



Ethical practice and Human Resource performance in Nairobi City County government, Kenya

Eunice Wanja¹, Thiaine S. Kubaison¹ and Simon Thurairia¹

¹Meru University of Science and Technology, Meru, Kenya

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ABSTRACT

KEYWORDS

Ethical practice
,stakeholder theory
competency-based hiring

This study aimed to examine the relationship between ethical practice and human resource performance in Nairobi City County Government, Kenya. The study was built on Stakeholder Theory. The study's target population comprised 46 employees, including principal human resource officers, administrative officers, and human resource officers, based at City Hall, Nairobi. Data was collected through a semi-structured questionnaire. Data analysis was done using SPSS software, and key findings revealed that the county government's application of accountability and ethical conduct positively impacts human resource performance. A positive correlation coefficient of 0.582 indicates a significant and positive linear relationship between ethical practices and human resource performance. Ethical guidelines and policies play a vital role in shaping the ethical culture within county governments and enhancing employee morale and job satisfaction. Ethical conduct should thus be at the forefront of the county government's operations. The study roots for increased emphasis on competency-based hiring practices.

Introduction

The study's aim was to examine the relationship between ethical practice and human resource performance in Nairobi City County Government (NCCG). Nairobi City County (NCC) is one of the 47 counties of Kenya that were founded after the subdivision of the eight provinces into counties in 2013. NCC is the capital city of Kenya. It is county number 47 in the national order of counties. Additionally, NCC is the third smallest county in Kenya after Vihiga and Mombasa counties and the most populous county in Kenya. It comprises of seventeen parliamentary constituencies. The County's headquarter is in

City Hall within the county. NCC has a population of over 4 million people (UN-Habitat, 2018). NCC contributes to Kenya's GDP of about 21.7% (NCCADP, 2020).

NCCG has been faced with several challenges in quality service delivery to its residents, that are partly linked to poor human resource performance (Gachunga & Muthee, 2019; Ng'etich & Waweru, 2019; Nyaga & Mugambi, 2018; Ondabu, 2017).

This study aimed at examining the relationship between ethical practices and human resource performance in NCCG in Kenya.

*Corresponding author: Eunice Wanja Email: wanjaeunc@gmail.com

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Ethical Practice

Ethics involve moral principles and values that distinguishes between right and wrong, just, and unjust, good, and bad actions and decisions (Ludwig & Longenecker, 2017). Ethical practices are values and principles that guide appropriate behaviour and decision-making (Brenkert & Beauchamp, 2019). Organizations with leadership that prioritize moral principles inspire staff to perform their duties ethically as they strive towards achieving the organization's goals (Nel, 2008). Organizations whose actions are based on ethical principles effectively achieve their strategies (Nyamao, 2016). Organizations should recruit strategic leaders that consider ethical practices as a key element in the process of enduring the organization's vision, those who are ready to act in the right manner and with honesty and integrity (Robertson and Crittenden, 2003). As per the current study, the researcher will adopt three indicators of ethical practices that is accountability, management of resources and proper decision making.

Human resource performance is the effectiveness and efficiency of the human resource function in achieving an organization's set goals and objectives (Mathis and Jackson, 2018) Indicators of human resource performance are employee turnover, productivity, quality of work, absenteeism, customer satisfaction and engagement of employees (Armstrong and Baron, 2017). These indicators help organizations to evaluate effectiveness of their human resource practices hence making necessary changes to improve on performance. According to Delery and Roumpi (2017), human resource performance is a multidimensional construct that has outcomes at both individual and organizational levels. Individual-level outcomes are motivation, attitude, and behaviour while organizational-level outcomes are innovation, financial performance, and customer satisfaction. Human resource performance is critical in organizational success. One important aspect of human resource performance is its ability

to attract, retain and develop employees of high quality. Organizations that invest in development of employees have higher levels of employee job satisfaction and engagement hence enhanced organizational performance (Tews, Michel, & Allen, 2014) Organizations that recognize diversity and inclusion are likely to have higher levels of innovation and creativity and overall performance (Cox, 2014). Organizational performance is the measure of how efficient and effective an organization is in terms of attaining its objectives (Attewell & Rule, 2014)

Hilman and Gorondutse (2013) found out that ethics positively impacted performance of SMEs. In Canada, Donker, Poff and Zahir (2008) also confirms that ethics positively influences workers to be responsible at work hence improved firm performance.

