

**AN INVESTIGATION INTO THE IMPACT OF MOTIVATION ON
EMPLOYEE PERFORMANCE**

(A Case Study of National Social Security Fund)

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DECLARATION

I declare that this research project is my original work and has not been presented to any institution or examining body.

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ABSTRACT

Motivation is the term used to describe those processes, both instinctive and rational by which people seek to satisfy the basic drives perceived needs and personal goals, which trigger human behaviour. This study sought to investigate the factors that motivate employees in the workplace and their relationship to employee performance with special reference to National Social Security Fund.

The researcher adopted a descriptive research design. The target population for this study was all the employees of NSSF at the headquarters in Nairobi. A representative sample was drawn from this population using simple random sampling. The data collection tool was the questionnaires which contained both closed ended and open ended questions. These questionnaires were administered through personal contact, where the researcher dropped them and picked them after three days to allow the respondents' time to fill them. These questionnaires were then edited and the data collected analyzed using the SPSS computer package. .

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DEFINITION OF KEY TERMS

Management	A social process consisting of planning, controlling, coordination and motivating
Motivation	Used to refer to a set of processes which energizes a person's behaviour and directs him/her towards attaining a certain goal.
N.S.S.F	Refer to National Social Security Fund.
M.T.	Refers to Managing Trustee who is the Chief Executive Officer of the N.S.S.F. He is a presidential appointee.
OWL	Quality of Working Life which is a systems approach to job design and enrichment
Job Enrichment	The attempt to build a higher sense of challenge and achievement into a job
Leadership	The ability to influence the behaviour of others
Objectives	Specific aims of a firm.
Top Management	That level of managers who are concerned with defining the mission and objectives of the firm and designing strategy to achieve them.
Middle Management	The middle level of an administrative hierarchy
Performance	Results achieved against specified objectives.
HR	Human Resource

CHAPTER ONE

1.0 Introduction

This chapter introduces the study by looking at its background and stating the problem. It further examines the purpose and objectives of the study, research questions, significance, scope and limitations of the study.

1.2 Background of the Study

Management and leadership are often thought of as the same thing. Although it is true that the most effective manager will almost certainly be an effective leader and that leading is an essential function of managers, there is more to managing than in leading. Managing involves doing a careful planning, setting up an organization structure that will aid people in achieving set goals and staffing the organization with people who are as competent as possible. The measurement and correction of people's activities through controlling is also an important function of management. However, all these managerial functions accomplish little if managers do not know how to lead people and to understand the human factor in their operations in such a way as to produce desired results (Mullins, 1996).

Motivation means incitement to move or inducement to act or move. In an industrial setting, it means to make a subordinate act in a desired manner in the interest of the organization or employer. To motivate, therefore, is to induce, persuade, stimulate and even compel an employee to act in a manner which may help in attaining organizational objectives. Motivation involves putting inputs that are necessary for changing the work, attitudes and behaviour.

It is complex trying to understand human motivation. Sometimes a person's motive may be clear to him but quite puzzling to others. In other incidences, both the individuals and those affected by his behaviour understand what is driving him. In some situations, especially

where stress is involved, the individual concerned may be totally unaware of his motives while others may see them quite clearly. It is, therefore, prudent for those in managerial and supervisory positions to be aware of these issues and to take into consideration their own prejudices in this area of their work. This is because our efforts to understand others are clouded by our attitudes towards them and the assumptions we make about their behaviour. This research is necessitated by the complex nature of the aspect of motivation (Cole, 1995)

Motivation includes the things that induce an individual to perform while motivators are the identified rewards or incentives that sharpen the drive to satisfy these wants. They are also the means by which conflicting needs may be reconciled or one need heightened so that it will be given priority over another. A business environment in which managerial performance is effective and efficient tends to breed a desire for high quality management among most or all managers and personnel. A motivator then is something that influences an individual behaviour. It makes a difference in what a person will do, obviously in any organized enterprise (Mullins, 1996).

Lack of motivation is usually expressed mainly in departure to pursue other careers that are more motivating and it is also seen in the low output in performance. Motivation is such a complicated subject because it deals with people and people are all different and have different attitudes and emotions and, different people are motivated by different things. What then leads to employees' poor performance, inefficiency and lack of professionalism? Studies have identified two ways in which motivation can be achieved:

The management strategy: This also refers to the support that employees receive from the management. This entails the management styles and the motivational policies put in place to create a healthy competition among employees and also to motivate them to work harder. From this point of view, the effectiveness of the employees is determined by the way work is organized and the way people work together i.e. team work and team spirit.

The psychological concept is the other aspect of employee motivation. This is sometimes referred to as psychological contract and it concerns whether the employee is satisfied with his or her career or not. Research has then been worsened by the poor remuneration due to the poor state of economy of our country and poor working conditions.

The management can relieve some of the tension and anxiety associated with these jobs by understanding and being sympathetic to the employees and also by providing continuous education, training, upgrading skills and opportunity for self-development.

The interaction of motivation and organizational climate not only underscores the systems aspect of motivation but also emphasizes on how motivation both depends on and influences leadership styles and management practice. Leaders and managers must respond to the motivation of individuals if they are to design an environment in which people will perform willingly. Likewise, they can design a climate that will arouse or reduce motivation. This study will mainly focus on the factors that motivate employees in the workplace hence enhancing their productivity. Motivation can be defined as “as a process both instinctive and rational by which people seek to satisfy the basic drives, perceived needs and personal goals which trigger human behaviour” (Dessler, 2000)

The study will be undertaken at the national social security fund (NSSF). NSSF is a Government parastatal in Kenya and it was established by an act of Parliament in 1965. The breakdown of the old social security system had to be replaced by appropriate formal schemes. Certain categories of workers in the public service were covered by pension schemes while some in private sector were offered some forms of medical and retirement benefits. The majority of workers, however, are not covered by any formal retirement benefit arrangements. It was, therefore, considered prudent to establish a national scheme that was to ensure that every worker was provided with a minimum social security protection and thus NSSF was established (NSSF, 2006).

Under the international labor organization (ILO) convention, social security is defined as “The protection provided by the society to its members through a series of public measures against economic and social distress that would otherwise be caused by the loss of substantial reduction in earnings, old age and death; The provision of medical care and provision of subsidies to families with children and so on (NSSF, 2006). Initially the fund was a department within the Ministry of Labor but as its membership grew and its operations became complex, the NSSF act was amended in 1987 to transform it into an autonomous state corporation. Therefore, since 1988 the fund has been operating under a Board of Trustees, which is constituted by workers, employees and Government representatives. The composition of the Board of Trustees is meant to accommodate the views and aspirations of the three key social partners (i.e. the government, workers and their representatives) in the policy formulation and the running of the organization (NSSF, 2006).

Membership has grown steadily over the years and by the end of 2006, the fund had a cumulative registered membership of about 3.6 million. NSSF is the only social security organization, which provides basic social security to workers in the country with a nationwide outreach covering every district throughout Kenya. However, given the limitations of the provident fund, the social partners have embarked on an ambitious reform program intended to convert it into a social insurance pension scheme guaranteeing minimum benefits payable in periodical installments. Membership has been opened to a wider segment of the working population including those in self-employment. The fund has 44 branches countrywide and has an estimated workforce of one thousand eight hundred (1800) both management and unionisable staff (NSSF, 2006).

1.3 Statement of the Problem

The public service employees in Kenya have remarkably contributed to the national development of this country since independence, almost over forty years ago. However, because of the globalization and rapid development in knowledge and technology, the said public service organizations are, therefore, faced with the challenge of not only developing a dynamic workforce but also ensuring their management practices are in line with the modern times. For instance, the organizations must ensure that their human resources are well catered for in terms of their welfare as well as working conditions, so as to enhance their optimal and positive contribution to the mission and goals of their respective organizations.

