# EMPLOYEE PERCEPTIONS OF FACTORS AFFECTING PRODUCTIVITY AT THE AGA KHAN UNIVERSITY HOSPITAL, NAIROBI

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#### **DECLARATION**

This research project is my original work and has not been submitted to any other University for Examination purposes.

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This proposal has been submitted for presentation with my approval as the University Supervisor.

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# **DEDICATION**

I dedicate this project work to my beloved wife and friend Bornace. You have always believed in me, thank you for all the support you provided.

I also dedicate it to my dear father Arap Cheruiyot and the entire family for their encouragement, support and prayers.

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#### **ABBREVIATIONS**

AKU: Aga Khan University

AKUH: Aga Khan University Hospital

AKUH, N: Aga Khan University Hospital, Nairobi

AKF: Aga Khan Foundation

AKHS: Aga Khan Health Services

HRD: Human Resource Development

IT: Information Technology

#### ABSTRACT

The objective of the study was to determine the perceptions of factors that affect employee productivity at the Aga Khan University Hospital, Nairobi. The study sought to establish the extent to which categories of given factors namely corporate governance, communication Motivation, staff training and Employee knowledge, skills affected productivity. Aga Khan University Hospital, Nairobi is a private, not-for-profit institution that provides tertiary and secondary level health care services as well as teaching facilities. It is also a premier provider of ambulatory care and quality in patient services.

To achieve the aim of the study, the researcher adopted a descriptive survey design and data was collected from respondents by use of questionnaires. The questionnaires were self administered to the respondents who were selected employees of Aga Khan University Hospital, Nairobi. Once the pertinent data was collected, the researcher carried out analysis of the same using percentages and frequencies. Where appropriate, the study results were presented in tables and graphs.

The study established that the stated factors affected productivity. Majority of the employees agreed that the stated factors affected productivity to a great extent with motivation and staff training having a very great impact on productivity whereas communication and corporate governance were perceived as affecting productivity to a moderate extent. Also established were other factors not stated that affected productivity. This included Pay and Benefits, Promotion, Right tools & Implements and Culture.

It was noted that a mean score implying no extent at all or small extent was not obtained in any of the factors. It was therefore concluded that all the factors stated affected productivity to a great extent.

The study recommended management to take staff productivity seriously as this is a means by which managers and their staff can discuss key work issues in a systematic manner than other approaches. The study also recommended that a similar study may be conducted in public health organizations to establish factors affecting productivity in public hospitals.

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#### **CHAPTER ONE: INTRODUCTION**

# 1.1 Background of the Study

Most organizations over the world, both in the private as well as state corporations view employee productivity as the best parameter to establish the effectiveness and performance of their organizations. Happy employees are productive employees. This is easily attested by both employers as well as employees. Negative attitude on the other hand can torpedo employee productivity much faster than it takes to build an organizations' work culture. An employee with a positive attitude usually enjoys the work that they do and feels empowered and recognized for their contributions. An employee that is complacent and does not really enjoy their work, but is simply there for a paycheck usually does not produce at a high level, develops a bad attitude and generally drags a team down (Stringer, 2007).

An employee will be more productive when he can see where he fit in the big picture. An employee doesn't want to just be a cog in the machine. Employees need to have a handle on the whole operation, which may be a plus because they may show he can do more than his job. He needs to know the supervisor would listen to his suggestion and ideas. Even the best workers will be frustrated if the boss is overwhelmed and will slack off if the boss shows he can be taken advantage of. A dishonest or unreasonable employee will short-circuit productivity (Stringer, 2007).

Discontent can spread rapidly among an organization if some employees are negative or do not do their fair share. On the other hand, an enthusiastic work crew will make a even seemingly dead-end job pleasurable. If there is minimal turn-over in the crew, a worker is comfortable and assured of job security. It is evident, then, that productivity improvement is achieved by the good management practices. The use of factors like money, job security, and a comfortable workspace, for motivating employees is often overestimated, as they tend to only result in people not becoming less motivated, rather than leading to them becoming more motivated. They can sustain a current level of motivation but rarely increase it (Holzer, 2008).

#### 1.1.1 Employee Productivity

Productivity is "the output-input ratio within a time period with due consideration for quality" (Weihrich and Koontz, 1994:11). It implies effectiveness, that is, "the achievement of objectives" and efficiency, that is, "the achievement of the ends with the least amount of resources" in both cases, in individual and organizational forms of performance (Weihrich and Koontz, 1994:12). Employee productivity directly affects an organization's performance. When employees are productive they accomplish more in a given amount of time. In turn, their efficiency saves their company money in time and labor. When employees are unproductive, they take longer to complete projects, which cost employers more money due to the lost time (Drucker, 1990).

Employee productivity depends on the amount of time an individual is physically present at a job and also the degree to which he or she is "mentally present" or efficiently functioning while present at a job. Companies must address both of these issues in order to maintain high worker productivity, and this may occur through a variety of strategies that focus on employee satisfaction, health, and morale. Employee productivity is a particularly important issue to managers and supervisors as the primary purpose of their job is to get the most out of the people they are responsible for (Ron and Ronald, 2002).

Employee productivity may be difficult to measure but it has a direct bearing on an organizations' performance. Measurement of skills work is relatively easy, but it becomes more difficulty for knowledge work. The difference between the two kinds of work is the relative use of knowledge and skills. The quality of the knowledge workers' output is often difficult to measure vis a vis efficiency. When we say employee efficiency this means the employee characteristics and also relates to the speed and accuracy of an employee against the role, job and duties. Employee productivity underpins employee efficiency wherein the more efficient employees are the more productive they will be especially when managed correctly (Saksena, 1988).

# 1.1.2 Factors Affecting Employee Productivity

While the most obvious motivating factor for employee productivity is often thought to be based on salary and promotions, this may not always be the case (Nzuve, 1992). Liberda et al., (2003) reported a research effort to identify the relative importance of productivity factors categorized under the headings of labor, management, and external factors by interviewing 20 industry experts. Management factors, such as lack of detail planning, inadequate supervision, and lack of information, were found to account for half of the most critical factors.

Rojas and Aramvareekul, (2003) classified factors affecting labor productivity into four categories, including management systems and strategies (e.g., Scheduling), man power (e.g., experience and motivation), industry environment (e.g., adverse working conditions) and external conditions (e.g., scope changes). There was an indication that management systems and strategies had the greatest influence on labor productivity, followed by manpower, industry environment, and external conditions.

Managers want employees to work harder and get better results. Employees seem to want to get paid more for doing less. Wanyama and Mutsotso (2010) focused on capacity building and employee productivity in commercial banks and found that some of the problems like weak supervision and equipping employees with expertise, necessary skills and knowledge can be addressed through employee productivity to improve performance in the private sector. Banks in Kenya have experienced poor service delivery, organizational ineffectiveness, poor public relations, customer dissatisfactions, and some of these banking institutions have posted a decline in profitability.

# 1.1.3 The Concept of Employee Perception

While the concept of productivity is not new, the study of employee perception of the concept is still going on. Mullins (1996) defines perception as "the mental function of giving significance to stimuli". The process of perception explains the manner in which information from the environment is selected and organized to provide meaning for an individual. People see things in different ways bringing about different reactions to the same issue. The way the employees of Aga Khan University Hospital, Nairobi perceive productivity affects the importance that is attached to it.

Employees' perceptions of their capabilities, satisfaction, and length-of-service are correlated with customer satisfaction. Perception gaps are the differences between how employees perceive issues and the way management hopes they would perceive issues. There are many reasons employees do what they do but fundamental to everything they do is that they make decisions based on their personal perceptions. Their realities may not necessarily be the realities of the company's beliefs, principles, values, and vision and policies business ethics. Harvesting perceptions begins by asking employees how they perceive an issue not their opinion of an issue (Bowen and Ostroff, 2004).

Work environment provide a set of features, characteristic to human resources systems that send signals to employees allowing them to form shared perceptions about the attitudes and behaviors expected by management. This perspective is consistent with Ferri's et al., (1998) arguments that by forming employees' perceptions of specific attributes of the work environment, human resource systems can influence their attitudes and behaviors. Building on this view, Bowen and Ostroff(2004) positioned work environment as an important factor for employee productivity.

# 1.1.4 Aga Khan University Hospital, Nairobi

Established in 1958, Aga Khan University Hospital, Nairobi (AKUH, N) is a private, not-for-profit institution that provides tertiary and secondary level health care services. The institution is located in Nairobi's parklands area hosting both health care services as well as teaching facilities. AKUH, N is a premier provider of ambulatory care and quality in patient services, including critical care where most recently a Heart and Cancer Centre was launched.

