PERCEIVED RELATIONSHIP BETWEEN EMPLOYEE ENGAGEMENT AND EMPLOYEE PERFORMANCE AT EAST AFRICAN PORTLAND CEMENT COMPANY LIMITED

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DECLARATION

I declare that this is my original work and has not been presented for a degree in any other university. No part of this proposal may be reproduced without prior permission of the author and / or University of Nairobi.		
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DEDICATION

This work is dedicated to my loving husband Dr. Aaron K. Mutai who encouraged me to pursue this course and missed valuable family moments to enable me complete the study. The study is also dedicated to my loving mother who kept pushing me to complete this study and her constant encouragement.

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There are people that I owe a debt of gratitude for their time, guidance and encouragement and grateful to all. I would however like to single out a few individuals who deserve to be mentioned.

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ABSTRACT

High performing organizations have remained focused on employee feedback and as a result, have achieved significant business results through enhanced levels of employee engagement. Attractive and competitive organizations constantly work towards increasing the value of their human resource (Guillory, 2000). The study sought to establish the perceived relationship between employees engagement and employees performance. The study aimed to achieve the following objectives; To determine the level of employees engagement, to identify the factors that contribute to employee engagement and to determine the perceived relationship between employee engagement and employees performance at East African Portland Cement Company Limited. The population of the study were the employees of the East African Portland Cement Company Limited, where a sample size of 260 respondents were targeted. The data was sorted, coded and analysed using SPSS. The study findings revealed that employees' coworkers are committed to doing quality work, that they were proud of the work that they performed and that they continue working for very long period at a time. Further, employees know what is expected of them and have the materials and equipment that they need in order to do their work right. The mission or purpose of their company makes them feel that their job is important. The retention rate at EAPCC seems to be very high, an indication of an engaged workforce. The study concludes that employees need the right materials and equipment in order to do their work right and they also need to have the opportunity to do what they do best every day. The study further concludes that the mission and purpose of an organization determines how employees perceive the importance of their jobs. Though the level of employee engagement at EAPCC is above average, managers have a scope to engage in positive management actions to raise engagement levels. The study recommends that organizations should device ways to identify all categories of their employees; engaged, non-engaged and actively disengaged and appropriate efforts be devised to bring to task the disengaged employees. It further recommends that organizations should ensure employees engagement through emotional commitment to the organization is enhanced. This can be achieved through job involvement and enhancement of job satisfaction.

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ACRONYMS & ABBREVIATIONS

APQC American Productivity and Quality Center

CBA Collective Bargaining Agreement

CIPD Chartered Institute of Personnel and Development

EAPCC East African Portland Cement Company Limited

HR Human Resource

IES Institute of Employee Studies

ISO 9001:2008 Quality Management Systems Requirements

OCB Organizational Citizenship Behaviour

OHSAS 18001:2007 Occupational Health and Safety Management Systems

SDT Self Determination Theory

UK United Kingdom

CHAPTER ONE

INTRODUCTION

1.1Background of the Study

Employee engagement is the relationship between an organization and its employees. An employee who is engaged is one who is fully engrossed by and enthusiastic about their work and therefore takes optimistic action to further the organization's interests. Harvard Business School Publishing (2013) notes that, in view of the current competitive talent markets, business leaders have appreciated that a highly engaged workforce can ensure an organization realizes an increase in innovation, productivity and the bottom-line performance while reducing costs related to hiring and retention.

Khan (1990) in his article examined the conditions at work which contribute to employee engagement and disengagement. Employee engagement therefore goes back over 20 years when the term first appeared in Khan's academic journal in 1990 (O'Byrne, 2013). He further notes that during the 70's and 80's, HR's focus was on employee satisfaction which had little or no connection with performance but was more about the employee than the organization. Employee engagement has hence existed for a long time but in different guises and only became a concern for many organizations in the recent past. O'Byrne (2013) further notes that focus moved from satisfaction to commitment. Employees commit their loyalty to the organization in return for a benefit which include, but not limited to, a job. Whilst commitment is an important element of and predictor of engagement it cannot replace engagement.

Increasing global competition and shift from manufacturing to service economy means that employers need to be more flexible, leaner and competitive (O'Byrne, 2013). High performing organizations have remained focused on employee feedback, economic environment, and as a result, have achieved significant business results through enhanced levels of employee engagement (Werhane, 2012). Attractive and competitive organizations constantly work towards increasing the value of their human resource (Guillory, 2000). Employees that are devoted, capable, and engaged are a most priceless asset in an organization in the global market platform. Business leaders know that having a high-performing workforce is essential for growth and survival and have recognized

that an extremely engaged workforce can increase innovation, output and performance (Demin, 2003). Aubrey (2005) discussed that while most human resource executives see the need to improve employee engagement, countless have yet to build up tangible ways to measure and tackle this goal. Hay Group (2012) elaborates that engaged employees cannot be expected to take a personal interest in organizational objectives unless an organization treats them as more than factors of production. With organizations increasingly forced to do more with less, tapping into the discretionary effort offered by engaged employees becomes all the more important for business success.

EAPCC has a workforce that comprises all age groups, ethnic backgrounds and various levels of education. There are cultures that clash at the place of work and eventually impact immensely on employee engagement and hence performance. The organization is currently undertaking a change management program which if successful may impact positively on employee engagement. Engagement at EAPCC has not been given the attention it deserves and is not used as a strategic tool for improving performance. The organization is more engraved in monitoring employee lateness and absenteeism and overlooks the most critical factor in improvement of overall organizational performance, employee engagement. Workers may report to work on time but fail to perform their assigned duties with passion and dedication. Employees at EAPCC fall in the various categories as discussed in the Gallup Surveys i.e. engaged, not-engaged and actively disengaged. The study will seek to establish the level of engagement of the workers at EAPCC and its perceived relationship with employee performance and the overall organizational performance (EAPCC HR Policy Manual, 2012).

1.1.1 Concept of Perception

Perception can be defined as an organization, identification, and interpretation of sensory information into meaningful and coherent picture of the world (Berelson & Steiner, 1964). Cherry (2014) defines perception as a sensory experience of the world that involves the recognition of environmental stimuli and actions in response to these stimuli. She further notes that perception includes the five senses; touch, smell, sight, taste and smell. It also includes proprioception, a set of senses that involves the ability to detect changes in positions and movements of the body. It also involves the cognitive processes

required to process information. Bernstein (2010) elaborates that perception involves "top-down" process and "bottom-up" process of processing sensory input effects. The extent to which an individual perceives events that match what is true depends factors at work in the perceivers mind, for example emotional stability and external situational factors such as whether this is a new experience or a repeat of past (Cole, 2005).

Perception process occurs in two stages; the selection stage and organization stage. After selection of stimuli, individuals categorize and organize them so that the new information makes sense. Perception is psychological and can be measured by qualitative factors such as people's attitudes, emotions, previous experience and their needs (Omega, 2012). Perception leads individuals to make decisions and action on stimuli. Employees' perceptions influence the performance of organizations and individual output (Rhodes & Eisenberger, 2002). Individuals perceive situations differently in the same context. Cole (2005) notes that perception is influenced by various factors such as physical senses, health differences, nature and effects of past experience, innate abilities and learned skills, individual values and attitudes, individual aspirations and goals. Hence organizations that want to engage their workforce for improved performance ought to be aware of individual differences brought to the workplace.

1.1.2 Employee Engagement

Schaufeli et al (2002) described engagement as a positive, fulfilling, work-related state of mind characterized by vigor, dedication, and absorption. Engagement shares some aspects of job satisfaction and organizational commitment but it is distinct and is expected to predict a wider range of outcomes (West & Dawson, 2012). Satisfaction among employees is desirable, but satisfied employees may not necessarily display vigor in their work. Employees committed to their organizations may not always have an indepth commitment to their job. Satisfaction and commitment are related to performance but engagement appears overall to be a better predictor of employee performance. West and Dawson (2012) stated that over the years, researchers have measured employee engagement by using three different approaches: as a description of conditions under which people work, as a behavioral outcome, and as a psychological orientation. It is this latter approach to engagement which is the most common in academic research to date.

