts and poor implementation of management practices given the inconsistencies in values between home and foreign market operations.

2.6 Empowerment and MNC Performance

In recent years, there has been considerable academic and practitioner interest in the relationship between employee empowerment and organizational performance. However, tasks in multinational operations may become increasingly complex as the cultural distance in host countries increase (Li and Guisinger, 1992). The researchers agree that to manage this complexity, MNCs must be able to empower their employees through coaching and training to improve their skill development. Hence, many organizations have now realized that the most

important resource for competitive advantage is the human resource (Pfeffer, 1994). This calls for the need for employee empowerment in MNC operations throughout the world. Thus empowerment increases MNC performance. Luo and Peng, 1999 further reported that for organizations to increase their performance in a global arena, they need to reduce their production costs, increase customer demand, and reduce the overall risk of their business portfolio.

Researchers like, Newman and Nollen (1996) examined the financial performance of European work units (whose functions were sales, service and support) of a MNC as a function of the congruence between management practices and host country cultures. Data for this study was collected from 176 work units of one large U.S. - based Corporation and nearly all the employees were citizens of the country in which they worked. The researchers reported that in low power distance cultures, the MNC performance is likely to be favourable. They concluded that financial performance of organizations is higher when management practices are congruent with a host country culture. Despite this emphasis on the congruence between the management practices and the host country cultures, the researchers did not study the influence of culture on the link between the employee empowerment practice and MNC performance.

2.7 Power Distance and Employee Empowerment

According to Hofstede (1984), the higher the power distance, the greater will be the subordinates' dependence needs. He further argued that the role of rules and laws apply differently to different classes of people within a society. Hofstede's work encouraged managers to look at host country cultures in ways that differed from their own. Therefore, the MNCs operating in host countries must take into consideration the prevailing cultures if they have to succeed.

Tung and Miller (1990) and Hofstede (1991), concurred that differences in national cultures call for differences in management practices. That is, there is need for a MNC to adapt its management practices to suit the needs of a host country culture in which it operates. It may also mean that managers' efforts to encourage employee involvement in decision-making may improve the profitability of work units for countries from low power distance, such as the U.S.

(which is known to exhibit low power distance and high empowerment). The researchers further added that if management practices (like empowerment, among others) are inconsistent with these deeply held values: employees are likely to feel dissatisfied, distracted, uncomfortable and uncommitted to their work. As a result the employees may feel less able or less willing to perform well in an organization.

On the other hand, more employee involvement in decision-making is likely to worsen profitability and not to improve it, especially, in countries with high power distance cultures, such as Latin America, East Asia and African countries (which are known to exhibit high power distance and low employee empowerment). This is because the employees may not be willing to take decisions on their own but wait upon their supervisors to make decisions for them. This implies that when an American multinational corporation operates in a country with high power distance culture, it should be able to adjust to the local conditions. While there is much to be learned from exemplary management practices in other cultures, the differences between cultures limit the transferability of management practices from one country culture to another.

Hui and colleagues (2004) also conducted three studies to examine cross-cultural variations in empowerment effects. The first study was to search for the evidence relating to the moderating effect of power distance on the relationship between job autonomy and job satisfaction. The study was conducted between 1990 and 1993 on adults from across 42 nations and concluded that power distance moderated job autonomy and job satisfaction. That is, the higher the power distance, the lower the job satisfaction and job autonomy.

The second study was a survey of frontline hotel employees and hotel management students from Canada, Toronto, Beijing, and the People's Republic of China (PRC). The researchers used multiple regressions to examine the variation in empowerment effects among the frontline hotel employees. The results of the study consistently showed that cultural value of power distance moderated the effect of empowerment on job satisfaction. Finally, a third study was conducted using 160 university students from Canada and the Peoples' Republic of China (PRC) in order to find out the effect of empowerment on customer retention. Empowerment was manipulated by whether or not discretionary power was given to the subjects in handling the customer requests.

The researchers (Hui et al., 2004) used factor analysis and concluded that the effects of empowerment on customer retention were different in the two countries. That is, the mean score of the PRC respondents was significantly higher than that of Canadian respondents. This difference could be explained by the fact that Canada is low power distance culture country where empowerment is high and thus, high customer retention. On the other hand, it is also known that the PRC is a high power distance culture country, where empowerment is low, leading to unfavourable MNC performance. However, the three studies advanced by Hui and colleagues also failed to show how power distance may affect the relationship between empowerment and performance.

2.8 Power Distance and MNC Performance

Literature indicates that cultural distance is an important determinant of organizational action and performance. A number of studies consider power distance in the MNCs portfolio as having a positive influence on performance (Gomez-Mejia and Palich, 1997). For example, Tihanyi et al. (2005) conducted a study on the US firms to establish the relationship between cultural distance and MNC performance. Data for the study was collected on 66 independent samples with cumulative sample sizes ranging from 2,255 to 24,152. The researchers used meta-analysis and the examination of the moderator effects, yielded important results and that: cultural distance had a strong positive effect on the MNC performance for the developed country investments. This is because of the compatibility between the home and foreign country culture practices.

2.9 Power Distance, Empowerment and MNC Performance

From the foregoing literature, it is apparent that there may be no direct link between employee empowerment and organizational performance in high power distance culture countries (like Mexico, Japan and Kenya). For example, if a MNC originates from a low power distance culture country (like Britain, Germany and America) and uses high employee empowerment in a high power distance culture country (like, Mexico, Japan and Kenya), the MNC performance is likely to be unfavourable thus leading to low MNC performance. This is because high employee empowerment is not consistent with the local culture and that the relationship between the two

variables is likely to be moderated by the prevailing culture.

Lui et al. (2004) reported that low employee empowerment practice results in low levels of empowerment outcomes (low job satisfaction, low job autonomy, and low organizational commitment), thus unfavourable or low MNC performance. This implies that, employees in high power distance culture countries are likely to show a high level of dependence on their superiors for direction within the organizations.

2.10 Summary of Empirical Literature and Knowledge Gap

Table 2: Summary of Empirical Literature

Researchers	Study	Methodology	Findings	Relationship	Knowledge Gap
Hofstede (1983; 1984): National Cultures in Four Dimensions, e.g. collectivism /individualism, uncertainty avoidance, power distance, and femininity /masculinity	Conducted a national survey on low and high power distance countries in 3 - multi-regions, i.e. America, Europe and Africa. He studied variables like employee independence, power inequality, cooperation among employees and managers, e.t.c	Used self-completed questionnaires that focused on 32 work related issues. Used factor analysis to explain the variations in power distance between the countries	Found out that there is a variance between high and low power distance cultures. That is, the higher the power distance index, the higher the power distance in a host country (Appendix IV)	Indirect relationship between MNCs' practices and national cultures	Studied variations in culture but did not comment on its effect on the link between employee empowerment and MNC performance
Blunt and Jones (1986) Managerial motivation in Kenya: Across Cultural comparison	Conducted a study on Managerial motivations and their influence on managerial behaviour	Compared the influence of local cultures on foreign-owned firms in Kenya	Found no significant relationship between local cultures and firms' managerial practices	No relationship	There is no comparison between the foreign and local cultural practices which needs to be considered for success of MNC performance

Black & Porter (1991): Managerial behaviours and job performance (e.g. in America and China).	Studied managerial behaviours and job performance in Los Angeles and Hong Kong	Compared performance of the Americans and the local managers	Found that a successful manager in Los Angeles may not succeed in Hong Kong	Indirect relationship	Cultural practices of foreign firms are not consistent with the local cultures - a requirement for MNC success
Kuada (1994): Managerial behaviour in Ghana and Kenya	Studied consistency between foreign firms' managerial behaviour, like empowerment, and host country culture	Used statistical techniques to establish the effect of host country cultures on foreign firms' managerial behaviour	Found that for success, foreign firms must adapt managerial behaviour that is consistent with the host country cultures	Direct relationship	Foreign firms have not adapted a behaviour consistent with host country cultures - a requirement for MNC success
Newman and Nollen (1996): Culture and Congruence: The Fit between foreign management practices and National Culture	Examined financial performance of 176 work units of a U.S based firm located in 18 European and Asian countries.	Conducted a correlation analysis to find out the relationship between management practices and local cultures	MNC performance is higher when management practices are congruent with the host country behaviour	Direct relationship. Found a positive fit between the management practices and national culture	There is still no fit between foreign management practices and the local cultures, which ensures success in MNC performance
Robert et al. (2000): Empowerment and Continuous Improvement in U.S., Mexico, Poland and India.	Examined effects of empowerment on job satisfaction in the four countries	Conducted a regression analysis to establish how empowerment relates to performance improvement in MNCs in host countries	Empowerment was negatively related to job satisfaction in India (high power distance); But there was no significant association between these variables in the three remaining countries	No relationship	Studies need to be carried out to establish how job satisfaction relates to improvements in MNC performance in a host country

Robert et al. (2000): Empowerment and Continuous Improvement in U.S., Mexico, Poland and India.	Examined effects of empowerment on job satisfaction in the four countries	Conducted a regression analysis to establish how empowerment relates to performance improvement in MNCs in host countries	Empowerment was negatively related to job satisfaction in India (high power distance); But there was no significant association between these variables in the three remaining countries	No relationship	Studies need to be carried out to establish how job satisfaction relates to improvements in MNC performance in a host country
Kaloki (2001): Job satisfaction as a Function of Cultural Beliefs, Expectations and Goals.	Studied the importance of culture as a function of cultural beliefs, expectation and goals	Correlation analysis to find out the relationship between job satisfaction and cultural beliefs, expectations and goals	Found a significant relationship between these variables and foreign firms' management practices.	Direct relationship	Emphasized on the importance of job satisfaction as a function of cultural beliefs, but did not comment on its effects on MNC performance
Hui et al. (2004): Empowerment Effects Across Cultures	Moderating role of power distance on job satisfaction and job autonomy to determine the influence of empowerment effects across cultures	Used multiple regression analysis to examine the influence of power distance on the link between job autonomy, job satisfaction and performance	Cultural value of power distance moderated the effect of job satisfaction and job autonomy on local cultures	Positive relationship	No comment on the impact of power distance on the link between empowerment and MNC performance

Therefore, the conclusion on literature review is that power distance is seen to have an effect on the relationship between employee empowerment and organizational performance. According to Hofstede (1984), the higher the power distance, the greater will be the subordinates' dependence needs. He further suggested that national culture (high or low) is likely to determine the way MNCs' operations are conducted in specific host countries, thereby determining firms' level of performance (high or low). Miller (1994) concurred with this and reported that: a foreigner who wishes to do business in any foreign country must attempt to understand the cultures of the specific market he/she tries to operate in. That is, organizations must be able to adapt to

conditions within these countries in order to succeed in their operations. Newman and Nollen (1996) reported that MNC performance is higher when management practices are congruent with the culture of a host country. The researchers suggested that performance could be determined by the fit between employee empowerment and the level of power distance in a specific country.

It has become apparent that the multinational firm managers should know the cultures of various host countries. This is because the cultural backgrounds will affect their way of operation in terms of appreciating the culture of a specific country. For example, if the behaviour pattern of a foreign firm and the local is inconsistent, then the management practices may not work effectively and vice versa. Argyris (1998) and Kaloki (2001) reported that management practices of multinational firms must be consistent with the prevailing culture of host countries.

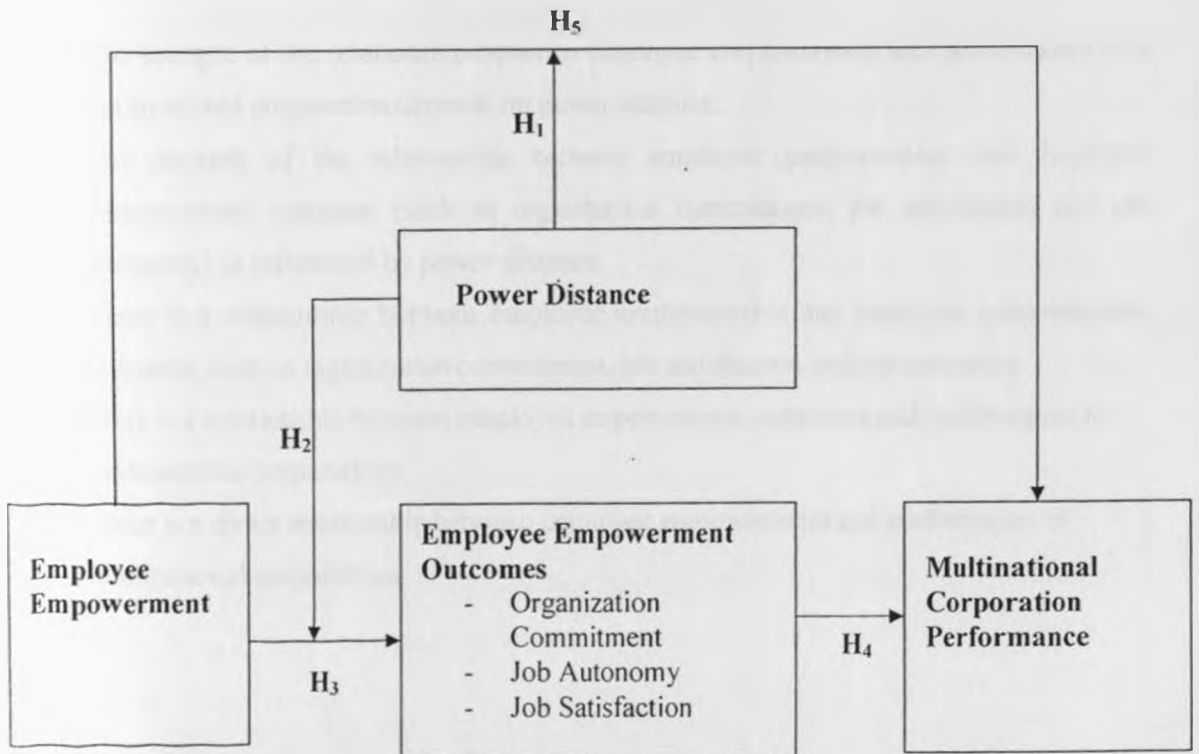
Today, many researchers have studied the relationship between employee empowerment and performance and concur that the practice is paramount for success in organizations that expect to succeed (Robert et al., 2000; Randolph et al., 2002; Hui et al. 2004). However, the studies conducted in this area have only concentrated on the importance of the practice in facilitating organizational performance in the developed countries and with very little attention in the developing countries. Despite all this, no study has been carried out to show the influence of power distance on the link between empowerment and MNC performance. Yet, power distance is likely to dictate the behaviour pattern of employees.

From the foregoing literature, the researchers have only studied the relationship between empowerment and performance as if there were a direct link. But, this may not be true for the developing countries where power distance is high resulting in low employee empowerment and subsequent low empowerment outcomes, thus leading to low MNC performance. Today, many scholars (like Luo and Peng, 1999; Palich and Gomez-Mejia, 1999; Tihanyi, 2005) are making calls to determine the extent to which host country culture may influence this relationship in a specific host country. It is with this in mind that the proposed study will be carried out to establish the link between empowerment and performance as moderated by power distance.

2.11 Conceptual Framework

The conceptual framework below shows the relationship between four variables under study: employee empowerment, power distance (an aspect of national culture), empowerment outcomes (organizational commitment, job autonomy and job satisfaction) and MNC performance in Kenya. It is a schematic diagram that captures the linkages in the literature review. In the model, employee empowerment is the independent variable while MNC performance is the dependent variable. Empowerment outcomes are the intervening variables which surface as a function of empowerment practice and help to conceptualize and explain the influence of employee empowerment on MNC performance. Finally, power distance is the moderating variable since it influences the relationship between employee empowerment and its outcomes (organizational commitment, job satisfaction and job autonomy) and between employee empowerment and performance of MNCs. Despite the fact that MNCs operating in Kenya originate from either high or low culture backgrounds, the employee empowerment practices are likely be those prescribed for low power distance countries of North America and Europe.

Fig. 1: A Model of Empowerment and MNC Performance



The schematic diagram presented as figure 1 shows the moderating effect of the relationship between empowerment and MNC performance as well as intervening variables. The basic assumption drawn from the literature and depicted in the model is that there is no direct relationship between employee empowerment and MNC performance in Kenya. That is, the relationship is indirect as it is influenced by a couple of intervening and moderating variables. This is because Kenya is a high power distance culture country, where empowerment practice is low and employees are sceptical about participating in decision-making tasks. This results in an indirect relationship between employee empowerment and performance.

The implication of all this is that MNCs that originate from low power distance culture countries, like Britain, North America and Germany using their host countries' techniques of employee empowerment in countries like Kenya, Japan, Mexico, and the People's Republic of China where there is high power distance, will not achieve the expected results. In short, empowerment practice is expected to lead to high performance. But this will depend on whether the outcomes from empowerment process are favourable.