The Hospital plans to strengthen existing partnerships with the Ministry of Health and other universities offering health education, with an aim to share experiences, strengthen public sector delivery systems and collaborate on teaching and research. Aga Khan University Hospital's vision is becoming a teaching and referral health care institution in East Africa and Sub-Saharan countries. "We see our medical programmes here in Nairobi as nodes in a broad, regional health care network, reaching from Arusha to Kampala, from Nyeri to Mtwara and from Kigali to Malindi. Our goal is an integrated, best practice regional health system – providing a continuum of services from preventive and primary care to tertiary hospital-based care," said the Aga Khan, speaking at the inauguration ceremony of the Heart and Cancer Centre.

Its mission is to provide compassionate, ethical, affordable and high quality care that meets the needs or expectations of patients, their families and others it serves. The hospital has a 600-bed tertiary care facility and the establishment of an Undergraduate Medical Education Programme, an Undergraduate Nursing Programme and a School of Allied Health Professionals. Aga Khan University Hospital is committed to continually improving quality management systems and to provide a work environment that fosters loyalty, teamwork, motivation and commitment among the staff. With the current regular staff population of 1150 employees, all groups of faculty and staff work through teams, collaborating groups, quality circles and task forces which have continuously helped the hospital in improving its standards (Indurkar, 2006).

#### 1.2 Statement of the Problem

Over the last decade, human resource concerns on employee productivity have continued to become very dynamic. New challenges have emerged increasing the importance of understanding employee productivity at workplace. Major issues in the forefront are motivation, performance appraisals, staff training, communication and governance. Professionals and academics have long asserted that the way in which an organization manages people can influence their productivity and its performance, in particular employee productivity (Delaney, 1996). Top level Managers are often reluctant to share information because they fear crossing their boss. Middle level managers feel that they do not get sufficient information from top managers who often do not provide vision and leadership for the enterprise. The bitterness and alienation of many lower level managers affect morale and productivity of employees (Knoontz and Weihrich, 2004).

Aga Khan University hospital faces a number of challenges in staffing, quality and cost. As the world becomes a global village, there is massive attrition in its trained manpower, particularly nurses, who are attracted to centres in the developed world; similarly, technicians are in short supply in the country as they succumb to similar attractions in the Middle East. Retaining faculty is also difficult (Khan, 2001). Thus, maintaining a well-qualified and well-trained group of individuals to perform regularly over an extended period of time is a major challenge. Health care is a service and providing this service imbued with all the ingredients of compassion, proper communication and teamwork is a definite challenge. The health providers, whether consultants, resident staff, nurses,

technical and support staff, have to work together as a team - bringing all these "knowledge workers" together to provide the best possible care (Khan, 2001).

Studies done in the area of employee productivity include a survey done by Mulwa (2010) on factors affecting staff turnover in world vision. He found out that many workers perceived their job as a prominent source of stress in their life but reduced workload, improved management and supervision, better pay, benefits and vacation times can reduce the stress among employees. Findings from other studies do reveal that the low productivity associated with regular employees could be raised if they are provided with some financial incentives (Tongo, 2005). Munyao (2002) found that while it is possible that employees enjoy working in successful organizations, effective human resources practices like employee satisfaction, motivation and rewards lead to positive productivity results. Other studies include Wachira (2010) who looked at factors affecting employee relations in Kenya power and lighting company limited.

However, while these studies have shown some of the factors that influence employee productivity; little or nothing is known about productivity in hospitals, especially The Aga Khan University Hospital, Nairobi. This study is therefore an attempt to explore employee perceptions of the factors affecting productivity at the Aga Khan University Hospital, Nairobi.

## 1.2 Objective of the Study

To establish employee perceptions of factors affecting productivity at the Aga Khan University Hospital, Nairobi.

# 1.3 Significance of the Study

The study will be important to the Board of Directors and Management to identify areas of weaknesses that need attention and foster sound industrial relations. It will also help the management to formulate appropriate business strategies and policies that will increase productivity of employees.

Employees of Aga Khan University Hospital, Nairobi will also benefit because the study will enable them appreciate their service in their organization. Finally, other Researchers who will want to carry out research in the same area or on related areas like operation of salary administration in private hospitals will also benefit from the study.

#### CHAPTER TWO: LITERATURE REVIEW

# 2.1 The concept of Perception

Human life pivots around perception, both in waking states and in dream states. If we did not possess perceptual ability, then it is questionable whether language could ever have been invented. For example, Western languages are subject-predicate languages, which means that they require a split between subject and object. This split depends upon the process of perception, which separates the observer from the observed. Languages incorporate values and beliefs. Hence perception is fundamental to the process of creating values and beliefs. Even the person who is born blind learns their values and beliefs from visually-sighted family members. Perceptions not only allow someone to perceive their environment, they also enable them to act in response to it (Barrick, 2002).

At the micro level, the importance of employee perceptions as a factor between human resources systems and employee productivity is indicated by the fact that psychological perceptions reflect the organizational customs, routines, practices, and employees' perceptions of the behaviors management expects, supports and rewards (Schneider et al., 1996). While organizational perceptions, aggregated from the perceptions shared by the members of organizational units, indicates what is collectively seen as important including what behaviors are expected and rewarded (Schneider et al., 1996). Professionals and academics have long asserted that the way in which an organization manages people can influence their productivity and its performance, in particular employee productivity (Delaney, 1996).

Productivity is primarily affected by the ability of managers to plan, schedule, and direct the work (Olson 1982). Regrettably, management ineffectiveness is widely perceived as a principal cause of poor productivity (Sanvido 1988). Consequently, there has been significant research on how to make management more effective in supporting surbodinates on a jobsite (Haas et al. 1999). As the major players executing the processes and activities in an organization, surbodinates have a significant influence on productivity (Maloney 1983). It is important to know what employees need and what affects their performance in order to accomplish productivity improvement (Oglesby et al. 1989). Unfortunately, employees' input and their perception of the issues that influence their daily productivity have rarely been sought, either because it takes time away from tasks that are to be done or because it is considered an infringement on management's right to control the work. However, employees are certainly in the ideal position to know where and how much of productivity is lost or gained at the work. A better understanding of the factors influencing labor productivity from the workforce's perspective can enable management teams to more effectively allocate their limited resources, provide workers with better support, increase workers' motivation, and enhance workers' commitment to productivity improvement (Oglesby et al. 1989).

# 2.2 Concept of Productivity

It is widely perceived that employee productivity in the developing countries has gradually declined since the 1960s. Studies completed in the 1980s reported that real output (value added) per work hour declined by an annual rate of 2.4 to 2.8% between 1968 and 1980 (Allen, 1985 and Stokes, 1981). More recent research using macroeconomic data found that productivity continued to decline into 1999 at an annual



Compound rate of -0.48% (Teicholtz, 2001). While these macroeconomic measures of construction productivity reveal steady declines, studies using microeconomic productivity data suggest otherwise. In a more recent study using microeconomic data, Goodrum et al., 2002 reported that productivity within 200 sampled activities improved by an annual compound rate of 1.2% from 1976 to 1998. Regardless of whether some micro measures of productivity indicate improvement and some macro measures indicate otherwise, the opportunity for improving productivity clearly exists.

In this age of mass-scale production, better and cheaper production is the aim of all prudent managements. Gone are the days of small-scale production manufacturing which were confined to the four walls of a house under the supervision of a family boss, who could easily instruct any member —worker of his family for any task. Our industrial unit has no longer remained a close-knit family unit as it used to be, with the result that directs intimate and face to face contact between the employees is almost non-existent. Organizations do not exist in a vacuum. Each organization is set in a particular environment to which it is inextricably linked. This environment provides multiple contexts that affect the organization and its performance, what it produces and how it operates (Nabli and Nugent, 1989). As we refine and extend the original framework for organizational assessment, the concept of enabling environment is key to understanding the forces that help shape the character and performance of employees in an organization (Scott, 1995).

In maximizing employee productivity there is the need to focus on areas of personal motivation and the infrastructure of the work environment, both of which form the factors that affect employee productivity. The organization's overall performance depends to a large degree on the productivity of individuals and groups within the organization; to attract, retain, and motivate highly productive workers and to be fair to all employees. An organization needs to reward employees on the basis of their relative productivity (Martocchio, 2006).

# 2.3 Factors affecting productivity

Productivity underpins employee efficiency wherein the more efficient employees are the more productive they will be especially when managed correctly. Employee productivity creates an environment that encourages effective performance and hence essential in management of human capital function. Employee productivity may be hard to measure, but it has a direct bearing on a company's profits. An employer fills his staff with productivity in mind and can get a handle on a worker's capabilities during the initial job interview. However, there are several factors on the job that help maximize what an employee does on the job. While employee compensation affects productivity, some factors may boost output without costing the company anything (Drucker, 1990).

