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**EFFECTS OF DELEGATION OF AUTHORITY ON ORGANIZATIONAL
PERFORMANCE: A CASE OF TWIGA CHEMICAL INDUSTRIES LTD**

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EFFECTS OF DELEGATION OF AUTHORITY ON ORGANIZATIONAL PERFORMANCE: A CASE OF TWIGA CHEMICAL INDUSTRIES LTD

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Abstract

Purpose:The purpose of this study was to investigate the effects of delegation of authority on organizational performance: a case of Twiga chemical industries ltd.

Methodology:The study adopted a descriptive research design and correlation research design. The target population in this study was 200 permanent employees of Twiga chemical industries ltd in Nairobi. Stratified sampling technique was used in this study to come with a desirable sample. Primary data was collected by use of questionnaires and utilized in this study to enhance originality of the study. The questionnaires were administered to the randomly selected employees who were the respondents. The questionnaire comprised of the questions that intended to answer the questions formulated with reference to the objectives of the study. The study used the quantitative method of data analysis. The collected data was edited, coded, keyed in and analysed using Statistical Package for Social Sciences (SPSS) version 20. The quantitative data was analysed using both descriptive statistics and correlations. Regression model was then used to show the relationship between independent variables and dependent variable.

Results: Regression of coefficients results showed that legislative delegation and organisation performance are positively and significant related at both 1% and 5% confidence level ($B=0.284$, $p=0.032$). The results further indicated that adjudicative delegation and organisation performance are positively and significant related at 1% and 5% confidence level ($B=0.319$, $p=0.011$). The results further established that monitoring and enforcement delegation were positively and significantly related at 1% and 5% confidence level ($B=0.334$, $p=0.013$). Similarly, results showed that agenda setting delegation and organisation performance were positively and insignificantly related at 5% confidence level ($B=0.094$, $p=0.455$).

Unique contribution to theory, practice and policy: Based on the findings the study recommended that organisations and firms should consider delegation of authority as one way of enhancing organisation performance. The study further recommended that those in authority should be very careful when delegating authority not to go overboard.

Keywords: *legislative delegation, organisation performance, adjudicative delegation, monitoring and enforcement delegation, agenda setting delegation*

1.0 INTRODUCTION

A company, by its nature, is a complex organization such that delegation of authority is unavoidable, it is therefore imperative for all managers and administrators at whatever level to understand the concept of delegation, its importance and how to use it effectively. This chapter therefore sets out to explain the concept of delegation, its place in a company management, the possible barriers to effective delegation and ways of ensuring productive delegation.

Ijaiya (2000) defines delegation of authority as 'the authorization to undertake activities that would otherwise be carried out by someone in a more senior position'. Cole (1996) describes it as a process whereby a manager or a senior officer cedes or entrusts some of his authority to subordinates or team mates to perform certain tasks or duties on his behalf. They however warned that the manager or the senior officer remains accountable for those tasks or duties to his own superior officers. The definitions above show that delegation exists at organizational, individual and personal level. At the organization level, it has to do with location of decision making and it is reflected in the organizational chart, that is, it provides the structure of the organization. It is also influenced by the size of the organization. In other words the larger the organization the more the need to delegate responsibilities or tasks to various levels throughout the organization (Musenze, et. al., (2014). At the personal level, delegation involves the passing of one's authority and responsibility to fellow workers to act on one's behalf usually because one is unavoidably absent or busy with something else.

While several studies exist, which demonstrate delegation can be used to influence incentives inside the organization, not many empirical studies have investigated how the level of authority delegation influences organizational performance. The paper will address the question whether delegating more authority to the lower levels of a company hierarchy leads to an improvement or worsening of organizational performance, both in quantitative and qualitative measures. Fehr, Herz and Wilkening (2013) highlighted in their study the origins, characteristics and consequences of authority and power. They argue that despite some notable early exceptions. The study of authority and power has not been a major focus in economics. More recently, however, organizational economists have taken interest in the incentive effects of decision rights by studying situations where one party has the contractual right to make decisions that influence another party's payoffs and potential choices (Dessein 2002; Aghion, Dewatripont and Rey 2004). There is very little empirical work in economics that have examined the behavioral consequences of authority and power or their motivational origins. Fehr, Herz and Wilkening (2013) explored these forces using a laboratory experiment where they studied how individuals manage and respond to authority in a hierarchical relationship. They proposed a new "authority-delegation game" based on a model developed in Aghion and Tirole (1997). A principal and an agent must select one of a large number of potential projects for implementation. One party, initially the principal, has the right to decide which project to implement. The other party, initially the agent, can only make a project recommendation but lacks direct power to determine the project.