The following hypotheses drawn from the conceptual framework will be tested as follows

- H₁: The strength of the relationship between employee empowerment and performance of a multinational corporation depends on power distance.
- H₂: The strength of the relationship between employee empowerment and employee empowerment outcome (such as organization commitment, job satisfaction and job autonomy) is influenced by power distance.
- H₃: There is a relationship between employee empowerment and employee empowerment outcomes such as organization commitment, job satisfaction and job autonomy.
- H₄: There is a relationship between employee empowerment outcomes and performance of multinational corporations
- H₅: There is a direct relationship between employee empowerment and performance of multinational corporations

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The debate whether a dominant paradigm is appropriate for rapidly evolving management practices like empowerment and performance relationship has resulted in discord among researchers in the field. The research paradigms dominantly used include positivism, interpretivism and critical science. Positivism is an epistemological position that advocates the application of methods of natural sciences to the study of social reality. Positivists believe that knowledge is arrived at through gathering of facts that provide the basis for laws (the principle of inductivism). Interpretivism is a term given to a contrasting epistemology to positivism. It is predicated upon the view that a strategy is required that respects the difference between people and the objects of the natural sciences and therefore requires the social scientist to grasp the subjective meaning of social action. Positivism and interpretivism share a view that subject matter of the social sciences – people and their institutions – is fundamentally different from that of the natural sciences. Realism shares two features with positivism: a belief that the natural and social sciences can and should apply the same kinds of approach to the collection of data and to explanation.

Critical realism is a specific form of realism whose manifesto is to recognize the reality of the natural order and the events and discourses of the social world and holds that we will only be able to understand – and so change – the social world if we identify the structures at work that generate those events and discourses. It implies two things. First, whereas positivists take the view that scientist conceptualization of reality actually directly reflects the reality; realists argue that the scientists' conceptualization is simply a way of knowing that reality. It argues that in many cases, taxonomy of positive research should be employed as a central methodological framework in investigating variables and their relationships.

Epistemology is intimately related to ontology and methodology; as ontology involves the philosophy of reality, epistemology addresses how we come to know that reality while methodology identifies the particular practices used to attain knowledge of it. An epistemological issue concerns the question of what is (or should be) regarded as acceptable

knowledge in a discipline. Understanding the differences in epistemology among research paradigms begins primarily as a philosophical exercise. To Olson (1995), the question of whether there is one knowable reality or that there are multiple realities of which some individual knowledge can be acquired is more a question of faith.

A particularly central issue in this context is the question of whether the social world can and should be studied according to the same principles, procedures, and ethos as the natural sciences. Therefore epistemology poses the following questions: What is the relationship between the knowledge and what is known? How do we know what we know? What counts as knowledge? In the positivist paradigm, the object of study is independent of researchers; knowledge is discovered and verified through direct observations or measurements of phenomena: facts are established by taking apart a phenomenon to examine its component parts. An alternative view, the naturalist or constructivist view, is that knowledge is established through the meanings attached to the phenomena studied; researchers interact with the subjects of study to obtain data; inquiry changes both researcher and subject; and knowledge is context and time dependent (Coll & Chapman, 2000; Cousins, 2002). The position that affirms the importance of imitating the natural sciences is invariably associated with an epistemological position known as positivism. Therefore this study falls within the positivists' paradigm.

This chapter presents a discussion of the research methodology, research design, and target population, sampling design and data collection instrument and procedure used in this study to satisfy the research hypotheses. It also highlights the reliability and validity tests.

3.2 Research Design

This study used a cross-sectional research design that allowed the researcher to integrate empowerment research literature and the questionnaires as a main procedure to gather accurate, less bias data and increase the quality of data being collected (Cresswell, 1998; Sekaran, 2000). The interviews were conducted on employees (of the organizations under study) who hold management and non-management positions. Their opinions were sought about the nature of the relationships between the variables of interest namely, employee empowerment, empowerment outcomes (organization commitment, job autonomy and job satisfaction), power distance and

organizational performance. To determine the influence of power distance on the relationship between employee empowerment, empowerment outcomes on MNC performance, multivariate analysis was used for the purposes of modeling the complex phenomena and relationships that exist between the variables.

This involved relating variables of study to find out the relationship amongst them. For the purposes of this study, the researcher established the link between employee empowerment and MNC performance as moderated by power distance in Kenya. Today, many scholars concur that employee empowerment leads to better MNC performance (Newman and Nollen, 1996, Argyris, 1998; Kaloki, 2001). But, this relationship cannot be considered in isolation. That is, the culture inherent in every host country will affect the operations of a multinational corporation positively or negatively.

3.3 Population of Study

The population of study comprised all employees working for the multinational corporations operating in Kenya. A census technique was used since the number of multinational corporations in Kenya is fairly small. According to Hofstede (1980), this population was considered appropriate because it represented MNCs from both low and high power distance countries. The concern here was to understand the impact of power distance on the relationship between employee empowerment and MNC performance.

A list of MNCs operating in Kenya was obtained from the internet (2008) and was adjusted using a list from the Investment Promotion Council and the Nation Business Directory (2008). This yielded a total of 60 MNCs in Kenya, mainly foreign owned (Appendix VII). Of these firms, 22 are from USA, 20 from UK, 6 from Japan, 2 from Switzerland, 3 from Germany, 2 from India, 1 from France, 1 from Canada, 1 from South Korea, 1 from Finland, and 1 from Sweden. All these MNCs were studied regardless of how long they have operated in Kenya.

3.4 Sampling Design

The sampling method was stratified according to the position in employment (i.e. manager and non-manager). In every organization, 4 employees were chosen randomly for study. That is, two

managers and two non-managers. The study concentrated on the employees of these organizations because employee empowerment has become a tool used by firms for gaining competitive advantage (Pfeffer, 1994). And that employee empowerment leads to organizational success (Newman and Nollen, 1996; Argyris, 1998; Eylon and Au, 1999 and Robert et al. 2000).

The results from table 3 below indicate that the total number of questionnaires targeted for research was 240. Out of this, 160 questionnaires were filled and returned. That is, 34 (21.2%) responses were from firms whose background is high power distance country culture, while 126 (78.8%) were from low power distance country cultures.

Table 3: Number of Questionnaire Distributed

Power Distance	Questionnaires		Questionnaires	
	Distributed	%	Returned	%
High Power Distance	36	15.0	34	21.2
Low Power Distance	204	85.0	126	78.8
TOTAL	240	100.0	160	100.0

3.4.1 Response Rate

Out of the total number of MNCs in Kenya, 39 firms filled and returned the questionnaires. This was a response rate of 65% of the target population, which compares favourably with other previous studies. For example, the response rate for this study compares well with another empirical study where the response rate was 65% (Bhunia, 1996). In addition, Hui and colleagues (2001) conducted a study on the effect of empowerment on job satisfaction in the People's Republic of China and obtained a response rate of 55% and the response rate was considered acceptable.

Table 4: Response Rate

Power Distance	No. of Firms		No. of Firms	
	Targeted	%	that Responded	%
High Power Distance	9	15.0	9	15.0
Low Power Distance	51	85.0	30	50.0
TOTAL	60	100.0	39	65.0

Table 4 shows that, out of the 60 firms, 85% (51) firms originated from low power distance culture (countries like, UK, Germany, USA and Switzerland) while 15% (9) firms originated from high power distance country culture (countries like Japan, France, India, and South Korea) as shown in table. The study showed that the response rate was higher on the corporations from the low power distance cultures. That is, many multinationals operating in Kenya originate from the low power distance culture. This may be due to the colonial inclination that Kenya was a British colony.

The population of study comprised 60 multinational firms. Out of which, the researcher wanted a sample size of 240 respondents from both high power and low power distance cultural backgrounds. For every organization, the researcher sent out four (4) questionnaires to be filled by four (4) employees (managers and non-managers) in every organization to show their levels of involvement in organizational decision-making. Out of the 60 MNCs under study, 39 of them filled and returned the questionnaires. This represented a response rate of 65% of the study population.

A stratified random sampling technique was used to select the respondents from each of the multinational corporations. The stratification was based on the respondents' position in the organization - managers and non-managers. The managers were those at the higher and middle levels of the hierarchy, i.e. top, middle and lower level managers while non-managers were those at the lower levels and included supervisors, clerks and secretaries. The stratification also considered the gender issue. That is, an equitable number of men and women were drawn where possible.

The researcher then used simple random sampling technique to draw up respondents from each stratum based on their original predetermined population numbers. The method is considered appropriate because it provided information from all the categories of employees in the organization. This method of sampling has been used in the previous studies with little bias reported (Bae et al., 1998; Chui, 2002). Selection of respondents for this study was obtained through the common formula suggested by several scholars (Cooper and Emory, 1995; Sekaran, 2002) as follows:

$$n = z^2 \times pq$$

$$d^2$$

where

n = the desired sample size (if the target population is greater than 10,000)

z = the degree of confidence which in this case was 95% confidence interval

p = stands for the population having the characteristic to be measured (there being no reasonable estimate of $p = 50\%$ or $p = 0.5$ was adopted to maximize the expected variance and ensure that the sample was large enough)

$q = 1 - p$ (this stands for the population not having the characteristic which in this case was 0.5)

d = stands for the degree of accuracy required (in this case was set at 5%)

Since the target population for this study was less than 10,000, then a smaller sample size could be used without affecting the accuracy and this required an adjusted minimum sample size to be calculated as follows:

$$n' = n$$

$$1 + [n/N]$$

Where,

n' = the adjusted minimum sample size

n = is the minimum sample size already calculated above

N = is the total population

Using this formula, 240 respondents/employees were selected for the study. Krejcie and Morgan (1970) provided a generalized scientific guideline for sample size decisions by providing a table that ensures a good decision model (Sekaran, 2003).

3.5 Data Collection

Data was collected using personal interviews by two research assistants, and where this did not work, 'drop and pick' method was used. Both primary and secondary data was collected. Primary data covered information on employee empowerment and empowerment outcomes, host country culture, and non-financial measures of performance. The non-financial measures included variables such as customer satisfaction, commitment to work, product reliability, faster decision-making processes, choice, impact, meaningfulness and power inequality. To ensure face validity of responses, the questionnaires were administered to the respondents through personal interviews, and where this was not applicable, the researcher used drop and pick method. Telephone interviews and personal visits were used as follow-ups.

Secondary data would have been obtained from the existing performance records of each of the MNCs under study for a period of 5 years (from 2002 – 2007). This would have included data on financial performance (growth in sales, market share, net profits, average turnover, earnings per share, dividend per share, return on assets and increase in capital assets). But, this was not possible since organizations could not divulge this information about their financial status due to its confidentiality. A questionnaire (Appendix I) was used to collect primary data. It contained both structured and unstructured questions. It was divided into four parts. Part A asked questions on biographical data and company details. Part B, asked questions about national culture (power distance). It further asked questions about the extent to which power is distributed equally or unequally in organizations. Hofstede (1980) measured power distance using a Likert scale that showed a reliability coefficient of more than 0.70.

Part C, asked questions about employee empowerment and employee empowerment outcomes. A Likert type scale ranging from 5-denoting to a great extent to 1-denoting not at all was used. The respondents were requested to rate the given statements that characterized their behaviour and attitudes towards the organization's level of employee empowerment. That is, section one of part C sought information on employee empowerment practice in an organization, while section two of part C, sought information on employee empowerment outcomes (organizational commitment, job autonomy and job satisfaction).

The measure for organizational commitment was adapted from Allen and Meyer (1991) which has a reliability coefficient of 0.84. The other part of employee empowerment question focused on job satisfaction and job autonomy respectively. This showed the extent to which employees were satisfied with their jobs as well as their level of independence in performing their duties. The researcher tapped this information using 5-point Likert (Likert, 1932) type scale. The researcher further used Cronbach's Alpha to compute the reliability coefficients.

Finally, Part D asked questions about the perception of MNC performance. It required the respondents to rate the performance of their organizations in terms of non-financial measures (using perceptual measures like, product quality, customer satisfaction, and product reliability, response to customer needs, employee creativity and speed of decision-making). A 5 - point Likert type scale showed the extent to which the employees agreed with the statements given, that ranged from 5 - denoting to a very great extent to 1 - denoting not at all. Kirkman and Rosen (1999) used such perceptual measures of performance and showed a reliability coefficient of more than 0.94.

3.5.1 Measurements of Variables

- i) **Independent/Predictor Variable** – The independent variable for this study is employee empowerment. It influences the MNC performance level either positively or negatively. All other factors remaining constant, the higher the employee empowerment, the higher the performance level.
- ii) **Dependent/Criterion Variable** – The dependent variable for this study is multinational corporation (MNC) performance, to be captured by financial and non-financial measures. It is the main variable that lends itself to investigation.
- iii) **Moderating Variable** – For the purposes of this study, the moderating variable is national culture (power distance). This is because it influences or modifies the original relationship between the independent variable (employee empowerment) and the dependent variable (MNC performance). The concern here is how it influences this relationship (fig. 1, pg. 32).
- iv) **Intervening Variable** - It is a conceptual mechanism through which the independent variable (employee empowerment) and the moderating variable

(power distance) may affect the dependent variable – MNC performance (Cooper and Schindler, 2004). It helps to conceptualize and explain the influence of the independent variable on the dependent variable. For the purposes of this study, the intervening variable is the employee empowerment outcomes (organizational commitment, job satisfaction and job autonomy). The level of MNC performance will depend on whether employee empowerment outcome is favourable or not.

3.5.2 Questionnaire Pre-testing

The questionnaire was pre-tested with a sample of respondents in order to establish whether the questions therein measure the expected theorized variables in the conceptual framework (Fig. 1, pg. 31) at the end of the literature review. A pilot study on 10 selected respondents was conducted to ascertain the clarity of the questions. The respondents were also asked to comment on the clarity and the amount of time it would take to fill one questionnaire. The final questionnaire was then adjusted on the basis of the findings of the pilot test and a final version was developed for study. The research assistants were deployed to conduct personal interviews to collect the data from the respondents.

3.6 Reliability and Validity

Reliability attests to the consistency and stability of the measuring instrument. The common internal consistency measure is the Cronbach's Alpha, given as follows:

$$\alpha = \frac{N - r}{1 + (N - 1) \cdot r}$$

Where;

N = the number of components or items being tested

α = the extent to which a set of test items can be treated as measuring a single variable

r = the average of all correlation coefficients

Reliability does not however imply validity because while a reliable measure is measuring something consistently, it may not necessarily be what is supposed to be measuring. Therefore, test validity is prerequisite to test reliability because test validity is required before reliability can

be considered meaningful in any way. The Stanley and Gregory instrument has been successfully used in the previous studies. The researcher tested the validity by reviewing the instrument to ascertain its validity. That is, the evidence that the instrument, technique or process used to measure a concept does indeed measure the intended concept. The researcher pre-tested the questionnaires to find out whether the instrument measures what it was intended to measure.

The questionnaire for the study was based on a Likert-type rating scale that measured attitudes. It consisted of statements asking the respondents to indicate the degree of agreement or disagreement by ranking a point on a scale. In this format, a continuum of scale points were presented which ranged from 1- strongly disagree to 5 - strongly agree. The higher the score, the higher was the measured tendency (see Appendix IX).

3.6.1 Tests of Reliability

The instrument testing reliability used different numbers of scale items. Cronbach's alpha was used to test the consistency of items in the scales. This method is however strongly affected by the number of items in the scale. The logic here is that high internal consistency within a scale inevitably leads to strong test-retest reliability since the major source of measurement error is due to the sampling content (Nunnally, 1978). In this case, power distance was measured using 30 items, employee empowerment was measured using 17 items, employee empowerment outcome measured using 20 items, organization commitment measured using 17 items, job autonomy 10 items, job satisfaction 20 items and non-financial measures 20 items.

Cronbach's Alpha was used to measure internal consistency of the questionnaire items. Separate tests for the internal consistency for measures of each of the variables were obtained as shown in table 5 below. The instruments attained cronbach's alpha coefficients ranging from 0.700 to 0.933 implying that the scale used was highly reliable. That is, for power distance, employee empowerment, organization commitment, job autonomy, job satisfaction and organization performance, the alpha coefficient scores were 0.700, 0.933, 0.883, 0.821, 0.790 and 0.875 respectively. All the alpha coefficients were reasonably high, suggesting that all the items in the questionnaire were consistent.

Table 5: Results of Tests of Reliability

Variable	Statements Measuring the Variables	Reliability (Cronbach's Alpha)
Power Distance	30	0.700
Employee empowerment	20	0.933
Organization Commitment	17	0.883
Job Autonomy	10	0.821
Job Satisfaction	20	0.790
Non-financial Measures	17	0.875

3.6.2 Tests of Validity

Validity of the measurement instruments was established using expert judgement. A group of knowledgeable and experienced researchers examined the instruments and confirmed that they appeared capable of measuring what they were designed to measure. Thus face validity was established for all the measurement instruments. The details are presented in appendix IX.

3.7 Operationalization of Variables in the Study

For purposes of this research, the researcher has identified four main variables for study, namely, employee empowerment, empowerment outcomes, power distance and MNC performance. A comprehensive operationalization of these variables is presented in Appendix IV.

3.8 Summary of Objectives, Hypotheses and Interpretation

A summary of the various objectives of the study, corresponding hypotheses to be tested and the type of analysis and interpretation of findings are shown in appendix V. The variables will be measured using a 5-point Likert scale. Sekaran (2003) reported that such scales are interval scales. The appropriate tests here are the parametric tests such as Pearson's correlation and multiple regression techniques.

CHAPTER FOUR

DATA ANALYSIS AND RESULTS

4.1 Introduction

This chapter presents the research findings. It is divided into three sections. Section one is a brief introduction, section two is the demographic profile of firms, and lastly section three highlights the tests of hypotheses and a summary of the results.

