

**PERCEIVED RELATIONSHIP BETWEEN MOTIVATION
PRACTICES AND EMPLOYEE PRODUCTIVITY IN
KENYA COMMERCIAL BANK (KCB) LIMITED**

BY

LYDIA KANANA/KINOTI

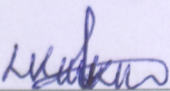
**A MANAGEMENT RESEARCH PROJECT SUBMITTED IN
PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE
DEGREE OF MASTER OF BUSINESS ADMINISTRATION
(MBA) SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI**

September, 2012

DECLARATION

STUDENT'S DECLARATION

I declare that this is my original work and has not been presented in any other University or College for Examination or Academic purposes.

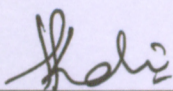
Signature:  DATE 07/11/2012

STUDENT: LYDIA KANANA KINOTI

REG NO: D61/60005/2011

SUPERVISORS DECLARATION

This project has been submitted for examination with my approval as the university supervisor.

Signature:  DATE 8/4/2012

SUPERVISOR: MS FLORENCE MUINDI

ACKNOWLEDGEMENT

My most sincere and heartfelt gratitude are extended to all those people that ensured the success of the project, First: I would like to thank Miss. Florence Muindi, my supervisor for the guidance and useful comments and timely response whenever she was needed

I would also wish to thank the respondents who took their time to assist with the necessary and valuable information without which, this research would never had taken off, I would also wish to thank all my friends both in Liberia and Kenya who at one stage or another contributed to the success of this project.

Finally I can't find better words to thank my husband and role model Joash Obare for all the help, support and encouragement throughout the MBA program, and to baby Moraa Masira who always ensured the much needed break.

DEDICATION

This project is dedicated to my friend and husband Joash Obare, daughter Moraa Masira, my entire family especially my mother, late daddy, my brothers and all the lovers of progress in academics.

ABSTRACT

Employees in any organisation need to be satisfied with their jobs in order to be productive. Motivation practices ensure customer service quality, and contributes to employee retention and commitment. Lack of motivation in return affects productivity.

The objective of the research paper was to determine the perceived relationship between motivation practices and employee productivity at KCB. Primary data was used for this research and data was collected using a semi-structured questionnaire. The target population was the top level managers, middle level managers, clerical staff, contract staff and support staff respectively.

It was established that the respondents agreed that the management provided opportunity for them to develop personally and professionally, they also agreed that training opportunities increased employee motivation. The study established that the employees thought that job security offered them job satisfaction and motivation.

The results from the Pearson moment correlation coefficient established a positive relationship between motivation factors and employee productivity at KCB. The correlation matrix indicated that compensation was highly correlated with conducive working environment (.627) and also highly and positively correlated with interesting and challenging work as indicated by a coefficient of (.793). Employee productivity was highly correlated to compensation (.698) and conducive working environment with a coefficient of (.735).

The study recommends compensation, conducive work environment, interesting and challenging work, training opportunities, and job security as the key motivators and for high output from the employees, organisations should implement them, as this would boost their morale which would lead to high efficiency and effectiveness.

TABLE OF CONTENTS	
ACKNOWLEDGEMENT	iii
DEDICATION	iv
ABSTRACT	v
LIST OF TABLES	ix
CHAPTER ONE:	1
INTRODUCTION.....	1
1.1 Background of the Study.....	1
1.2 The Concept of Perception	2
1.3 The Concept of Motivation	3
1.4 Motivation Practices	4
1.5 The Concept of Productivity	5
1.6 Kenya Commercial Bank (KCB) Profile	5
1.7 Statement of the Problem	7
1.8 Research Objective	9
1.9 Importance of the Study	9
CHAPTER TWO:	11
LITERATURE REVIEW	11
2.1 Employee Motivation.....	11
2.2 Motivation Practices	13

2.2.1	Compensation	13
2.2.2	Conducive Working Environment.....	15
2.2.3	Interesting and Challenging Work.....	16
2.2.4	Employee Recognition	17
2.2.5	Training Opportunities	18
2.2.6	Job Security	19
2.3	Employee Productivity.....	20
2.4	Relationship Between Perceived Motivation Practices and Employee Productivity	23
CHAPTER THREE:		26
RESEARCH METHODOLOGY		26
3.1	Research Design	26
3.2	Population of the Study.....	26
3.3	Sample.....	26
3.4	Data Collection	27
3.5	Data Analysis.....	27
CHAPTER FOUR:		29
DATA ANALYSIS AND INTERPRETATION OF THE FINDINGS.....		29
4.1	Introduction	29
4.2	Response Rate	29
4.3	Demographic Information	29
4.3.1	Age of the Respondents	29
4.3.2	Highest Academic Level of the Respondents.....	30

4.3.3	Working Period With the Bank	31
4.4	Employee Motivation Practices at KCB	32
4.4.1	Compensation	32
4.4.2	Conducive Working Environment.....	33
4.4.3	Interesting and Challenging Work.....	34
4.4.4	Recognition	35
4.4.5	Training Opportunities.....	36
4.4.6	Job Security	37
4.5	Employee Productivity.....	38
4.6	Relationship Between Motivation and Employees Productivity at KCB	40
CHAPTER FIVE:		45
SUMMARY, CONCLUSION AND RECOMMENDATIONS		45
5.1	Introduction	45
5.2	Summary	45
5.3	Conclusion.....	47
5.4	Recommendation from the Study	48
5.5	Suggestions for Further Studies.....	48
REFERENCE.....		50
APPENDIX 1: QUESTIONNAIRE.....		56

LIST OF TABLES

Table 3.3-1 Population	27
Table 4.3-1 Age of the Respondents.....	30
Table 4.3-2 Education Level of the Respondents.....	30
Table 4.3-3 Period the Respondents have Banked with the KCB	31
Table 4.4-1 Compensation	33
Table 4.4-2 - Conducive Working Environment.....	34
Table 4.4-3-Interesting and Challenging Work.....	34
Table 4.4-4-Recognition.....	35
Table 4.4-5- Training Opportunities.....	36
Table 4.4-6- Job Security	37
Table 4.5-1-Degree to Which the Respondents Agreed on Employee Productivity at KCB	38
Table 4.6-1 Correlations between compensation, conducive working environment, interesting and challenging work, employee recognition, training opportunities, job security and employee productivity	41
Table 4.6-2 Regression Model Summary Results of compensation, conducive working environment, interesting and challenging work, employee recognition, training opportunities, job security and employee productivity.....	43
Table 4.6-3 Regression Results of the Relationship between compensation, conducive working environment, interesting and challenging work, employee recognition, training opportunities, job security and employee productivity	44

CHAPTER ONE:

INTRODUCTION

1.1 Background of the Study

All employees in any organization need to be satisfied with their jobs in order to be productive. According to HR Focus (2007), the Strategic Human Resources Management SHRM (2007) employee motivation Survey” has found that satisfied employees are more productive and compensation and benefits were ranked equally as the most important ingredients of employee motivation. A positive association between motivation practices and employee productivity has consistently been reported by studies. The dominant view in the literature supports the causal precedence of satisfaction over productivity Brown, (2001). Employee motivation practices not only ensure customer service quality, but also contributes to employee retention and commitment, hence adding to the human assets quality of a firm and elevating its competitiveness in the market .Motivated employees believed that their organization provided customer service that was reliable, responsive, and empathetic, and that employees were knowledgeable and able to install confidence in customers. Ubom Joshua, (2004) also found motivation and employee productivity, of paramount importance to hospitality companies that strive for competitive advantage. Motivation in organizations has been receiving increasing attention because it reduces employee turnover, absenteeism, tardiness, and health setbacks due to stress Brown, (2001).

Lack of motivation in return affects productivity. A number of symptoms may point to low morale: declining productivity; high employee turnover; increasing number of grievances; higher incidence of absenteeism and tardiness; increasing number of defective products; higher number of accidents or a higher level of waste materials and scrap William Day (1978). A motivated employee is a loyal employee and to be loyal implies that the employee supports the actions and objectives of the firm. The appearance of the job as a whole has, in fact a bearing on the willingness and quality of an employee's performance Martin Bruce (1962). According to McClelland (1961) individuals tend to develop certain motivational drives on the cultural environment in which they live and these drives affect the way people view their jobs. McClelland suggests that achievement, affiliation, competence and power are four types of motivational drives that are found in individuals that are self-motivated. Motivation practices plays a part in enhancing labour productivity Smithers and Walker, (2000) and forms the basis for identification of the work environment factors. For example, Laufer and Moore (1983) advocated the use of financial incentive programmes to improve construction labour productivity, reinforcing Maloney's (1982) thesis of driving forces that led to productivity improvements.

1.2 The Concept of Perception

Perception is the process by which individuals organize and interpret their sensory impressions in order to give meaning to their environments. However, what we perceive can be substantially different from objective reality. Our perception and judgement of a person's actions, therefore, will significantly be influenced by the assumptions we make about that person's internal state Robbins & Judge,

(2011). Understanding perception is essential in ensuring that managers are aware of problems that can arise from the process of motivating employees. The process of perception is innately organized and patterned in order to provide meaning for individual and is based on both external and internal factors Mullins, (2010).

