AN INVESTIGATION INTO THE EFFECTS OF LACK OF EMPLOYEE ENGAGEMENT ON JOB PERFORMANCE: A CASE STUDY OF UAP INSURANCE KENYA, MOMBASA BRANCH OFFICE

BY

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UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

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A Project Report Submitted to the School of Business in Partial Fulfillment of the Requirement of the Degree of Executive Masters in Organizational Development (EMOD)

UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

SUMMER, 2014
STUDENT’S DECLARATION

I, the undersigned declare that this is my original work and that it has not been submitted to any other College, Institution or University other than the United States International University for academic purposes.

Signed: ___________________________  Date: ___________________________

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This project has been presented for examination with my approval as the appointed supervisor.

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Dr. Caren Ouma

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Dean, Chandaria School of Business
ACKNOWLEDGEMENT

I wish to thank God for providing me with good health, intellect and an opportunity to pursue my academic goals.

My deep appreciation goes my family, my friends, my class group members and my work colleagues for their support, encouragement and love all through this academic venture. I would also like to thank Dr. Caren Ouma for her guidance and support all through the process of conducting my research and to USIU where I have gained knowledge and opportunity to develop mastery in my field.
ABSTRACT

The main purpose of this study was to investigate the effects of lack of employee engagement on job performance in Mombasa branch office of UAP Insurance in Kenya. The study was guided by the following research questions: What are the effects of lack of employee engagement on job performance at UAP Insurance? What engagement strategies exist for employees at UAP Insurance? What challenges exist in engaging employees at UAP Insurance?

The research adopted a census descriptive design with a target population of all 46 employees of UAP Insurance Mombasa office staff from which a survey was carried out. Questionnaires were used to collect data after which the data was analyzed using descriptive statistics to allow conclusions to be drawn. The research started off with a pilot survey; this is because the research needed to establish whether the questionnaires to be used were suitable enough to allow respondents to understand the questions and as well as to meet the overall objective of the study. The pilot study was also done to ensure accuracy and completeness of the research instrument. Following this, the recommendations and modifications were assimilated to create the final questionnaire. The process of data collection was enhanced by the use of research assistants (RAs) drawn from the EMOD class and trained on the use of the research tools. Data coding was done then followed by data presentation via tables and, figures.

From the study, the findings on the effects of lack of employee engagement on job performance at UAP Insurance revealed that majority of the respondents were in agreement that lack of employee engagement affects strategy implementation at UAP, this is because the organization does not allow employees to make inputs in decision making within the organization. The findings on the effect of employee engagement strategies revealed that majority of the respondents were in agreement that lack of employee engagement actually lowers employee commitment as well as employee competence. The study also brought out that lack of employee engagement affects the employees’ understanding of why the company is going in a particular direction. Finally the study revealed that the skills and capabilities of employees cannot be fully utilized without such employees being engaged and also that a lack of direction in the organization leads the employees to do their work according to their personal view and thus compromising on the organization’s priorities.
It was concluded that there is a relationship between employee engagement and employee performance. This is because lack of employee engagement lowers employee commitment and employee competence. In the same way lack of employee engagement affects employee understanding of why the company is going in a particular direction. Additionally designing and implementing an effective employee engagement system is critical to employee performance. Finally the study concluded there exists a number of challenges related to employee engagement at UAP Insurance and these include: lack of competent people at all levels, lack of effective communication flow in the organization between top management and lower-level employees. The study recommends the need for organizations to put in place mechanisms to enhance employee engagement, given that it affects job performance. Going by the findings of the study, the management of UAP Insurance in Mombasa branch needs to focus more energy in enhancing performance in their employees.

