Determinants of Employees’ Performance of State Parastatals in Kenya: A Case of Kenya Ports Authority

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Abstract
The purpose of the study was to assess the determinants of employees’ performance of Kenya Ports Authority. The specific objectives of this study were: i) to examine the effect of organizational factors on performance of Kenya Ports Authority employees ii) to investigate the effect of motivation factors on performance of Kenya Ports Authority employees and iii) to establish the effect of individual characteristics on performance of Kenya Ports Authority employees. This research problem was studied through the use of a descriptive research design. KPA management staff consisted of a total population of 220 who were highly qualified permanent staff working at KPA offices in Mombasa. A sample of 65% of the total population was selected using stratified random sampling generating a sample size of 142 respondents. Primary data was collected using a questionnaire and a pilot study was done to establish the reliability and validity of the research instruments. The target population included top management, middle level management and low level management of Kenya Ports Authority. Questionnaires were the main data collection instrument. The study employed quantitative analysis techniques. A regression model was used to analyze the objectives. The collected data was processed using SPSS and presented using frequency tables, bar charts, and pie charts. This study recommends that Kenya Ports Authority should utilize individual characteristics and organizational factors for enhancing their employees’ performance.

Key words: Employees’ performance, individual characteristics, organizational factors, motivation factors

1.1 Introduction
Kenya Ports Authority plays a critical position towards the achievement of vision 2030. This is so because ports have been singled out as the driving force and the government hence has laid a lot of stress on KPA by supporting various projects being carried out by it (GOK, 2012). For KPA to remain relevant and obtain its goals, it has adopted various motivational techniques including determinants of employees’ performance. KPA aims to enhance and motivate employees who can help it achieve its goals. Similarly, KPA has developed Human Resource plan which guides on how it can achieve its goals. In the KPA’s strategic plans, there are the behavioral determinants of employee performance. However, of late KPA has encountered employees’ performance challenges and this is being informed by the fact that KPA has not been able to achieve its desired results. Going by the financial year 2009/2010 performance contracting results, KPA did not attain its expectations in spite of the government having giving it greater allocation of the budget (GOK, 2010). One of the best performing parastatals was KARI with a performance index of 2.86. On the other hand, a parastatal that performed below average on a scale of 1-5 was Coffee Research Foundation with a performance index of 2.48. Mullins (2005) asserts that employee motivation is a very function of a manager due the current competitive labor market. When an organization loses employees, it means there is a loss of skills, knowledge, and experiences which can create a significant economic effect. Therefore, determinants of employees’ performance can be the likely solution for this kind of worrying performance. There is little, if not scarce information, on determinants of employees’ performance of Kenya Ports Authority. This current study, hence, sought to explore the determinants of employees’ performance of Kenya Ports Authority.

1.2 Purpose of the study
The purpose of the study was to assess the determinants of employees’ performance of Kenya Ports Authority.

2.0 Conceptual Framework
The independent variables in this study were: organizational factors, motivation factors and individual characteristics while the dependent variable was employees’ performance.
Independent Variables | Dependent Variable
---|---
**Organizational factors**
- Top management support
- Leadership style
- Training

**Motivation Factors**
- Extrinsic motivation
- Intrinsic motivation
- Skill and ability

**Individual characteristics**
- Age
- Gender
- Education

**Employee performance**
- Creativity and innovativeness
- Rate of absenteeism
- Achievement of targets
- Quality work

Figure 1: Conceptual Framework

2.1 Organizational Factors and Employees’ Performance
Altrasi (2014) viewed organizational factors as the organizational elements that describe and differentiate one organization from others such as leadership structure, policies, procedures and climate. This study incorporated top management support, training and leadership patterns of managers as organizational factors which influence employee performance. Top management support involves the ability of an organization to engage in activities, attitudes, and behaviors that prove to support successful accomplishment of activities which contribute to employee performance (Hague and Anwat, 2012). Miao (2011) states that employees have a inherent need of being cared for and they require to be provided with the necessary support from management in terms of resources, approval, affiliations in order to encouraged to perform well. Leadership style is critical to employee performance because leaders’ actions are directed to provide the required necessary task related guidance and moral support to employees (Bodla and Hussein, 2009). Every leadership style is designed to test the direct and indirect effect of leadership on employee performance. Employees require good structures in order to gain the necessary guidelines operating procedures and methods to perform the work and give feedback (Bass and Bass, 2008). In need for social support, employees expect their leaders to provide them with emotional, psychological, and moral support (Yukl, 2011). The style of leadership explains the behavioral and exchange process in which a leader performs certain actions to influence employee performance (Walumbwa and Webbr, 2009). There is a positive relationship between the leadership style exhibited by the leader to influence followers in task performance by providing the necessary social support and employee performance (Kim, Tavityaman and Kim, 2009).