1.3 The Concept of Motivation

Motivation has been defined as: the psychological process that gives behaviour purpose and direction (Gary, 1990) predisposition to behave in a purposive manner to achieve specific, unmet needs (Locke & Latham, 1990 an internal drive to satisfy an unsatisfied need and the will to achieve (Ulrich, 1996)). Essentially, there is a gap between an individual's actual state and some desired state and there is often a need to reduce this gap. Motivation is, in effect, a means to reduce and manipulate this gap. It is inducing others in a specific way towards goals specifically stated by the motivator. Naturally, these goals as also known as the motivation system must conform to the culture and beliefs of the people involved and society. Motivation is also defined as a values-based, psycho-biologically stimulus-driven inner urge that activates and guides human behaviour in response to self, other, and environment, supporting intrinsic satisfaction and leading to the intentional fulfilment of basic human drives, perceived needs, and desired goal. Motivation in the work environment is defined as the degree to which a person wants to work well in his or her job, in order to achieve intrinsic satisfaction" Selden, & Brewer, 2000).

Human motivation has its roots in the economic theories of Adam Smith in the 1770s. It was perceived that the pursuit and fulfilment of self-interest and maximization of

gains were the prime motivators; calls this the Rational- economic mod (Atkinson, 1964). Drawing heavily from the Hawthorne experiments and researchers, sees people as predominately motivated by social needs; the need for personal relations. To maintain it is to create and perpetuate the climate which brings harmony and equilibrium into the entire work group for the benefit of all who are involved the company as a whole (Wilbert,1979). Since the effective motivation comes from within, by motivating others, the manager can do more than create proper conditions that cause people to do their work willingness and enthusiasm.

1.4 Motivation Practices

Bernard in Stoner, et al. (1995) accords due recognition to the needs of workers saying that "the ultimate test of organizational success is it's ability to create values sufficient to compensate for the burdens imposed upon resources contributed". Bernard looks at workers in particular librarians, in an organized endeavour, putting in time and efforts for personal, economic, and non-economic satisfaction. In this era of the information superhighway, employers of information professionals or librarians must be careful to meet their needs. Otherwise, they will discover they are losing their talented and creative professionals to other organizations who are ready and willing to meet their needs and demand. Different workplace environments have led to a variety of motivational strategies which are available to leaders .In some cases the different theories of motivation are also linked to specific strategies that are applied in an attempt to motivate the workforce. Hershey (1993) comments that more theories of motivation are not needed but instead an insight into the psychology of advertising is

required. Also argues that the key to persuasion is good communication which is regular and gives the organisations strategic view of performance and challenges

1.5 The Concept of Productivity

Productivity is a summary measure of the quantity (size, weight, number, volume of work) and quality (excellence, performance) with resource utilization. It can be measured based on individual or group (Schermerhon, 1993). Employee characteristics and characteristics that describe an individual are usually objective and easily obtained from employee records (Robins 1993). The simplest possible definition of productivity is output per unit of time where output may be measured in the units of production, service, money or some other measurable criterion. In most instances employee performance is determined by the concept ability, work environment, and motivation (Griffin, 1990). worker performance can be regarded as the product of ability and motivation. It can be expressed as $\text{performance} = \text{ability} \times \text{motivation}$. If motivation is lacking then performance is nil. Attempts to alter worker performance mainly focused on ability, motivation or both (Marc, 2004)

1.6 Kenya Commercial Bank (KCB) Profile

Kenya Commercial Bank (KCB) is a financial services provider headquartered in Nairobi, Kenya. As of December 2010, it was among the three largest commercial banks in Kenya with assets of more than US\$2.65 billion (KES: 223 billion), and shareholders capital valued at US\$486 million (KES: 40.9 billion). As of December 2010, KCB Group, the parent company of KCB Kenya, had the largest branch network in Kenya (168 branches) of all 44 licensed commercial banks in the country.

KCB's principal activities are the provision of banking, financial and related services. To serve its customers, the Bank provides a range of retail and commercial banking services, including a variety of checking, savings and other interest-bearing accounts. The Bank's business lending services focus on secured loans and lines of credit, construction loans and customized asset financing programs. Its consumer lending services focus on personal loans, credit cards; debit cards; and investment advisory services through the branch network, as well as through alternative delivery channels, such as automated teller machines (ATMs) and internet banking.

KCB's vision is to become the leading bank in the East African region. The bank has been on an aggressive regional expansion strategy that has seen them open branches in all countries of the region. Currently the bank has five branches in Tanzania (three in Dar-es-salaam, one in Arusha and one in Mwanza), one in Kampala – Uganda, one in Juba – Southern Sudan and one in Rwanda. There are extensive plans to move to Burundi. KCB is an employer of choice with over 5,000 employees in Kenya, Uganda, Tanzania, Rwanda and South Sudan. The bank has been providing training and development opportunities for the employees at the ultra-modern KCB leadership centre in Karen. In 2011 for example, the bank invested over KSH3million to put up an ultra-modern E-learning centre at Kenya commercial Bank house that is accessed by all their employees from their workstations at their convenience. This model is aimed at training and learning of employees at their convenience regardless of their work location.

KCB's operational environment is characterised by uncertainties-economic, political and technological challenges that influences its structure as well as its employees. The economic uncertainty makes workers to become more anxious about their safety. Motivated employees are more productive, happier, and stay with the organization longer. One of the primary tasks a manager faces is to find out what motivates their employees. By understanding employee needs, managers at Kenya Commercial Bank understand what rewards to use to motivate them to enable them achieve their vision.

May 2011 the bank announced a raft of changes in its top management that saw some

1.7 Statement of the Problem

In the absence of employee motivation, employees may have extremely low morale, and hence low productivity. This may result in poor quality of work output. Employee motivation is an important aspect in enhancing the employees' moral in any organization. It is therefore, important to establish employee motivation schemes which are fair in order to highlight the strengths and weakness and also areas of improvement.' According to Smith, Harrington, and Haughton (2000) in today's business environment the reason for low productivity of workers is not that the workers do not want to work or that they are not capable of working but because there is no effort on the part of the management to motivate them to the desired goals and create a feeling of participation .Giving employees adequate motivation for their effort and performance can only result to better performance. According to Boudreau and G.T milkovich (1998), human resource are particularly important because they influence the efficiency and the effectiveness of the organization, therefore, for them to provide up to their best level, they must be rewarded for their efforts with some financial incentives which constitutes their basic pay. Without well-motivated people

it is simply impossible for an organization to achieve its goals and objectives. The need for designing a sound, fair motivation schemes and systems has raised concern in most organization. Therefore, this challenges organization to concentrate more on their ability to restructure, reorganize, improve and maintain sound motivation policies and procedures in order to maintain a competitive advantage edge.

...satisfaction a survey of employees in organizations for disabled employees and found

The Kenya Commercial Bank has been diversifying and growing in the region, in May 2011 the bank announced a raft of changes in its top management that saw some of its departments merged and others scrapped .This led to review of job roles and people placement within the group. At the same time a number of new functions were created to provide support in some areas of the business, the bank outsourced some activities that were not core. This led to absorption of many of employees whose jobs fell away by offering them employment in new or vacant positions using the competitive internal job advertisement process. This aimed at trimming it's payroll to cut costs, the restructuring and absorption of the employees can create an advance effect on survivors if measures to motivating them are not taken into consideration. The research paper will seek to unravel the measures that KCB has taken to ensure that the survivors trust and morale are not eroded for them to enable the bank attain its vision.

1.2 Importance of the Study

Local studies have focused more on job satisfaction and employees performance. Kimeu (2008) carried out a study on relationship between realistic job preview and Employee Job Satisfaction focusing on Management Employees in Commercial Banks in Kenya and found out that there exist a strong relationship between employee

job satisfaction and real responsibility assigned to staff. Oluoch (2007) carried out a study on a survey of the relationship between performance appraisal practices, motivation and job satisfaction of employees of Commercial banks in Nairobi and found out that performance appraisal practices, motivation influence employees job satisfaction. Kang'ethe (2007) investigated the effects of learning organizations on job satisfaction a survey of employees in organizations for disabled employee's and found that learning in the organization greatly influences employee's job satisfaction.

No researcher has however conducted an enquiry into the relationship between motivation and employee productivity at KCB. This study therefore seeks to fill this knowledge gap by investigating the relationship between motivation and employee productivity at the said bank. The research will attempt to answer the following research question: what is the relationship between perceived motivation practices and employee productivity at KCB?

1.8 Research Objective

To study the relationship between perceived motivation practices and employee productivity at Kenya commercial bank.

1.9 Importance of the Study

KCB will benefit from the findings on relationship between perceived motivation practices and employee productivity among its staff. The bank also shall e in a position to create varied incentive schemes that would be in a position to meet the varied needs of their employees hence achieve optimal business results.

CHAPTER TWO:

The study would also benefit most of the organizations on the relationship between perceived motivation practices and employee productivity and hence may come up with policies on employee motivation.

2.1 Employee Motivation

Motivating is the work managers perform to inspire, encourage and impel people to take action (Louis Allen 1986). To motivate the employee, the employee must be improved and develop a better understanding of motivation and employee productivity particularly for our local workplaces. The study will also provide a source of literature for them.

Improving company operations. To be effective, however, they must also be designed to show benefits to the employee. In fact, motivation can best be accomplished when workers are able to merge their employee ambitions with those of the company. According to Robin and DeCenzo (1995: 271) motivation is defined thus, "the willingness to exert high level of effort to reach organizational goals, conditioned by the effort's ability to satisfy some individual need". Campbell and Pritchard (1976) define motivation as a set of independent and dependant relationships that explains the direction, amplitude and persistence of an individual's behaviour holding constant the effects of aptitude, skills, understanding of a task and the constraints operating in the work environment. Schrader (1972) linked construction worker need for motivation, and it was subsequently concluded by Thomas et al. (1990) that there is evidence supporting the existence of a linkage between an employees' motivational level and their individual performance.