Firstly, validity and reliability analyses were conducted to determine the psychometric properties of the data collection instruments (questionnaires) used for this study. Secondly, a moderated multiple regression analysis was used to test the moderating effect of power distance on the relationship between empowerment and performance, and empowerment and its outcomes. Thirdly, Pearson correlation analysis was used to test the effect of power distance on empowerment practice, empowerment outcomes and MNC performance.

4.2 Demographic Profile of the Firms in the Study

This section highlights the characteristics of firms and the respondents that the study found to be very important, especially in providing information about the profile of the respondents and the multinational corporations. The characteristics included the origin of firm (power distance culture), number of years employees had worked for the organization, positions held; level of education, firm's length of operation in Kenya, power distance of the parent company, among others as described in the ensuing section. As shown in Appendix VI.

4.2.1 Power Distance of Parent Company

The total number of multinational corporations operating in Kenya is 60. Out of this, 85% (51) firms originated from low power distance culture (countries like, UK, Germany, USA and Switzerland) while, 15% (9) firms originated from high power distance country culture (countries like Japan, France, India, and South Korea) as shown in the table 6 below.

Table 6: Classification of Power Distance

Power Distance Origin	Frequency	%
High Power Distance	9	15.0
Low Power Distance	51	85.0
TOTAL	60	100.0

This shows that more MNCs operating in Kenya originate from low power distance culture countries. This emphasized the fact that Kenya was a former colony of the British. Hence, many countries having trading links with the British found the destination favourable as a market.

4.2.3 Employment Status

Out of the total number interviewed, 81.1% (141) were on permanent basis, 4.4% (7) on temporary and 7.5% (12) on contract basis. This implied that a majority of those employed were on permanent basis as shown in the table below.

Table 7: Employees' Employment Status

Employment Status	Frequency	%
Permanent	141	88.1
Temporary	7	4.4
Contract	12	7.5
TOTAL	160	100.0

4.2.4 Length of time worked

A majority of employees (46.3%) have worked for the organizations between 5 and 10 years, 38.1% below 5 years and 15.6% more than 10 years. This therefore means that over 84.4% of the employees have worked for the organizations for over 5 years and are therefore well conversant with operations of the organizations as shown in the table below. This implies that a majority of employees have worked for the organizations for over 5 years as shown in table 8.

Table 8: Length of time worked

Length of period worked	Frequency	%
Below 5 years	61	38.1
Between 5 – 10 years	74	46.3
Over 10 years	24	15.6
TOTAL	160	100.0

4.2.5 Position held in Organization

Table 9 below shows the distribution of respondents according to the positions of employment held in the organization. It indicates that 51.2% (82) of the employees interviewed were managers and 48.8% (78) Non-managers.

Table 9: Position held in Organization

Position held	Frequency	%
Manager	82	51.3
Non-manager	78	48.8
TOTAL	160	100.0

4.2.5 Gender

The number of men and women interviewed was more or less equal. This means that men and women were included at the two levels as shown below.

Table 10: Employees' Gender

Gender	Frequency	%
Male	79	49.4
Female	81	50.6
TOTAL	160	100.0

4.2.6 Highest Level of Education

Table 11 shows the distribution of respondents by their highest level of education. It shows that a majority of them hold bachelors degree 51.9% and master's degree 19.4%. Those with ordinary

diploma, higher diploma and doctorate level were 6.3%, 2.5% and 0.6% respectively. This implied that 71.9% of the employee working for these organizations had a bachelor's degree and above.

Table 11: Level of Education

Level of Education	Frequency	%
Ordinary Diploma	10	6.3
Higher Diploma	4	2.5
Bachelors Degree	31	51.9
Masters Degree	83	19.4
Doctorate Degree	1	0.6
TOTAL	160	100.0

4.2.8 Level of Education and Power Distance

The table 12 shows the cross tabulation between level of education and power distance. That is, a majority of employees working for the MNCs have secondary, bachelor's degree and masters qualification. This means that the employees are reasonably qualified to perform their duties within the organization.

Table 12: Power Distance and Level of Education

	Power Distance		Total
	High	Low	
Highest Level of Education			
Ordinary Diploma	4	6	10
Higher Diploma	3	1	4
Secondary School	4	27	31
Bachelors Degree	20	23	83
Masters Degree	3	28	31
Doctorate	0	1	1
Total	34	126	160

4.3 Tests of Hypotheses

There were five hypotheses which were tested one by one as explained below. This section presents a discussion of data analyses and procedures used to address the research hypotheses. It included analysis of the variables and their relationships in a high power distance country culture. In addition, the hypotheses were accurately tested using multivariate and correlation analysis. Descriptive statistics was used as a mode of analysis and hypotheses were accepted or rejected based on the study findings.

Table 13: Descriptive Statistics and Pearson Correlations

Variables	Mean	Std. Dev	Power distance (Culture)	Employee empowerment	Organizational commitment	Job autonomy	Job satisfaction
Power distance (Culture)	3.0119	.29504	1				
Employee empowerment	3.8031	.49601	-.026	1			
Organizational commitment	3.5904	.47188	.331(**)	.483(**)	1		
Job autonomy	4.0256	.44386	.172(*)	.509(**)	.565(**)	1	
Job satisfaction	3.4459	.34591	.148	.635(**)	.716(**)	.658(**)	1
Organizational performance	3.7710	.39905	.199(*)	.530(**)	.609(**)	.516(**)	.636(**)

** Correlation is significant at $p < 0.01$ (2-tailed), $N = 160$

* Correlation is significant at the $p < 0.05$ level (2-tailed), $N = 160$

Table 13 shows the mean, standard deviation and the Pearson correlations for the variables under study. The mean values of each variable ranged between 3.01 and 4.03, indicating that the level of employee empowerment and empowerment outcomes (organization commitment, job autonomy and job satisfaction) were high. The correlation coefficients between the independent variable (employee empowerment, empowerment outcomes), the moderating variable (power distance), and the dependent variable organization performance were less than 0.90, indicating the data were not affected by a serious co-linearity problem (Hair *et al.*, 1998). These correlations also provided further evidence of validity and reliability for measurement scales used in this research.

The results indicated that power distance variable had a mean score of 3.012; this implied that the selected firms on average had moderate power distance. Employee empowerment variable had a mean score of 3.803 which implied that the firms practice employee empowerment to a great extent while organization commitment was at 3.590 also implying commitment to a moderate extent. Job autonomy was also present to a great extent with a mean score of 4.026 while job satisfaction had a mean score of 3.446.

The multivariate procedures for modelling used here included regressions analyses consisting of multiple coefficients and multiple variables. In this section, the researcher explained how the discussions were carried out in order of each hypothesis. There were five main hypotheses from the five specific objectives to help in predicting the possible outcomes of the study. Multiple regression analysis was used to test hypotheses 1 and 2 while hypotheses 3, 4 and 5 were tested using Pearson product-moment correlation analysis. The hypotheses were tested one by one as explained under the following sub-headings:

4.3.1 Relationship between Employee Empowerment and MNC performance as moderated by Power Distance

The first hypothesis was tested to find out whether the relationship between employee empowerment and MNC performance depends on power distance of a host country. To achieve this, multiple regression analysis was used to test this hypothesis. In the regression model, firm performance was used as the dependent variable and employee empowerment was the independent variable. Tables 14 and 15 contain the summaries of the regression analyses used to test this hypothesis.

Table 14 shows the relationship between employee empowerment (independent variable) and MNC performance (dependent variable). The table indicates that employee empowerment determines 36.9 per cent ($R^2 = 0.369$, $p < 0.01$) of the variation in the dependent variable which is significant at 0.05. Although the model did not explain a larger proportion of the variation in MNC performance, the data showed a moderately good fit ($r = 0.608$, $p < 0.01$) relationship between the independent and the dependent variable. It appears that 63.1 percent of variations were not explained by the factors in the study. According to Guilford's interpretative model

(cited in Sprinthall, 1987), $r = 0.608$ shows a moderate correlation, remarkable or substantial relationship between employee empowerment and MNC performance (Appendix III). This may imply that power distance has an influence on the relationship between empowerment and MNC performance and explaining 36.9 per cent variations in MNC performance.

Table 14: Regression Analysis for the relationship between Empowerment and MNC Performance

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate	Change in F Ratio				
					Change in R ²	F Change	df1	df2	Sig. of Change in F
1	.530(a)	.281	.276	.33954	.281	61.623	1	158	.000
2	.608(b)	.369	.361	.31897	.089	22.026	1	157	.000

Dependent variable: MNC performance

Table 15: Influence of Power Distance on the relationship between Empowerment and MNC Performance

Model	Variables	Std. Error	Standardized Coefficients (Beta)	t
1	(Constant)	0.208	2.150	10.328
	Employee Empowerment	0.054	0.530	7.850
2	(Constant)	0.199	1.974	9.910
	Employee Empowerment	0.055	0.404	5.868
	Power Distance of Parent Company	0.067	0.323	4.693

Dependent Variable: MNC performance

Significant at 0.05 levels

To examine the moderating effect of power distance on the relationship between employee empowerment and MNC performance, the researcher used a moderated multiple regression to establish the interaction effects. To achieve this, it was assumed that variable Z (Power distance) was the moderating variable between X (employee empowerment) and Y (MNC performance) and that this relationship depended on the value of Z. In this case, it involved a regression equation that included Y as a criterion variable and X and Z as predictor variables. It also included a third predictor variable consisting of Z*X (a product term) which explained the moderating effect of power distance (Z) on the relationship between employee empowerment and MNC performance. This is consistent with the suggestion by Aquino and Pierce (1999).

Following recommendation by Stone & Hollenbeck (1988), linear-by-linear interaction terms were created by multiplying the proposed moderator by the independent variable. After entering the proposed main effects into the equation, the multiplicative terms were added. The regression weights for the multiplicative terms were then examined for significance. The findings in table 14 show that there is significant relationship between MNC performance ($\beta = 1.974$, $p < 0.01$) and the interaction term, suggesting that performance increases by 21 percent for every unit change in employee empowerment. This implies that power distance moderates the relationship between employee empowerment and MNC performance.

Moderated multiple regression equation is as follows:

$$Y = a + bX + cZ + dX*Z$$

Where,

Y = MNC performance

X = employee empowerment outcomes (i.e. organization commitment, job autonomy and job satisfaction)

a = a constant

b = the coefficient of X

c = the coefficient of power distance

d = the coefficient of the product term (X*Z)

Z = Power distance

Substituting the results the equation gives the following;

Model 1

$$Y = 2.150 + (0.530 \times \text{Employee Empowerment})$$

Model 2

$$\text{MNC performance} = 1.974 + (0.404 \times \text{Employee Empowerment}) + (0.323 \times \text{Power distance}) \times d (\text{Employee Empowerment} * \text{Power Distance})$$

The results of the moderated multiple regression analysis supports hypothesis 1 that power distance influences the relationship between employee empowerment and MNC performance where the standardized regression coefficient for the product term which carried information about the interaction between employee empowerment and MNC performance was not equal to 0 (i.e. $\beta \neq 0$) but was equal to 0.404 which was significant at $p < 0.05$. This indicates the presence of a moderating or interaction effect and is consistent with the interpretation made by Cohen & Cohen (1983). These results confirmed hypothesis 1 that the strength of the relationship between employee empowerment and MNC performance in a host country were influenced by power distance. This led to the conclusion that power distance moderates the relationship between employee empowerment and organizational performance ($\beta \neq 0$). This demonstrates that the strength of the relationship between the two variables is affected by power distance.

The results of the test of hypothesis 1 ($r = 0.608$, $p < 0.05$), shows that there is a moderate relationship between employee empowerment and MNC performance. Therefore hypothesis 1, r^2 (0.369) gave the amount of variance in the dependent (MNC performance) variable explained by the independent variable (employee empowerment). This implies that there is 36.9% variation in MNC performance explained by employee empowerment variable. It further explains that 63.1 percent of the variations in MNC performance are not explained by the model.

4.3.2 Relationship between Employee Empowerment and Empowerment Outcomes is influenced by Power Distance

A univariate regression analysis was used to test hypothesis 2. In the regression model, employee empowerment was used as the dependent variable and the employee empowerment outcomes

(organizational commitment, job autonomy and job satisfaction) as the independent variable was tested using univariate multiple regression as shown in the tables 16 and 17.

Table 16: Results for the Univariate Regression Analysis

Model	r	R ²	Adjusted R ²	Std. Error of the Estimate	Change in F Ratio				
					Change in R ²	F Change	df1	df2	Sig. of Change in F
1	.646(a)	.418	.407	.38206	.418	37.330	3	156	.000
2	.652(b)	.425	.410	.38110	.007	1.790	1	155	.183

Dependent variable: Employee empowerment

The regression analysis results for the test of hypotheses 2 are presented in table 15 above. The table indicates that employee empowerment explained 42.5 per cent ($R^2 = 0.425$, $p = 0.01$) of the variation in employee empowerment outcomes. This implied that the relationship between employee empowerment and empowerment outcomes was moderately significant ($r = 0.652$, $p < 0.01$). This implied that power distance moderated the relationship between employee empowerment and empowerment outcomes depending on whether power distance is high or low.

The moderated multiple regression analyses were used to test the extent to which power distance moderated the relationship between the employee empowerment and empowerment outcomes (organizational commitment, job autonomy and job satisfaction). Based on recommendation by Stone & Hollenbeck (1988), linear-by-linear interaction terms were created by multiplying the proposed moderator by the independent variables. After entering the proposed main effects into the equation, the multiplicative terms were added. The regression weights for the multiplicative terms were then examined for significance as shown in Table 15.

Table 17: Results for the Multiple Regression Analysis for Empowerment and its Outcomes

Model		Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	0.320	0.465	1.454	0.148
	Organisational commitment	0.093	0.028	0.320	0.749
	Job autonomy	0.092	0.157	1.902	0.059
	Job satisfaction	0.140	0.511	5.245	0.000
2	(Constant)	0.321	0.507	1.583	0.115
	Organisational commitment	0.097	-0.007	-0.070	0.944
	Job autonomy	0.093	0.141	1.703	0.091
	Job satisfaction	0.140	0.500	5.132	0.000
	Power distance of Parent company	0.088	0.098	1.338	0.183

Dependent Variable: Employee empowerment

H_{2a}: The strength of the relationship between Employee Empowerment and Organization Commitment depends on power distance

The moderated multiple regression results presented in Table 16 provide support for H_{2a}, since the value of the standardized regression coefficient for the product term between employee empowerment and organization commitment, was not equal to 0 (i.e. $\beta \neq 0$). The value of the beta coefficient ($\beta = -0.007$) shows that there is an inverse relationship between employee empowerment and organization commitment. That is, when the value of organization commitment rises, the value of employee empowerment outcome falls by 0.007. The results further showed that power distance had an insignificant effect on the relationship between employee empowerment and organization commitment since $\beta = 0.098$ was not significant at $p < 0.05$. Thus, the hypothesis that the strength of the relationship between employee empowerment and organizational commitment was moderated by power distance was not confirmed.

H₂b: The strength of the relationship between Employee Empowerment and Job Autonomy depends on Power Distance

The results of the regression test for the moderating effect of power distance on the relationship between employee empowerment and job autonomy are presented in Table 17. The results provide support for **H₂b**, where the standardized regression coefficient for the product term between employee empowerment and job autonomy or the value of beta coefficient is not equal to 0 (i.e. $\beta \neq 0$) but, rather equals to 0.141 which is significant at $p < 0.05$. This indicates that power distance moderates the relationship between employee empowerment and job autonomy. Therefore, **H₂b** was accepted.

H₂c: Power Distance influences the relationship between Employee Empowerment and Job Satisfaction

The moderated multiple regression results in Table 17 provide support for **H₂c**, where the standardized regression coefficient for the product term between employee empowerment and job satisfaction or beta coefficient is not equal to 0 (i.e. $\beta \neq 0$). The beta coefficient is 0.500 which is significant at $p < 0.05$. This indicates the presence of a moderating or interaction effect between the variables (Cohen and Cohen, 1988). The results of analysis indicate that the relationship between employee empowerment and job satisfaction is moderately significant. Therefore **H₂c** was confirmed.

Table 17 shows that job autonomy and job satisfaction are statistically significant, while the standardized coefficient for organization commitment is 0.028 which is not significant at $p < 0.05$. This implied that power distance did not moderate the relationship between employee empowerment and organization commitment. It is clear from this analysis that power distance influenced the relationship between employee empowerment and job autonomy and between employee empowerment and job satisfaction. It is also clear from table 17 that a unit change in employee empowerment produces greater change in job satisfaction ($\beta = 0.5$) than in job autonomy ($\beta = 0.141$).

Model 1

The resulting model will be as follows;

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3$$

Where, Y = Employee Empowerment, X₁ = Organization Commitment, X₂ = job autonomy, and X₃ = Job Satisfaction; a = the intercept term, b₁, b₂ and b₃ are slopes of coefficients associated with X₁, X₂ and X₃ respectively)

Substituting in the equation;

$$\text{Employee empowerment} = 0.465 + 0.028 \times \text{Organization Commitment} + (0.157 \times \text{job Autonomy}) + (0.511 \times \text{Job satisfaction})$$

That is, b₁ reflects the amount of change in Y (employee empowerment) associated with the given change in X₁ (organization commitment) holding X₂ (job autonomy) and X₃ (job satisfaction) constant. b₂ reflects the amount of change in Y (employee empowerment) associated with a given change in X₂ (job autonomy) holding X₁ (organization commitment) and X₃ (job satisfaction) constant and b₃ implies the amount of change in X₃ (job satisfaction) holding X₁ (organization commitment) and X₂ (job autonomy) constant. That is every 1 unit change in job autonomy, there was 15.7% increase in employee empowerment and for every 1 unit change in job satisfaction, there was 51.1% increase in employee empowerment. This implies that, the moderation effect on the relationships between employee empowerment and empowerment outcomes (job autonomy and job satisfaction) is significant p < 0.05 levels, while H_{2a} is insignificant (β = 0.028). Therefore, H_{2b} and H_{2c} were confirmed.

