



THE EFFECTS OF MOTIVATION ON EMPLOYEE PERFORMANCE AT OCEANFREIGHT (EA) LIMITED

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ABSTRACT: Employee motivation is a vital aspect in managing employee performance. Furthermore, when employees are fully energized they tend to have passion for their jobs leading to increased outputs. There are several variables that determine employee motivation and different individuals are usually motivated by different aspects. It is against this background that this study investigated the effects of motivation on employee performance amongst employees of Ocean freight (EA) Ltd. A sample of 83 employees was randomly selected to reflect a population of 107 employees. Sampling was done using stratified random sampling to ensure that each member was well considered and represented in the population. A survey methodology was adopted with the design of self-administered questionnaires to capture the relevant information from the employees. Findings of the study suggested that reward had the highest effect on employee performance. Recommendations made in this study would help employers and policy makers to devise appropriate strategies targeted at increasing the level of employee motivation as well as provide sources of reliable motivational advice.

INTRODUCTION: Many contemporary authors have defined the concept of motivation in different ways. Motivation has been defined as the psychological process that gives behavior purpose and direction (Kreitner, 1995); a predisposition to behave in a purposive manner to achieve specific, unmet needs (Buford, Bedeian, & Lindner, 1995); an internal drive to satisfy an unsatisfied need (Higgins, 1994); and the will to achieve (Bedeian, 1993). Motivation is also operationally defined as the inner force that drives individuals to accomplish personal and organizational goals. The role of employee motivation is for the survival of the rapidly changing workplaces. Motivated employees help organizations survive the harsh conditions of competition and make them more productive.

Problem statement: Organizational commitment is a high level of motivation among employees towards their organization or job which is manifested through the levels of satisfaction either to the organization or to the job. According to William (1954), commitment is when people dedicate their energy and time towards organizational activities.

Generally, employees have an attitude which depicts lack of motivation. This study therefore wishes to establish the extent of competency on performance and employees' perception towards service delivery and to ascertain the state of affairs at Ocean freight (EA) Limited in relation to level of staff motivation and organizational performance. The attitude of employees reporting late for work as depicted by time in which they report on duty fuelled up the reasons for this study. They (employees) also seek medical attention especially on Fridays and ensure they are given sick off even when not necessary as evidenced by numerous sick leave sheets that goes into their personal files. They also have a general low opinion towards work

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and the turnover is very high as evidenced by staff statistics between 2011 and 2013. When employees are not motivated it brings about incompetence hence making deliverables and set targets not to be achieved on time. The study is therefore intended to address all these malpractices in order to ensure the workforce develops a strong desire and energy directed at achieving organizational goals.

Objective of the study: The general objective of this study was to identify the effects of motivation on employee performance at Ocean freight (EA) Limited.

Specific Objectives:-

- i) To ascertain the effects of reward on employee performance
- ii) To ascertain the effects of training on employee performance

Significance of the study: The study was aimed to establish the factors affecting employee motivation in service delivery as well as sought to describe the importance of factors such as job security, interesting work, good working conditions, good wages, full appreciation of work, development and growth through training within the organization. The findings would as well provide information to the organization under study management and staff on what needs to be done to enhance motivation and also provide a basis for which future planning can be guided.

Scope of the study: The research comprised of an assessment of the employee motivation strategy in the shipping industry Oceanfreight (EA) Limited head office based in Mombasa County of the republic of Kenya. A survey was conducted among the middle level managers, supervisors and the junior staff of the organization. The study focused mainly on the effects of motivation among the different categories of employees within the institution.

Literature Review: The study reviewed selected literature that summarized a diverse spectrum of views on the effects of motivation on employee performance. This included theoretical review,

conceptual framework and independent variables that might have effect on employee performance.

Theoretical Review: The study reviewed key theories that provided an insight into motivation and its effects on employee performance. Understanding what motivates employees and how they are motivated is the focus of many researchers in the current dynamic world. Approaches to motivation are underpinned by motivation theory and the most influential major approaches that have led to understanding of motivation are Maslow's need-hierarchy theory and Herzberg's two- factor theory.

