

The Effect of Employee Motivation on Performance among Workers in Kenya: A Case of Kenya Cooperative Creameries Kitale Branch

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Abstract

The Study was conducted to investigate the relationship between Motivation and employee performance in an organization. The main objective was to determine the effects of financial incentives on employee performance at the New Kenya cooperative creameries-Kitale.

When employees work hard, come to work regularly and continue making positive contributions to the organization, the business will be able to cut cost and yield more profit, both of which are the ultimate goals of any organization. Job performance is a function of motivation. It determines the extent to which an organizational member contributes to achieving the objectives of the organization. Employers who expect the best from employees will get their best while those who expect little from employees will get low performance in return. Many people feel like they are not recognized or appreciated by their employers for their hard work and in turn develop decreased motivation. The achievements of individuals and organizational goals are independent processes linked to employee work motivation.

The study applied both primary and secondary data sources. Primary data was collected using a combination of questionnaires and interview schedules. Secondary data was obtained from published thesis Publications, research reports and the internet. The Dependent variables was the effect of employee motivation on performance. From the study, it can be noticed that, over 80% of the respondents are in agreement that indeed motivation at a work place influences performance. Poor leadership and lack of motivation is a major cause of low performance up to a level of 27.5% among workers at the KCC Kitale branch. Low salaries and lack of allowances accounted for 17.5% cause of low performance among workers. Over 50% of the workers worked only for less than 3 hours daily as a result of poor management styles leading to low performance. Over 50% of the respondents attended to a maximum of 5 clients in a day due to lacking of job security an indication of low commitment and performance. They expressed fear that their services could be terminated any time and hence were not in the best mood to work hard and give their best. Poor Management styles accounted to

about 35% of low performance and productivity. The study found that there was a positive relationship between employee performance and Motivation since employees were able to achieve high performance levels when certain motivational factors were clearly offered to them. The study revealed that if management withdrew motivational packages it would have serious repercussions on employees' performance. The findings of this research will be important to the government; to all employers and human resource policy developers to help them put in place policy that help in motivating the employees to better performance. The findings of this research will lead institutions diagnose areas that need further attention in the formulation of policies

Keywords: Motivation, Employees, Performance, Organizational Goals

Introduction

Motivation is one of the key ingredients in employee performance and productivity. Even when people have clear work objectives, the right skills, and a supportive work environment, they would not get the job done without sufficient motivation to achieve those work objectives (Mullins, 2006). Motivation refers to the forces within a person that affect his or her direction, intensity and persistence of voluntary behavior. According to Cheng 1995, the employees' motivation, their enthusiastic and energetic behavior towards task fulfillment play key role in successes of an organization. Petcharak (2002) says that one of the functions of human resource manager is related to ensure employees' workplace motivation.

Motivated employees are more likely to stay and help build your business. Retaining motivated staff builds your business and also reduces the cost of recruitment and training. The management of people at work is an integral part of the management process. To understand the critical importance of people in the organization is to recognize that the human element and the organization are synonymous. Motivation is about giving your staff the right mixture of guidance, direction, resource and rewards so that they are inspired and keen to work in the way you want them to (Ladhans, 1992). Notable amongst the methods used has been salary increase from time to time. Despite this, discontentment has still persisted among employee. He added that motivated employees are willing to exert a particular level of effort and intensity, for a certain amount of time and persistence, towards a particular goal or direction (Mullins, 2006). The management of people at work is an integral part of the management process. To understand the critical importance of people in the organization is to recognize that the human element and the organization are synonymous. The achievements of individuals and organizational goals are independent process linked by employee work motivation.

Individuals motivates themselves to satisfy their personal goals, therefore they invest and direct their efforts for the achievements of organizational objectives to meet with their personal goals also. It means that organizational goals are directly proportion to the personal goals of individuals. Robert (2005), reported that the manager's job is to ensure the work done through employees are satisfied and the employees are self-motivated towards their work rather than just being directed. The managers' involvement is not so much important in the motivation of employees. Employee motivation is also a major issue for the commercial banks. It is a today's challenge for the management in this competitive world to motivate employees to offer efficient and good services that customers expect so for.

Mullins (2005) posits that effectively motivating employees is one of the most important functions of a manager. There is evidence to show that organizations are facing challenges in retaining employees due to limited opportunities for advancement and the current

competitive labor market. It doesn't appear things will get any better in the future. The loss of employees represent a loss of skill, knowledge and experience which can create a significant economic impact and cost to corporations as well as impacting the needs of customers.

