



INTERNATIONAL JOURNAL OF BUSINESS, SOCIAL SCIENCES & EDUCATION

**INFLUENCE OF MOTIVATION ON EMPLOYEE PERFORMANCE AT TELKOM
KENYA LIMITED**

Medina Halako Twalib
P. O. Box 30197-00100, Nairobi, Kenya
University of Nairobi

Margaret Muthoni Kariuki
University of Nairobi

CITATION: Twalib H M & Kariuki M M., (November, 2016), Influence of motivation on employee performance at Telkom Kenya limited: *International Journal of Human Resource & Procurement (IJHRP)*, VOLUME 2 (XI), 421-431. ISSN 2105 6008.

Abstract

The objective of the study was to establish the influence of motivation on employee performance at Telkom Kenya Limited. The study used closed ended questionnaires to collect primary data through drop and pick later method. Descriptive statistics was used to analyze demographic while simple linear regression was used to establish the influence of motivation on employee performance. Findings were presented in tables. The results show that employee motivation influences employee performance in Telkom Kenya Limited ($R=0.92$, $p<0.05$). The results of the regression analysis indicate that motivation has positive influence on employee performance, which is statistically significant ($R^2=0.85$ at $p\text{-value}<0.05$). This means that enhancing employee motivation positively improves employee performance. It's an indication that employee motivation is a significant predictor of employee performance in Telkom Kenya Limited. From these findings it is recommended that employees' promotion should be based on academic merit and responsibilities and be done regularly to enable them move from one job group to the next.

Introduction

Employee performance in organizations requires a motivated work force that has the drive for higher productivity in terms of quality, quantity as well as commitment and drive [Flippo 2001]. This agrees with the position taken by Mondy [2007] and Armstrong [2005] who proposed that motivation results in more constructive approaches and benefits than other managerial perspectives. Performance of an employee depends on the level of motivation they exhibit in addition to their skills. Motivation is an intrinsic and an extrinsic way to behave in some particular way, typically a way that will lead to rewards. Dessler [2003] noted that best and talented employees are the driving force in all organizations; so it is important that organizations endeavor to motivate and hold on to the best employees. Hitt, Esser and Marriott [2003] observe that motivation can be intrinsic and extrinsic. Extrinsic motivation is about behavior inclined by obtaining external rewards Praise or positive feedback, money, and the absence of punishment are examples of extrinsic rewards. Deci [2009] posits that intrinsic motivation is the enthusiasm to do something simply for the pleasure of that particular activity. Examples of intrinsic factors are work enrichment, recognition, growth, and achievement. Linz [1990] noted that quite a number of studies have found a positive relationship between intrinsic motivation and job performance and between intrinsic motivation and job satisfaction. This is significant to organizations in today's competitive business environment because intrinsically motivated employees perform better and, therefore, more productive and satisfied employees remain loyal to their organization hence low turnover.

The telecommunication industry is one of the most competitive and also widely spread all over the world due to the broad use of information technology systems (Ernst, 2006). Telkom Kenya was established as a telecommunications operator under the Companies Act in April 1999. It provides combined communications resolutions in Kenya with a wide range of voice and data services and network facilities for built-up and business customers. The company, as at June 2011, had a customer base of approximately 2,800,000 customers on GSM, fixed and CDMA wireless platforms with a country-wide presence. Telkom Kenya's partnership with France Telecom Group saw the launch of the Orange brand in Kenya in 2008. The new corporate identity is inspired by new investments and a fresh new approach to doing business (www.telkom.co.ke). Telkom Kenya Ltd, a long established telecom company in Kenya which had great human capital, financial stability and a good employer was caught up by turbulence in 2007 which precipitated a high turnover due to, among other reasons, low employee motivation and mismanagement of the company (Greenberg, 2005).

Supporting Theories

Theories of motivation were developed in response to the need to understand employees work attitudes and behaviors. This followed the publication of the Hawthorne Study results (Terpstra, 1979). Five major approaches led to understanding motivation are need-hierarchy theory, two-factor theory, goal setting theory, expectancy theory, equity theory, and reinforcement theory (Lindner, 1998). This study focuses on the goal setting theory and equity theory.

