



---

## ASSESSMENT OF EMPLOYEE ENGAGEMENT ON ORGANIZATIONAL PERFORMANCE OF MANUFACTURING COMPANIES IN NAKURU COUNTY

Mary Chepkemai Kaptich<sup>1</sup>, Peter Kiprotich Cheruiyot<sup>2</sup>

<sup>1</sup>MSC Candidate, School Of Entrepreneurship, Procurement and Management Jomo Kenyatta University of Agriculture and Technology, Kenya. Email: memoimary30@gmail.com

<sup>2</sup>School of Entrepreneurship, Procurement and Management, Jomo Kenyatta University of Agriculture and Technology. Email: wanderikaranja@yahoo.com

---

### ABSTRACT

Every organization desires to achieve competitive advantages more than others and employee engagement is the best instrument for it. For the past 5 years the manufacturing industry has experienced a significant growth; however the sector has done a poor job of properly engaging its expanded workforce. The level of employee engagement in the manufacturing industry is quite low. According to Kenya Association of Manufacturers in the manufacturing industry the level of employee engagement is at an estimated. The sector trails other small sectors such as the telecommunication sector. Therefore, the study sought to investigate the influence of employee engagement on organizational performance among manufacturing companies in Kenya. More specifically the study sought to investigate the influence of communication and fair opportunities on organizational performance of manufacturing companies in Nakuru town. Theories underpinning this study include expectancy theory and social exchange theory. The study employed a descriptive research design which assisted the researcher to obtain results which are relevant to the study. The target population of this study included all the permanent employees working in the 20 selected KAM registered manufacturing firms in Nakuru County. There are a total of 450 permanent employees in the targeted manufacturing firms in Nakuru town. Sampling technique was employed where 153 employees from the 20 companies were selected to be the target population of the study. Questionnaires were used for data collection. Questionnaires were tested for validity and reliability. Data collected was analyzed by both descriptive and inferential statistics with the aid of the Statistical Package for Social Sciences (SPSS) version 24. Descriptive analysis was involved frequencies and percentages mean and standard deviation while inferential statistics involved correlations and multiple regression analyses. The finding of the study was then presented in form of tables followed by relevant discussions. From the findings the researcher further found out that a positive, moderately strong and statistically significant relationship exists between communication and performance of manufacturing companies. The study also established that manufacturing companies are fundamentally important in improving the performance of manufacturing companies. From the conclusion the researcher recommended that there is a need for an organization to ensure that there is work balance between employee work and their life daily activities. Organization should organize for training programs that tend not to feel value for them. The researcher suggested that further studies should be conducted to determine the effect of pay-for performance on employee performance of manufacturing firms.

---

**Keywords:** Employee Empowerment, Performance, Communication and Employee Engagement

## **1.0 INTRODUCTION**

Organizational performance enhancement remains at the core of any organizations existence. According to Pech and Slade (2006), globalization, speed, and ambiguity in the business landscape demand the highest levels of fitness to facilitate organizational survival. In such volatile environments, competitors with the correct combination of economic output, trust, innovation and leadership have the greatest prospects of survival. Organizations should build on best employee management practices to move the organizations performance forward.

The employee engagement dynamics and resultant human capital interventions and outcomes may vary significantly depending on the industry or region of the model in which you operate. Regardless, one thing is certain employees and their behaviour is at the centre of business success (or failure). Ensuring that employees invest discretionary effort in the right behaviours will be critical in delivering the business results needed in conditions of recession, stagnation, or rapid growth (Bockerman & Ilmakunnas, 2012).

In Australia, the level of employee engagement has been shown to be 18%, which is comparatively better than other countries in the region (Kular., Gatenby., Rees., Soane, & Truss, 2008). However, such low level of engagement indicates that Australian workplaces have a long way to go. Doherty (2010) stated that engagement is about respect going up, down and across a business. It also relates to alignment of HR and management policies to business culture and objectives. Simpson (2009), who did research on engagement in USA hospitals, said employee engagement, is about employee performance (related with nurse performance, patient outcomes and other core healthcare organizational outcomes) at work within organizational performance based.

