

**INFLUENCE OF TRAINING ON EMPLOYEE PRODUCTIVITY IN  
THE PROCESSING SECTOR: A CASE OF UNGA LIMITED  
ELDORET, KENYA**

**BY**

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**DECLARATION**

This research project is my original work and has not been presented for a degree or any other course in any other institution.


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Date-----31<sup>ST</sup> JULY 2014-----

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This research project has been submitted for examination with my approval as University supervisor.

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## **DEDICATION**

This project is dedicated to my beloved dad John Asava for the spiritual support he gave me, together with my brothers, sister, husband, and children.

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## ABSTRACT

The quality of Human Resource is an asset to any organization and as a result Training has become an issue that has to be faced by every organization. The amount, and quality of training carried out varies enormously from organization to organization due to factors such as the degree of external change, for instance, new markets or new processes, the adaptability of existing workforce and importantly the extent to which the organization supports the idea of internal career development. The employees need to be trained and the development of an employee to be highly skilled is essential. Most organizations meet their needs for training in an ad hoc and haphazard way while others set about identifying their training needs, then design training activities in a rational manner and finally assess the results of training. The research study showed how employee performance can be enhanced by proper training and development. For the purpose of this study, Unga Limited was selected. This study, therefore, sought to determine the influence of Training on employee productivity in the processing sector using Unga Limited as the case of study. The research was intended to determine the influence of training on employees with emphasis on the lower, middle level staff and administrators of Unga Limited, who were randomly selected. The study also sought to assess the training process of Unga Limited and whether training had improved employee performance. A questionnaire was designed using structured questions to collect primary data from employees of Unga Limited, and a total of 81 questionnaires were distributed among the staff of the organization. Sixty five (65) completed questionnaires were collected from the respondents; this figure being represented by 80%. This figure formed the foundation of the research. The results sought to indicate the views of the employees of Unga Limited employees on the influence of knowledge on their productivity. It also sought to determine the influence of attitude on employees' productivity. The study further sought to reveal whether skills gained from training had any influence on employees' productivity. The study also sought to find out the influence of capacity building on employee productivity. In general, the study also sought to understand how skills, knowledge, attitude and capacity influenced employee productivity in Unga Limited. The data collected was analyzed, tabulated, and presented to show the relationship between independent and dependent variable. Correlation analysis was done using Pearson's rank moment to determine the variables relationship. Conclusions from the analysis were made, and recommendations made basing on the findings. The study recommends that organizations should conduct training needs assessment to ensure that the right training is given; ensure that their training programmes should be on continuous basis; and motivate staff who performed exceptionally during training sessions so that other staff will in turn aspire to excel.



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## **ABBREVIATIONS AND ACRONYMS**

DFID	Department For International Development
HPWS	High performance work system
ILO	International Labour Organization
MPPM	Masters in Project Planning and Management
NCST	National Council of Science and Technology
NWDS	National Workforce Development Strategy
PTD	Pegawai Tadbir dan Diplomati
SKAC	Skills, knowledge, attitude, competence
SECI	Socialization, Externalization, Combination, Internalization
TFP	Total Factor Production
The Company	Refers to Unga Group Limited
UGL	Unga Group Limited



## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the study**

This research study was based on the influence of training on employee's productivity in the processing sector. Employee's productivity is a key consideration for all organizations regardless of size, sector or profile.

The implementation of training and development are one of the major steps that most companies need to enhance employee performance. With organizations having better trained employees, organizations are able to avoid wasteful spending. In today's environment, employees are increasingly demanding change, choice, flexibility, and variety in their work. The value of the organization increases with better trained employees and also employees trained properly are highly motivated and have a sense of responsibility as captivating the organization as their own.

One of the most significant developments in the processing sector presently, is the increasing importance given to human resources. Torrington and HaII (1987) agree and point out that due to their use of labour intensive activities and increasing competition within the industry, processing sector have embarked on considerable investment in training. More and more attention is being paid to motivational aspects of human personality, particularly the need for self-esteem, group belonging and self-actualization.

This new awakening of humanism and humanization all over the world has greatly enlarged the scope of applying principles of human resource management in the manufacturing sector. The development of people, their competencies and the process of development of the total organization are the main concerns of human resource management (Pareek and Rao, 1992).

It is necessary for organizations to provide long and systematic training and development programs for its employees. This is because every aspect and activity of an



organization involves people. For instance, a manager in an organization will not be successful until he has subordinates beneath him who are well equipped with skills, talent and knowledge.

To manage an organization both large and small requires staffing them with competent personnel. The formal educational system does not adequately teach specific job skills for a position in a particular organization. Few employees have the requisite skills, knowledge, abilities and competencies needed to work. As a result, many require extensive training to acquire the necessary skills to be able to make substantive contribution towards the organization's growth, (Barron and Hagerty 2001).

If employees are to experience flexibility and effectiveness on the job, they need to acquire and develop knowledge and skills, and if they are to believe that they are valued by the organization they work for, then they need to see visible signs of management's commitment to their training and career needs. Training and development are the processes of investing in people so that they are equipped to perform. These processes are part of an overall human resource management approach that hopefully will result in people being motivated to perform. (Barron and Hagerty 2001).

Training and development of employees is an issue that has to be faced by every organization. However, the amount, quality and quantity of training carried out vary enormously from organization to organization. According to Cole (2002:329), factors influencing the quantity and quality of training and development activities include; the degree of change in the external environment, the degree of internal change, the availability of suitable skills within the existing work-force and the extent to which management see training as a motivating factor in work

For many years, Unga Limited has developed training and career development policies and many employees (both senior and junior staff) have trained. According to the Unga Limited Training Policy (2001) this has been done to facilitate among others, the promotion of career and professional development of staff, preparation of staff for higher responsibilities and the synchronization of required knowledge, skills and

attitudes to the need for performance improvement. It is assumed that after training these employees should be promoted so that they advance their careers. This would also motivate them. However, this seems not to be the case. There is lack of career advancement after training in Unga Limited and this is likely to seriously affect the motivation of employees to perform their duties, hence have a negative effect on performance and the company will not achieve its objective.

### **1.2 Statement of the problem**

A greater challenge to independent Kenya today, is the collapse and non performing of many manufacturing companies, which have adversely affected its political and social economic set up. In order to cope, organizations should realize the importance of utilizing their employees to improve performance. (Beer and Rul 1976)

It is a well known fact that training enhances SKAC and ultimately worker performance and productivity in organizations (G.A Cole, 2002). Many organizations in Kenya and indeed the processing sector engage in training and development of staff and have departments, units and sectors in charge of training and development. Unga Limited is one such organization that has been practicing training and development since its beginning.

However, for some years now it appears training in Unga Limited is haphazard, unplanned and unsystematic, and several of its employees such as machine operators, junior and middle level engineers, accounts clerks, computer operators, secretaries, drivers and many other category of workers, have not qualified for any form of training nor is there any systematic process of staff development in place. This is likened with the fact that the company views the cost incurred in the acquisition and maintenance of plant and equipment as more relevant than that expense on training and development of its staff.

Because of lack of training of employees in Unga Limited, the employees sponsor themselves in furtherance of their education to obtain professional or higher level certificates. Employees who express the desire to pursue university education are usually not given any form of assistance like study leave with pay. Their applications

for study leave get turned down with those who are persistent being advised to resign. Those who seek for part-time programs are disengaged after their studies as management claim their programs are not relevant to the job. The few ones who get retained have no promotion to match their added skills and competencies. This therefore leads to high labor turnover in the company. This study therefore sought to assess the role of training on the human resource and how this affected worker performance.

### **1.3 Purpose of the study**

The purpose of this study was to establish the influence of training on employee productivity in the processing sector, a case of Unga Limited, Eldoret.

### **1.4 Objectives of the study**

1. To establish how knowledge gained from training influences on employee productivity in Unga Limited.
2. To determine how change of attitude influences on employee's productivity in Unga Limited.
3. To establish how the skills gained from training influences employee's productivity in Unga Limited.
4. To establish how competency influences employee's productivity in Unga Limited.

### **1.5 Research questions**

1. How does knowledge gained from training influence on employee productivity in Unga Limited?
2. To what extend does change of attitude influence on employee's productivity?
3. Do the skills gained from training have any influence on employee's productivity?
4. How does competency influence on employee's productivity in Unga Limited?

### **1.6 Significance of the study**

The principal significance of this research was to analyze the influence of training on employee's productivity in the processing sector with main focus on Unga

Limited. Studies were done to look into issues of productivity among employees in various processing industries. It was expected that the study would inform the Management of Unga Limited and other organizations that to increase productivity, there was the need to have and retain well trained and motivated employees. It also helped develop and maintain a quality work life, which provided an opportunity for employees' job satisfaction and self-actualization. Finally, it aided management of Unga Limited to introduce modern schemes for training and development, to be able to meet the challenges of change in the future

In addition the results of the study were added to the body of knowledge in the area of training and development. The study also assisted the public, private sectors, non-governmental organizations and agencies to come up with favorable programmes that could address the issues of training and employee productivity. Managers in processing companies interested in manpower planning and productivity would use the findings of this study to evaluate possible/likely strategies that could adequately address the lack of employee productivity after training in institutions.

### **1.7 Delimitation of the study**

The study was delimited to Eldoret, Uasin Gishu County .It included the employees of Unga Limited, excluding other companies which carry out the same function of processing raw materials.

