



STRATEGIC DETERMINANTS OF EMPLOYEE PERFORMANCE IN KENYA PORTS AUTHORITY

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ABSTRACT

The study investigated the strategic determinants of employee performance. The study had four objectives: to examine the effects of reward systems on employee performance in KPA, to examine how organization structure impacts on employee performance in KPA, to examine the effect of compensation on employee performance at KPA and to establish the effect of employee relationship on employee performance in KPA. The study was descriptive in nature. To achieve the set objectives the study used stratified random sampling in obtaining a suitable sample selection by grouping the employees according to management levels. A sample size of 372 respondents was selected which comprised of KPA employees. Data was gathered by use of questionnaire, processed by editing and computed. Data was analyzed using SPSS (V24). The findings indicated that all variable had positive effect of the performance of employee at KPA.

Key terms: Employee Relationship, Employee Performance, Reward Systems, Organization Structure

INTRODUCTION

Employee performance refers to the efficiency and effectiveness of employees in achieving organizational objectives. (Kootz et al., 2004) Employee performance can be evaluated by considering the level of absenteeism, quality of reports, and time of reporting for and leaving for duty. It's important to note that after recruitment, most employees subsequently expect or demand for other benefits as compensation for their time and effort towards achievement of organizational goals apart from the standard wage or salary (Miles, 2004). If the above benefits are not offered, it usually leads to various forms of dissatisfaction which may include; high absenteeism, constant grievances, high labor turnovers, strikes and as a result low performance of their due duties (Abuja 2008).

Every organization is in competition with other organizations in the same business or in other businesses for recruiting and retaining productive employees. For example, two organizations may seek good candidates. The managers in these contexts must remember that the potential candidates are employable in different kinds of organizations. For instance an accountant may find lucrative jobs in different organizations. Therefore, the organizations must ensure that its reward structure matches at least the market rate if it wants to recruit and retain good employees. Thus an effective reward system is competitive with those of other similar or dissimilar firms seeking a particular kind of competency and talent and is more attractive to prospective candidates. (Perrin, 2003)

Although organizational rewards could be seen as rewards for past performance they influence future performance. A reward system can be used to enhance organizational effectiveness by using rewards to increase skill level of employees. An

organization can design reward systems to reward individuals who develop their skills and in turn, who contribute to higher productivity and organization effectiveness. (Resker, 2007)

Effective performance management is designed to enhance performance, identify performance requirements, provide feedback relevant to those requirements and assist with career development (Ainsworth, Smith & Millership, 2008). The idea is that performance management is best served by developing a system that is interactive and capable of resolving performance related issues. Organizations make investments in their human capital to improve performance and target higher niches in the market through delivery of high quality services (Appelbaum, Bailey & Berg, 2000). Employee performance affects the overall performance of an organization and its bottom-line (Purcell & Hutchison 2007). Employee performance refers to behaviors that are relevant to organizational goals which are under the control of individual employees (Campbell, McCloy, Oppler & Sager, 1993). Bussin (2002) has stated that employee performance is a standard to be achieved in all of life's activities. According to Fletcher (1993) to perform is to produce results much better than expected both in individuals and in organizations. Employee performance is influenced by motivation. Armstrong (2010) points out that motivation is concerned with the strength and direction of behavior and the factors that influence people to behave in certain ways.

According to Landy and Conte (2007) the extent to which an individual worker has control over certain measures of performance is often overlooked when considering employee performance. Chandrasekhar (2011) suggests that the actual design and work flow process can substantially affect an individual work's potential work output. Buchner (2007) points to control theory as a basis for critically assessing performance feedback provided through

performance management. Armstrong (2010) define feedback as information that is received about activities in the organization. The information about activities is fed back to key decision makers who then use it to correct situations in the organization. On-going feedback and support is considered an absolute necessity though the extent to which it takes place is questionable (Coens & Jenkins, 2000). The annual appraisal remains the dominant mechanism whereby objectives are set and feedback is provided (Armstrong, 2009). In situations where performance is less than expected a reappraisal will allow employees to see how their performance is reviewed and what is required to engender improved performance (Williams, 2002).