According to Kariuki and Makori (2015), majority of the employees do not enjoy going to work every day and that they don't perform to their best, significant number of employees were dissatisfied with the responsibility and role that they played in their work. The study was conducted in a university in Kenya and the employees in these organization felt insecure in their job although the organization provided tools and equipment required by employees to perform their tasks efficiently. The authors further concluded that satisfaction with amount of variety and challenge in one's job actually influence employee engagement. From this study it was well noted that employees' ability to influence decisions at work is one of the most important factors affecting their motivation and psychological well-being.

## **1.2 STATEMENT OF THE PROBLEM**

Every organization desires to achieve competitive advantages more than others and employee engagement is the best instrument for it. Employee engagement is well thought-out to be the most powerful factor to determine Company's strength. The most valuable asset that companies have in hand is the employees. In order to minimize the negative effects of disengagement an employee's mental wellbeing and health, employee engagement needs to be recognized and supported through senior leadership, clarity of organizational vision, organizational climate and supportive HRM policies. It has been established that levels of employee engagement correlate with the extent of involvement and commitment employee invest in their organization, its values and beliefs. For the past 5 years the manufacturing industry has experienced a significant growth; however the sector has done a poor job of properly engaging its expanded workforce. The level of employee engagement in the manufacturing industry is quite low. According to Kenya Association of Manufacturers

(2016) in the manufacturing industry the level of employee engagement is at an estimated 9%. The sector trails other small sectors such as the telecommunication sector.

Few studies have been done in Kenya in regard to employee engagement. Joy (2013) did a study on relationship between employee engagement and commitment in Barclays bank of Kenya. Muthike, (2017) did a study on the impact of employee engagement on organizational performance in PACT Nairobi Kenya. However there is hardly any study in Kenya and more so in Nakuru that have addressed the effect of employee engagement on organizational performance in manufacturing firms. Hence, this study seeks to respond to this by examining the influence of employee engagement on performance of manufacturing firms in Nakuru, Kenya.

### **1.3 Objectives of the Study**

This study had both general and specific objectives

#### **1.3.1 General Objective**

The general objective of the study was to establish examine the influence of employee engagement on performance of manufacturing companies in Nakuru town Kenya.

#### **1.3.2 Specific Objectives**

To determine the influence of communication on performance of manufacturing companies in Nakuru town, Kenya.

To examine the influence of fair opportunities on the performance of manufacturing companies in Nakuru town, Kenya.

### **1.4 Research Hypothesis**

H01: Communication has no statistically significant influence on the performance of manufacturing companies in Nakuru town Kenya.

H02: There is no statistically significant influence of fair opportunities on the performance of manufacturing companies in Nakuru town Kenya.

## **2.0 LITERATURE REVIEW**

### **2.1 THEORETICAL REVIEW**

The study was based on social exchange theory Kahn and model of employee engagement.

#### **2.1.1 Social Exchange Theory**

Social exchange theory was propounded by Saks (2006) about employee engagement. This theory provides a hypothetical basis to discuss why employees become more or less engaged towards their works. As discussed by Abu Khalifeh and Som, (2013) the basic rule of social exchange theory is that the relationship grows over time into trusting, loyal and mutual understanding as long as the parties stand by certain rules of exchange. Therefore one effective technique for an employee to pay their organization is through their level of engagement towards their work.