Employee motivation is rooted in the basic need to minimize physical pain and maximize pleasure, or it may include specific needs such as eating and resting, or a

CHAPTER TWO:

LITERATURE REVIEW

2.1 Employee Motivation

Motivating is the work managers perform to inspire, encourage and impel people to take action (Louis Allen 1986). To motivate the employee, the employee must be reached; to reach him/her there must be a completed understanding of the complexity his/her make-up (Louis Allen 1986). Motivation efforts must be directed towards improving company operations. To be effective, however, they must also be designed to show benefits to the employee. In fact, motivation can best be accomplished when workers are able to merge their employee ambitions with those of the company. According to Robin and DeCenzo (1995; 271) motivation is defined thus, "the willingness to exert high level of effort to reach organizational goals, conditioned by the effort's ability to satisfy some individual need". Campbell and Pritchard (1976) defines motivation as a set of independent and dependant relationships that explains the direction, amplitude and persistence of an individual's behaviour holding constant the effects of aptitude, skills, understanding of a task and the constraints operating in the work environment. Schrader (1972) linked construction worker need for motivation, and it was subsequently concluded by Thomas et al. (1990) that there is evidence supporting the existence of a linkage between an employees' motivational level and their individual performance.

Employee motivation is rooted in the basic need to minimize physical pain and maximize pleasure, or it may include specific needs such as eating and resting, or a

desired object, hobby, goal, state of being, ideal, or it may be attributed to less apparent reasons such as altruism, morality, or avoiding mortality Bandura, (1997). If employees have everything they need to perform well, they will be able to do the job, however, they must be willing and this is where the question of motivation comes into the picture. Vardi, & Wiener, Y. (1996) argue that the strategy implementer's challenge is to design a reward structure that motivates people to do the things it takes to make the strategy work successfully. It was perceived that the pursuit and fulfilment of self-interest and maximization of gains were the prime motivators; Atkinson, (1964) calls this the rational-economic mode. Drawing heavily from the Hawthorne experiments and researchers, sees people as predominately motivated by social needs; the need for personal relations.

The success of any organization depends on the ability of managers to provide a motivating environment for its employees. Motivated employees are more productive, happier, and stay with the organization longer. One of the primary tasks a manager faces is to find out what motivates their staff. By understanding employee needs, managers can understand what rewards to use to motivate them. The challenge of motivating employees has long been recognized as an integral part of managing leisure-service organizations. Motivation plays an exceedingly important role in moving an organization towards excellence. In this regard a situation of fairness is said to exist, Robbins, (1993). Employees might assess their relation to friends, neighbours, co-workers, colleagues in other organisations or previous jobs they themselves have occupied, Robbins, (1993). Similarly, Robbins et al. (2003) concur that employees compare their job inputs (such as their contribution, experience,

education and competence) to their job outputs (salary levels, salary increases and recognition) in relation to that of others. Similarly, inequity exists when there is a perception amongst employees that they are under-rewarded relevant to others or whether they are over-rewarded in relation to their job outputs. The resultant effect is that individuals might contribute less in the workplace if they are of the opinion that they are being underpaid. On the other hand, employees might offer more in terms of their expected job outputs as they may be more motivated to contribute if a job pays well in comparison to their job outputs, Dessler (1988).

2.2 Motivation Practices

Organizations today must grapple with revolutionary trends; accelerating product and technological change, international competition, deregulation, demographic changes, and a shift towards a service society. These trends have increased dramatically the degree of competition in virtually all industries. Either companies in such an environment become competitive high-performers or they vanish, Dessler (2000). Within this competitive organizational context, human resource management practices have gained increased significance. More specifically, human resource management has been linked to increased productivity (Selden, & Brewer, G. A. (2000), good customer service (Fox et al., 1999), greater profitability and overall organizational survival (Pinder, 1998).

2.2.1 Compensation

While pay and benefits alone is not a sufficient condition for a high satisfaction, it is a necessary condition for the same. This is true because employees want pay system

that they perceive as just, unambiguous, fair and in line with their expectations Robbins (1988). Okumbe (2001) and Scheir (1988) assert that in determining compensation levels organisations must be conscious of the prevailing market rates to ensure fairness and equity in compensation. Okumbe (2001) further asserts that organisational indifference on going rate or going range will affect negatively on efforts meant to attract and retain the required staff. When people are paid well they are able to live well and are able to meet their daily needs, concentrate at their places of work, and accomplish the tasks assigned to them (Lawler, 1971). Perceived going rates will also increase levels of productivity and efficiency.

Rynes, Gerhart and Minette (2004:382) observe that 'practitioner journals present claims about pay importance that are inconsistent with research about the actual motivational effects of pay. In general, there appears to be a consistent (but incorrect) message to practitioners that pay is not a very effective motivator-a message that, if believed, could cause practitioners to seriously underestimate the motivational potential of a well-designed compensation system.' They argue that most surveys of motivating factors are misleading because employees tend to give 'socially desirable' responses that place pay well down in the list of motivators. They consider that pay is the most important motivator and cite meta-analytical evidence. Despite its importance, motivation goes beyond pay. Herpen, Praag and cools (2005) demonstrate a positive relationship between the perceived characteristics of the complete compensation system and extrinsic motivation. Intrinsic motivation, on the other hand, was not affected by the design of monetary compensation, but by promotion opportunities. They also found that the compensation system significantly

affected work satisfaction and turnover intent. Rosenbloom (2002:2) States that employee benefits constitute a major part of almost any individual's financial and economic security. Such benefits have gone from being considered 'fringe' to the point where they may constitute about 40 percent of an employee's compensation, and the plans under which they are provided are major concern of employers.

The pay system of a company can also determine the rate at which employees would consider leaving a given job. A research by Brown et al (2001) implied that the firm's choice of payment system reduces labour productivity; the opposite could well be true for profitability. Many factors other than labour productivity affect profitability. Such factors include the cost of an alternative pay system, and worker responses to the chosen system, as well as the costs of recruiting and training newcomers (see Brown et al, 2001, 28).

2.2.2 Conducive Working Environment

Wheelhouse (1989) noted that the working environment can often be a cause of low productivity. Employees need adequate equipment, space, heating, lighting and ventilation. Cheng (1995) noted that a good working environment means support from superiors, a quality workplace, friendly co-workers and respect from the superiors. Positive re-enforcement and worker friendly corporate culture are two factors that can create a positive work environment. When work environment is pleasant employees will enjoy coming to work and they will be motivated to do their best. This will also boost loyalty Lydia Banks (1997). She also states that creating organisational culture that is friendly towards employees will also encourage strong motivation.

Studies on South African doctors' job satisfaction (Emerald 2008), found that overall doctors were dissatisfied with their work. Among the variables measured, the study cited that doctors are highly dissatisfied with practice environmental pressures and work setting. The study suggests that opportunities for enhancing doctors job satisfaction exists so long as management works in collaboration with doctors to provide the specific working conditions that health professional desire. Additionally, most employees prefer working relatively close to home, in clean and relatively modern facilities and with appropriate tools and equipment's.

2.2.3 Interesting and Challenging Work

Hackman and Oldham (1980) states there are five core characteristics (skill variety, task identity, task significance, autonomy and feedback), which impact three critical psychological state (experience meaningfulness, experience responsibility for outcomes and knowledge of the actual results). In turn influencing work outcomes (job satisfaction, work motivation). Telly Bragg (2002) recognises money as a short term motivator but interesting and challenging work as top motivator in the work place, he says for the employer to keep employees motivated, they must continually look for ways to keep their interest and offer them new challenges.

Employees tend to prefer jobs that give them opportunities to use their skills and abilities and offer a variety of tasks, freedom and feedback on how well they performed. Okumbe's (2001) argues that, a close scrutiny of organisations revealing some jobs as less appealing, less satisfying, and less challenging as compared to

others. Because of differential levels in degrees of satisfaction and individual needs fulfilment, some jobs are perceived as dull, repetitive, or boring and yet others are seen as satisfying, rewarding and carry high status with them. Okumbe further, adds that, one of the most important goals of understanding concepts of job satisfaction is to transform unattractive, distasteful and yet important jobs into more meaningful tasks which are more satisfying, more attractive and more rewarding to jobholders whose key focus is to enhance organisational success .A survey on job satisfaction and utilisation of skills of enlisted white men in the continental US Army in 1943 revealed that proper job assignment as important factor to morale and efficiency.

2.2.4 Employee Recognition

Successful managers understand the benefits of employee recognition and the positive impact it has on morale. Recognition is one of the most powerful motivators.(Michael Armstrong 2004:67). People need to know only how well they have achieved their objectives or carried out their work but also that their achievements are appreciated .He states that praise should be given judiciously .It must be genuine and related to real achievements. Financial rewards especially achievement bonuses awarded immediately after the event are clearly symbols of recognition to which are attached tangible benefits, and this is important way in which mutually reinforcing processes of financial and non-financial rewards can operate.

While most organizations typically emphasize generating new business and cutting costs, a rapidly growing body of evidence points to an indirect yet undeniable correlation between employee satisfaction and financial performance a correlation

that has significant ramifications on building profits most effectively. Applied properly, these studies can also influence how organizations approach a variety of interrelated functions, such as business planning and development, employee rewards and recognition, and even the measurement of ROI, Knouse (1995).