### **1.8 Limitation of the study**

A number of factors were expected to limit the study. One limitation of the study was the fact that many people were reluctant in discussions touching on their work related issues. Thus there was fear that such respondents might give false answers to questions asked, hence a compromise to the quality of the study. Some respondents also perceived such interviews to be associated with some form of fault finding. In order to overcome these limitations, this project study gave respondents a written assurance that data collected would be used only for research purposes, strict

confidentiality was observed and that a respondent, upon request, would be given a copy of the findings of the study.

Financial constraint also limited the study.

### **1.8 Basic assumption of the study**

The study worked on the assumption that all the employees work on the same shift and therefore were available at the time of the research. It also assumed that the respondents and key informants would provide correct and truthful information to questions and explanations sought by the research instruments used.

### **1.9 Definition of terms**

#### **Training**

According to Armstrong, (2001.), training is the process through which learning formally and systematically modifies behavior through education, instruction, development and planned experience. In the context of this study, training is a deliberate action focused at bringing about improvement in job performance and hence facilitates career advancement.

#### **Productivity**

It is the quality or state of being productive. It refers to the effective use of innovation and resources to increase the value-added content of products and services. It is the true source of competitive advantage that creates long term economic viability and a better standard of living for all.

#### **Capacity building**

Capacity building is the process of developing and strengthening the skills, abilities, processes and resources, that organizations and communities need to survive, adapt and thrive in the fast changing world. For the organization, capacity building may relate to almost any aspect of its works, improved corporate governance, leadership mission and strategy, administration (including human resources, financial management

and legal matters), program development and implementation, evaluation, advocacy and policy change, marketing, positioning, planning, income generation etc. For the individual, capacity building may relate to leadership development, skills acquisition, speaking abilities, technical skills, organizational skills and other areas of personal and professional development ( Linnell, 2008).

### **1.10 Organization of the study**

The study is organized into five chapters. Chapter one introduces the study by giving the background information on the research problem, objectives, research question, significance of the study, basic assumptions, and organization of the study and scope of the study.

Chapter two deals with the review of relevant literature on the research problems, and concepts, with specific reference to how it applies to Unga Limited.

Chapter three discusses the research methodology adopted for the study and relevant justifications. It outlines the methodology for carrying out the secondary and primary data collections and how results were analyzed

Chapter four presents data analysis presentation, interpretation and discussion of the data. It analyses data depending on the research objectives.

Chapter five gives summary of findings, conclusions, and recommendation. The chapter further gave contributions to the body of knowledge, and gave suggestions for further research.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Introduction

This chapter examined the literature that was relevant to the study. The purpose of this literature review was to establish the influence skills gained from training on employee's productivity, to ascertain the influence changed attitude on employee's productivity, to assess the influence of improved capacity on employee's productivity and to establish the influence of knowledge on employee productivity, and to have a critical review of the whole research. Summary of the whole research, summary of the whole literature and studies provide the basis for which the study will be conducted and will highlight some knowledge gaps that the study attempts to fill.

The quality of employees and their development through training are major factors in determining long-term profitability and optimum performance of organizations. To hire and keep quality employees, it is good policy to invest in the development of their skills, knowledge and abilities so that individual and ultimately organizational productivity can increase. Traditionally, training is given to new employees only. This is a mistake as ongoing training for existing employees helps them adjust rapidly to changing job requirements.

An organization survives if it is performing well in the environment by being profitable, but if it fails to do so, the organization may not survive. And worse is the decay of both human and physical structures.( Manguennanongo,2002)The rationale of training is not only on the ordinary employees but also the executives, to develop skills required in the diversification and competitiveness by making the organization successful. The guidelines and implementation of training in employee help achieve positive results. The workforce development is focused on attracting, developing and retaining the best employees in order to meet the the goals of the company. Training are provided for employees with best of career opportunities in different companies and encourage their individual growth and achievement( Kruger,2008).

In today's competitive market, successful businesses need employees who have the necessary knowledge and skills to make an effective contribution as drivers towards achieving a competitive edge. Therefore, vision of a competent, confident, loyal and valued workforce delivering high quality person-centered services is rightly ambitious. Armstrong (2001) agrees and points out that today's dynamic environment requires continuous professional and managerial development. Stakeholders should put in place a range of structures and processes to support the development of the workforce. Pareek and Rao (1992) concur and agree that training and development of employees should be seen as an investment, not a cost, and that bad performance, ignorance and low commitment to duty are very costly barriers in business. It is

pointed out that the key to high levels of performance lies in having employees who are willing to work, are well managed, well led, well motivated and are always re skilling. Training and development covers an employees working life. It starts with, for instance, staff orientation, on job training, experience, short courses, professional course, post graduate degrees or diplomas.

American Airlines view global competitiveness as a function of their agility, tenacity and ingenuity. From that perspective, they think of employee development as an opportunity to invest in the kinds of qualities that lead the company to success. In an effort to retain top talent and diverse dedicated workforce, they train their workforce throughout their operations. With the uniqueness of the company, the employees are proficient in broad range of technical and non technical disciplines. Beyond basic training requirements, employees are offered opportunities to develop desired set skills and advance their career towards strategic objectives. Their performance development process provides employees with formal career guidance and helping to ensure that performance reviews are conducted systematically using objective criteria.

According to The Guardian, as of 29 December 2012, at Nestle company in South Africa, there are innumerable advantages to skill development for both the employer developing its staff and the employees being developed. The employer receives immense return on investment as it now has better skilled staff working at a higher level of productivity. This means that the work is completed faster with less mistakes leading to more profitable business. The employee that is being developed will take more pride in



their work .Training also leads such employees to have a heightened level of job satisfaction and confidence in what they are doing.

According to Michael Kawesa-Sekade,the General Manager-Human Resources MTN-Uganda, managers invest in training for their employees, it usually has a positive or negative effect on employee performance. This depends on the training implementation and approach. The primary purpose of organization training is to provide the skills employees need to make business better. Trained employees help achieve high quality products and services in a shorter time. Highly skilled workers provide better customer service experiences and engages more customers for longer periods. Training provides employees a sense of worth and empowerment. These feelings make employees work harder willingly and hence to the success of the business.(Kristie Lorette,1996)

Training generates benefits to the employer as well as the employee by positively influencing employee performance through the development of employee of employee knowledge, attitude, skills, competence, and behavior (April, 2010).

## **2.2 Knowledge and employee productivity**

Brenner (2004) was of the opinion that “the ability to share knowledge throughout organizations depends on how the work environment is designed to enable organizations to utilise work environment as if it were an asset. This helps organizations to improve effectiveness and allow employees to benefit from collective knowledge”. In addition, he argued that work environment designed to suit employee’s satisfaction and free flow of exchange of ideas is a better medium of motivating employees towards higher productivity. However, work environment when appropriately designed, motivates employees toward higher productivity. This environment is designed in such a way that encourages informal interaction in the work place so that the opportunity to share knowledge and exchange ideas could be enhanced. This is a basis to attain maximum productivity. Organisational environment include systems, procedures, practices, values and philosophies. Management has control over organisational environment. Measurement system where people are rewarded on quantity, hence workers will have

little interest in helping those workers who are trying to improve quality. Thus, issues of organisational environment influence employee's productivity.

Knowledge plays a governing role in leading the productivity and maintaining the economic performance growth. Equally important would be the factors that would contribute towards the knowledge creation. In developed countries such as United States of America, United Kingdom, France and Japan, knowledge has become of its main source of national income. A creative worker is an individual who is able to come up with creative ideas especially in the context of problem and strategy formulation. In an organizational setting, white collar jobs such as engineers and researchers are among those associated with knowledge worker.

(Aminuddin, Tymms and Habsah, 2008; Sobia and Bakhtiar, 2011) Linked or associated knowledge with various factors .These factors can be further categorized as organizational, individual and also external factors. Among these three groups of factors,the organizational and individual factors are considered the most influencing factors. The job design which is defined by Humphrey et al. (2007) as the elements of jobs and its environment, is considered as one of the strongest factors in shaping knowledge.

Huang and Wu (2010) interpret knowledge as “the capability with which individuals, teams, and units across an organization achieve knowledge-based improvements, exploitation, and innovations”. Amiri, Ramezan and Omrani (2010) define knowledge as “the learning ability in order to create knowledge-based results.” Ramezan (2011) also defined knowledge as “the way in which individuals, teams and units across an organization achieve knowledge-based improvements and innovations”. In an attempt to measure knowledge , researchers have developed various model and frameworks.

The SECI model proposed four ways that knowledge types can be combined and converted, showing how knowledge is shared and created in the organization. The four

ways are (i) socialization (tacit to tacit) - knowledge is passed on through practice, guidance, imitation, and observation, (ii) Externalization (tacit to explicit) – tacit knowledge is codified into documents, manuals, etc. so that it can spread more easily through the organization, (iii) Combination (explicit to explicit) – codified knowledge sources (e.g. documents) are combined to create new knowledge, and (iv) internalization (explicit to tacit) - as explicit sources are used and learned, the knowledge is internalized, modifying the user's existing tacit knowledge.

Various model and framework have been developed by various researchers to explain Knowledge development. The model developed by Morgeson & Humphrey (2006) is considered the most comprehensive model as it has been referred and applied by numerous researchers in studying job design of various professions (Humphrey et al., 2007 and Dere, 2011). The model describes knowledge of work as consisting of motivational characteristics, knowledge characteristics, social characteristics and work context characteristics. The work characteristic is further divided as consisting task autonomy, task variety, task significance, task identity and feedback from others. Task autonomy includes three interrelated aspects centered on freedom in (a) work scheduling, (b) decision making, and (c) work methods. Task variety refers to the degree to which a job requires employees to perform a wide range of tasks on the job. Task significance reflects the degree to which a job influences the lives or work of others, whether inside or outside the organization. Task identity reflects the degree to which a job involves a whole piece of work, the results of which can be easily identified. Feedback from job reflects the degree to which the job provides direct and clear information about the effectiveness of task performance.

