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Team Leadership as a Determinant of Employee Performance: The Case of Eldoret Water and Sanitation Company in Kenya

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Abstract:

The complexity of most of the processes that are operated in organizations places them beyond the control of any one individual. The only really efficient way to tackle process improvement or problems is through the use of some form of teamwork. Based on a study which sought to establish the effect of team building on employee performance in Eldoret Water and Sanitation (ELDOWAS) company, this paper examines how team leadership affects employee performance. The study was descriptive in nature. The research used both probabilistic and non-probabilistic sampling techniques to obtain the required number of respondents. In particular, stratified, purposive and simple random sampling techniques were used. A sample of 80 respondents was drawn from three departments in ELDOWAS, namely technical, commercial/financial and personnel departments. The study was conducted from June 2007 to September 2007. The nature of data collected was both qualitative and quantitative data. Data was collected through the use of structured questionnaires and interviews. The data was then analyzed and presented by use of both descriptive and inferential statistics. To analyze the degree of relationship between variables, a Chi-square was used to test the hypotheses. It was established that there was a significant relationship between team leadership and employee performance. It was recommended that management must keep constant reviews and monitoring of workloads of their employees and in teams and keep watch of any changes in the workload of individual employees, which may result in increasing pressure experienced by them.

Keywords: Team leadership, employee performance, Eldoret water, sanitation company, Kenya

1. Introduction

The Eldoret Water and Sanitation (ELDOWAS) is a company owned by Municipal Council of Eldoret. In April 1996, the Ministry of Local Government accepted the principles of commercialization of water systems managed by local authorities by way of forming water and sanitation companies (RoK, 2000). The formation of these companies was meant to address institutional weaknesses that undermined proper management of water and sanitation facilities under the local authorities Act CAP 265. The weaknesses meant to be addressed under the Local Government Act were:

- a) Municipalities budgeting systems curbs flexibility of expenditure for major maintenance or repair jobs causing poor system maintenance.
- b) Salary scheme for municipalities are not competitive to attract qualified staff required for proper management systems.
- c) Low revenue generation potential of municipalities resulting into use of revenue from water and sanitation in unrelated fields, denying the services necessary funds for operation and maintenance.
- d) Application of low tariffs which do not cover the full cost of production and distribution of water.

To facilitate the required sector reforms, Eldoret, Kericho and Nyeri towns were selected to form water and sanitation companies on pilot basis.

ELDOWAS is autonomous and was established under the Companies Act Cap 486 of the laws of Kenya in October 1997. Prior to the establishment of ELDOWAS, the Water and Sewerage Department of the Council executed the water and sewerage services. The first water supply in Eldoret was installed in 1928 on Ellegerini River. At that time, the water supply remained an undertaking of the colonial government. The Municipal Council of Eldoret (MCE) was given responsibility to provide water services in 1937 and was later appointed a water undertaker in January 1960. The sewerage system was constructed in 1959/1960.

The Council managed water supply and sewerage services as a section under the Engineer's Department, until July 1994 when the Water and Sewerage Services Department was formed. In July, 1997 the Company was incorporated and started operations in July, 1999. Consumers initially received the formation of ELDOWAS with mixed reaction, appreciation and scepticism. However, the work of ELDOWAS is highly regarded by consumers in the Municipality. The Company was formed to perform the following:

1. Carry out business of water and sanitation services of the Municipal Council of Eldoret and its environs.

2. Exercise control over the resources and supply of water in the jurisdiction of the Council and to conserve, redistribute and augment those water resources.
3. Provide and distribute sustainable supply of portable water for commercial, industrial and domestic purposes.
4. The provision, control and maintenance of sewerage services for commercial, industrial and domestic purposes
5. Design and construct dams, reservoirs, wells and boreholes and carry out any other water conservation and reticulation works for the provision of water.
6. Acquire for its own use and distribution by sale to the public water pumps, engines, tanks, pipes and other equipment and chemicals that may be deemed necessary for and connected to the carrying out of the said business of the Company.
7. Treatment and disposal of sewage within the area of the Council.
8. Distribution and supply from all appropriate sources in particular from Chebara, Sosiani and Kapsoya sources.
9. Manufacture, import, distribute, use or sale chemicals, other materials, equipment or goods relevant and incidental to the conduct of the aforesaid business of the Company.

The Company developed a corporate plan to identify key issues to be tackled during the five-year period of 2000-2005 and identify policies and objectives necessary for the Company to achieve its goals.

