EFFECTS OF MOTIVATION ON EMPLOYEE PRODUCTIVITY IN LARGE FLOWER FARMS IN KENYA

A CASE STUDY OF LARGE FLOWER FARMS IN THE LAKE NAIVASHA REGION IN NAKURU COUNTY

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ABSTRACT

Employee motivation plays an exceedingly important role in moving an organization towards excellence. It is a joint function of ability and motivation. The target population of this study was managers of 30 large flower farms in the Lake Naivasha region in Naivasha, Nakuru County. This research used a descriptive type of research design because the design provides insights concerning the current status of the phenomenon and to describe what exist in what with respect to variables or conditions in a situation. The survey was conducted by questionnaires which are less intrusive and respondents are free to complete them on own time table. Secondary data was also employed through use of current publications, reports to supplement the primary data received from interviews. Data analysis was done with the help of software programme SPSS version 21 and Microsoft Excel to generate quantitative reports. In addition, inferential statistics was used in the study including multiple regression analysis and ANOVA to determine the effects of motivation on employee productivity among large flower farms in Kenya. The study found out that respondents were comfortable at their work place and they felt motivated to work
in their present working conditions. The study also found out that the respondents were happy with the non-monetary Compensation available at work e.g. school fees, canteen subsidy, medical, food hamper. The study recommends that large flower farms should also adopt non-monetary forms of motivation such as recognition of personal efforts and giving employees an opportunity to pursue new challenges by rewarding performing employees and proper remuneration for work well done.

**Key words:** Motivation on Employee Productivity

1.0 Introduction

Productivity has been generally defined as a ratio of a measure of output to a measure of some or all of the resources used to produce this output. Productivity is distinct from metrics of allocative efficiency, which take into account both the monetary value (price) of what is produced and the cost of inputs used, and also distinct from metrics of profitability, which address the difference between the revenues obtained from output and the expense associated with consumption of inputs (Pineda 1990, Saari 2006).

From the foregoing, employee productivity refers to the employee output as a result of resources provided that motivate them towards achieving some set goals. Employee productivity improves when the quantity of output increases relative to the quantity of input (Saari, 2006). Employee productivity studies analyze technical processes and engineering relationships such as how much of an output can be produced in a specified period of time. Organizations and human resources (HR) professionals are continually in search of ways to motivate and motivation employees in order to increase their motivation and productivity (Spitzer, 1995). Although it has been more common to investigate employee attitude at the individual employee level, researchers have begun to explore similar relationships at the business-unit level and the organizational level.
1.2 Statement of the problem

The Kenyan flower industry is the 3rd largest flower exporter in the world (Rikken 2011), and is Kenya’s top foreign exchange earner (Ksoll, Macchiavello and Morjaria 2009). It employs over 50,000 people directly and supports several hundred thousand indirectly (Ethical Trading Initiative 2005). It contributes to the country’s status as a leading African economy and provides a source of income for many Kenyans. The industry has however been the focus of several damaging media exposés and academic research documenting extensive human rights and environmental abuses. The Kenyan flower industry has been the focus of extensive media and academic research attention regarding its impact on workers' livelihoods, environmental sustainability and on the Kenyan economy. Flower farms have been accused of human and worker rights abuses, of diminishing Kenya’s already (Ryan, 2012).

Workers leave organization due to the fact that they are not motivated enough. Some are not willing to leave because they are enjoying some benefit in terms of promotion, which leads to increase in salaries and wages, bonus and some other incentives (Edginton, Hudson, & Lankford, 2000). The workers of large flower farms in Kenya will prefer financial incentives to non financial incentives ,more especially the junior workers ,due to the fact that such incentives are not used as a motivational technique, the company have the problem and challenges of retention of their employees. Hence low performance and productivity becomes the end result and finally work dissatisfaction (Armstrong, 2003).

Several studies of progressive HR practices in training, compensation and reward have revealed that motivating employees can lead to reduced turnover, absenteeism, better quality work, and better financial performance (Davies, 2001;Tower Perrin, 2003). Overall, studies at the organization level suggest that such motivation-oriented human resource activities are more
likely to be associated with perceived organizational support and commitment than skilled oriented activities (Whitener, 2001). However, there has not been a study on the effects of motivation in large flower farms in Kenya that may help debunk on the myths associated with this industry in Kenya.

It is therefore a challenge for human resource practitioners to clearly design holistic systems that influence commitment and provide positive work experiences simultaneously. Lack of proper motivation factors may result in losses which may eventually lead to low staff turnover, poor attitude towards work, low output level and low profitability. It is in the light of these that the study intends to look into the effects of motivation on employee productivity, among large flower farms in Kenya.