According to Morgeson & Humphrey (2006), knowledge characteristics reflect the kinds of knowledge, skill, and ability demands that are placed on an individual as a function of what is done on the job. They further divided knowledge characteristics as consisting job complexity, information processing, problem solving, skill variety and specialization. Job complexity refers to the extent to which the tasks on a job are complex and difficult to perform. Information processing reflects the degree to which a job requires attending to and processing data or other information. Problem solving reflects

the degree to which a job requires unique ideas or solutions and reflects the more active cognitive processing requirements of a job. Skill variety reflects the extent to which a job requires an individual to use a variety of different skills to complete the work. Specialization reflects the extent to which a job involves performing specialized tasks or possessing specialized knowledge and skill.

Within social characteristics, the job characteristics that involved include social support, interdependence, interaction outside organization and feedback from others (Morgeson & Humphrey, 2006). Social support reflects the degree to which a job provides opportunities for advice and assistance from others. Interdependence reflects the degree to which the job depends on others and others depend on it to complete the work. Interaction outside the organization reflects the extent to which the job requires employees to interact and communicate with individuals external to the organization. Feedback from others reflects the degree to which others in the organization provide information about performance.

Morgeson & Humphrey (2006) noted that work context characteristics include ergonomics, physical demands, work condition and equipment use. Ergonomics reflects the degree to which a job allows correct or appropriate posture and movement. Physical demands reflect the level of physical activity or effort required in the job. Work conditions reflect the environment within which a job is performed. Equipment use reflects the variety and complexity of the technology and equipment used in a job.

The importance of job design in boosting individual's productivity and performance has been discussed extensively in few studies (Ali & Aroosiya, 2010; Fernando & Ranasinghe, 2010; Dere, 2011). From the organizational aspect, job design plays crucial part in supporting the employees' work performance in achieving organizational relevant outcomes as it may directly or indirectly influence the manner they perform their responsibilities and tasks (Ali & Aroosiya, 2010). Better known as Pegawai Tadbir dan Diplomati or PTD, it is one of the positions serving under the public sector or government in Malaysia. The PTDs mainly involve in generalizing the country's development strategies including strengthening the administrative functions,

social infrastructures and also the performance of economic growths (Pegawai Tadbir dan Diplomati, 1999).

### **2.3 Attitude and employee productivity**

(Arando et al 2011), Employee attitudes have been the topic of studies worldwide. Employee's attitude at the workplace is affected by factors like interpersonal relationships, control over environment, shift, emotional factors, job assignment, overtime duty, extended work, etc. The emotional factor is one of the leading factors to affect employee's attitude. It is an array of non-cognitive abilities that influence one's ability not to succeed in coping with environmental demands and pressures. Thus this leads to reduction in productivity at the workplace. Interpersonal relationship also affect productivity. Since Interpersonal relations at workplace does not serve a critical role in the development and maintenance of trust and positive feelings among employees in the organization. Hence this may affect employee's attitude. Control over work environment has also been regarded as having an influence on productivity by the employees. Since most of the employees feel that they are not given right to control their work environment, thus it may affect their attitude. Shift system is also known to affect productivity. Company is having three shifts where employees are not comfortable with their shift system. So this may affect the employee's attitude. Job assignment also affects productivity. Job description which defines duties, basic goals of the organization is not defined very clearly to the employees, so it may affect the employee's attitude towards their work. Extended work with also affects productivity, because the company is extending the work during the emergency period and it does not affect employee's attitude seriously. Employee's attitude is not affected due to overtime duty. Overtime duty is least prioritized, since overtime duty is given only if the works are not completed before the required time. Hence employee's attitude at the workplace is affected highly by emotional factors and lowest by overtime duty.

A few studies have examined the direct link between employee attitudes and performance. The study sought to determine the relationship between employee attitudes and selected measures of job performance (sales volume, turnover, and absenteeism). Bartel (2004) studies 160 branches of a Canadian bank and finds a positive

relationship between branch performance and employee's satisfaction with quality of performance evaluation, feedback and recognition at the workplace. The author argues that satisfaction with these selected measures is important in determining the efficiency of High Performance Work Systems (HPWSs) in that it captures the "incentives" dimension of the workplace (among the three dimensions incentives, opportunities, and training, as described previously). A similar study is done by Bartel, Freeman, Ichniowski, and Kleiner (2003). The authors analyze employee attitude survey from nearly two hundred establishments of a major U.S. bank and offer evidence that higher employee attitude level is associated with higher productivity, higher growth and lower turnover at the branch level.

The principal motivation behind an attitude analysis at the organization level is the notion that individual workers in the same firm share a "group attitude" (Bartel *et al.*, 2003). This group attitude is shaped by the workers' common experience in their working lives. For instance, a poor working condition will likely to introduce dissatisfaction to all workers working under that same condition. Similarly, an understanding and fair manager will elicit positive satisfaction from most workers under his management.

According to Jones *et al.* (2009), absenteeism refers to unscheduled absence of employees. Like quitting rates, high rates of absenteeism is also unwanted by the organization because it imposes a number of costs on the employer, such as the direct loss of output from absent employees, overtime for other employees to fill in, temporary helping and extra management costs. Given that low job satisfaction does seem to make employees more likely to quit job, one can reasonably expect that it will also cause employee who cannot quit more likely to be absent. it is well-established in the economic literature that turnover rate and absenteeism, among other work environment indicators, are strongly and inversely related to job performance. the attitudes of new employees converge with the pre-existing attitudes of their longer-tenured co-workers, either through changes in employee attitudes over time or through turnover. differences in attitudes are highly correlated with sales performance of the branches – branches in which employees have more favorable attitudes have superior sales performance.

Brenner (2004) asserted that the ability of employees within an organization to share knowledge throughout the system depends on the conditions of their work environment. Some employees tend to be more productive in a well facilitated work environment. More so, the quality of comfort variable from work environment determines the level of satisfaction and productivity of workers. Workers productivity cannot be optimal, if the conditions of work environment are not favourable. Improved work environment enhances employee's productivity. This study is premised on the fact

that both management and workers of enterprises are less considerate of work environment as having a great influence on productivity of workers as resulting from workers negative attitude to work while the workers view of low productivity may stem from poor pay system, absence of fringe benefits, inappropriate leadership style, wrong job location, unfavourable organizational change among others.

Both management and employees should be safety conscious at all times and minimum or requirement of the organisations act must be respected. These factors may be important; yet believing that the attitude and management style of mid-level managers are what really influence employee productivity. Though one of the primary tasks of the managers is to motivate people in the organisation to perform at high levels (Steers & Porter, 2000; Christensen, 2002).

Lambart (2005) opines that “labour productivity is rarely measured directly but inferred from changes in employees’ attitude and behaviour such as organisation commitment, organisational citizenship behaviour and job satisfaction”. An effective work environment management entails making work environment attractive, creative, comfortable, satisfactory and motivating to employees so as to give employees a sense of pride and purpose in what they do (Brenner, 2004).

Attitudes and satisfactions at work can and do change, sometimes quickly, as events change, employees who are happy and productive can become dissatisfied and resentful overnight as a consequence of some managerial actions. Employee attitudes can provide important information about the effectiveness of different management strategies. Job related attitudes play a major role in shaping the work behaviours of managers in organisations. Lynn et al., (1990) described the differential relationship that organisational attitudes (organisational commitment and satisfaction) and job attitudes (job involvement and satisfaction) have with several behaviour intentions (turnover, absenteeism and performance).

Many researchers agree that job attitude has a positive impact on performance (Manikandan, 2002). According to Robbins and Coulter (2005), attitudes are evaluative statements that have three components. The cognitive component is the beliefs an individual holds. The emotional or feeling part of an attitude is the affective component, and the behavioural aspect is the intention component.

## **2.4 Skills and employee productivity**

There is a strong positive association between skills and productivity for individual, firms and the economy as a whole. Workforce productivity can be enhanced by ensuring skills are used effectively to meet the dynamic needs of the economy. The Australian Workforce productivity Agency identified business benefits of strategies to

maximize the use of skills in the work place in the form of improved productivity, better retention and innovation. Skills maximization is concerned with maximizing the contributions that people can make in the work place, and with ensuring people's skills are deployed, harnessed and developed to optimize organizational performance. Workforce development strategies address how work is organized and how the skills of workers are aligned to the needs of the business. Specific approaches include supporting employee participation in decision making, redesigning jobs, knowledge transfer and mentoring, job rotation and multi-skilling ( Future focus,2013 NWDS).

In today's business world, employee's skills which are necessary to do their job are only possible through training. Most of the companies train their employees in such a manner that would help them to sustain throughout their careers. This kind of training can lead to high levels of motivation and commitment by the employees, who actually see the opportunity they are given. Training is defined in this study "as the planned intervention that is designed to enhance the determinants of individual job performance" (Chiaburu and Tekleab, 2005, p. 29). Training is related to the skills deemed necessary by the management of an organization that must be acquired by the members of that organization, in order to improve the probability of achievement of its goals. Training offered to employees, may help them reduce their anxiety or frustration, brought on by work demands, that they are not familiar with, and they are lacking the skills to handle effectively (Chen et al., 2004). Training has been an important variable in increasing organizational productivity. Most of researches including Colombo and Stanca (2008), Oguntimehin (2001) identified the functions of training as follow: increase productivity, improves the quality of work; improves skills, knowledge, understanding and attitude; enhance the use of tools and machine; reduces waste, accidents, turnover, lateness, absenteeism

This article explores the influence of workforce skills on the economic performance of the regions. HM Treasury identified skills as one of the five key drivers of productivity which in turn impacts on the economic performance of a region. Skills can influence productivity in two ways. Skills of workers influence productivity directly, as they define the capabilities that the labour force can contribute to the production



process, and indirectly, where the contribution of skill is mediated through other drivers, for example, enterprise and innovation.