Beatrice et. al., (2009) identified job training as an important strategy which improves employee performance through improvement of employee competencies. Employees without viable training programs are likely to fail because the organization does not provide opportunities for employees to practice and improve their knowledge and skills (Beckman, 2009). Employees should be empowered with skills necessary to handle their tasks. Such skills should empower employees with the necessary expertise or abilities to skillfully handle specific tasks (Viscal, 2011). Managers also ought to create a working environment that encourages the training of weak employees in order to enhance their skills and help them contribute positively to the performance (Delis, et.al., 2010). This is because training acquaints employees with technology, competencies, and skills which provide opportunities to practice and enhance their capabilities. Lack of training leads to poor performance, inefficiencies and ultimately it decreases profitability and productivity (Newton, 2016). Employee training has individual benefits of attracting new staff and retaining existing ones as well as pushing the abilities of employees to higher stages from their current situation (Mubashar and Muhammad, 2011).

2.2 Motivation factors and employees’ performance
The act of inducing employees each with distinctive needs and personalities to pursue personal and organizational objectives encourages them to perform better (Mekonnen, 2014.) Ability is an explanation of an individual’s knowhow, qualifications, and experience which are a necessary condition for determining individual performance (Gebregziabher, 2009). The most important variables which explain employee performance and which effectively influence such performance are a function of ability and Motivation (Abdulsalam and Abubakar, 2012). Mekonnen, (2014) views employee performance as a positive relationship between ability and motivation Performance = (A x M). This means that if either is inadequate then performance will be negatively affected. The components of ability which are an individual’s intelligence and skills are viewed as accurate predictors of employee performance (Mulins, 2007). Stella, 2008 states that employees who are highly motivated are much likely to be high performers.
This is so because motivation is a satisfying factor whose presence strongly and positively affects individual performance and its absence overtime negatively affects individual performance (Gebregziabher, 2009). Abdulsalam and Abubakar (2012) classifies intellectual abilities of adults as fluid intellectual ability most associated with working memory, abstract reasoning and attention and crystallized intellectual abilities associated with knowledge, vocabulary and verbal comprehension. Gebregziabher (2009) found out that with increased age, employees engage in jobs which demand high levels of knowledge and experience in order to maintain their performance.

2.3 Individual characteristics and employees’ performance

The individual characteristics that have been adopted for this study are age and individual training. A research conducted in Ethiopian Public organizations established age as one of the variables that determine employee performance (Gebregziabher, 2009). According to Gursoy, Maier and Chi (2008), individual characteristics include age, gender, physical activity, alcohol drinking habits, smoking habits and Computer Use Information. Other scholars have also endeavored to identify the influence of individual characteristics on employee performance with positive results being recorded (Islam, Cheong, Yusuf and Desa, 2011). Robins (2008) identifies individual characteristics as qualities owned by someone who consists of the demographical characteristic variable, ability, and personality. The demographic characteristics cover: age, sex, marital status, number of dependents and service period. The personality characteristics cover: personality, attitude, and someone’s need taken along into the work atmosphere. Individual characteristics are features that shape employee behaviors that influence motivation and employee performance (Gursoy, Maier, and Chi, 2008) states those individual characteristics are closely linked to employee performance, meaning that there is a significant effect of individual characteristics on employee performance. There are four characteristics of an individual as an employee in relation to work. Those four characteristics are: biographical, abilities, personality and learning (Musrilia, and DraMsi, 2014). In the biographical characteristics that appear and can be observed on: age, gender, marital status, and number of family members (Gellert and Schalk, 2012). Most likely the relationship between age and performance is an increasingly important issue over the next decade, because there is a widespread belief that performance declines with increasing age (Goris, 2007). It was also noted that employee performance increases with age up to a some point beyond which it decreases (Mekonne, 2014).

Therefore, working on character abilities that can be observed is the capacity of individuals to complete various tasks in a job that includes intellectual abilities, emotional skills and physical abilities (Khan, Kashif-Ur-Rehman, Ijaz-Ur-Rehman, Safwan, and Ashfaq, 2011)). Personality characteristics are a composite of all the ways in which individuals react and interact with other people (Khireva, 2011). So it is the personality of the integrated self-image and is the total of intrapsychical forces, which create a unique human being, with a specific behavior (Tung, Baird, and Schoch, 2011). While the characteristics of learning occur at any time and chance. Learning is any relatively permanent change of individual behavior that occurs as a result of life experiences. Occurs when the individual behavioral changes that have occurred in the learning process of the individual.