1.3 General Objective

The main objective of the study was to determine the effects of motivation on employee productivity among large flower farms in Kenya.

1.3.1 Specific Objectives

The following were the specific objectives of the study;

1. To establish the effect of working condition on employee productivity.
2. To find out the effect of compensation on employee productivity.
3. To determine the effect of career development on employee productivity.
4. To establish the effect of employee recognition on employee productivity.
1.4 LITERATURE REVIEW

1.4.1 Herzberg’s Two-Factor Theory
The two-Factor Theory of Human Motivation is also known as the Motivation-Hygiene Theory. Herzberg believed that there exist a basic relationship between individuals and their jobs, whether assignments can be done depends on individuals’ attitudes about their jobs. Herzberg’s Two-Factor Theory is based on the results of research into the factors in a workplace that lead to employee satisfaction (Robbins, 2005).

Herzberg made use of a survey, titled, “What do people want from their jobs?” to gain insights into what workplace factors people perceived as satisfying and dissatisfying. He asked people to describe in detail which workplace factors led to satisfaction and which factors led to dissatisfaction. The factors that led to extreme satisfaction and dissatisfaction, respectively (Herzberg, Mausner and Snyderman, 1959).

1.4.2 Reinforcement and Expectancy Theory
Reinforcement and Expectancy Theories Reinforcement theory states that a response followed by a reward is more likely to recur in the future (Thorndike’s Law of Effect). The implication for compensation management is that high employee performance followed by a monetary reward will make future high performance more likely. By the same token, high performance not followed by a reward will make it less likely in the future. The theory emphasizes the importance of a person actually experiencing there ward (Milkovich, 1993).

Like reinforcement theory, expectancy theory (Vroom, 1964) focuses on the link between rewards and behaviors (instrumentality perceptions), although it emphasizes expected (rather than experienced) rewards (i.e., incentives). Motivation is also a function of two other factors:
expectancy, the perceived link between effort and performance, and valence, the expected value of outcomes (rewards).

1.4.3 Career Construction Theory

Career construction theory provides a way of thinking about how individuals choose and use work. The theory presents a model for comprehending vocational behavior across the life-cycle as well as methods and materials that career counselors use to help clients make vocational choices and maintain successful and satisfying work lives. It seeks to be comprehensive in its purview by taking three perspectives on vocational behavior: the differential, developmental, and dynamic. From the perspective of individual differences psychology, it examines the content of vocational personality types and what different people prefer to do (Holland, 1997).

1.4.4 Expectancy Theory of Motivation

The Expectancy Theory of Motivation is best described as a process theory. It provides an explanation of why individuals choose one behavioral option over others. "The basic idea behind the theory is that people will be motivated because they believe that their decision will lead to their desired outcome" (Redmond, 2009). "Expectancy theory proposes that work motivation is dependent upon the perceived association between performance and outcomes and individuals modify their behavior based on their calculation of anticipated outcomes" (Chen & Fang, 2008).

This has a practical and positive benefit of improving motivation because it can, and has, helped leaders create motivational programs in the workplace. "This theory is built upon the idea that motivation comes from a person believing they will get what they want in the form of performance or rewards. Although the theory is not "all inclusive" of individual motivation factors, it provides leaders with a foundation on which to build a better understanding of ways to
motivate subordinates” (AETC, 2008). Expectancy theory is classified as a process theory of motivation because it emphasizes individual perceptions of the environment and subsequent interactions arising as a consequence of personal expectations.

1.5 Empirical Review

1.5.1 Employee Productivity

Productivity is distinct from metrics of a locative efficiency, which take into account both the monetary value (price) of what is produced and the cost of inputs used, and also distinct from metrics of profitability, which address the difference between the revenues obtained from output and the expense associated with consumption of inputs (Pineda 1990, Saari 2006).

1.5.2 Working Conditions

This is the environment the employees find themselves working in. It includes their offices, factories and other locations used to carry out work. It also includes health and safety issues such as masks and protective clothing. Working environment also includes relationship with peers, team building, alignment of values and working hours among others. A working environment that is conducive enables employees to feel comfortable and happy to work. This will lead to high motivation because the employees will feel that their needs of comfort, security and good health are well taken care of. Lack of good working environment will lead to low motivation.