Employee engagement is one of the fundamental keys to organizational success. It is not employee happiness or employee satisfaction as often misunderstood by most managers. A happy and satisfied employee will not guarantee improved performance at the workplace. Engagement is the emotional commitment an employee has to the organization's goals and values. A satisfied employee might show up for work daily without complaint but will not put extra effort on her own (Kruse, 2011). Employee engagement should not be confused or used interchangeably with commitment. Organizations must work to engage employees and establish a two-way relationship between the employer and employee (Robinson et al, 2005). Engaged employees are motivated to contribute to organizational success, and are able at the same time to enhance their own sense of well-being. Chiumento (2004) defines engagement as a positive, two-way, relationship between an employee and their organization; organizations must work to engage the employee, who in turn has a choice about the level of engagement to offer the employer.

Employee engagement is a concept that has become increasingly mainstreamed into management thought over the last decade. It is generally seen as an internal state of being that brings together earlier concepts of work effort, organizational commitment, job satisfaction and optimal experience. Typical phrases used in employee engagement writing include discretionary effort, going the extra mile, feeling valued and passion for work. Engaged employees and organizations will go the extra mile for each other because they see the mutual benefit of investing in their relationship. According to Armstrong (2006) an engaged employee is aware of business context, and works closely with colleagues to improve performance within the job for the benefit of the organization. Gallup (2010) defines engaged employees as those that work with passion and who feel a profound connection to their Company. Gallup as cited by Dernovsek (2008) likens employee engagement to a positive employees' emotional attachment and employees' commitment.

1.1.3 Employee Performance

Employee Performance can be defined as the job related activities expected of a worker and how well those activities are executed (Dessler, 2011). Armstrong (2006) defined

performance as the achievement of quantified objectives. Human Resource today, unlike in the past, is ensuring that companies do not plunge into losses due to unrealized employee performance and productivity. Performance is a function of both ability and motivation. To unlock the true potential of employees, managers must align their jobs to organization's goals, values and objectives. Byars and Rue (2000) noted that a minimum level of proficiency for each performance component must exist for attainment of acceptable performance levels.

Organizations assess performance of its workforce on an annual or quarterly basis in order to identify areas for improvement. However, managing employee performance on a daily basis is the key to an effective performance management system. Performance appraisal is one of the most popular tools used by businesses and organizations to manage performance (Layne, 2014). The owners and drivers of performance management are the line managers (Armstrong, 2001). Performance reviews, if used well can be a great tool of communication in an organization. Employee performance is influenced by a number of internal and external factors which include; personal issues, job suitability, motivation to succeed, working conditions, job training and performance feedback (Woods, 2014). Poor performance can result from unfulfilled external or internal factors. The secret to fixing poor performance is to understand its root cause. Organizations should provide managers with trainings that can enable them diagnose correctly the cause of poor performance and finding the right solutions.

1.1.4 East African Portland Cement Company Limited

EAPCC has been Kenya's leading cement manufacturer producing world class cement since 1933. It is currently the second after Bamburi Cement in market share in Kenya. The major operations of the company are situated in Athi River, Off Namanga road. EAPCC has invested heavily in land where it mines most of the raw materials required for the manufacture of cement. EAPCC has a subsidiary in Uganda and depots in various major towns in Kenya. EAPCC manufactures the Blue Triangle Cement, a symbol of quality and reliability. EAPCC is an ISO 9001: 2008 and OHSAS 18001:2007 certified. The major commitment of EAPCC is to sustain customer satisfaction. Growth, expansion and sustained profitability are the guiding principles of EAPCC's business model.

EAPCC aims to become a leader in providing cement and cement products that consistently meet or exceed the quality and value expectations of its customers. The mainstay of its strategy is to offer a level of client focus that is superior to that offered by the competitors. To help achieve its objectives, EAPCC seeks to attract and retain a team of highly motivated individuals who share in the commitment, responsibility, risk and discipline required to achieve its vision. EAPCC in pursuit of success will in turn be able to give its employees above average compensation and innovative benefits and rewards which are key elements in helping it maintain its leadership position in the worldwide marketplace (www.eastafricanportland.com). The organization has in the recent past experienced one of the worst industrial action where employees boycotted work demanding changes in the top management. This clearly indicated some form of dissatisfaction from the members of staff and evidently, the Company has continued to perform dismally in the market, reporting loss after loss. On thorough investigation, employee turnover has not been reported to be on the higher side, meaning employees prefer to stay with the Company, but why the poor performance? The perception of engagement at EAPCC is that employees are not fully engaged to the organization due to poor leadership and overall poor performance of the organization. There is however low turnover due to attractive packages offered by the organization. This prompted a study on the perceived relationship between engagement of the workforce and individual performance.

1.2 Research Problem

Employee engagement is expected to have a direct effect on improved job performance. This is consistent with Kahn's (1992) model of psychological presence and Macey et al.'s (2009) model of the employee engagement value chain. Jack Welch, former General Electric CEO and business consultant, lists employee engagement as the number one measure of a company's health (Vance, 2006). Engaged workers perform better because they are proactive, set higher goals, are intrinsically motivated, show pro-social behaviour, experience positive emotions and are healthy. Engagement focused managers increase productivity by creating an environment that energizes and motivates employees and teams, helping them reach the highest levels of performance. Gallup (2013) noted that workgroups with high levels of employee engagement experience 22% higher

profitability and 21% higher productivity compared with workgroups with low levels of engagement.

Despite being the second largest producer of cement in the country, EAPCC's market share has continued to shrink. Its profits have plunged in the last few financial years. The organization has also been rocked with a series of strikes. Most organizations, especially in Kenya, are yet to determine the levels of employee engagement in their organizations, including EAPCC. EAPCC has not used employee engagement as a strategy for driving organizational improvements. It has channelled most of its budget on training managers, carrying out employee satisfaction surveys and levels of motivation and change management programmes, in the hope of realizing improved performance. Employee engagement has been overlooked hence the study on the perceived relationship between employee engagement and performance.

Gallup has conducted a series of large-scale studies since 1997, referred to as metaanalyses, to examine the effect of employee engagement on companies' bottom lines. He
concluded that employee engagement strongly relates to organizational outcomes of any
organization in any economic climate. There is however lack of any survey by Gallup in
industries in developing countries and in Africa, to be precise. A study by Devi (2009)
found that pay and benefits are not stand alone effective drivers of employee
engagement. He concluded that corporate culture contributes to employee
engagement. His study was however conducted in the developed world. Mutunga
(2009) through her research on Factors that Contribute to the Level of Employee
Engagement in the Telecommunication Industry in Kenya found that most workers in
Zain are disengaged and the most contributing factors was dissatisfaction with pay and
benefits, work-life balance and lack of freedom for expression, but she failed to link level
employee engagement to individual performance. The study therefore aims at bridging
the existing knowledge gaps by answering the question; Perceived relationship between
levels of employee engagement employee performance at EAPCC?

1.3 Research Objectives

1.3.1 General Objective

To investigate the perceived relationship between employee engagement and employee performance at East Africa Portland Cement Company Limited.

1.3.2 Specific Objectives

- To determine the levels of employee engagement at East African Portland Cement Company Limited
- 2. To identify the factors that contribute to employee engagement at East African Portland Cement Company Limited
- 3. To determine the perceived relationship between employee engagement and employee performance at East African Portland Cement Company Limited

1.4 Value of the Study

The study on the perceived relationship between employee engagement and employee performance will be of significance to a human resource practitioners in the sense that they will use the findings to expand knowledge on the construct. HR practitioners will use the findings to improve engagement levels in their organizations and hence the overall performance of individuals and the organizations bottom line.