Identifying the factors that impact productivity is not a new effort. There have been numerous efforts of identifying and classifying the factors that impact productivity, with a few attempting to identify the relative importance of the individual factors. A Department of Energy study surveyed workmen and their foremen on different energy facility projects in order to quantify the various problems that reduce productivity at the

jobsite (Borcherding and Garner, 1981). The major factors impacting labor productivity were ranked as: material availability; tool availability; work redone; overcrowded work area; inspection delays; foreman incompetence; crew interference; workers turnover and absenteeism; and foreman changes.

Even though different methodologies have been adopted to classify and identify the relative magnitude of the factors that have an impact on productivity, these studies have shown that the most significant factors could be influenced by management. However, few if any input from workers, an extremely important element in the work process, was obtained. Furthermore, a great number, if not all, of these factors can simultaneously exist on a jobsite, but practical resources do not exist for jobsite management teams to measure and eliminate all negative factors affecting workers' ability to be productive. Knowledge about which factors have the greatest impact should be useful for productivity improvement (Haas et al. 1999).

# 2.3.1 Corporate Governance

Leadership is a dynamic process, influenced by the changing requirements of the task, the group itself and the individual members. The implication of this is that there is 'one best way' of leading and leaders need to be able to exercise a range of behaviour to maintain their role effectively. Leadership is not necessarily confined to one person, but may be between members. Usually, an appointed leader (e.g. manager) is nominally in charge of a group, but he or she may not always be the leader in practice. Some leaders are mere figureheads, and Mintzberge (1973) specifically sees this function as a bona fide management role. The significant point is that whoever exercises influences is the leader.

The leader's principal role is to influence the group towards the achievement of group goals. In an official group, such as production team, goals are set mainly, if not exclusively, by senior management. In an informal (unofficial) group, composed of people who have got together as friends and workmates, group goals are much more likely to be agreed on a consensus basis. Either way, the leader's task is to get the group's commitments to these goals (Cole, 1997).

A contingency approach to leadership is likely to achieve the most productive balance between the needs of the team, the requirement of the task, the nature of the organization climate and the pressures exerted by the situation or context. A contingency approach is one where the leader adapts his behaviour to the needs of the situation. Clearly, such a view makes leadership somewhat problem in practice. How many people are capable of this kind of flexibility? The earliest studies of leadership focused on the personal qualities, or traits, of leaders. The thinking behind this approach was that the secret of leadership lies in some 'qualities of leadership' possessed by selected members of society. Indeed, since memorial the leading early exponents of 'management' such as Henri Fayol and Fredrick Taylor were themselves lively personalities as well as successful entrepreneurs, it is surprising that personal qualities were the focus of attention. It is true that personal qualities - or 'charisma' - can play a part in the exercise of leadership. Nevertheless so-called 'trait theories' of leadership produced such varied accounts of the key characteristics that (Handy, 1976) mentions that by 1950 over 100 studies into leadership qualities could only find common features in about 5% of the cases studied (Cole, 1997).

According to Douglas (1960), reflecting on leadership and motivation at work, took the available literature on organizations and examined contemporary managerial policy and practice. His conclusions were that there were two contrasting sets of assumptions about people underlying managerial attitudes and behaviour. He gave these two sets of assumptions the deliberately neutral of 'Theory X' and 'Theory Y' McGregor's achievement lay in drawing attention of two contrasting types of managerial attitude. The assumptions embodied in the approaches are explained below. Theory X assumptions are as follows: The average human being has an inherent dislike of work and will avoid it if he can. Therefore, people must be coerced, controlled, directed and threatened with punishment to get them to put in adequate effort. These are the assumptions of Scientific Management It might be said with some justification that the situation has not altered very much since then, given the numerous controls to which most employees, managers included, are subject (Douglas, 1960).

In contrasts to Theory X are the assumptions of Theory Y. These are that: The expenditure "of physical and mental effort at work is as natural as play or rest. The average person does not only respond to controls and threats, but exercises self-direction and self-control. Effort can produce intrinsic rewards for individuals. Under proper conditions people not only accept but actively seek responsibility. People are able to exercise imagination, ingenuity and creativity in the solution of organizational problems. Theory Y assumptions are those of the humanist-manager, who takes an optimistic view of people's attitudes and skills. These assumptions have much in common with Consideration and employee-centred approaches to leadership (Weihrich, 2004).

The so-called 'Contingency Theories' of leadership have broken away from the strait-jacket of one or two-dimensional models of leadership behaviour to explore a wider range of variables. The first theorist to use the leadership behaviour to use the expression 'contingency' was Fiedler (1967), whose important contribution to leadership theory will be summarized below. On the basis of his researches, Fiedler came to the conclusion that group performance was contingent upon (dependent upon) the leader adopting an appropriate style in the light of the relative favourableness of the situation. According to Fiedler, favourableness depended on three key variables: leader-member relations; the degree of structure in the task and the power and authority of the position. Fiedler found that these three variables could produce eight possible combinations of situations. The most favourable of these was when: there were good leader-member relations, the task was highly-structured, and the leader had strong position power. The least favourable situation was when: the leader was disliked, the task was relatively unstructured and the leader had little position power (Cole, 1997).

#### 2.3.2 Communication

The importance of keeping employees informed about general matters affecting their work-role is that it contributes to increased understanding of management's actions, reduced misunderstandings arising from day-to-day activities, and improved trust between employers and employees. Communication, however, is a two-way process – it needs to be made for upwards as well as for downwards communication. An exemplary employee relations policy on communication could be as follows: The Company acknowledges the supreme importance of formal communication channels in the organization, and will ensure that adequate mechanisms exist to stimulate and channel the

exchange of information, suggestions, feelings and opinions between management and employees (Cole, 1997).

In most large organizations the lines of communication are vertical, linked closely to the management hierarchy. The emphasis in these situations is on downward communication by managers and upwards communication by representative groups. Typically both the flow and the weight of communication is biased in favour of the management of the organization. In small organizations, where relationships are as likely to be lateral as they are vertical, communication flows tend to follow the needs of colleagues rather than lines of authority. These are what Burns & Stalker (1961) called organic organizations in contrast to 'mechanistic' organizations which emphasize hierarchy. Whether communication channels are vertical, horizontal or both, decisions must be made about the methods of communication to be used (Cole, 1997).

Within an organization, many communication signals will be sent through formally designated channels. Traditional management is noted for insisting that channels be followed in order that work can be co-ordinated and unity of command preserved. Behaviourists, such as McGregor and Argyris, would recommend less structuring in communication. All personnel are deemed to be capable and responsible and greater participation in management decision making should be sought. On the other hand management must establish downward channels through which information and command can flow. Among the downward channels would be the following, the chain of command and posters and bulletin boards, company periodicals, letters to employees,

employee hand books, information racks, a loudspeaker system, pay inserts, the grapevine, annual reports, group meetings and the labour union. Use of these downward channels is highly attractive to managers, but exclusive and excessive use can be potentially damaging to effective communication (Bogonko, 1997).

An organization may consist of management, employees, premises, equipment, materials, etc. but would not come to life unless communications effectively link all these parts together and co-ordinate their activities. The decisions of management must be made known to employees, and some kind of control system arranged to ensure this decisions are acted on; the decisions themselves should be based on the flow of information reaching the management from all parts of the organization. Communications in a large, complex organization with many departments and locations are obviously more difficult than those in a small single organization; in a large company errors and inefficiency can easily occur because an individual or department has not informed another of its actions, or has not been informed (Saleemi, 1997).

Both vertical and horizontal communication systems sometimes experience obstacles that prevent information from flowing smoothly around the organization. Examples of such barriers are: Distortion of messages as they are passed from one person to another through long channels of communication; communication overloads occurring when individuals receive so much information that most of it is disregarded; transmitting messages that are not suitable for audience for which they are intended (e.g. sending complex, closely argued memoranda containing long words and sentences to people who

possess only a low level of literacy); using vague, meaningless words and sentences that fail to convey the meaning of a message effectively; inability to listen. Communication involves receiving as well as issuing information. Some managers are good talkers but poor listeners, hearing only what they want to hear and disregarding any critical comment (Gupta 1997)

Change cannot be managed properly without an understanding of the feelings of those affected by it, and an efficient system of communication needs to understand and influence these feelings. But the extent, to which good communications create satisfying relationships rather than simply reducing unsatisfactory ones, can be exaggerated. Among these has been the good communication theory of management. This approach to dealing with management problems is based upon the following assumptions. The needs and aims of both employees and management are in the long run, the same in any organization. Managers and employees ideas and objectives can all be fitted together to form a single conceptual framework. Any differences in opinion between management and employees are due to misunderstandings which have arisen because communications are not good enough (Nzuve, 1997).