The management of UAP Insurance should also consider the various strategies that can enhance the engagement of the employees, if indeed the organization is striving to enhance employee engagement. Finally the study acknowledges the existence of various challenges that face the organization with regards to employee engagement. As such the management has to be careful to ensure that it underlines such challenges and also outlines how best to deal with the challenges.
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

A simplistic way of describing an organization is a group of people who come together in an organized manner with the purpose of accomplishing a common goal or set of goals. Usually organizations will range from small sized organizations with one or two people, to large size organizations with thousands of employees and can have a small geographical coverage with a single office or a wide coverage with several offices globally (Cascio, 2010).

Organizations exist for the purposes of meeting their set goals, be it a privately owned, government owned or not-for-profit organization; private organizations for example, seek to add value to their customers and make profits for the shareholders. To meet its goals, an organization pools together a number of resources such as human resource, capital, material and equipment and puts in systems to coordinate the resources (Russo, 2010).

According to Cascio (2010), the organization is the people and the opportunities or challenges that come with managing an organization often stem from people-related issues that arise within the organization. Russo (2010) defines the human capital as the wealth generating potential that exists within people who work for an organization, and it embraces all facets of their knowledge, skills and intellectual properties; it encompasses that skills, experience and efforts of the workforce, and is their ability and willingness to do things on behalf of the organization. Therefore it is very key that an organization acquires and even more importantly retains a workforce that is motivated, energetic and committed to the mission and values of the organization. One of the ways of ensuring this is through the practice of employee engagement.

Russo (2010) defines employee engagement as the efforts of imparting and socializing the employees with a sense or – and – reason for – genuine commitment to the organization. He goes further to add that employee engagement serves to inspire employees with a bias for action on the organization’s behalf and pride and emphasizes that establishing a culture of engagement is important to the bottom-line and top-line of the organization.
Over the past years, employee engagement has increasingly been focused on in human resource management. It is understood to encompass the physical, mental and emotional aspects of the human resource and brings earlier studied concepts of employee commitment and satisfaction which ultimately affect performance. Having emerged into the scene of human resource management relatively recently, not much research has been done on the concept of employee engagement. However, the idea has become popular today and increasingly resonated with employers. Before the 1980’s employees were expected to be loyal to the organization in exchange for a lifetime employment. In the 1980’s this started to change with organizations realizing that they needed to be more innovative and flexible in the development of employees due to the increased global competition (Welbourne, 2007).

Employee engagement goes further than simple compliance or surface behavior; it is an emotional attachment to the organization that brings the employee to go the extra mile because they feel valued and have a passion for their work (Cascio, 2010). Another view of employee engagement is presented by Cotton (1993). He uses the term employee involvement to describe the concept of employee engagement. Cotton (1993), defines employee involvement as: “A participative process to use the entire capacity or workers, designed to encourage employee commitment to organizational success.”(p.14)

Cotton (1993) contends that by involving workers, by having them participate in decision making, by making the workplace more democratic and by empowering employees, there are certain outcomes such as attitudes and productivity that improve. Price (2011) considers that employee engagement refers to positive feelings held by employees about their jobs and also the motivation and effort they put into their work and concludes that engagement leads to positive employee behaviors that lead to increased performance levels and ultimately to organizational success.

Evidently, employee engagement is an important component in human resource management as it directly affects the bottom line of the organization. The management of any organization should seek to adopt a culture of engagement in order to motivate their employees beyond the personal factors. Disengaged employees don’t think beyond their everyday tasks which means that the employer loses out on all kinds of opportunities.

Understanding what motivates and enables your people to give their best leads to better decision making and planning, wiser investments and deeper customer loyalty. An
employee engagement survey is one of the ways to accurately gauge your employees’ motivation and engagement needs and help create a way forward. Proper measurement of the level of engagement of employee is key before implementing any actions to improve engagement, this helps uncover the things that matter most to employees and that affect their performance and overall performance of the organization. Organizations are not static, they keep evolving as their environment evolves as well; this means that they need ideas all the time and engaged employees are a good source for bright ideas.