Statement Of The Problem

According to the report released by the GoK 2016 on a survey conducted by the ministry of industrialization and the Trade Ministry, revealed that public corporations and public companies are facing serious challenges. The Challenges include low levels of output, Low levels of employee retention and high costs of recruiting and training new staff. The survey also revealed that production had dropped by about 30%. Of all the registered public companies and the public corporations 45% of them, are operating at losses or at really reduced profits. Most of the public corporations have collapsed and become a burden to the government (GoK 2016). This is happening despite the government pumping in the sectors a good amount of money to improve on their infrastructures in the production sectors, refurbishing the applied technology and improving its raw material supply capacity. This trend of the public corporations and the public companies will lead to company closures and losses, (GoK 2016). .

Motivation is about giving your staff the right mixture of guidance, direction, resource and rewards so that they are inspired and keen to work in the way you want them to (Ladhans, 1992). Notable amongst the methods used has been salary increase from time to time. Despite this, discontentment has still persisted among employee. There is very little noticeable change in performance. Motivated employees are more likely to stay and help build your business. Retaining motivated staff builds your business and also reduces the cost of recruitment and training, (GoK 2016). .

Mullins (2005) posits that effectively motivating employees is one of the most important functions of a manager. There is evidence to show that organizations are facing challenges in retaining employees due to limited opportunities for advancement and the current competitive labor market. It doesn't appear things will get any better in the future. The loss of employees represent a loss of skill, knowledge and experience which can create a significant economic impact and cost to corporations as well as impacting the needs of customers, (GoK 2016). .

Managers who can motivate employees assist the organization by improving employee retention. The Kenya Cooperative Creameries in Trans Nzoia County is facing challenges of employee retention, high cost of recruitment and training, increased completion and increased regulation by the central government. The firm also faces the problems of demotivated workers who feel overworked and not appreciated. This study therefore was set to investigate the effect of motivation on employees and organizational performance among the Kenya Cooperative Creameries workers in Trans Nzoia County.

Literature Review

Motivation is a reason for doing something. It is also concerned with the strength and direction of behaviour and factors that influence people to behave in a certain way. (Armstrong 2010)

Job Enrichment goes beyond Job-enlargement to add greater autonomy and responsibility to a job. Herzberg (1968) says that job enrichment is not just about increasing number or variety of tasks to a job. It goes beyond that.

Positive Work Environment involves developing a culture that encourages positive attitude to work, promotes interest and excitement in the job and reduces stress. (Armstrong 2010)

Financial Incentive is a form of pay or some other sort of remuneration. It is the most obvious extrinsic reward. Money is the carrot that most people want. (Armstrong 2010)

The main theory adopted for this study was the Abraham Maslow's needs theory. Maslow, who labeled human being as 'wanting' animals, asserted that people have an 'innate' desire to satisfy a predicable five step hierarchy of needs. These needs have been categorized in an order of importance, with the most basic needs at the foundation of the hierarchy. The three sets of needs at the bottom of the hierarchy can be grouped as 'deficiency needs', which must be satisfied in order for a person to be comfortable, while the top two sets can be named as growth needs' which focuses on growth and development of an individual.

Maslow's theory has not received a great deal of support with respect to specific notion it proposes. To them this model is theorized to be specifically effective in describing the behavior of individuals who are high in growth need strength because employees who are different to the idea of increasing their growth will not realize any physiological reaction to their jobs. Maslow's theory influences all NKCC employees regardless of the age, gender, qualification and so on because they choose occupation that they like to be satisfied. Maslow put forward a theory that there are five levels of human needs which employees need to have fulfilled at work (Mary & Ann, 2011).