2.2.5 Training Opportunities

Businesses today are spending an ever increasing amount of money in training their own workforce. The demand for more training has mainly arisen because of the view that people represent the primary source of enduring competitive advantage Pfeffer (1994). While profits are still being achieved through strategies such as import of new technologies and corporate downsizing, many organisations recognise that their core productive capacity and long viability must be based on quality of human resource in the organisation. Training is viewed as one way to potentially improve the perception of fairness, before employees are given equal opportunities to gain the knowledge and skills necessary to be effective in the organisation. Johnson (1994) the business necessity perspective claims that productivity and profits depend on full utilisation of the workforce. Training is seen as key method of eliminating artificial barriers to individual development and capabilities. Workforce diversity can become an asset rather than a liability if the workforce is properly trained.

When employees have opportunity to learn, new and additional career development, they will feel a sense of personal growth which in turn will increase the number of job alternatives in the future Bellenger (1984). Thus, training and development opportunities will enhance employee personal growth and motivation. Training

opportunities are important to employees because of advancement of technology and market trends. Employees need to update their skills through training, this helps motivate employees to enable them gain the necessary skills to solve problems associated with the changes. Employees that are given access to training opportunities resort to reduced stress levels, turnover, absenteeism and a corresponding increase in efficiency and customer satisfaction.

2.2.6 Job Security

As workforce reduction has become more common nowadays, job security has become a factor that is of increasing importance to employees. The most prominent reason for decreasing job security can be sighted as technology, internationalisation of capital, demographic change and government policies Smith (1999). Job insecurity may threaten the relationship between employee and employers Propst (2002). When organisations fail to provide employees with expected level of security, they tend to give negative work attitudes. Emberland and Rundmo (2009) concluded in their study that there is a positive relationship between job security and negative work behaviours, when a person perceives that his/her job is not secure for the future they reduce their efforts on the job as the thought of leaving the organisation always exist. Employees believe that they will not lose their jobs or they will be employed in the same organisation as long as they want is a significant reason for motivation, therefore, job security is the most significant variables of employee satisfaction which expresses the general attitude of the employee towards his/ her job Packan and Buyukbese (2004).

2.3 Employee Productivity

Productivity is a summary measure of the quantity (size, weight, number, volume of work) and quality (excellence, performance) with resource utilization. It can be measured based on individual or group (Schermerhon, 1993). Employee characteristics and characteristics that describe an individual are usually objective and easily obtained from employee records (Robins 1993). The simplest possible definition of productivity is output per unit of time where output may be measured in the units of production, service, money or some other measurable criterion. In most instances employee performance is determined by the concept ability, work environment, and motivation (Griffin, 1990). Worker performance can be regarded as the product of ability and motivation. It can be expressed as $\text{performance} = \text{ability} \times \text{motivation}$. If motivation is lacking then performance is nil. Attempts to alter worker performance mainly focused on ability, motivation or both (Marc, 2004).

As there's no universal definition of productivity so is its measurement. There is no one best way of measuring the rise and fall of productivity, though some variables can be used to determine its efficiency and effectiveness. In a real sense worker productivity refers to the relationship between worker input (labour cost, absenteeism, turnover) and worker output (number of services offered, number of products etc). It is very difficult if not impossible to obtain adequate approximations for productivity because it has so many short range and long range aspects of which hourly output, creative ideas, turnover, absenteeism, and waste are only a few (Huizinga, 1970). He further stated that it is often complicated when element of quality enters its definition

and measurement. Thus production is said to improve or increase when output increase relative to input cost or when inputs cost decline relative to outputs.

productivity growth rate, production and shipping schedules, quality control etc. In

As reported by Porter and Steers, (1997) posited that ample research has shown the relationship between attitude and productivity as there was a time when worker satisfaction and worker principal attitude where thought to be closely related to worker productivity. That is to say satisfaction in relation to worker and his supervisor, co-workers and the like was linked to high productivity and dissatisfaction to low productivity. Worker productivity in terms of rate or quantity of output is at best weakly related to worker attitude in the other hand if worker productivity is considered in terms of lack of absenteeism, low turnover, and other forms of withdrawal from the job a relationship between productivity and satisfaction exist. As such those workers most satisfied are those workers least likely to withdraw (Marc, 2004).

Organizations strive to maximize productivity. One way they can do this to

work out and maintain high performing employees. Another option is to reward Most merit pay plans for productivity have limited ability to motivate employees and to enhance productivity. Performance targeting a concept that is related to performance appraisal but different from it may be a more promising approach to productivity enhancement. Some of the main shortfalls of expectancy theory on which many merit pay plans are based and points out some of the possible problems with performance appraisal. Studies suggests that the productivity enhancement effort must include a deliberate effort to prevent the creation of de motivation and a search for a better understanding of what makes the individual employee tick. It cautions managers to consider the propositions that are provided by the equity and needs

theories of motivation in developing programs to boost productivity. In the organisation, strategy relevant to performance measures may focus on unit costs, productivity growth rate, production and shipping schedules, quality control etc. In marketing, measures include unit selling costs, unit volumes, sales penetration of each target customer group market share, success of newly launched products, advertising effectiveness and new accounts acquired (Bachman, 1962). While most performance measures are quantitative, several have elements of subjectivity. Employee morale, customer satisfaction, advertising success and technological capability are such measures.

1.4 Relationship Between Perceived Motivation Practices and Employee

Employee productivity is one of the most common criteria used for personnel decisions of raises, promotion and termination (Pritchard 1992) defines productivity as a combination of efficiency (quality of resource use) and efficiency (achievement of goals). Organizations strive to maximize productivity. One way they can do this to seek out and maintain high performing employees. Another option is to reward individuals for higher levels of productivity and punish those with low. Paul Krugman believes that employee productivity is key to organizational success and to a country's economy. He believes that employee productivity must increase if the overall standard of living is to increase.

various employees perceive that employee benefits have greater impact on job performance. employees with different level of education and positions

The management of human capital spells the difference between the successful and unsuccessful organization in the knowledge economy of today (Hitt et al. 2001). According to the resource based view of the organization, the differences in performances of organizations is due to varying resources and associated capabilities.

Employee satisfaction can be correlated to work climate or the environment and organization's human resource management practices and policies (Gelade & Ivory 2003). Progressive human resource practices can enhance perception of the work climate. On the other hand, climate can be construed as a mediating factor between human resource and productivity. The logical sequence of thought is that progressive HRM practices create a positive environment within the organization and thus increases employee motivation and involvement, thus leading to greater productivity and organization effectiveness, even in financial terms (Ostroft & Bowen 2000).

2.4 Relationship Between Perceived Motivation Practices and Employee Productivity

Chao et al (1995) conducted a research on the impact of employee benefits on work motivation and productivity. Work motivation was measured by employee reward/benefit; get to work speed, leave rate while on the other hand productivity was measured along quality and quantity. The significant result shows that employee benefit program is most highly regarded by both executives and workers alike. There is no cognitive gap between management and worker on the importance of employee benefit program. Different genders have different benefit demands, unmarried employees more than married employees perceive that employee benefits have greater impact on job performance, employees with different level of education and positions perceive differently, employee benefit program have greater influence on younger employee job performance.

Manolopoulos (2007) conducted a survey to study the relationship between work motivation and performance in the extended public sector in Greece, the study identified the extent of the provision of extrinsic and intrinsic incentives and examined which type of motivation has a positive impact on organizations performance and associated it with employee's perceptions on the provision of specific motivation instruments. Results showed that the public sector in Greece is more likely to provide extrinsic than intrinsic reward. However extrinsic seems to be related to better organizations outcomes. Reward system, individual's ability, demographic characteristics and job security are core determinants of employee's motivation preferences. Uwe and Hartwig (2000) examined the effects the effects of psychologically based management system on work motivation and productivity. They concluded that (participative productivity management) PPM helps increase productivity mainly by increasing task and goal clarity, and that increases in productivity can only be reached reliably when no competing systems of performance appraisal exists besides participative productivity management.

Mason et al. (2008) studied motivation and perceived productivity at a merged higher education institution. The results reflected that there was a positive relationship between motivation and perceived productivity at the specific organization under investigation indicating an increase or decrease in motivation is accompanied by a corresponding increase or decrease in the perceived productivity. Masoud and Camal (2010) studied the effect of motivation on the productivity of employees of sport departments of Ardabil province .The study concluded that there is a significant and

positive relationship between the motivation and environmental factors and the degree of productivity of employees of the sport departments Ardabil province.

Alimi Baba Gana& Fatima (2011) studied the effects of motivation on workers performance (a case study of Maidiguru flour mill LTD Nigeria). The study showed that workers performance doesn't depend on the behaviour of other workers in the company but on the motivation policies available in the company. It also showed that prompt promotion, fairness and equality in management increase workers performance and make them stay in the organization longer to the retirement schedule.

As reported by Jain (1998) Marchant (1982) contends in his study on participative management that people prefer to work in a participative management situation that gives them job satisfaction. If job satisfaction is high, productivity will be higher; if it declines, productivity will fall. If the staff knows they are trusted, they believe they have something to contribute, and then they will disburse their energy productively. Furthermore, he reported that Hoage (1950) identified a low salary and the lack of opportunity for advancement as important causes of employee turnover among professionalism two university libraries. She concluded, however, that they were not the only reasons employees resigned from the library.