The solution to industrial strife is to improve communication. The good communication theory, like parternalism, seems to imply that a company can develop loyalty by keeping people informed and treating them well. The existence of different loyalties and points of view in an organization does not mean that communication is unimportant. If anything the need the need for a good communication system becomes even greater when

differences and conflict exists. However, although there may be limitations on the extent to which communication strategies can enhance mutuality and commitment, there is no doubt that it's essential for management to keep people informed on matters that affect them and to provide channels for them to express their views (Armstrong, 2001).

### 2.3.3 Training

Training is the formal and systematic modification of behaviour through learning which occurs as a result of education, instruction, development and planned experience. The fundamental aim of training is to help the organization achieve it's purpose by adding value to it's key resource – the people it employs. Training means investing in people to enable them to perform better and to empower them to make the best use of their natural abilities. The particular objective of training is to develop the skills and competence of employees and improve their performance. Training helps people to grow within the organization in order that as far as possible, its future needs for human resources can be met from within and lastly training reduces the learning time for employees starting in new jobs on appointments, transfer or promotion, and ensure that they become fully competent as quickly and economically as possible (Armstrong, 2001).

Prior to 1989 there existed in many industries Training Boards that were legally empowered to maintain list of all the employers in those industries and to impose training levies on firms. Monies received from levies were then used for employee training in the relevant industry. Appeals by employers against being included in a levied 'industry' were heard by industrial tribunal. The philosophy behind Training Boards was that since firms can poach trained labour from each other, there is little incentive for the individual

business to devote recourses to training. Yet trained labour is essential for an industry to survive. Thus every firm in the industry should contribute to the aggregate cost of training its labour; contribution being proportional to the number of workers each company employees (Saleemi, 1997).

Many training programmes are unnecessarily lengthy, and can therefore be wasteful unless plans are made well in advance. A sudden need for skilled engineering crafts workers will not be met by increasing the number of apprentices entering a four-year scheme; On the other hand it is possible for a company to have jobs only for small proportion of its apprentices when they complete their training because it is reducing or giving up some of its manufacturing activities. The assessment of long-term training needs, usually carried out for a whole company, is therefore part of human resources planning. By estimating the expansion or contraction of the labour force, what categories will be affected, the probable number leaving the company and the present utilization of employees, it is possible to determine the kind of training will be required in the future, when it should begin and how the many present or new employees need to be trained. If financial or material resources are limited the analysis may also help to decide which training activities to give priority (Cole, 1997).

Under favourable circumstances, training has the important dual function of utilization and motivation. By improving employee ability to perform the tasks required by the company, training allows better use to be made of human resources; by giving employees a feeling of mastery over their work and of recognition by management their job

satisfaction is increased. When circumstances are unfavourable, these result may not be obtained, for example when the trainee sees no purpose in the training, when it is regarded as a punishment or a sign of displeasure or when the training seems irrelevant to the trainee's needs. In detail, the gains which it is hoped training will bring are: Greater productivity and quality, less scrap or spoiled work, greater versatility and adaptability to new methods, less need for close supervision, fewer accidents and greater job satisfaction showing itself in lower labour turnover and less absence (Cole, 1997).

Sometimes training is a routine, for example all new employees in certain jobs automatically go through a training course. More often training is given as a response to some event, for example: The installation of new equipment or techniques which require new or improved skills, a changed in work methods, a change in product, which may necessitate training not only in production methods but also in the marketing functions of the company, a realization that performance is inadequate, labour shortage, necessitating the upgrading of some employees, a desire to reduce the amount of scrap and to improve quality, an increase in the number of accidents and promotion or transfer of individual employees. Training which is routine and traditional sometimes becomes out of date, irrelevant or inadequate. A review may show that the purposes, methods and standards of the training should be changed (Gupta, 2005).

# 2.3.4 Performance Appraisal

It is human nature for people to build hopes or to have expectations. This is the same in work situations, whereby employees build hopes, have expectations and want to know how they are doing in their jobs. Employee performance appraisal is an evaluation of an

employee's work performance over a given period of time. It is a formalized review of the way in which an employee has been performing on the job. This exercise is usually conducted on regular basis – six months to one year. But this period will vary depending on the purpose, for example a newly employed person may be on probation for any period of time, from one month up to two years. In this case management must determine when to conduct a performance appraisal so that they can decide whether to confirm, extend the probationary period or terminate the employment (Nzuve, 1997).

The basic purpose of employee performance appraisal is to evaluate as comprehensive and objectively as possible, with the help of full knowledge and understanding of the job content of the employee's performance in that job. Evaluating employee performance can provide management with information necessary for the success of the organization. The evaluation can reveal strengths and weaknesses of the personnel and indicate areas in which training, transfers, or recruitment is needed. The appraisal can also provide feedback about the effectiveness of supervision. A good employee performance appraisal should have as objectives the following:- Identify good performance so that they can be rewarded whenever possible; identify employees who have potential for growth/future development' identify poor performance so that they can be trained, retrained, advised, transferred, or if necessary dismissed; assist in future recruitment, selection and placement exercise; assist in developing employment selection standards; help both management and employees to know what is expected of each other; eliminate misunderstanding that may exist in the mind of the employee and provide management

with data which they may use to determine future job assignments and compensation (Gupta, 2005).

Besides the above objectives, an appraisal can also assist the supervisor or manager in influencing and directing the performance of employees. The evaluation is equally important to those who are evaluating as well as those being evaluated. To the evaluators, it provides them with goal setting while to those being evaluated, it provides them with a performance target for their behaviour by indicating exactly what aspects if theirs behaviour are important enough for management to measure. This can influence the amount of effort employees put into their performance once it is made clear that effort increases performance and ultimately rewards (Flippo, 2003).

Merit review, usually found in medium and large companies in the private sector. After job evaluation, a salary range is attached to every staff job. Employees are appraised and given personal merit increase each year which will move their salaries at varying speeds through the range. In this way individuals effort and merit are awarded. However, a large amount of administrative work might be needed to assess the merit increases of the employees in the organization, and if this task is delegated to the heads of department substantial discrepancies in the amounts awarded to equally individuals might emerge. Also, if very many employees simultaneously receive high merit increases the organization is presented with a large unexpected salary bill. It is customary for salaries under this system to be kept confidential; in most cases the employees do not know the maximum salary it is possible to earn in their jobs (Flippo, 2003).

#### 2.3.5 Motivation

Herzberg's proposition that money is a hygiene factor rather than a motivator has aroused much controversy. Arguments in favour of money being the dominant motivator are listed below: High wages provide access to physical goods, services and lifestyles greatly valued by the majority of employees. High incomes indicate occupational competence and are a mark of success. This itself constitutes an important motivating factor. Money can simultaneously satisfy many needs. Thus for example, it could be used to purchase expensive luxury goods that meet esteem needs, or to finance a personal hobby thereby helping satisfy a need for self-actualization. People may say they do not value monetary rewards per se, but they still want the things that can be purchased with money. Comparison of person's wage with the wages of others enables the individual to relate his or her job to others within the organization and within industry generally (Handy, 1976).

The arguments against wages being a primary motivator are: Workers may fear that the high performance target attached to large pay packets have been met, these targets will regarded by the management as the norm so that no further pay increases can then be expected. Accordingly, employees might prefer a less intensive pace of work, albeit on lower incomes. The definition of 'good pay' is itself objective. A certain level of wage might be seen as excellent by one person, but as paltry by another. Workers might assume that an offer of higher pay implies job losses among the labour force, including perhaps their own jobs. Employees often wish to assert their independence from management and may do this through the formation of tightly-knit and socially coherent work groups which influence workers' behaviour more forcefully than the prospect of

higher wages. Whether it is primary motivator or not, money is a convenient way of measuring the worth of a job and of indicating the standards expected of the worker (Flippo, 1984).

Workers' participation in management aims at increasing productivity of labour by improving cooperation between employer and employees. As a result, a better understanding and mutual trust can be created between employer and workers. Cooperation between management and labour helps to increase production and profits of industry. Through participation workers learn the problems of the industry and better understand their role. Participation improves employee's motivation and job satisfaction which intern help to increase their efficiency. Higher productivity leads to lower cost per unit and greater profits which are beneficial to all. Workers participation in management helps to reduce industrial disputes and to improve workers loyalty; continuous dialogue between management and workers improves peace in industry. Industrial democracy -Participation of workers in management ushers the industrial democracy which is necessary for political democracy. Need for outside intervention between employer and employees is eliminated and workers are freed from exploitation (Martinez and Martineau, 1998).