An organization should be in a position to identify human resource needs that satisfy the employees at their places of work as they are the most valuable assets in an organization. Without them, an organization is prone to deterioration leading to lack of success. Essentially, there is always a gap between an individual's actual state of satisfaction and some desired state. Managers try to reduce this gap through motivation. Motivation is, in effect a means to reduce and manipulate this gap. Human nature can be very simple, yet very complex too (Dessler, 2002).

In organizations where employees are motivated, there are very low incidences of industrial unrests, the morale of the employees is high and the organization realizes increased profit margins and the cost of production by the organization is reduced since no resources are used unnecessarily to arbitrate on industrial related complaints.

Therefore, there is need for research on the impact of motivation on employee performance since motivated workforce will have an increased propensity to work hence increase in productivity to the organization.

1.4 Objectives of the Study

The overall objective of the study was to investigate the impact of motivation on employee performance. This was made possible by examining the set up links in organization and establishing the success or failure of these links in relation to employee performance taking a case study of NSSF.

The following specific objectives guided the study.

- i. To find out the various factors that motivate employees of NSSF as far as their job performance is concerned.
- ii. To examine the reward systems that has been put in place at NSSF.
- iii. To establish whether NSSF has a clear HR policy.
- iv. To find out whether there is Job security at NSSF.

1.5 Research Questions

This study sought to answer the following questions:

- i. What are the various factors that motivate employees of NSSF as far as their job performance is concerned?
- ii. Which reward systems has NSSF put in place so as to motivate employees?
- iii. Does NSSF have a clear HR policy?
- iv. Is there job security at NSSF?

1.6 Significance of the Study

The findings from this study will be beneficial to future researchers and scholars who may wish to conduct related research studies on the issues at stake as it will be a reference material for them.

The research findings can be helpful to the various employees' unions' movements, which intervene in the dispute resolutions between organizations and employees. For example, where the reward systems are poor, the findings can equip them with the relevant information helpful to them during negotiations on employee welfare. Most organizations lack a clear HR policy especially where employee's motivation is concerned. In formulating these policies, the organizations can benefit a great deal from the critical analysis of the factors influencing employee performance and the various theories of motivation and their interpretations.

In enacting legislation governing employee relations, the government policy and law makers can benefit from the research findings on the subject matter under study. It will enable them to make informed decisions when formulating policies, for example, in the issue of employee benefits. The research findings can be communicated to the organization under study so that it can re-evaluate its HR policy and look at how best to motivate its employees with the overall aim of increasing productivity.

1.7 Scope of the Study

This study was undertaken at NSSF Headquarters based at Social Security House on Bishop Road, Community area in Nairobi. NSSF has 44 branches countrywide but the research was conducted at the Headquarters. This was an ideal location because it is the only office in NSSF that has all cadres of employees from the senior management to the subordinates.

1.8 Limitations of the Study

The following limitations were important:

Time and other Resource constraints – The short time and unavailability of enough funds to support an exhaustive study may not allow for an investigation of all the NSSF branches in Kenya and thus the study was limited to the head office in Nairobi. This, however, gave a fair representation of the entire country. These limitations were militated by use of an appropriate sampling technique to select the sample size.

Analytical methods to be used – This was also foreseen as a limitation due to the technicality of the data analysis tools such as the Statistical Package for Social Sciences (SPSS). The services of an expert were sought to assist in the use of this computer program.

Lack of cooperation – The researcher had expected respondents not to respond to the questions from the questionnaire due of divulging information that may put their jobs at risk. The management may also fear that the employees may expose some of their weaknesses by responding to the questionnaires. The researcher overcame this limitation by providing a cover letter that assured the respondents that the information given would be treated with utmost confidentiality and used for research purposes only.

CHAPTER TWO

2.0 Introduction

In this chapter the impact of motivation on employee performance will be given an in-depth analysis and different literature be reviewed. The research will allow for location of literature from a variety of sources. The sources of literature will be texts, books, magazines, journals, previous research works, the internet and observations related to the issue at stake. This will help to clarify, strengthen and accordingly direct each stage of research from the formulation of the research topic to the dissemination and utilization of research findings.

2.1 Overview of Motivation

Motivation should be viewed as a continuous and dynamic process of activating and building the workforce of an organization. The foundation of this chapter gives the meaning and definition of motivation i.e. the conceptual definitions of motivation. The section also gives an overview of some special motivation techniques, as well as theoretical framework on motivation.

Various authors have different meanings and definitions as pertains to motivation. Flippo (1984) notes that motivation is a managerial responsibility for eliciting what employees expect the organization to supply them with and at the same time the responsibility for eliciting certain types of behavior from the employees. Managers motivate by providing an environment for employees to produce to their full capacity. As a number of motivational researchers have pointed out that wants vary with people and situations.

Research has shown that workers with few skills want such factors as job security, pay, benefits, less restrictive plant rule and more sympathetic and understanding supervisors. People like to feel that the managers are truly concerned with their welfare, they like feedback on their performance. According to Armstrong (1988), motivation is about what

makes people act or behave in certain ways and take whatever steps required to ensure that they get satisfied.

Employees like to be appreciated and recognized for their work. People like to be involved, consulted and given an opportunity to offer suggestions. In one aerospace missile plant, increased morale and productivity, as well as greatly reduced turnover and absenteeism resulted from the simple technique of having all employees' names on placards at their workstations and having each program group work in an area in which machines and equipment were painted a different color. According to Wancevick (1994), giving people recognition is key to motivation.

According to Saleemi (1997), motivation is derived from the word motive; motives are drives or impulses within an individual, which prompt him to action. They are expressions of a persons needs or wants hence they are personal, internal and they determine the behavior of an individual. Therefore, organizations need a better understanding of what it is that people want. Cole (1997), comments that motivation is a process in which people choose between alternative forms of behavior in order to achieve personal goals. Graham and Bennet (1988), on the other hand, state that motivation consists of all the drives forces and influence, conscious or unconscious that causes the employees to want to achieve certain aims. Hannagan (1998), points out work motivation as a psychological concept that is primarily concerned with increasing the strength and direction of people's work related behavior to influence the quality and quantity of people's performance output. Krant and Korman (1991), state that motivation is of two types. Self enhancing motivation involve action of making choices that match and fulfils one's personal needs, engaging in activities that foster self growth, attempting to attain high level of work performance and working for goals that legitimately enhance oneself in ones own eyes and those of others. Self-protective

motivation on the other hand involves the desire to defend oneself from perceived threatening environmental and personal forces that might affect one's sense of identity.

Motivation comes in form of extrinsic motivation, that is, what is done to make people act (external) and intrinsic, that is, self-generated factors, which influence people to behave in a particular way/move in a particular direction.

Motivation answers the following questions.

Why do people behave as they do (at work)?

What conditions within people and the work situations are associated with effective job performance?