CHAPTER THREE:

RESEARCH METHODOLOGY

3.1 Research Design

According to Cooper and Schindler, (2003) research design constitutes the blue print for collection, measurement, and analysis of data. Donald (2006) notes that a research design is the structure of the research that glues and that holds together all the elements of a research proposal. This study adopted a descriptive research design. This design is appropriate because it gives a better understanding of the relationship between independent and dependent variables, Kothari (2003).

3.2 Population of the Study

Cooper and Schindler (2003) describe a population as the total collection of elements whereby references have to be made. The population of interest for the study was all the employees at KCB who make a total of 5,000 distributed in Kenya, Uganda, Tanzania, Rwanda and Southern Sudan .For the purpose of this study the population was all the employees of KCB in Kenya who make a total of 4,000.

3.3 Sample

Stratified random sampling was used to pick 200 KCB employees constituted as follows: managers, supervisors, clerical staff, contract staff and support staff. This constitutes 5% of the population of the study. The advantage of this method is that there is an increase in a sample's statistical efficiency and enables different research methods and procedures to be used in different strata (Cooper and Schindler, 2003).

The sample from the population is selected on the basis of suitability for the objective of the research, as a matter of convenience. The same approach was adapted by Ndirangu (2010) in his study on the relationship between capital structure and financial performance of insurance firms in Kenya.

Category	Sample Population	Sample size	Percentage
Top level managers	403	20	4.96
Middle level managers	472	24	5.08
Clerical staff	2606	130	4.99
Contract staff	444	22	4.95
Support staff	75	4	5.33
Total	4,000	200	

Table 3.3-1 Population

3.4 Data Collection

The study used primary data collection method in gathering data. The data collection method used was survey method by the use of semi -structured form of questionnaire. The questionnaire was administered through "E-Mails" The questionnaires were used to capture specific information from the respondents. This method provides immediate feedback and clarification of the questions asked to the respondents. The questionnaire was divided into three sections i.e. A, B and C respectively.

3.5 Data Analysis

After the fieldwork and before analysis all questionnaires were adequately checked for reliability and verification. Quantitative analysis was used. In quantitative analysis, descriptive statistics was employed. This includes measures of central

tendency, measure of variations and percentages. Pearson moment correlation coefficient was used to establish the possible relationship between motivation practices and employee productivity at KCB. The data was presented using tables. The textual data from the field were subjected to quantitative analysis.

The research objective was to study the relationship between perceived motivation practices and employee productivity at Kenya Commercial Bank. This chapter presents the analysis of the findings with regard to the objective of the research.

4.2 Response Rate

A total of 200 questionnaires were issued out to KCB employees. The completed questionnaires were then edited for completeness and consistency. Out of the 200 questionnaires that were issued, only 180 were returned having been filled fully. This represented a response rate of 90%, a rate that the researcher considered adequate for analysis.

4.3 Demographic Information

This section gives employees information in terms of age, level of education and the number of years they had worked with the bank. The respondents were asked to give information on their age brackets, their level of education and the number of years they had worked with bank respectively.

4.3.1 Age of the Respondents

This inquiry was made to find out information on the age of the employees at KCB. Respondents were asked to indicate the age bracket to which they belonged.

CHAPTER FOUR:

DATA ANALYSIS AND INTERPRETATION OF THE FINDINGS

4.1 Introduction

The research objective was to study the relationship between perceived motivation practices and employee productivity at Kenya Commercial Bank. This chapter presents the analysis of the findings with regard to the objective of the research.

4.2 Response Rate

A total of 200 questionnaires were issued out to KCB employees. The completed questionnaires were then edited for completeness and consistency. Out of the 200 questionnaires that were issued, only 180 were returned having been filled fully. This represented a response rate of 90%, a rate that the researcher considered adequate for analysis.

4.3 Demographic Information

This section sort employees information in terms of age, level of education and the number of years they had worked with the bank. The respondents were asked to give information on there age brackets, their level of education and the number of years they had worked with bank respectively.

4.3.1 Age of the Respondents

This inquiry was made to find out information on the age of the employees at KCB. Respondents were asked to indicate the age bracket to which they belonged.

Age group	Frequency	Percentage
20-30 years	36	20%
30- 40 years	69	38.3%
40 – 50 years	42	23.3%
Above 50 years	33	18.3%
Total	180	100%

Table 4.3-1 Age of the Respondents

According to the findings, 20% of the respondents were aged 20-30 years, 38.3% were aged 30-40 years, 23.3% were aged between 40-50 years and 18.3% were aged more than 50 years. This implies that the study interviewed all the age groups among the banks employees. This represented a normal curve.

4.3.2 Highest Academic Level of the Respondents

This inquiry was made to find out information on the highest academic level of the employees. The respondents were asked to indicate their education levels.

Education level	Frequency	%
Secondary certificate	9	5.00
College Diploma	45	25.00
University Graduate	83	46.11
Postgraduate	43	23.89
Total	180	100.00

Table 4.3-2 Education Level of the Respondents

It was established from the study that only 5% of the respondents had secondary education as their highest level of education, 25% of the respondents had college

diploma level, 46.1% had basic university degree education, and postgraduates comprised 23.9% of the respondents. The findings shows that a large percentage of employees have university degree and above this shows that the bank employees university graduates.

4.3.3 Working Period With the Bank

This inquiry sort to determine the number of years employees had worked with the bank. The respondents were asked to indicate the number of years they had worked with the bank.

Working Period	Frequency	%
Less than one year	24	13.33
1-5 years	98	54.42
5-10 years	40	22.22
More than 10 years	18	10.00
Total	180	100

Table 4.3-3Period the Respondents have Banked with the KCB

The study established that 54.42 % of the respondents had worked in the bank for between one and five years, 22.2% had worked for between five and ten years 13.3% had worked for a period of less than one year and 10% had worked with the bank for more than 10 years. The study established that most of the employees had worked with the bank for between 1 and 5 years.

4.4 Employee Motivation Practices at KCB

The respondents were asked to evaluate the degree to which they agreed on motivation practices being used at KCB. The motivation practices that were evaluated are; compensation, interesting and challenging work, learning opportunities, recognition conducive work environment and job security.

The respondents were asked to state the rate the degree to which they agreed to the statements on motivation factors being used at KCB. The ratings were in the scale of >1 (lowest) and > 5 (the highest). The ratings ranged from ≤ 1.5 (disagree) to ≥ 5 (agree). The ranges were grouped as follows: 4.5 to ≥ 5 and 3.5 to ≥ 4.5 which would be interpreted to mean that the respondents agreed to the statement on motivation factors and their influence on employee productivity at KCB and ≤ 1.5 to ≥ 2.5 which would be interpreted to mean that the respondents disagreed on statement on motivation factors and their influence on employee productivity at KCB. Responses for motivation practices and employee productivity were collapsed and a mean computed for each.

4.4.1 Compensation

The respondents were asked to indicate whether they agreed or disagreed on the given statements on compensation as a motivating factor at KCB. The responses were collapsed and mean for each was computed.

	Mean	SD
The benefits provided by my organisation influence my work	4.3269	0.9758
Am well compensated for my services	4.2358	0.1483
The organisation provides adequate benefits apart from compensation, e.g. health insurance, sick leave, maternity leave	4.0326	0.8965

Table 4.4-1 Compensation

It was determined from the study that shows that employees at the bank agreed to the statement that the benefits provided by the organisation influenced their work as this Attained a mean of 4.3269 and a SD of 0.9758 they also agreed to the statement that they were well compensated for their services as a mean of 4.2358 and SD of 0.483 the respondents also agreed to the statement that the organisation provided adequate benefits apart from compensation as a mean of 4.0326 and a standard deviation of 0.8965 were obtained. In conclusion the employees at KCB could be perceived as being comfortable with their compensation package and this increases their productivity.

4.4.2 Conducive Working Environment

The employees were asked to indicate whether they agreed or disagreed on the statements on conducive working environment being a motivation factor at KCB. Responses were collapsed and mean for each computed.

	Mean	SD
Conducive work environment is offered in my organization	4.9632	0.1376
Support from superiors and co-workers gets me motivated	4.8632	0.2465
My organisation has a worker friendly corporate culture	3.9654	0.1354

Table 4.4-2 - Conducive Working Environment

The study established that the respondents agreed to the statement that conducive work environment was offered in the organization as a mean of 4.9632 and a SD 0.1376 was obtained. They also agreed to the statement that supports from their superiors and co-workers gets them motivated this attained a mean of 4.8632 and SD of 0.2465, the respondents also agreed to the statement that their organisation had a worker friendly culture as this statement attained a mean of 3.9654 and SD of 0.1354. This could mean that the respondents viewed to conducive work environment as a strong motivator that would increase productivity at KCB.

4.4.3 Interesting and Challenging Work

The employees were asked whether they agreed or disagreed on statements on interesting and challenging work. Responses were collapsed and mean for each computed.

	Mean	SD
I consider my job appealing	4.3265	1.3657
I consider my job challenging and exciting enough to motivate me	4.0365	0.4698
My job gives me the opportunity to use my skills and abilities	3.8398	0.4585

Table 4.4-3-Interesting and Challenging Work

the urgency it deserved as this attained a mean of 3.2165 and a SD of 0.9326. In

The study established that the respondents agreed that their jobs were appealing as this attained a mean of 4.3265 and a SD of 1.3657. The respondents also agreed that they considered their jobs challenging and exciting enough to motivate them this had a mean of 4.0365 and SD of 0.4698, they also agreed to the statement that their jobs gave them opportunities to use their skills and abilities this had a mean of 3.8398 and a SD of 0.4585. This shows that respondents attest to interesting and challenging work as a motivator at KCB that increased their productivity.

computed for each

4.4.4 Recognition

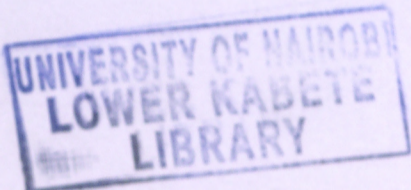
The respondents were asked to indicate whether they agreed or disagreed on statements given on recognition as a motivation factor at KCB. The responses were collapsed and mean computed for each.