Opportunity to use and develop human capacities - The job should contain sufficient variety of tasks to improve challenge and to ensure the utilization of talents. Today work has become repetitive and mechanical so that the worker has little control on it. Quality of work life can be improved if the job allows sufficient autonomy and control provides

timely feedback on performance and uses a wide range of skills. Effective strategies: executive burnout results in human wastage and is likely to lead to organizational burnout. Organizations need to pay attention to this problem. The Human Resource Development (HRD) system, being adopted by many organizations partly help in dealing with executive burnout. Several HRD elements are helpful: the goal setting process self assessment and performance analysis, performance counseling, reward system, training and career planning, Instrumented feedback (Increasing self-awareness of employees through feedback on some psychological instruments and helping them to develop new orientations and strategies), process group work like encounter groups or T-groups, and transactional analysis have been found useful, Gupta (2005).

The continuing ability to recruit, retain and motivate staff is vital to employee resourcing. Salary levels (and wages, too) need to be comparable with competitors. Benefits, in particular, should be carefully examined as they are usually more visible than pay, and can develop into major irritants if their application is seen to be unfair by those concerned. Company cars, executive dining rooms, extra holidays and the like may be as much a source of resentment to the many as they can be of satisfaction to the few, and organizations need to be aware of the impact on non-participating groups of such obviously selective benefits. Generally speaking, it is status-related and work related benefits which most need diplomatic handling by employers. It is no surprise that Japanese companies with their eye on harmonious employee relations have avoided potential conflicts in this area by providing single-status schemes for their employees, (Martinez and Martineau 1998).

Employment remuneration is not just about pay, i.e. wages and salaries. It is also concerned with non-pay benefits, or 'benefits-in-kind'. These non-pay benefits are usually known as 'employee benefits'. And sometimes as 'fringe' benefits of 'perks'. On balance, the former refer to the more important benefits, such as pensions, and include those which are widely applied in the organization. The latter refer either to less significant benefits, such as private health insurance, or to benefits provided primarily as a privilege. In this chapter the term 'employee benefits' is used broadly to denote all non-pay items. Originally, employee benefits were only made available to 'staff', i.e. salaried employees. Manual workers were excluded. Nowadays the trend is towards harmonizing conditions of employment in respect to benefits – so called 'single-status' arrangements. Hence, although certain benefits are still applied on a differential basis, they are at least made available to all employees and not just for staff, (Cole 1997).

## 2.3.6 Employee knowledge, skills and attitude

Genebra (2003), in a study of nurses in the public and private hospitals in South Africa, found out through interviews, that the nurses in the public sector often mentioned the option of leaving the increasingly overburdened public sector for the better pay and working conditions of those in the private sector. Comments from focus groups indicated that staff attitudes were a key difference between the private and public hospitals, impacting both on the way that patients were treated and how the facility was presented and maintained. Factors underlying the differences in morale and motivation of primary care nurses working in the private hospitals versus their public sector counterparts need to be understood. In concluding the reports of the study, Genebra (2003) noted that

employee morale and attitude was a major determinant of productivity in the health sector.

The attitudes, feelings and emotions of employees 'play a vital role in determining their performance and behavior. These in turn determine the success and growth of the organization. It is for this reason that personnel experts as well as line managers are now paying increasing attention to the problems of motivation and morale in industry. Performance appraisal can clarify the links between employee performance and organization rewards. Most of the time an employee who receives a promotion or pay raise has a vague idea of what aspects of the performance have earned it. Due to lack of clears measures of performance, organizational rewards may be attributed to error, luck, favouritism, sympathy or aspects of performance other than those desired by the organization (Weihrich, 2004).

Light (2006) suggested that empowerment of employees directly correlates to increased employee satisfaction. From giving employees the authority to make basic work decisions to trusting employees with corporate expenditures, empowerment, according to Light, directly contributed to employees' desires to continue working for the company and to see the company succeed. Regardless of an employee's capabilities or existing skill set, according to Light (2006) most managers and employees agree that personal and professional development opportunities contribute to increased employee satisfaction.

#### CHAPTER THREE: RESEARCH METHODOLOGY

#### 3.1 Research Design

The study was based on employees' subjective assessments aimed at determining the perceptions of factors affecting productivity, as such; a descriptive survey design was the most appropriate for investigating the factors under study. A descriptive survey had an advantage in that it gave an in-depth investigation on the employees' perceptions of the factors affecting productivity at the Aga Khan University Hospital, Nairobi. The method was also used since it allows for the much needed flexibility required to obtain useful data for analysis and interpretation

#### 3.2 Population of the study

The population of the study included all the regular 1150 employees of Aga Khan University Hospital, Nairobi comprising of senior managers, middle managers and subordinates as per the Aga Khan University Hospital Strategic Plan (2005 – 2010).

#### 3.3 Sample Design

The study used a stratified sampling design, where employees of Aga Khan University Hospital, Nairobi were categorized with respect to subordinates, middle managers and senior managers. This was because the target population was large and there was no sample frame. This ensured that each and every unit in the population had an equal chance of being included in the study hence increasing the reliability of estimates.

Table 3.1 – Sample Size

Categories	Target Population	Sample size	
		(10% of Popn.)	
Senior Managers	50	5	
Middle Managers	100	10	
Subordinates	1000	100	
Total	1150	115	

From table 3.1, five (5) senior managers, ten (10) middle managers and one hundred (100) employees were randomly selected to form a sample size of 115. This represented 10% of the entire population.

#### 3.4 Data Collection

The study used a semi - structured questionnaire (Appendix II) served on respondents as the instrument from primary data collection. The process entailed completion of the Questionnaires administered to the 115 sample of employees at The Aga Khan University Hospital, Nairobi. The questionnaire used consisted of two sections, A and B. Section A had general information about the respondent while section B had specific information on perceptions of factors affecting productivity as follows: - Corporate Governance, Communication, Staff Training, Performance appraisal, Motivation and Employee Attitude, knowledge and skills.

The questionnaires were dropped and picked at a later date.

#### 3.5 Data Analysis

Before analysis, the data collected was checked for completeness and consistency.

The collected data was then analyzed by use of descriptive statistics, which included frequencies, percentages and measures of central tendency such as means. Data analysis also involved the use of content and factor analysis. The analyzed data was then presented using tables, bar graphs and pie charts.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND

**DISCUSSIONS** 

4.1 Introduction

The research objective was to establish employee perceptions of factors affecting

productivity at the Aga Khan University Hospital, Nairobi. This chapter presents the

analysis and findings with regard to the objective and discussion of the same. The

findings are presented in percentages and frequency distributions, mean and standard

deviations.

**Response Rate** 

A total of 115 questionnaires, representing the sample size, were randomly administered

to selected respondents. The respondents were given a time frame of about two weeks to

enable them respond. Follow up calls were made during the period. However, of the 115

questionnaires issued out, 81 were returned. This represented a response rate of 70.43%.

Two questionnaires were eliminated because of excessive amounts of missing

information and were therefore invalid for analysis.

4.2 Demographic profile of the respondents

Section one of the questionnaire sought information on basic personal profile of the

respondents. Data on gender, marital status, age, position of employment, period of

employment and level of education were analysed to determine the general classification

of respondents. The results of the analysis and detailed explanations are given below.

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## 4.2.1 Gender of the Respondents

This item was intended to capture the number of male and female respondents interviewed. Respondents were asked to indicate their gender by ticking appropriately whether male or female and the results are presented in table 4.1 below:

Table 4.1: Gender of the Respondents

	Frequency	Valid Percent	Cumulative Percent
Male	40	50.63	50.63
Female	39	49.37	100.0
Total	<b>7</b> 9	100.0	
	·		

Results in table 4.1 above shows that 50.63% of the respondents were male while 49.37% were female. Although the majority of respondents were male, the difference of 1.26% is insignificant. Further analyses on the gender show that most subordinates are female while in the management level, male are the majority. Despite this difference, each category of respondents has both genders indicating that there is no discrimination on gender disparities. It can therefore be concluded that the respondents were equally distributed in terms of gender.



#### 4.2.2 Respondents' Marital Status

This item was intended to capture the general marital status of the respondents. The respondents were asked to indicate their marital status by ticking appropriately whether they are single, married, widowed or divorced. Data was analysed using percentages and results summarized in table 4.2 below:

Table 4.2: Marital Status of the respondents

y.	Frequency	Valid Percent	Cumulative Percent
Single	18	22.8	22.8
Married	47	59.5	82.3
Divorced	3	3.8	86.1
Widowed	11	13.9	100
Total	79	100.0	

Findings in table 4.2 above shows that 59.5% of the respondents are married, 22.8% are single, 13.9% are widowed and only 3.8% are divorced. The difference of 36.7% between those who are married and the other nearest category of those who are single is quite high. Further results show that all senior managers are married (100%), 29% of middle managers are single, 57% are married and 14% are widowed. 23% of subordinate are single, 58% are married, 5% are divorced while 14% are widowed. This indicates that most of the respondents who are senior managers and subordinate are married people indicating maturity and responsibility among the respondents. It can therefore be

concluded that majority of employees of AKUH, N are married and marital status has a significant effect on employee productivity.