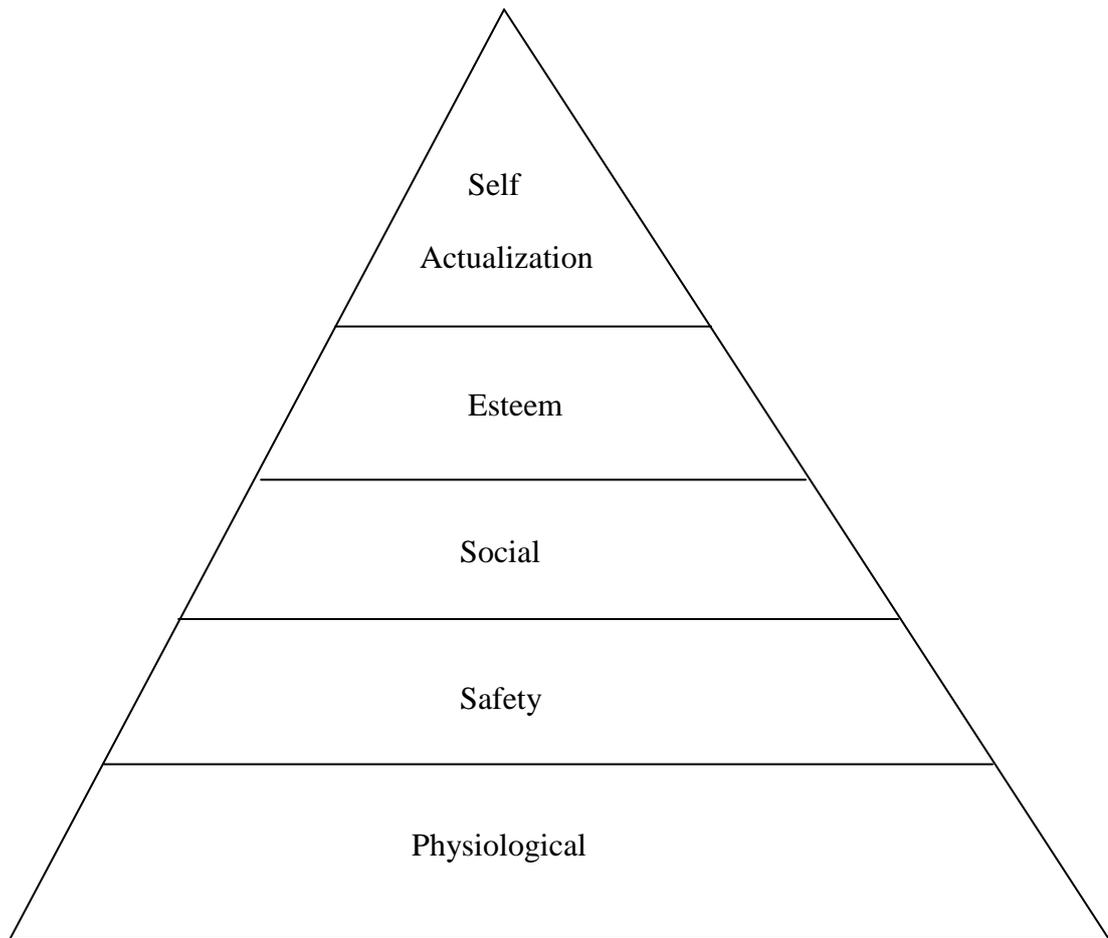
Motivation refers to the psychological process that gives behavior purpose and direction.

2.2 Maslow's Hierarchy of Needs Theory

One of the most widely mentioned theories of motivation is the hierarchy of needs theory put forth by psychologist Abraham Maslow. Maslow saw human needs in the form of a hierarchy ascending from the lowest to the highest and he concluded that when one set of needs is satisfied this particular need ceases to be a motivator.

The hierarchy is illustrated by the figure below:

Figure 1: Maslow's Hierarchy of Needs Theory



Source: Mullins (1996)

Applications of Maslow Theory to the work situation at the National Social Security Fund

Physiological Need – These are the basic needs for sustaining human life – include food, shelter, clothing and sex. Deprivation of these basic needs causes a lot of tension to employees and lead to job dissatisfaction and eventually poor job performance. NSSF should ensure that her employees are well catered for in as far as the provision of these basic physiological needs is concerned.

Security or safety needs – these are the needs to be free of physical danger and the fear of losing a job, property, shelter etc. i.e. the need for a stable environment free from threats. In Kenya, recently there has been a rise in insecurity especially in urban areas. NSSF should

ensure protection and security to their employees all over the country to ensure that this basic need is satisfied to ensure good performance of the employees. Job security of the employees should be enhanced by the organization honoring its employees' employment contracts, benefits after retirement and avoiding unprocedural termination of jobs.

Affiliation or acceptance need – since people are social being they need to belong i.e. be accepted by others. The NSSF's management should foster an environment of commonness and teamwork to ensure that employees relate well and belong to a common team and hence improve their performance. The organization should also allow for informal groupings in form of unions and employee welfare associations.

Esteem needs – according to Maslow, once people begin to satisfy their need to belong, they need to be held in esteem both by themselves and by others. This kind of need produces such satisfaction as power, prestige, status and self-confidence. Just like other people, the employees of NSSF also have this need.

Need for self-actualization - Maslow regards this as the highest need in the hierarchy. It is the desire to become what one is capable of becoming, to maximize/realize one's potential and self-fulfillment. Maslow's theory has been subjected to considerable research. Self-actualization needs are not necessarily a creative urge and may take many forms, which vary widely from one individual to another (Mullins, 1996). Edward Lawled and J Lloyd Suttle collected data on 187 managers in two different organizations over a period of 6 – 12 months. They found little evidence to support Maslow's theory that human needs form a hierarchy.

They, however, did note that there are two levels of needs – biological and other needs and that the other needs would emerge only when the biological needs have been reasonably satisfied. They further found that the level of strength of the need varied with individuals. In some individuals, social needs predominated while in others, self-actualization needs were the strongest.

In another study of Maslow's hierarchy of needs theory involving a group of managers over a period of five years. Douglas T. Hale and Khahil Nougain did not find strong evidence of hierarchy. They found that as managers advance in organizations, their physiological and safety needs tend to decrease in importance and their need for affiliation esteem and self-actualization tend to increase. They insisted, however, that the upward movement and the need for prominence resulted from upward career changes and from the satisfaction of lower order needs Mullins, (1996).

Man's behavior is seen as dominated by his unsatisfied needs and he is a perpetually wanting animal; for when one need is satisfied, he aspired for the next higher one. This , therefore, should be seen as an ongoing activity. What Maslow's theory seems to be silent on, is the time frame upon which this needs are satisfied making it difficult to establish at what point the individuals get satisfied and start being productive for the sake of the organization. By the time an individual reaches the self-actualization stage which seems to be the most productive stage, these individuals. Nevertheless, Maslow's theory has provided a useful framework for the discussion of the variety of needs that people may experience at work, and the ways in which their motivation can be met by managers and this will serve as a useful guide to this research Mullins, (1996).

2.3 Work Environment

Work environment is a major contributor to the performance of employees. An enabling environment has to be created for a worker to discharge his or her duties well. Deprivation of environmentally friendly factors leads to serious dissatisfaction.

Much of what influences an employee's working environment includes among others shelter, commuting, office environment and employee-employer relationship. It makes sense that people that are happy with their working environment/conditions will work far more

effectively and happily than those who are uncomfortable. It, therefore, makes sense to consider certain aspects of employee workspace quite carefully (Cole, 1997).

2.4 Motivational Factors

A very important question in the study of motivation is; what motivational techniques can managers use to motivate their employees and increase performance? While motivation is so complex and individualized that there can be no single best answer, some of the major motivational techniques can be identified as:

2.4.1 Money

Whether in the form of wages, piecework, incentive, pay bonuses, stock options, or any other things that may be given to employees for performance. Money is a crucial factor. Money is more than monetary value, it can also mean status or power. Economists and most managers tend to place money high on the side of motivators whereas behavioral scientists tend to place it low. Probably neither view is right (Mullins, 1996).