The study by Obey and Olawale (2017) found a substantial correlation between ethical practices and the performance of small and medium-sized enterprises (SMEs). Also, Maina, Namusonge, and Kabare (2016) studied intrapersonal traits in service delivery by devolved governments in central Kenya and indicated that ethical practices, leadership quality, skills and improved competencies positively contributed to the delivery of services within the decentralized units.

Boris (2015) analyzed the challenges facing local government administration in effective and efficient social service delivery in Nigeria. The findings indicated lack of funds, corruption, and undue political interference amongst others were the major constraints towards local government service delivery.

Stakeholder Theory

Stakeholder Theory was promoted by Edward Freeman (1984). The theory is rooted in the philosophy of organizational management on how organizations should deal with ethical issues in a business context. Stakeholder theory assumes that values are explicitly part of doing business.

The theory underlines importance of running a business ethically (Freeman, Wicks & Parmar, 2004). The theory emphasizes that managers should be guided by a set of values that assist them in managing their relationships with their stakeholders. From the stakeholder model perspective, business ethics can produce positive attitude among employees, hence increasing their performance. This theory forms a crucial part of this study as it provides a framework to craft ethical principles for county governments.

Data Collection and Procedures

A descriptive survey design was employed to gather data from the target population. Data was collected using a semi-structured questionnaire. Descriptive and inferential statistical analyses were conducted to assess the relationship between ethical practice and human resource performance variables. The target population consisted of 46 administrative staff of NCCG whose designations were Principal Human Resource Officers, Administrative Officers and Human Resource Officers

Among the respondents, the majority, comprising 48.78% of the sampled held the position of Human Resource Officers (HROs). These professionals play a key role in the day-to-day management of human resources and are instrumental in implementing various human resource policies and practices. Additionally, 21.95% of the respondents were Principal Human Resource Officers (PHROs), who contribute to the strategic direction and decision-making in the human resource department. Further, 29.27% of the respondents were Administrative Officers, who contribute to the smooth functioning of administrative processes within the county government. The diverse representation of positions allows for a comprehensive exploration of the relationship between ethical practice and human resource performance, considering the perspectives and experiences of individuals with different roles and responsibilities.

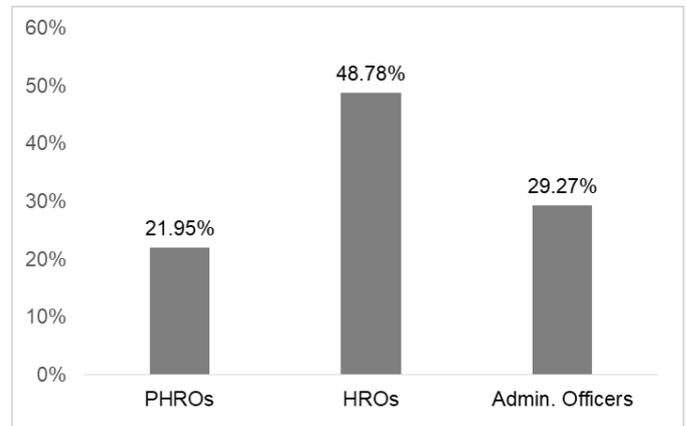


Figure 1: Distribution of Participants by Position in the Sector/Department

The overall reliability of the measurement scales had a Cronbach's alpha value of 0.907. This indicates a strong level of internal consistency. This suggests that the survey instrument utilized has good internal reliability, and the measurement items are consistent in capturing the intended constructs.

The mean and standard deviation related to the objective of examining the relationship between ethical practices and human resource in NCCG was utilized as indicated in figure 2.

From the findings, NCCG applies accountability practices. This had a mean of 4.51 and a standard deviation of 0.702; suggesting that the county government is perceived to be accountable and hence high levels of ethical practices within the organization. Proper management of resources in NCCG had a mean of 4.37 and a standard deviation of 0.808 highlighting the county government's commitment to utilize resources effectively and responsibly, demonstrating ethical practices in resource allocation and management. The findings suggest that ethical practices lead to proper decision making within NCCG. This statement had a mean of 4.54 and standard deviation of 0.852, indicating that the county government recognizes the importance of ethical considerations in the decision-making process, and ensuring they align with ethical standards and principles.