To examine the link between skill and productivity, skill needs to be measured. However, the concept of skills include many elements such as personal characteristics, skills developed through formal education and training, and skills developed through work experience and informal training which makes the direct measurement difficult. In empirical work, qualifications and occupation are two commonly used proxies for skills.

According to the International Labour Organization forum 2008, an educated and skilled workforce is a critical component of this new emphasis on labour markets and their performance. The ILO has for years been advising member states on skills development policies, and developing research and analysis in this area. Skills development policies constitute a core element of the ILO's Global Employment Agenda (GEA), the ILO's policy framework for the employment promotion objective of the Decent Work Agenda. The Human Resources Development Recommendation, 2004 (No. 195), also provides guidance for effective skills and employment policies. Given the importance of these issues, the ILO's 2008 International Labour

Conference (ILC) general discussion on how skills development could better serve the twin objectives of increasing the quantity of labour employed and the productivity of labour was timely. Training for new skills gives opportunity for better career paths (within the company or in the labour market), higher income and employability. In addition, it is recognized that new skills are required for enterprises to remain competitive and be able to retain their workers.

(Bloom *et al.* 2004,) much of the discussion on skills assumes that training and skills are synonymous and it needs to be remembered that training is only one route to skill acquisition. Others have highlighted the difficulties in defining skills and the multiple functions of training apart from skill enhancement. (Keep E, Mayhew K, Corney M, 2002). There is also evidence that acquisition of skills during a working lifetime can have benefits to the individual. Several studies have indicated that improving basic skills in adult life can improve UK labour market outcomes (*eg Machin et al.* 2001; Bynner *et al.* 2001). Studies have sought to isolate whether high skills are a contributory factor

behind successful and higher performing firms. Taken together, these studies have identified a significant association between a highly skilled workforce and organizational performance, most commonly measured by the level of labour productivity. For instance Haskel and Hawkes (2003) have shown that the top performers in UK manufacturing hired workers with, on average, an extra qualification level compared to the lower performers. They also found that higher skill levels support innovation and more sophisticated production processes and were associated with the production of higher quality products.

Using matched establishment and workforce data Haskel, Hawkes and Pereira (2003) showed that more productive UK firms hired more skilled workers (the establishments in the top decile had workers with an average of two years extra schooling compared to those in the bottom decile). Both hard and soft skills were positively related to total factor productivity (TFP) and the skill gap between the top- and bottom-performing firms explained some eight percent of the productivity gap. Green *et al.* (2003) has also found a strong relationship between different levels of UK workforce skills and the sophistication of products. Other research has suggested that a more highly skilled workforce can bring other benefits such as enhancing company survival. For instance, Reid (2000) suggested that a more skilled UK workforce was related to a greater commercial orientation and strategic awareness and propensity to innovate to retain competitive advantage. In the US, Bates (1990 in Bosworth forthcoming) found that higher qualification levels were related to improved access to finance and increasing probability of business survival. (Keep, Mayhew and Corney, 2002) the impact of workforce skills and development on productivity was considered alongside a range of other factors such as investment in capital equipment and maintenance practices. A clear connection between higher skills and higher productivity has been identified particularly at the intermediate skills level. All the studies found that the higher average levels of labour productivity in firms in continental Europe were closely related to the greater skills and knowledge of their workforces, especially intermediate skills. Within manufacturing, lower skills levels in the UK were found to have a negative effect directly on labour productivity and on the types of machinery chosen, the ways in which

machinery was modified in line with particular needs, the smoothness of machinery running and the introduction of new technology. The proportion of employees holding a relevant vocational qualification at the intermediate level in these establishments in the UK was well below that in Europe. A study of the hotels sector suggested similar lower skills and productivity in services.

## **2.5 Capacity building and employee productivity**

Capacity building has its origin in the United Nations and its quest to develop people and entities. The lead with the UN system for action and thinking in this area was given to United Nations Development Programme (UNDP) and has offered guidance to its staff and governments on what was then called institution building. This involves building up abilities of basic national organizations, in areas such as Civil Aviation, Meteorology, Health, Education, Nutrition etc, to do their task well (Fy, 2012).

UNDP recognizes that the capacity building is a long-term process in which all stakeholders participate (Ministries, Local authorities, Non-governmental organizations, Professional Associations etc.). This creates enabling environment with appropriate policy and legal frameworks, institutional development including community participation (of women in particular), human resources development, and strengthening of managerial systems.

In every organization manpower represents a key decision area and as such occupies an ever increasing significance in modern day organizations. This is primarily due to the fact that manpower is an extremely valuable asset in any organization. This importance can be exemplified in the crucial role it plays in attainment of any organizational goal as organization activities revolve around it for their success (Akinusi,2003)

Also the single advantage that any organization may have over any competition sometimes consist of the number and quality of people employed to manage organizational activities. For manpower to be able to perform its duties, it needs to acquire necessary knowledge and skills, which will help in no small measure to improve

the productivity of the organization. This is made possible by the provision of adequate training and capacity building programme by the organization.

Training and development helps to ensure that organizational members possess the knowledge and skills they need to perform their job effectively, take on new responsibilities and adapt to changing conditions (Jones and George 2008). It is further argued that training helps improve product / service quality customer satisfaction, productivity, morale, business development and profitability. According to Nwachukwu (1988) emphasis placed by any organization on training and development of its employees determines the productivity of the organization. Technological innovation which occurs every day, renders today's skills and method ineffective for tomorrow's activities. Thus, one crucial function of management is to ensure that employees without necessary skills are helped to acquire them, while those who do are helped to update them. Furthermore to emphasise the importance of capacity building in employees, the International Labour Office (2000) affirmed that development and training improve their trainees "prospects of finding and retaining jobs' while also improving their productivity at work, their income earning capacity and as a result their living standard. It also effectively widens their career choices and opportunities. Shields (2007) conceptualised 'performance' as a —manageable human resource phenomenon|| to achieve prescribed outcomes, using insights from open systems thinking in cybernetics. Three main elements are placed in a linear arrangement: inputs, throughputs, and outputs, and understood in terms such as the application of knowledge and skills to transform the 'input factors' into tangible outcomes – managerially desired behaviours and goal attainment. Locating the definition organizationally, Shields (2007) explained that each of the systemic factors that may be subject to performance management interventions may be extended to include collective and, in turn, organization-wide dimensions, where managers take active steps to align people with processes and forming a technical system from which to deliver, desired levels of service delivery in cost effective ways.

In view of the dynamics in the modern day business environment, capacity building and manpower development is one of the key activities that any organisation must engage in if it hopes to survive. A capacity building and manpower development

unit (training) is created in any organisation to coordinate all training activities of the organization. It has the responsibility of determining training and development need by deciding when and what kind of training, for whom, where, under what conditions, at what cost and by whom the training will be implemented. All these activities are necessary to enable the organisation derive the utmost benefits from its capacity building activities. However, many organisations fall short of focusing adequate attention on building adequate capacity among their workforce thereby inhibiting the productivity, efficiency, effectiveness and growth of the organization. The focus of this study therefore was to examine the perception of organisation managers about the relevance and contribution of capacity building to employee performance and overall organisation performance.

The Department For International Development (DFID) (2010) defines capacity building as enhancing the abilities of individuals, organisations and systems to undertake and disseminate high quality research efficiently and effectively. The goal of capacity building, according to DFID (2010), is to facilitate individual and organisational learning which builds social capital and trust, develops knowledge, skills and attitudes and when successful, creates an organisational culture and a set of capabilities which enables organisations to set objectives, achieve results, solve problems, and create adaptive procedures which enable them to survive in the long run.

Staff capacity building has been identified as part of an organizational strategy to improve overall productivity, motivate staff to deliver high quality services and create an ongoing commitment to innovation and system improvement. Viewed from this perspective; staff training is an integral part of a larger human resources investment strategy designed to transform workforce service delivery system into "high performance" organizations that strive continuously to improve service quality and customer satisfaction.

Capacity building can directly benefit both the newly trained individuals and the organisation that they work for. The benefits to 'trainees' is the most direct link between capacity building and impact. The main benefits to trainees include improvements in confidence, competence, promotion and higher income (Templeton, 2009). Also, the

benefits of capacity building can flow to the trained individual, other workers in the organisation, the organisation as a whole and communities. The community-level impact of the capacity built arises from the outputs generated (and adopted) when this capacity is used. Gordon and Chadwick (2007) state that as a rule of thumb, a worker's lifetime income is higher, on average, by around 10% for each additional year spent in formal education. At the organisational level, the efficiency of the organisation can be enhanced through the trainees' capacity-induced changes in practice and behaviour.

As a general rule of thumb, workers tend to accrue around half of the productivity improvement from training, the other half being captured by the firm (Gordon and Chadwick, 2007). Systems and policy level capacity building activities improve the external environment in which organizations and individuals function, including structures supporting the way organizations interact, and/or policies and standards that must be adhered to. These may be at the national level or below. Organizational level capacity building activities improve the performance of internal organizational systems and processes, leading to stronger organizations with the ability to adapt and continue to develop over time. Individual/workforce level capacity building activities improve the performance of staff according to specific, defined competencies and job requirements (Fy, 2012).