	Mean	SD
In my organisation, praise is given judiciously and it relates to real achievements	4.6587	0.0354
My organisation offers achievement bonuses	4.3695	0.1369
My organisation acknowledges my work with the urgency it deserves	3.2165	0.9326

Table 4.4-4-Recognition

usually opportunities increased employer motivation as this had a mean of 4.9611

The study established that that the respondents agreed to the statement that praise is given judiciously and often relates to real achievements this had a mean of 4.6587 and a SD of 0.0354, they also agreed with the statement that they were offered achievement bonuses this had a mean of 4.3695 and a SD of 0.1369, the respondents were neutral on the statement that their organisation acknowledged their work with



the urgency it deserved as this attained a mean of 3.2165 and a SD of 0.9326. In conclusion the statement on praise being given judiciously, organisation offering achievement bonuses were agreed to and the respondents being neutral on the one their work being acknowledged with the urgency it deserved.

4.4.5 Training Opportunities

Employees were asked to evaluate training opportunity ant extent to which it was used as a motivation factor at KCB. The responses were collapsed and mean computed for each.

	Mean	SD
In your opinion, training opportunities increases employee motivation	4.9631	0.0675
The management provides opportunity for me to develop personally and professionally	4.7311	0.2564
My organisation provides fair training and development opportunities	4.5421	0.0124

Table 4.4-5- Training Opportunities

The study established that the respondents agreed on the statement in their opinion training opportunities increased employee motivation as this had a mean of 4.9631 and a SD of 0.0675. They also agreed that the management provided opportunities for them to develop personally and professionally this had a mean of 4.7311 and a SD of 0.2564, they also agreed to the statement that their organisation provided fair training and development opportunities, this attained a mean of 4.5421 and a SD of 0.0124

In conclusion the respondents views training opportunity as a strong motivator and believe that by being given opportunity to develop professionally and personally, organisation providing fair training opportunities their motivation would be increased hence their productivity at KCB.

4.4.6 Job Security

	Mean	SD
I think job security provides me the necessary job satisfaction and motivation	4.8216	0.8657
My organisation provides the necessary job security in terms of training and development opportunities	4.1658	0.9564
I think job security exist in my organisation	3.6568	1.3269

Table 4.4-6- Job Security

The study established that the respondents agreed to the thought that job security provided the necessary job satisfaction and motivation this attained a mean of 4.8216 and a SD of 0.8657, they also agreed that their organisation provided the necessary job security in terms of training and development opportunities this had a mean of 4.1658 and a SD of 0.9564, the respondents were neutral about the thought of job security existing in their organisation as a mean of 3.6568 and a SD of 1.3569.

In conclusion the respondents thought that job security offered job satisfaction and motivation, job security was provided at KCB they were neutral about job security existing at KCB, this means that job security and the thought of it existing at KCB acts as a source of motivation.

4.5 Employee Productivity

The employees were asked to evaluate employee productivity at KCB. They were asked to state whether they agreed or disagreed on statements on employee productivity. The responses were collapsed and mean for each was computed.

	Mean	SD
I believe my productivity is high	4.9621	0.6491
I am rarely absent from work and always avoid grievances at work	4.9331	0.0023
I am always out to achieve all the goals set in my organisation to achieve higher productivity	4.7681	0.2365
I believe that I put maximum effort to increase my productivity	4.6593	0.0145
I perceive the managers in my organisation to be fair and supportive this reduces my turnover chances, absenteeism and tardiness	4.3265	0.1436
I am always efficient and effective in all that I do in the organisation	3.6831	0.9651
I always bring about creative ideas to the organisation that are beneficial and increases productivity	3.1641	1.3486
I believe that my labour cost matches my productivity	3.0136	1.3486

Table 4.5-1-Degree to Which the Respondents Agreed on Employee Productivity at KCB

The study sought to determine whether the respondents agreed or disagreed on and employee productivity at KCB. It was determined that the respondents agreed that their productivity was high as this had a mean of 4.9621 and a SD of 0.6491, they also agreed that they were rarely absent from work and always avoided grievances this had a mean of 4.9331 and a SD of 0.0023, the respondents also agreed that they were

always out to achieve all the goals set by their organisation to achieve higher productivity this had 4.7681 and a SD of 0.2365, they also agreed that they put maximum effort to increase their productivity this had a mean of 4.6593, and a SD of 0.0145.

The respondents also agreed to the statement that they considered the managers at their organisation as fair and supportive and this reduces their turnover chances, absenteeism and tardiness, this attained a mean of 4.3265 and a SD of 0.1436, the respondents also agreed to the statement that they were efficient and effective in all that they did in the organisation this was justified by a mean of 3.6831 and SD of 0.9651, they were neutral on the statements that they believed that their labour cost matched their productivity as this 3.161 and a SD of 1.6587 and that they always brought out creative ideas to the organization that were beneficial and increased productivity this had a mean of 3.0136 a SD of 1.3486.

In conclusion, the study established that productivity increase or decrease at KCB depends on how motivated an individual employee is this because if an employees considers their environment at work conducive, perceives compensation as fair depending on his or her output, believes that the opportunities for development are offered, job security is guaranteed and management recognises and rewards their efforts, this increases their motivation and hence productivity. This also shows that productivity at KCB is highly dependent on motivation as the higher the motivation the higher the productivity and vice versa is true. KCB should therefore increase or enrich their motivation practices to increase their employee productivity.

4.6 Relationship between Motivation and Employees Productivity at KCB

To establish the relationship that existed between motivation factors and employee productivity at KCB, Pearson moment correlation coefficient was used. This study needed to establish the relationship between the independent variables and the dependent variable, as well the relationship between the independent variables themselves. The coefficient of correlation (r), determines the degree (strength) of relationship and its value is between -1 and 1. A value 0 implies no relationship, 1 implies a perfect positive relationship, -1 means a negative relationship. An absolute value of r between 0.5 and less than 1 implies a strong relationship between the variables. If the value r is greater than 0.3 and less than 0.5 then the relationship is moderate. The relationship is weak if the value of r is less than 0.3.

The correlation matrix indicates that compensation was highly correlated with conducive working environment (.627) and also highly and positively correlated with interesting and challenging work as indicated by a coefficient of (.793). Employee productivity was highly correlated to compensation (.698) and conducive working environment (.735). The other results of the correlation analysis are shown in table

	Compensation	Conducive working environment	Interesting and challenging work	Employee recognition	Training opportunities	Job security	Employee productivity
Compensation	1						
Conducive working environment	.627*	1					
Interesting and challenging work	.793*	.401*	1				
Employee recognition	.778**	.644**	.688**	1			
Training opportunities	.774**	.558**	.757**	.599**	1		
Job security	.884**	.659**	.645**	.586**	.634**	1	
Employee productivity	.698**	.735**	.688**	.733**	.722**	.688*	1

Table 4.6-1 Correlations between compensation, conducive working environment, interesting and challenging work, employee recognition, training opportunities, job security and employee productivity

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

Regression analysis is utilized to investigate the relationship between a range of variables, these including an error term, whereby a dependent variable is expressed as a combination of independent or explanatory variables, and “the unknown parameters in the model are estimated, using observed values of the dependent and explanatory variables” (Stoodley, Lewis and Stainton, 1980: 35). Multiple linear regression analysis was the technique used to test the hypotheses. The following represents the regression equation, according to the general model used to represent the relationship between employee productivity as the dependent variable (Y) as a linear function of the independent variables (X's), with ϵ representing the error term. The following

represents the regression equation, according to the model used to represent the relationship between employee productivity as a linear function of the independent variables (compensation, conducive working environment, interesting and challenging work, employee recognition, training opportunities and job security).

The study regression model was represented as:

$$Y_i = \alpha + 0.96 (CP) + 0.67 (CE) + 0.93 (ICW) + 0.89(ER) + 0.91 (TO) + 0.921 (JS) + \epsilon$$

Where; Y_i = Employee productivity

CP = Compensation

CE = Conducive working environment

ICW = Interesting and challenging work

ER = Employee recognition

TO = Training opportunities

JS = Job security

The β s in the above equation represent the estimated parameters as indicated above. Advantages associated with multiple regression analysis are that this process offers a more accurate explanation of the dependent variable in that more variables are included in the analysis, and that the “effect of a particular independent variable is made more certain, for the possibility of distorting influences from other independent variables is removed” (Lewis-Beck, 1986: 47).

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.7432	0.5523	0.5224	0.7006

Table 4.6-2 Regression Model Summary Results of compensation, conducive working environment, interesting and challenging work, employee recognition, training opportunities, job security and employee productivity.

Predictors: (Constant), compensation, conducive working environment, interesting and challenging work, employee recognition, training opportunities, job security and employee productivity.

From the results shown above, the model shows a goodness of fit as indicated by the coefficient of determination (R^2) with a value of 0.5523. This implies that the independent variables compensation, conducive working environment, interesting and challenging work, employee recognition, training opportunities and job security explain 55 percent of the variations of employee productivity.