EAPCC will be able to ascertain the levels of engagement of its workforce. The Company will also be able to identify the factors that contribute to employee engagement and hence reinforce the same. The findings will also be used by other cement and manufacturing industries as building block to enhancing competitive advantage. They will use the results of the study in adopting paradigm shift in designing long term competitive strategies. Potential investors in the cement industry will understand what leads to employee commitment. This will enable investors to develop human resource strategies which attract, utilize and retain competent employees who are engaged to their work.

The government of Kenya, in its road map to vision 2030, will use the findings of the report to improve the overall performance of state owned co-operations. This will be

done through entrenching employee engagement surveys in the performance contracting agreements with the state owned co-operations. Currently they rely on employee satisfaction surveys which do not necessary enhance high performance. The government of Kenya can also generalize the findings to public schools which have been trailed by poor performance for the most part of their existence. Their engagement in delivering results may be influenced by the same factors that determine engagement levels at EAPCC, despite these being different sectors of industry. This study will also form the basis for further research in other organizations to find out if the findings are similar. Future researchers also will use the results to determine other factors other than the ones identified that can enhance employee engagement.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter sets to review information from other researchers who have contributed to knowledge in the field of employee engagement and employee performance. The chapter will also review literature on the existing knowledge and theories that have contributed to the understanding of employee engagement and performance.

2.2 Theoretical Foundation of the Study

Despite the fact that employee engagement is becoming a popular concept amongst human resources professionals, there is very little academic research conducted on it and no theory established to explain the construct. Macey and Schneider (2008) draw on numerous theories to explain what engagement is and how it is similar to and different from related constructs in the organizational behavior literature. There is lack of a strong unifying theory to guide research and practice on engagement. This study will therefore be based on two theories discussed in the following sections.

2.2.1Three Component Model of Engagement

This model was advanced by Schaufeli & Bakker in 2004. They noted that work is a fulfilling state of the mind characterized by vigor, dedication and absorption. Employees with vigor have high levels of energy and mental resilience. Dedication pertains to feelings of significance, inspiration, pride and enthusiasm. Absorption implies being fully immersed in ones work. Schaufeli & Bakker (2001) noted that engaged employees take greater initiative and generate their own positive feedback. This implies that engaged workers have greater energy and enthusiasm about their work. They also found evidence for a positive relationship between three job resources (performance feedback, social support, and supervisory coaching) and work engagement (vigor, dedication and absorption) among four different samples of Dutch employees. They used structural equation modeling analyses to show that job resources (not job demands) exclusively predicted engagement, and that engagement is a mediator of the relationship between job resources and turnover intentions.

Shaufeli and Bekker developed their own tool for measuring work engagement and the items to be measured included vigor, dedication and absorption. Together with other scholars, they developed the Utreched Work Engagement Scale (UWES; Shaufeli & Bekker, 2003; Schaufeli, Martinez, Masques Pinto, Salanova, & Bekker, 2002). Using this instrument, Schaufeli and colleagues tested the relationship between employee engagement and job performance on Dutch employees. Schaufeli et al found a positive correlation between work engagement and in-role performance, extra-role performance and innovativeness.

2.2.2 Self-Determination Theory

Self-Determination Theory (SDT) advanced by Meyer and Gagne (2008) is a need-fulfillment based theory of motivation that may provide a theoretical framework for employee engagement. The fulfillment of the three key psychological needs; autonomy, competence, and relatedness, in the work setting may be what leads to increased levels of employee engagement as posited by SDT. The theory was initially developed by Edward L. Deci and Richard M. Ryan in 1985 and has been elaborated and refined by scholars from many countries. SDT suggests that people tend to be driven by a need to grow and gain fulfillment. While people are often motivated to act by external rewards, SDT focuses primarily on internal sources of motivation such as a need to gain knowledge. According to SDT, people need to feel the following in order to achieve such psychological growth: People need to gain mastery of tasks and learn different skills; People need to experience a sense of belonging and attachment to other people; People need to feel in control of their own behaviors and goals.

According to SDT, one of the dispositional factors related to needs satisfaction and autonomous regulation and therefore likely to contribute to engagement is the general causality orientation — a stable tendency to self-regulate and seek out situations that value-congruent and support self-initiation. General causality orientation might be a factor for organizations to consider in the selection process as part of a general strategy to promote higher levels of employee engagement. Selection practices alone may not be enough in ensuring high levels of engagement. According to SDT, job design, management practices and reward systems play an important role in satisfying employee

needs and promoting autonomous regulation (Gagne & Deci, 2005). More simulating and meaningful job designs are associated with employee satisfaction. Manager's acknowledgement of employees and provision of relevant feedback in non-controlling manner can increase autonomous regulation.

2.3 Employee Engagement

Many studies have in the recent past focused their surveys on employee engagement and its effect on organizational outcome and little exists on the relationship of engagement and individual performance. The studies have however concluded that employee engagement plays a significant role in the competitive advantage of the organization. Kruse (2012) defines employee engagement as the emotional commitment an employee has to the organization and its goals, resulting in the use of discretionary effort. Critics have suggested that engagement is merely a relabeling of well-established management constructs such as commitment, organizational citizenship behavior (OCB), job involvement and job satisfaction. Previous studies have often found correlations between engagement and measures such as commitment and other concepts. However engagement suggests a dynamic workplace relationship that most of the other concepts ignore. Engagement is the interlocking of several components and their synchronous motion. Engaged employees are therefore likely to be committed to, and satisfied with, their work. But not all satisfied and committed employees will be actively engaged in their work (CIPD Research Insights, 2008).

Purcell (2006) and Truss et al (2006) notes that CIPD research has demonstrated links between the way people are managed, employee attitudes and business performance hence engaged employees have been found to outperform their disengaged counterparts. However, recent research in the UK and other countries shows that there are more disengaged employees than there are engaged employees in today's organizations (Sandeep Kular et al., 2008). The concept of employee engagement is somewhat still at infancy evidenced by lack of enough literature on the subject. Kahn (1990) notes that in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances. The psychological state which encompasses the three dimensions of employee engagement stated above can simply be summed up as "a

passion for work'. Ferguson (2007) notes that unless employee engagement can be universally defined and measured, it cannot be managed nor can it be known whether efforts to improve it are working. This then leads to another problem of comparing the various definitions of employee engagement. Robinson et al (2004) defined engagement as 'one step up from commitment'. Employee engagement may be seen as 'old wine in a new bottle' (Sandeep Kular et al 2008).

2.3.1 Dimensions of Employee Engagement

According to Gallup, engagement has a number of dimensions and it is important for employers to understand the different dimensions of engagement in different parts of their business. The four dimensions of employee engagement are physical, cognitive, affective and behavioral. Khan (1990) elaborated that people employ and express themselves physically when they are engaged in a role. The physical dimension of engagement is manifested by the exertion of effort by employees in their jobs. A conceptualization of the exertion of energies into ones role that captures Khan's physical dimension is that of effort. Effort has been associated with duration, intensity and direction. Cognitive dimension of employee engagement is manifested by the investment of personal energies into cognitive labors (Khan, 1990). Research shows that cognitive labors manifest in two ways, attention and absorption (Gardner et al., 1989; Goffman, 1959, 1961; Kahn, 1990; Rothbard, 2001). The needs of businesses to maximize the inputs of employees have also contributed to the interest in engagement.

In affective dimension of employee engagement, employees are engaged in their role and exhibit behaviors that indicate their investment of personal energies and emotions. According to Kelman, (1958) the highest investment of personal energies into role performance is one that involves emotions and at this level, individuals are "fully present" in their task through an emotional connection between themselves and their work. Kahn (1990) also noted that individuals exhibited engagement in their work roles when emotionally immersed in an activity. An individual's emotional experience at work often results from one's feelings of enthusiasm, pride, and hostility. Welbourne (2007) suggested that organizations can improve employee engagement by focusing on the behaviors of employees. The objective of all employee engagement initiatives is

improved firm performance. The role based performance model that starts with end goal in mind helps identify the types of behaviors needed from employees to drive performance. Review of literature suggests that depiction of vigor, dedication and absorption at work by employees are manifestations of physical, cognitive, affective and behavioral dimensions of employee engagement.