Goal Setting Theory

Locke (1968) introduced the goal setting approach and believes that the intentions to work towards a goal are major sources of work motivation. Basically, the specific goals increase work performance and the specific hard goals produce a higher level of output than does the generalized goal of just "do the best". Goal-Setting theory by Locke is an example of process theory which is concerned more with the 'how' of motivation. It is concerned about the psychological and behavioral processes that motivate a person. It is all about how people's needs influence and compel their behavior. People need to see what is in it to sense that "fair play" is applied to all. The goal theory proposes that the joint setting of objectives, feedback and involvement, can improve motivation. The theory stresses on goal-setting behavior and specifies that the goals need to be patent, specific and attainable if they are to motivate. Nagyms [2002]

indicated that employees are motivated if they know what needs to be done in achieving a specific goal, despite difficulties they might encounter. Goal setting theory is at the center of performance based motivation programme which are well applied in human resource management in form of management by objectives (MBO) method that harbors employee involvement in goal setting, decision making and feedback. Robbins [1998] posits that the employees perform better if they get continuous feedback on how well they are making progress toward their goals. Employees given the opportunity to be involved in the preparation of their own goals would be more loyal in achieving such goals.

Equity Theory

Equity theory proposes that individuals involve themselves in social comparison by comparing their efforts and rewards with those of pertinent others. The perception of individuals about the fairness of their rewards relative to others influences their level of motivation in organizations. Equity exists when individuals perceive that the ratio of efforts to rewards is the same for them as it is for others to whom they compare themselves. Inequity exists when individuals perceive that the ratio of efforts to rewards is different for them than it is for others to whom they compare themselves (Kiruja and Mukuru, 2013). According to the equity theory, individuals are motivated to reduce perceived inequity. A person experiencing inequity may change the reference person and compare him or herself to a different person to assess equity. For leaders in organizations, equity theory emphasizes the importance of a reward system that is perceived as fair by employees.

Literature Review

The relationship between Motivation and Employee Performance

Barney et al (1991) did a study on the effects of motivation on performance and found out that the level of performance of employees depends not only on their actual skills but also on the level of motivation each person displays. Linz [1990] revealed that several studies have found that there are positive relationship between intrinsic motivation and job performance as well as intrinsic motivation and job satisfaction. This is significant to institutions in today's highly competitive business environment in that intrinsically motivated employees will perform better and, therefore, be more productive, since satisfied employees will be faithful to their organization and reduce turnover. Deci and Ryan(2000) conducted a study on the effect of

performance-contingent rewards on an employee's intrinsic motivation and found out that these types of rewards are very controlling since these rewards are directly associated with an employee's performance of some task (Cameron, Deci, Koestner, & Ryan, [2001]). Based on this therefore, performance-contingent rewards undermine intrinsic motivation; however, if the reward given to the employee suggests that the employee has performed on an outstanding level, the reward would serve to solidify that employee's sense of competence and decrease the negative effect on that employee's intrinsic motivation. Cameron et al. [2000] compared the administering of rewards in a controlling climate and in a non-controlling climate; they discovered that the performance-contingent rewards given in the more controlling interpersonal climate undermined intrinsic motivation. To prevent the decrease in employees' intrinsic motivation, the interpersonal climate when distributing performance-contingent rewards should be more supportive.

Mulwa [2003] conducted a study on employee performance in public audit institutions in Kenya. He explains the various motivation theories; Abraham Maslow's hierarchy of needs, Herzberg's two factor theories and the equity theory of Adams and found that motivation is key for the productivity, profitability and sustainability of every institution - as the employees are its movers. Motivation is not a one off undertaking rather it's a continuous undertaking by management as long as the organization exists.