1.5.3 Compensation

The importance of competitive compensation as a determinant for employee retention cannot be argued. Research shows that compensation alone, no matter how generous, will not guarantee the company will be able to keep its key employees. Smith argues that “money gets employees in the door, but it doesn’t keep them there.” Money, according to Ashby and Pell is a “satisfier”
and a necessity, but money alone is an insufficient factor for employee retention. Harris and Brannick agree that money is not the primary motivator for employees. In fact, many companies have done a very good job of retaining their employees without any pay-based retention incentives according to Pfeffer (Parthasarathy, 2012).

Most countries have their own workers’ compensation law and commission, and some even run insurance programs. Hospitalization, health, and disability insurance helps protect employees against hospitalization costs and the loss of income arising from off-the-job accidents or illness. Many employers offer membership in a health maintenance organization (HMO) as a hospital/medical insurance option (Aguinis, 2009).

1.5.4 Career Development

In a bid to establish successful career development, farms set up staffing inventories, which is a databank of existing employees and their qualifications, skills and abilities. In some farms this databank, has information on non employees, sourced from previous unsuccessful but “worthwhile” candidates (Oster, 1995). This ensures a continuous supply of professional, technical and managerial talent for meeting future organizational goals. A farm is able to attract and retain good personnel if applicants know that the company develops its employees and provides career development opportunities. Workers have expectations beyond the “paycheck” that need to be met by the farm. Career developments go to serve these expectations and fulfill the employee’s career needs. Enhance motivation: In most cases career progress is related to job productivity, workers may feel motivated to perform at peak levels so as to accomplish career goals (Dessler, 2005).
1.5.4 Employee Recognition

Most employee recognition systems provide motivations that are relatively inexpensive compared to compensation, benefits, and personal and professional growth. Given heightened world competition and the need to minimize labor costs, employers today are placing as much emphasis on recognition as financial incentives—sometimes even more (Nelson and Barton, 2006). Interestingly, according to some studies, many employees prefer non-financial motivations over financial ones (Amabile et al., 1994). Note, however, that these studies ask individuals to self-report their preferences. Though people say that non-financial motivations are more important to them, evidence about what people actually do shows that pay is equally if not more important to most employees (Amabile et al. 1994). Still, studies also show that recognition can exert a powerful impact on employee productivity (Stajkovic & Luthans, 2001) and that it may influence organizational effectiveness as much as financial incentives do. Indeed, one study of fast-food franchises found that, over time, non-financial incentives had just as large an impact on profitability and customer service as financial incentives (Peterson & Luthans, 2001). In addition, financial and non-financial motivations apparently become more effective when used together rather than separately (Stajkovic & Luthans, 2001).

1.6 Conceptual Framework

According to Bogdan and Biklen (2003) a conceptual Framework is a basic structure that consists of certain abstract blocks which represent the observational, the experiential and the analytical/ synthetical aspects of a process or system being conceived. It is a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation.
Figure 2.1: Conceptual framework

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Dependent Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working condition</td>
<td>Employee Productivity</td>
</tr>
<tr>
<td>• Offices</td>
<td>• Quantity of output</td>
</tr>
<tr>
<td>• Health and safety issues</td>
<td>• Profitability</td>
</tr>
<tr>
<td>• Relationship with peers</td>
<td></td>
</tr>
<tr>
<td>• Alignment of values</td>
<td></td>
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<tr>
<td>Compensations</td>
<td></td>
</tr>
<tr>
<td>• Basic salary</td>
<td></td>
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<tr>
<td>• House rent allowance</td>
<td></td>
</tr>
<tr>
<td>• Leave travel allowance</td>
<td></td>
</tr>
<tr>
<td>• Medical reimbursements</td>
<td></td>
</tr>
<tr>
<td>Career development</td>
<td></td>
</tr>
<tr>
<td>• The imparting of knowledge</td>
<td></td>
</tr>
<tr>
<td>• Increasing professionalism</td>
<td></td>
</tr>
<tr>
<td>Employee recognition</td>
<td></td>
</tr>
<tr>
<td>• Financial incentives</td>
<td></td>
</tr>
<tr>
<td>• Non-financial rewards</td>
<td></td>
</tr>
</tbody>
</table>
1.7 Research Design

This research used a descriptive type of research design. This is because descriptive design provides insights concerning the current status of the phenomenon and to describe what exist in what with respect to variables or conditions in a situation (Kothari, 2006). According to Mugenda & Mugenda (2008) the purpose of descriptive research is to determine and report the way things are and it helps in establishing the current status of the population under study. This helped in providing useful and accurate information to answer the questions based on who, what, when, and how. The design enabled the study to combine both quantitative and qualitative research approach. Qualitative approach provides verbal descriptions rather than numerical (Bryman, 2008).