UAP Insurance Kenya, Mombasa branch forms the case study of this project. The company is one of the leading financial and insurance companies in Kenya and was formed in 1994 after the merger of Union Insurance and Provincial Insurance. UAP Insurance Kenya is part of the group of companies under UAP group of companies that offer insurance and financial services across East Africa. Their presence is in South Sudan, Tanzania, Uganda, Rwanda and recently DRC Congo. The company has grown in geographical coverage and consequently with the work The head office in located in Nairobi, Upper Hill area and the branches are found in major towns in Kenya including Mombasa, Kisumu, Eldoret, Kisii, Nakuru, Thika, Nyeri, Embu, Meru and Machakos. Apart from its permanently employed staff, UAP Insurance Kenya employees additional people as direct sales force (DSF). The DSF are contracted solely for the purpose of establishing leads and making sales and are paid on commission basis subject to their performance (UAP, 2014).

UAP Insurance Kenya’s mission is “To enhance quality of life by delivering peace of mind and financial freedom through an exceptionally motivated team that delivers what customers want - when and where they want it”. The vision of the company is “To be Africa’s revolutionary financial services company”. The study will focus specifically on the UAP Insurance Kenya – Mombasa branch office staff members (UAP, 2014).

UAP Insurance has put in place various mechanisms to enhance employee engagement in the organization (UAP, 2014). The company for instance has conceptualized the open door policy, where employee are given a platform to interact with the management at any given time, and thus make known their issues to the management with regards to what they consider requisite in day to day running of the company operations. In addition UAP Insurance has put in place a comprehensive reward structure for its employee at all levels. The reward systems is structured in a manner that enables the organization to identify
natural talents and aesthetics and thus reward individual efforts as well as team performances in achieving organizational goals. The company holds regular staff briefings and training to keep the employees well informed on the products, encourage new innovative ideas and report on performance of the company, however, the branch staff are often excluded from these activities. There has been a notable tendency for the company to exclude the branch staff in numerous company events, communications from the top management, regular product & personal development training, brand sensitization (UAP, 2014).

UAP Insurance however is faced with challenges in implementing employee engagement strategies, especially so at the branch level as a result of resource constraints, market dynamics for instance the emergency of the global economy, advances in technology, increased societal demands and the need to provide more resources with fewer available funds from the company headquarters. The organization has been under immense pressure to adopt employee engagement orientations by giving more prominence to employee issues amidst competition from other players in the insurance industry. Alternatively, based on issues of equal employee participation, representation, accountability, UAP Insurance has sought to create an employee-friendly, liberalized, lean, decentralized, employee-oriented, managerial and democratic organization structure. Efforts have, therefore, been made to increase employee engagement (UAP, 2014). It is in light of this that the present study seeks to investigate effects of lack of employee engagement on job performance at UAP Insurance Kenya, Mombasa Branch Office.

1.2 Statement of the Problem

UAP Insurance Kenya is one of the leading insurance and financial services company in the region and prides itself in its success in penetrating the relatively difficult to penetrate insurance industry in Kenya through its wide range of products and innovations. The success of the company can be contributed to its passionate workforce. This has seen the organization record massive growth not only in Kenya but in the entire region as well. The company recorded 15 % growth in profit after tax last year, a trend that has been seen in the last five years. Furthermore, profit before Tax increased to Kshs 1.75 billion, up44% from a profit of Kshs 1.21 billion recorded in 2012, while the Earnings Per Share increased by 34% from Kshs 7.35 per share in 2011 to Kshs 9.83 per share in 2012 (UAP, 2013).
Although the company has put in place employee engagement measure at the corporate level, this does not seem to be replicated in all branches in Kenya and specifically so in Mombasa branch where little focus is being given by the management team on the existing staff posted in the branch offices. The question therefore is what could be the reason behind the low performance levels in these branches? Taljaard (2002) avows that for an organization to stay competitive and ensure that the company has a long-term future, it is important to improve performance on an ongoing basis. These performances will only improve with the buy-in of the employees into higher levels of performance motivated by employee engagement.