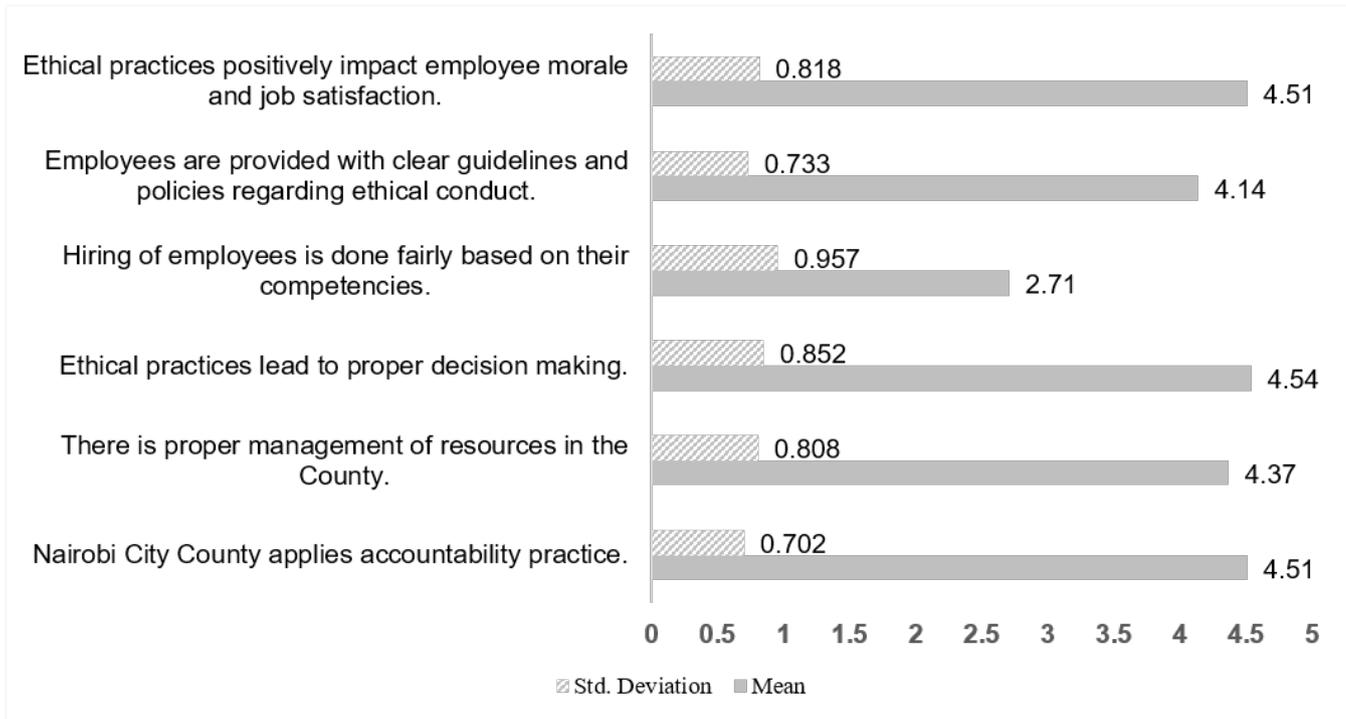


Figure 2: Descriptive Statistics of Ethical Practices

As per the results, there may be room for improvement in the fair hiring practices within the county. This was evidenced by statement’s mean of 2.71 and a standard deviation of 0.957 meaning the respondents perceived unfairness in the hiring process, indicating a potential need for increased emphasis on competency-based hiring practices.

The findings reveal that employees in NCCG are provided with guidelines and policies regarding ethical conduct. This had a mean of 4.14 and a standard deviation of 0.733 indicating that NCCG has established guidelines to promote ethics amongst its employees, fostering an environment of integrity and responsible conduct. From the responses, ethical practices positively impact employee morale and job satisfaction within NCCG. This had a mean of 4.51, standard deviation of 0.818 indicating that employees perceive ethical practices as a factor towards a positive work environment, enhancing morale and overall job satisfaction.