The five levels of needs according on Maslow are –Figure 1

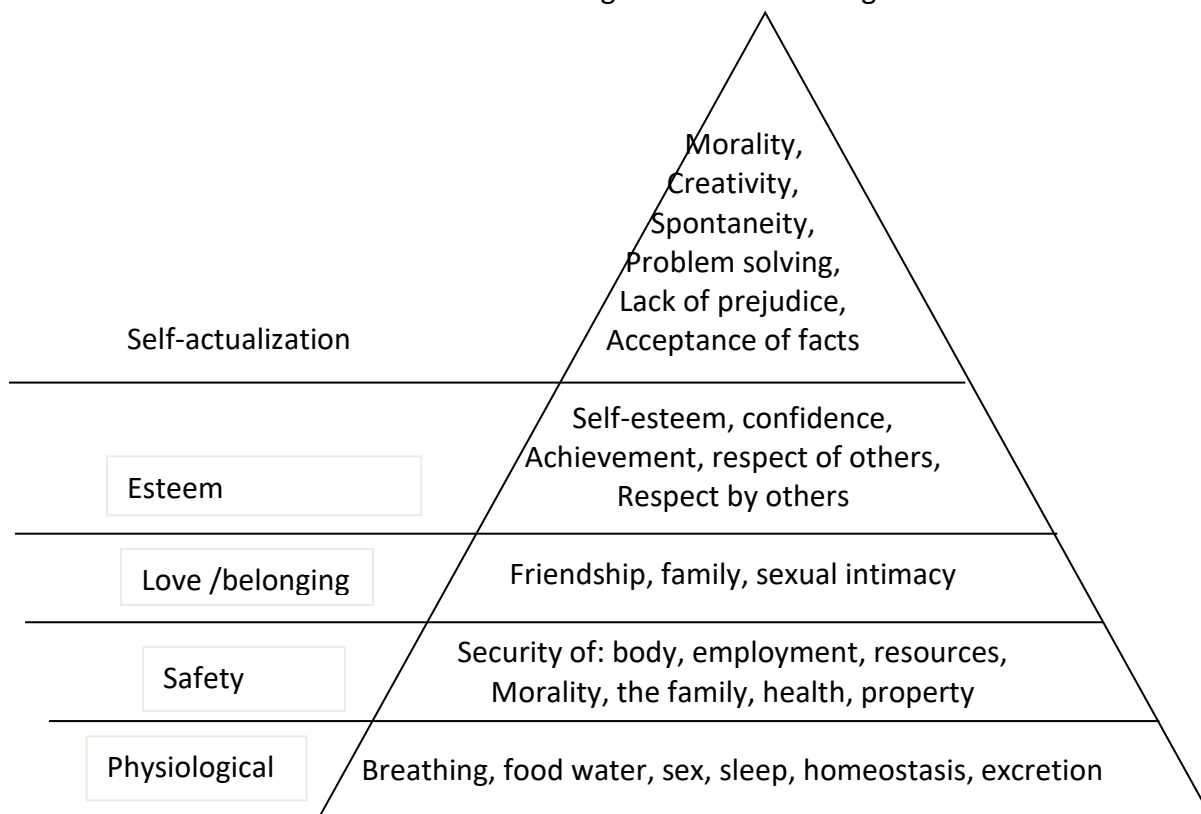


Fig 2.1 : Abraham Maslow's hierarchy of needs

Methodology

The study will be conducted using descriptive survey and cross sectional survey methods. The study sample constituted 40 employees of the Kenya Cooperative Creameries of Kitale Branch in Trans Nzoia County. The sample selection was done through simple random sampling strategy. The study was carried out at the KCC branch in Kitale.

The branch has about 150 workers including the field officers and the agents. The sample constituted about 30% of the whole population of workers at the branch. The study applied both primary and secondary data sources. Primary data was collected using a combination of questionnaires and interview schedules. Data was collected using questionnaires and interview schedules. The data was analyzed using an SPSS Software. The results were presented using tables.

Results And Analysis Of Relationship Between Motivation Of Employee And Performance

NO. OF HRS WORKE D	LOW SALAR Y		NO JOB SECURIT Y		POOR MANAGEMEN T STYLES		LACK OF MODERN EQUIPMEN T		NO TRAININ G	
TARGET : 8 HRS PER DAY		%		%		%		%		%
1	10	25%	12	30%	14	35%	9	22.5 %	11	27.5 %
2	12	30%	10	25%	9	22.5 %	10	12.5 %	8	20%
3	5	12.5 %	9	22.5 %	6	15%	4	10%	6	15%
4	4	10%	4	10%	5	12.5 %	6	15%	5	12.5 %
5	3	7.5%	2	5%	2	5%	4	10%	6	15%
6	3	7.5%	1	2.5%	2	5%	3	7.5%	4	10%
7	2	5%	1	2.5%	1	2.5%	2	5%	3	7.5%
8	1	2.5%	1	2.5%	1	2.5%	2	5%	3	7.5%
	40	100%	40	100%	40	100%	40	100%	40	100%

From the table above, the trend shows a decreasing commitment to the number of hours worked per day. A less motivated worker will spent less time at the work place. The study shoes that with low salaries, only 3 workers worked for more than seven hours making a 7.5 % of the sampled AFC workers of Kitale branch. Over 50% of the workers worked only for less than 3 hours daily as a result of poor management styles. A whole bulk of workers, work for fewer hours with little or no motivational item. The workers who worked beyond six hours do not go beyond 20% of the respondents. This is an indication of low morale and lack of commitment for duty.