From the cited information, some of the major determinants of employee performance in organizations include; effective reward systems, robust organizational structure, conducive work environment among others. (Armstrong 2010)

In his book *“Working today: Understanding what drives employee engagement”*, Towers, P. (2003) emphasizes that employee motivation is perhaps the biggest driver of organizational performance. He adds that an organization which is able to motivate its employees and maintain it, is able to leverage their zeal and drive in order to ensure staff performance. In KPA, employees receive allowances, bonuses, leaves among others but still there is a lot of continued complaints and facts about the inefficiency and performance of the KPA staff. This study is therefore aimed at examining why there are inefficiencies at KPA and the key determinants of strategic employee performance in an organization that can assist KPA mitigate the inefficiencies.

The above notwithstanding, most organizations have problems describing these rewards fairly to suit the organizational demands in relation to employee performance. Thus, which kind of reward

system to allocate and at what time and whether non - salary based, salary based, annual merit based or personal praise by managers etc. Therefore, problems of rating and measurement of performance coupled with inadequate funding by some organizations have necessitated the adoption of non- salary based rewards which are based solely on the reward power of managers with no direction from formalized policies. With regards to the various steps of performance appraisal under rewards systems, it is evident that employees and supervisors would come into terms with goals and policy framework of the organization and develop personalized non-salaried based rewards that correlate with the specific objectives (Wilson, 2004).

LITERATURE REVIEW

Theoretical Framework

The Hierarchy of Needs Theory

The hierarchy of needs theory advanced by (Maslow 1943) contends that human motives develop in a sequence according to the five levels of needs; physiological needs, security and safety needs, affiliation, esteem and need for self-actualization. He emphasized that when one set of needs is satisfied, it ceases to be a motivator. Steinmetz (1983) discusses three main types of subordinates: ascendant, indifferent and ambivalent that all react and interact uniquely and must be treated, managed and motivated accordingly. An effective leader must understand how to manage all characters and more importantly the manager must utilize avenues that allow room for employees to work, grow and find answers independently. The factors that will allow employees to work effectively are as follows:

Goal Clarity

Willmot (2007) asserts that people must have in mind a clear picture of any end or goal they are to

achieve. If this picture does not exist, they cannot tell if they are making progress or when they have completed the task or assignment, let alone if it has been completed properly. Knight (2008) agrees and adds that keeping the end in view has been sage advice for almost two thousand years. The time a manager spends in developing, communicating and clarifying the goals or ends to be achieved is time well spent.

Repertoire

Nickols (2003) writes that to achieve a goal, the people working toward it must possess a suitable, flexible repertoire. They must be able to engage in whatever behaviors are necessary to obtain that goal despite changing circumstances and environmental disturbances. In some cases, this will involve carrying out a routine that has been specified in advance by someone else. In other cases, it will require figuring out — on the spot — an appropriate course of action. He concludes that in many situations, the end to be achieved will remain constant but the conditions under which it is to be attained will vary. Therefore, employees need to possess a suitable and flexible repertoire.

Knowledge of Structures

According to Fred (2003), figuring out what to do in a particular situation requires knowledge of the structure of that situation. People must understand the elements that make up the situation, how those elements are connected to one another and the relationships that exist between and among these elements. This knowledge of the structure of the situation allows people to say how the actions they take will lead to the result they seek. It also allows them to say, for a given result, the actions that will lead to it. The absence of this knowledge, action is little more than a shot in the dark and achieving desired results depends mainly on luck or intuition. Sara (2004) agreed and added that employees can only perform to the best of their knowledge and

therefore those with good knowledge about the structures will perform better.

Feedback

Gerhart (2004) wrote that without information about actual conditions in relation to intended goals or results, no one can perform to standard. Such information is known as feedback. It informs progress, enables corrections and, eventually, signals attainment of the objective. For most hard tasks (i.e., tasks involving tangible products or other immediate and readily measured effects of one's actions), feedback is generally available without much effort on any-one's part. We are aware of our actions and their effects. But, for soft tasks (i.e., tasks where the effects of our actions are not tangible, immediate nor readily measured), the feedback loop is essentially open. This is especially true when the main effects of a person's actions are the reactions of other people. Therefore, lack of good feedback leads to lack of correction and hence poor performance. Sara (2004) asserts that absent feedback, people have no choice except to act in ways that are consistent with internally-held views or mental models of what is appropriate or what should work instead of externally-based information about what is and isn't actually working. For this reason, it is worthwhile spending time working with people to identify the mental models they currently use in situations where feedback isn't readily available. In some cases, this will surface mental models that are inappropriate or inadequate. In other cases, it might surface mental models that are superior to those held by most people. This means that employee performance does not only depend on the information provided to the employees but also to their mental models.