The application of accountability practices and proper management of resources demonstrate the county government's commitment to ethical

conduct. Ethical practices are seen to positively impact decision making, employee morale, and job satisfaction. However, there may be opportunities for improvement in fair hiring practices, suggesting a need for increased focus on competency-based hiring. Clear guidelines and policies on ethical conduct indicate the county government's efforts to promote integrity and responsible behavior among employees. These findings underscore the significance of ethical practices in shaping human resource dynamics within NCCG.

The mean for ethical practices was 4.1333 and the standard deviation was 0.51735 indicating that the respondents reported a relatively high level of ethical practices within NCCG suggesting that the organization values promotes ethical behaviour and conduct among its employees.

Descriptive Statistics of Human Resource Performance

The general objective of the study was to examine the relationship between ethical practices and human resource performance in NCCG. Figure 4.8 shows the results of the survey conducted.

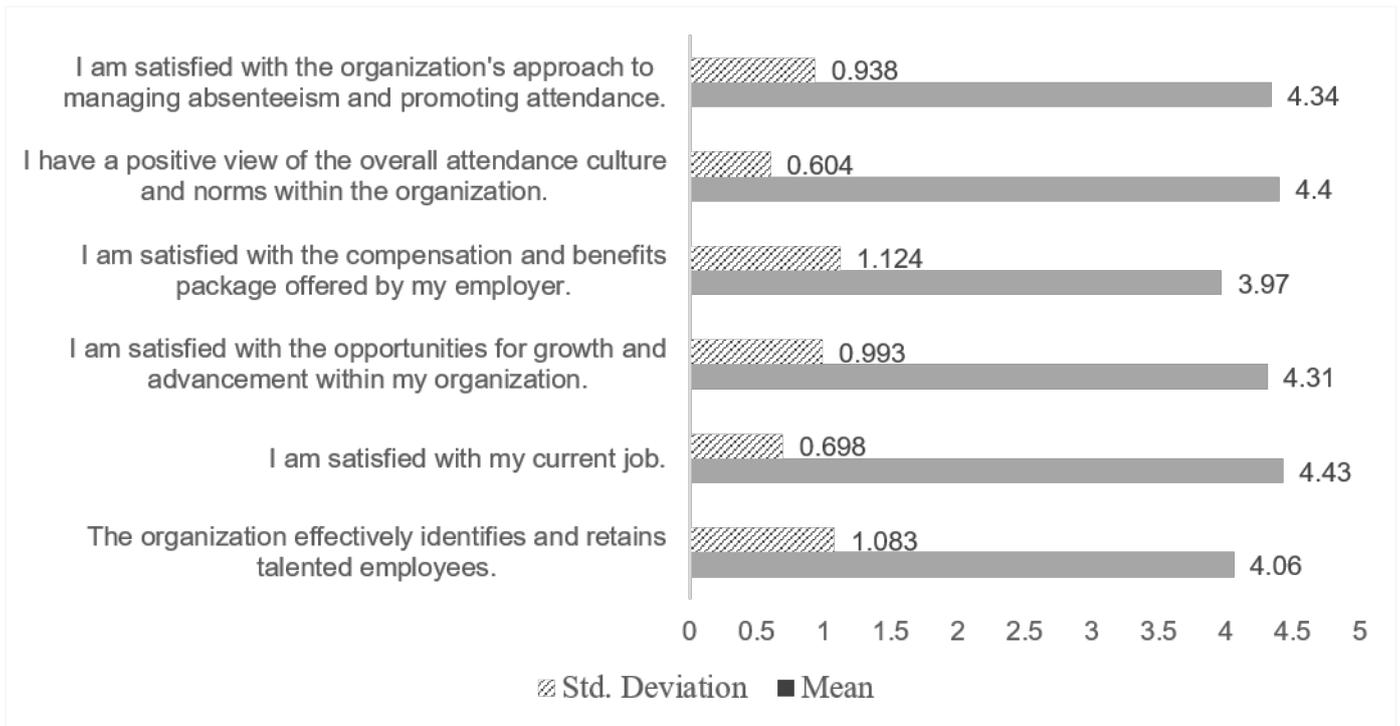


Figure 3: Descriptive Statistics of Human Resource Performance

The findings reveal that the organization effectively identifies and retains talented employees. The mean and standard deviation of this statement was 4.06 and 1.083, respectively. This means that the employees recognized the organization's efforts in talent identification and retention positively, which can contribute to overall human resource performance. Employees in NCCG reported high levels of job satisfaction. The mean rating for the statement "I am satisfied with my current job" was 4.43 and the standard deviation was 0.698. The respondents were also satisfied with the opportunities for growth and advancement within the organization hence the mean of 4.31 and the standard deviation of 0.993; an indication that the county provides avenues for professional development and career progression, which can contribute to enhanced human resource performance.