Model 2

The resulting model for this analysis

$$\text{Employee Empowerment} = 0.507 + (0.141 \times \text{job Autonomy}) + (0.500 \times \text{Job satisfaction}) + 0.098(0.141 \times 0.500)$$

The implication was that for every 1 unit change in job autonomy, there was 14.1% increase in employee empowerment and for every 1 unit change in job satisfaction, there was 50.0%

increase in employee empowerment. This implied that the moderation effect on the relationship between employee empowerment and empowerment outcomes (job autonomy and job satisfaction) were strong and significant at $p < 0.05$. Therefore, hypotheses **H_{2b}** and **H_{2c}** were confirmed.

The result of hypothesis 2 shows that employee empowerment leads to favourable employee empowerment outcomes. But, this will be dependent on the cultural background prevailing within the country. From the analysis, power distance moderates the relationship between employee empowerment and its three outcomes; organization commitment, job autonomy and job satisfaction. It showed a significant relationship between two variables (job autonomy and job satisfaction), thus, confirming **H_{2b}** and **H_{2c}**. But, did not show a significant relationship between employee empowerment and organization commitment, thus **H_{2a}** was not confirmed.

Table 18: Summary of the Multiple Regression Analysis

Model	r	R ²	Adjusted R ²	DF	ANOVA F	Sig. of F	Pearson Correlation	Interpretation of the strength of the relationship
Hypothesis 1	.608	.369	.361	157	37.904	.000	.530	Moderate
Hypothesis 2: EmpEmpt × EmpEmpt Outcome	.652	.425	.410	157	37.330	.000	.652	Moderate
Org Com × PD	.521	.272	.262	157	29.280	.000	.509	Moderate
JA ×PD	.646	.417	.410	157	56.240	.000	.565	Moderate
JS ×PD	.647	.418	.407	157	37.352	.000	.658	Moderate

Further, for hypothesis 2, $R^2=0.425$, gives the amount of variance in the dependent (employee empowerment) variable explained by the independent (employee empowerment outcomes - organization commitment, job autonomy and job satisfaction) variable in the regression equation. That is, there is 42.5% of the variations in employee empowerment predicted by the combined effect of employee empowerment outcomes (organization commitment, job autonomy and job satisfaction). Table 18 gives a summary of the results of hypotheses 1 and 2. It indicates that for hypothesis 1, R^2 (0.326) gives the amount of variance in the dependent (MNC performance) variable explained by the independent variable (employee empowerment). This implied that 36.9 per cent variations in organizational performance were explained by employee empowerment but 63.1 per cent variations were unexplained.

Further, for hypothesis 2, R^2 (0.425) gives the amount of variance in the dependent (employee empowerment) variable explained by the independent (employee empowerment outcome - organization commitment, job autonomy and job satisfaction) variable in the regression equation. That is, 42.5% of the variations in employee empowerment were predicted by the combined variations in employee empowerment outcomes (organization commitment, job autonomy and job satisfaction). The conclusion is that job autonomy and job satisfaction are the basic predictors of employee empowerment in host countries as shown in table 19.

4.3.3 Relationship between Employee Empowerment and Employee Empowerment Outcomes

Hypothesis 3 was tested using Pearson's product-moment correlation technique. The results from table 19 show that there is a positive relationship between employee empowerment and organizational commitment ($r = 0.454$), job autonomy ($r = 0.514$) and job satisfaction ($r = 0.673$). The employee empowerment outcomes variables included organization commitment, job autonomy and job satisfaction. Table 19 shows the relationship between employee empowerment and empowerment outcomes as influenced by power distance. Hypothesis 3 was tested using Pearson's product-moment correlation technique. The results from Table 19 below shows a positive relationship between employee empowerment and organizational commitment ($r = 0.454$), job autonomy ($r = 0.514$) and job satisfaction ($r = 0.673$). The employee empowerment outcomes variables included organization commitment, job autonomy and job satisfaction.

Table 19: Correlation Results for Empowerment and Empowerment Outcomes

	Employee empowerment (r)	Organisational commitment (r)	Job autonomy (r)	Job satisfaction (r)
Employee empowerment	1	.454(**)	.514(**)	.673(**)
Organisational commitment	.454(**)	1	.525(**)	.722(**)
Job autonomy	.514(**)	.525(**)	1	.660(**)
Job satisfaction	.673(**)	.722(**)	.660(**)	1

** Correlation is significant at $p < 0.01$ (2-tailed), $N = 160$

H_{3a} There is a positive relationship between Employee Empowerment and Organization Commitment

In order to establish whether there is a significant relationship between employee empowerment and organization commitment, Pearson's correlation analysis was conducted on the two variables and the results are shown in Table 19. The findings showed that employee empowerment and organization commitment were correlated ($r = 0.454$, $p < 0.01$). The results further indicated that there was a significant positive relationship between employee empowerment and organization commitment. This therefore led to the confirmation of hypothesis **H_{3a}**.

H_{3b} There is a positive relationship between Employee Empowerment and Job Autonomy

The findings in table 19 indicate that there is a significant positive correlation ($r = 0.509$, $p < 0.01$) between employee empowerment and job autonomy. This finding strongly supports hypothesis **H_{3b}** that employee empowerment leads to job autonomy. This therefore led to the confirmation of hypothesis **H_{3b}**.

H_{3c} There is a positive relationship between Employee Empowerment and Job Satisfaction

Table 19 also shows a positive and significant between employee empowerment and job satisfaction ($r = 0.673, p < 0.01$). Therefore, hypothesis **H_{3c}** was confirmed. Further the results from hypotheses 3 demonstrates that employee empowerment influences job satisfaction to a greater degree than it did influence organizational commitment ($r = 0.454, p < 0.01$) and job autonomy ($r = 0.514, p < 0.01$).

4.3.4 Relationship between Empowerment Outcomes and MNC Performance

Hypothesis 4 was tested using the Pearson product moment correlation technique. The variables related to this hypothesis were the non-financial indicators of performance such as customer satisfaction, quality products, product reliability effective communication and the level of employee involvement in task performance among others. The results are presented in Table 20. From the analysis, there is a positive relationship between employee empowerment outcomes and MNC performance. That is, coefficient of correlations between organization commitment, job autonomy and job satisfaction are 0.621, 0.521 and 0.657 respectively.

Table 20: Relationship between Empowerment Outcomes and MNC Performance

Variables	Organizational Performance	Organizational Commitment	Job Autonomy	Job Satisfaction
Organizational Performance	1	.621(**)	.521(**)	.657(**)
Organizational Commitment	.621(**)	1	.525(**)	.722(**)
Job Autonomy	.521(**)	.525(**)	1	.660(**)
Job Satisfaction	.657(**)	.722(**)	.660(**)	1

** Correlation is significant at $p < 0.01$ level (2-tailed), $N = 160$

Table 20 reveals that the relationship between job satisfaction and firm performance was much stronger ($r = 0.657, p < 0.01$) than the relationship between employee organizational commitment and firm performance ($r = 0.621, p < 0.01$). between job autonomy and firm performance ($r = 0.521, p < 0.01$) and between job satisfaction and firm performance ($r = 0.657, p < 0.01$).

Hypothesis 4 is divided into the following sub-headings.

H_{4a} There is a positive relationship between Organizational Commitment and MNC Performance

Table 20 shows that the results of the analysis support **H_{4a}**. That is, organization commitment is positively and significantly correlated with MNC performance ($r = 0.621, p < 0.01$). The magnitude of the correlation index indicates that there is a moderate fit between organization commitment and MNC performance. The results demonstrate that commitment by the employees to the organization and their work was an important predictor of the organization performance. This findings therefore support the hypothesis that there is a positive relationship between organization commitment and MNC performance

H_{4b} There is a positive relationship between Job Autonomy and MNC Performance

Table 20 shows an evidence that job autonomy is positively and significantly related to MNC performance ($r = 0.521, p < 0.01$). The magnitude of the correlation index shows a moderate relationship between job autonomy and MNC performance. Thus, job autonomy is an important predictor of organizational performance. The hypothesis **4b** was therefore confirmed.

H_{4c} There is a positive correlation between Job Satisfaction and MNC Performance

The results presented in table 20 support the hypothesis that job satisfaction is positively and significantly correlated with MNC performance ($r = 0.657, p < 0.01$). The magnitude of the correlation score implies a moderate relationship between job satisfaction and MNC performance. This further implies that the level of job satisfaction among employees contributed

significantly to the performance of MNCs. The results therefore demonstrate that job satisfaction is an important predictor in the performance of MNCs. Thus hypothesis **H_{4c}** was also confirmed.

4.3.5 Relationship between Employee Empowerment and MNC Performance

Hypothesis 5 tested the direct relationship between employee empowerment and MNC performance. Pearson correlation analysis was used to test this hypothesis. The results in Table 20 show that empowerment and performance are related. That is employee empowerment is related to firm performance. The magnitude of the correlation coefficient implies a moderate relationship ($r = 0.643$, $p < 0.01$) between employee empowerment and firm performance as shown in the below. The table indicates that in low power distance cultures, the correlation coefficient score for the relationship between employee empowerment and MNC performance was higher ($r = 0.643$, $p < 0.01$) than in high power distance cultures ($r = 0.366$, $p < 0.01$).

Table 21: Power distance and relationship between Empowerment and MNC Performance

Power distance of Parent company	Variables	Employee empowerment	Organizational performance
Low	Employee empowerment	1	.643(**)
	Organizational performance	.643(**)	1
High	Employee empowerment	1	.366(**)
	Organizational performance	.366(**)	1

** Correlation is significant at $p < 0.01$ level (2-tailed) H: $n = 34$: L: $n = 126$

This conforms to literature where researchers like Argyris (1998), Eylon and Au (1999) and Robert et al. (2000) reported that employee empowerment is higher when the management practices of a firm are consistent with the local cultures. The results of this analysis is consistent with literature that employee empowerment leads to higher firm performance. But when power distance is high then the MNC performance will be lower ($r = 0.3$ $p < 0.01$) as suggested in the table above.

From the following analysis, the researcher can conclude that employee empowerment leads to favourable MNC performance. This is only possible in countries that experience low power

distance cultures (Western countries). It is evident that a host country culture will likely affect firm performance in a foreign country. Therefore firms operating in different cultural backgrounds must adhere to the cultural practices inherent in these countries. Despite this difference, employee empowerment has been found to be crucial in the success of firms. And that is, whether in high or low power distance cultures, the empowerment practice remains crucial.

The following table gives a summary of coefficients of correlation scores for hypotheses 3, 4 and 5. The Pearson coefficient of correlation (r) scores for the variables range from 0.483 to 0.636. This shows a moderate relationship between the variables, remarkable or substantial at $p < 0.01$ levels. Thus hypotheses 3, 4 and 5 show that the coefficients for the variables are moderately and significantly fit as shown in the table below.

Table 22: Summary of the Coefficient of Correlation Tests (at 99% Confidence Level)

Model	Variables	Pearson Correlation, r	R^2	Level of Sig.	Interpretation of the strength of the relationship
Hypothesis 3: Empowerment and Outcome	Organization commitment	0.483	0.233	0.01	Moderate
	Job Autonomy	0.509	0.259	0.01	Moderate
	Job Satisfaction	0.635	0.403	0.01	Moderate
Hypothesis 4: Outcome and MNC Performance	Organizational Commitment	0.609	0.371	0.01	Moderate
	Job Autonomy	0.516	0.266	0.01	Moderate
	Job Satisfaction	0.636	0.404	0.01	Moderate
Hypothesis 5:	Employee Empowerment and MNC Performance	0.404	0.643	0.01	Moderate

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This study sought to examine the moderating influence of power distance on employee empowerment and MNC performance, employee empowerment and empowerment outcomes and employee empowerment and performance. Specifically, it dealt with the influence of power distance on the relationships between the above variables. This chapter also covers limitations of the study, highlighting suggestions for future research and recommendations for policy decisions and practice. The summary is given at the end of this chapter as an overview of the content of the study.

5.2 Summary, Discussions and Conclusions

The results were summarized, discussed and conclusions drawn in order of objectives of the study. The first objective sought to determine if the strength of the relationship between employee empowerment and performance of multinational corporations depends on power distance. This was analysed using multiple regression

The first hypothesis was tested using multiple regression analysis to find out the influence of power distance on the relationship between employee empowerment and MNC performance. Data for this hypothesis was collected using a 5-point Likert rating scale that required the respondents to respond to statements regarding the characteristics of empowerment practice as well as the evidence of MNC performance in the organizations. The scale ranged from 1 = not at all; 2 = little extent; 3 = moderate extent; 4 = great extent and 5 = very great extent.

Hypothesis 1 was analysed using moderated multiple regression to test the moderating effect of power distance on the relationship between employee empowerment and MNC performance. The findings showed that power distance is indeed a moderator in the relationship. Table 15 shows that the beta coefficient is positive ($\beta = 0.323$) and not equal to zero. In addition, in low

power distance cultures, employee empowerment shows a higher mean score of 3.90 while in high power distance cultures the mean score for employee empowerment is lower at 3.43 (Appendix X). Therefore, the hypothesis was confirmed. Researchers like (Bonvillian and Nowlin, 1994) reported that if employee empowerment is positive and favourable firm performance is likely to be higher.

In contrast, previous studies in this area did not address the influence of power distance on the relationship between employee empowerment and MNC performance in a host country. The studies only considered the direct influence of empowerment on MNC performance (Robert et al., 2000; Randolph et al., 2002; and Hui et al., 2004). The researchers concluded that employee empowerment in organizations is the perfect panacea for success. Further, the few studies that have been carried out in Africa have only emphasized on the importance of empowerment or the congruence between the management practices and the cultural practices of the local firms. No study has emphasized on the influence of power distance on this relationship yet its understanding is likely to determine success or failure of MNCs particularly in the foreign cultures. Therefore local cultures call for adherence on the part of MNC managers in order to succeed.

This study has revealed that there is no direct relationship between the two variables (especially in high power distance countries) and that, power distance of a host country will moderate the relationship between employee empowerment and MNC performance. That is, cultural background will affect MNCs performance differently in different countries. The study has attempted to examine the influence of power distance on the relationship between employee empowerment and MNC performance in a host country where cultural background is likely to influence the level of performance. From the theoretical perspective, the linkage and knowledge of these variables can create a competitive advantage in different cultural backgrounds (Pfeffer, 1994).

Most studies in this area have emphasized on the relationship between empowerment and performance as a panacea to achieving higher organizational performance. Many of them have ignored the concept of power distance, yet in all the operations everywhere, power distance is likely to determine the success or failure of an organization especially where power distance is

high. The concern here is that all multinational firms operating in different cultural backgrounds must understand the cultural variations in every market. The results indicate that there is a moderating effect of power distance on the relationship between employee empowerment and MNC performance. This therefore implies that hypothesis 1 accurately predicted the results of the study and is therefore confirmed.

From the foregoing observations, the following conclusion may be made regarding this objective. This study has adequately indicated that the knowledge of the influence of the prevailing culture in a country can be used to achieve a higher MNC performance. The researcher can conclude that knowledge and adherence to power distance and its influence on the empowerment-performance equation cannot be ignored.

The overall conclusion in this study is that there is a moderating effect of power distance on the relationship between empowerment and MNC performance. Therefore, for success in organizations, multinational corporation managers must understand the consistency between their empowerment practices and the prevailing culture of the host country. Most researchers in this area of study have reported that there should be a fit between empowerment practice and the prevailing culture of a host country (Newman and Nollen, 1996, Argyris, 1998 and Kaloki, 2001) so as to achieve favourable outcomes.

The second objective of the study was to establish the influence of power distance on the strength of the relationship between employee empowerment and employee empowerment outcomes. This was sought to examine the moderating influence of power distance on the relationship between employee empowerment and its outcomes (organization commitment, job autonomy and job satisfaction).

The data for this section was collected using a 5-point Likert type scale that required the respondents to respond to statements regarding their attitudes towards the empowerment practice as well as the evidence of empowerment outcomes in the organizations. The scale ranged from 1 = not at all; 2 = little extent; 3 = moderate extent; 4 = great extent and 5 = very great extent. This was analysed using a multiple regression and descriptive statistics of the mean scores. The study findings, organization commitment, job autonomy and job satisfaction had moderate and

significant fit on empowerment outcomes. This was indicated by moderate coefficient of determination of 41.8% with $p < 0.01$ (table 18). This showed a moderate influence of power distance on each of these outcomes of employee empowerment.

The research data confirmed that power distance moderates the relationship between employee empowerment and empowerment outcomes. That is, if empowerment is favourable then empowerment outcomes will tend to be higher. Thus leading to increased organization commitment, job autonomy and job satisfaction. The study results also showed that when employees are empowered in a favourable environment, the outcomes are likely to be higher (Appendix VIII). This is true about previous researches which have concluded that employee empowerment leads to higher performance level.