3.0 Research Design

This research problem was studied through the use of a descriptive research design. A descriptive study is concerned with finding out the what, where and how of a phenomenon. This study therefore was able to generalise the findings to all the departments in the organization. According to Mugenda and Mugenda (2003) descriptive design is a process of collecting data so as to answer questions regarding the current status of the subject of the study.

3.1 Sample and sampling technique

The sampling plan describes how the sampling unit, sampling frame, sampling procedures and the sample size for the study (Creswell, 2009). Sample of responding staff was drawn from 220 top, middle and lower level managers from the staff working at KPA offices in Mombasa. Creswell (2009) argues that if well chosen, samples of about 10% of a population can often give good reliability. Stratified random sampling technique was used since population of interest is not homogeneous and could be subdivided into groups or strata to obtain a representative sample. From the above population of two hundred and twenty (220), a sample of 65% of the study population was selected. This generated a sample of 142 respondents which the study sought information from. Out of the 220 employees of Kenya Ports Authority, the sample size was calculated using a proportion of 65% which was in tandem with Mugenda & Mugenda (2003) argument that a 30% sample size was a good representation of the target population.

$S = 65\% \times N$

$S$ = required sample size

$N$ = the population size

$S = 65\% \times 220 = 142$

<table>
<thead>
<tr>
<th>Management levels</th>
<th>Population size</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top level</td>
<td>41</td>
<td>26</td>
</tr>
<tr>
<td>Middle level</td>
<td>73</td>
<td>48</td>
</tr>
<tr>
<td>Low level</td>
<td>106</td>
<td>68</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>220</strong></td>
<td><strong>142</strong></td>
</tr>
</tbody>
</table>

4.0 Findings of study variables

The following sections highlight the study results:
4.1 Correlation Analysis

Pearson bivariate correlation coefficient was used to compute the correlation between the dependent variable (employees’ performance) and the independent variables (organizational factors, motivation factors and individual characteristics). Sekaran (2008) notes that this relationship is assumed to be linear and the correlation coefficient ranges from -1.0 to +1.0. Hence, the correlation coefficient was calculated to establish the strength of the relationship between dependent and independent variables (Kothari, 2013). The Table 2 below shows the results.

From the Table 2 below, the results generally indicate that all independent variables (individual characteristics, motivation factors, and organizational factors) were found to have positive and highly significant correlations with employees’ performance at 1% level of significance. There was a moderate and positive significant correlation between individual characteristics (IC) and employees’ performance (r=0.375, P<0.01). There was a weak and positive but significant correlation between motivation factors (MF) and Employees’ performance (r=0.244, P<0.05). There was a moderate positive and highly significant correlation between organizational factors (OF) and Employees’ performance (r = 0.394, P<0.01). The results imply that individual characteristics (IC), motivation factors and organizational factors (OF) significantly affected employees’ performance of Kenya Ports Authority.

![Table 2: Correlations analysis](image)

**Correlation is significant at the 0.01 level (2-tailed).**
**Correlation is significant at the 0.05 level (2-tailed).**

The results are in agreement with the findings of McColy and Wise (2002) who showed that motivation is a tool to improve performance through learning. It is also argued by Argyris (1991) that success in the market place is highly related to learning and how to motivate employees to learn. In addition, Smith (1994) observed that motivated employees are required if a firm wishes to survive in a competitive environment. The current study findings reveal that there is a direct positive relationship between motivation and employees’ performance. The findings are also in agreement with Eiseengerber, Fasolo and Davis-LaMastro (1990) who provided that employee’s positive perception of being cared and provided necessary support from the top management in task performance encourages employees’ performance. The results also concur with comments by Beckman (2009) those firms without viable education programs would fail to provide employees with frequent opportunities to practice and enhance their capabilities in terms of enhanced employee skills and knowledge.

4.2 Model Summary

In order to test the research hypotheses, a standard multiple regression analysis was conducted using the three determinants of employees’ performance; IC, MF and OF as independent variables and EP as the dependent variable. Table 3 depicts the model summary results.