Research Methodology and Data Analysis

A descriptive research design was carried out to establish the effect of motivation on employee performance in Telkom Kenya Limited. The target population of this study was 350 employees of Telkom Kenya Limited. A sample of 10% was taken from the target population which was a representative from the five departments of the organization which included Human Resource department, Marketing and Strategy, Finance, Information, technology and Networks and procurement department as shown in table 1 below. According to Mugenda and Mugenda (2003), this percentage is considered appropriate.

Table 1: Sampling Table

Departments	Population	10%=Sample
Human Resources	50	5
Finance	60	6
Marketing & Strategy	80	8
Information Technology & Networks	70	7
Procurement	90	9
Total	350	35

(Source: Telkom HR Database)

A structured closed ended questionnaire was used to collect primary data from Telkom Kenya Limited. A Cronbach alpha coefficient was used to determine the reliability of the instrument. Nunnally (1978) suggested that as a rule of thumb, Cronbach's Alpha should not be lower than 0.7. In the case of the instrument for this study, the Cronbach's Alpha values for all measured variables equaled or exceeded 0.7. The data collection instrument was therefore reliable and acceptable for purposes of this study. Descriptive statistics such as percentage was used. Simple linear regression analysis was used to determine the influence of motivation on employee performance. Analysis of variance (ANOVA) test was used to establish whether there were statistically significant differences in motivation items between employees in different groups/ job categories. Statistical Package for Social Science (SPSS) version 23 was used for analyzing the data.

Findings and Discussions

Descriptive Statistics

Demographic Data: The demographic data collected were gender, department and number of years of experience. A total of 19 respondents responded to the survey questionnaires which were 54.3% of the total respondents. While the research did not focus precisely on gender equity, ten (10) of the respondents were Male while nine (9) were female. There is a fair gender

representation in the entire workforce. Out of these respondents, 53.64% were male and 47.36% were female. As regards education qualifications, this study revealed that only 15.3% of the respondents had postgraduate academic qualifications, 46.4% had undergraduate academic qualifications and 38.3% were diploma holders. This is not an uncommon result as far as Kenyan telecommunication Industry is concerned since they mostly employ graduates.

The greatest number of respondents emerged from the HR compared to other departments that execute the core business of the company. According to the Telkom HR database, minimum turnover was noted in the HR department. This suggested a greater level of motivation among the employees in this department. Disparity in motivation levels indicates a great imbalance that could be demoralizing to employees seeking career future in both IT and Marketing departments. Table 3 gives the number of employees as per the time questionnaires were filled.

Table 2 *Staffing across the Departments*

Department	Employees	Percentage (%)
Finance	4	21.05
Human resource	6	31.58
Information Technology	4	21.05
Marketing & Others	5	26.32

(Source: Authors, 2016)

As indicated in the table, 63% of the employees who participated in the research have less than five years of service in the company. This suggests a great deal of turnover in the company hence a challenge in performance. This could be occasioned by dissatisfied or disgruntled staff who could be finding better opportunities in other companies shortly after joining Telkom-Kenya Ltd.

Table 3 Respondent’s years of service as per the time of completing the questionnaires

Years	Frequency	Percentage (%)
0-2	4	21
3-5	8	42
6-8	3	16
9 and above	4	21
Total	19	100

Influence of Motivation on Employee Performance

Coefficient of determination is strong and significant ($R^2=0.85$, $F=97.3$, $P<0.05$). The beta coefficient is strong and significant ($B=0.75$, $t=9.9$, $P<0.05$). This implies that for every unit increase in motivation, performance increases by 75%. This is as shown in Table 4 below.

Table 4: Summary of Regression statistics between Motivation and Employee performance

SUMMARY OUTPUT								
Regression Statistics								
Multiple R	0.92							
R Square	0.85							
Adjusted R Square	0.84							
Standard Error	0.27							
Observations	19							
ANOVA								
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>			
Regression	1	6.87	6.87	97.36	1.8836E-08			
Residual	17	1.20	0.071					
Total	18	8.07						
	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	1.45	0.24	6.16	1.04673E-05	0.95	1.95	0.95	1.95
X Variable 1	0.75	0.076	9.87	1.8836E-08	0.586	0.91	0.59	0.91

Summary and Conclusion

The research results showed that employee motivation influences employee performance in Telkom Kenya Limited. The results of correlation analysis in this study have demonstrated that motivation of employees have positive relationship with employee performance, which is statistically significant ($R^2= 0.85$ at $P<0.05$). This means that enhancing employee motivation positively improves employee performance. It's an indication that motivation of employees is a significant predictor of employee performance in Telkom Kenya Limited.