According to Paul and Elizabeth (2004), the following are the four key elements that play a significant role in determining the scope, design, and ultimate success of any capacity building engagement:

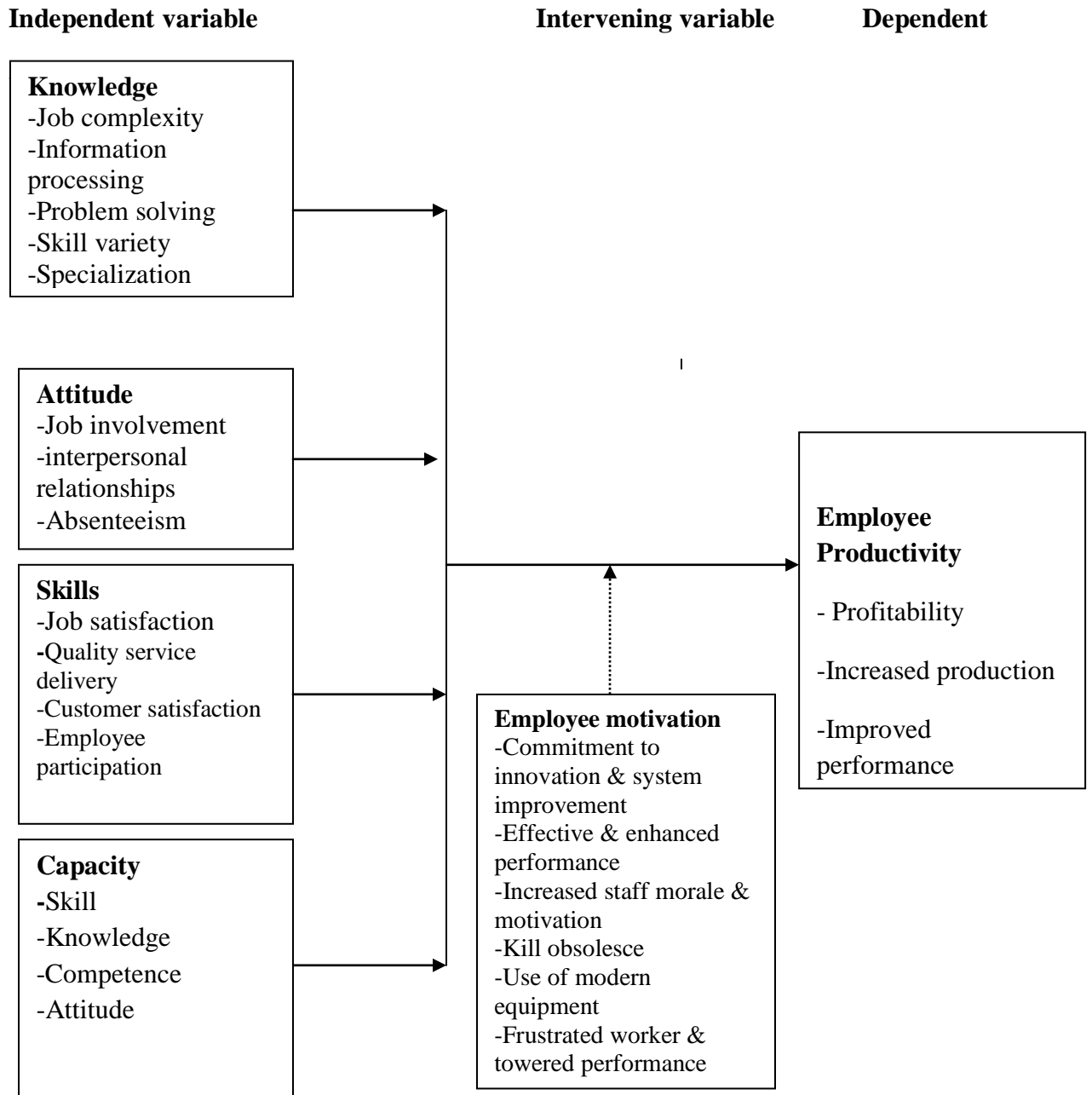
- The desired outcome or defining goal;
- The change strategy selected to help realize that goal;
- The champions guiding the efforts, be they internal or external; and
- The resources—time, energy and money—invested in the process.

Letts, Ryan, and Grossman (1998) noted that the results of capacity building can be seen at three levels:

- Improvement in the capacity of the organization to do what it already does (products/services delivery capacity),
- Improvement in the organization's capacity to grow (expansion capacity), and
- Improvement in the organization's ability to sense needs for change and respond to them (adaptive capacity). All three are needed to produce high-performance levels over time.

## 2.6 Conceptual framework

The relationship between the dependent variable and independent variables in the study is diagrammatically represented in the figure below.





**Figure 2.1 Conceptual framework showing relationship between variables**  
**Source: Author**

The study conceptualized that training and development influences employee productivity in Unga Limited, Eldoret in Kenya. Factors of knowledge, skills, attitudes and capacity have an influence on employee productivity. Employee motivation and organization culture have also been looked as the intervening factors.

**2.7 Summary of the literature review and research gap**

From the literature reviewed, there exist a small number of empirical studies that relate firm productivity to a measure of training. Although a positive correlation was generally found, it was very difficult to interpret because the training measures are only measured at a single point of time and could be picking up many unobservable firm-specific factors correlated with both training and productivity. Black and Lynch (2001) used an establishment training survey at two points of time. In the cross section, they identified some effects of the type of training on productivity, but they found no significant association when they controlled for plant-specific effects. Carriou and Jeger (1997), Ballot *et al.* (1998) and Delame and Kramarz (1997) used French firm-level panel data to look at the effects of training on value added and found positive and significant effects. Although these studies are broadly consistent with this study, they do not fully exploit the potential of their panel data by allowing training to be a choice variable.

In this study, the researcher examined the issue of the influence of private sector training on productivity. Rather than simply use training as a measure of productivity, the researcher presented estimates of the influence of employee productivity and organizational culture on productivity over a long time period. An important avenue of future research would include probing the returns to training by combining enterprise data with industry-level data to investigate the externalities story in great.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the elements of methodology that was applied in the study. The chapter covers research design, area of study, population of the study, sample size, sampling procedure, data collection methods and instruments, procedure for data collection and data analysis, reliability and validity of research instruments and ethical issues.

#### **3.2 Research design**

A research design is regarded as an arrangement of the conditions for collection of data in a manner that aims at combining relevance with the research purpose. (Kombo and Trompo, 2006).

The study employed a survey which consisted of questionnaires which contained close ended questions. Surveys provide quick, inexpensive, efficient and accurate means of assessing information about a population. Surveys are also considered to be flexible.

The study utilized random sampling technique. This research design was selected because it enabled the researcher select a sample randomly without having bias. The study was specifically focused on stratified sampling, where, the target population was divided into stratum that enabled the researcher to get different information from different categories of employees in Unga Limited. The aim of this study was to catch existing, unique, complex and very interesting information.

According to Moore, David S. and George P. McCabe (2006) Simple random sample of size  $n$  consists of  $n$  individuals from the population chosen in such a way that every set of  $n$  individuals has an equal chance to be the sample actually selected.

### 3.3 Target population

The target population was the staff of UGL, Eldoret, comprising of 270 (two hundred and seventy) staff. The study population comprise of staff who have been trained by the company and staff that had used their personal resources to further their education between July 2010 and June 2013.

The study population consisted of employees from four departments in the company namely: staffing directorate, human resource, finance and accounts, and administration directorate.

### 3.4 Sampling procedure and sample size

From the above target population, a 30% study sample was drawn from the employees of UGL. Researchers such as Mugenda and Mugenda 2003 suggest that one may use a sample size of between 10% and 30%, but for better, more representative results, a higher percentage is better. Random sampling was used to give equal chance to every unit to be in the sampling frame. The study used stratified random sampling technique to ensure that the required population was obtained from the stratum, as shown in the table below:

The sample frame is as shown in the table below

**TABLE 3.1 The target population in Unga Limited Eldoret and the sample size selected**

	<b>Population</b>	<b>Sample ratio</b>	<b>Sample size</b>
<b>Staffing directorate</b>	<b>100</b>	<b>0.3</b>	<b>30</b>
<b>Human resource</b>	<b>140</b>	<b>0.3</b>	<b>42</b>
<b>Finance and accounts</b>	<b>10</b>	<b>0.3</b>	<b>3</b>
<b>Administration</b>	<b>20</b>	<b>0.3</b>	<b>6</b>

**Total**

**270**

**81**

**Source:Unga Limited staff directory**

### **3.5 Data collection instruments**

The data collection instrument which was used in this study included structured Questionnaires. This was considered useful in this research because it helped the researcher to collect a wide range of information from the respondents This research instrument was also utilized so as to reduce incidences of biasing error. It also provided a greater anonymity for the respondents.

#### **3.5.1 Questionnaire**

A set of questionnaires containing both structured and unstructured questions were used for the study to collect primary data. This targeted all the employees in Unga Limited. The study preferred the use of questionnaire because of the simplicity in their administration, scoring of items and analysis (Mugenda and Mugenda, 2003). The questionnaire was divided into sections and developed based on the research objectives in order to capture relevant information.

The employees were expected to provide information regarding the trainings that they underwent while at Unga Limited and whether it was sponsored by the company or self sponsored. The Questionnaire had both close-ended and open-ended questions so as to allow respondents to have an opportunity to give more insight of the research problem and also facilitate consistency of responses among the respondents. Data collection was done personally by the researcher.