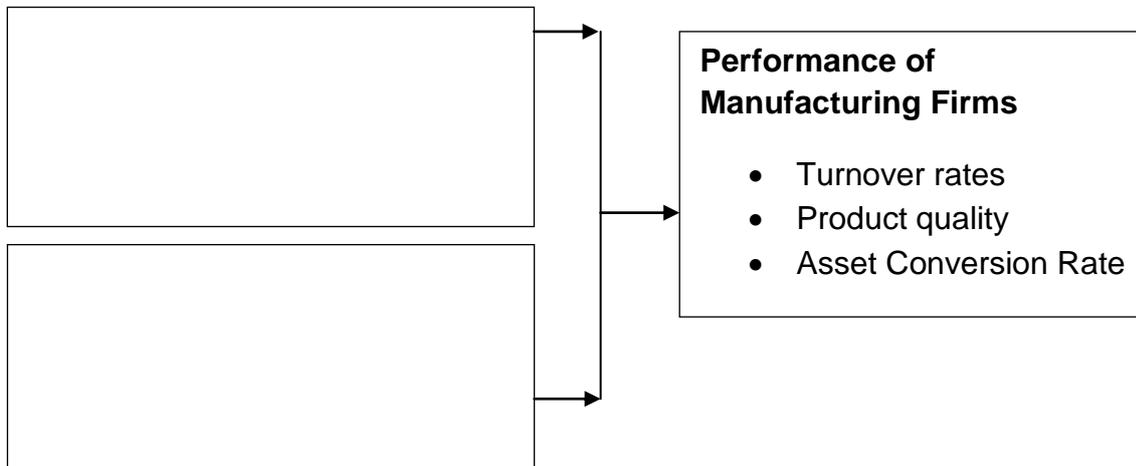
The theory is applicable to the study in the sense that employees will assess the degree of support and the amount of resources they receive from the organization and choose to pay the organization back through cognitive, emotional and physical energy, intensity, and effort toward the job. Employees can increase or decrease their level of engagement depending on their evaluation of what is fair in the exchange. This study intends to integrate social exchange theory to understand how perceived organizational support and procedural justice influence employee individual outcomes.

### 2.1.2 Kahn Model of Employee Engagement

This theory was proposed by Kahn in 1990 and he developed the first grounded model of personal engagement and personal disengagement. Kahn's work conceptualised employee engagement and is therefore considered a seminal work on the topic and contributed significantly to developing the concept further. According to Kahn model of engagement, employees can be engaged on three different levels that are physical, emotional and cognitive. These three levels are affected by three different psychological conditions such as meaningfulness, safety and availability (Kahn, 1990).

According to Kahn (1990) reported that job enrichment, work role fit and co-workers relation were positive indicators for meaningfulness. Rewarding co-workers and supportive supervisor relation enhance safety and self consciousness, resource availability and outside activities were positive signs for psychological availability. An empirical test of Kahn model (May, Gilson, & Harter, 2004) found that meaningfulness, safety and availability have significant influence on employee engagement. The theory is relevant to the study as it explains the conditions necessary for employee engagement were meaningfulness in the work, psychological safety, and psychological availability.

## 2.2 Conceptual Framework



**Figure 1: Conceptual Framework**

## 2.3 Empirical Literature

### 2.3.1 Communication and Performance of Manufacturing Companies

Communication is very important for the retention and engagement of the employees. Without proper communication, employee retention is far away. Open, responsive, two way communication and employee participation in decision making play a vital role in engagement and retention of talented employees (Lochhead & Stephens, 2004). Communication covers a range of both tangible and intangible ways to share information (Mortimer, 2010).

It is very essential for smooth running of the organization and also an influencing factor to motivate the employees. The organization should follow the open door policy. There should be both upward and downward communication with the use of appropriate communication channels in the organization. If the employee is given chance to participate in the decision making process and has the advantage to be heard by his boss, then the engagement levels are likely to be high (Mutunga, 2009).

In his study Ranjan (2014) candidly reported that a relationship between an employee and employer can only grow and remain strong if there is continuous flow of communication from both side. Internal communications play an effective role in the engagement of employees. Understanding the modes of capturing employee feedback and analysing them to act on engagement drivers are important steps in enhancing employee engagement. He further describes that an organization cannot afford to neglect internal communication as a critical area, if it wants to grow and keep its customers and employees engaged and happy. Therefore the manager should encourage meaningful relationship with the employees and internal communication within the organization. Effective internal communication engages the employees towards the works and finally increases productivity, retention and profit for the organization (Zajkowska, 2012).

### **2.3.2 Fair and Performance of Manufacturing Companies**

Fair evaluation of employees' performance is important for determining the level of employee engagement. It should be transparent and unbiased. The organizations which follow an appropriate performance appraisal technique will have high levels of employee engagement than any other organization (Mutunga, 2009). If the organization is having the policy of equal treatment for each employee, such kind of policies attracts the employees and motivate them towards their works. Employee engagement levels would be high if the organization provides equal opportunities for growth and advancement to all the employees working in the organization and employees feel that they are not discriminated in any aspects within the organization (Bhatla, 2011).