There is still a gap observed with regards to the effect of employee engagement strategies. Although Armstrong (2009) demonstrated there is a relationship between the employee engagement and employee performance, what is not clear from his study is if engagement can impact on employees’ job performance at UAP Insurance Mombasa branch. Furthermore the study by Taljaard (2002) argued that employee engagement is one major aspect that can influence an individual’s performance in the organization. What is not clear however, is whether these findings apply to UAP Insurance. This research therefore, will assess the effects that the lack of employee engagement in the UAP Insurance Kenya branch offices may have on their job performance.

1.3 Purpose of the Study

The main purpose of the study is to investigate the effects of lack of employee engagement on the performance of the employees in the Mombasa branch offices of UAP Insurance Kenya.

1.4 Research Questions

This study was guided by the following three questions

1.4.1 What are the effects of lack of employee engagement on job performance at UAP Insurance?

1.4.2 What engagement strategies exist for employees at UAP Insurance?

1.4.3 What challenges exist in engaging employees at UAP Insurance?
1.5 Significance of the Study

The findings of this study will be useful to the following groups of people: The management of UAP Insurance Kenya, Corporate Organizations, Academicians and Researchers.

1.5.1 The Management of UAP Insurance Kenya

This study will help the management of UAP Insurance Kenya in addressing the possible existing problems in the branch offices that are as a result of lack of employee engagement and involvement, and possibly find a way forward and long term solutions as it will bring out the various challenges faced by employees.

1.5.2 Corporate Organizations

This study will bring out how employee engagement can be measured and monitored and thus these finding will be of great value to other organizations as it will help them establish their level of employee engagement and take action. Measuring and managing employee engagement affords an organization a competitive advantage.

1.5.3 Academicians and Researchers

The study will be helpful to researchers who may want to conduct further research on issues related to UAP Insurance Kenya. This is mainly because the study will bring out the various challenges being faced by employees and strategies available to enhance employee engagement in the organization.

1.6 Scope of the Study

The scope covered by the study is UAP Insurance Ltd – Mombasa Branch Office in Kenya. The population for the study will be the branch manager, unit managers, subordinate staff and the direct sales force team in the Mombasa branch. The entire population of 46 staff will be used in this research. The research will be conducted over a period of 2 months, that is, February & March 2014 and the findings presented from April, 2014 to May, 2014.
1.7 Definition of Terms

1.7.1 Engagement

Engagement is the emotional connection that an employee feels towards the organization that has engaged him/her. The level of commitment tends to influence the person’s behavior and the amount of effort they put into their work (Business Dictionary, 2013).

1.7.2 Performance

The accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed (Oxford, 2012).

1.7.3 Job Performance

Job performance is work performance in terms of quantity and quality expected from each employee. It is how well the work related activities of an employee are executed (Business Dictionary, 2013).

1.7.4 Commitment

Commitment is the degree of identification and involvement the individuals have with their organization’s mission, values and goals (Price, 2011).

1.8 Chapter Summary

This chapter introduced the focus of the study which is the effect of lack of employee engagement on performance, a case study of UAP Insurance Kenya, Mombasa branch office. This chapter gave the background of the study and identified the research problem as well as knowledge gap for the study on the effect of lack of employee engagement on performance. The chapter looked at the specific research questions that will guide the study. It also identified the purpose of the study and the scope which is limited to UAP Insurance Kenya, Mombasa branch staff in. Definitions of terms used in the study were given and the significance of the study was also addressed.

In chapter two of this study, the researcher examined previous literature on the study and used the study’s research questions as the frame work for this review. In particular, this chapter looked at literature on effects of lack of employee engagement on job performance, existing employee engagement strategies and the challenges existing in engaging employees.
Chapter three presented the research methodology that was used in the study which involved a survey carried out on the population at UAP Insurance, Mombasa office, while the fourth chapter presented the data analysis and presentation of the findings with regards to the various responses provided by those involved in the study. The fifth chapter further presented a summary of findings, discussions, conclusions as well as recommendations for the study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

In this chapter, literature is reviewed based on the research objectives. It will be guided by the three research questions: What are the effects of lack of employee engagement on job performance at UAP Insurance? What engagement strategies exist for employees at UAP Insurance? What challenges exist in engaging employees at UAP Insurance? The review will assist in giving correct variables and the right measurement of the results of the research finding and conclusions.