Locally, delegation of authority is also a common phenomenon. Mangi (2009) in his study on strategic management practices adopted by local authorities in Kenya argues that town clerks who

are the chief executive officers of the councils often, in some instances delegated their duties to their assistants which lead to low adoption of strategic management practices leading to poor organisationperformance of local authority. According to (Ruto, 2011) if delegation of responsibility is not effective it could lead to work overload, delayed or inaccurate decisions, stress, mistrust, resentment, and low morale among the staff. It is also apparent that, without effective delegation cases of inefficiency, disharmony, and a poor working environment could result (missik, 2004).

1.2 Statement of the Problem

Delegation of responsibility to subordinates and other staff in organisations relieves managers from many pressures of work. If delegation of such responsibilities is not effective it could lead to work overload, delayed or inaccurate decisions, stress, mistrust, resentment, and low morale among the staff. It is also apparent that, without effective delegation by managers, cases of inefficiency, disharmony, and a poor working environment which have a positive effects on organisation performance could result (missik, 2004).

Ruto (2011) suggests that some of the responsibilities are sensitive that making a wrong decision may have serious implications to the smooth running of the organisation, such as committing finances for items that were not provided for in the budget, therefore, delegation has to be planned when such responsibilities are delegated since the general organisation performance of the organisation is most likely to be affected incase of mismanagement due to delegation. Some authors such as D'souza (2002) pointed out that some matters were not simply delegated to anyone.(Fehr, Herz and Wilkening 2013) article shows that lack of control has demotivating consequences on subordinates that induce them to act against their material self-interest which therefore leads to reduce organizational performance.

DeVaro and Kurtulus (2010) investigated the relationship between delegation and organizational performance. The study find evidence that supports the theory of Prendergast (2002), who proposed a positive link between delegating enforcement and monitoring authority and performance. Key assumption is that the agent is better informed about the correct way to implement new technologies. The need for delegation decreases when information about technologies becomes more publicly available.

Many organisations report poor performance because senior managers mandated to run activities and make crucial decisions find it necessary to delegate their duties to their subordinates in order to address their personal responsibilities. Tammens(2012) argued that the difference in interests between the principal and agent opens a gap for poor performance during the delegation process.Therefore, this study aim to establish the link between delegation of authority and organisation performance using empirical data collected from Twiga chemical industries ltd.

1.3 Objectives of the Study

The general objective of this study was to determine the effects of delegation of authority on organizational performance at Twiga chemical industries ltd.

The study was also guided by the following specific objectives.

- i. To determine the effects of legislative delegation on organisation performance at Twiga chemical industries Ltd.

- ii. To determine the effects of adjudicative delegation on organisation performance at Twiga chemical industries Ltd.
- iii. To determine the effects of monitoring and enforcement delegation on organisation performance at Twiga chemical industries Ltd.
- iv. To determine the effects of agenda setting delegation on organisation performance at Twiga chemical industries Ltd.

2.0 LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Organisation Theory

McAuley, Duberley and Johnson (2007) define an organization as a rational coordination of the activities of a number of people for the achievement of some common explicit purpose or goal, through division of labor or function, and through a hierarchy of authority and responsibility. If our organizations and the process of organizing are about goal attainment, it could follow that organization theory is about conceptualizing, explaining and ultimately guiding action regarding the different ways in which people act in unison together to achieve particular, desirable shared ends or 'common' organizational goal (McAuley, Duberley and Johnson, 2007).

Ratha (2004) defines organization theory as a proposition or set of propositions that attempts to explain or predict how groups and individuals behave in differing organizational arrangements. They further divided organization theory into classic organizational theory, bureaucratic organizational theory, functional specification organizational theory, human relations organization theory and systems theory.