In his study Mutunga, (2009) did a research on the factors that contribute to the level of employee engagement in the telecommunication industry in Kenya at Zain Kenya. It was concluded that several factors contribute to engagement but, salary and benefits was the largest contributor. Remuneration is a very vital characteristic to employee engagement that motivates workers and enables them to attain more in their work place and hence focus more on personal development. It involves both monetary and non-financial rewards. Compensation is most remarkably delivered through a grouping of pay, bonuses and other monetary rewards and also through nonfinancial rewards like extra holiday, voucher scheme (Saks, 2006). Appreciation and rewards are important qualifications of employee engagement. When workers receive rewards and recognition from their organization they will feel grateful to respond with higher levels of engagement. Kahn (1990) established that people differ in their engagement as a function of their perception of the remuneration they obtain from a position.

In their study Torrington et.al, (2005) argued that equal pay law requires men and women to be paid the same wage for doing work which is the same or which can be shown to be of equal value unless the employer can justify a difference on grounds other than sex. There are different approaches to equality such as legislative action/the equal opportunities or liberal approach and the managing diversity (Torrington et.al, 2005).

### **2.4 Summary of Reviewed Literature**

According to Holbeche and Springett (2003), people's perceptions of 'meaning' with regard to the workplace are clearly linked to their levels of engagement and, ultimately, their performance. They argue that employees actively seek meaning through their work and, unless organisations try to provide a sense of meaning, employees are likely to quit. Robinson et al. (2004) define employee engagement as "a positive attitude held by the employee towards the organization and its value. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the

organization. The organization must work to develop and nurture engagement, which requires a two-way relationship between employer and employee.”

## 2.5 Research Gaps

Managers’ quests for means of maximizing organizational performance have evolved overtime to generate reliable mechanisms for sustainable efficiency and productivity. Contemporary scholars, researchers and consultants have provided a response shifting from the traditional methods that improved organizational performance by focusing on operational and process improvements (Bakker, & Schaufeli, 2008) and (Yu, & Ramanathan, 2012). This school of thought centres on dealing with employee engagement so as to ensure that those manning the systems in addition to the required skills possess the right mind and spirit and operate in a conducive environment. Adapting to emerging realities may develop strategies and modify existing products or services but without dealing with the most valuable asset-employees, the desired success may fall short. Engaged workers will ultimately be more proactive, collaborative, responsible, self-starters and focused on high quality performance.

Although employee engagement is currently measured through annual staff appraisals, performance analysis and strategic or human resource planning, training and career development, compensatory framework and policies in place there is a great need to reinforce the practice in the organization. Apparently most if not all the studies conducted as cited above, like other previous researches have mainly focused on other sectors apart from manufacturing companies. For example Muya (2012) conducted a study of Kenyan State Corporations on the relationship between corporation culture and organizational performance. The findings was conducted in State Corporations in Kenya which are Public Institutions, this study will be conducted in private manufacturing firms which are private entities.

## 3.0 RESEARCH METHODOLOGY

The study adopted a descriptive research design because the study seeks to respond to the problem by answering the why, how and when questions about the study. According to Kothari (2004) described research design as the agreement of procedures for the gathering and analysis of data, obtaining results that is relevant to the research aim and goals.

### 3.1 Target Population

The target population of this study included all the permanent employees working in the 20 selected KAM registered manufacturing firms in Nakuru County. The rationale for choosing the employees was because the study sought to determine the level of engagement they have in the firms and how that impacts on their performance. There are a total of 450 permanent employees in the targeted manufacturing firms in Nakuru town.

### 3.2 Sampling Design and Size

The researcher adopted a formula by Nassiuma (2009) for estimating a finite sample size,  $n$ , from a known population size,  $N$  ( $n_0$ ) and a coefficient of variation (V.C) of 30%.

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

Where

$n$  = sample size;

$N$  = population size;

$C$  = coefficient of variation and  $e$  is error margin.

Substituting these values in the equation, estimated sample size (n) will be:

$$n = 450 * 0.3^2 / \{0.3^2 + (450-1)0.02^2\}$$

$$n = 150.22 \approx 153$$

To arrive at the sample, the researchers used simple random sampling to pick out the respondents from the target population.