However, if money is to be a motivator, then managers must remember certain things. Money is likely to be more important to people who are raising a family, that to people who have 'arrived' in the sense that their monetary needs are not so urgent. Money is urgent means of achieving a minimum standard of living though this has a way of getting higher as people become more affluent. It is probably quite true that in most enterprises, money is used as a means of keeping an organization adequately staffed and not primarily as a motivator. Money as a motivator tends to be dulled somewhat by the practice of making sure that salaries of various managers in a company are reasonably similar. Organizations often take great care to ensure that people on comparable level are given the same or nearly the same compensation. This is understandable since people usually evaluate their compensation in light of what their equals are receiving. If money is to be an effective motivator, people in

various positions even though at a similar level, must be given salaries and bonuses that reflect their individual performance (Mullins, 1996).

Even if a company is committed to the practice of comparable wages and salaries, a well managed firm need not be bound to the same practice with respect to bonuses. In fact it appears that unless bonuses to managers are based to a major extent to individual performance, an enterprise is not buying much motivation with them. The way to ensure that money has meaning as a reward for accomplishment and as a means of giving people pleasure from accomplishment is to base compensation as much as possible on performance.

Money can motivate only when the prospective payment is large relative to a person's income. The trouble with many wage and salary increases and even bonus payments, is that they are not large enough to motivate the receiver. They may keep the individual from being dissatisfied and from looking for another job, but unless they are large enough to be felt, they are not likely to be a strong motivator.

However, the role of money as a motivator is controversial. Usually productivity does not increase in proportion to the increase in the money provided. In some cases, people could actually work less and enjoy more leisure, if given more money. In addition, after a while they will be adjusted to the new higher pay and take it for granted and demand another pay rise (Mullins, 1996).

There are many qualified people willing to work for the government or university for the low pay and are still satisfied and committed. There are also many highly motivated members of religious orders who work for low salaries. Some other people also work with a lot of commitment and dedication for charitable organizations with little or no pay. The role of money as a motivator is therefore not very clear.

2.4.2 Participation

One technique that has received strong support as a result of motivation theory and research is increased awareness and participation. The right kind of participation yields both motivation and knowledge valuable for enterprise success. Participating means recognition. It appeals to the need of affiliation and acceptance and it gives people a sense of accomplishment. But encouraging participation should not mean that managers weaken their position. Although they encourage participation of subordinate on matters with which the latter can help and although they listen carefully on matters requiring their decisions, they must decide themselves (Mullins, 1996).

2.4.3 Quality of Working Life

One of the most interesting approaches to motivation is the QWL program, which is a systems approach to job design and a promising development in the broad area of job enrichment, combined with grounding in the socio-technical systems approach to management. QWL has received enthusiastic support from a number of sources. Managers have regarded it as a means of dealing with stagnating productivity especially in the U.S. and Europe. Workers and union representatives have also seen it as a means of improving working conditions and productivity and as a means of justifying higher pay. Government agencies have been attracted to quality to as a means of increasing productivity and reducing inflation and as a way of obtaining industrial democracy and minimizing labor disputes (Mullins, 1996).

2.4.4 Job Enrichment

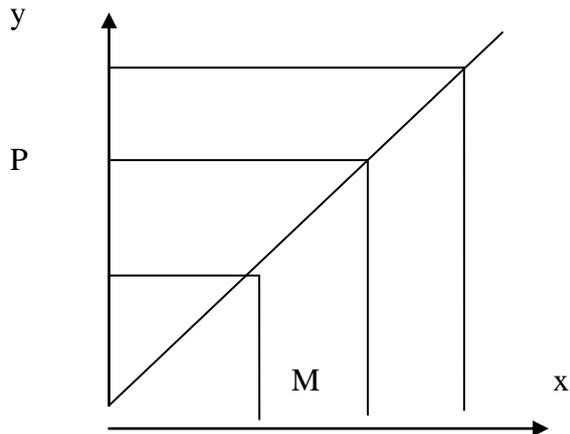
In job enrichment factors such as challenge, achievement, recognition and responsibility are seen as the real motivation. Job enrichment is the attempt to build into jobs a higher sense of challenge and achievement. Jobs may be enriched by:

- i. Job variety and by giving workers more freedom to decide about such things as work methods, sequence and pace or the acceptance or rejection of materials.
 - ii. Encouraging participation of subordinate and interaction between workers.
 - iii. Giving the workers a feeling of personal responsibility for their risk.
 - iv. Taking a step to make sure that the workers can see how their task contributes to a finished product and the welfare of the enterprise.
 - v. Giving people a feedback on their job performance preferably before the supervisor gets it.
 - vi. Involving workers in the analysis and change of physical aspect of the work environment such as office layout or plant temperature, lighting and cleanliness
- (Mullins, 1996)

2.5 Motivation/Performance Relationship

The link between performance and motivation is a positive one; increased motivation results in more effort and improved performance. However, it can be argued that while higher motivation will produce better performance, improvements in performance will increase motivation due to resulting sense of achievement.

Figure 2: Motivation/Performance Relationship



KEY:

P- Performance

M- Motivation

Motivation influences performance, for example when feedback is communicated to the employees or mostly when recognition of achievement of an individual's performance is realized then the output of the individual is likely to increase. Motivation has that attractiveness of certain kinds of rewards, which performance (Miner, 1980).

Productivity expresses the relationship between output from systems and inputs, which go into their creation. Performance is related to productivity when productivity is used as a means of measuring actual operations thus used as a way of analyzing and evaluating performance.

Productivity is the relationship of output to input i.e. productivity = $\frac{\text{Output}}{\text{Input}}$

Input

If positive attitudes are developed, then productivity will increase, therefore, improved motivation leads to high productivity (Miner, 1980).

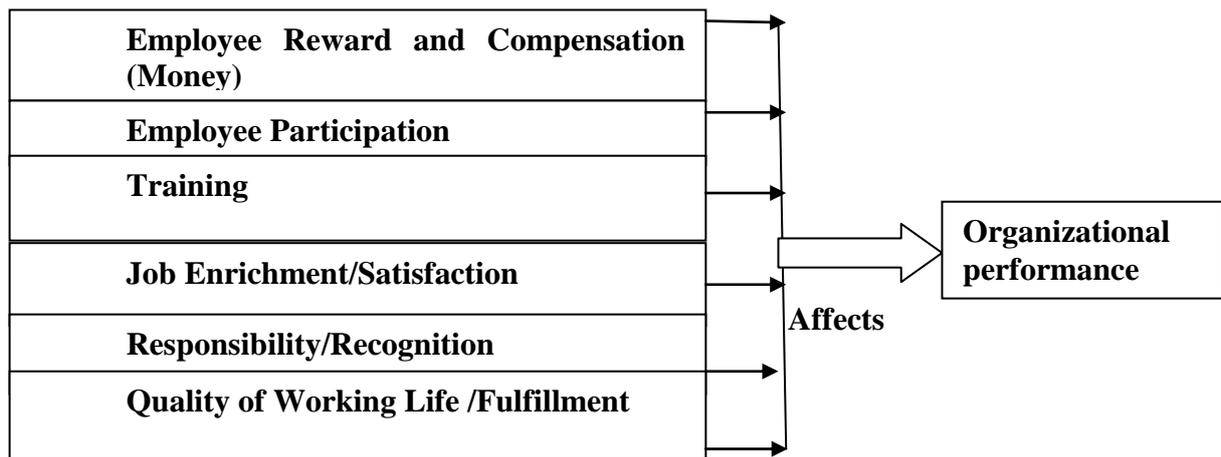
2.7 Review of Empirical Data

Drawing from studies conducted by other researchers, several motivational factors are suggested as possible contributors to the poor performance of organizations in general. Ochola and Ngige (2002) portrays employee satisfaction and motivation as major influences on employee on performance in general. The two go further to reveal that job enrichment factors such as challenge, achievement, recognition and responsibility are the real motivators. However, Mullins (1996) argues that, giving people a feedback on their job performance preferably before the supervisor gets it, involving workers in the analysis and change of physical aspects of work environment such as office layout or plant temperature, lighting and cleanliness leads to positive and improved performance in organizations.