Motivation

Kathleen (2004) asserts that it is one thing to be capable of doing something; it is something else altogether to want to do it. Setting aside the issue of coercion, people generally want to do things for

two basic reasons: (1) it serves some purpose of their own or (2) it serves someone else's purpose and they've accepted something in return for doing whatever it is that someone else wants done. Self-satisfaction and incentives; these are the two great motivators.

Reward System

According to Steers (1999), employee motivation is the process of enabling or authorizing an individual to think, behave take action, control work and decision making in an autonomous way.

A number of studies have examined the relationship between motivation and performance, Koestner (1999) wrote that if motivation is crucial for initiating behavior, then performance exists at the opposite end of the spectrum and is defined as the outcome of a motivated act. Posti, C. (2005) states that people need motivation just as pieces of equipment need fuel and operators. This is highly demanded to ensure that they are always at their optimum working condition. In turn, this will absolutely lead to optimum productivity. People are one of the most important assets in business. They have unlimited potential to contribute in the achievement of objectives. Their aggregate productivity propels the operations of the company. It dictates the overall performance, which creates an attractive corporate culture. According to Dems, K. (2010). The value of human resource productivity is a managerial concern. Employee motivation is the classic response on this matter. This has been utilized for ages by many different entities, small- and large-scale businesses alike. It fosters mutual growth in an employer-employee relationship. Indeed, motivation increases productivity.

In their study Wood, Kakebeeke, Debowski, and Frese (2000) examined the role of active exploration in an adult training program. Their results indicated that participants who were trained to actively explore the environment during training had higher

intrinsic motivation levels, as well as higher performance on transfer tasks. In agreement Cooper, Clasen, Silva-Jalonen, and Butler (1999) found that intrinsic motivation was associated with higher levels of creativity-based performance for an in-basket work task. The in-basket technique is an employment screening task in which an applicant is asked to complete a set of paperwork that would be representative of his/her actual work tasks. Amodt (1999) and Graen (1999) also found that intrinsic motivation in employees was related to higher levels of creative performance, as rated by work supervisors. However, Fang (1997) reported that, although intrinsic motivation was related to innovative performance, it was not related to other work outcomes. According to Hersey (1996), motivation is concerned with human behavior. It is the inner striving condition described as wishes, desires, drives or moves, human psychological characteristics, which includes the factors that cause channel and sustain human behavior. Therefore motivation deals with what makes people active. It's the influence force that gives rise to behavior involving creating conditions in which employees want to work and are willing to accept responsibility.

According to Waterman (1982), motivation is the degree of effort an employee exerts to accomplish a task, it shows an excitement about work. From the managers' point of view, person who is motivated has such characteristics as hardworking, sustaining a pace of hard work, self-directed behavior towards important organizational goals. Motivation is the key to performance improvement. There is a saying that saying that "you can take a horse to the well to drink water but you cannot force it to drink", it will drink if only it is thirsty-so with people. They will do what they want to do or otherwise motivated to do. Whether it is to excel on the workshop floor or in the ivory tower, they must be motivated or driven

to it, either by themselves or through external stimulus.