Abraham Maslow Hierarchy of Needs:

From his study, Abraham Maslow found out that employees have five levels of needs (Maslow, 1943). These include physiological, safety, social, ego, and self- actualizing. Maslow argued that lower level needs had to be satisfied before the next higher level need would motivate employees. He further stated that every person is capable and has the desire to move up the hierarchy towards a level of self-actualization. For this reason employees must be given motivation in line with their level of needs in order for them to move gradually as the organizational performance improves.

Herzberg Theory of Motivation: Herzberg's work categorized motivation into two factors namely motivators and hygienes (Herzberg, Mausner, & Snyderman, 1959). Motivator or intrinsic factors, such as achievement and recognition, produce job satisfaction. Hygiene or extrinsic factors, such as pay and job security, produce job dissatisfaction. In his research on what people want from their jobs, Herzberg had the following questions, Do they want just a higher salary? Or do they want security, good relationships with co-workers, opportunities for growth and advancement or something else altogether? This is an important question, because it's at the root of motivation. Herzberg's findings revealed that certain characteristics of a job are consistently related to job satisfaction, while different factors are associated with job dissatisfaction which can be classified as job

satisfiers and job dissatisfiers.

Conceptual Framework: Conceptual framework is a diagrammatic presentation of the relationship between dependent and independent variables (Mugenda & Mugenda, 2003). In this study, the independent variable was reward and training while the dependent variable was employee performance.

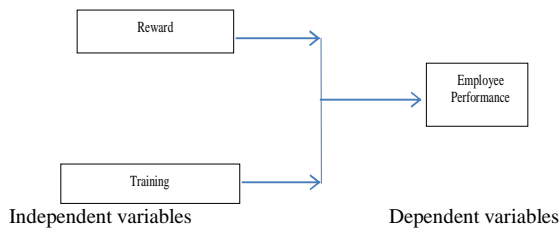


Figure 2 Conceptual Framework

Reward: Human Resource Management aims to enhance motivation, job engagement and commitment by introducing policies and processes that ensure people are valued and rewarded for what they do and achieve and for the levels of skill and competence they reach. For this reason, managers need to emphasise on the importance of development of performance management process which provides opportunities to agreed expectations and give positive feedback on accomplishments as well as develop reward system which provides opportunities for both financial and non- financial rewards to recognize achievements. Many people are motivated by money at least for a period of time. But the motivational power of money often wears off as employees simply get used to their current level of compensation. Effective reward systems include all forms of monetary compensation plus a wide variety of other motivators that are important to people in a work setting. The effectiveness of any reward system requires two primary factors. First, the recipient must perceive the reward as a positive event, and second, the reward needs to encourage the desired behavior. However, the desired behavior must be consistent with the strategic goals of the company. It is therefore the responsibility of the entrepreneur to make sure the reward system is set up to support the right behaviors (Oresi, 2012).

Training: Training is the process of increasing the knowledge and skills for doing a particular job. It is an organized procedure by which people learn knowledge and skill for a definite purpose. Its main

purpose is to bridge the gap between job requirements and present competence of an employee. It is one of the factors that enhance motivation. Referring to a study conducted in India title "To Identify the Training and Development practices followed in organization: A case study of Birla Cement Work, Rajasthan", it was found that trainees (employees) are aware of the training and development practices followed in the organization and they very well know that the training programs are the tools for their overall development in organization. Using the training, they also share their knowledge among their colleagues which is improving the work culture among the organization as well as motivates them to perform even better. Employee training is the responsibility of the organization. Employee development is a shared responsibility of management and the individual employee. The responsibility of management is to provide the right resources and an environment that supports the growth and development needs of the individual employee. For employee training and development to be successful, management should provide a well-crafted job description because it is the foundation upon which employee training and development activities are built. The management should as well provide training required by employees to meet the basic competencies for the job and this is usually the supervisor's responsibility (Marion, 2006).