2.6 Conceptual Framework

The model below illustrates some of the motivating factors which affect organizational performance. These factors will form the independent variables of the study and will be manipulated to positively or negatively affect the dependent variable, which is organizational performance. These independent variables have been broadly covered in the literature review.

Figure 3: The Conceptual Framework



Independent Variables

Dependent Variable

Source: Researcher, (2007)

CHAPTER THREE

3.0 Research Methodology

3.1 Introduction

This section outlines the research methodology used to meet the objectives of the study. It reviews the research design, target population, data collection procedures and data analysis methods.

3.2 Research Design

A descriptive research design was adopted for this study to establish the impact of motivation on employee performance. Descriptive designs are used in preliminary and exploratory studies Luck and Ruben (1992) to allow the researcher to gather information, summarize, present and interpret for the purpose of classification Orodho (2002). Borg and Gall (1989), note that descriptive survey research is intended to produce statistical information about the issue under investigation.

3.3 Target Population

The target population for this study was NSSF employees who are approximately 1,800. However, the research was carried out only at the headquarters due to the fact that it is the only office that had all the cadre of employees from the Managing Trustee and senior management to the subordinates.

3.4 Sampling Procedure

The study adopted a stratified random sampling approach whereby each employee was chosen on the basis of their departments and randomly assigned single numbers and then selected randomly. The sample gave generalized findings about NSSF and the tentacles of

the sample frame was spread over the various departments. The sample size encompassed 10% of the total population of NSSF employees which was 1,800 and therefore yielded a sample of 180 respondents.

3.5 Data Collection Methods

The data for this study was collected through a semi-structured questionnaire having mostly closed-ended questions and some few open-ended questions. The closed-ended questions enabled collection of quantitative data for statistical analysis. The open-ended questions on the other hand elicited qualitative responses about the respondents' views on the issues under study. The questionnaire was validated in order to help identify any ambiguous and unclear questions to the respondents by conducting a pilot test before the actual data collection.

The final questionnaires were sent via intranet for those working within NSSF head office. Follow-up for this group will be via internal telephone calls. Those who wished to fill up printed questionnaires were visited by the researcher and handed the questionnaires. The filled up questionnaires were then picked after a week.

3.6 Data Analysis

The data collected was edited for accuracy, uniformity, consistency and completeness and then arranged to enable coding and tabulation before final analysis. The data was then coded and cross-tabulated to enable the responses to be statistically analyzed using descriptive statistics such as percentages, frequencies, measures of central tendency like mean, mode and median and with the help of Statistical Package for Social Sciences (SPSS) software program, the results were presented in both tabular and graphical format. This enabled easy interpretation and recommendations to be drawn.

3.7 Expected Output

The researcher intended to come up with a project paper that will highlight the impact of motivation on employee performance. The paper will be used by various stakeholders in the public service sector in understanding the various aspects of motivation and how they can be able implement the various suggestions that will be recommended in their organizations. The paper will also be stored in the university's resource centre where it will be of use to future researchers and scholars as they engage in related studies.

CHAPTER FOUR

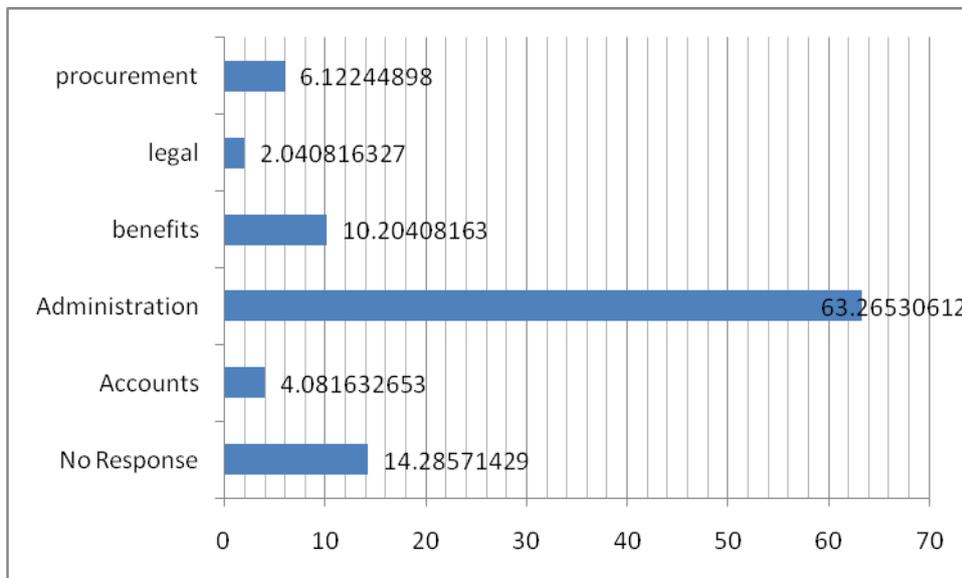
4.0 Results and Findings

4.1 Introduction

This chapter comprises data collection details as captured using the research questionnaire and other sources of secondary data as well as the analysis of those findings. It has been summarized and presented in the form of tables, charts and narratives.

4.2 Descriptive Data Analysis

Department where respondents worked

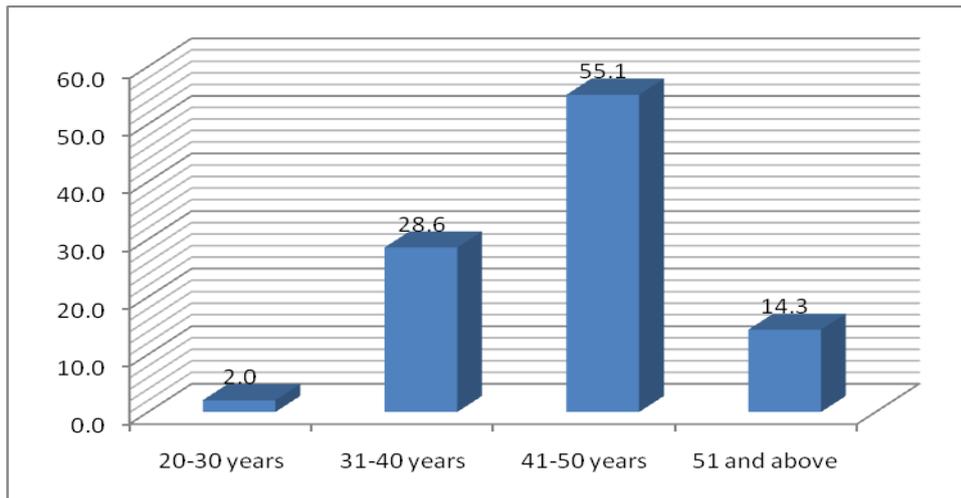


Source: Survey Data, (2013)

Figure 4. 1: Department where respondents worked

63% of the respondents were in the administrative department, 14% did not respond to the question, 10% were in the benefits department, 6% were in the procurement department, 4% in the accounting department, and the remaining 2% in the legal department.