2.3.2 Categories of Engaged Employees

Yuan & Lee (2011) and Buckingham (2001) identified three categories of employees; Engaged, non-engaged and actively disengaged. Engaged employee is an employee who is ardent about his job and has a sense of personal responsibility and obligation to what they should do to their company. According to Gallup studies, engaged employees work with passion, drive innovation and feel a profound connection to their company. Gallup's 2013 report further noted that non-engaged employees are essentially "checked out." They put time, but not energy or passion, into their work. They do not have energy during the performance of their jobs. Lastly, actively disengaged employees are those employees who are unhappy with their job and always try to let everyone know that. They constantly keep trying to disengage the engaged employees. Bates (2004) and Richman (2006) notes that research has found that there is an overall decline in employee engagement and there is a deepening disengagement among employees today.

Actively Disengaged employees are the "cave dwellers." They oppose everything at the workplace and even undermine the efforts of their co-workers. They sow seeds of negativity at their place of work and undermine what their engaged coworkers accomplish. Problems and tensions that are fostered by actively disengaged workers cause great damage to organizations outcomes. A study by the Gallup organization based on a large sample of the UK workforce indicated that 63% are non-engaged, 20% are actively disengaged and only 17% are engaged. These findings show that there is scope for employers to engage in positive management actions to raise engagement levels in their workforce (Buckingham, 2001).

2.3.3 Drivers of Employee Engagement

Right Management Global Benchmarking Employee Engagement Study (2008) found

that the drivers of engagement do vary by country, with only one driver constant across all countries: Commitment to organizational values. Mutunga (2009) found that remuneration to a very large extent influences the level of engagement of employees. She also found out that training and development; career growth; fair treatment by supervisor; job security; and recognition & praise had the same level of influence on level of engagement by employees. She also found out that Mission Statement had the lowest influence on employees' level of engagement. It was also revealed that punishment had a more positive influence on level of engagement than mission statement; commitment by fellow employees; and management succession in that order.

Drivers of employee engagement are aspects of the organization, that if improved will have the greatest impact on employee engagement (Kenexa, 2007). However research undertaken over the past few years has also come up with different key drivers and implications. The IES (Robinson et al, 2004) identified the strongest driver of employee engagement as feeling valued and involved in the organization. This then led to the development of the IES diagnostic tool which can be used to derive organization-specific drivers from attitude survey data. The engagement tool shows that it is more important that employees receive training and performance appraisal, in order to feel more valued, involved and hence, engaged contrary to the findings of Mutunga's research on factors affecting employee engagement. In comparison, pay and benefits are of lower importance to the employee, supporting Hertzberg and Maslow's theories regarding the drivers of employee engagement.

2.4 Employee Performance

When an employee is hired by an organization, certain standards are highlighted and include employee performance expectations and the tasks the employee will be responsible for. Employee's performance is a rating system used in most corporations to determine the abilities and output of an employee. Employee performance also shows the contributions of a worker to the overall corporate objectives. Krivanek (1999) noted that for an employee to exceed performance expectations, they should have the knowledge, skills, ability, standards, feedback, and be motivated. She further notes that only skills and knowledge will require training, hence training as often misunderstood by most

managers may not fix poor performance. Koontz (1990) elaborates that employee performance can be increased through proper pay systems either financial or non-financial. Non-financial incentives may include training, medical cover and meals. Financial incentives on the other hand include salaries, bonus and wages.

2.4.1 Factors Affecting Employee Performance

Limited number of factors had the most impact on the productivity of workers as indicated by most writers and researchers (Haenisch, 2012). Taylor (1998) found that four key principles could be applied to improve productivity. Taylor advised managers to design jobs, select and train the workers scientifically, cooperate closely with the workers and divide the work and responsibility equally between the worker and management. Other studies have focused on quality leadership as a major factor of improving performance. (Haenisch, 2012) further notes that the leadership role in workplace productivity was further emphasized in the 1980s.

Peters (1987) noted that involvement of employees in all aspects of the organization's operations resulted in improved performance. Creech (1994) supported Taylor and Peters and stressed involvement of subordinates in organizational changes. Longenecker and Leffakis (2002) further noted that leadership is the most influential factor affecting productivity. Research into workplace productivity has resulted in consistent indicators from the past into the 2000's. Koretz (1995) noted three key productivity factors: little supervision and employee involvement in decision-making, too much work, and insufficient rewards and lack of career growth. Root III (2014) noted that managerial standards, motivation, commitment and employee evaluation may influence positive outcomes of performance. Compensation may result in employees increasing their performance (Holt, 1993).

2.5 Employee Engagement and Employee Performance

APQC's benchmarking study of 2009 and 2010 on Rewarding, Engaging and Retaining key talent demonstrates that engaged employees are associated with positive outcomes both for individuals and organizations. The benchmark encompasses three organizations; 3M, Infosys, and Schlumberge and the study was able to correlate positive levels of

employee engagement with lower turnover and absenteeism, higher productivity, and increased innovation. The Hay Group (2001) also discovered that engaged employees are up to 43% more productive than disengaged ones.

Macey, Schneider, Barbera, & Young (2009) notes that the variable that has been receiving increasing attention as a key determinant of performance is employee engagement. Mone and London (2010) suggest that designing a performance management process that can foster employee engagement will lead to higher levels of performance. Employee engagement is a relatively new concept (Macey & Schneider, 2008) and the factors that produce engagement may be different from those that produce more traditional employee outcomes such as job satisfaction and organizational commitment (Macey et al., 2009). Employee engagement, if focused on performance management process, may foster performance improvement even better than can be achieved through the traditional review methods.

Christian et al (2011) noted that an engaged employee, who dedicates physical, cognitive and emotional resources to their work translates into higher levels of both task and contextual performance. However, little is known about engagement's uniqueness as a predictor of job performance (Christian et al., 2011). For example, no significant predictive relationship has been found between employee engagement and discretionary effort, a key related outcome for organizations (Shuck et al., 2011), despite a long-standing assumption that employee engagement would predict discretionary effort. Employee engagement is usually measured and discussed at the organizational level, whereas most research examining organizational outcomes and performance occurs at the divisional unit level. Meta-analytic studies looking at correlations between employee engagement (Harter et al., 2002) or employee well-being and a range of limited business outcomes including turnover, customer satisfaction, profit and productivity (Harter et al., 2003), have found evidence of correlation (measured at the business unit level).

In conclusion, there is lack of extensive studies on employee engagement and its impact on performance in Africa. Mutunga (2009) failed to link the factors that contribute to employee engagement with performance of employees in the organization of study.

Various studies by Gallup have been extensively carried out in countries that are developed, for example the UK, North America and other countries outside Africa. Gallup studies, despite finding a positive correlation between employee engagement and performance, have depicted that there is very low levels of employee engagement in organizations. These very low levels of engagement have even made this study worthwhile. The study therefore aims at bridging this gaps by studying an organization comprising of a large workforce and hence maybe representative of other organizations in Kenya and Africa at large.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

Bartlett (2005) notes that survey research method is the most frequently used method of data collection in organizational research. Bickman and Rog (1998) notes that descriptive studies can answer questions such as "what is" or "what was" whereas experiments can typically answer "why" or "how." The research design that was adopted for this study is descriptive cross-sectional survey. In this method, participants answer questions administered through interviews or questionnaires (Jackson, S.L., 2009). Surveys provide fast, accurate and inexpensive information from population of study (Zikmund, 2003).

3.2 Population of Study

The population for this study comprised all employees of East African Portland Cement Company Limited. The organization has a total staff establishment of 1,302 based at the Head Quarters in Athi River, Kabini Hill Quarry, depots around major towns in Kenya and its subsidiary in Uganda.