METHODOLOGY: This section gives a description of the methods that were used in an attempt to achieve the purpose of the study. The main objective of the study was to identify the effects of motivation on employee performance. A descriptive research design was undertaken to meet this objective. A sample of 83 was randomly selected from employees of Ocean freight (EA) Limited to reflect the population of entire workforce of 107. The sampling was done using stratified random sampling to ensure that demographic and job status considerations were represented in the population. A survey methodology was adopted with the design of self-administered questionnaires to capture the relevant information from the respondents.

Table 1 study population

Categories of staff	Female	Male	Total
Directors	-	3	3
Managers	4	8	12
Secretaries	5	-	5
Assistant managers	2	7	9
Supervisors	6	13	19
Clerks	22	28	50
Office Assistants	3	6	9
Total	42	65	107

Sample Frame: Determining appropriate sample size was important so as to get objective results of the study. The researcher determined the minimum sample size needed to estimate a process parameter through population mean μ . The study population was made up of 107 members with 8 stratum hence the population mean was 13.3. To come up with a precise sample size, the researcher used Yamane (1967) simplified formula to calculate the size at 95% confidence level and $p=0.05$. The formula produced an effective method of determining sample size as shown below:-

$$n = \frac{N}{1 + N(e)^2}$$

Where n is the sample size, N is the population size, and e is the level of precision. When the formula was applied to the above sample, the following was obtained:-

$$n = \frac{107}{1 + 107(0.05)^2} = 83$$

Based on the formula and with a study population of 107, the sample size was therefore 83 respondents. The researcher revealed that, for very small populations (50 or less), one may need almost the entire population in order to achieve accuracy.

To identify the effects of motivation on employee performance, eight questions on each variable were asked from the respondents. The questions were asked to test respondents' level of reward and training. The respondents were asked to rate their feelings on the two variables on a 5-point scale that ranged from 5 excellent to 1 very bad. A score of 1 meant the answer to a particular question was perfectly wrong and 5 was perfectly correct.

Respondents' average score across all the questions were computed and further converted into percentage score. The resulting percentage score was interpreted and the respondents' level of motivation ascertained.

Table 2 Sampling and sample size

Departments	No. of Staff	Sample Size $n_h = (N_h / N) * n$
Finance	20	16.0
HR & Administration	24	19.0
Export	12	9.0
Imports	18	10.0
Container	14	14.0
Operations	9	7.0
Marketing	6	5.0
IT	4	3.0
Total	107	83

RESEARCH FINDINGS AND DISCUSSION:

This section presents the results (findings) and their interpretation as they were given by the respondents through their responses to the questionnaires. The questionnaires sought to find out the general information about the respondents as well as answers to the objectives of the study. For the purpose of this publication, the researcher discussion was based on the below listed two objectives only:-
Reward and training.

Background information: The background information comprised of characteristics of the sample of the respondents.

Table 3 Demographic Characteristics of the Respondents

		gender of respondent	age bracket	position in organization hierarchy	period served in the organization
N	Valid	65	65	65	65
	Missing	0	0	0	0
	Mean	1.7385	3.1231	4.6308	3.6000
	Median	2.0000	3.0000	6.0000	4.0000
	Mode	2.00	3.00	6.00(a)	4.00
	Std. Deviation	.44289	.97640	2.20489	.86241
	Sum	113.00	203.00	301.00	234.00

Table 3 above gives the summary of the demographic characteristics of the respondents. The mean, median, mode and standard deviation are all stipulated in the above.

Table 4 indicates the position of employees in the organization. It was evident that the Managers and Assistant Managers occupied the

biggest number at 26.2% each, followed by Senior

Table 4 Position in organization hierarchy

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	junior clerk	10	15.4	15.4
	clerk	3	4.6	20.0
	senior clerk	11	16.9	36.9
	assistant supervisor	4	6.2	43.1
	supervisor	3	4.6	47.7
	assistant manager	17	26.2	73.8
	manager	17	26.2	100.0
	Total	65	100.0	100.0

Clerks at 16.9% then Junior Clerks at 15.4%. Assistant Supervisors were at 6.2% while Supervisors and Clerks tied at 4.6%.