From Table 4.6-3 the variable ‘training opportunities’ has the most statistically significant coefficient as indicated by a t-ratio of 1.492. This implies that a one unit change in training opportunities will change employee productivity by 1.492 units. There is also a positive relationship between employee productivity and conducive working environment with a statistically significant coefficient as indicated by a t-ratio of 1.488. A one unit change in conducive working environment will change employee productivity by 1.488 units. Compensation is also statistically significant as indicated by a t ratio of 1.399. This implies that the six factors compensation, conducive working environment, interesting and challenging work, employee recognition, training opportunities and job security have great impact on employee productivity in commercial bank limited.

	Unstandardi zed Coefficients	Standardized Coefficients		t-values	t- critical	Significanc e
		Std. Error	Beta			
(Constant)	4.553	4.22		0.922	1.677	0.472
Compensation	1.522	1.344	0.96	1.399	1.677	0.375
Conducive working environment	1.7466	1.354	0.67	1.488	1.677	0.041
Interesting and challenging work	1.663	1.146	0.93	1.398	1.677	0.0342
Employee recognition	1.33	1.167	0.890	1.421	1.677	0.053
Training opportunities	1.45	1.223	0.910	1.492	1.677	0.564
Job security	1.56	1.367	0.921	1.421	1.677	0.0345

Table 4.6-3 Regression Results of the Relationship between compensation, conducive working environment, interesting and challenging work, employee recognition, training opportunities, job security and employee productivity

NB: T-critical Value 1.677 (statistically significant if the t-value is less than 1.677: from table of T-values).

CHAPTER FIVE:

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter gives a summary and conclusions of the research paper. It also offers a number of recommendations useful to bank managers, scholars, planners, policy makers and other banks who may want to implement relationship between motivation practices and employee productivity.

5.2 Summary

The purpose of the study was to establish the perceive relationship between motivation factors and employee productivity at the KCB. The study interviewed all the age groups in the bank which represented a normal curve. The findings also showed that a large percentage of employees had university degrees and above and this showed that most of the bank employees were graduates. The study also established that most of the employees had worked with the bank for between 1 and 5 years.

The study established the motivating practices used in KCB were compensation, conducive working environment, interesting and challenging work, recognition, Training opportunities which they considered most preferable and strongly valued and could lead to high productivity, job security was however voted for as a motivator but the respondents did not believe that it existed at KCB hence was not voted a strong

motivation factor as the respondents were not sure that the organization offered job security.

It was established that the respondents agreed that they were well compensated for their services; they also agreed to the statement that the organisation provides adequate benefits apart from compensation, e.g. Health insurance, sick leave, annual leave, maternity leave etc, they also agreed to the statement that the benefits provided by the organisation influenced, they also agreed that their organisation offered conducive work environment, they also agreed that. Support from superiors and co-workers gets me motivated they also agreed that their organisation had a worker friendly corporate culture, they also agreed that praise was given judiciously and was related to real achievements. The respondents also agreed that the bank offered achievement bonuses.

5.3 Conclusion

It was established that the respondents agreed that the management provided opportunity for them to develop personally and professionally, they also agreed that training opportunities increased employee motivation, also agreed that the organisation provided fair training and development opportunities. It was established from the study that the respondents thought that job security offered them the necessary job satisfaction and motivation respectively.

The respondents were neutral on the statement that job security existed in their organisation, they were also neutral on the statement that the bank acknowledged their work with the urgency it required.

Most of the respondents indicated that they were neutral on the efficiency and effectiveness in all that they did in the organisation as well whether their labour cost matched with their productivity. The respondents were also neutral on the statement that they always brought about creative ideas to the organisation that are beneficial and increases its productivity. The Pearson moment correlation coefficient was used to establish the possible relationship between motivation factors and employee productivity at KCB. The correlation matrix indicated that compensation was highly correlated with conducive working environment (.627) and also highly and positively correlated with interesting and challenging work as indicated by a coefficient of (.793). Employee productivity was highly correlated to compensation (.698) and conducive working environment with a coefficient of (.735).

5.3 Conclusion

The bank compensates their employees well and this really boosts their productivity as when people are paid well they are able to live well and are able to meet their daily needs, concentrate at their places of work, and accomplish the tasks assigned to them (Lawler, 1971). Perceived going rates will also increase levels of productivity and efficiency among the employees. It was determined from the study that the bank provided a conducive working environment as this determined the output provided by the employees and this is in line with the study done by Cheng (1995) noted that a good working environment means support from superiors, a quality workplace, friendly co-workers and respect from the superiors.

Interesting and challenging work was provided by the bank and this really motivated the employees to increase their skills. Recognition and the training opportunity are very vital in the role modelling of the employees and it was determined that the bank provided them to their employees and this really made them motivated in carrying their duties and responsibilities.

5.4 Recommendation from the Study

The study recommends that compensation as the key motivator and for high output from the employees, organizations should be compensating their employees handsomely as this would boost their morale which would lead to high rates of effectiveness and efficiency. Organizations should provide conducive work environment for their workers as this would increase their output levels as well as provision of interesting and challenging work to look forward in order to increase their skills and competency. All organizations should be providing recognition and training opportunities to their employees as this would lead to high efficiency and effectiveness.

5.5 Suggestions for Further Studies

This study focused on perceived relationship between motivation practices and employee productivity in Kenya commercial bank limited. To this end therefore the same study should be carried out in other banks and non-banking organizations in the country to find out if the same results would be obtained. The size of the sample used in the study was 200 the size should be increased in other subsequent studies that

would be conducted on the same topic as this would provide wider information perceptions.

- Allen, L., (1985). *The Allen Manager's Seminar: Effective Management Series*, Louis A. Allen Associates, Parkwood.
- Alimi Baba, Gana & Fatima (2011). *The Effect of Motivation on Workers Performance (A Case Study of Maiduguri Flour Mill Ltd Borno State, Nigeria)* Continental J. Social Sciences 4 (2): 8 - 13, 2011.
- Atkinson, J. W. 1964. *An Introduction to motivation*. Princeton, N.J.: Van Nostrand.
- Bachman, J. C. 1962, "Some Motivation Effects of Control in a Task Situation as a Function of ability." Unpublished doctoral dissertation, University of Pennsylvania, 1962.
- Bandura, A. (1977). Self-efficacy: Toward a unifying theory of behavioral change. *Psychological Review*, 84, 191-215.
- Bellenger, D.N., Wilcox, J.B. & Ingram, T.N. (1983). An examination of reward preferences for sales managers. *Journal of Personal Selling and Sales Management*, 4(2), 1-6.
- Brown, H. D. (2001). *Teaching by Principles: An interactive approach to language pedagogy* (second edition) New York: Longman.
- Campbell, D.J., & Pritchard, R. (1976). *Motivation theory in industrial and organizational psychology*. In M.D. Dunnette (Ed.), *Handbook of industrial and organizational psychology* (pp. 63-132). Chicago: Rand McNally.
- Cheng, H. (1993). *Assessing The Importance of Employee Motivation in the Hotel Industry in Taipei, Taiwan*. Unpublished master's thesis, University of Wisconsin-Stout, Menomonie, Wisconsin, United States.

REFERENCE

- Allen, L., (1985), *The Allen Manager's Seminar: Effective Management Series*, Louis A. Allen ssociates, Parkwood.
- Alimi Baba Gana& Fatima (2011), *The Effects of Motivation on Workers Performance (A Case Study of Maiduguri, Flour Mill ltd. Borno State, Nigeria.)* Continental J. Social Sciences 4 (2): 8 - 13, 2011
- Atkinson, J. W. 1964, *An Introduction to motivation*. Princeton, N.J.: Van Nostrand,
- Bachman, J. C. 1962, "Some Motivation Effects of Control in a Task Situation as a Function of ability." Unpublished doctoral dissertation, University of Pennsylvania, 1962.
- Bandura, A. (1977). Self-efficacy: *Toward a unifying theory of behavioral change*. Psychological Review, 84, 191-215
- Bellenger, D.N., Wilcox, J.B. & Ingram, T.N. (1984). *An examination of reward preferences for sales managers. Journal of Personal Selling and Sales Management*, 4(2):1-6.
- Brown, H. D. (2001), *Teaching by Principles: An interactive approach to language pedagogy* (second edition) New York: Longman.
- Campbell, D.J., & Pritchard, R. (1976), *Motivation theory in industrial and organizational psychology*. In M.D. Dunnette (Ed.), *Handbook of industrial and organizational psychology* (pp. 63-130). Chicago: Rand McNally.
- Cheng, H. (1995), *Assessing The Importance of Employee Motivation in the Hotel Industry in Taipei, Taiwan*. Unpublished master's thesis, University of Wisconsin-Stout, Menomonie, Wisconsin, United States