2.2 Effects of Lack of Employee Engagement on Job performance

Armstrong informs us that the success of any organization can be well determined with regards to how it makes effective use of its resources so as to achieve the desired results. He adds that human beings unlike any other resource pertinent to the organization have different needs. This means therefore that the management of any organization has a task of recognizing such needs and satisfying them as well as developing the human resource management systems. Armstrong further avows that if the organization wants to remain competitive, it is imperative to continually improve the performance of these employees. This can only be achieved by ensuring that the employees are highly motivated and the best way to do so is by employee engagement. This will benefit the company since it will not only increase the labor productivity and reduce the labor cost per unit, but also attracts and retains the caliber of employees needed at all levels. This is indeed the reason why there is the potential benefit in researching the effectiveness of the reward systems on employee performance (Armstrong, 2009).

2.2.1 Reduced Employee Commitment

According to Stringer (2010), employee commitment is not just a personality trait but a quality that can be strategically influenced. As such most employees are involved in their daily jobs as they care about it and have a desire to accomplish their assigned tasks in the perfect way. Organizations therefore need committed employees so as to be able to successfully execute their set strategies (NCT, 2003). A study by Stringer (2010), showed that committed employees are more likely to give your customers better service, they are
willing to take the time to solve difficult problems, their work is of higher quality, and they are more likely to stay with the organization.

According to Ryan and Ryan (2007), studies have shown that employees have reported that their talents and abilities are only being utilized to a 48% degree. In this regard therefore leaders have the responsibility of unleashing the remaining 52% by achieving a buy-in from the employees. Leaders must let their employees know how they will benefit from embracing the vision (Dimatteo, 2006). Many leaders assume that their employees are onboard with company’s objectives. However, Ryan and Ryan (2007) states that this cannot be assumed, and by only communicating the strategy to them, employees cannot be assumed to support the strategy and utilize their best capabilities to execute them.

This is the reason why Sterling (2013) attributes the failure of some strategies to lack of sufficient buy-in among those who execute them. Guffey and Nienhaus (2002) established a strong relationship between buy-in and employees' support of the organization's strategic plan. These findings are also outlined by Hrebiniak (2006) who established inability to generate buy-in as an obstacle to employee engagement. According to Galpin (1998), the difference between successful and unsuccessful organization is the way management motivates and educates its people to act. This therefore highlights the strong relationship between buy-in and motivation. From the above findings, it can be proposed that the lack of employee engagement leads to reduced commitment and thus lowers performance.

2.2.2 Lack of Employee Engagement Lowers Employee Competence

Most organizations are indeed guilty of ignoring employees’ competence. According to Bossidy and Charan (2002), most managers overlook this important factor as they are too busy thinking about the other underpinning factors for instance how to increase earnings and thus company growth, dealing with environment dynamics among other issues. This therefore means that little attention is given to employee competence.

Competence can be defined as the standard or quality of the outcome of the person's performance. This is according to Rutherford (1995), where he asserts standard as being the minimum acceptable level of performance. According to Bossidy and Charan (2002),
competence has more than just knowledge and skills. This is because it involves the ability to meet complex demands, by drawing on and mobilizing psychosocial resources, including skills and attitudes, in a particular context. If an organization has to be successful, it has to ensure that it has the right people for the job. This is mainly a result of their judgments, experiences, as well as, since these aspects go a long way in driving the organization’s performance (Bossidy and Charan, 2002). Without competencies, either on the top or in the bottom of the organizational structure, even the best strategy with the best environmental factors will have limited chances of success.