#### 4.2.3 Respondents' Age

Respondents were asked to indicate their age brackets by ticking appropriately whether they are aged below 30 years, between 31 to 40 years, between 40 to 50 years or above 50 years. Data was analysed using percentages and results summarized in table 4.3 below:

Table 4.3: Age brackets of Respondents

	Frequency		Cumulative Percent
Below 30 years	37	46.8	46.8
31 to 40 years	28	35.4	82.2
41 to 50 years Above 50 years	11 3	13.9 3.8	96.1 99.9
Total	79	100.0	

Research findings in table 4.3 above show that majority of the respondents were those aged below 30 years making up 46.8% followed by between 31 to 40 years at 35.4% and between 41 to 50 years at 13.9%. Respondents aged above 50 years old were the least at 3.8%. This indicates that majority of the respondents are in their most active age bracket and could therefore easily be found at the university hospital performing their daily chores. It can therefore be concluded that majority of AKUH,N employees are young and aged below 30 years. This could be attributed to the fact that most of these employees are

nurse graduates who the university hospital employs directly from various medical colleges across the country.

#### 4.2.4 Respondents' Position of Employment

The respondents were asked to state by ticking the level which best described the position they held at AKUH, N. They were asked to indicate whether they were senior managers, middle managers or subordinates and the results are presented in table 4.4 below:

Table 4.4: Respondents' Position of Employment

	Frequency	Valid Percent	Cumulative Percent
Senior Managers	4	5.1	5.1
Middle Managers	6	7.6	12.7
Subordinates	69	87.3	100
Total	79	100.0	

From the results in table 4.4 above shows that majority of the respondents are subordinates at 87.3%. Both middle and senior managers are quite few with percentages of 7.6% and 5.1% respectively. This could be attributed to the organizational structure of AKUH, N and a conclusion drawn that AKUH, N has a very flat organizational structure.

## 4.5 Respondents' Duration of Employment with AKUH, N

This item was intended to capture the respondents' work duration with the university hospital. Respondents were asked to tick appropriately whether they had worked at the

university hospital for less than 2 years, between 2 to 5 years, between 6 to 10 years or for more than 10 years. Data was analysed using percentages and findings presented in table 4.5 below:

Table 4.5: Respondents' Duration of Employment

	Frequency	l	Cumulative Percent
Below 2 years	19	24.6	24.6
2 to 5 years	26	33.2	57.8
6 to 10 years	27	33.9	91.7
Above 10 years	7	8.3	100.0
Total	79	100.0	

Results in table 4.5 above shows that a cumulative 57.8% of the respondents have worked in the hospital for less than 5 years, 33.2% have worked for between 6 to 10 years while 8.3% have worked for more than 10 years. Thus majority of AKUH, N employees have worked in the hospital for less than 5 years. Most employees are young and have not worked for long in the hospital. As they continue to work in the hospital, a number of them get transferred to other Aga Khan University Hospitals around the world through internship, attachment, job rotation and exchange programs regularly carried out at Aga Khan University Hospital. This could be the reason why a very small percentage of employees has worked for more than 10 years. There is therefore a direct relationship between employees' age, period of employment with the university hospital and the job grade.

## 4.3.6 Respondents' Level of Education

This item was important to capture the general educational background of respondents.

They were asked to indicate their highest level of education by ticking appropriately

whether their highest level is Secondary school, certificate, diploma, Bachelors or masters. Data was analysed using percentages and results presented in table 4.6 below:

Table 4.6: Respondents' Level of Education

	Frequency	Valid Percent	Cumulative Percent
Secondary School	8	10.1	10.1
Certificate	13	16.5	26.6
Diploma	35	44.3	70.9
Bachelors	19	24.1	95.0
Masters	4	5.1	100.1
Total	79	100.0	

Findings in table 4.6 above shows that 44.3% were diploma holders, 24.1% had attained a first degree, 5.1% were holders of masters degree, 16.5% were certificate holders while 10.1% were secondary school graduates. Further analysis show that both senior managers and middle managers have attained a minimum of Bachelors degree level with a 100% response. It can therefore be concluded that majority of surbodinate respondents at 44.3% were diploma holders majority being graduates from medical colleges and that managers at must be holders of a minimum of a bachelors degree. The fact that most of the staff are literate means that the level of awareness was quite high.

## 4.3 Employee Perceptions of factors affecting productivity

Respondents were asked to indicate (by ticking appropriately) the extent to which they perceive the listed factors as influencing productivity at the AKUH, N.

A Likert scale of 1-5 (where 5=Very Great Extent and 1 – Not at all), was used to determine the extent to which the various factors affected productivity at the AKUH, N. The mean scores were rated in the following manner: less than 1.5 (M<1.5) =No extent at all, 1.5 - 2.5 = to a small extent, 2.5 - 3.5 = to a moderate extent, 3.5 - 4.5 = a great extent and greater than 4.5 (M>4.5) = a very great extent. A standard deviation of less than 1.5 (<1.5) means there were no significant variations and vice versa.

#### 4.3.1 Perceptions on Corporate Governance

The respondents were asked to indicate the extent to which corporate governance affected their productivity. Specific perceptions on corporate governance were used to collect the data. Data was analysed using mean scores and standard deviations and findings summarized in table 4.7 below:

**Table 4.7: Perceptions on Corporate Governance** 

Perceptions Corporate Governance	Mean	Standard	
		deviation	
Vision and mission communicated clearly and directly to all	4.18	0.72	
Regular meetings with senior managers	3.12	0.61	
Good leader - member relationship exist	3.61	0.58	
Managers and subordinates jointly establish and clarify objectives	3.39	0.89	
Average mean score/standard deviation	3.56	0.70	

From the findings, as shown in table 4.7 above, the study found out that most respondents agreed that communication of vision and mission clearly and directly to all affected productivity to a great extent with a mean of 4.18. Also affecting productivity to a great extent was the existence of good leader – member relationship with a mean score of 3.61. The respondents also agreed that the perceptions where managers and subordinates jointly establish and clarify objectives as well presence of regular meetings with senior managers affected productivity to a moderate extent with mean scores of 3.39 and 3.12 respectively. The standard deviations for all the perceptions were relatively low indicating that most of the respondents did not have significant variance on the answers they gave.

Corporate governance was therefore perceived as affecting productivity to a great extent with an overall mean of 3.56. However, the view that vision and mission should be communicated clearly was ranked highest affecting productivity to a great extent whereas a regular meeting with management was lowest with moderate effect on productivity.

With insignificant variations from the mean, it can therefore be concluded that corporate governance affect productivity to a great extent at the AKUH, N.

## 4.3.2 Perceptions on Communication

The respondents were asked to indicate the extent to which communication affected their productivity. Specific perceptions on communication were used to collect the data. Data was analysed using mean scores and standard deviations and findings summarized in table 4.8 below:

Table 4.8: Perceptions on communication

Perceptions on communication	Mean	Standar	
		deviatio	
Communication systems set up to enhance feedback on productivity.	3.29	0.72	
Communication signals sent through formally designated channels.	3.41	0.61	
Management decisions must be known to employees.	3.78	0.64	
Average mean score/standard deviation	3.49	0.65	

The findings as shown in table 4.8 above, reveal that most of the respondents agreed that management decisions being known to employees affected productivity to a great extent with a mean score of 3.78. Whereas the fact that communication systems were set up to enhance feedback and communication signals sent through a formal channel affected productivity to a moderate extent with mean scores of 3.29 and 3.41 respectively. There were no significant variations according to the respondents' view on communication Although the perception that managent decisions must be known to employees was ranked highest with a mean of 3.78, the overall mean score for communication was 3.49 and very minimal variations implying that majority of the respondents felt that communication affected productivity to a moderate extent.

#### 4.3.3 Perceptions on Staff Training

The respondents were asked to indicate by ticking the extent to which staff training affected employee productivity. Specific perceptions on staff training were used to collect the data which was analysed using mean scores and standard deviations and findings summarized in table 4.9 below:

Table 4.9: Perceptions on staff training

Perceptions on staff training	Mean	Standar
		deviatio
Training affects employee productivity.	4.96	0.18
Training invests in people to enable them be more productive.	4.93	0.13
Training has the dual function of employee utilization and motivation.	4.53	0.19
Training provided to all employees on all aspects of productivity.	4.73	0.12
Employee morale and motivation can be improved through training.	4.13	0.12
Average mean score/standard deviation	4.67	0.15

From the results as shown in table 4.9 above, respondents felt that the perceptions that training affects employee productivity with a mean of 4.96, training invests in people to be more productive with a mean of 4.93, training has the dual function employee utilization and motivation with a mean of 4.53 and training provided on all aspects of employee productivity with a mean of 4.73 affected productivity to a very great extent. Perception that morale and motivation can be improved through training with a mean score of 4.13 was viewed as affecting productivity to a great extent.