3.3 Sample Design

To achieve a representative data from the population, stratified random sampling technique was used to select the respondents. Employees are grouped into four categories based on Company's grading system, namely; Executives, senior management; supervisory and union levels. Respondents were randomly picked from each level.

Table 3. 1 Sample Population (Source: EAPCC August, 2014 Pay Roll)

Employee Level	Total Number of Employees	Sample Size (20% of population)	
Executives (Grade 1 – 4)	22	4	
Senior Management (Grade 5 – 7)	147	29	
Supervisory	173	35	
Union (Grade A- H)	960	192	
TOTAL	1,302	260	

3.4 Data Collection

The main type of data for this study was primary. The data collection was done using semi-structured questionnaires which was administered through a 'drop-and-pick-later' method and email. This instrument was used because it elicited prompt responses, it was inexpensive, and there was greater anonymity and reduced biasing error. Data was collected from respondents drawn from all categories; Executives, Senior Management, Supervisory and Union Levels. The questionnaire was divided into three sections, A, B and C. Section A dealt with the background information of respondents and demographic data while section B aimed to collect information relating to level of employee engagement. Section C asked questions relating to employee performance.

3.5 Data Analysis

Descriptive statistics, such as frequencies, mean scores, standard deviations and percentages were used for data analysis. Pearson's product moment correlation analysis was used to establish the relationship between employee level of engagement and performance. Data was presented in form of tables and graphs.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter discusses the interpretation and presentation of the findings. The purpose of the study was to establish the perceived relationship between employees' engagement and employees' performance at the East Africa Portland Cement Company Limited. The chapter will analyse demographic information of the respondents, employee engagement and performance summary and the perceived relationship between employee engagement and performance at EAPCC.

4.2 Population of Study

This study targeted 1,302 employees from the East African Portland Cement Company limited, 260 respondents were therefore targeted for the study. Questionnaires were distributed to all targeted respondents. However, out of 260 questionnaires distributed only 106 respondents fully filled and returned the questionnaires, this contributed to 41% response rate. The researcher made use of frequency tables and figures to present data. The findings intended on addressing the research objectives; to determine the levels of employee engagement at EAPCC, to identify the factors that contribute to employee engagement at EAPCC and to determine the perceived relationship between employee engagement and employee performance EAPCC.

4.3 Demographic Information

The study intended to investigate the demographic information of the respondents. These data were important in ascertaining the background of the respondents and how they contribute to influence the objectives of the study. Demographic findings were therefore presented in this section and the data in this section included; level in the organization, age bracket of the respondent, gender and the years of employment with EAPCC.

4.3.1 Level in the Organization

The study sought to establish the level of respondents in the organization; the data collected were presented in the figure 4.1

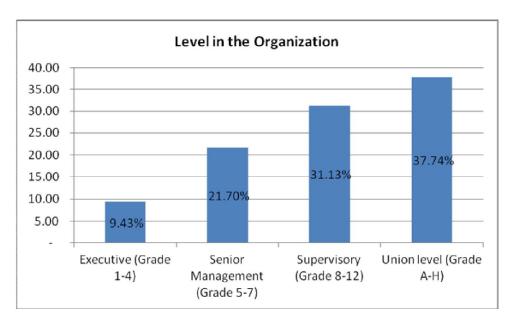


Figure 4. 1: Level in the Organization

From the data collected majority of the respondents 37.74% (40) were at the union level (Grade A-H), 31.13% (33) of the respondents were at the supervisory level (grade 8-12), 21.70% (23) of the respondents were at the senior Management (grade-5-7) while 9.43% (10) of the respondents were at the level of executive (1-4). From the findings, the study revealed that majority of the respondents was at the union level (Grade A-H). This is the level that the majority of employees at EAPCC fall in.

4.3.2 Age of the Respondents

The study sought to establish the age of the respondents; the data collected under this were presented in the figure 4.2

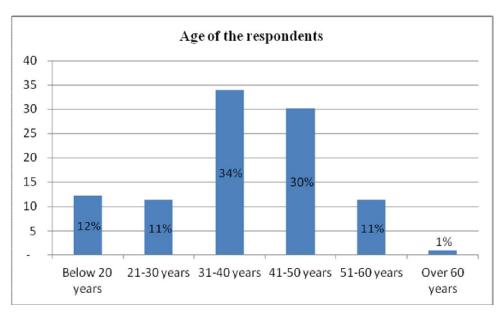


Figure 4. 2: Age of the Respondents

From the data collected, majority 34% of the respondents were aged between 31-40years, 30% of the respondents were aged between 41-50years, 11% of the respondents were aged between 51-60 years, consequently 11% of the respondents were aged between 21-30 years, and 12% of the respondents were aged below 20 years while only 1% of the respondents were aged above 60 years. The finding therefore implies that majority of the employees of EAPCC are aged between 31-40 years of age. This implies that the company is majorly composed of young adults. This being a parastatal implies that employees above 60 years are retired as per civil servants mandatory retirement age. EAPCC retires its employees once in a year, i.e. December; therefore the 1% represents those employees, who are retiring at the end of the year.

4.3.3 Gender of the Respondents

Further the study sought to establish the gender of the respondents. The data collected was presented in the table 4.1;

Table 4. 1: Age of the respondents

Gender of the respondent	frequency	Percentage
Male	78	74
Female	28	26
Total	106	100

From the findings majority 78 (74%) of the respondents were male while 28 (26%) of the respondents were female, the findings on the gender implies that majority of the respondents were male as depicted by the findings.

4.3.4 Years of Employment with EAPCC

Further the study sought to establish the distribution of the respondents according to the period that they have been working, the data collected were presented in the table 4.2;

Table 4. 2: Period of Work with EAPCC

Period of Work with EAPCC	frequency	Percentage
Less than 5 years	12	11
5-10 years	35	33
11-15years	43	41
16-20 years	16	15
Total	106	100

From the data collected, majority 43 (41%) of the respondents have worked with the organization for a period between 11-15 years, 35 (33%) of the respondents have worked with the organization for a period between 5-10 years, 16 (15%) of the respondents have worked with the company for a period between 16-20 years while 12 (11%) of the respondents have worked with the Company for a period less than 5 years.

4.4 Employee Engagement

Objective one of the study sought to establish the level of employee engagement at the East African Portland Cement Company Limited. The findings under this section were presented in the table 4.3;

Table 4. 3: Employee Engagement

Information	Mean	STDev
I know what is expected of me at work	3.78	0.981
I have the materials and equipment that I need in order to do my work right	3.66	1.097
At work, I have the opportunity to do what I do best every day	2.87	0.897
In the last seven days, I have received recognition or praise for doing good work	2.76	0.675
My supervisor, or someone at work, seem to care about me as a person	2.55	0.876
There is someone at work who encourages my development	2.65	1.098
At work, my opinions seem to count	2.09	1.897
The mission or purpose of my company make me feel that my job is important	3.78	1.097
My coworkers are committed to doing quality work	4.5	1.456
I have a best friend at work	2.54	1.987
In the past six months, someone at work talked to me about my progress	3.17	1.654
This past year, I have had opportunities at work to learn and grow	3.09	1.097
At my job I feel strong and vigorous	2.9	0.897
When I get up in the morning, I feel like going to work	2.45	0.654
I will continue working for EAPCC for as long as I can	3.56	0.234
I am proud of the work I do	4.4	1.097
I can continue working for very long periods at a time	4.33	0.876
Average Mean	3.24	

From the findings majority of the respondents strongly agreed that their coworkers are committed to doing quality work as this was shown by a mean score of 4.5, other respondents agreed that they were proud of the work that they performed and that they can continue working for very long periods at a time, these were shown by a mean score of 4.40 and 4.33 respectively. Also other respondents, further agreed that they know what is expected of them as was shown by a mean score of 3.78, others agreed that they have the materials and equipment that they need in order to do their work right as shown by a mean score of 3.66, further others indicated that the mission or purpose of their company makes them feel that their job is important this was shown by a mean score of 3.78, others contended to continue working with the EAPCC as long as they could this was shown by a mean score of 3.56.