This study will adopt Ratha (2004) definition of bureaucratic organizational theory which states that task should be divided among various position holders on the criteria of their abilities and positions should be organized in a hierarchical structure of authority. It also asserts that official decisions and actions should be governed by a formally established system of rules and regulations and finally employment and promotions in the organization should be based on the universalistic criterion of abilities.

Delegation of authority is about transferring of responsibilities to other staff. Bureaucratic organizational theory states that task should be divided based on various position holders abilities. The theory also asserts that decisions and actions should be governed by formally established rules and regulations. Therefore, delegation of duties should be done based on this theory or else it will be ineffective and may lead to poor performance.

2.2 Empirical Literature Review

2.2.1 Legislative Delegation and Organisational Performance

Delegation of authority is widely accepted as an essential element of effective management; however the understanding of delegation has been largely restricted to North American organizations (Pellegrini and Scandura, 2006). There is certainly ample evidence to support the view that cultural values influence the way managers behave, and cultural differences evoke subtle yet powerfully different managerial behaviours and management styles (Joiner, Bakalis and Choy, 2007). Thus, delegation may be effective in some cultures and not others. As noted by Pellegrini and Scandura (2006), there is a lack of research that examines how cultural issues

might affect leadership practices, such as delegation. We argue that delegation is unlikely to be effective among Chinese subordinates who are culturally more comfortable with a paternalistic management style where the boss directs subordinates on work tasks. Moreover, subordinates are accustomed to taking orders and delegation is not sought nor desired (Pellegrini and Scandura, 2006).

2.2.2 Adjudicative Delegation and Organisational Performance

Senyuta (2013) conducted a study on delegation and performance. The study focused on legislative and adjudicative delegation of authority and their effect on performance. The effect of authority delegation was studied using empirical data from the banking sector. Different specifications were used to estimate the effect of authority delegation on performance characteristics. Estimates demonstrate that more authority delegated has a positive effect on quantitative measures of bank performance; however, it decreases the quality of decisions taken. Results demonstrate that there is a trade-off between the quantitative and qualitative performance characteristics. While the local bank branch is able to increase loan generation when more authority is delegated to it, there is also some evidence of loan quality deterioration leading reduced curve in performance.