Although the perception that employee morale and motivation can be improved through training was ranked lowest with a mean 4.13, the overall means score for staff training was 4.67. Since the standard deviation is less than 1.5 and close to zero, it implies that that there is no significant variation on the perceptions of staff training on productivity. Therefore all employees at AKUH, N agree that staff training affects productivity to a very great extent.

#### 4.3.4 Perceptions on Performance Appraisal

The respondents were asked to indicate by ticking the extent to which Performance Appraisal affects employee productivity. Specific perceptions on Performance Appraisal were used to collect the data which was analysed using mean scores and standard deviations and findings summarized in table 4.10 below.

Table 4.10: Perceptions on Performance Appraisal

Perceptions on Performance Appraisal	Mean	Standar	
-		deviatio	
Performance appraisal affects employee productivity.	3.46	0.92	
Other employees are involved in setting up of performance targets.	3.57	0.77	
A reward policy in place to guide achievement of performance targets.	3.59	0.79	
Employees may be promoted without a vague idea of what aspects of performance earned it.	3.10	0.98	
Average mean score/standard deviation	3.43	0.87	

According to the results in table 4.10 above, most respondents agreed that a reward policy in place to guide performance targets and other employees being involved in setting targets affected productivity to a great extent with mean scores of 3.59 and 3.57 respectively. The perceptions that performance appraisal affect productivity and that an employee may be promoted without idea of performance affected productivity to a moderate extent with mean scores of 3.46 and 3.10 respectively.

Although the presence of a reward policy and involvement of employees in setting up performance targets were ranked highest with means of 3.59 and 3.57 respectively, the overall mean score for performance appraisal was 3.43. There being no significant

variations from the responses, it can therefore be concluded that most respondents agree that performance appraisal affects productivity to a moderate extent.

#### 4.3.5 Perceptions on Motivation

The respondents were asked to indicate the extent to which motivation affected employee productivity. Specific perceptions on motivation were used to collect the data which was analysed using mean scores and standard deviations and findings summarized in table 4.11 below:

**Table 4.11: Perceptions on Motivation** 

Perceptions on Motivation	Mean	Standard	
		deviation	
Motivation affects productivity of employees.	4.78	0.45	
Wage is a primary motivator for employee productivity.	4.98	0.15	
Special incentives set aside to be awarded to productive employees.	4.68	0.46	
Great relationship exists between staff motivation and performance.	4.43	0.78	
Average mean score/standard deviation	4.72	0.46	

The findings of this study as shown in table 4.11 above, shows that majority of the respondents felt that the perceptions that wage is a primary motivator for employee productivity, that motivation affecting employee's productivity and that special incentives should be set aside for productive employees, all affect productivity to a very great extent with mean scores of 4.98, 4.78 and 4.68 respectively. They also agreed that the existence of a great relationship between staff motivation and performance with a mean of 4.43 affected productivity to a great extent.

The respondents perceived motivation as affecting productivity to a very great extent with an overall mean score of 4.72. Wage as a primary motivator was viewed as the greatest factor with a mean of 4.98. There were no significant variations on the perceptions of motivation from the respondents implying that most respondents agreed that motivation affected productivity to a very great extent.

#### 4.3.6 Perceptions on Employee knowledge, skills and attitude

The respondents were asked to indicate the extent to which perceptions on employee knowledge, skills and attitude affected employee productivity. Data was analysed using mean scores and standard deviations and findings summarized in table 4.12 below:

Table 4.12: Perceptions on Employee knowledge, skills and attitude

Perceptions on Employee knowledge, skills and attitude	Mean	Standard		
		deviation		
Employee knowledge, skills and attitude affect productivity	4.13	0.93		
Staff attitude is a key difference between the private and public hospitals	4.06	0.70		
Attitudes, feelings and emotions of employees play a vital role in determining their performance and behavior.	4.37	0.43		
Empowerment of employees directly correlates to increased employee satisfaction	4.67	0.74		
Average mean score/standard deviation	4.31	0.70		

As shown in table 4.12 above, respondents felt that empowerment of employees directly correlates to increased productivity to a very great extent with a mean score of 4.67. Attitude, feelings and emotions was perceived to have a great extent at 4.37. Staff attitude being a key difference in private and public hospitals as well as employee knowledge and skills affected productivity to a great extent with means of 4.06 and 4.13 respectively.

Although the perception that empowerment of employees directly correlates to increased employee satisfaction was ranked highest with a mean of 4.67, the overall mean score for perceptions on employee knowledge, skills and attitude affected employee productivity was 4.31. From these findings and there being no significant variations from the responses as shown by the less than 1.5 standard deviation, it can be deduced that Employee knowledge, skills and attitude affect employee productivity to a great extent at AKUH, N.

# 4.3.7 Overall Ranking of Employee Perceptions of factors affecting productivity

This study measures the extent and variations of the employee perceptions of factors affecting productivity. A ranking of various factors corporate governance, communication, staff training, performance appraisal, motivation and employee knowledge, skills and attitude was done according to their overall means and a mean of mean scores and standard deviations obtained. This ranking was considered to establish the extent to which these factors affect productivity at AKUH, N. The findings were summarized in table 4.13 below:

Table 4.13: Overall Ranking of Perceptions of factors affecting productivity

Employee Perceptions of factors affecting productivity	Mean	Standar		
		deviation		
Motivation	4.72	0.46		
Staff training	4.67	0.15		
Employee knowledge, skills and attitude	4.31	0.70		
Corporate governance	3.56	0.70		
Communication	3.49	0.65		
Performance appraisal	3.43	0.87		
Average mean score/standard deviation	4.03	0.56		

The research findings as shown in table 4.13 above, shows that motivation and staff training were ranked highest as the factors affecting productivity to a very great extent with mean scores of 4.72 and 4.67 respectively. These were closely followed by employee knowledge, skills and attitude with a mean of 4.31 and corporate governance with a mean of 3.56 both affecting productivity to a great extent. Least ranked were communication and performance appraisal with mean scores of 3.49 and 3.43 respectively. These two factors were perceived as affecting productivity to a moderate extent.

The overall mean of factors affecting productivity was 4.03 implying that majority of the employees agreed that the factors affected productivity to a great extent. Consequently, the employee perceptions had an average standard deviation of less than 1.5. This showed that there were no significant variations in the extent by which the factors affected productivity at AKUH, N.

#### 4.3.8 Other factors that affect employee productivity at the AKUH, N?

Respondents were also asked to list down four other factors not mentioned that they felt affected employee productivity at the AKUH, N? Data was analysed using percentages and findings are summarized in table 4.14 below:

Table 4.14: Other factors that affect employee productivity at the AKUH, N

60.1
50.0
59.0
37.5
25.0

The findings indicate that a larger percentage (60.1%) preferred that the organization review and adjust their pay and benefits upwards in order to boost their productivity. A number of factors could be attributed to this preference, top on the list being the ever rising cost of living. 59.0% of the respondents felt that promotion should be synchronized with productivity. This would ensure that productive employees are promoted on merit hence employee commitment, motivation and satisfaction. 37.5% felt that the right tools should be provided to increase efficiency and effectiveness whereas 25.0% of the employees felt that the organization should inculcate an organizational culture among its employees to promote team work as a key driver of productivity.

#### CHAPTER FIVE

## SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### **5.1 Summary of Findings**

The primary objective of the study sought to establish the employee perceptions of the factors affecting productivity at the Aga Khan University Hospital, Nairobi. From the data analysis, it was established that the respondents were equally distributed in terms of gender, majority of employees of AKUH, N are young and aged below 30 years and have worked in the hospital less than 5 years. Majority employees of AKUH, N are married and marital status has a significant effect on employee productivity. Most of the subordinate employees are diploma holders while management employees are degree holders thus level of education has a direct influence on employee productivity in the hospital.

While wage is important to employee satisfaction, employee productivity is an important aspect in managing the efficiency and effectiveness of employees in an organization. This research found out that there are a great deal of other factors that will increase satisfaction by allowing employees to be more productive and also help motivate them to stay in the health sector throughout their career. From AKUH, N employees' perspective, the major categories of factors affecting productivity included Motivation, staff training and Employee knowledge, skills and attitude which they perceived as affecting productivity to a very great extent. These were followed by corporate governance, communication and performance appraisal affecting productivity to a great extent.

The most significant factors affecting employees' daily productivity were manageable on the job during daily activities. Therefore, daily actions taken on the job can make a significant difference on every single employee's productivity. Moreover, compared to senior management who rated some of the factors affecting productivity as to a very great or great extent, subordinate workers who perceived the same factors of productivity as having a small extend tended to report more problems with corporate governance. It was also found that respondents who considered their productivity performance less than good rated the lack of communication among management as the major factor leading to their unproductiveness. The study found that, in general, employees of AKUH, N perceive that these factors affected their productivity to a great extent.