Recommendations

Employees' promotion should be based on academic merit and responsibilities and be done regularly to enable them move from one job group to the next. The results and findings indicated that Human Resource Management should come up with an effective performance measurement system that rewards hard workers and penalizes ineffective workers. One challenging tasks the researcher recommends that all employees should be motivated to ensure they are retained and this will improve performance.

REFERENCES

- Armstrong, M. (2005). *A handbook of Human Resources Management Practices*. London: Kogan Page.
- Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17:99-120.
- Cameron, D., Deci, E., Koestner, R. (2001). Pervasive Negative Effects of Rewards on Intrinsic Motivation. *Canadian Psychology* 61:78-102.
- Cameroon, D., Ryan R.M. (2000). *Intrinsic and Extrinsic Motivations: Classical Definitions and New Directions*. University of Rochester. New York.
- Deci, E. L. Ryan, M. (2000). “What” and “Why” of Goal Pursuits: Human Needs and the Self Determination of Behavior. *Psychological Inquiry*, Vol. 11 No.4, pp50-61.
- Deci, E.L. (2009). The Path Taken: Consequences of Attaining Intrinsic and Extrinsic Aspirations in Post-College life. *Journal of Research in Personality*,43:291-306
- Dessler, G. (2003). *Human Resource Management* (9th ed.). New Delhi: Pearson Education (Singapore) Private Limited
- Flippo, E. (2001). *Personnel Management*. New York: Mc Graw Hill
- Greenberg, J. (2005). *Managing Behavior in Organizations*. 4th Edition, Prentice Hall. Englewood.
- Hitt, D.A., Esser, J.K. Marott, R.G. (2002). Effects of Delayed Rewards and Task. *Journal of Special Issue of Organizational Behavior and Human Decision Processes*, 73-484.
- Kiruja, E.K., Mukuru, E. (2013). Effect of Motivation on Employee Performance in Public Middle Level Technical Training Institutions in Kenya. *International Journal of Advances in Management and Economics*. Vol.2 Issue 4 pp 73-82.
- Lindner, J.R, (1998). Understanding Employee Motivation. *Journal of Extension*, Vol. 3, pp.1-8
- Linz, S.J. (1990). *Motivation and Reward. A Case Study of Russian workers*. Problems of Reforms. Brussels: Nato.
- Locke E. A., Latham, P. (2002). Building a Practically Useful Theory of Goal-Setting and Task Motivation; a 35 year Odyssey. *American Psychological Association*, 57:705-717.
- Locke, E. A. (1968). Toward a Theory of Task Motivation and Incentives. *Organizational Behavior and Human Performance*, 3 (2), 157-189.
- Mondy, R. W. (2007). *Human Resources Management*. New York: Mc Graw- Hill.
- Mugenda, O. M. and Mugenda, A. G. (2003). *Research Methods: Quantitative and Qualitative Approaches*, ACTS Press. Nairobi.

Mulwa, F.W. (2003). *The Efficacy of Participatory Strategic Planning Approaches to Organizational Building*. University of South Africa. SA.

Nagym, M.S. (2002). Using a Single- Item Approach to Measure Facet Job Satisfaction. *Journal of Occupational Psychology*, 75(1):77-86.

Nunnally, J. C. (1978). *Psychometric theory*. (2nd ed.). New York: McGraw-Hill

Robbins, T. (1998). *Organizational Behavior*. (8th ed.). New Jersey: Prentice-Hall International.

URL: www.telkom.co.ke

ACCEPTED