2.2.3 Monitoring and Enforcement Delegation and Organisational Performance

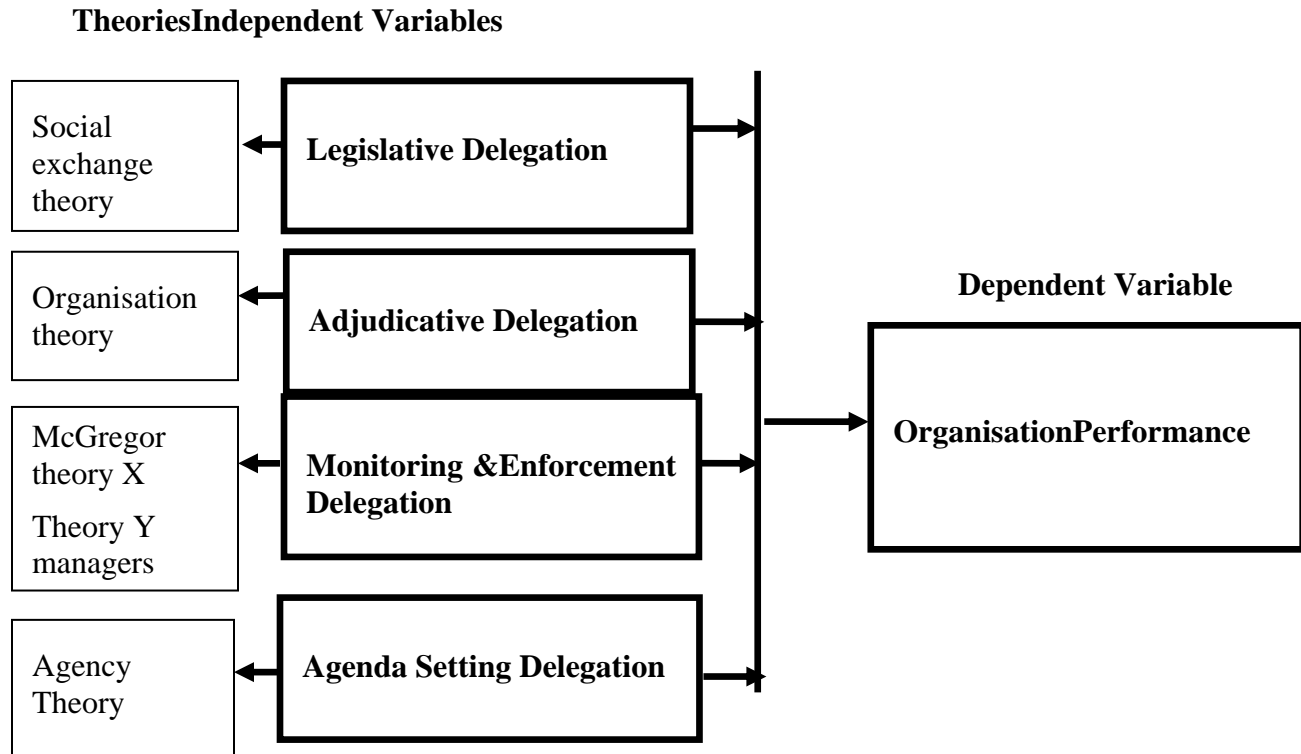
Colombo and Delmastro (2004) have investigated the effects of a wide range of possible determinants of agent's performance. The study used information for 438 Italian manufacturing plants about monitoring delegation of the plant manager responsibility for a number of strategic decisions. They find a positive effect of delegating monitoring powers to subordinates and the plants' performance. This result confirms that the information advantage of the agent is a key determinant of organizational performance. However, this effect disappears for plants that have adopted advanced intra-firm communication technologies. Second, they find that delegation is less likely in plants that are part of multi-unit firms. Again, the adoption of advanced monitoring and enforcement delegation influences the organisation performance: when communication technologies make monitoring easier, the positive relation disappears. Third, in general, the use of advanced communication technologies tends to favour decentralization. Final result is that different types of decisions lead to different levels of authority. According to the study, the assignment of authority depends on the relative importance of the decision, the extent of intra-firm externalities and the desire to the advantage of local knowledge and specific capabilities of the plant manager.

2.2.4 Agenda Setting Delegation and Organisational Performance

Longenecker, Neubert and Fink (2007) conducted a study on causes and consequences of managerial failure in rapidly changing organizations. The study collected focus group data from 1040 managers from over 100 different U.S manufacturing and service organizations experiencing large scale organizational change in order to help identify the perceived consequences to managerial and organizational performance. Among the other factors that led to poor performance was delegation of agenda setting authority to subordinates by senior managers which contributed 56%. The findings of this study indicate that over delegation of authority may in the long run affect the performance of an organization.

2.4 Conceptual Framework

Figure 1 Conceptual Framework



3.0 RESEARCH METHODOLOGY

The study adopted a descriptive research design and correlation research design. The target population in this study was 200 permanent employees of Twiga chemical industries ltd in Nairobi. Stratified sampling technique was used in this study to come with a desirable sample. Primary data was collected by use of questionnaires and utilized in this study to enhance originality of the study. The questionnaires were administered to the randomly selected employees who were the respondents. The questionnaire comprised of the questions that intended to answer the questions formulated with reference to the objectives of the study. The study used the quantitative method of data analysis. The collected data was edited, coded, keyed in and analysed using Statistical Package for Social Sciences (SPSS) version 20. The quantitative data was analysed using both descriptive statistics and correlations. Regression model was then used to show the relationship between independent variables and dependent variable.

4.0 ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Response Rate

The number of questionnaires that were administered was 65. A total of 50 questionnaires were properly filled and returned. This represented an overall successful response rate of 76.9% as shown on Table 1. According to Mugenda and Mugenda (2003) and Kothari (2004) a response rate of 50% is adequate for a descriptive study. Babbie (2004) also asserted that return rates of 50% are acceptable to analyze and publish, 60% is good and 70% is very good. Based on these assertions from renowned scholars 76.9% response rate is adequate for the study.

Table 1: Illustrating Response Rate

Response	Returned	Unreturned	Total
Senior managers	5(100%)	0(0.0%)	5(100%)
Middle level management	13 (81.3%)	3(18.7%)	16(100%)
Officers	17(85%)	3(15%)	20(100%)
Subordinates	15(62.5%)	9(37.5%)	24(100%)
Total	50(76.9%)	15(23.1%)	65(100%)

4.3 Descriptive Statistics

This section presents the descriptive results of variables in the study. Frequencies, percentages, mean and standard deviations were used.