1.8 Data Collection

The questions were designed to collect qualitative and quantitative data. The open ended questionnaires gave unrestricted freedom of answer to respondents. The researcher used assistants to distribute by hand the questionnaires completed by the respondents. Upon completion, the research assistants collected the questionnaires and ensured high completion rate and return of the completed questionnaires.

1.9 Regression Analysis

Multiple regression equation was carried out to measure relationship between independent variables (Working condition, Compensation, career development and Employee recognition) and dependent variable (Employee productivity). Co-efficient of determination ($R^2$) and correlation co-efficient reveal that: $R=0.91; R^2=0.83$, Showing that the four independent variables had a strong relationship.
Table 4.1: Model summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.90</td>
<td>0.83</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Working condition, Compensation, career development and Employee recognition

b. Employee productivity

R shows correlation coefficient, which revealed relationship between independent variables (Working condition, Compensation, career development and Employee recognition) and dependent variable (Employee productivity). The statistics of the model summary of the R show that the four independent variables were significant in contributing to the employee productivity among large flower farms in Kenya.

The four independent variables that were studied, explain 90% of variance in employee productivity among large flower farms in Kenya as represented by the R. This therefore means that other factors not studied in this research contribute 9% of variance in the dependent variable. Therefore, further research should be conducted to establish the influence of employee productivity among large flower farms in Kenya.

The findings of the study show that working condition had the highest effect because the P value was 0.001 followed by Compensation with 0.003, Career development with 0.004 and lastly Employee recognition with a P value of 0.045
Table 4.2: Multiple Regression Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>T - Calculated</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>4.421</td>
<td>7.648</td>
<td>0.005</td>
</tr>
<tr>
<td>Working Condition</td>
<td>3.199</td>
<td>3.375</td>
<td>0.001</td>
</tr>
<tr>
<td>Compensation</td>
<td>3.175</td>
<td>3.355</td>
<td>0.003</td>
</tr>
<tr>
<td>Career development</td>
<td>2.554</td>
<td>3.276</td>
<td>0.004</td>
</tr>
<tr>
<td>Employee Recognition</td>
<td>2.363</td>
<td>3.234</td>
<td>0.045</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Working condition, Compensation, Career development and Employee recognition

b. Employee Productivity

From the regression findings, the substitution of the equation \( Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 \) becomes:

\[
Y = 4.421 + 3.199X_1 + 3.175X_2 + 2.554X_3 + 2.363X_4
\]

Where \( Y \) is the dependent variable (Employee Productivity), \( X_1 \) is the Working condition, \( X_2 \) is Compensation variable, \( X_3 \) is Career development variable and \( X_4 \) is Employee recognition.

The results of the multiple regression model reveal that Working Condition had Unstandardized coefficient of 3.199, T value of 3.375 which is greater than T critical value of 2 and a P value of 0.001 which is less than 5%. Compensation had Unstandardized coefficient of 3.175, T value of
3.355 and P value of 0.003. Career development had Unstandardized coefficient of 2.554, T value of 3.276 and P value of 0.004. Employee recognition had Unstandardized coefficient of 2.363, T value of 3.234 and P value of 0.045.

1.10 Conclusions

The study concludes that The productivity of organizations that motivation on employees is greatly improved when the organization, pays employees higher wages and motivation for improved skills, provide more training and promotion opportunities, and lay off fewer people during economic downturns. When organizations act in this way, organizational development may yield positive benefits to individuals, organizations and to the economic and social system.

Further the study concludes that a working environment that is conducive enables employees to feel comfortable and happy to work. This will lead to high motivation because the employees will feel that their needs of comfort, security and good health are well taken care of and lack of good working environment will lead to low motivation.

1.11 Recommendations

The study recommends that monetary benefits should be introduced as a way of motivating workers among large flower farms in Kenya. This should include better salaries, wages, periodic increments and bonuses. It also recommends that the institution to adopt non-monetary forms of motivation such as recognition of personal efforts, giving employees an opportunity to pursue new challenges, rewarding performing employees and proper remuneration for work well done.
This study further recommends that proper working conditions should be provided to the workers in large flower farms in Kenya to improve their level of motivation. The main areas of focus should include rules existing in the farm and further strict adherence to the rules. Provision of such working condition will install positive attitude and confidence in the workers.

The study also recommends that for the company to realize the best from its employees, proper training should be provided to enhance high performance and improve productivity. Specifically, the flower farms in Kenya should conduct regular staff training to help them further their knowledge and skills and enable employees to perform better.

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