The results of hypothesis 2 shown in table 15 indicates that the relationship between employee empowerment and job satisfaction and job autonomy are moderated by power distance of a host country. This was shown by the existence of $\beta \neq 0$. Therefore, the hypothesis was confirmed. While for organizational commitment, the effect of moderation between the variables employee was not significant. From the foregoing discussions, the following conclusion may be made regarding this objective. That is, the study has revealed the moderating effect of power distance on the empowerment-performance equation. Thus the study emphasizes on the MNCs' adherence to cultural practices.

The third objective for the study sought to determine the relationship between employee empowerment and employee empowerment outcomes (organization commitment, job autonomy and job satisfaction). Hypothesis 3 was tested using Partial correlation analysis which showed that there is a positive link between empowerment practice and its outcomes. That is, favourable environment for empowerment leads to higher empowerment outcomes. It further showed that when employees are empowered, the coefficients of correlations for organization commitment, job autonomy and job satisfaction are positive 0.454, 0.514 and 0.673 respectively.

The results of hypothesis 3 indicate that employee empowerment in organizations is likely to lead to favourable empowerment outcomes. The Pearson correlation coefficients for organizational commitment, job autonomy and job satisfaction were moderately significant and therefore the hypothesis was confirmed. From the foregoing discussions, the following conclusion may be made regarding the objective. The study has established a positive relationship between employee empowerment and its outcomes (Conger and Kanungo (1988). It is therefore important for MNCs operating in different cultural backgrounds to understand the interaction between empowerment and its outcomes.

The fourth objective for the study sought to establish the relationship between employee empowerment outcomes, namely, organizational commitment, job satisfaction and job autonomy and performance of a MNC. Hypothesis 4 was tested using Partial correlation analysis which showed that there is a positive relationship between empowerment outcomes and the resulting MNC performance. It further showed that when employees are empowered, the coefficients of correlation scores for organization commitment, job autonomy and job satisfaction are 0.621, 0.521 and 0.657 respectively showing a significant relationship between the variables. Based on Mowday and colleagues (1979), these findings are in line with other previous studies carried out in the area of empowerment-performance relationship.

The researchers further reported that organizational commitment is an antecedent to job satisfaction to the extent that it involves a strong belief in and acceptance of the organization, a willingness to exert considerable effort on behalf of the organization, and a strong desire to maintain membership in the organization. That is, MNC managers must ensure that employees feel empowered at work since this will inculcate more commitment to the organization (Allen and Meyer, 1991). Despite the fact that the individual contributions of outcomes on MNC performance are minimal, statistics indicate that they are significant. That is, organization commitment only contributes to organization commitment ($R^2 = 0.386$), job autonomy ($R^2 = 0.271$) and job satisfaction ($R^2 = 0.432$) of the variations in MNC performance. The findings show that hypothesis 4 has successfully predicted the outcome of the study by addressing the objective that favourable employee outcomes lead to favourable MNC performance and that organization commitment, job autonomy and job satisfaction have significant influence on MNC performance.

Hypothesis 5 was tested using correlation analysis which showed that there was a direct relationship between employee empowerment (independent variable) and MNC performance (dependent variable). The data for the study was collected using a 5-point Likert scale requiring the respondents to show the relationship between employee empowerment and MNC performance. The results of the hypothesis showed that when employees are empowered, performance is higher. This confirmed a positive relationship between empowerment and MNC performance. But this may only be true in low power distance cultures where the practice of empowerment is consistent with the cultures of the countries.

Throughout the world today, employee empowerment has become a tantalising notion for academics and practitioners since its emergence in the 1980s. After two decades of research, empowerment is now widely accepted as a potent way to enhance MNC performance. For theory and practice alike, the premise of empowerment has been performance. Further, Conger and Kanungo (1988) noted that the practice of empowering subordinates is a principal component of managerial and organizational effectiveness. In practice, the belief is that empowerment energizes employees to provide higher performance in organizations. From the foregoing discussion, it is clear that for firm success, MNC managers need to empower their employees as this is the only means of succeeding in this highly changing environment. This therefore means that empowerment is crucial in both cases of power distance (high or low).

5.3 Limitations of the Study

The conclusions drawn from the results of this study should consider the following limitations. Firstly, the study was a cross-sectional research design where data was collected at one time within the duration. This research design did not capture the other issues in the practice of employee empowerment and causal connections between employee empowerment, empowerment outcomes, power distance and MNC performance in order to make stronger causal inferences regarding the interrelationships among these variables. Secondly, this study only examined the relationship between latent variables and did not specify the relationship between specific indicators for the independent, moderating and dependent variables.

Thirdly, the outcomes of multiple regression analysis have only focused on the level of performance variation explained by the regression equations. According to Tabachnick and Fidell (2001), it would have been also helpful to indicate the amount of dependent variable variations not explained in the model. Although the amount of variance in the dependent variable explained by the significant predictors was identified, there are still a number of unexplained factors that can be incorporated to identify the causal relationships among variables and their relative explanatory power.

Fourthly, the study focused on high power distance country culture (Kenya) and did not include low power distance countries (countries in the developed world). This limited the level of comparison between low and high power distance culture countries hence the results would only be inclined to one side – high power distance culture.

Finally, despite the researcher's intention to study financial performance measures, the corporations' interviewed were not willing to disclose the financial status on the basis of confidentiality. The researcher encountered difficulty in proceeding with this therefore only studied the non-financial measures of performance to show the performance levels. Since the researcher used non-financial performance measures for dependent variable, the researcher might not have adequately captured the influence of financial performance measures on the relationship between employee empowerment and MNC performance. These limitations may reduce the ability of generalizing the research findings to other organizational settings.

5.4 Suggestions for Further Research

The conceptual and methodological limitations of this study need to be considered when designing future research. This study sets a foundation for research on relationships between employee empowerment, empowerment outcomes, power distance (national culture) and MNC performance. This area of study has raised a number of questions as well as confirming initial propositions. That is, the research areas can be as a result of this study so as to ascertain the effect of power distance on business operations throughout the world. This will enable organizations to avoid making obvious mistakes in many markets.

Therefore, the potential areas for further research include. firstly, more studies should be conducted in other countries especially countries of East Africa to establish the influence of power distance on the relationship between employee empowerment and organizational performance. Secondly, more research should be conducted to establish the influence of power distance (aspect of culture in a host country) on the relationship between employee empowerment and organizational performance everywhere in the world.

Thirdly, the cross-sectional research design has a number of shortcomings; therefore, other research designs like longitudinal studies should be used as a procedure for collecting and describing the patterns of change, direction and magnitude of the relationships between the variables.

Fourthly, researchers should conduct studies in other areas of the cultural dimension such as, uncertainty avoidance, collectivism/individualism and femininity/masculinity in order to find out how they affect the relationship between employee empowerment and performance of an organization in a host country. And finally, future research should investigate the influence of power distance on financial performance measures. In addition, this study seems to be the first in this area and therefore the results may not be very conclusive and therefore more research needs to be conducted to verify the same. Lastly, since the world is moving towards the global convergence, research should be conducted to understand the effect of globalization on culture and the convergence of customer needs.

5.5 Contribution to Knowledge

This study has made several contributions to the relationship between employee empowerment and MNC performance as influenced by power distance culture. By empirically testing the extent to which the power distance influences the empowerment – performance relationship the present study adds to academic knowledge by providing empirical evidence pointing towards the significance of understanding the effect the prevailing cultural inclinations in business operations. The theoretical reasoning here is that employee empowerment leads to positive performance levels, whether in high or low power distance cultures. This is because employees would want to be empowered. Secondly, employees' feeling of empowerment leads to high level

of organization commitment, job satisfaction and job autonomy thereby increasing the overall performance for the organization. This can be explained by works of scholars like Hofstede (1997) in which African cultures are categorized as high power distance where less powerful individuals have a high willingness to accept an unequal distribution of power without question and to regard it as normal.

It was hypothesized that power distance culture has a moderating effect on the relationship between empowerment and MNC performance. The findings showed that indeed power distance has a positive or negative influence on the overall performance of the firm. Therefore, it is important for managers to understand the intricacies of culture in every host country. The effects of internationalization of trade and globalization have also fuelled the need to adopt the understanding on the empowerment- performance relationship for survival in a competitive business environment. This is because everything around us is changing and employees need to be well equipped with the latest levels of technology.

5.6 Recommendations for Policy and Practice

The study basically emphasizes on employee empowerment as a paramount aspect in enhancing organizational performance throughout the whole universe. It also highlights the importance of employee empowerment in production and efficiency of products and services in organizations. Most studies in this area have laid major emphasis on the positive/direct relationship between empowerment and performance and concluded that empowerment is crucial to the success of all firms (Argyris, 1998; Eylon and Au, 1999 and Robert et al. 2000). The researchers appeared to have focused on the direct relationship between employee empowerment and organizational performance without considering the influence of power distance or the aspect of culture on the performance of an organization.

Literature has shown that MNC performance depends on the prevailing culture within a market/ country. That is, in a high power distance country culture, performance tends to be low due to the inconsistencies between cultural and management practices. The following recommendations have been put forward for policy and practice for both the managers and governments alike.

5.6.1 Implications for MNC Managers

Firstly, managers must be able to understand the concept of employee empowerment and how it may contribute to organizational performance. This is because employee empowerment has now become a very important aspect in managing the business operations worldwide. According to Randolph and colleagues (2002), pressure for empowerment is growing in today's global society. People everywhere in the world are asserting their demands to be recognized, valued and consulted. The multinational corporation performance is therefore linked to levels of employee empowerment in different host countries.

Secondly, managers engaged in multinational business need to clearly adopt an understanding of the concept of culture (power distance) in every host country that it operates from. This is because disparities in cultural backgrounds often affect management operations differently. Due to the fact that the search for the understanding of this global concept is often frustrating and elusive, everyone should be aware of these differences, which are sometimes compounded by many half-truths and stereotypes. Therefore, it is hard to be precise about the meaning of the word culture and how it affects business operation in terms of employee empowerment.

Thirdly, for success of empowerment practice, the managers must understand the extent to which it is embraced by the employees of a host country in terms of the extent of freedom in decision-making in organizations. This is important because cultural variations in behaviour, levels of organization commitment, job satisfaction and many others. In addition, proper skills for empowerment practice are necessary and important in the implementation process. For example, the use of appropriate technology in the process of empowerment should be incorporated. This is because today, there are many changes and the fact that the world is not static; the employees should be equipped with the latest technology to measure up to a competitive position in order to acquire a competitive edge over other players. According to Pfeffer (1994) empowerment process must be treated by all organizations as a competitive tool for organization success. No matter the level of empowerment practice. MNCs are faced with the challenges and complexities associated with diversities in cultures in different markets, hence a need to understand business operations as affected by local conditions.

Fourthly, the managers must understand the different cultural backgrounds in which businesses are conducted as this is often considered the most important skill in global business operation. No matter the approaches to employee empowerment and MNC performance, MNC managers must understand the challenges of the cultural dimension within the country of operation. In addition, managers must provide the right empowerment skills to their employees through training and coaching. Finally the study on empowerment–performance relationship has become the most important crucial component of management in the today’s highly changing environment since employees need to be equipped with the latest technologies for success in organizations and to forge ahead of competition.

This study therefore proves highly invaluable to researchers and academicians in providing the understanding of the concept of culture in the empowerment-performance equation. Many researchers are now calling on organizations to understand power distance and its effects on performance in a given country. That is, lack of understanding of the concept may lead to inconsistent strategies hence loss. It also concludes that firms operating in foreign countries must understand the cultural backgrounds in host countries so as to design consistent strategies for success.

The managerial conclusions here include the following; firstly, the influence of power distance on the relationship between employee empowerment and MNC performance has to be looked into critically understanding how it influences business decisions in every country. This calls for the managers to adjust their management practices as per the conditions within the foreign markets

5.6.2 Implications for the Government

The government as a legal adviser for the country has a duty to level out the regulations regarding employee development, training and coaching for the organizations in order for success to be achieved. It has to come up with legislation regarding, terms and conditions of work, employee compensation, conducive environment and employee protection against unfair treatment. It must also be able to institute a law governing the employee relations in the organization and undertake development of manpower for the benefit of the country.

5.7 Theoretical Implications

A theoretical argument is that employee empowerment leads to high MNC performance and that the process leads to outcomes that can be either positive or negative due to the effect of cultural variations in every host country. A further argument about the intervening variables or empowerment outcomes (organizational commitment, job satisfaction and job autonomy) is that if the factors are positive then performance of organizations will be favourable. The intervening variables are conceptual mechanisms through which the independent variable (employee empowerment) and the moderating variable (power distance) may affect the dependent variable, MNC performance (Cooper and Schindler, 2004). The variables help to conceptualize and explain the influence of the independent variable (employee empowerment) on the dependent variable (MNC performance). Thus, according to the findings, the level of MNC performance will depend on whether employee empowerment outcome is favourable or not.

The implications of this study can be divided into three major categories: theoretical contribution, robustness of research methodology, and practical contribution. In terms of theoretical contribution, the findings of this study confirm that power distance plays an important role as a moderator in the empowerment-performance equation within organizations. Specifically, this study has revealed that power distance has been recognized as important moderator in the empowerment-performance relationship. These results have supported and extended empowerment studies (Vogt and Murrell, 1997; Randolph, 2000).

With respect to robustness of research methodology, the questionnaire data used in this study exceeded a minimum standard of validity and reliability. That is, the mean scores were higher. This is likely to lead to production of accurate findings. In terms of practical contributions, empowerment practitioners may use these findings as a reference to plan effective strategies to achieve the major goals of efficiency and favourable MNC performance in organizations.

The objectives of this study may be achieved if organizations focus on two major issues. Firstly, update empowerment practices in organizations. This can be in terms of coaching and training activities which should not only stress on technical aspects, but also need to give more attention to interpersonal communication skills, problem-solving and decision-making techniques in

organizations. Organizational managers who have these skills are likely to feel confident in providing better explanations, openly and honestly conducting discussions and motivating employees on empowerment policies and procedures in organizations. That is when employees feel empowered, their performance levels increase.

Secondly, there has been a shift in paradigm in employee empowerment especially in terms of human resource planning, selection and placement and to hire experienced people. The experiences of general management in terms of sufficient knowledge, skills and capabilities in the empowerment practice may be used to tackle not only employees' complaints, but also attract, retain and motivate competent employees to support the empowerment process. If these suggestions were implemented, this will increase employees' perceptions of the empowerment process. As a result, it may lead to increased positive personal outcomes such as organization commitment, job autonomy and job satisfaction.

According to the analysis, an organization that wishes to succeed in this changing environment must institute empowerment practices to enable its employees cope with the daily changes in the environment and the need to make the employees part and parcel of the decision-making process so as to enable them make quick decisions effectively and efficiently. In addition, organizations should understand the influence of power distance on employee empowerment and performance process. That is, the effect of power distance may lead to lower or higher performance levels depending on the country's cultural background.

Consequently, the interaction between employee empowerment and power distance has affected empowerment outcomes, like job autonomy and job satisfaction. On the contrary, this interaction has not affected organization commitment. The study showed significant interaction between employee empowerment and job autonomy and job satisfaction. This showed that power distance plays a moderating role in the empowerment process, while it did not show a significant relationship between employee empowerment and organizational commitment.

5.8 Summary

This section presents a summary of the influence of power distance on the relationships between employee empowerment and performance findings. That is, employee empowerment and

empowerment outcomes; and empowerment outcomes and performance. The study was discussed under five objectives. The major results of the study showed that:

- i) Power distance moderates the relationship between employee empowerment and MNC performance
- ii) Employee empowerment leads to positive empowerment outcomes, like organization commitment, job autonomy and job satisfaction
- iii) Positive empowerment practice leads to favourable outcomes
- iv) Understanding of the cultural background in a market may lead to increased corporate performance
- v) Positive employee empowerment leads to greater MNC performance

In sum, this study confirms that power distance (national culture) plays an important role as a partial moderator in the relationship between employee empowerment and MNC performance. According to the information gathered from the interviews, the nature of employee empowerment practice within the organizations has been identified as a powerful external factor that may lead to competitiveness of firms throughout the world. Therefore, current research and practice needs to consider national culture as an aspect in enhancing organizational performance.