4.3.1 Whether the Respondents Have Ever Delegated Authority

4.3.5 Effects of Legislative Delegation on Organisation Performance

To analyse the effects of legislative delegation on performance, the study used a set of 5 questions using likert scale that the respondents were to give their response to. The results on the frequencies of response are illustrated in table 2 below.

Table 2 Illustrating frequencies of response on statements on legislative delegation

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std Dev
Delegating authority to make and amend rules lowers commitment of employees hence leading to low performance	0.0%	0.0%	16.0%	62.0%	22.0%	4	1

Delegating authority to make and amend rules lowers task performance of employees hence leading to low organisation performance	0.0%	4.00%	12.0%	40.0%	44.0%	4	1
Delegating authority to make and amend rules affects employees innovativeness hence leading to low organisation performance	16.0%	18.0%	18.0%	28.0%	20.0%	3	1
Delegating authority to make and amend rules affects employees job satisfaction hence leading to low organisation performance	10.0%	16.0%	10.0%	46.0%	18.0%	3	1
Authority to make and amend rules when delegated can be misused leading to reduced work morale	6.0%	0.0%	24.0%	36.0%	34.0%	4	1

The first objective of this study was to establish the effects of legislative delegation on organisational performance. The results in the table above shows that majority of the respondents agreed and strongly agreed on the statements regarding legislative delegation. Majority (62%) of the respondents agreed that delegating authority to make and amend rules can lower commitment of employees which leads to low performance. On the second statement majority (44%) strongly agreed. All the remaining statement had majority of the respondents agreeing with them. The mean of the first, second and fifth statements were 4 which supports the results that majority of the response was agree.

4.3.6 Effects of Adjudicative Delegation on Organisation Performance

To analyse the effects of adjudicative delegation on performance, the study compiled questions using likert scale that the respondents were to give their response to. The results on the frequencies of response are illustrated in table 3 below

Table 3 Illustrating frequencies of response on statements on Adjudicative delegation

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std Dev
Delegating authority to solve disputes positively affects employees' commitment hence lowering their performance	12.0%	2.0%	14.0%	26.0%	46.0%	4	1
Delegating authority to solve arising problems reduces the rate of task performance leading to low performance	0.0%	12.0%	16.0%	48.0%	24.0%	4	1
Delegating authority to provide solutions reduces the rate of task performance leading to low performance	12.0%	8.0%	14.0%	32.0%	34.0%	4	1
Delegating authority to provide solutions lowers innovativeness among employees leading to low performance	16.0%	0.0%	16.0%	36.0%	32.0%	4	1
Problem/disputes solving and solution provision are sensitive matters when delegated can	4.0%	8.0%	10.0%	44.0%	34.0%	4	1

lower performance							
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The second objective of this study was to establish the effects of adjudicative delegation on organisational performance. The results in the table above shows that majority of the respondents agreed and strongly agreed on the statements regarding adjudicative delegation. Majority (46%) of the respondents strongly agreed that delegating authority to solve disputes positively affects employees' commitment hence lowering their performance. On the second statement majority (48%) agreed. All the remaining statement had majority of the respondents agreeing with them. The mean of these statements was 4 which supports the results that majority of the response was agree. Further the standard deviation reports that the deviation of response from the mean was not very large.

4.3.7 Effects of Monitoring and Enforcement Delegation on Organisation Performance

This section measured the effects of monitoring and enforcement delegation on performance. The results on how the respondents responded to statements on monitoring and enforcement delegation are shown below.