Age of the respondents

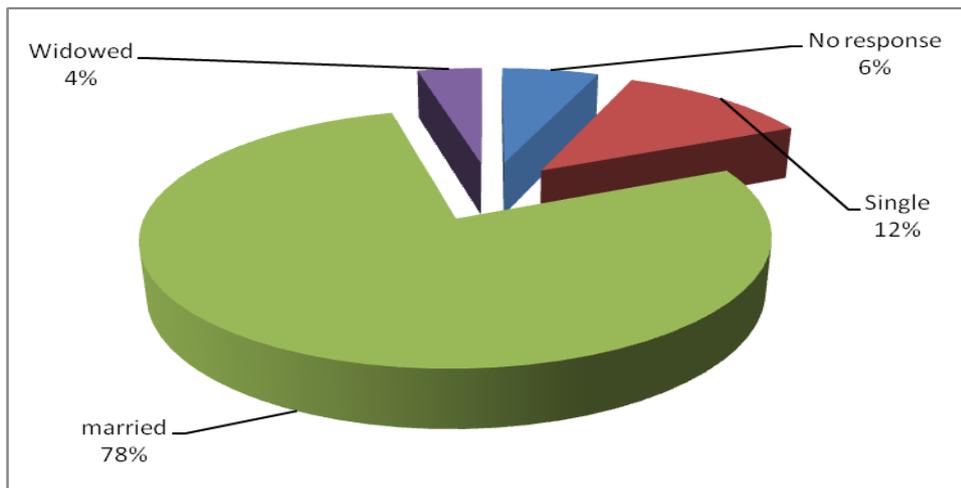


Source: Survey Data, (2013)

Figure 4. 2: Age of the respondents

The study revealed that 55.1 percent of the respondents were between 41 and 50 years old, 28.6% were between 31 and 40 years old, 14.3% were 51 years and above while 0.2% of the respondents did not respond to the question as shown in table 4.1 above.

Marital status of the respondents



Source: Survey Data, (2013)

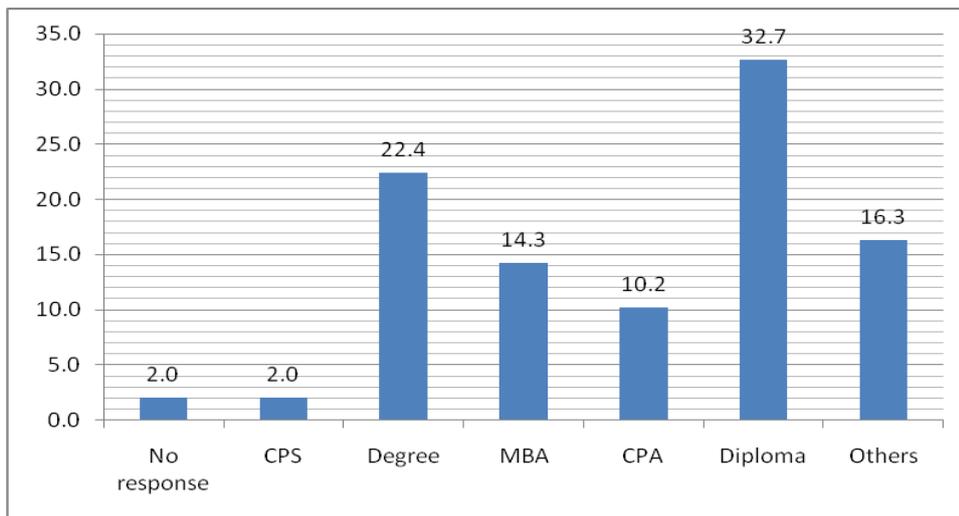
Figure 4. 3: Pie-chart representing the marital status of the respondents

This section aimed at establishing the marital status of the respondents. Findings from the study revealed that a majority of the respondents were married comprising 78 percent, 12% were single, while 4% were widowed. The remaining 4% did not respond to the question.

Highest level of education achieved by the respondents

The study required to find out the highest level of education achieved by the respondents.

This was illustrated in Figure 4.4 below.

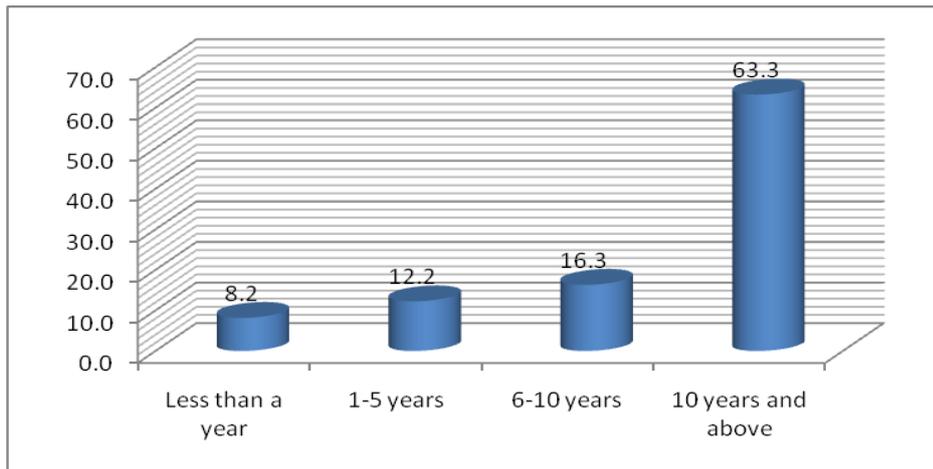


Source: Survey Data, (2013)

Figure 4. 4: Highest level of education achieved by the respondents

From the findings, 32.7% of the respondents were diploma holders, 22.4% were degree holders, 16.3% held other qualifications, 14.3% had a masters in business administration, 10.2% had CPA certificates, 2.0% CPS, and the remaining 2% did not respond to the question.

Duration of time respondents had worked with the fund



Source: Survey Data, (2013)

Figure 4. 5: Duration of time respondents had worked with the fund

Further, findings revealed that 63% of the respondents had worked with the fund for 10years and above, 16.3% for between six to 10 years, 12.2% for between 1 and 5 years, and the remaining 8.2% had worked with the fund for less than a year.

Table 4. 1: Terms of service

	Frequency	Percent	Valid Percent	Cumulative Percent
Probation	5	10.2	10.2	10.2
Permanent and not pensionable	17	34.7	34.7	44.9
Contract based	1	2.0	2.0	46.9
Permanent and Pensionable	26	53.1	53.1	100.0
Total	49	100.0	100.0	

Source: Survey Data, (2013)

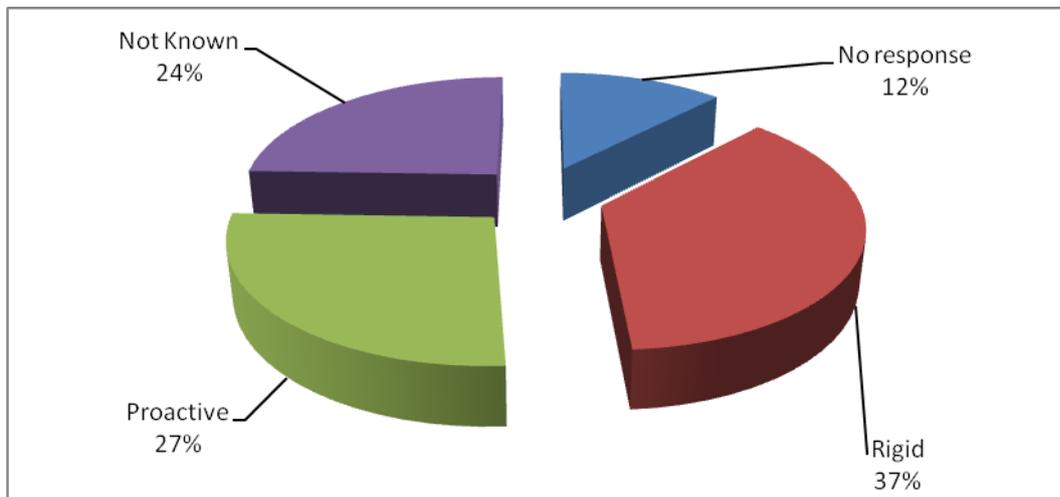
The study also determined the respondents terms of service as shown in the table above. Majority 26 (53.1%) of them were employed permanently and their pay was pensionable, 17

(34.7%) were in a permanent and not pensionable arrangement, 5 (10.2%) were on probation, while the remaining 1 (2.0%) was in a contract based engagement with the organisation

4.3 Study Variables

4.3.1 Motivation and employee performance

Respondents rating of their organizations HRM policy with regard to Motivation



Source: Survey Data, (2013)

Figure 4. 6: Respondents rating of their organizations HRM policy with regard to Motivation

The study in this section aimed at establishing the respondents rating of their organizations HRM policy with regard to Motivation. Results from the study revealed that majority of the respondents felt that in their organizations HRM policy was proactive as shown by 37%. 27% felt it was proactive, 24% did not know how to rank it and the remaining 12% did not respond to the question.