### **3.3 Data Collection Instruments and Procedure**

According to Mugenda and Mugenda (2009), questionnaires are very suitable in survey research. In tandem with this assertion, a structured questionnaire was used to collect data from the respondents. The questionnaire captured data relative to respondents' background. Most importantly, it captured data regarding both the independent and dependent variables. The questionnaire enabled the researcher to collect data on a Likert scale. The scale of five point Likert scale ranging from 5-Strongly agree, 4-Agree, 3-Undecided, 2- Disagree and 1-Strongly Disagree. A pilot test was carried out before the main study. The rationale of pilot testing was to establish any potential weaknesses in the research instrument. The researcher randomly selected 10% (16 respondents) of the sample population to participate in the pilot study. The researcher then excluded the participants of the pilot study from the main study. The study employ Cronbach alpha ( $\alpha$ ) coefficient to test the reliability of the research instrument. Cronbach alpha values greater than 0.7 was assumed to indicate that the instruments are reliable for data collection.

### **3.3 Data Analysis and Presentation**

The collected data was analyzed by both descriptive and inferential statistics with the aid of the Statistical Package for Social Sciences (SPSS) version 24. Descriptive analysis involved frequencies and percentages for demographic data of respondents. In addition, means and standard deviations was employed across all variables (independent and dependent variables). Inferential statistics in form of correlation and multiple regression analyses was employed.

## **4.0 FINDINGS AND DISCUSSIONS**

### **4.1 Response Rate**

A total of 153 questionnaires were issued to the sampled respondents where 105 of them were filled and collected. This implied that response rate was 69 per cent. The response was deemed sufficient and acceptable for analysis. This represented 70% overall successful response rates. Babbie (1990) suggested that a response rate of 50% is adequate 60% is good and 70% and above very good for analysis. This implies that 69% response rate was very appropriate for data analysis.

### **4.2 Descriptive Findings and Discussions**

#### **4.2.1 Communication on the performance of manufacturing companies**

The study further sought the views of the respondents in respect to communication on the performance of manufacturing companies in Nakuru town, Kenya. The findings are shown in Table 1.

**Table 1: Descriptive Statistics for communication on the performance of manufacturing companies**

	SA (%)	A (%)	N (%)	D (%)	SD (%)	N	Mean	Std. Dev
Employees have the right to communication which has enabled them to respond more enthusiastically to their roles	41	45	0	4	0	105	4.09	.784
The organization uses communication to select and tailor their programs and policies to meet the specific needs of their employees	36	24	0	8	32	105	3.30	.756
Organizations decision making process includes active communication throughout the organization	33	17	8	12	20	105	3.48	.586
There is proper communication flow in the organization between top management and employees	32	33	15	18	8	105	3.30	.628
Managers communicate with the employees tactics that help them to complete the assigned mission	18	12	18	32	20	105	2.39	.930
Organizations values communication with all the employees	41	39	12	8	0	105	4.43	.583
The supervisors gives regular feedback to all the employees in the organization	38	18	12	22	10	105	2.61	.930
The right information is readily available to all employees to in good time to enable them make thoughtful decisions	40	44	6	10	0	105	3.26	1.163

The findings illustrated that respondents agreed (mean  $\approx$  4.00; stddev < 1.000) that employees have the right to communication which has enabled them to respond more enthusiastically to their roles. The respondents also agreed (mean  $\approx$  3.00; stddev < 1.000) that the organization uses communication to select and tailor their programs and policies to meet the specific needs of their employees. The respondents also agreed that (mean  $\approx$  3.00; stddev < 1.000) organizations decision making process includes active communication throughout the organization. In addition, the respondents agreed that (mean  $\approx$  3.00; stddev < 1.000) there is proper communication flow in the organization between top management and employees.

The respondents further disagreed (mean  $\approx$  2.00; stddev < 1.000) that managers communicate with the employees tactics that help them to complete the assigned mission. The respondents further agreed (mean  $\approx$  4.00; stddev < 1.000) that the organizations values communication with all the employees. The respondents also disagreed that (mean  $\approx$  2.00; stddev < 1.000) the supervisors gives regular feedback to all the employees in the organization. Finally the respondents agreed that (mean  $\approx$  3.00; stddev < 1.000) the right information is readily available to all employees to in good time to enable them make thoughtful decisions.