Table 4. Illustrating frequencies of response on statements on Monitoring and Enforcement delegation

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std Dev
Delegating the authority to monitor affects workers commitment	10.0%	8.0%	12.0%	32.0%	38.0%	4	1
Delegating authority to enforce rules reduces the rate of task performance	14.0%	18.0%	8.0%	34.0%	26.0%	3	1
Authority to monitor and enforce when delegated lead to abuse of power which affect workers performance	6.0%	14.0%	14.0%	34.0%	32.0%	4	1
Authority to monitor and enforce when delegated does not	8.0%	0.0%	14.0%	26.0%	52.0%	4	1

encourage innovativeness hence low workers performance							
Being monitored by someone else apart from your boss affect performance	12.0%	0.0%	22.0%	36.0%	30.0%	4	1

The third objective of this study was to establish the effects of monitoring and enforcement delegation on organisational performance. The results in the table above shows that majority of the respondents agreed and strongly agreed on the statements regarding monitoring and enforcement delegation. On the first statements majority (38%) of the respondents strongly agreed that delegating the authority to monitor affects workers commitment. On the second statement majority (34%) agreed. Majority (34%) of the respondents also agreed that authority to monitor and enforce when delegated lead to abuse of power which affect workers performance. The mean and standard deviation also indicate the variation in response was small. The implication of these results is that the opinion of the respondents was that delegation beyond a certain point impacts positively on performance.

4.3.8 Effects of Agenda Setting Delegation on Organisation Performance

This section provides the findings on the effects of agenda setting delegation on the organisation performance. The analysis on the response is shown in table 4.6 below.

Table 5 Illustrating frequencies of response on statements on Agenda Setting delegation

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std Dev
Agenda setting delegation affects workers commitment	14.0%	8.0%	8.0%	42.0%	28.0%	4	1
Delegating agenda setting authority encourages overreliance which kill innovativeness	12.0%	12.0%	14.0%	48.0%	14.0%	3	1
Delegating agenda setting authority positively affects task performance	4.0%	0.0%	24.0%	28.0%	44.0%	4	1
When agenda setting authority is delegated reduces job satisfaction hence lowering performance	12.0%	4.0%	20.0%	44.0%	20.0%	4	1

Agenda setting authority should not be delegated since it is directly connected to performance	16.0%	18.0%	10.0%	44.0%	12.0%	3	1
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The fourth objective of this study was to establish the effects of agenda setting delegation on organisational performance. The results in the table above shows that majority of the respondents agreed and strongly agreed on the statements regarding agenda setting delegation. The means of the first, third and fourth statements were 4 which supports the results that majority of the response was agree with the statements.

4.4 Inferential Statistics

Inferential analysis was conducted to generate correlation results, model of fitness, and analysis of the variance and regression coefficients.

4.4.1 Correlation Analysis

This was conducted to ascertain the association between independent variables and dependent variable. Correlation analysis provides the tests for association without providing the details on the nature of the relationship. Table 4.12 below presented the results of the correlation analysis.

Table 6: Showing Correlation Matrix

		Legislative Mean	Adjudicative Mean	Monitoring and enforcement Mean	Agenda Setting Mean	Organisation performance mean
Legislative Mean	r-value					
	p-value					
	N					
Adjudicative Mean	r-value	.529**				
	p-value	0				
	N	50				
Monitoring and enforcement Mean	r-value	.646**	.559**			
	p-value	0	0			
	N	50	50			
Agenda Setting Mean	r-value	.549**	.521**	.572**		
	p-value	0	0	0		
	N	50	50	50		

Organisation performance mean	r-value	0.195	.512**	.490**	.374**
	p-value	0.176	0	0	0.008
	N	50	50	50	50

The results show that there is a strong association between variables under study. Legislative delegation and organisation performance have a positive and insignificant association at 1% and 5% confidence level ($r=0.549$, $p=0.176$). The results further indicates that adjudicative delegation and organisation performance have a positive and significant relationship at 1% and 5% confidence level ($r=0.512$, $p=0.000$). It was further established that monitoring and enforcement delegation and organisation performance have a positive and significant relationship at 1% and 5% confidence level ($r=0.490$, $p=.000$). Similarly, results showed that agenda setting delegation and organisation performance were positively and significantly related at 1% and 5% confidence level ($r=0.374$, $p=.008$).

4.4.2 Regression Analysis

The results presented in table 4.13 present the fitness of model used of the regression model in explaining the study phenomena. Legislative, adjudicative, Monitoring and enforcement and agenda setting delegations were found to be satisfactory variables in explaining organisation performance. This was supported by coefficient of determination also known as the R square of 62.5%. This means that Legislative, adjudicative, Monitoring and enforcement and agenda setting delegations explain 62.5% of the variations in the dependent variable which is organisation performance. This results further means that the model applied to link the relationship of the variables was satisfactory.