Descriptive Statistics on Questionnaire Analysis:

To measure the motivational level, sixteen likert question and sixteen statement-like questions on independent variables were asked from the respondents. The questions were asked to test respondents’ knowledge on basic motivation concepts in relation to reward and training. The respondents were asked to rate their certainty on each likert question on a 5-point scale that ranged from 5=excellent to 1= very bad. The statement question ranged from 5 strongly agree to 1strongly disagree. Respondents’ average score across all the questions were computed and further converted into percentage score.

Table 5 Descriptive Statistics

		Reward	Employee Training
N	Valid	65	65
	Missing	0	0
	Mean	2.7250	2.6462
	Median	2.6250	2.6250
	Mode	2.50	2.38
	Std. Deviation	.32189	.35738
	Sum	177.13	172.00

Descriptive statistics is a term given to the analysis of data that helps describe, show or summarize data in a meaningful way. To obtain simple summaries about the sample and observations that were made, the researcher came up with table 5 above that gives results of the mean, median, mode, standard deviation and sum of all the independent variables. From the results above, reward had the strongest effect on employee performance with a mean score of 2.725 as compared to training which had a mean score of 2.646.

Table 6 Correlations results

		Reward	Employee Training
Reward	Pearson Correlation	1	.474(**)
	Sig. (2-tailed)	.	.000
	N	65	65
Employee Training	Pearson Correlation	.474(**)	1
	Sig. (2-tailed)	.000	.
	N	65	65

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

* Correlation is significant at the 0.05 level (1-tailed).

Correlation refers to statistical relationship involving dependency. In table 6 above, the researcher wanted to find out if there was any dependency amongst the two variables that is reward and employee training. The findings proved that there was dependency between the variables with a 2-tailed correlation at 0.474 significant level. This proved that reward and employee training had some level of dependency on employee performance.

Table 7 Regression results

		Performance	Reward	Employee Training
Pearson Correlation	Performance	1.000	.247	.237
	Reward	.247	1.000	.405
	Employee Training	.237	.405	1.000
Sig. (1-tailed)	Performance	.	.103	.113
	Reward	.103	.	.016
	Employee Training	.113	.016	.
N	Performance	65	65	65
	Reward	65	65	65
	Employee Training	65	65	65

Table 7 above gives a summary of relationship of each independent variable with the dependent variable. The results indicated that reward scored the highest with a pearson correlation of 0.247, followed by employee training with 0.237. This implies that the variables are closely related.

CONCLUSIONS AND RECOMMENDATIONS:

From the research, the researcher found out that reward and training, had close relationship on effect of motivation on employee performance as depicted on regression results. However, the descriptive statistics proved that reward had the greatest effect with a mean score of 2.725 compared to training with a mean score of

2.625. The level of dependency of variables was measured by correlation results which gave a significant level of 0.474 between the variables. Therefore, the researcher concluded that these variables must be given a substantial measure to ensure that each one is accorded the discipline it deserves for the purpose of improving performance at workplace. Reward for instance deserves the most attention because it had the highest mean score on employee performance. In essence, no organization can attract and retain qualified and motivated employees unless it compensates them fairly. Training is also another variable that builds capacity on both parties that is the employer and the employee. To the employee it improves personal growth and to the employer it yields to better performance.

The first recommendation is to the employer to put in place a good reward system that commensurate with the work roles. This should be backed up by training and development for mutual benefit between the employer and the employee. A good employer is one who will proactively deal with these variables to ensure they sufficiently meet the requirements of each. This is to say the reward and compensation system must meet the competitive edge and must be one that is well embraced by the employees. Training and development process must be consistently followed and free from bias to ensure that all employees have equal opportunity of being trained. There has to be a systematic training schedule covering a whole year that must be adhered to religiously. The second recommendation is to the academicians and other researchers to carry out further research on different types of independent variables that might have effect of motivation on employee performance.

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