REFERENCES

- Allen, J. & Meyer, J. (1991). The Measurement and Antecedents of Affective, Continuance and Normative Commitment to the Organization. *Journal of Occupational Psychology*, 63, 1-18.
- Argyris, C. (1998). Empowerment: The Emperor's New Clothes. *Harvard Business Review*, Vol. 76.
- Baron, R.M., & Kenny, D.A. (1986). The Moderator-Mediator variable distinction in Social Psychological Research: Conceptual, Strategic, and Statistical Considerations. *Journal of Personality and Social Psychology*, Vol. 51, No. 6.
- Becker, B.E., Billings, R.S. Eveleth, D.M. & Gilbert, N.L. (1996). Foci and Bases of Employee Commitment: Implications for Job Performance, *Academy of Management Journal*, Vol. 39.
- Becker, B.E. & Gerhart, B. (1996). The Impact of Human Resource Management on Organizational Performance: Progress and Prospects, *Academy of Management Journal*, Vol. 39.
- Black, J.S. (1988) "Work Role Transition: A Study of American Expatriate Managers in Japan," *Journal of International Studies*, Summer.
- Black, J.S. & Porter L.W. (1991) Managerial Behaviours and Job Performance: A Successful Manager in Los Angeles May Not Succeed in Hong Kong, *Journal of International Business*, 1st Quarter.
- Blanchard, K., Carlos, J.P. & Randolph, A. (1999) *Empowerment Takes More than a Minute*, San Francisco: Berrett – Koehler
- Blunt, P. & Jones, M. (1986). Managerial Motivation in Kenya: A cross-cultural Comparison, *Journal of African Studies*, Vol. 24. No. 1
- Bowen, D.E. & Lawler, E.E. (1995). Empowering Service Employees. *Sloan Management Review*, Vol. 36, No. 4.
- Child, J. (1981). Culture, Contingency and Capitalism in Cross-National Study of Organization." In L.L. Cummings and B.M. Staw. *Research in organization Behaviour*, Vol. 3.
- Chiu, C.K.W. (2002). Do Types of Economic Ownership Matter in Getting Employees to Commit? An exploratory study. In the Peoples Republic of China. *International Journal of HRM*, Vol. 13. No. 6.
- Cohen, J. (1983). Work Commitment in Relation to withdrawal Intentions and Union Effectiveness," *Journal of Business Research*, Vol. 26.
- Cohen, J. & Cohen, P. (1988). Statistical Power Analyses for the Behavioural Sciences. *Academic Press*, New York, 2nd Ed.

- Coll, R. K., & Chapman, R. (2000). Choices of Methodology for Cooperative Education Researchers. *Asia-Pacific Journal of Cooperative Education*, Vol. 1.
- Conger, J.A. & Kanungo, R.N. (1988). The Empowerment Process: Integrating Theory and Practice," *Academy of Management Review*, Vol. 13.
- Cousins, C. (2002). Getting to the "Truth": Issues in Contemporary Qualitative Research. *Australian Journal of Adult Learning*, Vol. 42
- Cresswell, J.W. (1998). *Qualitative inquiry and Research Design: Choosing among Five Traditions*, London: SAGE Publications.
- Denison, D.R. & Mishra, K. (1995). Towards a History of Organizational Culture and Effectiveness, *Organizational Science*, Vol. 6.
- Dobson, P. J. (2002). Critical realism and Information Systems Research: Why bother with philosophy? *Information Research – An International Electronic Journal*, Vol. 7.
- Edward, J.E. & Thomas, M.D. (1993). The organizational Survey Process: General Steps and Practical Considerations." *American Behavioral Scientist*.
- Eylon, D. & Au, K.Y. (1999). Exploring Empowering Cross-Cultural Differences along the Power Dimension, *International Journal of Inter-cultural Relations*, Vol. 23.
- Farmer, R.N. & Richman B.M. (1965) *Comparative Management and Economic Progress*, Homewood, Irwin.
- Greenberger, D.B., Strasser, S., Cummings, L.L. & Dunham, R.B. (1991). The Impact of Personal Control on Performance and Satisfaction. *Organizational Behaviour and Human Decision Processes*. Vol. 43.
- Gomez-Mejia, L.R. & Palich. L.E. (1997). Cultural Diversity and the Performance of Multinational Firms. *Journal of International Business Studies*, Vol. 28.
- Hardy, C. & Leiba-O'Sullivan. S. (1998). The Power behind Empowerment: Implications for Research and Application. *Human Relations*. Vol. 51.
- Hennart, J.F. and Larimo, J. (1998) "Impact of Culture on the strategy of the Multinational Enterprise; Does national Origin Affect Ownership Decisions? Journal of International Business Studies. Vol. 29. No. 3
- Hofstede, G. (1980). *Culture's Consequences: International Differences in Work-Related Values*, Sage Publications. Thousand Oaks, California.
- , G. (1983). National Cultures in Four Dimensions: A Research Based Theory of Cultural Differences among Nations. *International Studies of Management and Organization*, Vol. 13.

- . G. (1984). Managing Differences in the Multi-Cultural Organization. In *Organization Psychology*, Ed., David, Kolb, et al., Englewood Cliffs, New Jersey.
- . G. (1990). The Business of International Business is Culture. *International Review*, Vol. 3.
- . G. (1997). *Cultures and Organizations, Software of the Mind*, Mc-Graw Hill, New York.
- . G. (2001). *Culture's Consequences: Comparing Values, Behaviours, Institutions and Organizations Across Nations*, 2nd Ed., Thousand Oaks, CA: Sage.
- Hopson, B. & Scally, U. (1981). *Life Skills Teaching*, Mc Graw-Hill, College Division, New York.
- Hui, M.K., Au, K. & Fock, H. (2004). Empowerment Effect Across Cultures. *Journal of International Business Studies*, Vol. 35, Issue, 1.
- Kaloki, P.K.K. (2001). *Job Satisfaction as a Function of Cultural Beliefs, Expectations and Goals: A Study of Employees of Foreign-owned Firms in Kenya*: A Doctoral Thesis, Faculty of Commerce, University of Nairobi.
- Kirkman, B.L. & Rosen, B. (1999). Beyond Self-Management: Antecedents and Consequences of Team Empowerment, *Academy of Management Journal*, Vol.42.
- Kuada, J.E. (1994). *Managerial Behaviour in Ghana and Kenya: A Cultural Perspective*.
- Lawler, E. (1992). *The Ultimate Advantage*, Jossey – Bass, San Francisco.
- Luo, Y. and Peng, M.W. (1999) "Learning to compete in A Transition Economy: Experience, Environment, and Performance." *Journal of International Business Studies*, Vol. 30.
- Mathieu, J.E. & Zajac, D.M. (1990). A Review of Meta Analysis of the Antecedents, Correlates, and Consequences of organizational commitment, *Psychological Bulletin*, Vol. 108.
- Meyer, J.P. & Allen, N.J. (1984). Testing the Side-bet Theory of Organizational Commitment – Some Methodological Considerations, *Journal of Applied Psychology*, Vol. 69. No. 3.
- Miller, K.I. & Monge, P.R. (1986). Participation, Satisfaction and Productivity: A Meta-Analytic Review. *Academy of Management Journal*, Vol. 29.
- Mowday, R.T. Steers, R.M. & Porter, L.W. (1979). The Measurement of Organizational Commitment, *Journal of Vocational Behaviour*, Vol. 14.
- Newman, K.L. & Nollen, S.D. (1996). Culture and Congruence. The Fit between Management Practices and National Culture. *Journal of International Business Studies*, Vol. 27, No.4.
- Nunally, J.C. & Bernstein, I.H. (1994). *Psychometric Theory*, New York: McGraw- Hill.

- Nzelibe, C. (1986). The Evolution of African Management Thought, *International Studies of Management*, Vol. 16. No. 2.
- Pfeffer, J. (1994). *Competitive Advantage Through People*, Boston, Harvard Business School Press.
- Olson, H. (1995). *Quantitative "versus" qualitative research: The wrong question*. Retrieved March 5, 2003, from www.ualberta.ca/dept/slis/cais/olson.htm.
- Randall, D.M. (1993). Cross-Cultural Research on Organizational Commitment: A Review and Application of Hofstede's Value Survey, *Journal of Business Research*, Vol. 26.
- Randolph, W.A. (1995). Navigating the Journey to Empowerment, *Organizational Dynamics*, Spring, Vol. 19.
- Randolph, W.A. (2000). Re-Thinking Empowerment: Why is it so Hard to Achieve? *Organizational Dynamics*, Vol. 29, Issue 2.
- Randolph, W.A., Sashkin, & Marshall (2002). Can organizational Empowerment Work in Multi-National Settings? *Academy of Management Executives*, February, Vol. 16.
- Robert, C., Probst, T.M. Martocchio, J.J. Drasgow, F. & Lawler, J.J. (2000). Empowerment and Continuous Improvement in the United States, Mexico, Poland, and India: Predicting Fit on the Basis of dimensions of power distance and Individualism, *Journal of Applied Psychology*, Vol. 85.
- Sekaran, U., (2000). *Research methods for business: A skill building approach*. New York: John Wiley & Sons, Inc.
- Sprinthall, R.C. (1987). *Basic Statistical Analysis*, 2nd Ed. , Reading, , Mass: Addison-Wesley.
- Stone, E.F., & Hollenbeck, J.R. (1988). Clarifying some Controversial Issues Surrounding Statistical Procedures for Detecting Moderator Variables: Empirical Evidence and Related Matters, *Journal of Applied Psychology*, Vol. 74.
- Tabachnick, B.G. & Fidell, L.S., (2001). *Using Multivariate statistics*, Sydney: Allyn and Bacon.
- Tihanyi, L., Griffith, D.A. and Russell, C.J. (2005). The Effect of Cultural Distance on Entry Mode Choice, International Diversification, and MNE Performance: A Meta-Analysis, *Journal of International Business Studies*, Vol. 36, February.
- Thomas, K.W. & Tymon, W.G. (1994). Does Empowerment Always Work? Understanding the Role of Intrinsic Motivation and Personal Interpretation, *Journal of Management Systems*, Vol. 6.

Thomas, K.W. & Velthouse, B.A. (1990). Cognitive elements of Empowerment: An 'Interpretive' Model of Intrinsic Task Motivation, *Academy of Management Review*, Vol. 15.

Vogt, J.F. & Murrell, K.L (1997). *Empowerment in Organizations: How to Spark Exceptional Performance*, S. Chand and Company Ltd., Ram Nagar, New Delhi.

APPENDICES

APPENDIX 1: THE QUESTIONNAIRE

PART A:

i) BIO DATA

1. How long have you worked for the organization? (Tick as appropriate)
- Below 5 years.....[]
- 5years10 years.....[]
- Over 10 years.....[]
2. State your highest level of education (Tick as appropriate)
- Ordinary Diploma.....[]
- Higher Diploma.....[]
- Secondary School.....[]
- Bachelors Degree.....[]
- Masters Degree.....[]
- Doctorate Degree.....[]
-] Others (specify).....
3. Your employment status
- Permanent.....[]
- Temporary.....[]
- Contract.....[]
- Other (Specify).....[]
4. Your gender Male [] Female []
5. What position do you hold in your organization?
- Manager [] Non-manager []

ii) COMPANY DETAILS

6. Power distance of parent company. High [] Low []
7. How long has the MNC been in operation in Kenya?
- Below 30 years [] Over 30 years []

PART B: HOST COUNTRY (NATIONAL) CULTURE

8. Indicate the extent to which you agree with the following statements in respect of power inequality in your organization (Indicate the appropriate numbers on the scale below).

	Very Great Extent 5	Great Extent 4	Moderate Extent 3	Little Extent 2	Not at all 1
1. Employees have independence in executing their duties					_____
2. Managers do consult with the subordinates					_____
3. Top managers and lower cadre employees mix up freely in the organization					_____
4. Non-managers are free to take up positions different from that taken by managers					_____
5. Non-managers take initiatives in matters pertaining to their work					_____
6. Managers and non-managers hold joint meetings					_____
7. Non-managers have power and authority to execute their duties					_____
8. Power is equally distributed in the organization					_____
9. Non-managers disagree with the managers					_____
10. Non-managers trust each other					_____
11. Non-managers are allowed to participate in decision-making					_____
12. Non-managers are less afraid of disagreeing with their supervisors					_____
13. All should have equal rights in the organization					_____
14. Non-managers are much more cooperative					_____
15. Non-managers have a stronger perceived work ethics					_____
16. Non-managers are not allowed to make decisions on behalf of managers					_____
17. Non-managers have no authority and power					_____
18. Managers direct the non-managers on the way forward					_____
19. Non-managers are reluctant to trust each other					_____
20. Non-managers fear disagreeing with managers					_____
21. Power holders are entitled to privileges					_____
22. Powerful people should look more powerful					_____
23. Managers like seeing themselves as decision makers					_____
24. Non-managers place high value on conformity					_____
25. Cooperation among the powerless is difficult to bring about due to low faith in peoples' norms					_____
26. Non-managers do fear disagreeing with the supervisors					_____
27. There should be an order of inequality in this world.					_____
28. Managers make decisions autocratically					_____
29. Power is centralized in the organization					_____
30. Managers do not delegate important tasks to the non-managers					_____

PART C: EMPLOYEE EMPOWERMENT

(Section 1)

9. To what extent do you agree or disagree that the following statements correctly characterize the behaviour and attitudes of employees in your organization (Respond to the items below indicating the appropriate number in the scale below, 1- denoting strong disagreement, and 5 - denoting strong agreement).

	Very Great Extent 5	Great Extent 4	Moderate Extent 3	Little Extent 2	Not at all 1
My organization.					
1. Encourages commitment					_____
2. Has holistic concern for employees					_____
3. Encourages open communication					_____
4. Increases cooperation, teamwork and support					_____
5. Encourages pro-active problem-solving					_____
6. Encourages work in a congenial and friendly atmosphere					_____
7. Encourages organization feedback					_____
8. Enhances meaning and value in a work task					_____
9. Increases employee Morale					_____
10. Increases employee job satisfaction					_____
11. Creates choice in task performance					_____
12. Allows for independent decision-making					_____
13. Allows choice and direction in one's work					_____
14. Instils confidence and belief in capacity to perform a task skilfully					_____
15. Inspires creativity and innovation					_____
16. Builds employee confidence in task performance					_____
17. Increases individual job autonomy					_____
18. Enhances employee's influence over organizational decisions					_____
19. Increases customer satisfaction					_____
20. Increases customer focus					_____

10. EMPLOYEE EMPOWERMENT OUTCOMES

(Section 2)

Show the extent to which you agree or disagree with the following statements, a – c on empowerment outcomes (Respond to the following items indicating the appropriate number in the scale below, 1- denoting strong disagreement, and 5 - denoting strong agreement).

a) Organizational Commitment

	Very Great Extent 5	Great Extent 4	Moderate Extent 3	Little Extent 2	Not at All 1
1. I am highly committed to my work					_____
2. I like working for my organization					_____
3. I consider the organization part of my life					_____
4. I look forward to coming to work					_____
5. I complete my work as scheduled					_____
6. I have a strong desire to maintain membership in the organization					_____
7. I have individual attachment to my organization					_____
8. I have individual attachment to my supervisor					_____
9. I have closer cooperation with my managers					_____
10. I don't intend to leave the org. in the future					_____
11. I will stay overtime to finish my work					_____
12. I would be very lucky to spend the rest of my life within the corporation					_____
13. I talk well about the organization to my friends as an organization to work for					_____
14. I am satisfied with my job					_____
15. I am able to achieve higher performance					_____
16. I perceive current and future opportunities as adequate					_____
17. It gives me a strong sense of meaning					_____

b) Job Autonomy

	Very Great Extent 5	Great Extent 4	Moderate Extent 3	Little Extent 2	Not at All 1
1. I prefer doing my work independently				_____	
2. I prefer to do my own work, letting others do theirs				_____	
3. I participate in decision-making freely				_____	
4. I'm certain about how much authority I have in performing my job				_____	
5. I divide my time properly while performing my work				_____	
6. I know exactly what is expected of me				_____	
7. I'm responsible for planning my work tasks				_____	
8. I take responsibility for my performance				_____	
9. I desire to be an excellent performer				_____	
10. I have a high sense of control and self-determination				_____	

c) Job Satisfaction

	Very Great Extent 5	Great Extent 4	Moderate Extent 3	Little Extent 2	Not at All 1
1. Major happiness of my life comes from my work				_____	
2. My work is fascinating				_____	
3. I live, eat and breathe my job				_____	
4. My job gives me a sense of accomplishment				_____	
5. My opportunities for advancement are very good				_____	
6. My job gives me better mental and physical health				_____	
7. I'm able to learn new-job related tasks quickly				_____	
8. I experience fewer on-the-job accidents				_____	
9. Fewer grievances in the organization				_____	
10. I'm highly satisfied with my job				_____	
11. My morale is boosted				_____	
12. I have a perfect relationship with my boss				_____	
13. My job has little impact on the success of the company				_____	
14. My job is highly meaningful				_____	
15. Most part of my day is spent day-dreaming about a better job				_____	
16. Customers are satisfied with company products				_____	
17. Customers' increased loyalty				_____	
18. I'm less likely to leave my job				_____	
19. My level of motivation is higher				_____	
20. I'm likely to exhibit pro-social citizenship				_____	

PART D:

11. ORGANIZATIONAL PERFORMANCE

Non-financial Measures of Performance

Indicate the extent to which your organization exhibits the following characteristics regarding employee empowerment on MNC performance (Respond to each item using the scale below and indicate the response number on the line by each item.)

	Very Great Extent 5	Great Extent 4	Moderate Extent 3	Little Extent 2	Not at All 1
1. Satisfied customers				_____	
2. Quick response to customer complaints				_____	
3. Faster customer service				_____	
4. Good organization image				_____	
5. Increased output				_____	
6. Quality products and services				_____	
7. Product reliability				_____	
8. Faster deliveries				_____	
9. Faster decision-making processes				_____	
10. Effective communication				_____	
11. Ability to retain employees over a long period of time				_____	
12. Good relationship between management and employees				_____	
13. High market share as compared to other competitors				_____	
14. Corporation's products are superior to competitors'				_____	
15. Faster development of new products				_____	
16. High involvement in research and development				_____	
17. Employees are involved in task performance				_____	

THANK YOU FOR YOUR TIME AND PATIENCE

APPENDIX II: INTRODUCTORY LETTER

**MARGARET A. OLOKO,
UNIVERSITY OF NAIROBI,
SCHOOL OF BUSINESS,
P. O. BOX 30197,
NAIROBI.
17TH May 2007**

The.....
.....
.....
.....