NO. OF HRS WORKED	HIGH SALARY		WITH JOB SECURITY		GOOD MANAGEMENT STYLES		MODERN EQUIPMENT AVAILABLE		WITH TRAINING& SEMINARS	
TARGET: 8 HRS PER DAY		%		%		%		%		%
1	1	2.5%	1	2.5%	0	0%	2	5%	2	5%
2	2	5%	1	2.5%	1	2.5%	3	7.5%	3	7.5%
3	2	5%	2	5%	2	5%	4	10%	2	5%
4	3	7.5%	3	7.5%	2	2.5%	5	12.5%	3	7.5%
5	4	15%	6	15%	4	10%	4	10%	5	12.5%
6	6	7.5%	7	17.5%	8	20%	6	15%	9	22.5%
7	10	25%	11	27.5%	10	25%	9	22.5%	8	20%
8	12	30%	9	22.5%	13	32.5%	7	17.5%	8	20%

With the presence of motivational items, the morale of the workers goes high, as they are seen to enjoy work. They now spend more time at their place of work as compared to when they had no motivation. With a slightly higher salary, 30% of the sampled workers were willing to work for up to eight hours per day. Up to 32.5% of the workers were willing to eight hours per day. The other 25% were willing to work for seven hours in a day. More time spend working increases productivity and profits of the business entity. This trend indicates that workers will put in their best and work harder and longer if motivated to work. These findings agree with the findings of Panagio takopoulos (2013) who said that factors affecting staff motivation at a period where the financial rewards are kept to the least leads to stimulate employee performance.

NO. OF CLIENTS ATTENDED	LOW SALARY		NO JOB SECURITY		POOR MANAGEMENT STYLES		LACK OF MODERN EQUIPMENT		NO TRAINING	
TARGET: 20 PER DAY		%		%		%		%		%
0-5	20	50%	22	55%	14	35%	15	37.5%	13	32.5%
5-10	12	30%	10	25%	16	40%	15	37.5%	14	35%
10-15	5	12.5%	4	10%	5	12.5%	4	10%	8	20%
15-20	3	10%	4	10%	5	12.5%	6	15%	5	12.5%

From the study it can be noticed that 50% of the respondents were only able to attend to a maximum of 5 clients the whole day. 30% of the respondents only attended to a maximum of 10 clients per day. Over 50% of the respondents attended to a maximum of 5 clients in a day due to lack of job security. They expressed fear that their services could be terminated any time and hence were not in the best mood to work hard and give their best. Poor Management styles accounted to about 35% of low performance and productivity.

NO. OF CLIENTS ATTENDED	HIGH SALARY		WITH JOB SECURITY		GOOD MANAGEMENT STYLES		MODERN EQUIPMENT AVAILABLE		WITH TRAINING& SEMINARS	
TARGET: 20 PER DAY		%		%		%		%		%
0-5	2	5%	4	10%	4	10%	2	5%	5	12.5%
5-10	9	22.5%	10	25%	8	20%	6	15%	8	20%
10-15	15	37.5%	12	30%	13	32.5%	15	37.5%	14	35%
15-20	14	35%	14	35%	15	37.5%	17	42.5%	13	32.5%

The study conducted at the KCC Factory in Kitale revealed that over 70% of the sampled workers attended to between 10-20 clients as a result of a salary increase and job security respectfully. 37.5% of the respondents attended to between 15-20 clients due to good management styles and over 70% of the respondents attended to between 10-20 clients in a day. The study reveals higher client attendance due to friendly management styles as a motivational factor compared to the same workers in the same environment but in the absence of the motivational factors. This a clear indication that management styles is a major motivational factor and determines performance of an employee in an organization

PANCTUALITY ON DUTY	LOW SALARY		NO JOB SECURITY		POOR MANAGEMENT STYLES		NO MODERN EQUIPMENTS AVAILABLE		NO TRAINING&SEMINARS	
TARGET TIME :BY 8.00 AM		%		%		%		%		%
6.00-6.30 AM	3	7.5%	1	2.5%	0	0%	1	2.5%	2	5%
6.30-7.00 AM	4	10%	3	7.5%	2	5%	2	5%	3	7.5%
7.00- 730 AM	8	20%	9	22.5%	7	17.5%	4	10%	8	20%
7.30-8.00 AM	12	30%	17	42.5%	19	47.5%	23	57.5%	16	40%
LATER THAN 8.00 AM	13	32.5%	10	25%	12	30%	7	17.5%	11	27.5%