The Company's vision is to be committed to the provision of clean water and sewerage services to the residents of Eldoret Municipality, in a financially sustainable manner and within government regulations. To guide the Company, achieve its vision and objectives, five of these were identified as follows:

1. Prioritize recovery of cost revenue via dramatically improved revenue collection and reduced linkage.
2. Achieve dramatic efficiency gains via re-engineering of the key business processes of billing, procurement and maintenance.
3. Focus the entire company on the customer
4. Pursue new source of finance and introduce effective financial management systems to better the company's debt mix
5. Design and implement effective cultural change programme to achieve new behaviour necessary to underpin commercialization (ELDOWAS, 2000-2005).

According to the Cooperate Plan, by the end of the year 2005, the Company would have achieved the following:

1. Be a financially self-sustaining commercial enterprise.
2. Be perceived by customers as an efficient provider of high quality water and sewerage services.
3. Tap unfulfilled demand for its services in the vast area of Eldoret.
4. Increase water production and sewerage treatment capacity to match demand and have 95% of all installed water meters working and maintained.
5. Expand the service area to cover satellite owns and newly developed areas.
6. Be customer oriented and extremely focused.
7. Have commercial oriented employees who have individual responsibility.
8. Have updated business system and processes to support its goals.
9. Engineer its processes and systems to optimize resource usage and efficiency.

ELDOWAS has several autonomous teams which are answerable to the organization; many of these teams operate away from the headquarters. Planning and organization of the activities of these teams is done by the supervisor or the team leader. Because of varied activities and strategic plans that ELDOWAS hopes to achieve, team work is one such great asset towards the achievement of its objectives. It is, therefore, imperative to study the team aspect in ELDOWAS which is key to its performance.

1.1. Building an Effective Team

Building an effective team involves a number of things, namely: choosing the right people; knowing their strengths and shortcomings; stating clear expectations; getting everyone involved; creating a climate of psychological safety, and being flexible to change course.

1.1.1. Choosing the Right People

An effective team member must undergo rigorous training so as to remain relevant in performing duties "You may have a person who, five years ago, was a great employee. [Today, however,] because demands on your business have changed, they're not ... the right person anymore," says Alonzo Walker (as cited in *Newsday*, 2006), director of human resources at RSM McGladrey Inc., an accounting firm in Bloomington, Minnesota.

1.1.2. Knowing their Strengths and Shortcomings

When building a good team, it is important to choose group members with specific skill sets to accomplish goals. For Block (as cited in *Newsday*, 2006), thought leadership was essential. "There's a lot of diversity of talent out there, but what I care about is their ability, fundamentally, to bring new ideas to the table" (Ibid.).

1.1.3. Defining and Stating Clear Expectations

Companies whose employees understand the mission and goals enjoy 29% greater returns than other firms (Wyatt, 2008). Without a clear vision for team members to support, "there's a real opportunity for people to go astray" (Block, as cited in *Newsday*, 2006). According to Block (as cited in *Newsday*, 2006), it is important to not only emphasize personal relevance but also how their contributions add value to the company mission.

1.1.4. Getting Everyone Involved

Research has shown that members tend to spend more time discussing shared knowledge than privately held ideas (Edmondson, as cited in *Newsday*, 2006). As a result, teams fail to leverage the unique contributions each member may bring. Leaders must engage in activity inquiry, involving everyone in the group rather than assuming that team members will speak up spontaneously.

1.1.5. Creating a Climate of Psychological Safety

“The ability to have difficult conversations is probably the most important skill team members can have” (Edmondson, as cited in *Newsday*, 2006). Without this mechanism in place, Edmondson says it will be impossible for members to engage in learning-oriented behaviour, conduct valid experiments, or try innovative things. “If there’s a difference of opinion,” offers Walker, “you should not be afraid to say ‘I think differently.’ That’s on the rise in progressive organizations.”

1.1.6. Being Flexible to Change

“Some people are so [adamant] about sticking to their original plan, they stick to it at the expense of really getting a high-performance team” (Block, as cited in *Newsday*, 2006). One has to be flexible and build this flexibility into the team.

1.2. Statement of the Problem

The complexity of most of the processes that are operated in organizations places them beyond the control of any one individual. The only really efficient way to tackle process improvement or problems is through the use of some form of teamwork.

However, despite the formation of teams that undertake various tasks in different departments and sections, many organizations seldom undertake team building. This has resulted in poor performance. Teambuilding helps to create an atmosphere of openness and trust. Members feel a sense of unity and a strong commitment to accomplishing organizational objectives. Teams are known to work through a well-defined structure with specific address on goals, roles, team identity, consensus decision-making, team training and development and effective leadership. Team building enables teams to function effectively by simply sticking to their team structure that guides the team on its day-to-day operations.