- Schindler, D.R. & Cooper, P.S. 2003. *Business Research Methods*. Seventh Edition. New York, NY. McGraw-Hill.
- Schindler, D.R. & Cooper, P.S. 2001. *Business Research Methods*. Eight Edition. New York, NY. McGraw-Hill.
- Dessler, G. (1988). *Personnel management* (4th ed.). New York: Prentice-Hall, Inc.
- Dessler, G. (2000). *Human resource management* (5th ed.). New York: Prentice-Hall, Inc. Selden, & Brewer, G. A. (2000),
- Dessler, G. (2005). *Management: Leading People and Organization in the 21st Century*. Harlow: Prentice Hall.
- Donald Campbell (2006). *Incentives: Motivation and the Economics of Information* (2nd ed.). New York: Cambridge University Press.
- Emberland, J. S., & Rundmo, T. (2010). *Implications of job insecurity perceptions and job insecurity responses for psychological well-being, turnover intentions and reported risk behavior*. Safety Science, 48 , 452-459.
- Fox, C. (1999). *Women's Perceived Access to Elite Coaching Positions in Australian Sport*. The Sport Educator, 11(2), 25-27.
- Gelade, A. Garry & Ivery, Mark, 2003. *The impact of human resource management and work climate on organizational performance*. Personnel Psychology, 56: 383-404.
- Griffin, R.W. (1990), *Management*, 3rd ed., Houghton Mifflin Company, Dallas, TX, p. 437.
- Schefflen, K. C., Lawler, E. E., & Hackman, J. R. (1971) *The long-term impact of employee participation in the development of pay incentive plans: A field experiment revisited*. Journal of Applied Psychology, 55,

- Oldham, G. R., Hackman, J. R., & Pearce, J. L. (1976), *Conditions under which employees respond positively to enriched work*. *Journal of Applied Psychology*, 61,
- Oldham, G. R., & Hackman, J. R. (1980), *Work design in organizational context*. In B. M. Staw & L. L. Cummings (Eds.), *Research in organizational behavior* (Vol. 2), Greenwich, CT: JAI Press.
- Marco Herpen, Mirjam Praag, Kees Cools, (2005), *The Effects of Performance Measurement and Compensation on Motivation: An Empirical Study*. DE Volume 153, NO. 3.
- Hitt MA, Dacin MT, Shimizu K & Kochhar R, (2001). *Direct and moderating effects of human capital on strategy and performance in professional service firms*. *Academy of Management Journal*, R 2001a(44): 13-28
- Huizinga, G. (1970), *Maslow's Hierarchy in the Work Situation*, Wolters-Noordhoff, Groninggen, Netherlands
- Jain, Priti. (1998), *Perceptions on empowerment and productivity in academic and public libraries in Botswana*, *Library Management*,
- Kimeu A.N., (2008), *Factors Influencing Staff Motivation in the Commercial Banks in Kenya*, Unpublished MBA Project, University of Nairobi
- Knouse, S. B. (1995). *The reward and recognition process in Total Quality Management*. Milwaukee: American Society for Quality Control Press.
- Guay, W., Kothari, S., Sloan, R., (2003), *Accounting for Employee Stock Options*, *American Economic Review* 93, 405-409.
- Laufer, A, and Moore, B E (1983), *Attitudes toward productivity pay programmes*, *Journal of Construction Engineering and Management*, 109(1), 89-101.

- Lydia Banks (1997). *Motivation in the workplace inspiring your employees*, Published 1997 by American Media Publishing
- Maloney, W. F. (1982), *Supervisory Problems in International Construction*, *Journal of the Construction Division*, Proceedings of the American Society of Civil Engineers, ASCE, 108(3): 406 -418.
- Manolopoulos, D. (2008). An evaluation of employee motivation in the extended public sector in greece. *Employee relations* , 63-85.
- Marc, H., & Lee, S. H. (2004). *Public productivity handbook*. Marcel Dekker inc. newew york, second edition.
- "Gregory J. Marchant (1982), *Working Overtime Hours: Relations with Fatigue, Work Motivation, and the Quality of Work* *Journal of Occupational & Environmental Medicine*: December 2004 - Volume 46 - Issue 12 - pp 1282-1289"
- Martin Bruce (1962), *The prediction of effectiveness as a factory foreman*. American Psychological Association, 1953.
- David, C. McClelland, (1961), "Methods of Measuring Human Motivation," in John W. Atkinson, ed., *The Achieving Society* (Princeton, N. J.: D. Van
- Michael Armstrong, (2004), *A Handbook of Human Resource Management Practice*, Kogan Page Publishers,
- Okumbe, J.A., (2001), *Human Resources Management: An Educational Perspective*. Nairobi: Educational Development and Research Bureau.
- Oluoch P. (2007), *A Survey of the Relationship Between Performance Appraisal Practices, Motivation and Job Satisfaction of Employees of Commercial Banks in Nairobi*, Unpublished MBA Project, University of Nairobi

- Pfeffer, J., & Langton, N. (1993). *The effect of wage dispersion on satisfaction, productivity, and working collaboratively: Evidence from college and university faculty*. *Administrative Science Quarterly*, 38, 382-407
- Pinder, C. C. (1998). *Work motivation in organizational behavior*. Upper Saddle River, NJ: Prentice-Hall.
- Porter L. W. and Steers Raymond (1997), "Motivation and Management," in *Contemporary Management*. Englewood Cliffs, N.J.: Prentice-Hall, Inc..
- Robbins, S. P. (1998). *Organizational Behaviour: Concepts, controversies and applications*. Research Journal, Vol. 4, No. 3
- Robbins, P. Stephen, 2002. *Organizational Behavior*. 9th Ed. Sg: Prentice-Hall
- Robbins, S.P. (2003), *Organizational Behaviour*, 11th Ed, Prentice-Hall, India
- D. A. DeCenzo and S. P. Robins, (1995), "Human Resource Management." 7th edition, New York: John Wiley.
- "Henry Chesbrough, (2002), *The role of the business model in capturing value from innovation: evidence from Xerox Corporation's technology spin-off companies*, Oxford Journals, Volume 11, Issue 3 Pp. 529-555.
- Schermerhorn, J.R. (1993). *Management for productivity* (4th ed.). Canada: John Wiley & Sons, Inc.
- Schrader, C. R (1972), *Motivating construction craftsmen*, *Journal of the Construction Division*, 98(CO2) 257-273.
- Selden, S. C., & Brewer, G. A. (2000), *Work motivation in the senior executive service: Testing the high performance cycle theory*. *Journal of Public Administration Research and Theory*, 10(3), 531-550

Smith, W. J., Harrington, K. V., Houghton, J. D.,(2000), "*Predictors of Performance Appraisal Discomfort: A Preliminary Examination*," Public Personnel Management.

Smithers, G.L. and Walker,D.H.T. (2000), *The effect of the workplace on motivation and demotivation of construction professionals*. Construction Management and Economics, 18, 833-841.

Ubom, I. U. & Joshua, M. T. (2004). *Needs Satisfaction Variables as Predictors of Job Satisfaction of Employees: Implication for Guidance and Counseling*. Educational Research Journal, Vol. 4. No. 3

Vardi, Y., & Wiener, Y. (1996), *Misbehaviour in organizations: A motivational framework*. Organizational Science, 7. 151-165.

Wheelhouse, D. (1989). *Managing Human Resources in the Hospitality Industry*. USA: Timothy J. Eaton and Knet F. Premo.

William Day (1978), *Effective Organizational Communication: a Key to Employee Motivation and Performance*

APPENDIX 1: QUESTIONNAIRE

General information

1. Respondent's name: _____
2. Department: _____
3. Designation: _____

Section A: Background information (please put an X in relevant box)

1. What is your age bracket?

20-30 years	☐
30-40 years	☐
40-50 years	☐
Above 50 years	☐

2. Which is your highest academic level?

Secondary certificate	☐
College diploma	☐
University Graduate	☐
Post graduate	☐

3. For how long have you been an employee of KCB?

Less than 1 year	☐
1-5 years	☐
5-10 years	☐
Above 10 years	☐

Section B: Employee Motivation Practices

4. State to what extent do you agree with the following statement: Key: 1 Strongly disagree, 2 Disagree, 3 Undecided, 4 Agree and 5 Strongly agree (please put an X as appropriate).

i.) Compensation

	1	2	3	4	5
I am well compensated for my services					
My organisation provides adequate benefits aside from compensation, e.g. Health insurance, sick leave, annual leave, maternity leave					
The benefits provided by my organisation influence my work?					

ii.) Conducive Working Environment

	1	2	3	4	5
Conducive work environment is offered in my organization					
Support from superiors and co-workers gets me motivated?					
My organisation has a worker friendly corporate culture					

iii.) Interesting and Challenging Work

	1	2	3	4	5
I consider my job appealing					
I consider my job challenging and exciting enough to motivate me					
My job gives me the opportunity to use my skills and abilities					

iv.) Recognition

	1	2	3	4	5
My organisation acknowledges my work with the urgency it deserves					
In my organisation, praise is given judiciously and it relates to real achievements					
My organisation offers achievement bonuses					

v.) **Training Opportunities**

	1	2	3	4	5
The management provides opportunity for me to develop personally and professionally					
My organisation provides fair training and development opportunities					
In my opinion, training opportunities increases employee motivation					

vi.) **Job Security**

	1	2	3	4	5
I think job security exist in my organisation					
My organisation provides the necessary job security in terms of training and development opportunities					
I think job security provides me with the necessary job satisfaction and motivation					

Section C: Employee Productivity

5. To what extent do you agree with the following statements on the relationship between motivation and employee productivity at KCB? Key: 1 strongly disagree, 2 Disagree, 3 Undecided, 4 Agree and 5 strongly agree (please put an X as appropriate).

	1	2	3	4	5
I believe my productivity is high					
I believe that i put maximum effort to increase my productivity					
I am rarely absent from work and always avoid grievances at work					
I perceive the managers at my organisation managers as fair and supportive this reduces my turnover chances, absenteeism and tardiness					
I am always out to achieve all the goals set in my organisation to achieve higher productivity					
I am always efficient and effective in all that i do in my organisation					
I believe that my labour cost matches with my productivity.					
I always bring about creative ideas to my organisation that are beneficial and increases it's productivity					