According to Heneman, R.L. (1992), differences in institutional arrangements contribute to the feasibility and effectiveness of various monetary incentives, as do differences in employees' preferences for specific incentives. Therefore, companies are wise to study these issues before implementing changes to existing incentive plans. This is especially pertinent for service organizations, where financial reinforcements tend to produce a stronger effect on task performance than non-financial rewards used alone. Even stronger results are seen with a composite approach. For example, one meta-analysis of 72 field studies found that monetary incentives improved task performance by 23%, social recognition improved task performance by 17% and feedback elicited a 10% improvement¹⁸. Simultaneously combining all three types of reinforcements improved performance by 45%. Putting in consideration Milkovich, G.T (1991) presentation that team-based or small-group incentives are defined as rewards whereby a portion of individual pay is contingent on measurable group performance. In general, its effectiveness is dependent on the characteristics of the reward system, the organization, the team and the individual team members. Here again, studying this issue via employee surveys or interviews can be useful. But generally speaking, research suggests that equally divided small-group incentives sustain high levels of productivity and satisfaction for group members, and that small group incentives are at least as effective as individual incentives with groups of two to twelve people. Qualitative, quantitative and survey research studies of alternative pay systems such as profit-sharing or gain-sharing plans are even more consistent in their findings. These incentive programs include various pay-for-performance approaches that link financial rewards for employees to improvements in the

performance of the work unit²⁰. Research reveals that these types of incentive systems are associated in practice – and in employer and employee minds – with both higher productivity and improvements in organizational performance.

Organizational Structure

Organizational structure is composed of corporate culture, communication style, organizational direction, decision making and feedback mechanisms. Corporate, organization and department culture all flows from the top down. The written and unwritten rules, policies and philosophy of a manager or the organization all eventually find their way into the attitudes and performance of almost everyone in the organization. One of the critical things to remember when dealing with people is: you get the behavior you reward. If the culture directly or indirectly rewards a certain type of attitude or behavior, you are, by your actions or inactions, probably reaffirming that these are acceptable. If you want to change behavior, you must first evaluate the culture that is in place that may be rewarding the type of behavior you are getting but don't necessarily want.

Communication style

Rumors, hearsay, memos, emails, meetings, individual counseling sessions and bulletin boards all have one thing in common - they communicate information - some more effectively and timely than others. If communication in an organization is all top-down, you can be assured that you are not in touch with the realities of your organization, the marketplace, your customers or suppliers (Raymond V. et al 2008). One of the biggest challenges managers face today is effectively communicating corporate direction with clarity and consistency to all employees who have a right and need to know. Most organizations do a poor job of this at best. One way to find out what your people believe is to conduct an anonymous survey of attitudes,

perceptions and opinions. Many managers make decisions that other employee's will either have to implement or that will affect them. If these decisions are made without bottom-up feedback, you can guarantee that the outcome of the decisions will be less than desired or expected. Employees want to know how they are doing - whether poorly or well. Failure to give them the feedback they need is to keep them in the dark regarding the assessment of their performance and how and where they need to improve. Balunywa, T. (2005) defines reward system or motivation as the inducement of a desired behavior with in subordinates with a view of channeling their efforts and activity to achieve an organization's goals. He adds that it's an internal drive to satisfy an unsatisfied need in an organization and is also known as an incentive action.

Traditionally, motivation has been defined by the two dimensions that comprise it namely, energy and direction (Deci, 1980; Deci & Ryan, 1985; Roberts, 1992). The energy dimension of motivation is the driving force behind someone's effort and persistence during engagement in a particular activity. Direction of motivation determines the area or field of interest in which that effort is projected. Both are necessary elements of a complete motivational act. Energy without direction has no purpose, and direction without energy results in a state of motivation. Beyond defining motivation, however, researchers have also categorized various types of motivation, based on whether the motivational states are internally or externally derived. These two global motivational states are called intrinsic and extrinsic motivation (Deci, 2000) theorized about both intrinsic and extrinsic motivational states and about correlates of those states.

Work Environment

In his studies on performance, Rynes (2004) found out that performance might not occur if the environmental conditions are so unsuitable as to present insurmountable barriers to performance. He writes that most of us can successfully drive our cars on windy days but none of us can drive through a tornado. In less dramatic terms, missing tools and equipment, competing priorities, a repressive climate and other factors can interfere with our ability to perform as expected, regardless of our motives or our repertoire, the presence or absence of feedback and the quality of the mental models that guide our thinking and actions. In short, the task environment must support the desired performance; at the very least, it must be manageable. In regards to this, Samuel (2010), submits that technology is primary tool that can be used to boost employee performance. He writes that improvement in technology accompanied by training of the employees can significantly increase their levels of performance because it reduces the stress that comes with doing the job manually.