ELDOWAS has made concerted efforts to supply safe drinking water and sanitation services to residents of Eldoret town. One of its major development goals is to enable people access water and sanitation services at affordable rates. These efforts can only be realized through teamwork. Some of the activities in ELDOWAS that require teamwork include meter reading, water connection, water treatment, maintenance and repairs of water systems, sewage treatment works, transport services, security services and constructions.

The study, therefore, sought to examine how team building as a human resource function could have a lasting effect on the employee performance. In the context of ELDOWAS, employees work in teams and are charged with important tasks that are geared towards acquisition of organizational goals. Every team has a leader from whom other members seek direction and guidelines. Every team has its unique goals and guided by specific norms. Team building thus becomes a performance correlate because teams directly affect the quantity and quality of job performance. The study thus sought to answer the extent to which these team building efforts reflected in organizational performance through collective employee performance in ELDOWAS.

2. Materials and Methods

ELDOWAS is a company owned by the Municipal Council of Eldoret. It is autonomous and was established under the Companies Act cap 486 of the Laws of Kenya. Prior to the establishment of ELDOWAS, the water and sewerage department of the Council executed the water and sewerage services. ELDOWAS area of jurisdiction is the entire Eldoret town and its environs. ELDOWAS has its headquarters in Eldoret town. It has field stations with employees outside the headquarters. These stations are Chebara Dam in Marakwet District and Kaplimo Treatment Plant.

This study was conducted using a descriptive study design. The target population of the study was all employees of ELDOWAS. This consisted of the Managing Director, three heads of departments and employees under the three main departments, namely technical department (97), administration and personnel department (23) and commercial/financial department (40). The sample consisted of 80 employees (male and female), respondents selected from the 160 employees. This sample represented 50% of the employees. This number as considered enough to represent the views of the other employees in ELDOWAS.

This study employed stratified sampling, random sampling and purposive sampling techniques to select participants. The basic methods that were used for the collection of primary data were questionnaires and interview guide. Data collected was analyzed using both descriptive and inferential statistics. Descriptive techniques included frequency distribution tables and percentages. Inferential statistics involved the use of Chi-square. The Chi-square was used to establish the relationships between the research variables. Data analysis was done using the Statistical Package for Social Sciences (SPSS) version 2007.

3. Results and Discussion

3.1. How Team Leadership Affect Employee Performance in ELDOWAS

The study sought to establish how team leadership affects performance of employees in ELDOWAS. To achieve this objective, the respondents were provided with certain leadership effects on their performance on which they were requested to indicate the extent to which they agreed with them. The results were as presented in Table 1 below.

Team Leader Attributes	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Total
Welcomes suggestions for improving leadership skills	53(66.1%)	9(11.3%)	1(1.3%)	8(10.0%)	9(11.3%)	80(100%)
Encourages members to share information, collaborate and solve problems	44(55.0%)	17(21.3%)	3(3.8%)	11(13.6%)	5(6.3%)	80(100%)
Recognizes team members through praises and rewards	30(37.5%)	22(27.5%)	6(7.5%)	7(8.75%)	15(18.6%)	80(100%)
Arranging social events and celebrating team success	33(41.3%)	18(22.5%)	7(8.75%)	7(8.75%)	15(18.6%)	80(100%)
Turns whole tasks to the team to carry out as members see fit	29(36.1%)	15(10.0%)	9(11.3%)	11(13.75%)	16(20%)	80(100%)
Allows members to have a say in any decision affecting team performance	24(30.0%)	24(30.0%)	9(11.3%)	8(10.0%)	15(18.6%)	80(100%)
Eliminates conflict caused by overlap of role responsibility	37(46.3%)	15(18.6%)	7(8.75%)	9(11.3%)	12(15.0%)	80(100%)
Provides immediate feedback on matters affecting the team	30(37.5%)	20(25.0%)	5(6.3%)	9(11.3%)	16(20.0%)	80(100%)

Table 1: Effects of Team Leadership on Employee Performance

Source: Research Survey (2007)

In establishing the effect of team leadership on employee performance in ELDOWAS, out of 80 respondents, 53(66.1%) strongly agreed, 9(11.3%) agreed, 9(1.3%) were undecided, 8(10.0%) disagreed while 1(1.3%) strongly disagreed that team leadership welcomes suggestions for improving leadership skills. Team leadership was also found to encourage sharing of information, collaboration and solving of problems. With this, 44(55.0%) strongly agreed, 17(21.3%) agreed, 3(3.8%) were undecided, 11(13.6%) disagreed while 5(6.3%) strongly disagreed. With respect to team leaders recognizing team members through praises and rewards, 30(37.5%) strongly agreed, 22(27.5%) agreed, 6(7.5%) were undecided, 7(8.8%) disagreed whereas 15(18.6%) strongly disagreed.