The study agree with (Joey, 2002) who found out that effective communication is essential for any business or organization to prosper. It cuts out on wasted time and provides both customers and employees with the necessary tools to succeed and find satisfaction. When communication is not effective, the end result is an increase in production time and a

decrease in the bottom line. In order to avoid this outcome, effective communication must be in place.

#### 4.2.2 Fair opportunities and performance of manufacturing companies

The study further sought to determine the extent to which the respondents agreed or disagreed with the statements provided in respect to fair opportunities on the performance of manufacturing companies. The findings are displayed in Table 2.

**Table 2: Descriptive Statistics for Fair opportunities**

	SA (%)	A (%)	N (%)	D (%)	SD (%)	n	Mean	Std. Dev
The organization has a policy of equal treatment of employees which motivates the employees towards their work	31	35	4	26	4	105	3.61	.993
Employees within the organization are well remunerated which motivate workers to attain personal development	36	24	0	8	32	105	3.52	.806
Organizations has a transparent way in promotion for all employees	13	17	8	42	20	105	2.87	1.225
Employees are appreciated, recognized and rewarded which enable them respond with high level of engagement	42	43	5	10	0	105	4.13	.806
Equal salaries and benefits has enabled employees to feel they are not discriminated in any aspect within the organization	38	32	10	20	0	105	3.83	.926
The organization do compensate their employees, give bonuses and non financial rewards like extra holidays and voucher scheme	31	39	12	8	0	105	4.09	.784
The organization provides equal opportunities for growth and advancement to all employees working in the organization	28	32	12	28	0	105	3.91	.839

The findings illustrated that the respondents agreed (mean  $\approx$  3.00; stddev < 1.000) that the organization has a policy of equal treatment of employees which motivates the employees towards their work. The respondents also agreed (mean  $\approx$  4.00; stddev > 1.000) that employees within the organization are well remunerated which motivate workers to attain personal development. The respondents also disagreed that (mean  $\approx$  2.00; stddev < 1.000) organizations has a transparent way in promotion for all employees. In addition, the respondents agreed that (mean  $\approx$  4.00; stddev < 1.000) employees are appreciated, recognized and rewarded which enable them respond with high level of engagement.

The respondents further agreed (mean  $\approx$  4.00; stddev < 1.000) that equal salaries and benefits has enabled employees to feel they are not discriminated in any aspect within the organization. The respondents further agreed (mean  $\approx$  4.00; stddev < 1.000) that organization compensate their employees, give bonuses and non -financial rewards like extra holidays and voucher scheme. Finally the respondents agreed that (mean  $\approx$  4.00; stddev < 1.000) the organization provides equal opportunities for growth and advancement to all employees working in the organization.

In his study Mutunga, (2009) found out that remuneration is a very vital characteristic to employee engagement that motivates workers and enables them to attain more in their work place and hence focus more on personal development. It involves both monetary and non-financial rewards.

#### 4.4 Correlation Analysis

The researcher undertook a Pearson correlation analysis to establish the underlying relationships between the independent variables and the dependent variable.

##### 4.4.1 Influence of communication on performance of manufacturing companies

**Table 3: Correlation between communication and performance of manufacturing companies**

		Performance of manufacturing companies
<b>Communication</b>	Pearson Correlation	.667**
	Sig. (2-tailed)	.000
	n	105

\*\* . Correlation is significant at the 0.05 level (2-tailed).

The study established that there existed a positive, moderately strong and statistically significant ( $r = 0.667$ ;  $p < 0.05$ ) relationship between communication and performance of manufacturing companies. Communication significantly and largely influenced performance of manufacturing companies. As such communication in manufacturing companies is fundamentally important in improving the performance of manufacturing companies. According to Beer (2010), communication is an important strategy as far as workers engagement is concerned. Effective communication is the strategy that has strong impact on performance of the organization. The study further agrees with Bery, Otieno, Waiganjo and Njeru (2015) who found out that communication facilitates exchange of information and opinion with the organization, that communication helps in improving operational efficiency thus improving organization performance.