The study results show that with the absence of motivational items, the time for reporting for duty is not so much taken into considerations. The trend remains that the workers feel frustrated and do not have morale to work for the institution. Many of the workers reported at around 8.00 am and past the target time. With low salary as a factor, more than 60% of the respondents reported for duty between 7.30 am and later than 8.00am. This is an indication of low morale and dissatisfaction. Poor management style as factor contributed to about 77% of the respondents reporting on duty between 7.30 am and later than 8.00 am. This is an

indication of diminishing morale and lack of commitment. This leads to low performance of the workers.

PANCTUALI TY ON DUTY	HIGH SALAR Y		WITH JOB SECURI TY		GOOD MANAGEME NT STYLES		MODERN EQUIPMEN TS AVAILLAB LE		WITH TRAINING&SEMIN ARS	
TARGET TIME :BY 8.00 AM		%		%		%		%		%
6.00-6.30 AM	9	25%	6	30%	9	35%	10	22.5 %	11	27.5 %
6.30-7.00 AM	10	30%	15	25%	19	22.5 %	11	12.5 %	18	20%
7.00- 730 AM	16	12.5 %	18	22.5 %	17	15%	19	10%	16	15%
7.30-8.00 AM	13	10%	4	10%	7	12.5 %	6	15%	5	12.5 %
LATER THAN 8.00 AM	1	2.5%	1	2.5%	0	0%	1	2.5%	1	2.5%

Considering the factor of salary, when the salary is increased, the trend for time to report on duty changes. Many of the respondents are willing to come early for duty. The trend of those coming late for duty changes as very few of the respondents can be seen to come late for duty for the various reasons. This means that there many respondents who are happy with what they are doing and are committed to what they are doing. Over 50% of the respondents reported for duty between 6.00 am and 7.00 am with salary increase, job security and management styles as motivational factors. Less than 15% of the respondents reported between 7.30 am and later than 8.00 am. This is an indication of commitment determination

NO. OF TASKS ACCOMPLISH ED	LOW SALA RY		NO JOB SECURI TY		POOR MANAGEME NT STYLES		NO MODERN EQUIPME NT AVAILLAB LE		NO TRAINING&SEMIN ARS	
TARGET: 20		%		%		%		%		%
0-5	13	32.5%	12	30%	14	35 %	17	42.5 %	11	27.5 %
5-10	14	35%%	15	37.5%	12	30 %	13	32.5 %	17	42.5 %
10-15	9	22.5% %	9	22.5% %	8	20 %	5	12.5 %	7	17.5 %
15-20	4	10%	4	10%	6	15 %	6	15%	5	12.5 %

With salary increase as a motivational factor, Over 65% of the respondents were able to handle between 0-10 tasks assigned to them out of the possible 20 tasks in a day in the absence of the motivational factors. Respondents who performed between 10-20 tasks accounted for an average of about 30% of all the tasks targeted. This is an indication low morale and low performance.

NO. OF TASKS ACCOMPLISHED	HIGH SALARY		WITH JOB SECURITY		GOOD MANAGEMENT STYLES		WITH MODERN EQUIPMENT AVAILABLE		WITH TRAINING&SEMINARS	
TARGET: 20		%		%		%		%		%
0-5	5	10%	4	10%	6	15%	4	10%	5	10%
5-10	9	22.5%	10	25%	10	25%	9	22.5%	9	22.5%
10-15	14	35%	13	32.5%	11	27.5%	15	55%	11	27.5%
15-20	12	30%	14	35%	13	32.5%	12	30%	15	55%

The study found out that with the presence of motivational factors, the respondents attended to a higher number of tasks. Over 60% of the respondents attended to between 10-20 tasks in a day. Less than 30% of the respondents attended to only between 1-10 tasks. This shows that many of the respondents are willing to attend to more tasks because of their boosted morale and increased commitment to good performance,

Conclusion And Recommendations

The study found that there was a positive relationship between employee performance and Motivation since employees were able to achieve high performance levels when certain motivational factors were clearly offered to them. The study revealed that if management withdrew motivational packages it would have serious repercussions on employees' performance. From the findings it is certain that motivation has a big influence on performance. The findings of this research will be important to the government; to all employers and human resource policy developers to help them put in place policy that help in motivating the employees to better performance. The findings of this research will lead institutions and diagnose areas that need further attention in the formulation of policies.

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