Individual characteristics and employees' performance

The individual characteristics are the qualities of a person and consists of various characteristics (Robins (2008), this covers personality, sex, age, marital status, dependents and service period one has served. The personality characteristics is the attitude and ones need taken along with in his or her work environment. In their study (Gursoy Maier, and Chi, 2008), states that individual characteristics are the features that shapes employee behavior which in turn influence motivation and employee performance. Various studies have shown that individual characteristics are indeed linked closely employee performance, this implies that there is a significant effect of individual's characteristics on employee performance. This is in agreement with (Isalm et al, 2011) findings that there is a positive correlation

between individual characteristics and employee performance.

Employee Performance

Employee performance is a term typical to the Human Resource field where employee performance can refer to the ability of employees to achieve organizational goals more effectively and efficiently. It involves all aspects which directly or indirectly affect and relate to the work of the employees. For performance to be effective, employers should recognize the regiment desires and needs of the employees. According to Koontz, H. (1988) Ways in which employee performance can be increased include; proper incentive systems which may be financial or nonfinancial. Financial incentives include; salaries, allowances, overtime payment, bonus and wages, while non-financial incentives include; promotion, medical allowance, training, transport, subsidized housing and meals. This should be after identifying the needs and desires of employees that can be satisfied hence increased performance.

METHODOLOGY

The researcher used descriptive research design. From the target group a representative sample size was obtained by applying the formula by Glenn, D. (2012)

$$N = N / [1 + N(e)^2]$$

Table 1: Effect of reward system on employee performance in KPA

	Descriptive Statistics					
	N	Mean	Std. Deviation	Variance	Kurtosis	Std. Error
Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error
The company provides fringe benefits to all its employees	116	3.58	.577	.333	-.743	.446

Where: n is the sample size;

N is the target population

E is the precision level (5%)

$$N = 5400 / [1 + 5400 (0.05)^2] = 372$$

The researcher used a sample size of 372 respondents.

The Multiple Linear Regression model used is

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

Where: Y = Employee performance in KPA

β_0 = Alpha coefficient (the value of Y when all X values are zero)

$\beta_1, \beta_2, \beta_3$ = coefficients to be determined

X_1 = Reward System

X_2 = Organization Structure

X_3 = employee relationship

X_4 = compensation

ϵ = error term or stochastic error

RESEARCH FINDINGS

Effect of reward system on employee performance in KPA

The researcher sought to investigate the reward system on employee performance in Kenya Ports Authority. Results were as shown below.

When employees meet the set targets they are paid a bonus	116	4.11	.852	.726	-.065	.446
KPA provides training to its employees most of the times.	116	4.02	.757	.574	.485	.446
To prevent boredom, KPA rotates its employees within the organization.	116	4.02	.685	.469	-.835	.446
The company makes sure at all times that my work is challenging.	116	3.92	.674	.455	-.323	.446
Valid N (listwise)	116					

From table 1, on a scale of 1 to 5 (where 5 = strongly agree while 1 = strongly disagree) majority of the respondents were of the view that, strategic determinants greatly affect the employees performance in Kenya. All the respondents strongly agreed to the statements, the organization provides fridge benefits to all employees (mean score = 3.58), the employees who meet their set targets are paid bonus (mean score = 4.11), majority of the respondents agreed that most of the time employees are trained (mean score = 4.02), to prevent boredom, KPA do rotate its employees within the organization. This was indicated with a (mean score = 4.02), and that at all times, the organization made sure that employees work were challenging as shown by a (mean score = 3.92).

This implied that majority of the respondents' believed that employees performance were to the satisfactions of organization and its client.

This was true due to the fact that customer expectations did not change but their tolerance

changes as attested by Woodruff, Cadotte and Jenkins (2011). In order to achieve customer retention as a result of their expectations, customization of service will ensure the customer to the protection they adequately require as explained by (Bowen, 2009). Their participation ensured their expectations were met and hence the higher the level of self-perceived service role, the higher the level of adequate service. As discussed (Scott and Yalch, 2010) what a potential customer hears from others can influence their expectation level and hence, positive word of mouth communication elevates the level of predicted service.