#### **3.5.2 Piloting of the study**

In this study a pilot study was conducted through a pre-test and was carried out on Head of departments and staff of different cadres from Eldoret Millers which is a neighboring company. Piloting helped improve on the questionnaires in order to enhance the validity and reliability. Piloting of the instruments was done on ten (10) respondents

within Eldoret Millers to test for validity. These respondents were drawn from employees who have not benefitted from training of any form, to ascertain their productivity, and those who have benefitted from training.

### **3.5.3 Validity of research instruments**

Validity refers to the quality that a procedure or instrument or tool used in research is accurate, correct, true, and meaningful and right. To enhance validity in this study content related validity of the questionnaire on schedule was determined by the help of experts, such as the research supervisor. The supervisor gave guidance to ensure that the instruments were well constructed, so that the research instruments address the information sought by the research objectives. The researcher used questionnaires as the research instrument so as to ensure data collected will be meaningful and appropriate for the study.

### **3.5.4 Reliability of research instruments**

Mugenda and Mugenda, (2003) defines reliability of an instrument as the degree of consistency with which it measures a variable. It is concerned with estimates of the degree to which a research instrument yields consistent results or data after repeated trials. The Questionnaire combined both open-ended and close-ended questions that were administered to the respondents. This allowed respondents to have an opportunity to give more insight of the research problem and facilitate consistency of responses among the respondents. Test –retest method was used during the pilot study and this ensured consistency of the data collected thus enhances the reliability of the research instruments. The research instruments were also cross checked by the researcher with the guidance of the research supervisor to ensure consistency is upheld.

### **3.6 Data collection procedures**

A letter of identification from the University of Nairobi was obtained from the Extra –Mural centre which was used to obtain a research permit from National Council of Science and Technology (NCST). Permission was sought from the relevant authorities prior to the commencement of the study. The researcher reported to the relevant

authority before proceeding to the field. Such authority will include the General Branch Manager, Unga Limited Eldoret.

A letter of transmittal was obtained to introduce the researcher to the respondents and assure them of total confidentiality of their responses

Data was collected by use of structured questionnaires. These questionnaires collected information such as employee general information on their ages, level of education and work experience.

To get detailed information, the questions used both closed and open ended. Respondents in all the strata were issued with the questions. The questionnaires were self administered. This provided an opportunity to create a rapport with respondents as well as chance of making close observation.

### **3.7 Data analysis techniques and presentation**

During data analysis, for qualitative analysis, data was edited, coded and analyzed using themes derived from the objectives of the study which are influence of skill on employee productivity, influence of attitude on employee productivity, influence of knowledge on employee productivity, and influence of capacity on employee productivity.

For quantitative analysis, data was checked and edited for clarity, completeness, uniformity, legibility, relevance and adequacy. This involved checking for non response and acceptance or rejection of answers, which were pre-coded prior to research. Data collected was tabulated, weighted and percentages will be used to analyze the data.

Data was analyzed by use of tabulation. Frequency tables were prepared for open ended questions so as to convey meanings to the data. Correlation analysis will be done using Pearson's rank correlation to establish relationships regarding variables under study.

### **3.8 Ethical considerations**

Ethics involves the study of right and wrong conduct (Dooley, 2007). This study ensured that the respondents were assured of the confidentiality of the information they provided. Permission was also sought from the relevant authorities prior to the commencement of the study. An informed consent was sought from all the respondents and the respondents were given full and detailed explanation of the study. The respondents were also made aware of the voluntary participation and that their confidentiality of their responses was guaranteed. To increase the degree of confidence among the respondents, no personal identification details were required for the purpose of the questionnaires and interviews. The sources of data and other information for literature review was acknowledged effectively, in this study.

## CHAPTER FOUR

### DATA ANALYSIS AND PRESENTATION OF RESULTS

#### 4.1 Background of respondents

The data for this study was collected within the month of May and June 2014 using questionnaires. In total, eighty one questionnaires were distributed to the various respondents. Of these, sixty five questionnaires were successfully completed and returned to the researcher, giving a response rate of 80%, a figure considered substantially sufficient for the study. Analysis of the profiles of sample respondents was based on demographic characteristics of the respondents in terms of gender, age and level of education.

##### 4.1.1 Gender of respondents

**Table 4.1 Gender of respondents**

<b>Gender</b>	<b>Percentage</b>	<b>Frequency</b>
<b>Male</b>	<b>70</b>	<b>46</b>
<b>Female</b>	<b>30</b>	<b>19</b>
<b>Total</b>	<b>100</b>	<b>65</b>

**Source: Author (field data 2014)**

Table 4.1 shows that from the sixty five respondents, the majority were male, represented by (70%), and female (30%). These percentages deduced that majority of employees in the company are men.



#### 4.1.2 Age of respondents

#### 4.2 Age of respondents

<b>Age group</b>	<b>Percentage</b>	<b>Frequency</b>
<b>19-20</b>	<b>10%</b>	<b>6</b>
<b>21-30</b>	<b>20%</b>	<b>13</b>
<b>31-40</b>	<b>55%</b>	<b>36</b>
<b>40+</b>	<b>15%</b>	<b>10</b>
<b>Total</b>	<b>100%</b>	<b>65</b>

**Source: Author (field data 2014)**

Majority of the respondents fall under the age group of 31-40 years (55%), 21-30 years (20%), 41+ years (15%), 19-20 years (10%) as shown in table 4.2. This can be interpreted that majority of the employees are within the active labour force since they are not too old or too young.

#### 4.1.3 Level of education of respondents

#### 4.3 Level of education

<b>Level of education</b>	<b>Percentage</b>	<b>Frequency</b>
<b>Post graduate</b>	<b>10%</b>	<b>6</b>
<b>Under graduate</b>	<b>30%</b>	<b>20</b>
<b>College diploma</b>	<b>50%</b>	<b>33</b>
<b>Others</b>	<b>10%</b>	<b>6</b>

<b>Total</b>	<b>100%</b>	<b>65</b>
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**Source: Author (field data 2014)**

Majority of the respondents are college diploma holders (50%), undergraduate (30%), post graduate (10%), and others (10%) as shown in table 4.3.

#### **4.1.4 Number of years of service in the company**

<b>4.4 Number of years of service</b>		
<b>Number of years of service</b>	<b>Percentage</b>	<b>Frequency</b>
<b>Below 10 years</b>	<b>10%</b>	<b>6</b>
<b>11-20 years</b>	<b>40%</b>	<b>26</b>
<b>21-30 years</b>	<b>30%</b>	<b>21</b>
<b>30+</b>	<b>20%</b>	<b>12</b>
<b>Total</b>	<b>100%</b>	<b>65</b>

**Source: Author (field data 2014)**

Table 4.4 indicates that majority of respondents had been in service at Unga Limited for a period ranging between 11-20 years represented by 40%. Those who had worked for between 21-30 was represented by 30%, 30+ years represented by 20%, and below 10 years represented by 10%.

## 4.2 Influence of knowledge on employee productivity

### 4.2.1 Ability to perform complex tasks

Ratings on job complexity	Percentage	Frequency
Strong	40%	26
Very strong	30%	20
Moderate	20%	13
Weak	10%	6
Total	100%	65

**Source: Author (field 2014)**

The study gives a favorable picture concerning the ability of respondents to perform complex tasks. In table 4.5, 40% of the respondents indicated a strong ability to perform complex tasks, 30% indicated a very strong ability to perform complex tasks, while 20% and 10% indicated moderate and weak ability to perform complex tasks.

### 4.2.2 Ability to process data and other information

Views on ability to process information	Percentage	Frequency
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Yes	80%	52
No	20%	13
<b>Total</b>	<b>100%</b>	<b>65</b>

**Source:Author (field data 2014)**

Table 4.6 depicts that majority of the respondents, represented by 80% are capable of attending to and processing data and other information, while 20% indicated that they were not able to attend to and process data and other information.

#### **4.2.3 Problem solving ability**

<b>Table 4.7 Ratings on problem solving ability</b>		
<b>Ratings on ability to solve problems</b>	<b>Percentage</b>	<b>Frequency</b>
<b>High</b>	<b>30%</b>	<b>19</b>
<b>Very high</b>	<b>10%</b>	<b>7</b>
<b>Average</b>	<b>50%</b>	<b>32</b>
<b>Low</b>	<b>10%</b>	<b>7</b>
<b>Total</b>	<b>100%</b>	<b>65</b>

**Source:Author (field data 2014)**

Table 4.7 depicts that 50% of the respondents rated themselves average on the ability to solve problem,30% indicated high ability to solve problems, while 10% represented very high and low respondents each, on ability to solve problems.

#### 4.2.4 Influence of skill variety on employee productivity

**Table 4.8 views on ability of skill variety to complete tasks**

<b>Views on skill variety to complete tasks</b>	<b>Percentage</b>	<b>Frequency</b>
<b>Yes</b>	<b>93%</b>	<b>60</b>
<b>No</b>	<b>7%</b>	<b>5</b>
<b>Total</b>	<b>100%</b>	<b>65</b>

**Source:Author (field data 2014)**

Table 4.8 depicts that majority of the respondents, represented by 93%,are able to utilize skill variety to complete given tasks, while 7% of the respondents indicated that they are not able to utilize skill variety to complete tasks.

#### 4.2.5 Ability to perform specialized tasks

**Table 4.9 Views on ability to perform specialized tasks**

<b>Views on ability to perform specialized tasks</b>	<b>Percentage</b>	<b>Frequency</b>
<b>Yes</b>	<b>88%</b>	<b>57</b>

No	12%	8
<b>Total</b>	<b>100%</b>	<b>65</b>

**Source: Author (field data 2014)**

From table 4.9, 88% indicates the ability of the respondents to perform specialized tasks, while 12% indicates respondents who have no ability to perform specialized tasks.