It was apparent that perception of factors affecting employee productivity at AKUH, N occurs at different stages of an employees' career. The study showed that factors perceived as majorly affecting productivity among the subordinates were not necessarily the same as those factors majorly affecting productivity at the middle or senior management. Therefore screening of the whole organization should be a continuous process so that incase a factor affecting productivity could not be identified at the senior management level, it is identified at the other levels. The adoption of Employee productivity measures' in the health sector is hindered by several factors which includes human/organization resistance, lack of accepted sector model for analysis, lack of dedicated resources and lack of time. Thus, managing employee productivity has become a complex task for any health organization.

The findings confirmed that corporate governance, communication, staff training, performance, motivation and employee knowledge, skills and attitude affect employee productivity to a great extent at the Aga Khan University Hospital, Nairobi. The findings also indicates that there are some other factors which affect employee productivity at AKUH, N. Top of the list in these other factors is remuneration in form of pay and benefits. Others include promotion, availability of the right tools & implements and organizational culture.

#### 5.2 Conclusion

For too long, employee perceptions regarding productivity in the health sector has been generally ignored by researchers. The respondents who participated in this study proved not only that their insights and suggestions are invaluable but that they were all eager to participate. Engaging the work force and measuring their perceptions of productivity, identifying the overarching factors and addressing the most significant factors, may not only lead to improvement in motivation and overall performance, but may also help attract or retain more employees in the health sector.

In conclusion, while attempting to ensure the productiveness of their employees, organizations ought to integrate all the factors of productivity with their organizational goals and objectives to remain productive as well as maintain a satisfied work force. The study concludes that employees are important resources and therefore should be involved in the productivity concerns of the organizations and have their views on productivity

factored. This will give employees job satisfaction as they strive to achieve organizational vision and mission.

#### 5.3 Recommendations

One of the significant concerns of the manager of the future will be the importance both of objectively measuring employee productivity and of rewarding good performance, imposing sanctions on a poor operation and providing corrective action where it is indicated. Managers must be willing to work toward establishing objective measures of productivity through both an analysis of verifiable results and a measurement of the abilities of individuals as well as managers.

It is important that Aga Khan University Hospital, Nairobi management take staff productivity seriously as this is a means by which managers and their staff can discuss key work issues in a systematic manner than other approaches. They should develop reward systems which provide opportunities for both financial and non-financial rewards to recognize achievements. Bear in mind, however, that financial rewards systems are not necessarily appropriate and the lessons of expectancy, goal and equity theory need to be taken into account in designing and operating them.

Management should advise on processes for the design of jobs which take account of the factors affecting the motivation to work, providing for job enrichment in the shape of variety, decision-making responsibility and as much control as possible in carrying out the work. They should provide facilities and opportunities for learning through such

means as personal development planning processes as well as more formal training. They should develop career planning processes and advise on the development of a culture which supports processes of valuing and rewarding employees. They should also devise competence framework which focus on leadership qualities and the behaviours expected of managers and team leaders and ensure that leadership potential is identified through performance management and assessment centres and also provide guidance and training to develop leadership qualities.

Of the three factors of production, man is unique and should be given special prevalence. Any organization which wants to succeed in a competitive environment must ensure it has a contented workforce as expressed by Michael Armstrong (2001). In this way, Aga Khan University Hospital, Nairobi will be able to achieve its goals and objectives.

## 5.4 Limitations of the study

The research study was carried out at Aga Khan University Hospital, Nairobi where daily activities of serving patients are carried out on day-to-day basis. This made it very difficult to reach the respondents who were busy at work. It was also very difficult to get responses from management staff who were out of office most of the time. It involved booking for appointments and sometimes holding abrupt meetings hence distorting the research plans. During the research study some of the staff of Aga Khan University Hospital, Nairobi were not free to fill the questionnaires due to suspicion, and at times preferring not to fill the questionnaires until they were promised that the information will be confidential.

## 5.5 Suggestion for further Research

Other researchers could also look at the effect of tangible and non tangible factors on employee productivity. Although this research focused upon productivity in a private health organization, its methodology can be transferred to other health organizations. Researchers could follow the same methodology as discussed in this paper to find out the employee perceptions of factors affecting productivity in public hospitals.

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#### APPENDIX I

## **RE: LETTER OF INTRODUCTION - HENRY TARUS**

Kindly assist the above named student with information regarding his study. He is pursuing a Masters Degree at the University of Nairobi and this research is a requirement towards partial fulfillment of the course.

To facilitate the completion of the study we kindly request you to take about 10 minutes to complete the attached questionnaire. Based on your experience and knowledge, please indicate the most appropriate response.

#### Confidentiality

Strict ethical principles will be observed to ensure confidentiality. The responses you provide in this questionnaire are completely confidential. In order to ensure a comprehensive analysis of the findings, it is important that each questionnaire be completed and returned. We also request that the questionnaire be completed by a senior level management member of staff in your organization. As a sign of our appreciation for your participation, a generic overview of the findings will be made available to you at your request.

In case of any questions, please do not hesitate to contact the undersigned or Mr. Henry Tarus at henrytarus@gmail.com

I appreciate your invaluable contribution.

Yours Sincerely,

JUSTINE MAGUTU
ASSISTANT REGISTRAR
MBA OFFICE, AMBANK HOUSE

#### **APPENDIX II: QUESTIONNAIRE**

## **SECTION A: PERSONAL PROFILE**

Please give answers for the following questions where applicable by either filling in the blank spaces provided or by ticking ( $\sqrt{}$ ) against your preferred choice(s).

1. Gender? a) Male	[ ]
b) Female	[ ]
2. Marital status	
a) Single	[ ]
b) Married	[ ]
a) Divorced	[ ]
b) Widowed	[ ]
3. What is your age bracket?	
a) Below 30 years	[ ]
b) 31 - 40 years	[ ]
c) 41 – 50 years	[ ]
d) Above 50 years	[ ]
4. Which of the following bests describes your position?	
a) Senior management	[ ]
b) Middle management	[ ]
c) Subordinate	[ ]
5. For how long have you worked with AKUH, N?	
a) Less than 2 years	[ ]
b) 2 - 5 years	[ ]
c) $6-10$ years	[ ]
d) Over 10 years	[ ]
6. What is your highest level of Education?	
a) Secondary school certificate	[ ]
b) Certificate	[ ]
c) Diploma	[ ]
d) Bachelors Degree	[ ]
e) Masters Degree	[ ]

## SECTION B: EMPLOYEE PERCEPTIONS OF FACTORS AFFECTING PRODUCTIVITY.

To what extent do the factors listed below influence productivity at the AKUH, N? Rate them on the scales provided below. Responses are in a scale of 5 to 1 defined below.

- 5 Very Great Extent
- 4 Great extent
- 3 Moderate extent
- 2 Small Extent
- 1 Not at all

	Very Great Extent	Great Extent	Moderate Extent	Small Extent	Not at all
	5	4	3	2	1
Vision and mission communicated clearly and directly to all					
Regular meetings with senior managers					
Good leader - member relationship exist.					
Managers and subordinates jointly establish and clarify objectives					
Communication systems set up to enhance feedback on productivity.					
Communication signals sent through formally designated channels.					
Management decisions must be known to employees.					
Training affects employee productivity.					
Training invests in people to enable them be more productive.					
Training has the dual function of employee utilization and motivation.					
Training provided to all employees on all aspects of productivity.					
Employee morale and motivation can be improved through training.					
Performance appraisal affects employee productivity.					
Other employees are involved in setting up of performance targets.					
A reward policy in place to guide achievement of performance targets.					

	Very Great Extent	Great Extent	Moderate Extent	Small Extent	Not at all
	5	4	3	2	1
Employees may be promoted without a vague idea of what aspects of					
performance earned it.					
Employee knowledge, skills and attitude affect productivity					
Staff attitude is a key difference between the private and public					
hospitals					
Attitudes, feelings and emotions of employees play a vital role in					
determining their performance and behavior.					
Empowerment of employees directly correlates to increased employee					
satisfaction					
Motivation affects productivity of employees.					
Wage is a primary motivator for employee productivity.					
Special incentives have been set aside to be awarded to productive					
employees.					
Great relationship exists between staff motivation and performance.					

7.	What	other	Fact	ors no	ot me	ntione	d abo	ove a	ffect	empl	oyee	pro	duct	ivity	at 1	the A	AKU	JH,
N'	? List	any fo	our fac	ctors.														
							*****					• • • • •						• • • •

THANK YOU FOR YOUR RESPONSES.