According to Michlitsch (2010), if employees lack the needed competencies or qualifications to enable them to properly execute a company strategy, then they have no room for success. In this regard therefore maintaining competencies within organization do have a significant role in successful employee engagement strategies (Michlitsch, 2010). As such, organizations need to bring on board through hiring and maintaining only qualified and competent people. Organizations also need to develop competencies for current employees through development programs such as training and development so as to endeavor to bring success to the organization.

The lack of competencies is not solely attributive to lower level managers or employees. This is because even chief executive officers may not be appropriate to execute a new strategy (Wheelen and Hunger, 2007). According to the authors, the career cycle of such executives has an inverted or negative relationship between their tenure and organizational financial performance. The current studies agree with the findings of these studies; however these studies seem not to identify the specific skills and capabilities that are required to execute strategy. Further a lot of focus is only on higher management skills such as leadership and the specific leadership skills that are necessary to align people and culture to execute strategy.

Hrebiniak (2006) has stated categorically that organizations with developed capabilities or competencies which are consistent with a chosen strategy would perform better as compared to those organizations that are yet to achieve this fit between strategy and capabilities. Harrington (2006) further finds that a higher level of the entire organization’s involvement during employee engagement practices had positive effects on the level of, implementation success, the organization’s profits and overall success of the organization.
Wheelen and Hunger (2007) have also confirmed this by stating that the required competencies of executives or chief executive officers depend on the desired strategic direction of the firm and that competencies must match the chosen strategy. There might be a need for an aggressive type of CEO if the firm is going for a concentration strategy as an example (Bossidy and Charan 2002). Taking into the consideration the above mentioned argument, it is proposed that the lack of competent employees is likely to occur as a result of lack of employee engagement.

The problem however is that many organizations tend to ignore the people factor when it comes to strategy. In fact lower managers and employees are considered as the last people to even know about the company strategy. This therefore is the reason why Michlitsch (2000) attributes the conspicuous absence of the human factor as one of the major reasons why strategy execution efforts fail. This he avows as resulting from the lack of understanding from managers that employees play a major role in strategy success. In this regard therefore the absence of people on board for any strategic initiative will definitely result into strategy failure.

At this juncture the quality of the employees is accredited to skills, attitudes, capabilities, experiences and other characteristics of people required by a specific task or position. These however can be categorized into three: people, organization and systems in the manufacturing environment. Their intriguing findings show clearly that success of strategy execution largely depends on the human or people side of the organization and less on organization and systems related factors. The current study acknowledges the relevance of these three categories and therefore incorporates them as variables in the study.

Studies have shown that there has been conspicuous absence of the human resource function in employee performance. According to McKnight (2005) the human resources department is in most cases absent when it comes to strategy formulation and implementation as such most organizations consider the human resource function as being a non-business and non-important department. He therefore argues that the human resource function should be designed in a manner that makes it not only part of the whole organization anatomy but also as a strategic business partner. This will enable it to take part in both strategy formulation and implementation.
2.3 Employee Engagement Strategies

The definition for employee engagement as provided by Gallup Organization is, the involvement with and enthusiasm for work. Dernovsek (2008) cites that Gallup equates employee engagement to commitment of employees and a positive employees’ emotional attachment. Studies have demonstrated that the top drivers of employee engagement include: management’s interest in the wellbeing of the employees, communication between management and employees, and provision of opportunities for the employees’ career and skills growth. As studies indicate, employees do not give much importance to pay and benefits as they do the above stated issues. However, all these surveys were carried out in organization that are in economically prosperous countries and this could be the reason for the priorities shown by employees in the issues that they find of importance at the work place. If similar surveys were conducted in countries in Africa or other third world countries, perhaps the priorities of the employees may have varied. There is therefore a need for more global surveys that include more countries from various economic statuses. The following subsection offers employee engagement strategies.