### **4.3 Influence of attitude on employee productivity**

#### **4.3.1 Employees job involvement**

**Table 4.10 Level of employee job involvement**

<b>Level of job involvement</b>	<b>Percentage</b>	<b>Frequency</b>
Highly involved	74%	48
Very highly involved	18%	12
Moderately involved	8%	5
Lowly involved	0	0
<b>Total</b>	<b>100%</b>	<b>65</b>

**Source: Author (field 2014)**

The study also sought to find out the level of employee job involvement in Unga Limited. Majority of the respondents indicated that they are highly involved in job related issues, represented by 74%, while 18% indicated that they are very highly involved. 8% Indicated

that they are moderately involved in job related issues, while lowly involved scored 0%.

#### 4.3.2 Employees interpersonal relationships

**Table 4.11 Level of interpersonal relationships among employees**

<b>Level of interpersonal relationships</b>	<b>Percentage</b>	<b>Frequency</b>
<b>Strong</b>	<b>68%</b>	<b>44</b>
<b>Very strong</b>	<b>12%</b>	<b>8</b>
<b>Moderate</b>	<b>20%</b>	<b>13</b>
<b>Low</b>	<b>0%</b>	<b>0</b>
<b>Total</b>	<b>100%</b>	<b>65</b>

**Source; Author (field data 2014)**

Table 4.10 indicates that 68% of respondents indicated that there is a strong interpersonal relationships among employees,12% indicated a very strong interpersonal relationship, while 20% indicated a moderate interpersonal relationship.

#### 4.3.3 Employee absenteeism

**Table 4.12 Views of whether absenteeism affects job performance**

<b>Response</b>	<b>percentage</b>	<b>Respondents</b>
<b>Yes</b>	<b>84%</b>	<b>55</b>
<b>No</b>	<b>16%</b>	<b>10</b>

<b>Total</b>	<b>100%</b>	<b>65</b>
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**Source:Author (field data 2014)**

Table 4.11 shows that 84% of the respondents feel that absenteeism affects job performance at UGL,while 16% felt that absenteeism has no influence on productivity.

#### **4.3.4 Ability to reduce level of absenteeism in Unga Limited**

##### **4.13 Level of absenteeism reduction**

<b>Level of absenteeism reduction</b>	<b>Percentage</b>	<b>Frequency</b>
<b>Excellent</b>	<b>12%</b>	<b>8</b>
<b>Good</b>	<b>60%</b>	<b>39</b>
<b>Fair</b>	<b>26%</b>	<b>16</b>
<b>Poor</b>	<b>2%</b>	<b>2</b>
<b>Total</b>	<b>100%</b>	<b>65</b>

**Source:Author (field data 2014)**

Table 4.12 depicts that 12% of the respondents rated level of absenteeism reduction as excellent, while 60% rated absenteeism reduction as good.26% rated absenteeism reduction as fair, while 2% rated it as poor.



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#### 4.4 Influence of skills on employee productivity

##### 4.4.1 Effect of job satisfaction

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**Table 4.14 Rates on the effect of job satisfaction on performance**

**Rates on effect of job Percentage Frequency**

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satisfaction

**High effect 40% 26**

**Moderate effect 52% 34**

**Low effect 8% 5**

**No effect 0% 0**

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**Total 100% 65**

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**Source: Author (field data 2014)**

Table 4.13 reflects the effect of job satisfaction on employee performance.40% indicated that job satisfaction had high effect on their performance,52% indicated that job satisfaction had moderate effect, while 8% indicated that job satisfaction had low effect on their performance.

##### 4.4.2 Effect of skills on quality service delivery

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**Table 4.15 Views on whether the skills lead to quality service delivery**

**Did the skills lead to quality service Percentage Frequency**

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delivery

<b>Yes</b>	<b>92%</b>	<b>60</b>
<b>No</b>	<b>8%</b>	<b>5</b>
<b>Total</b>	<b>100%</b>	<b>65</b>

**Source: Author (field data 2014)**

From the data, it is interpreted that 92% of the respondents, who are the majority, agree that skills leads to improvement in quality service delivery, while 8% who are the minority, feel that skills did not contribute to quality service delivery.

#### **4.4.3 Influence of skills on level of customer satisfaction**

**Table 4.16 Level of customer satisfaction**

<b>Level of customer satisfaction</b>	<b>Percentage</b>	<b>Frequency</b>
<b>High</b>	<b>70%</b>	<b>46</b>
<b>Very high</b>	<b>15%</b>	<b>10</b>
<b>Moderate</b>	<b>12%</b>	<b>7</b>
<b>Low</b>	<b>3%</b>	<b>2</b>
<b>Total</b>	<b>100%</b>	<b>65</b>

**Source: Author (field data 2014)**

Table 4.15 indicate the level of customer satisfaction in relation to employee performance.70% of the respondents indicated a high level of customer satisfaction.15%

indicated very high level of customer satisfaction,12% indicated moderate level of customer satisfaction, while 3% indicated a low level of customer satisfaction.

#### 4.4.4 Influence of skills on employee participation

<b>Table 4.17 Level of employee participation</b>		
<b>Level of employee participation</b>	<b>Percentage</b>	<b>Frequency</b>
<b>High</b>	<b>64%</b>	<b>42</b>
<b>Very high</b>	<b>16%</b>	<b>10</b>
<b>Moderate</b>	<b>15%</b>	<b>9</b>
<b>Low</b>	<b>5%</b>	<b>4</b>
<b>Total</b>	<b>100%</b>	<b>65</b>

**Source: Author (field data 2014)**

Table 4.16 reflects the views of respondents on employee participation.64% indicated a high level of employee participation,16% indicated a very high level of employee participation,15% indicates a moderate level of employee participation while 5% indicates a low level of employee participation.

## 4.5 Influence of capacity building on employee productivity

### 4.5.1 Capacity building creates commitment to innovation and system improvement

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**Table 4.18 commitment to innovation and system improvement**

**Commitment to innovation & system Percentage Frequency**

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**improvement**

**Strongly agree 40 26**

**Agree 48 31**

**Strongly disagree 5 3**

**Disagree 7 5**

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**Total 100% 65**

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**Source:Author (field data 2014)**

The analysis on table 4.17 shows that 40% of the respondents strongly agree that capacity building programmes given to employees improves overall productivity and creates absolute commitment to innovation and system improvement,48% agree,5% strongly disagree while 7% disagree. This indicates that capacity building improves overall productivity and creates absolute commitment to innovation and system improvement.

### 4.5.2 Capacity building are vital for effective and enhanced employee performance

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**Table 4.19 Enhanced and effective employee performance**

**Enhanced and effective employee performance percentage Frequency**

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<b>Strongly agree</b>	<b>59</b>	<b>38</b>
<b>Agree</b>	<b>34</b>	<b>22</b>
<b>Strongly disagree</b>	<b>3</b>	<b>2</b>
<b>disagree</b>	<b>4</b>	<b>3</b>
<b>Total</b>	<b>100%</b>	<b>65</b>

**Source:Author (field data 2014)**

Table 4.18 shows that 59% of the respondents strongly agree that capacity building is vital for effective and enhanced employee performance.34% agree,3% strongly agree, while 4% disagree. This indicates that capacity building is vital for enhanced and effective employee performance.

#### **4.5.3 Capacity building leads to increased staff morale and motivation of employees**

**Table 4.20 Increased staff morale and motivation of employees**

<b>Increased staff morale and motivation of employees</b>	<b>Percentage</b>	<b>Frequency</b>
<b>Yes</b>	<b>82</b>	<b>53</b>
<b>No</b>	<b>18</b>	<b>12</b>
<b>Total</b>	<b>100%</b>	<b>65</b>

**Source:Author (field data 2014)**

Table 4.19 indicate that 82% of the respondents indicated yes to the role of regular capacity building programmes in increasing staff morale and motivation of employees, while 18% indicated no. This indicates that regular capacity building increases staff morale and motivation of employees.

#### 4.5.4 Capacity building programmes kills obsolesce in employees

**Table 4.21 Capacity building aid in killing obsolesce**

<b>Capacity building aid in killing obsolesce</b>	<b>Percentage</b>	<b>Frequency</b>
<b>Yes</b>	<b>84</b>	<b>55</b>
<b>No</b>	<b>16</b>	<b>10</b>
<b>Total</b>	<b>100%</b>	<b>65</b>

**Source:Author (field data 2014)**

Table 4.20 indicates that 84% of respondents indicated yes to the influence of capacity building on employees in killing obsolesce, while 16% indicated no. This implies that capacity building of employees kill obsolesce.

#### 4.5.5 Capacity building leads to ability to use modern machine equipment

**Table 4.22 Ability to use modern equipment**

<b>Ability to use modern equipment</b>	<b>Percentage</b>	<b>Frequency</b>
<b>Strongly agree</b>	<b>15</b>	<b>10</b>

<b>Agree</b>	<b>48</b>	<b>31</b>
<b>Strongly disagree</b>	<b>6</b>	<b>4</b>
<b>Disagree</b>	<b>31</b>	<b>20</b>
<b>Total</b>	<b>100%</b>	<b>65</b>

**Source:Author (field data 2014)**

Table 4.21 indicates that 15% of the respondents strongly agree that for an employee to be able to use modern equipment, they need capacity building and training on how to use them.48% agree,6% strongly disagree while 31% disagree. This implies that for an employee to be able to use modern equipment there is need for capacity building.