##### 4.4.2 Influence of fair opportunities on the performance of manufacturing companies

**Table 4: Correlation between fair opportunities and performance of manufacturing companies**

		Performance of manufacturing companies
<b>Fair opportunities</b>	Pearson Correlation	.360**
	Sig. (2-tailed)	.001
	N	105

\*\* . Correlation is significant at the 0.05 level (2-tailed).

It was noted that there existed a weak, positive and statistically significant ( $r = 0.360$ ;  $p < 0.05$ ) relationship between fair opportunities and performance of manufacturing companies at 0.01 significance level. Fair opportunities though marginally positively enhanced performance of manufacturing companies. As such fair opportunities in manufacturing companies are fundamentally important in improving the performance of manufacturing companies. The study agrees with Kahn (1990) who argued that appreciation and rewards

are important qualifications of employee engagement. When workers receive rewards and recognition from their organization they will feel grateful to respond with higher levels of engagement.

#### 4.5 Regression Analysis

**Table 5: Significant Test Results for Overall Model**

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.335	.366		3.651	.001
	Communication	.333	.109	.377	3.057	.003
	Fair opportunities	.140	.091	.137	1.547	.026

a. Dependent Variable: Performance of manufacturing companies

Table 4.16 shows the overall significant test results for the hypothesized research model. The interpretations of the findings indicated follow the following regression model.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Therefore,

$$Y = 1.335 + 0.333X_3 + 0.140X_4$$

The results also indicate that there was a positive significant relationship between communication and performance of manufacturing companies in Nakuru town Kenya as shown by a regression coefficient of 0.333. The p-value (0.003) was less than the significance level (0.05). According to the results, the hypothesis that: Communication has no statistically significant influence on the performance of manufacturing companies in Nakuru town Kenya was rejected. According to Stephen (2011), communication is a critical factor in directing and mobilizing the workforce towards the accomplishment of the organizational goals or objectives.

The results show that there is a positive significant relationship between fair opportunities and performance of manufacturing companies as shown by a regression coefficient of 0.140. The p-value (0.026) was less than the significance level (0.05). According to the results, the hypothesis that: there is no statistically significant influence of fair opportunities on the performance of manufacturing companies in Nakuru town Kenya was rejected.

## 5.0 CONCLUSION AND RECOMMENDATIONS

### 5.1 CONCLUSIONS

The study concluded that there is proper communication flow in the organization between top management and employees. Managers communicate with the employees tactics that help them to complete the assigned mission. The supervisors give regular feedback to all the employees in the organization. The right information is readily available to all employees to in good time to enable them make thoughtful decisions. The study concluded that equal salaries and benefits has enabled employees to feel they are not discriminated in any aspect within the organization. The organization does compensate their employees, give bonuses and non-financial rewards like extra holidays and voucher scheme. The study also concluded that the organization provides equal opportunities for growth and advancement to all employees working in the organization.

**5.2 RECOMMENDATIONS**

The researcher further recommended that external rewards should be introduced and encouraged in manufacturing firms to act as extrinsic sources of motivation which can influence employee output due to the reinforcing nature of the extrinsic motivation. It is also important for non-monetary rewards to be given the needed attention so that its significance as a potential contribution to employee's motivation can be realized.

There is a need for the organization managers to vary its forms of recognition programs and eliminate those that does not motivate its employees. It is very important for these employees to be recognized by their leaders to increased performance. The researcher also recommended that it is important for the manufacturing firms to give compensation that are seen as having value this is because compensations that are perceived to be of no value can create a disincentive which will neutralize the effect of the compensation on their performance.

**5.3 Suggestions for Further Research**

The study could be replicated in different manufacturing firms and locations to determine whether the factors established in this study are tenable in explaining employee engagement. Finally, future studies should be conducted to establish the effect of employee engagement in other sectors such as banking sector.