2.3.1 Employee Empowerment

According to Hellriegel and Slocum (2004), employee empowerment revolves around giving employees the authority, skills, and self-control to perform their tasks. Further, Pearce and Robinson (2007) defines empowerment as the act of allowing an individual or team the right and flexibility to make decisions and initiate action. Brymer (1991) sees empowerment as a process of decentralizing decision making in an organization, where managers give more autonomy to their lower level and front line employees. In the same regard, Lincoln, Travers, Ackersand Wilkinson (2012) view empowerment as the use of certain techniques to transform those without power into equitable position. In this regard, therefore it is clear that the concept of empowerment is the practice of giving employees the authority to make decisions that enhance the processes as perceived by the employee without referring to superiors. Employees who are competent are aware of the strategy and their role in it and cannot participate in its execution without being empowered to do so.

Employee empowerment has a very strong relationship with employees’ ability to execute strategy (Argyris, 1998). The skills and capabilities of employees cannot be fully utilized without such employees being empowered. In a study by Hrebinia (2006), it is revealed
that execution decisions take too long to be executed. As such, when decisions take too long to be executed it is a sign of lack of empowerment because employees do not have the power to make their own decisions and thus they need to wait until the busy top management makes the decisions. Employee empowerment is thus essential to strategy implementation since decisions about certain issues are better left to people directly working and responsible for them.

A study by Mahloney and McMillan (1994) revealed that workers directly involved in a process know best how to improve it. Since Kenyan organizations have high power distance, as identified by Hofstede (2003), it is evident that Kenyan organizations in general do not apply employee empowerment principles.

2.3.2 Employee Communication

Communication is an essential strategy as far as employee engagement is concerned. Properly communicating the strategy to employees has a strong impact on the performance of the organization (Beer and Eisenstat, 2010). Beer and Eisenstat (2010) avowed that a well-conceived strategy communicated to the organization equals a well-executed strategy. The knowledge of the strategy and understanding it are two different concepts. As such, for a strategy to be successfully executed these two concepts have to be integrated.

A study by Kaplan and Norton (2008) on problems in organizations in the United States revealed that in the great majority of surveyed companies; not more than ten percent of employees understood their company's strategy. Other research studies have also revealed that less than five percent of the employees typically understand their organization's strategy (Kaplan and Norton, 2001). Similarly, Hrebiniak (2006) has stated that in many organizations he studied, employees most often were not aware of their company's strategy.

According to Raps (2005), one of the reasons why strategy implementation processes frequently leads to very challenging and complex problems or even fails, is the vagueness of the assignment of responsibilities. Michlitsch (2000) asserts the need for people to know clearly what they are supposed to do if the company wants to succeed. In addition, employees have to be given clear guidance to enable them to successfully execute the strategy. Wheelen and Hunger (2007) state that lack of direction in the organization leads
people to do their work according to their personal view of what tasks should be done, how, and in what order. This therefore compromises the priorities of the organization.

2.3.3 Effective Leadership

Kyarimpa (1996) advises that effective leadership is important to successful employee engagement. This is important, especially in developing nations where majority of the organizations lack effective leadership (Harrington, 2006). Effectively, in such organizations emphasis is placed on shorter-term frames, strong focus on command, control and predictability, with little emphasis being placed on employee empowerment and motivation. Mintzberg (1990), recognizes that management and leadership are two different things which are both required for better employee engagement. He emphasizes that people are tired of managers who are not leaders and vice versa. Contemporary management thinking suggests that managers do things right, while leaders do the right things. He contended that managers combine human and other resources to achieve goals, while leaders solve problems creatively.

A strong sense of purpose is normally the discretion of true leadership as such it plays an important role in harnessing the creative energies of all the people in the business (Schultz et al., 2008). An exceptional leadership is a key ingredient to making strategic change effective and lasting (Daft, 2005). According to Daft (2005), one of the enormous challenge facing leaders today is the changing business environment which demands a paradigm of leadership to evolve to a new mindset that relies on human skills, integrity and teamwork. Schultz, et al. (2003) further state that the advantage and moral value of a benevolent approach to treating other employees especially the lower echelons as human beings and respecting human dignity in all its forms, is well motivated, more productive and creative employees.