#### **4.5.6 Lack of capacity building opportunities can frustrate employees and lower their performance**

**Table 4.23 Lack of capacity building frustrates employees**

<b>Lack of capacity building frustrates employees</b>	<b>Percentage</b>	<b>Frequency</b>
<b>Strongly agree</b>	<b>25</b>	<b>16</b>
<b>Agree</b>	<b>47</b>	<b>31</b>
<b>Strongly disagree</b>	<b>12</b>	<b>8</b>
<b>Disagree</b>	<b>16</b>	<b>10</b>

<b>Total</b>	<b>100%</b>	<b>65</b>
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**Source: Author (field data 2014)**

Table 4.22 indicate that 25% of respondents strongly agree that lack of capacity building opportunities can frustrate an employee and lower their performance.47% agree,12% strongly disagree and 16% disagree. This implies that lack of capacity building frustrates an employee and lowers their performance.

#### **4.6 Conclusion on influence of training on employee productivity**

The study sought to find out the influence of various variables of training on employee productivity in Unga Limited. The respondents were asked to rate on a four point scale ,the extent to which they agreed or disagreed with statements describing the effects on employee productivity with respect to knowledge,attitude,skills and capacity building. They were also asked to indicate yes or no to statements describing the influence of training on employee productivity. The ratings ranged from 1 (lowest) to 4 (highest).Responses to various statements under each training variable were collapsed and a mean score for each function computed. The results were presented together with the standard deviation as shown in the table below.

**Table 4.24 Ranking of training variables influence on employee productivity at Unga Limited as represented by mean and standard deviation**

<b>Variable</b>	<b>Mean</b>	<b>Standard deviation</b>	<b>Rating of variables effect on employee productivity</b>
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<b>Knowledge</b>	<b>4.18</b>	<b>0.80</b>	<b>1(highest influence)</b>
<b>Attitude</b>	<b>4.00</b>	<b>0.96</b>	<b>2</b>
<b>Skills</b>	<b>3.59</b>	<b>0.78</b>	<b>3</b>
<b>Capacity building</b>	<b>3.50</b>	<b>0.58</b>	<b>4</b>

**Source:Author ( field data 2014)**

Table 4.13 showed that skills gained was rated highest on average with a mean of 4.18 with responses deviating from this mean by a standard margin of 0.80. This was followed closely by field of training with a mean of 4.00 with standard deviation 0.96, training policy with mean of 3.59 and a standard deviation of 0.78, and training schemes with a mean of 3.50 and a standard deviation of 0.58. This ordering would be interpreted to mean that skills gained was considered the best factor to improved employee productivity. Training schemes was the lowest on the scale of influence on employee productivity, although it is still well above the midpoint.

The study also sought to find out which indicator had greatest influence on employee productivity. This was done using correlation test. The correlation test between the variables and employee productivity was tested using Pearson’s product moment correlation analysis. The results were presented as shown in table 4.14 below.

**4.25 Results of the correlation analysis for the relationship between variables of training and employee productivity in UL.**

<b>Indicators</b>	<b>r</b>	<b>Ranking based on correlation test</b>
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<b>Knowledge</b>	<b>0.4**</b>	<b>1</b>
<b>Attitude</b>	<b>0.2**</b>	<b>2</b>
<b>Skills</b>	<b>0.3**</b>	<b>3</b>
<b>Capacity building</b>	<b>0.3*</b>	<b>4</b>

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**\*\*significant at  $\alpha < 0.01$  \* significant at  $\alpha < 0.05$  n=81**

Pearson's moment correlation coefficient values reveal a strong positive and significant correlation between employee productivity and Knowledge ( $r=0.4, \alpha < 0.01$ ). Attitude and employee productivity ( $r=0.03, \alpha < 0.01$ ). Skills and employee productivity ( $r=0.02, \alpha < 0.01$ ), and Capacity building and employee productivity ( $r=0.03, \alpha < 0.05$ ) respectively.

From this analysis, all the variables were positively and significantly correlated to employee productivity.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATION**

#### **5.1 Introduction**

This chapter presents a summary of the findings, conclusions, recommendations and further studies based on the data analysis.

#### **5.2 Summary of findings**

This study was based on identifying the influence of training on employee productivity, and various variables were studied. Based on the findings, the following was concluded.

##### **5.2.1 Background information of respondents**

Based on the findings of this study, it was evident that the majority of the respondents were male, represented by 70%, while female were represented by 30%. Majority of the respondents fall under the age bracket of 31-40 years, represented by 40%. This was followed by 40+ years represented by 30%, 21-30 years represented by 20%, and 19-20 years represented by 10%. The study also depicted that majority of the respondents had attained college certificate, and this was represented by 50%. Those who hold post graduate degrees were represented by 10%, Undergraduate 30%, and others 10%.

##### **5.2.2 Influence of Knowledge on employee productivity**

Based on the findings of this study, it is very clear that skills gained from training were ranked first in terms of influence on employee productivity. Most respondents, indicated that knowledge had a great influence on their work performance, hence increased productivity.

### **5.2.3 Influence of attitude on employee productivity**

The study also indicated that attitude influences employee productivity in Unga Limited. Most respondent indicated that attitude moderately influenced the work performance of employees at UL, hence increased productivity. This is because of the reasons that there are many people with different employees, and an employee can influence others with their attitude, and also the work itself can develop attitudes among employees.

### **5.2.4 Influence of skills on employee productivity**

Skills at UL were ranked third as variables that influence employee performance. The respondents indicated that skills moderately affected employee productivity in Unga Limited. This is because various reasons, including, regular training of employees and the level of engagement of employees in activities that sharpen employees skills.

### **5.2.5 Capacity building on employee productivity**

Capacity building has the least influence on employee productivity in UL, according to the study. This is because other factors including resources available for regular capacity building programmes, and the planned and systematic procedure of training programs is not cleared stated in UL.

## **5.3 Conclusions on the findings**

In conclusion, training has a great influence on employee productivity in Unga Limited. Knowledge on work related activities had a great influence on employee productivity and general work performance. This study also concluded that attitude had a great influence on employee's productivity. This also involved helping the employees build a positive attitude towards work related activities. The study further depicted that skills moderately influenced employees' productivity. This involved sharpening of their skills and

providing them opportunities to identify their potentials. Lastly, capacity building was concluded to have the least influence on employee productivity. Thus, efforts should be made to increase allocation of finances towards implementation of capacity building programmes towards achievement of employee productivity.

#### **5.4 Recommendations**

Though individual organizations in Kenya can benefit from study's findings, practical implications resulting from this study are of a particular relevance to companies who wish to improve the level of employee productivity. Based on the results, it is evident that training enhances employee performance. Through the training of employees, the responsibilities and the roles they play inside the company are emphasized. There is a great effect not only performance, but also in the cost control and managing of the employees. The need for the improvement in the employees' skill is emphasized by various companies. The influences of the variables on employee productivity are described below.

##### **5.4.1 Knowledge and employee productivity**

The study found out that knowledge played a major role in increasing employee productivity in Unga Limited. The company should therefore aim at continuously improving the knowledge of the employees through training, and ensure that the training activities equip the employees with higher knowledge for performance.

##### **5.4.2 Attitude on employee productivity**

According to the study, attitude moderately played a role in increasing employee productivity in Unga Limited. The company should therefore identify the most

appropriate method of training that would be of relevance to employee productivity. Attitude should also provide opportunity for the employees to identify any potential for further development.

#### **5.4.3 Skills on employee productivity**

The study depicted that skills in Unga Limited played a fair role in employee productivity. The company should therefore revise its policies and come up with better policies that support proper criteria to use in selection of employees for training, and hence come up with a better training needs analysis tool. This will ensure employees receive required training and hence lead to effectiveness and efficiency of the employees through acquisition of skills on regular basis.

#### **5.4.4 Capacity building on employee productivity**

The study depicted that capacity building played the least role in employee productivity. The company should therefore come up with a scheme that is more accommodative and provides room for employee quality performance. This will ensure that all employees are trained more frequently, and also the company should come up with training programs that work to the benefit of the employees and the company, and engage employees in capacity building programmes more frequently.

#### **5.5 Contributions to body of knowledge**

The study had the following contribution to the body of knowledge.

## **Objectives**

## **Contributions**

To establish how knowledge influences on employee productivity in Unga Limited

This study found out that knowledge in Unga Limited contributed excellently to the employees' productivity. There should be continuous training opportunities for the employees to continuously increase their knowledge.

To determine how attitude influences on employee productivity in Unga Limited

The study also noted that attitude played a great role in improving employee productivity. It offered opportunities to identify potentials for further development.

To establish how the skills gained from training influences employee productivity

This study established that employees' productivity increased skills. Therefore; training sharpens their skills hence leading to quality employees.

To establish how capacity building influences employee productivity in Unga Limited

This study established that capacity building programmes played the least role in increasing employee productivity. The programmes are necessary to motivate employees.

## **5.6 Suggested areas for further research**

**5.6.1** Based on the analysis and findings of this study, a number of avenues for further research on influence of training on employee productivity should be conducted on other similar processing companies within the same region, and beyond. This will show whether the findings based on Unga Limited Eldoret have universal application, and hence can form a building block for theoretical explanation on influence of training on employee productivity.

**5.6.2** During data analysis on personal background of the respondents, the research found out that the numbers of male respondents were higher compared to the female respondents. This shows that majority of employees in processing companies are male, and there is a need to carry out a study to determine why the number of female employees in such companies are lower compared to their male counterparts.

## **5.7 Conclusion**

Training and development is a popular action that runs in the minds of employers and Human Resource Managers. Through intensive training, the development can contribute in the overall performance of the employee and the organization.



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