Table 4. 2: Motivators present in the organisation

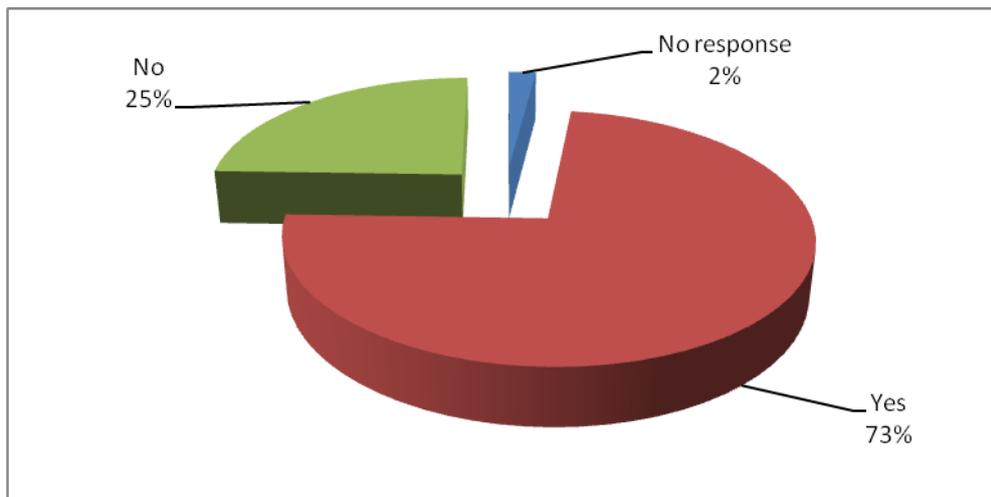
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No response	3	6.1	6.1	6.1
	Material rewards e.g. money	16	32.7	32.7	38.8
	Symbolic rewards e.g. praise and recognition	18	36.7	36.7	75.5
	Task rewards e.g. feeling of accomplishment	7	14.3	14.3	89.8
	Others	5	10.2	10.2	100.0
	Total	49	100.0	100.0	

Source: Survey Data, (2013)

Further findings revealed that the motivators present in the organisation were symbolic rewards e.g. praise and recognition as shown by 36.7 percent, Material rewards e.g. money comprising 32.7%, and task rewards e.g. feeling of accomplishment comprising 14.3%.

10.2% indicated that there were other ways of motivation as shown by 10.2% and the remaining 6.1% did not respond to the question.

Whether motivation affects performance



Source: Survey Data, (2013)

Figure 4. 7: Whether motivation affects performance

On the question on whether motivation affects performance, 73% of the respondents felt that it did, while only 25% felt it did not. 2% of the respondents did not respond.

Table 4. 3: Whether supervisors have the ability to work with others at all levels ready to try out new ideas and methods

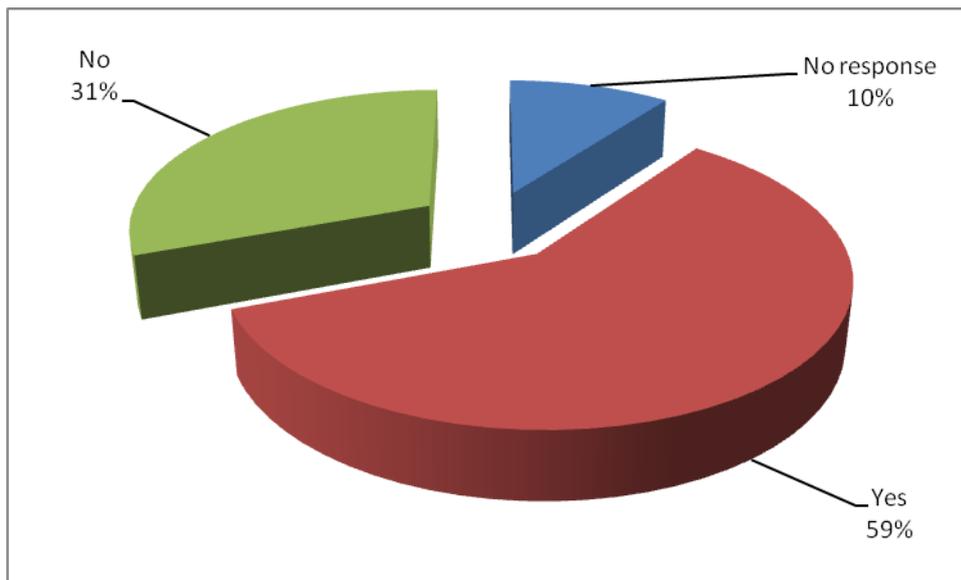
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No response	3	6.1	6.1	6.1
	Difficult to work with because often touchy and uncooperative	16	32.7	32.7	38.8
	Normally cooperative and only raise few difficulties	14	28.6	28.6	67.3
	Always try hard to co-operate, easy to work with	6	12.2	12.2	79.6
	Co-operate extremely well with others	9	18.4	18.4	98.0
	Others	1	2.0	2.0	100.0
Total		49	100.0	100.0	

Source: Survey Data, (2013)

The study in this section sought to find out whether supervisors have the ability to work with others at all levels ready to try out new ideas and methods. From the findings, 32.7% of the respondents felt that it was difficult to work with their supervisors because they were touchy and uncooperative, 28.6% felt that they were normally cooperative and only raised few difficulties, 18.4% felt that their supervisors co-operated extremely well with others, 12.2% felt that their supervisors always tried hard to co-operate, and were easy to work with.

6.1% of the respondents did not respond to the question while only 2.0 made other comments about their supervisors other than the choices given.

Whether there is a link between job satisfaction and performance

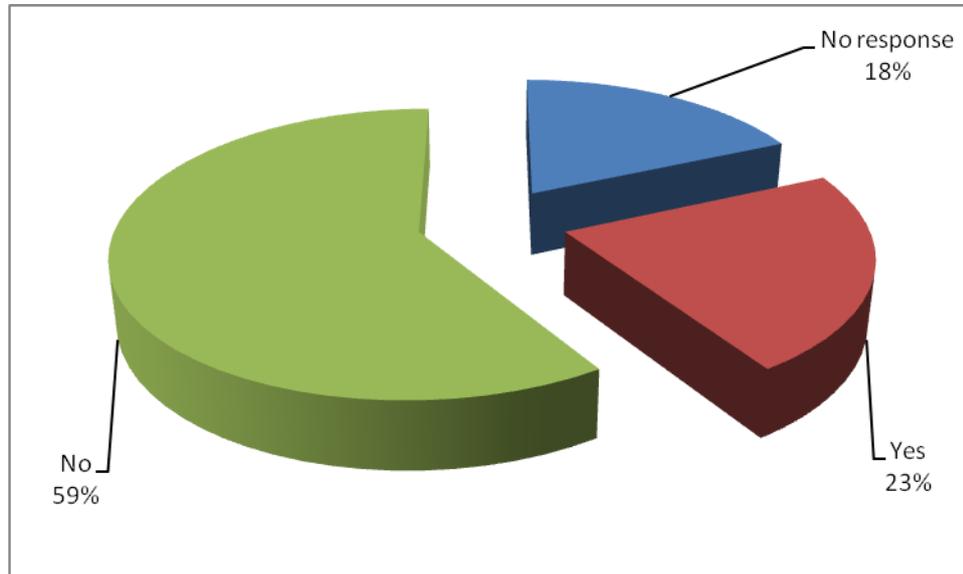


Source: Survey Data, (2013)

Figure 4. 8: Whether there is a link between job satisfaction and performance

Asked whether there is a link between job satisfaction and performance in their organisation, 59% of the respondents indicated that there was, while the remaining 31% felt that no link existed between job satisfaction and performance. Only 10% of the respondents did not answer the question.