![Table 3: Model Summary](image)

The ANOVA in Table 4 shows the degree of fitness of the regression model.
From the ANOVA Table 4 above, it is clear that the overall standard multiple regression models is significant in predicting how individual characteristics (IC), Motivation Factors (MF) and Organizational Factors (OF) determine Employees’ performance of Kenya Ports Authority. The regression model obtained a high degree of fit as shown by R square of 0.255 (F=4.114; P=0.001<0.05).

4.4 Regression coefficients

It was also important to determine how individual characteristics (IC), Motivation Factors (MF) and Organizational Factors (OF) affected Employees’ performance (EP) of Kenya Ports Authority. Table 5 below presents the regression results.

Table 5: Regression Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>2.050</td>
<td>0.587</td>
</tr>
<tr>
<td>IC</td>
<td>0.169</td>
<td>0.070</td>
</tr>
<tr>
<td>MF</td>
<td>0.118</td>
<td>0.147</td>
</tr>
<tr>
<td>OF</td>
<td>0.283</td>
<td>0.110</td>
</tr>
</tbody>
</table>

Table 5 above presented the regression results on how the three determinants; IC, MF and OF determined Employees’ performance (EP). The multiple regression equation was that: Y=β0+β1X1+β2X2+β3X3+ε; and the multiple regression equation became: Y=2.050+0.169X1+0.118X2+0.283X3. As depicted in Table 5, there was positive and significant effect of individual characteristics (IC) on Employees’ performance (β = 0.311; t=2.415; P<0.05). There was positive and significant effect of Organizational Factors (OF) on Employees’ performance (β=0.340; t=2.588; P<0.05). Similarly, there was positive but significant effect of Motivation Factors (MF) on Employees’ performance (β=0.221; t=0.803; P<0.05). The results of the standard multiple regression analysis indicate that when the three independent variables are combined together, individual characteristics, motivation factors and Organizational Factors have positive and significant effect on Employees’ performance of Kenya Ports Authority. These results are in agreement with the arguments of Haque and Anwar (2012) who highlighted that top management should engage in such activities, attitudes, and behaviors that prove the strong support in the successful accomplishment of any activity which favorably enhances employees’ performance. The results also agrees with the argument of Cooney, Terziovski and Samson (2002) who highlighted that provision of training is the stand alone practice which leads to effective employees’ performance. Hence, Bodla and Hussain (2010) note that employees need leader’s interventions to provide them necessary task related guidelines, clear operating procedures and methods to perform the work and deliver the task related feedback. Employees also desire social and moral support from their leaders.

The findings also concur with the arguments by Robbins (1996) who highlights that employees’ performance is a function of the interaction of ability and motivation. Hence if either ability or motivation is inadequate, employees’ performance will be negatively affected. The results also agree with the highlights of Milapo (2001) who notes that motivation is an important factor which describes employees’ performance because even employees with the required knowledge, skills and abilities will perform poorly if they are not motivated to devote their time and effort to work. Mullins (2007) notes that motivation is significant as a driving force contained by the employees. The results corroborates with the findings of Gebregziabher (2009) who argues that absence of motivation has powerful and adverse effect on employees’ performance through time. Similarly, the results are in agreement with Vroom (1964) findings who highlighted that when qualifications are low, increased motivation results in smaller improvements in performance than when qualifications are high. The findings are in agreement with the arguments of Beatrice et.al., (2009) who highlighted that though the effect of education levels on employees’ performance is smaller improvements of employees’ performance of Kenya Ports Authority. The multiple regressions indicated that among the determinants of employees’ performance, individual characteristics and organizational factors had more effect on improving employees’ performance of Kenya Ports Authority.
This result was an emphasis on the role of individual characteristics and organizational factors in providing a suitable environment for developing employees’ performance of Kenya Ports Authority.

5.1 Recommendations

Based on the findings of this study and the conclusions drawn, the following recommendations were made:

5.2 Managerial recommendations

1. The existing motivation factors should be modified towards motivation practices so as to improve employees’ performance of Kenya Ports Authority.
2. Managers of Kenya Ports Authority should focus more on individual characteristics and organizational factors so as to improve employees’ performance.
3. In modifying motivation factors, education programs on motivational factors for employees and managers should be given key priority at Kenya Ports Authority.

5.3 Policy recommendations

1. Policy makers should establish how individual characteristics and organizational factors could be modified so as to facilitate employees’ performance of Kenya Ports Authority.
2. Policy makers should decide on the mechanisms to enhance motivation factors.
3. The government should develop very clear and elaborate regulatory framework and policies so as to guide the operations of Kenya Ports Authority in employees’ performance.

References