On the same scale others noted that at work, they have the opportunity to do what they do best every day, as shown by a mean score of 2.87, that in the last seven days, they have received recognition or praise for doing good work as shown by a mean score of 2.76. Similarly others remained neutral on the fact that their supervisor, or someone at work, seem to care about them as a person, that there is someone at work who encourages their development, that they have best friend at work, that in the past six months, someone at work talked to them about their respective progress, that in the past year, they have had opportunities at work to learn and grow, that at their job, they feel strong and vigorous and that when they get up in the morning, they feel like going to work. These were shown by a mean score of 2.55, 2.65, 2.54, 3.17, 3.09, 2.90 and 2.45 respectively.

In summary, the average mean of 3.24 indicates that the level of employee engagement at EAPCC is above average. The retention rate at EAPCC also seems to be high. This is indicated by a mean of 3.56 that respondents will continue working for EAPCC for as long as they can. Employees are also proud of the work they do and this implies that they are proud of their organization.

4.4.1 Factors Influencing Level of Employee Engagement

The study sought to establish factors influencing the employees' level of engagement, the data collected were presented in the table 4.4,

Table 4. 4: Level of Employee Engagement

Engagement Driver	Mean	STDev
Training and development	3.89	1.902
Being valued by my supervisor	4.45	1.98
Involvement in the decision making	3.98	0.986
Salary/ wages	2.98	0.564
Job security	4.05	1.8756
Recognition and rewards	3.98	1.9087
Medical Cover	4.88	0.987
Bonus pay	4.57	1.765
Performance Appraisal	4.87	0.986
Promotion opportunities	3.97	0.874
Career Growth	2.89	1.986
Fair treatment by the supervisor	3.67	0.765
Company mission, statement and vision	3.98	0.7861
Leadership style of Managers	3.59	0.653
Average Mean	3.982	1.2012

From the data collected, majority of the respondents reported that performance appraisal, bonus pay, medical cover and being valued by the supervisor influenced the employees' level of engagement to a very large extent as shown by a mean score of 4.87, 4.57 and 4.88 respectively. Other respondents reported that training and development, involvement in decision making, job security, recognition and reward, promotion opportunities, company mission statement and vision and the leadership style of the managers contributed to a large extent to influence on the employees level of engagement. These were shown by a mean score of 3.89, 3.98, 4.05, 3.98, 4.05, 3.98, 3.97, 3.67, 3.98 and 3.59 respectively. A few of the respondents were neutral on the influence of Salary/wages and career growth on influencing their level of engagement. From the average mean (Average Mean=3.982) of the study, the findings implies that the respondents agreed that the above mentioned factors contributed to influence on the employee engagement and consequently performance.

The findings therefore implies that training and development, being valued by supervisor, involvement in the decision making, salary/ wages, job security, recognition and rewards, medical cover, bonus pay, performance appraisal, promotion opportunities, career growth, fair treatment by the supervisor, company mission, statement and vision and leadership style of managers contributes considerably to influence on the employees level of engagement.

4.5 Employee Performance

Objective two of the study sought to establish the level of employee engagement at EAPCC and how it relates to the performance, the data collected under this objective was presented in table 4.5;

Table 4. 5: Employee Performance

Performance Parameters	Mean	STDev
Am allowed to participate in evaluating myself (self-evaluation)	3.89	0.987
Am always punctual in my duties	4.9	0.456
I always meet my set work targets	4.34	1.907
Sometimes I assist other employees who are experiencing difficulty with their assignments	3.45	1.896
I participate in rating other employees (peer rating)	3.12	1.897
I volunteer to take other tasks rather than assigned work	2.98	0.999
I always cooperate with other co-workers to perform various tasks	3.09	0.675
Performance appraisal systems is in place to measure both individual and team performance	2.99	1.907
I strictly follow organizational rules and procedures	3.88	1.787
I use my skills and Knowledge to accomplish my tasks	4.4	0.897
I maintain good working relationship with my fellow employees	2.65	1.564
I usually put extra effort to complete an assignment on time	3.9	1.563
I always support and defend my organizational objectives	4.09	1.453
I have necessary ability and experience on my job	3.87	0.675
My performance is evaluated relatively to the pre-established goals and objectives	3.56	1.563
Average Mean	3.674	1.444

From the data collected majority of the respondents strongly agreed that they are always punctual in their performance, as this was shown by a mean score of 4.90, others agreed that they always meet their set targets as was shown by a mean score of 4.34, similarly other respondents agreed that they use skills and Knowledge to accomplish the respective tasks this was shown by a mean score of 4.40, others agreed that they always support and defend their organizational objectives as was shown by a mean score of 4.09. respondents also agreed that their performance is evaluated relatively to the pre-established goals and objectives as was shown by the mean score of 3.56, on the same scale others reported that they have necessary ability and experience on the job as depicted by a mean score of 3.87, others equally agreed that they usually put extra effort to complete an assignment on time this was shown by a mean score of 3.90, others reported that they strictly follow organizational rules and procedures as shown by a mean score of 3.88. the findings also revealed that Performance appraisal systems is in place to measure both individual and team performance as shown by a mean score of 2.99 indicating that majority of the respondents were not so sure on that, others were similarly neutral on the fact that they always cooperate with other co-workers to perform various tasks as the was shown by a mean score of 3.09, Others agreed that Sometimes they assist other employees who are experiencing difficulty with their assignments as shown by a mean score of 3.45, while others agreed that they are allowed to participate in evaluating themselves (selfevaluation) as shown by a mean score of 3.89. From the average mean (Average Mean=3.674) of the study, findings implies that the respondents agreed that the above mentioned factors contributed to influence on employee performance.

By implication the study revealed that employee are always punctual in their performance, always meet their set targets and use their skills and knowledge to accomplish their respective tasks. Further, they always support and defend their organizational objectives, that their performance is evaluated relatively to the preestablished goals and objectives, that they have necessary ability and experience on the job, that they usually put extra effort to complete an assignment on time, moreover they strictly follow organizational rules and procedures, also that performance appraisal systems is in place to measure both individual and team performance, that they always

cooperate with other co-workers to perform various tasks and that sometimes they assist other employees who are experiencing difficulty with their assignments.

4.6 Inferential Analysis

4.6.1 Correlation Analysis

To ascertain the perceived relationship between employee engagement and employee performance at EAPCC, the study employed Pearson's product moment correlation analysis where the study employed coefficient of determination on training and development, salary and wages, job security and performance appraisal. This was done to respond to objective of the study which sought to establish the perceived relationship between employee's engagement and performance, where the indicators of engagement drivers were picked. To compute the correlation (strength) between the study variables and their findings the researcher used the Karl Pearson's coefficient of correlation (r). From the findings, it was clear that there was a positive correlation between training and development and employee performance as shown by r = 0.432, although not very strong. It was also clear that there was a strong positive correlation between salary and wages and employee performance with r = 0.5410. There was also a very strong positive correlation between job security and employee performance with r = 0.6754 and a positive correlation between performance appraisal and employee performance with r = 0.675. This shows that there was a positive correlation between employee performance and training and development, salary and wages, job security and performance appraisal.