Dear Sir/Madam,

I am a Doctor of Philosophy student (Global Business Management Option) at the University of Nairobi, School of Business. Part of the requirements for the successful completion of this course is to write a Thesis. My Thesis is on 'The influence of culture on the relationship between empowerment and performance of organizations.'

Enclosed is the questionnaire designed to collect data from firms operating in Kenya, especially those with foreign affiliations. Your firm has been chosen for study. The data will be used purely for academic purpose only, and will be treated with strict confidence. A confidential report will be availed to you at your request.

Your participation in facilitating this study is highly appreciated.

Yours Faithfully,

MARGARET A. OLOKO
(Ph.D Candidate)
Tel. No. 0721-263013

APPENDIX III: GUILFORD'S FIVE INTERPRETATIVE MODEL

Guilford (1978), citing Sprinthall (1987) suggested the following five-stage model for interpreting correlation coefficients:

- i) < 0.2 = marginal correlation, nearly non-existent dependence
- ii) $0.2 - 0.4$ = low correlation, definite but small relationship
- iii) $0.4 - 0.7$ = moderate correlation, remarkable or substantial relationship
- iv) $0.7 - 0.9$ = high correlation, strong relationship
- v) $0.9 - 1.0$ = extremely high correlation, very dependable relationship

**APPENDIX IV: SUMMARY OF STUDY VARIABLES AND THEIR
OPERATIONALIZATION**

Variables	Operationalization of Variables in the Study	Measure
<p>Employee Empowerment</p>	<p>Participation and decision-making</p> <p>A management technique that allows for the subordinates' involvement and participation in decision-making. This can be in terms of increased employee motivation, faster decision-making and control, cooperation, teamwork/ collaboration and support, pro-active problem-solving, creativity and innovation, customer satisfaction, degree of influence of employees in the decision making process, sense of self- esteem and personal growth, and optimal utilization of resources. Employee empowerment can be seen in terms of the following:</p> <p>i) Meaningfulness – Refers to the perception of task performed to be of value judged in terms of an employee's own standards. - Whether the task makes sense to the employee.</p> <p>ii) Choice - Refers to employees' perception in task autonomy or the extent to which employees feel they can influence decisions.</p> <p>iii) Competence – Refers to an individual's belief in his/her capacity to perform a task effectively and efficiently.</p> <p>iv) Impact – Refers to the degree to which an employee feels he/she can influence decision at work place, i.e. extent of personal control over organizational outcomes.</p>	<p>A 5-Point Likert Scale</p> <p>A 5-Point Likert Scale</p> <p>A 5-Point Likert Scale</p> <p>A 5-Point Likert Scale</p> <p>A 5-Point Likert Scale</p>
<p>Empowerment Outcomes</p>	<p>This is the result of employee empowerment practice in an organization. e.g. organizational commitment, job satisfaction and job autonomy, which may influence both the amount and quality of products and services produced.</p>	

<p>Empowerment Outcomes</p>	<p>Outcomes of Employee Empowerment</p> <p>i) Organizational commitment – This is the relative strength of an individual’s identification with and involvement in decision-making or the extent to which employees are committed to their work. It leads to strong motivation, strong belief in acceptance of the organization, positive feeling towards the organization, a strong sense of meaning, choice and impact, reduced level of absenteeism, reduced employee complaints and grievances and a strong desire to maintain membership within the organization.</p> <p>ii) Job Autonomy – This is the freedom to participate in decision-making to the extent that an employee is not restricted by procedure, especially in their job accomplishments, in terms of more control, independence in decision-making, minimal level of supervision, responsibility for planning own work and knowledge of what is expected in the organization.</p> <p>iii) Job Satisfaction - This is a positive feeling one has towards his or job task in terms of highly increased employee motivation learning job related tasks faster, encountering fewer on the job accidents, better mental and physical health conditions, cooperation with others, meaningfulness in tasks performed and creativity and innovation.</p>	<p>A 5-Point Likert Scale</p> <p>A 5-Point Likert Scale</p> <p>A 5-Point Likert Scale</p>
<p>Culture</p>	<p>Overall Culture</p> <p>A collective programming of the mind that distinguishes a society from another and their behaviour patterns (Hofstede, 1983). - Culture in every country will dictate the extent of use of a particular management technique like employee empowerment.</p> <p>This refers to the extent to which members of an organization expect and accept unequal distribution of power within a hierarchy. Culture can be understood in terms of high and low power distance</p>	<p>A 5-Point Likert Scale</p>

APPENDIX V: SUMMARY OF OBJECTIVES, HYPOTHESES AND INTERPRETATION

Objective	Hypotheses	Type of Analysis	Interpretation of Results
1. To determine if the strength of the relationship between employee empowerment and MNC performance is influenced by power distance in Kenya	H ₁ . The strength of the relationship between employee empowerment and the performance of the MNC depends on power distance	Pearson's Product-Moment Correlation, Coefficient (r)	Range = +1 to -1 If r = .700 and more, then it is a strong positive relationship; If r = .300 or less, then it is a weak relationship
2. To establish the influence of power distance on the strength of the relationship between employee empowerment and employee empowerment outcomes in MNCs in Kenya	H _{2a} . The strength of the relationship between employee empowerment and organizational commitment is influenced by power distance	Multiple Regression Analysis $Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$	Range = +1 to -1 If r = .700 and more, then it is a strong positive relationship; If r = .300 or less, then it is a weak relationship
	H _{2b} . The strength of the relationship between employee empowerment and job satisfaction is influenced by power distance.	Multiple Regression Analysis $Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$	Range = +1 to -1 If r = .700 and more, then it is a strong positive relationship; If r = .300 or less, then it is a weak relationship
	H _{2c} : The strength of the relationship between employee empowerment and job autonomy is influenced by power distance	Multiple Regression Analysis $Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$	Range = +1 to -1 If r = .700 and more, then it is a strong positive relationship; If r = .300 or less, then it is a weak relationship
3. To determine the relationship between employee empowerment and employee empowerment outcomes	H _{3a} . There is a positive relationship between employee empowerment and organizational commitment	Pearson's Product-Moment Correlation, Coefficient (r)	Range = +1 to -1 If r = .700 and more, then it is a strong positive relationship; If r = .300 or less, then it is a weak relationship

	H _{3b} . There is a positive link between employee empowerment and job autonomy	Pearson's Product-Moment Correlation Coefficient (r)	Range = +1 to -1 If r = .700 and more, then it is a strong positive relationship; If r = .300 or less, then it is a weak relationship
	H _{3c} . There is a positive relationship between employee empowerment and job satisfaction	Pearson's Product-Moment Correlation Coefficient (r)	Range = +1 to -1 If r = .700 and more, then it is a strong positive relationship; If r = .300 or less, then it is a weak relationship
4. To establish the relationship between employee empowerment outcomes, namely, organizational commitment, job satisfaction and job autonomy and performance of a MNC.	H _{4a} . There is a positive relationship between organizational commitment and performance of MNCs	Pearson's Product-Moment Correlation Coefficient (r)	Range = +1 to -1 If r = .700 and more, then it is a strong positive relationship; If r = .300 or less, then it is a weak relationship
	H _{4b} . There is a positive relationship between job satisfaction and performance of MNCs	Pearson's Product-Moment Correlation Coefficient (r)	Range = +1 to -1 If r = .700 and more, then it is a strong positive relationship; If r = .300 or less, then it is a weak relationship
	H _{4c} . There is a positive relationship between job autonomy and performance of MNCs	Pearson's Product-Moment Correlation Coefficient (r)	Range = +1 to -1 If r = .700 and more, then it is a strong positive relationship; If r = .300 or less, then it is a weak relationship

5. To find out the direct relationship between employee empowerment and MNC performance	H ₅ . There is a direct relationship between employee empowerment and MNC performance	Pearson's Product-Moment Correlation Coefficient (r)	Range = +1 to -1 If r = .700 and more, then it is a strong positive relationship; If r = .300 or less, then it is a weak relationship
---	--	--	---

Key:

a = Constant

e = Error term

b₁ = Coefficient of X₁

Y = Performance of a MNC (Dependent variable)

b₂ = Coefficient of X₂

b₃ = Coefficient of X₃

X₁ = Employee empowerment (Independent variable)

X₂ = Employee empowerment outcomes (intervening variable)

X₃ = Power distance (moderating variable)

APPENDIX VI: SUMMARY OF THE DEMOGRAPHIC PROFILE OF FIRMS

Name of MNC Firm	Country of Origin	Power Distance		Product	Length of Time in Kenya	
		1. High	2. Low		1. below 30 yrs	2. Over 30 yrs
1. Ayton Rubicam & Young	USA	2		Advertising	2	
2. Bamburi Portland Cement	UK	2		Cement	2	
3. Barclays Bank Ltd	UK	2		Banking	2	
4. BAT (K) Ltd	UK	2		Tobacco /Cigarettes	2	
5. Bayer (EA)	Germany	2		Pharmaceuticals	2	
6. Beta Health Care	India	1		Pharmaceuticals	2	
7. Cadbury (K) Ltd	USA	2		Confectionaries/Beverages	2	
8. Caltex (K) Ltd	USA	2		Refinery	2	
9. Colgate Palmolive	USA	2		Hygiene Products	2	
10. Crown Berger	USA	2		Paints	2	
11. Citi Bank NA	USA	2		Banking	2	
12. Eveready	USA	2		Dry Cell	2	
13. PZ Cussons	USA	2		Toiletries	2	
14. Firestone (Yana Tyres)	USA	2		Tyres	2	
15. Fuji Imaging	Japan	1		Imaging	1	
16. General Motors	USA	2		Motor Vehicle	2	
17. Glaxo/Smithkline	UK	2		Pharmaceuticals	2	
18. Hilton Hotel	UK	2		Hotel	2	
19. Hotel Intercontinental	USA	2		Hotel	2	
20. IBM (EA) Ltd	USA	2		Computers	2	
21. Johnson's Wax (EA) Ltd	USA	2		Detergents	2	
22. Microsoft	USA	2		Software	2	
23. Mitsubishi	USA	2		Motor Vehicle	2	
24. Mobil (Oilibya) (K) Ltd	USA	2		Petroleum Products	2	
25. Nestle Food (K) Ltd	Switzerland	2		Beverages/Milk	2	
26. New Stanley Hotel	USA	2		Hotel	2	
27. Paper Mills	India	1		Paper Products	2	
28. Procter and Allan	USA	2		Cereals	2	
29. Rank Xerox	USA	2		Office equipment	2	
30. Reckitt and Benkiser	UK	2		Detergents	2	
31. Safari Park Hotel	South Korea	1		Hotel	2	

32.Shell/BP	UK	2	Petroleum Products	2
33.Sara Lee	UK	2	Household Products	2
34.Standard Chartered Bank	UK	2	Banking	2
35.Sumitomo Corporation	Japan	1	Construction	2
36.Sony	Japan	1	Electronics	2
37.Total (K) Ltd	France	1	Petroleum Products	2
38.Toyota (EA) Ltd	Japan	1	Motor Vehicle	2
39.Unilever	UK	2	Consumer Products	2
40.Wriggley (EA) Ltd	USA	2	Chewing Gum	2
41.Air Express International	USA	2	Courier Service	-
42.Agip	Italy	2	Petroleum	-
43.AT & T	USA	2	Telecommunication	-
44.American Online	USA	2	Telecommunication	-
45.BASF	Germany	2	Chemicals	-
46.Bata (K) Ltd	Canada	2	Shoes	-
47.British Airways	UK	2	Airline Services	-
48.Coca Cola	USA	2	Beverage	-
49.Erickson	Sweden	2	Telecommunication	-
50.British Oxygen	UK	2	Industrial Products	-
51. Gillette	USA	2	Personal Care	-
52.Intel Computers	USA	2	Computers	-
54. Woollen Mills	India	1	Textiles	-
55.Gillette	USA	2	Personal care	-
56.Siemens	Germany	2	Telecommunication	-
57. Nokia	Finland	2	Telecommunication	-
58.Philips International	USA	2	Electrical	-
59.Sterling Products	USA	2	Baby Care Products	-
60.Kodak(EA) Ltd	UK	2	Imaging	-

APPENDIX VII: MNCs IN KENYA

Company, Country of Origin and Company Product

Company	Country	Product
1. Air Express International	USA	Courier Services
2. AT & T	USA	Telecommunication
3. Agip	Italy	Petroleum Products
4. American Online	USA	Telecommunications
5. Bamburi Portland Cement	UK	Cement Manufacturing
6. BASF	Germany	Chemicals/Plastics
7. Barclays Bank	UK	Banking
8. BAT (K) Ltd	UK	Tobacco/Cigarettes
9. Bata (K) Ltd	Canada	Shoes
10. Bayer EA Ltd	Germany	Pharmaceuticals
11. Beta Health Care International Ltd	UK	Pharmaceuticals
12. British Airways	UK	Airline Services
13. British Oxygen	UK	Industrial Products
14. Cadbury Kenya	UK	Confectionery/Beverages
15. Caltex Oil	USA	Refinery Products
16. Celtel Kenya	UK	Telecommunication
17. Citi Bank NA	USA	Banking
18. Coca Cola	USA	Beverages
19. Colgate Palmolive	USA	Hygiene Products
20. Crown Paints (K) Ltd	UK	Manufacturing Paints
21. PZ Cussons (EA) Ltd	UK	Bathroom. Soap. Toiletries
22. Eveready Batteries (K) Ltd	USA	Dry Cell
23. Erickson	Sweden	Telecommunications
24. Yana Tyres	USA	Tyres
25. Fuji Kenya	Japan	Imaging
26. General Motors	USA	Vehicle Assembly
27. Glaxo/Smithkline	UK	Pharmaceuticals
28. Hilton Hotel	UK	Hotel
29. Hotel Intercontinental	USA	Hotel

30. IBM (EA) Ltd	USA	Computers
31. Intel Computers	USA	Computers
32. Johnson's Wax (EA) Ltd	USA	Detergents, prays, Perfumes
33. Kodak (EA) Ltd	UK	Imaging/Photography
34. Microsoft	USA	Software
35. Mitsubishi Corp	Japan	Motor vehicles
36. Mobil	USA	Petroleum Products
37. Nestle	Switzerland	Milk Products/ Beverages
38. New Stanley Hotel	USA	Hotel
39. Nokia	Finland	Telecommunications
40. Paper Mills	India	Paper Products
41. Philips International	USA	Electrical Appliances
42. Rank Xerox	USA	Office equipment
43. Safari Park Hotel	South Korea	Hotel
44 Shell/ BP	UK	Petroleum Products
45. Sara Lee	UK	Household & body Care
46. Siemens	Germany	Telecommunications
47. Standard Chartered Bank	UK	Banking
48. Sterling Products	USA	Soap. Baby Products/ Pharmaceutical
49. Sumitomo Corp.	Japan	Construction
50. Total Kenya	France	Petroleum Products
51. Toyota (EA) Ltd	Japan	Vehicle Assembly
52. Unilever	UK	Consumer Products/ tea/ Power Applications
53. Wrigley Company E.A Ltd	USA	Chewing Gum
54. Woollen Mills	India	Textiles
55. Procter & Allan	USA	Cereals
56. Gillette	USA	Personal Care
57. Reckitt & Benkiser (EA) Ltd	UK	Detergents
58. Safaricom	UK	Telecommunication
59. Sony	Japan	Electronics
60. Ayton Young and Rubicam	USA	Advertising

APPENDIX VIII: POWER DISTANCE INDEX

Power Distance Index (PDI) Value for 53 Countries in 3 Regions

Score Rank	Country or Origin	PDI Score
1	Malaysia	104
2/3	Panama	95
2/3	Guatemala	95
4	Philippines	94
5/6	Mexico	81
5/6	Venezuela	81
7	Arab Countries	80
8/9	Equador	78
8/9	Indonesia	78
10/11	India	77
10/11	West Africa	77
12	Yugoslavia	76
13	Singapore	74
14	Brazil	69
15/16	France	68
15/16	Hong Kong	68
17	Colombia	67
18/19	Salvador	66
18/19	Turkey	66
20	Belgium	67
21/23	East Africa	64
21/23	Peru	64
21/23	Thailand	64
24/25	Chile	63
24/25	Portugal	63
26	Uruguay	61
27/28	Greece	60
27/28	South Korea	60

29/30	Taiwan	58
29/30	Iran	58
31	Spain	57
32	Pakistan	55
33	Japan	54
34	Italy	50
35/36	Argentina	49
35/36	South Africa	49
37	Jamaica	45
38	USA	40
39	Canada	39
40	Netherlands	38
41	Australia	36
42/44	Costa Rica	35
42/44	Germany	35
42/44	Great Britain	35
45	Switzerland	34
46	Finland	33
47/48	Norway	31
47/48	Sweden	31
49	Ireland	28
50	New Zealand	22
51	Denmark	18
52	Israel	13
53	Austria	11

Source: Hofstede, G. (1997) *Cultures and Organizations. Software of the Mind*. Mc-Graw Hill. New York, P. 26.

Note: Numbers/positions ranging from 1-53 show the power inequality between low and high power distance cultures. Thus, the higher the Power Distance Index (PDI) Score, the higher the power distance.