Table 7: Showing Model Fitness

Indicator	Coefficient
R	0.625
R Square	0.39
Adjusted R Square	0.336
Std. Error of the Estimate	0.53538

In statistics significance testing the p-value indicates the level of relation of the independent variable to the dependent variable. If the significance number found is less than the critical value also known as the probability value (p) which is statistically set at 0.05, then the conclusion would be that the model is significant in explaining the relationship; else the model would be regarded as non-significant.

Table 4.14 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was statistically significant. Further, the results imply that the independent variables are good predictors of organisation performance. This was supported by F statistic of 7.193 and the reported p value (0.000) which was less than the conventional significance level of 0.05 at 5% confidence level.

Table 8: Illustrating Analysis of Variance

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	8.247	4	2.062	7.193	0.000
Residual	12.898	45	0.287		
Total	21.145	49			

Regression of coefficients results in table 4.15 shows that legislative delegation and organisation performance are positive and significant related at 1% and 5% confidence level ($B=0.284$, $p=0.032$). The results further indicates that adjudicative delegation and organisation performance are positively and significant related at 1% and 5% confidence level ($B=0.319$, $p=0.011$). The results further established that monitoring and enforcement delegation were positively and significantly related at 1% and 5% confidence level ($B=0.334$, $p=.013$). Similarly, results showed that agenda setting delegation and organisation performance were positively and insignificantly related 5% confidence level ($B=0.094$, $p=0.455$).

Table 9: Illustrating Regression of Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	2.68	0.446	6.007	0.00
Legislative Delegation	0.284	0.128	-2.215	0.032
Adjudicative Delegation	0.319	0.12	-2.668	0.011
Monitoring & Enforcement delegation	0.334	0.129	-2.585	0.013
Agenda Setting Delegation	0.094	0.125	-0.115	0.455

The multiple linear regression model is as shown below.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where:

Y = organizational Performance

X₁ = Legislative Delegation

X₂ = Adjudicative Delegation

X₃ = Monitoring and Enforcement Delegation

X₄ = Agenda Setting delegation

Thus, the optimal model for the study is;

Organisation Performance = 2.68 + (0.284) legislative delegation + (0.319) adjudicative delegation + (0.334) monitoring and enforcement delegation + (0.094) agenda setting delegation

5.0 SUMMARY, RECOMMENDATION AND CONCLUSION

5.1 Summary of Findings

This section provides a summary of the findings from the analysis. This is done in line with the objectives of the study.

5.1.1 Effect of Legislative Delegation on Organisation Performance

The first objective of the study was to determine the effects of legislative delegation on organisation performance at Twiga chemical industries ltd. Majority of the respondents, who were employees of Twiga Chemical Industries agreed and strongly agreed on the majority of the questions on the legislative delegation and performance. This result was further supported by the findings of correlation and regression analysis which establish a positive relationship between legislative delegation and organisation performance. These results imply that to maintain or increase in legislative delegation of authority result to increase in organisation performance. The study also established that the level of delegation was a common practice among many managers.

These finding agree with those of Pellegrini and Scandura(2006), Schoenbrod (2008) and Aranson, Gellhorn and Robinson (1982) who in their analysis of legislative delegation concluded by suggesting that legislative delegation of authority when practiced beyond certain level will start to impact positively on the overall performance. They further argued that caution should be taken when encouraging legislative delegation to prevent intentional avoidance of duty by employees.

On the other hand these findings contradict those of other studies carried out by Senyuta (2013) and Berger and Udell (2002) that found out that authority delegated has a positive effect on quantitative measures of bank performance; however, it decreases the quality of decisions taken. Their results demonstrate that there was a trade-off between the quantitative and qualitative performance characteristics. Despite the contradiction in the findings the two studies found out that qualitative performance is reduced during delegation of authority.

5.1.2 Effects of Adjudicative Delegation on Organisation Performance

The second objective of the study was to determine the effects of adjudicative delegation on organisation performance at Twiga chemical industries ltd. Majority of the respondents agreed and strongly agreed with majority of the questions related to adjudicative delegation and performance. Majority of the respondents affirmed that delegating authority to solve arising problems reduces the rate of task performance leading to low performance. These results were further supported by the result of correlation and regression analysis which showed a positive and significant effect ($B=0.319$, $p=0.011$) of adjudicative delegation on organisation performance.