Effect of organization structure on employee performance in KPA

It was further important to investigate what drove employee's relationship with an organization and some of the reasons could be due organizations structure. The findings were as shown below:-

Table 2: Effect of organization structure on employee performance in KPA

Descriptive Statistics						
	N	Mean	Std. Deviation	Variance	Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error
There is relatively equal treatment of employees depending on their efforts, experience and education	116	4.13	.653	.427	.110	.446
Goal clarity among the employees helps to improve their performance	116	4.28	.840	.706	.356	.446
To achieve any goal, an employee must be flexible and suitable for the job	116	3.73	.677	.458	-.803	.446
Work conditions can greatly improve one's performance	116	4.03	.745	.555	.724	.446
To achieve any goal, an employee must be flexible and suitable for the job	116	4.08	.876	.768	.033	.446
Valid N (listwise)	116					

The study sought to determine the role of organization structure on employee's performance. Using a scale of 1-5 where (5=strongly agree and 1=strongly disagree) all respondents agreed to the statements that there is relatively equal treatment of employees in the organization depending on their efforts, experience and education. This indicated with a (mean score = 4.13), majority of the respondents were of the opinion that goal clarity among the employees helps to improve their performance (mean score = 4.28), and that to achieve any goal, respondents agreed that an employee must be flexible and suitable for the job this was shown by a (mean score = 3.73). Majority of the respondents were in agreement that work conditions can greatly improve one's performance

in an organization (mean = 4.03). For, employees to achieve any goal they must be flexible and suitable for a job this was in agreement with most of the employees with a (mean = 4.08).

Morgan and Hunt, (2011) explains that employees loyalty and commitment results from a positive attitude towards the organization. According to Gómez et al., (2016) employees' attitude is defined as being the employee's relatively lasting affection towards an object or an experience. Gómez et al further states that the role of this attitude is to shape employee's loyalty. Stephen, (2010) asserts that employees are loyal since they have certain reasons to continue the working for the organization.

Effect of employee relationship on employee performance in KPA

The researcher sought to identify what made employee relationship on employee performance and how the trust could have helped organization retain customers. Some of the reasons advanced were that the employees were always looking for a rational reason that rendered them to rely on the

hope that it would give them the security and protection he require. This influence is informed by the accumulated knowledge the employee has on the organization that makes him predict with some level of certainty about the likelihood that the employer will fulfill its obligations. Table 4.6 indicates respondent’s reaction towards statements defining the role of employee’s trust in organization.

Table 3: Effect of employee relationship on employee performance in KPA.

	Descriptive Statistics					
	N	Mean	Std. Deviation	Variance	Kurtosis	Std. Error
With the help of the management, my performance has improved over time.	116	3.95	.843	.710	.168	.446
My performance reduces when KPA takes long to rotate the employees	116	3.95	.767	.589	-.148	.446
I always perform to my best when I know that am accepted at work	116	3.87	.764	.583	.432	.446
With the current motivation practices at KPA, the performance of the employees is always going to reduce.	116	3.88	.866	.751	-.450	.446
Employees often endeavor to meet the set targets to be paid a bonus	116	3.68	.830	.689	-.223	.446
Valid N (listwise)	116					

As illustrated in table 3 the results indicated that majority of the respondents were of the view that, accumulated knowledge and experience gained makes them confidence and this positive attitudes builds trust. From a scale of 1-5 where (5=strongly

agree and 1=strongly disagree) all respondents agreed to the statements that with the help of the management, their performance has improved over time. This is indicated with a (mean score = 3.95), my performance reduces when KPA takes long to

rotate the employees (mean = 3.95). This could be attributed to boredom, respondents with a (mean = 3.87), agreed that they always perform to their best when they know that they accepted at work. Respondents agreed that, with current motivation practices at KPA, the performance of the employees will reduce. This was confirmed with a (mean score = 3.88). The respondents agreed that employees will always endeavor to meet the set target so as to be paid bonus (mean score = 3.68).