APPENDIX IX: RELIABILITY TEST STATISTICS

a) Power Distance

Cronbach's Alpha	No. of Items
.700	30

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Employee have independence in executing their duties	86.82	74.891	.273	.691
Managers do consult with the managers	87.37	72.171	.392	.682
Top managers and lower cadre employees mix up freely in the organization	87.34	71.483	.401	.681
Non-managers are free to take up positions different from that taken by managers	87.82	71.017	.348	.683
Non-managers take initiatives in matters pertaining to their work	87.43	69.793	.493	.673
Managers and non-managers hold joint meetings	87.48	70.037	.436	.676
Non-managers have power and authority to execute their duties	87.79	70.479	.399	.679
Power is equally distributed in the organization	88.33	72.525	.306	.687
Non-managers disagree with non-managers	88.13	71.104	.387	.681
Non-managers trust each other	87.78	71.660	.423	.680
Non-managers are allowed to participate in decision-making	87.58	71.918	.342	.684
All should have equal rights in the organization	87.28	77.282	.007	.709
Non-managers are much more cooperative	87.85	68.468	.480	.671
Non-managers have a stronger perceived work ethics	87.41	70.634	.410	.679
Non-managers are not allowed to make decisions on behalf of managers	87.08	73.177	.287	.689
Non-managers have no authority and power	87.25	72.805	.219	.694

Managers direct the non-managers on the way forward	87.02	74.798	.155	.698
Non-managers are reluctant to trust each other	87.42	75.616	.094	.704
Non-managers are not allowed to make important decisions	87.12	73.149	.220	.694
Non-managers fear disagreeing with managers	86.91	76.495	.070	.704
Power holders are entitled to privileges	86.86	77.402	.017	.706
Powerful people should look more powerful	86.96	74.721	.183	.696
Managers like seeing themselves as decision-makers	87.19	74.518	.202	.695
Non managers place high value on conformity	87.39	76.265	.091	.702
Cooperation among the powerless is difficult to bring about due to low faith in people's norms	87.77	79.890	-.166	.714
Non-managers do fear disagreements with their supervisors	87.01	76.333	.078	.703
There should be an order of inequality in this world	86.99	76.704	.060	.704
Managers make decisions autocratically	87.13	79.242	-.108	.713
Power is centralized in the organization	87.13	76.500	.087	.702
Managers do not delegate important tasks to the non-managers	86.73	77.858	-.010	.707

b) Employee Empowerment

Cronbach's Alpha	No. of Items
.933	20

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The extent to which my organization encourages employee commitment	71.77	91.207	.514	.931
Has holistic concern for employees	72.29	88.360	.617	.929
My organization encourages open communication	72.06	89.506	.635	.929
Increases cooperation, teamwork and support	72.21	89.963	.592	.930
Encourages pro-active problem-solving	72.36	90.545	.574	.930
Encourages work in a congenial and friendly atmosphere	72.21	90.332	.538	.931
Encourages organization feedback	71.94	90.373	.561	.930
Enhances meaning and value in a work task	72.20	88.626	.655	.929
Increases employee morale	72.34	86.451	.729	.927
Increases employee job satisfaction	72.31	87.499	.709	.928
Creates choice in task performance	72.40	87.160	.667	.928
Allows for independent decision-making	72.41	86.306	.696	.928
Allows choice and direction in one's work	72.29	87.426	.662	.928
Instils confidence and belief in capacity to perform a task skilfully	72.36	88.836	.637	.929
Inspires creativity and innovation	72.36	87.780	.690	.928
Builds employee confidence in task performance	72.39	88.264	.690	.928
Increases individual job autonomy	72.42	89.894	.534	.931
Enhances employee influence over organizational decisions	72.51	89.736	.593	.930
Increases customer satisfaction	72.18	92.615	.483	.932
Increases customer focus	72.17	91.739	.539	.931

c) Organization Commitment

Reliability Statistics

Cronbach's Alpha	No. of Items
.883	17

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I am highly committed to my work	56.68	58.860	.510	.877
I like working for my organization	57.16	54.963	.668	.870
I consider the organization part of my life	57.58	55.026	.686	.870
I look forward to coming to work	57.34	55.407	.668	.871
I complete my work as scheduled	56.98	60.270	.352	.882
I have a strong desire to maintain membership in the organization	57.68	55.152	.645	.871
I have individual attachment to my organization	57.83	55.604	.647	.872
I have individual attachment to my supervisor	57.97	56.773	.567	.875
I have closer cooperation with my managers	57.79	57.527	.503	.877
I do not intend to leave the organization in future	57.78	60.713	.170	.893
I will stay overtime to complete my work	57.26	58.711	.408	.881
I would be very lucky to spend the rest of my life within the organization	57.54	55.897	.549	.876
I talk well about the organization to my friends as an organization to work for	57.68	56.395	.545	.876
I am satisfied with my job	57.30	58.199	.518	.877
I am able to achieve higher performance	57.11	58.717	.498	.878
I perceive current and future opportunities as adequate	57.56	58.349	.558	.876
Empowerment accords me a strong sense of meaning	57.38	59.569	.448	.879

d) Job Autonomy**Reliability Statistics**

Cronbach's Alpha	No. of Items
.821	10

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I prefer doing my work independently	36.17	16.732	.408	.815
I prefer to do my work, letting others do theirs	36.61	17.144	.341	.822
I participate in decision-making freely	36.64	15.830	.488	.808
I'm certain about how much authority I have in performing my job	36.45	15.054	.640	.789
I divide my time properly while performing my work	36.18	15.533	.611	.793
I know exactly what is expected of me	36.10	15.047	.705	.783
I am responsible for planning my work tasks	36.14	16.463	.530	.803
I take responsibility for my performance	35.97	16.269	.565	.800
I desire to be an excellent performer	35.83	17.827	.316	.822
I have a high sense of control and self-determination	36.21	16.848	.440	.812

e) Job Satisfaction

Reliability Statistics

Cronbach's Alpha	No. of Items
.790	20

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Major happiness of my life comes from my job	65.30	42.086	.527	.771
My work is fascinating	65.57	42.788	.444	.776
I live, eat and breathe my job	66.06	40.594	.552	.767
My job gives me a sense of accomplishment	65.41	43.414	.451	.777
My opportunities for advancement are very good	65.54	43.282	.459	.776
My job gives me better mental and physical health	65.44	42.814	.490	.774
I am able to learn new job-related tasks quickly	65.03	45.024	.305	.785
I experience fewer on-the-job accidents	65.16	45.810	.156	.793
Fewer grievances in the organization	65.35	42.468	.463	.775
I am highly satisfied by my job	65.36	41.136	.601	.766
My morale is boosted	65.56	41.292	.559	.768
I have a perfect relationship with my boss	65.76	42.459	.453	.775
My job has great impact on the success of the company	65.68	44.885	.249	.788
My job is highly meaningful	65.47	45.685	.103	.800
Most part of my day is spent day-dreaming about a better job	66.19	50.858	-.256	.840
Customers are satisfied with company's products	65.19	44.028	.339	.783
Customers experience increased loyalty	65.19	43.792	.484	.776
I am less likely to leave my job	65.37	43.618	.435	.778
My level of motivation is high	65.37	43.480	.506	.775
I am likely to exhibit pro-social citizenship	65.47	43.911	.424	.779

f) Organization Performance – Non-performance measures

Reliability Statistics

Cronbach's Alpha	No. of Items
.875	17

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Satisfied customers	60.10	41.914	.505	.868
Quick response to customer complaints	60.20	40.488	.615	.864
Faster customer service	60.21	41.703	.511	.868
Good organization image	60.41	40.733	.514	.868
Increased output	60.34	41.458	.507	.868
High quality products and services	60.07	42.140	.440	.871
Product reliability	60.11	41.144	.500	.868
Faster deliveries	60.19	39.918	.612	.864
Faster decision-making processes	60.13	40.965	.433	.872
Effective communication	60.03	41.748	.321	.878
Ability to retain employees over a long period of time	60.73	39.292	.623	.863
Good relationship between management and employees	60.72	40.266	.583	.865
High frequency of new product development	60.56	41.343	.507	.868
High market share as compared to other competitors	60.50	40.805	.535	.867
Organization's products are much superior to competitors'	60.36	42.080	.456	.870
High involvement in research and development	60.52	41.056	.503	.868
Employees are highly involved in task performance	60.54	41.370	.472	.869

APPENDIX X: DESCRIPTIVE STATISTICS

Q8. Extent to which agree or disagree with the following statements with respect of power inequality in an organization

	Mini mum	Maxi mum	Mean	Std. Deviation
Employee have independence in executing their duties	2	5	3.54	.643
Managers do consult with the managers	1	5	2.99	.824
Top managers and lower cadre employees mix up freely in the organization	2	5	3.02	.894
Non-managers are free to take up positions different from that taken by managers	1	5	2.54	1.057
Non-managers take initiatives in matters pertaining to their work	1	5	2.93	.932
Managers and non-managers hold joint meetings	1	5	2.87	1.002
Non-managers have power and authority to execute their duties	1	5	2.56	1.020
Power is equally distributed in the organization	1	4	2.03	.945
Non-managers disagree with non-managers	1	5	2.23	.966
Non-managers trust each other	1	5	2.58	.835
Non-managers are allowed to participate in decision-making	1	5	2.78	.951
All should have equal rights in the organization	1	5	3.08	.971
Non-managers are much more cooperative	1	5	2.51	1.093
Non-managers have a stronger perceived work ethics	1	5	2.94	.979
Non-managers are not allowed to make decisions on behalf of managers	1	5	3.28	.891
Non-managers have no authority and power	1	5	3.11	1.136
Managers direct the non-managers on the way forward	1	5	3.34	.971
Non-managers are reluctant to trust each other	1	5	2.94	1.026
Non-managers are not allowed to make important decisions	1	5	3.24	1.073
Non-managers fear disagreeing with managers	1	5	3.44	.881
Power holders are entitled to privileges	1	5	3.49	.832
Powerful people should look more powerful	1	5	3.40	.892
Managers like seeing themselves as decision-makers	2	5	3.17	.878
Non managers place high value on conformity	1	5	2.96	.853
Non managers place high value on conformity	1	5	2.96	.853
Cooperation among the powerless is difficult to bring about due to low faith in people's norms	1	4	2.59	.677
Non-managers do fear disagreements with their supervisors	1	5	3.35	.892
There should be an order of inequality in this world	1	5	3.37	.859
Managers make decisions autocratically	2	5	3.23	.787
Power is centralized in the organization	2	5	3.23	.795
Managers do not delegate important tasks to the non-managers	1	5	3.63	.791

Descriptive Statistics

Q9. Extent to which the following Power Distance (Host country Culture) correctly characterize behaviour and attitudes of employee

	Mini mum	Maxi mum	Mean	Std. Deviation
The extent to which my organization encourages employee commitment	2	5	4.29	.686
Has holistic concern for employees	1	5	3.77	.810
My organization encourages open communication	2	5	4.00	.700
Increases cooperation, teamwork and support	3	5	3.86	.708
Encourages pro-active problem-solving	2	5	3.71	.678
Encourages work in a congenial and friendly atmosphere	2	5	3.85	.737
Encourages organization feedback	2	5	4.12	.707
Encourages organization feedback	2	5	4.12	.707
Enhances meaning and value in a work task	2	5	3.86	.748
Increases employee morale	1	5	3.73	.831
Increases employee job satisfaction	2	5	3.75	.777
Creates choice in task performance	2	5	3.66	.846
Allows for independent decision-making	1	5	3.66	.876
Allows choice and direction in one's work	1	5	3.78	.831
Instils confidence and belief in capacity to perform a task skilfully	1	5	3.70	.751
Builds employee confidence in task performance	2	5	3.67	.740
Increases individual job autonomy	1	5	3.64	.781
Enhances employee influence over organizational decisions	2	5	3.55	.725
Increases customer satisfaction	2	5	3.88	.587
Increases customer focus	2	5	3.89	.610

Descriptive Statistics

Q10. Extent to which agree or disagree with the following statements a – c with respect to employee empowerment outcomes

a). Organization commitment

	Min	Max	Mean	Std. Dev.
I am highly committed to my work	3	5	4.36	.648
I like working for my organization	1	5	3.88	.871
I consider the organization part of my life	2	5	3.46	.846
I look forward to coming to work	1	5	3.70	.830
I complete my work as scheduled	2	5	4.06	.666
I have a strong desire to maintain membership in the organization	2	5	3.36	.879
I have individual attachment to my organization	2	5	3.21	.835
I have individual attachment to my supervisor	1	5	3.07	.810
I have individual attachment to my supervisor	1	5	3.07	.810
I have individual attachment to my supervisor	1	5	3.07	.810
I do not intend to leave the organization in future	1	4	3.26	.998
I will stay overtime to complete my work	1	5	3.77	.801
I would be very lucky to spend the rest of my life within the organization	1	5	3.49	.925
I talk well about the organization to my friends as an organization to work for	1	5	3.36	.878
I am satisfied with my job	1	5	3.74	.714
I am able to achieve higher performance	2	5	3.92	.678
I perceive current and future opportunities as adequate	2	5	3.48	.654
Empowerment accords me a strong sense of meaning	2	5	3.66	.633

Descriptive Statistics

b). Job Autonomy

	Min	Max	Mean	Std. Dev.
I prefer doing my work independently	2	5	4.09	.730
I prefer to do my work, letting others do theirs	2	5	3.64	.721
I participate in decision-making freely	1	5	3.62	.823
I'm certain about how much authority I have in performing my job	2	5	3.81	.805
I divide my time properly while performing my work	2	5	4.08	.749
I know exactly what is expected of me	2	5	4.16	.749
I am responsible for planning my work tasks	2	5	4.11	.654
I take responsibility for my performance	3	5	4.29	.658
I desire to be an excellent performer	3	5	4.43	.578
I have a high sense of control and self-determination	3	5	4.04	.667

Descriptive Statistics

c). Job Satisfaction

	Min	Max	Mean	Std. Dev
Major happiness of my life comes from my job	1	5	3.62	.760
My work is fascinating	2	5	3.35	.771
I live, eat and breathe my job	1	5	2.86	.915
My job gives me a sense of accomplishment	1	5	3.51	.673
My opportunities for advancement are very good	2	5	3.38	.681
My job gives me better mental and physical health	1	5	3.48	.709
I am able to learn new job-related tasks quickly	2	5	3.89	.604
I experience fewer on-the-job accidents	1	5	3.76	.725
Fewer grievances in the organization	1	5	3.57	.790
I am highly satisfied by my job	1	5	3.56	.791
My morale is boosted	1	5	3.36	.820
I have a perfect relationship with my boss	1	5	3.16	.805
My job has great impact on the success of the company	1	5	3.24	.731
My job is highly meaningful	1	5	3.45	.937
Most part of my day is spent day-dreaming about a better job	1	5	2.73	1.242
Customers are satisfied with company's products	1	5	3.73	.733
Customers experience increased loyalty	2	5	3.72	.582
I am less likely to leave my job	2	5	3.55	.662
My level of motivation is high	2	5	3.55	.602
I am likely to exhibit pro-social citizenship	2	5	3.45	.632

Descriptive Statistics

Q11. To what extent do you agree or disagree with the following statements with respect non-financial measures of performance

	Min	Max	Mean	Std. Dev
Satisfied customers	3	5	4.01	.577
Quick response to customer complaints	2	5	3.91	.652
Faster customer service	2	5	3.89	.600
Good organization image	3	5	3.70	.725
Increased output	2	5	3.77	.637
High quality products and services	2	5	4.04	.613
Product reliability	2	5	3.99	.687
Faster deliveries	2	5	3.91	.722
Faster decision-making processes	1	5	3.98	.797
Effective communication	2	5	4.08	.854
Ability to retain employees over a long period of time	1	5	3.38	.783
Good relationship between management and employees	2	5	3.39	.709
High frequency of new product development	2	5	3.55	.652
High market share as compared to other competitors	1	5	3.61	.692
Organization's products are much superior to competitors'	2	5	3.75	.604
High involvement in research and development	2	5	3.59	.695
Employees are highly involved in task performance	1	5	3.57	.688

APPENDIX XI: HIGH AND LOW POWER DISTANCE

a) Correlation between Employee empowerment and Empowerment Outcomes

Power distance of Parent company	Variables	Employee empowerment	Job autonomy	Job satisfaction	Organizational commitment
High	Employee empowerment	1	.044	.516(**)	.260
	Job autonomy	.044	1	.464(**)	.380(*)
	Job satisfaction	.516(**)	.464(**)	1	.527(**)
	Organizational commitment	.260	.380(*)	.527(**)	1
Low	Employee empowerment	1	.516(**)	.567(**)	.380(**)
	Job autonomy	.516(**)	1	.607(**)	.460(**)
	Job satisfaction	.567(**)	.607(**)	1	.653(**)
	Organizational commitment	.380(**)	.460(**)	.653(**)	1

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

b) Power Distance influence on the relationship between Employee Empowerment and MNC Performance

Power distance of Parent company		Employee empowerment	Organizational performance
High	Employee empowerment	1	.643(**)
	Organizational Performance	.643(**)	1
Low	Employee empowerment	1	.366(**)
	Organizational Performance	.366(**)	1

** Correlation is significant at the 0.01 level (2-tailed)

c) Relationship between Employee Empowerment and MNC Performance

Power distance	Variables	Mean	Std.	N
High	Employee empowerment	3.4324	.44601	34
	Organizational	3.4031	.36091	34
Low	Employee empowerment	3.9032	.46146	126
	Organizational	3.8702	.34847	126