Table 4. 6: Coefficient of Correlation

		Employee	Performan ce	Training & develop	Salary&	wages Job	security Performan	ce Appraisal
Employee performance	Pearson		1					
	Correlati	on						
	Sig. tailed)	(2-						
Training & development	Pearson Correlati	Ωn	.432	1				
	Sig. tailed)		.0032					
Salary and wages	Pearson Correlati	on	.5410	.34	21	1		
	Sig. tailed)	(2-	.0021	.00	14			
Job security	Pearson Correlati		.6754	.12	40	.0621	1	
	Sig. tailed)	-	.0043	.01	20	.0043		
Performance Appraisal	Pearson Correlati	Ωn	.675	.34	20	.0000	.1660	1
			.0172	.00	31	1.000	.0031	

4.7 Discussion of the Results

The findings of the study indicate that the majority of employees at EAPCC are young male adults aged between 31-40 years. The majority of employees at EAPCC fall in the category of unionized employees as revealed by the findings. This therefore implies that the majorities of the workers at EAPCC are in the lower cadre and may have a strong union representation. The fact that salary and wages was rated as the least factor that influences employee engagement at EAPCC indicates that their salary increments are always guaranteed through negotiations and signoff of the Collective Bargaining Agreements (CBA). The study also revealed that the retention rate at EAPCC is high; this is as indicated by the majority of employees indicating that they will work for the

organization for as long as they can. The majority of the respondents have also worked with the organization for between 11 -15 years, hence a high retention rate.

From the findings of employee engagement, it seems that the opinions of staff at work do not matter. This is a clear indication of lack of listening managers. It is important that managers listen to opinions of members of their teams. This will enhance teamwork and innovation in the organization. The organization however seems to have provided its workers with tools and equipment at the workplace. This is indicated by a mean of 3.66. Employees at EAPCC are also proud of their work and hence are good ambassadors of the organization. It however seems that supervisors and managers are not providing coaching and mentorship in the organization. This is evidenced by a low average mean of 2.76 on receipt of recognition and praise in the last seven days and 2.65 on the presence of someone at work who encourages employee development. Respondent's response on the parameter of having a best friend at work was low, 2.54. This may indicate lack of trust amongst employees. This therefore may translate to weak teams and poor teamwork in the organization.

Employees at EAPCC seem not to be motivated to work up in the morning and go to work as indicated by a mean score of 2.45. This may be as a result of reporting times to work. EAPCC has established a sign in and out book at the gate for all employees. There is no flexi time for work. Considering that majority of employees at EAPCC are young adults, they may feel that being monitored by the managers through sing in and out is a lack of trust. It therefore seems that as much as employees don't want to leave the organization, they are still not motivated to go to work. This may form a basis for further research in the organization on employee's feelings about how they are supervised and governed.

Respondents also indicated that they would continue to work for very long periods at a time, an indication of commitment to their work but still scored poorly on the parameter of working with vigor and dedication with a mean of 2.9. Scholars have indicated that engaged employees work with vigor and dedication. Schaufeli & Bakker (2004) studies indicated that engaged workers work with vigor, dedication and absorption but the

findings from this study contradicts this school of thought. From the study, the level of employee engagement at EAPCC is above average as indicated by an average mean of 3.24 on employee engagement parameters. Level of employee engagement at EAPCC is at 64.8% contrary to Gallup's findings in his study of UK workforce where he indicated that only 17% of the UK workforces are engaged. There is however a scope for managers to engage in positive management to increase levels of engagement at EAPCC.

The findings indicated that on factors influencing employee engagement, medical cover seem to be highly rated followed closely by performance appraisal, bonus pay and being valued by supervisor. These are non-monetary drivers contrary to findings by Mutunga (2009) who indicated that remuneration to a very large extent influences level of engagement. There seems to be a strong link between engagement and job security, this parameter of employee engagement was also rated highly by the respondents. The study further contradicts Mutunga's findings that mission statement was the least rated has having any effect on level of engagement. The mission statement, recognition and rewards and involvement in decision making were rated equally by the respondents. This study however found that salary and wages was the least rated to having any influence on level of engagement. Salaries and wages are of lower importance to employees as drivers of engagement, hence supporting Hertzberg and Maslow's theories regarding the drivers of employee engagement.

Career growth seems to be the least factor or driver of employee engagement. The parameter had a mean score of 2.89. This communicates a lot of information on the level of education of the majority of the workers at EAPCC. It seems most of the workers only have the basic trainings and education and do not need any advancement in their career; they are satisfied. Due to having a strong union representation, the workers know that increments of salaries and enhancement of other benefits are guaranteed through the CBA hence no need for career advancement. This is also evidenced by the least concern on salaries and wages. Clearly, employees at EAPCC are not motivated by monetary benefits contrary to most findings.

Performance of employees at EAPCC is above average with a mean of 3.674. Majority of

employees at EAPCC are always punctual in their duties. This implies their input is high and hence the expected output in terms of time put in to work. The employees also indicated that they use their knowledge and skills to accomplish their tasks and indication of a highly skilled workforce. The majority of employees at EAPCC are artisans who perform work that requires specific skills normally learnt on the job and tertiary institutions hence the high score on use of skills. The majority of respondents also indicated that they always defend the objectives of the organization, an indication of high level of loyalty and hence engagement which translates to improved performance. The employees however rated the statement of maintaining good working relationship with fellow employees as the least. This tally's with their score of having a best friend at work which was scored poorly. This is a clear indication of lack of teamwork amongst the employees of EAPCC.

To ascertain the perceived relationship between employee engagement and employee performance, the study choose four drivers of employee engagement and used coefficient of determination. The findings indicated that there was a positive correlation (r) between all the drivers of engagement and performance. There was a very strong correlation between performance appraisal and employee performance with r=0.675 and here was a similar correlation strength between job security and employee performance with r=0.6754. There was also a positive correlation between training and development, salary and wages and employee performance at r=0.432 and r=0.5410 respectively. In conclusion, the employee engagement drivers affect the performance of employees and hence the overall output of an organization. Management should therefore device ways of engaging its workforce to enhance individual performance and overall organizational performance.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the data findings on the perceived relationship between employee engagement and employee performance at EAPCC, the conclusions and recommendations are drawn in this chapter too. The chapter is therefore structured into summary of findings, conclusions, recommendations and areas for further research.

5.2 Summary of the Findings

The first objective was to determine the level of employee engagement at EAPCC and the study revealed that employees at EAPCC are engaged, although the level is above average at 64.8% (Average mean of 3.24). The study also revealed that employees' coworkers are committed to doing quality work, that they were proud of the work that they performed and that they continue would continue working for very long period at a time. This shows that employees and their co-workers are committed and engaged at their place of work. Further employees know what is expected of them and they have the materials and equipment that they need in order to do their work right. It was also noted that that the mission or purpose of the organization makes employees feel that their job is important. The study also revealed that the retention rate of the organization is very high and hence the organization will not witness high employee turnover in the near future. Employees have the opportunity to do what they do best every day as revealed from the study.

The second objective was to identify the factors that contribute to employee engagement at EAPCC and the findings revealed that medical cover, performance appraisal, bonus pay and being valued by supervisor were among the highly rated as factors contributing to high levels of engagement to a very large extent. Training and development, involvement in the decision making, salary/wages, job security, recognition and rewards, promotion opportunities, fair treatment by the supervisor, company mission, statement and vision and leadership style of managers also contributes considerably to influence on the employees level of engagement. It was however noted that career growth least influenced levels of employee engagement in the organization.

The third objective was to determine the perceived relationship between employee engagement and employee performance at EAPCC. The study used four drivers of employee engagement to see how they influenced employee performance. From the analysis, there was a positive correlation between training and development and performance i.e. r = 0.432. The study also found a strong correlation between employee performance and salary and wages at r = 0.5410. Performance appraisal and performance had the strongest correlation at r = 0.6754. This therefore indicates that there is a positive correlation between employee engagement and employee performance as indicated by the positive correlation between drivers of engagement and performance. From the analysis on the response of employees on these parameters, it can be concluded that the performance of employees at EAPCC is above average and likewise, their engagement is above average.

5.3 Conclusions

The study concludes that employees who are engaged with the company are committed with their coworkers to doing quality work, that they are proud of the work that they performed; continue working for very long period at a time. Further employees who are engaged know what is expected of them, they have the materials and equipment that they need in order to do their work right. The study also concludes that the mission or purpose of the company is to ensure that employees feel that their job is important. The study concludes that employees need the right materials and equipment that they need in order to do their work right also employees have the opportunity to do what they do best every day. The study also reveals that engaged employees are less likely to leave the organization.