On arranging social events and celebrating team success, 33(41.3%) strongly agreed, 18(22.5%) agreed, 7(8.8%) were undecided, 7(8.8%) disagreed while 15(18.6%) strongly disagreed that team leaders arrange social events and celebrating team success. Moreover, 29(36.1%) strongly agreed, 15(10%) agreed, 9(11.3%) were undecided, 11(13.8%) disagreed while 16(20%) strongly disagreed that leaders turned whole tasks to the team to carry out as members see fit. This is the only item that achieved less than 50% rating. This is a clear indication that the element of delegation is absent in ELDOWAS. Delegation of duties promotes employee morale, making him to have a great sense of responsibility and belongingness which can translate to good performance.

With regard to members taking part in decision-making, 24(30.0%) strongly agreed, 24(30.0%) more agreed, 9(11.3%) were undecided, 8(22.4%) disagreed whereas only 15(18.6%) strongly disagreed that they were involved in decision-making. This implies that team leaders do allow members to take part in decision-making. On the other hand, 37(46.3%) of the respondents strongly agreed, 15(18.6%) agreed, 7(8.8%) were undecided, 9(11.3%) disagreed whereas 12(15%) strongly disagreed that team leadership eliminated conflicts caused by overlap of role responsibility. On provision of immediate feedback on matters affecting teams, 30(37.5%) strongly agreed, 20(25.0%) agreed, 16(20.0%) were undecided, 9(11.3%) disagreed while 5(6.3%) strongly disagreed that team leaders provided immediate feedback on matters affecting teams.

As noted from the analysis, more than 50% of the employees had a positive view of the effect of team leadership on employee performance except the item on leaders turning whole tasks to the team to carry out as members see fit.

3.2. Hypothesis Test Results

The study hypothesized that there is no significant relationship between team leadership and employee performance in ELDOWAS. The variables tested against employee performance were: welcoming suggestions, sharing information, delegation of duties and taking part in decision-making. The SPSS results for the χ^2 procedure were as presented in Table 2 below.

Employee Performance	Welcoming Suggestions	Share Information	Delegation of Duties	Take part in Decision-making
Chi-square value	34.582	29.225	37.711	37.207
Degree of freedom	16	16	16	16
Significance	0.005	0.022	0.002	0.002

Table 2: Chi-square (χ^2) Results for Hypothesis

Source: Research Survey (2007)

As indicated in the table above, the null hypothesis that there is no significant relationship between team leadership and employee performance was rejected at $p < 0.05$ and the alternative hypothesis accepted. In other words, all the variables in the table are significant factors in employee performance.

Welcoming suggestions was significant at $\chi^2=34.582$ with 16 degrees of freedom and $p=0.005$, sharing information was significant at $\chi^2=29.225$ with 16 degrees of freedom and $p=0.022$, delegation of duties at $\chi^2=37.711$ with 16 degrees of freedom and $p=0.002$ and taking part in decision-making was significant at $\chi^2=32.207$ with 16 degrees of freedom at $p=0.002$.

All the variables of team leadership were dependent as opposed to being independent of the employee performance. Based on results on hypothesis testing it can be concluded that employee performance is significantly related with team leadership. These findings are in agreement with the suggestions of Tannebaum and Schmidt (1958), who point out that although formally appointed leaders have special responsibilities for planning, conducting and evaluating meetings, these functions can easily be shared with others. An appointed or a chosen leader should function as a positive role model. Blake and Mouton (1985) also concur that people want to be guided by those they respect and who have a clear sense of direction.

4. Conclusion and Recommendations

Based on the results of the study, it was concluded that there is a clear indication that team leadership is significantly related to employee performance. The extent to which a team leader shares information, delegates duties and enables team members to take part in decision-making was also analyzed. The results indicated that the employee performance is significantly related to team leadership. Management must keep constant reviews and monitoring of workloads of their employees and in teams and keep watch of any changes in the workload of individual employees, which may result in increasing pressure experienced by them. Employees also need to be given responsibilities that go in line with there are of specialization.

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