The study confirmed that McAllister’s findings explained that when trust was based on cognition, in this case employees looked for a rational reason to rely on the organization with hope that it would give them the security they required, McAllister,

(2015). This context created the possibility for expression in addition to cognitive trust of affective trust because the relationship between the organization and the employees involved frequent and long-term interactions. It further indicated that the employee’s affective trust was based on the emotions experienced by them in the context of their interaction with the organization (Johnson and Grayson, 2015).

Effect of compensation on employee’s performance in KPA

The researcher further wanted to investigate the effect of compensation on employee’s performance in KPA. The findings were as shown below.

Table 4: effect of compensation on employee’s performance in KPA

Descriptive Statistics						
	N	Mean	Std. Deviation	Variance	Kurtosis	Std. Error
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error
With the current motivation practices at KPA, the performance of the employees is always going to reduce.	116	4.03	.839	.704	1.198	.446
Employees often endeavor to meet the set targets to be paid a bonus	116	4.24	.891	.793	1.114	.446
There is a strong relationship between employee performance and motivation	116	3.68	.641	.410	.393	.446
Employees are motivated through monthly bonus pay out	116	4.18	.641	.410	1.170	.446
Employees are on benefit schemes	115	3.94	.764	.584	-.127	.447
Valid N (listwise)	115					

The study sought to identify the role of employer’s commitment on employee’s retention in the organization. In a scale of 1-5 where (5=strongly

agree and 1=strongly disagree) all respondents agreed to the statements leading to the role of employer’s commitment on employees retention in

organization (KPA). The results above showed that the employees were mostly driven by their attitudes. All respondents agreed to the statement (mean = 4.03), that the current motivation practices at KPA, the performance of the employees would reduce. Employees often endeavored to meet the set targets to be paid a bonus (mean score = 4.03). Majority of the respondents were in agreement with this statement. With a (mean score of 3.68), respondents were of the view that there was a strong relationship between employee performance and motivation, and that employees were motivated through monthly bonus pay out. This indicated by a (mean score 4.18). Respondents were also in agreement that employees of KPA are on benefit schemes (mean score = 3.68).

The study findings conformed with findings by Evanschitzky *et al*, (2016) that explained affective

commitment as characterized by a desire-based attachment of employees, which meant that the employees would be loyal because he or she wants to be loyal. (Dowling and Uncles, 2011) confirmed this stating that the employee, out of habit or inertia, would not only continue the long-term relationship, but would also develop an emotional attachment. Empirical data from Gustafsson *et al*. (2015) suggest that calculative commitment has a consistent reduction in churn rates

Employee performance

The researcher was of the view it was important to investigate on employee retention in the organization. The employee retention is key to survival of organization and it is prudent that organization looks for a way to understand, attract, retain and if possible build long term relationship with profitable employees.

Table 5: Employee performance

	Descriptive Statistics					
	N	Mean	Std. Deviation	Variance	Kurtosis	Std. Error
Am given sense of responsibility at my work place.	116	4.09	.850	.723	.124	.446
KPA employees often meet their targets at work	116	4.01	.808	.652	.377	.446
Top management and the other staff members all share the same objectives and vision for the organization	116	4.02	.722	.521	.614	.446
Decisions made by managers is geared towards employee performance	116	3.93	.694	.482	.733	.446

Overall organization short and long term strategy is geared towards improving the organizational performance of the institution

116	3.99	.763	.583	3.527	.446
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Valid N (listwise) 116

The finding above indicated that employee retention was very crucial for the survival of organization. Respondents agreed to the statement above given the scale of 1-5 where (5=strongly agree and 1=strongly disagree). Respondents agreed that given sense of responsibility at work place, the organization can achieve its vision and strategy fits the. This was demonstrated with (mean score = 4.09), majority of the employees agreed that KPA employees often meet their targets at work (mean score = 4.01), and that top management and the other staff members all share the same objectives and vision for the organization (mean score = 4.02). The respondents were in agreement with a (mean = 3.93), that decisions

made by managers were geared towards employee performance and that the overall organization short and long term strategy was geared towards improving the organizational performance of the institution (mean = 3.99).