The study also concludes that medical cover, performance appraisal and being valued by supervisor are non-monetary elements that influence employee engagement to a very large extent. Aspects of training and development, promotion opportunities, leadership styles of managers, involvement in the decision making, job security and recognition and rewards are also non-monetary and contribute to employee engagement to some considerable extent. Bonus pay which is mostly tied to employee performance level also contributes considerably to influence on the employees level of engagement. From the

study, career growth and salary/wages are among the least rated factors that influences employees' levels of engagement.

The study concludes that employees commitment to performance can be manifested through always being punctual in their performance, always meeting their set targets, use of skills and Knowledge to accomplish their respective tasks. Further high performing employees always support and defend their organizational objectives, have necessary ability and experience on the job and that they usually put extra effort to complete an assignment on time, moreover they strictly follow organizational rules and procedures. It can also be concluded that there is a relationship between levels of engagement and performance of employees in an organization.

5.4 Recommendations

The organization should ensure employees engagement through emotional commitment of the employees into the organizations goals. This can be achieved through emotional discretionary efforts via a well-established management constructs, job involvement and job satisfaction. The study further recommends that organizations should ensure a dynamic work place relationship which will enhance interlocking of the engagement to the other components which will allow the employees to express themselves physically, cognitively and emotionally during their role performance.

The study further recommends that organizations should be able to identify all the categories of the employees, the engaged, non-engaged and actively disengaged employees. Appropriate efforts of varied dimensions should therefore be devised to bring to task the disengaged employees since there is scope for employers to engage in positive management actions to raise engagement levels in the workforce.

5.5 Limitations of the Study

The major limitation of the study was the lack of response from the targeted respondents. The resistance was due to the perceived victimization due to responses from individuals. Employees also felt that the findings will be of no use since they have been filling questionnaires on several occasions and none of the recommendations made have been implemented.

Respondents felt that the questions were too many. This therefore implies that they may have just filled it for the sake of completing the form. Others were too lazy to look up at their scores in the system and hence ended up using guess work. The level of literacy also meant that the majority of the targeted respondents in the union cadre may not have understood some of the questions. Others also took too long to respond due to their low literacy levels.

5.6 Areas for Further Studies

Based on the summary, conclusions and recommendations, the researcher suggests that further studies should be done on factors influencing employee engagement, this will shade more light into the causes for employees disengagements into task performance.

The researcher also suggest that a similar study be done on other government parastatals for comparison of findings and a general conclusion be drawn on the perceived relationship between level of employee engagement and employees performance.

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APPENDICES

Appendix I: Introduction Letter

Jepkorir Tarus

P.O. Box 20-00204,

ATHI RIVER.

RE: RESEARCH PROJECT FOR THE AWARD OF DEGREE OF MASTER OF

BUSINESS ADMINISTRATION (TOPIC: RELATIONSHIP **BETWEEN**

EMPLOYEE ENGAGEMENT AND PERFROMANCE AT EAPCC)

Dear Respondent,

I am currently undertaking a research on above topic as part of the course requirements

for the award of a degree of Master of Business Administration at the University of

Nairobi.

Employee engagement is a powerful strategy that can be used by organizations to drive

organizational improvements and business results. The most critical factor of production

is people. Success of organizations is tied to performance of its workforce. Employees

who are engaged in their work commit to their organizations and give companies

competitive advantages which include higher productivity, motivated workforce and

lower employee turnover.

Kindly return the completed questionnaire by no later than the 30th September, 2014.

Thank you for taking your time to complete this questionnaire. The results of the study

will be shared on your request. Should you have any queries or concerns regarding the

completion of this survey, please do not hesitate to contact the undersigned.

Kind Regards,

Jepkorir Tarus

Reg No: D61/72443/2011

Cell Number: 0722 142 191

Email: jepkorir.tarus@eapcc.co.ke

Research Supervisor: Dr. Mercy Munjuri

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Appendix II: Research Questionnaire

SECTION A: GENERAL INFORMATION

1. What leve	l are you in the organiz	zation?		
(a). l	Executive? (Grade 1 –	4)		
(b). S	Senior Management? (Grade 5 – 7)		
(c). S	Supervisory? (Grade 8	– 12)		
	Union level? (Grade A bracket do you fall in?	– H)		
(a) l	Below 20 Years			
(b). 2	21–30 Years			
(c). 3	31 – 40 Years			
(d).	41 – 50 Years			
(e). :	51 – 60 Years			
(f). (Over 60 Years			
3. Gender				
(a). I	Male			
(b)]	Female			
(0).				
4. Years of	employment with EA	PCC		
(a) L	Less than 5 yrs		(b) 5 – 10 yrs	
(c) 1	1 – 15 yrs		(d) 16 – 20 yrs	
(e) 2	21 – 25yrs		(f) Over 25 years	

SECTION B: EMPLOYEE ENGAGEMENT

5. To what extent do you agree with each of the following statements?

No.	Parameters	Strongly	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
		1	2	3	4	5
1.	I know what is expected of me at work					
2.	I have the materials and equipment that I need in order to do my work right					
3.	At work, I have the opportunity to do what I do best every day					
4.	In the last seven days, I have received recognition or praise for doing good work					
5.	My supervisor, or someone at work, seem to care about me as a person					
6.	There is someone at work who encourages my development					
7.	At work, my opinions seem to count					
8.	The mission or purpose of my company make me feel that my job is important					
9.	My coworkers are committed to doing quality work					
10.	I have a best friend at work					
11.	In the past six months, someone at work talked to me about my progress					
12.	This past year, I have had opportunities at work to learn and grow					
13.	At my job I feel strong and vigorous					
14.	When I get up in the morning, I feel like going to work					
15.	I will continue working for EAPCC for as long as I can					
16.	I am proud of the work I do					
17.	I can continue working for very long periods at a time					

6. To what extent is your level of engagement in your work at EAPCC stimulated by the following factors (*Tick the appropriate box for each factor*)

S/No.	Engagement Driver	Very Small Extent	Small Extent	Moderate Extent	Sarge Extent	Very Large Extent	Neutral
1	Training & Development		9 2				
2	Being valued by my supervisor						
3	Involvement in decision making						
4	Salary/wages						
5	Job security						
6	Recognition and rewards						
7	Medical cover						
8	Bonus pay						
9	Performance Appraisal						
10	Promotion Opportunities						
11	Career growth						
12	Fair treatment by supervisor						
13	Company Mission, statement and vision						
14	Leadership styles of managers						

SECTION C: EMPLOYEE PERFORMANCE

7. What was your	performance app	praisal score in the last thre	e financ	ial years? E.g. 62% etc	
(a). 2010/2011		(b). 2011/2012		(c). 2012/2013	
8 State the extent	to which you ag	ree or disagree with statem	ent in th	ne table below	

No.	Performance Parameters	Strongly Disagree	Disagree	Neither Agree nor disaoree	Agree	Strongly Agree
		1	2	3	4	5
1.	I am allowed to participate in evaluating my performance (self -evaluation)					
2.	I am always punctual in my duty					
3.	I always meet my set work targets					
4.	Sometimes I assist other employees who are experiencing difficulty with their assignments					
5.	I participate in rating other employees (peer rating)					
6.	I volunteer to take up other tasks rather than assigned work.					
7.	I always cooperate with other co-workers to perform various tasks.					
8.	Performance appraisal system is in place to measure both individual and team performance					
9.	I strictly follow organizational rules and procedures					
10.	I use my skills and knowledge to accomplish my tasks					
11.	I maintain good working relationships with my fellow employees					
12.	I usually put extra effort to complete an assignment on time					
13.	I always support and defend my organizational objectives					
14.	I have necessary ability and experience on my job					

15.	My performance is evaluated relatively to the pre- established goals and objectives				
9. Di	d you meet your performance targets in the last fi	nancial	year? If	no, state	e why.

(Yes/No)....