**REFERENCES**

- Abukhalifeh, A., & Som, A. (2013). The antecedents affecting employee engagement and organizational performance. *Asian Social Science*, 9(7), 41-46.
- Bakkar, A. B., & Scheufeli, W. B. (2008). Positive organizational behaviour: Engaged employee in flourishing organizations. *Journal of Organizational Behaviour*, 29, 147-154.
- Beryl, A., Otieno, V., Waiganjo, E. & Njeru, A., (2015). Effect of Employee Communication on Organisation Performance: in Kenya's Horticultural Sector. *International Journal of Business Administration*, 6(2), 138-145.
- Bhatla, N. (2011). To study the employee engagement practices and its effects on employee performance with special reference to ICICI and HDFC bank in Lucknow. *International Journal of Scientific & Engineering Research*, 2(8), 1-7.
- Bockerman, P. & Ilmakunnas, P. (2012). "The Job Satisfaction-productivity Nexus: A Study Using Matched Survey and Register Data". *Industrial and Labor Relations Review* 65 (2): 244-262.
- Catherine N. (2009). Factors That Contribute to the Level of Employee Engagement In The Telecommunication Industry In Kenya: A Case Study Of Zain Kenya, University Of Nairobi, Kenya
- Doherty, R. (2010). Making Employee Engagement an end-to-end practice. *Strategic HR review* 9(3). Pp.32-37
- Holbeche, L. & Springett, N. (2003) *In Search of Meaning in the Workplace*. Horsham, Roffey Park.
- Kahn, W. (1990). Psychological conditions of personal engagement and disengagement at Work, *Academy of Management Journal*, 33 (4), 692-724.
- Kothari, C.R. (2004). *Research methodology and techniques*. New Delhi: New Age Publications.
- Kular, S., Gatenby, M., Rees, C., Soane, E., & Truss, K. (2008). Employee engagement: A literature review. Working paper series (19). Kingston University. Retrieved from <http://eprints.kingston.ac.uk/4192/1/19wempen.pdf>
- Lochhead, C., & Stephens, A. (2004). Employee retention, labour turnover and knowledge transfer: Case studies from Canadian plastics sectors. *Canadian Labour and Business*

- Centre. Retrieved from [http://www.nald.ca/library/research/cpsc/employee\\_retention/employee\\_retention.pdf](http://www.nald.ca/library/research/cpsc/employee_retention/employee_retention.pdf)
- May, D. R., Gilson, R. L., & Harter, L. M. (2004). The psychological conditions of meaningfulness, safety and availability and the engagement of the human spirit at work. *Journal of Occupational and Organizational Psychology*, 77, 11-37.
- Mortimer, D. (2010, May 26). Employee engagement: 5 Factors that matter to employees. Retrieved from [http://www.hrreview.co.uk/analysis/analysis\\_wellbeing/employee-engagement-5-factors-that-matter-to-employees/8221](http://www.hrreview.co.uk/analysis/analysis_wellbeing/employee-engagement-5-factors-that-matter-to-employees/8221)
- Mugenda, N. O. & Mugenda, A.G, (2003). *Research methods: Quantitative and Qualitative approaches*, Acts Press.
- Mutunga, C. N. (2009). Factors that contribute to the level of employee engagement in the telecommunication industry in Kenya: A case study of Zain Kenya. (Master's thesis, University of Nairobi). Retrieved from <http://erepository.uonbi.ac.ke/bitstream/handle/11295/12682/Full%20Text.pdf?sequence=4>
- Muya (2012) Relationship between Corporation Culture and Organizational Performance. *International Journal of Human Resource Management*, 18 (7), 1182-1198.
- Pech, R., & Slade, B. (2006) "Employee Disengagement: Is There Evidence of a Growing Problem?" *Handbook of Business Strategy* pp. 21-25
- Saks, A.M. (2006). Antecedents and consequences of employee engagement, *Journal of Managerial Psychology*, 21 (7) 600-19.
- Simpson M. (2009) Predictors of work engagement among medical-surgical registered nurses. *Western Journal of Nursing Research* 31 (1), 44-65.
- Torrington, D., Hall, L., & Taylor, S (2005). *Human Resource Management*. Sixth Edition. London: Pearson education Ltd.
- Vance, R. J. (2006). *Employee Engagement and Commitment: A guide to understanding, measuring and increasing engagement in your organization*, SHRM Foundation's Effective Practice Guidelines, SHRM Foundation
- Yu, W., & Ramanathan, R. (2012) "Effects of Business Environment on International Retail Operations: Case Study Evidence from China" *International Journal of Retail & Distribution Management* vol. 40 (3) pp. 218-234
- Zajkowska, M. (2012). Employee engagement: How to improve it through internal communication. *Human Resources Management & Ergonomics*, VI, 104-112.