These findings agree with those of Stein (2002) and Bouwens and Lent (2003) who conducted a study on the impacts of delegation and organisation performance in Malaysia banking industry. The results showed a positive and significant relationship between adjudicative delegation and performance of banking industry. The findings also agree with those of Scott and McMullen (2010) who investigated the impact of delegation on employee's morale. The result showed that 39% to 45% of respondents either disagreed or strongly disagreed that the efforts to engage

employees through delegation of authority programs had reduced employee complaints about equity, reduced turnover, reduced absenteeism and reduced employee problems.

On the other hand the finding of this study conquers with those by McElheran(2013) who found out that a high net value of adaptation is strongly associated with delegation, as are local information advantages and firm wide diversification; in contrast, a high net value of within-firm coordination is correlated with centralization.

5.1.3 Effects of Monitoring and Enforcement Delegation on Organisation Performance

The third objective of the study was to determine the effects of monitoring and enforcement delegation on organisation performance at Twiga chemical industries ltd. Majority of the respondents agreed and strongly agreed with the questions related to monitoring and enforcement delegation. Further the results of correlation and regression analysis confirmed the existence of a positive and significant relationship between monitoring and enforcement delegation and organisation performance. This finding implies that delegating authority to monitor and enforce organisation rules and regulation will have positive effects organisation performance.

These findings are in agreement with those of Colombo and Delmastro (2004) and DeVaro and Kurtulus (2010) who in their study argues that a basic agency prediction seems to be falsified in the light of the empirical evidence is that basic agency theory fails to explain many of the benefits of delegation. Indeed, in the basic story, the only benefit of delegating enforcing powers seems to be economizing with the opportunity costs of the principal's time. If these were low or zero, the principal would carry out the task himself, particularly since differences in knowledge about how to carry out the task optimally do not seem to exist in the basic agency model.

5.1.4 Effects of Agenda Setting Delegation on Organisation Performance

The fourth and last objective of the study was determine the effects of agenda setting delegation on organisation performance at Twiga chemical industries ltd. Majority of the respondents agreed and strongly agreed with the questions related to agenda setting delegation. Further the results of correlation and regression analysis confirmed the existence of a positive and insignificant ($B=0.094$, $p=0.455$) relationship between agenda setting delegation and organisation performance. This finding implies that delegating authority to set agenda to subordinates in an organisation will have a positive effects organisation performance. Despite having a positive relationship agenda setting delegation this relationship was insignificant to organisation performance.

5.3 Recommendations

Based on the findings of this study the following recommendation can be made;

- i. Organisations and firms should reconsider the whole concept of delegation of authority and managers should be encourage to delegate adjudicative authority in order to encourage innovation
- ii. This study recommends that those in authority should be very careful when delegating authority to monitor and enforce not to go overboard.
- iii. Since delegation of authority is important in enhancing teamwork it should be practiced to enhance the employees' productivity
- iv. This study also recommends that managers in firms and organisations should carefully choose subordinates that have the capabilities to execute the mandate that is being

delegated to them. This will ensure they don't compromise the quality of decision made which may affect the performance in general.

5.4 Conclusions

Based on the findings above the study concluded that legislative delegation has a positive and significant effect on organisation performance. This is supported by the results of the final multivariate regression model that showed positive and significant relationship between legislative delegation and organisation performance.

The study also concluded that adjudicative delegation has a positive and significant effect on the organisation performance as shown by empirical data collected at Twiga Chemical Industries Ltd. This is supported by the results in the regression model which indicated that adjudicative delegation had positive effects on organisation performance.

Lastly, the study concluded that monitoring and enforcement delegation has positive and significant effects on organisation performance. The study further concludes that agenda setting delegation has a positive relationship with organisation performance but the relationship was insignificant to performance. This is supported by the results obtained from the final model

5.5 Areas for Further Studies

The study focused on manufacturing industry, thus area for further studies could consider a different industry like banking industry or public sector for the purpose of making a comparison of the findings with those of the current study.

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