Whether the organisation regularly evaluates the HRM policy especially with regard to motivation



Source: Survey Data, (2013)

Figure 4. 9: Whether the organisation regularly evaluates the HRM policy especially with regard to motivation

This question sought the respondents' opinion as to whether the organisation regularly evaluates the HRM policy especially with regard to motivation. Fifty nine percent of the respondents were of the opinion that the organisation does not evaluate the HRM policy regularly, 23% were of the opinion the organisation regularly evaluates the HRM policy, while 18% did not respond to the question.

Table 4. 4: Whether it’s possible to satisfy higher needs in all employees who desire it at the workplace

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No response	3	6.1	6.1	6.1
	Need for belonging through employee membership and associations	10	20.4	20.4	26.5
	Need for esteem and status through promotions	23	46.9	46.9	73.5
	Need for self actualizations through encouraging self fulfilment	13	26.5	26.5	100.0
	Total	49	100.0	100.0	

Source: Survey Data, (2013)

Study findings also revealed that majority of the respondents felt the need for esteem and status through promotions as indicated by 46.9 percent, 26.5% felt the need for self actualizations through encouraging self fulfilment while the remaining 20.4% felt the need for belonging through employee membership and associations.

CHAPTER FIVE

5.0 Discussion, Conclusions and Recommendations

5.1 Introduction

The overall aim of this chapter is to synthesize the findings of the previous chapters. It does this first by way of a summary and discussion of the main findings of the study with respect to each study objective. Conclusions based on the findings, recommendations and limitations of the study as well as suggestions for further study are also covered in this chapter. Every attempt was made to represent the facts with completeness and clarity.

5.2 Summary of findings

Respondents were required to rate their organizations HRM policy with regard to motivation. Results from the study revealed that majority of the respondents felt that in their organizations HRM policy was proactive as shown by 37% while 27% felt it was proactive. Motivators present in the organisation were found to be symbolic rewards e.g. praise and recognition; Material rewards e.g. money, and task rewards e.g. feeling of accomplishment. It was also found out that motivation affects performance, that supervisors have the ability to work with others at all levels ready to try out new ideas and methods; that there is a link between job satisfaction and performance in their organisation, that the organisations regularly evaluate the HRM policy especially with regard to motivation, that respondents felt the need for esteem and status through promotions, need for self actualizations through encouraging self fulfilment and also need for belonging through employee membership and associations.

5.3 Conclusions

Based on the findings, the study concludes that in most of the organizations HRM policy was proactive; that symbolic rewards e.g. praise and recognition were the most common form of motivation adopted by the organisations; that motivation affects performance, that supervisors have the ability to work with others at all levels ready to try out new ideas and methods; that there is a link between job satisfaction and performance in their organisation, that the organisations regularly evaluate the HRM policy especially with regard to motivation, that respondents felt the need for esteem and status through promotions, need for self actualizations through encouraging self fulfilment and also need for belonging through employee membership and associations.

5.4 Recommendations

As such, this study recommends that:-

1. Management should ensure that the organizations have a HRM policy that is readily available to all employees.
2. Engage their employees in the implementation and improvement of the HRM policy to ensure that they understand it.
3. Incorporate a training programme for all staff on the HRM policy
4. Organizations should finally conduct evaluations on employee performance to allow for promotions and rewarding on merit

5.6 Recommendation for further research

Further research should be conducted in government parastatals and also in other industries to establish if the findings hold.

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APPENDICES

Appendix 1; Data Collection Letter

JACINTA NJERI KURIA

P.O BOX 2091

NAKURU

TO THE RESPONDENTS

NATIONAL SOCIAL SECURITY FUND

P.O BOX 30599

NAIROBI

**RE: QUESTIONNAIRE ON THE IMPACT OF EMPLOYEE MOTIVATION ON
PERFORMANCE AT NSSF**

The undersigned who is an MBA student at Kenyatta University is carrying out a research on the above stated matter.

This is to request your co-operation in answering the questions on the attached questionnaire. Information so gotten will assist the researcher in making important conclusions about the subject matter under study.

The research findings will form an important database to the management for future reference on matters relating to motivation and employee performance.

Information gathered will be treated with utmost confidentiality

Thanking you in advance.

Yours faithfully,

JACINTA KURIA

Appendix II; Questionnaire

Section 1:0 Background Information

INSTRUCTIONS:

The following information pertains to your personal background. Please complete each item by ticking where appropriate.

1:1 State your department

1:2 Age bracket

20 -30

31-40

41-50

51 and above

1:3 Marital status

Single

Married

Divorced

Widowed

1:4 Level of education

Primary

Secondary

College

University

Other (specify

1:5 State your job title

1:6 What are your professional qualifications?

C.P.S

MBA

DIPLOMA

CPA

OTHERS (specify)

1:7 How long have you worked with the fund?

Less than one year

1 – 5 years

6 – 10 years

10 years and above

1:8 What are your terms of service?

Probationary

Permanent and not pensionable

Contract

Permanent and pensionable

Section 2:0 MOTIVATION AND EMPLOYEE PERFORMANCE

INSTRUCTIONS: The following items pertain to motivation and employee performance.

Please complete each item by either ticking as appropriate or giving a comment.

2:1 How can you rate your organization's HRM policy with regard to motivation?

Rigid

Proactive

Not known

2:2 What do you think are some of the motivators present in the organization? (NSSF)

Material rewards e.g. money

Symbolic rewards e.g. praise/recognition

Social rewards e.g. self esteem

Task reward e.g. feeling of accomplishment

Other (specify)

2:3 Does motivation affect performance at place of work?

Yes

No

Give reasons for your Answer

2:4 Do Managers have ability to work with others at all levels ready to try out new ideas and methods?

Difficult to work with because often touchy and uncooperative

Normally cooperative; only raise few difficulties

Always try hard to co operate, easy to work with

Cooperate extremely well with others at all levels

Other (Specify)

2:5 What can you attribute to the incidences of low morale in the organization? (Please list)

.....
.....
.....
.....

2:6 Suggest any training that may improve employees' performance

.....
.....
.....
.....

2:7 Is there a link between job satisfaction and performance?

Yes

No

(Please explain if your answer is yes)

.....
.....
.....

2:8 According to you what are the indicators of job satisfaction?

.....
.....
.....
.....

2:9 Does the organization regularly evaluates her HRM policy especially with regard to employee motivation?

Yes

No

(Please explain if your answer is yes)

.....
.....
.....
.....

3:0 It is possible to satisfy higher needs in all employees who desire it at workplace. (Please tick if you agree)

Need for belonging through employee memberships and associations

Need for esteem and status through promotions

Need for self actualization through encouraging self fulfillment

3:1 What would you suggest to the organization to do to improve her HRM policy especially on employee motivation? (Please explain)

.....

.....

THANK YOU