The employees' job satisfaction played a key role in influencing organization's performance Sarlak and Fard, 2009; Jiang *et al.*, (2009). The findings of the study were in line with Ashley *et al.*, (2011) that explains the relevancy of employee's loyalty, trust and commitments as a result of employee's retention. Further to this Ashley *et al.*, (2011) states that good employee care and services creates a good relationship between the organization and employees thus leading to employees' retention.

Coefficient of Determination (R2)

Table 6 Coefficient of Determination (R2)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.595 ^a	.354	.331	.38221

a. Predictors: (Constant), reward system, organization, structure, employee relationship, compensation

Coefficient of determination explained the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable that was explained by all independent variables. Table 6 showed that the coefficient of determination R Square was 0.354. From the findings therefore this meant that 35.4%

of employee retention in organization in KPA was attributed and determined by combination of the four independent factors investigated in this study which included reward, organization structure, employees relationship and compensation are independent variables. The remaining percentage is represented by factors not researched in this study.

ANOVA

Table 7: ANOVA

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8.899	4	2.225	15.229	.000 ^b
	Residual	16.216	111	.146		
	Total	25.114	115			

a. Dependent Variable: Employee performance

b. Predictors: (Constant), reward system, organization structure, employee relationship, compensation,

The study used Analysis of Variance also commonly referred to as (ANOVA) to establish the significance of the regression model from which f-significance at the value of (P) is less than 0.05. The study model was statistically significant in predicting the role of employee satisfaction on employee retention in the KPA. This was true as indicated in table 7 where the Df is (4, 111) at significant level of 0.00 thus less

than the (P) value of 0.05. This therefore meant that the regression model had a confidence level of above 95% hence high reliability of the results obtained. The null hypothesis therefore is rejected and an alternative one adopted. The result in table 7, also indicated that the study findings were statistically deduced.

Multiple Regressions

Table 8: Multiple Regression Analysis

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
1	(Constant)	1.010	.453		2.229	.028
	reward system	.264	.130	.203	2.022	.046
	organization structure	.023	.140	.018	.164	.870
	employee relationship	.316	.083	.375	3.815	.000
	Compensation	.158	.116	.152	1.367	.174

a. Dependent Variable: Employee performance

The researcher conducted a multiple regression analysis as shown in Table 4.8 to determine the relationship between employee performance reward system, organization structure, employee relationship, and compensation

The regression equation was:

$$Y = 1.010 + 0.264X_1 + 0.023X_2 + -0.316X_3 + 0.118X_4 + \epsilon$$

Where

α : is a constant term,

β_n : coefficients to be determined

e : the error term.

Y: the dependent variable (Employee performance)

X1: reward system

X2: organization structure

X3: employee relationship

X4: compensation

According to the regression equation established in Table 8, taking all factors constant at zero, employee retention was 1.010. The data findings analyzed also showed that taking all other independent variables at zero; a unit increase in employee expectation would lead to a 0.264 increase in retention of employees in KPA; a unit increase in employee's loyalty would lead to a 0.023 increase in retention of employees in organization; a unit increase in employee's trust would lead to a 0.316 increase in retention of employees in KPA; a unit increase in employees commitment led to a 0.118 increase in retention of employees in organization. This therefore implied that four

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variables had a positive and significant relationship with retention of employees in organization.

CONCLUSIONS

In conclusion, the study established that employee expectation affected the retention of employee. And that allowing participation of employees and a positive word of communication from other people influenced employee's expectations hence retention. Employees were motivated and rewarded in order to improve performance. It was also concluded that trust played a key role in employee retention and this came as a result, accumulated knowledge by employee about the organization that made him gain confidence in an organization. Employees commitment was born out of attitudes and desire of an employee (Dowling and Uncles, 2011), finally, a strong positive correlation to all these factor employee retention pointed to fact they all in employee satisfaction on employee retention in an organization.

RECOMMENDATIONS

- The organization to increase their interaction frequently with employees so as be able to identify their needs and rises expectation of employees.
- Payment of compensation to employees to develop trust, employees will be tempted to make long term commitments.

AREAS FOR FURTHER STUDIES

The study aimed at identifying the role of employee satisfaction on employee retention in organization. This was achieved through looking and employee expectation, employee, loyalty, employee trust and employee commitment.

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