Employees reported their satisfaction with the compensation and benefits package offered by the employer. The mean statement was 3.97 and the standard deviation was 1.124 suggesting employee's perception on compensation and benefits provided as satisfactory. The findings also

indicate a positive view on the overall attendance culture and norms within the organization. The mean for this statement was 4.40 and the standard deviation was 0.604 suggesting that employees perceive the organization's approach to attendance management positively, which can contribute to improved human resource performance. Employees expressed satisfaction with the organization's approach to managing absenteeism and promoting attendance. This had a mean of 4.34 and a standard deviation of 0.938; indicating that employees perceive the organization's efforts in promoting attendance and managing absenteeism positively, which can positively affect human resource performance.

Correlation Analysis for Ethical Practices and Human Resource Performance

The correlation analysis explored the relationship between ethical practices (EP) and human resource performance (HRP) in NCCG. The Pearson correlation coefficient between EP and HRP was 0.582 with an extremely low p-value of less than 0.001 (2-tailed) as shown on table 1.

Correlations			
		EP	HRP
EP	Pearson Correlation	1	.582**
	Sig. (2-tailed)		<.001
	N	35	35
HRP	Pearson Correlation	.582**	1
	Sig. (2-tailed)	<.001	
	N	35	35

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

Table 1: Correlation Analysis for Ethical Practices and Human Resource Performance

Confidence Intervals				
	Pearson Correlation	Sig. (2-tailed)	95% Confidence Intervals (2-tailed) ^a	
			Lower	Upper
EP - HRP	.582	<.001	.309	.767

a. Estimation is based on Fisher's r-to-z transformation.

Table 2: Confidence Intervals

The positive correlation coefficient of 0.582 indicates a significant and positive linear relationship between ethical practices and human resource performance. This suggests that as ethical practices increases, there is a notable improvement in human resource performance within the county. The very low p-value of less than 0.001 (2-tailed) indicates that the correlation between EP and HRP is highly statistically significant at the 0.01 level; meaning that the observed correlation is extremely unlikely to have occurred by chance, providing robust evidence of a real and meaningful association between ethical practices and human resource performance. The 95% confidence intervals (CI) for the correlation coefficient are between 0.309 and 0.767. This indicates that we can be 95% confident that the true correlation between EP and HRP lies within this range. The positive lower bound of the confidence interval suggests a significant positive correlation, while the upper bound indicates that the relationship between ethical practices and human resource performance could be moderately strong.

In summary, the findings emphasize the need of ethical practices as a significant factor influencing human resource performance in NCCG. The highly significant and positive correlation suggests that promoting ethical conduct and

values within an organization result to notable improvements in human resource performance. These results underscore the value of fostering a strong ethical culture and compliance with ethical standards for enhancing the effectiveness and success of the county government's human resource department. This conclusion ties with the conclusion of Hilman and Gorondutse (2013), Boris (2015), Maina, Namusonge, and Kabare (2016) and Obey and Olawale (2017).

Conclusion

The study's findings are consistent with literature emphasizing the importance of ethical practices in leadership and organizational success. This is supported by Hilman and Gorondutse (2013), and Maina et al. (2016), who suggest that ethics positively influence organizational performance.

The county's application of accountability practices and ethical conduct positively impacts human resource performance. Ethical guidelines and policies play a vital role in shaping the ethical culture within county and enhancing employee morale and satisfaction.

Recommendation

Ethical conduct should be at the forefront of the county government's operations. This can be

achieved through the establishment of clear guidelines and policies that promote fairness, integrity, and accountability. The county government should place a special emphasis on fair hiring practices, ensuring that competency-based hiring processes are followed to attract the most qualified candidates. By fostering an ethical culture, the NCCG can enhance decision-making processes, employee morale, and job satisfaction, leading to improved human resource performance.

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