Megginsion, Byrd and Megginson (2006) state that there exists a difference between management and leadership. According to them, leading is an essential part of managing, but not the whole of it; as such it is the innate ability of one person to influence others to strive to attain goals or objectives. Management, while requiring the use of leadership, also includes the other functions of planning, organizing, staffing and controlling (Megginsion, et al., 2006). Instead of just sitting back or rather simply reacting to the changes in the business environment, it is essential for strategic leaders to examine past events and take action so as to anticipate what these might mean for the future.
The current business environment is indeed changing fast and as such it is becoming increasingly complex (Chetty, 2010). It therefore requires visionary leadership, and leaders who are willing to learn experiment and influence organizational change (Meyer and Botha, 2000). In this regard therefore leadership can be defined in two ways, first, is the leadership that knows what needs to be done, and secondly is the ability to influence others to cooperate in doing it (Schaap, 2006). The role of strategic leaders therefore takes center stage according to Harrison (2003), who defines strategic leadership as leadership behaviors which are associated with creating organizational vision. Further he reiterates that it is essential for strategic leaders to establish core values, develop strategies and a management structure, fostering organizational learning, and serving as a steward for the firm.

2.3.4 Employee Training, Development and Mentoring.
Grimshaw and Baron (2010) states that employees have to be aligned to the organization vision and leaders must whet the appetite for truth in the employees in every possible way. According to Burtis (2010), mentoring is the process of giving direction to the employees through constant guidance and advice on the course of action taken while training and development involves activities that add value to the education or skill levels of the employees. According to his definition, training will involve exposing the employees to expert coaching by specialist in their field so that they can learn new skills or improve their current way of carrying out tasks. Development will involve the organization allowing their employees to undertake courses that help them to progress in their careers such as in universities.

Market trends are constantly changing and the environment both internal and external is constantly turbulent. Employees have to be strategically positioned to respond to these changes effectively (Dess, Peng and Lei, 2013). It is therefore crucial that leaders of an organization strategically place themselves in a competitive position by heavily investing in the greatest resource, human capital. This can only be achieved by exposing their employees to training, constant guidance through mentoring and development. This prepares the employees for any changes in the business which in turn makes the leadership of an organization successful because as the employees perform well, then the results are evident in the organization performance. Trainings are offered either on job or off job. These trainings are conducted by consultants who have vast knowledge and experience in the field. The employees are trained on areas that affect the way they work.
An example is whereby the organization employees are trained on how to handle customers better (Simonet and Tett, 2012). As the employees gain the skills on proper handling of customers, there will be a ripple effect whereby the customers will keep coming back to buy from the business loyally. This will therefore provide constant sales for the organization and hence the successful performance of the organization.

2.4 Challenges of Employee Engagement

2.4.1 Organizational Structure

The organizational structure of any organization has a role to play with regards to employee engagement (Heide, Gronhaug and Johannessen, 2002). An effective organizational structure can positively influence the employee engagement process while at the same time it can be an implementation barrier. According to Drazin and Howard (1984), a proper employee strategy-structure alignment is a necessary precursor to the successful implementation of new business strategies. They point out that organizations need to constantly make adjustments to their organizational structure in line with the changes in the competitive environment. Consequently firms that delay in making this realignment may end up exhibiting poor results which can place them at a serious competitive disadvantage. Schaap (2006) further suggested that the act of adjusting organizational structure with respect to a perfect strategy can greatly help to ensure successful strategy implementation.

According to White (1986), each particular employee engagement strategy requires an adequate organizational structure for it to be successful. Further Olson, Slater and Hult (2005) avow that the performance of any organization requires the creation of a fit between the internal organizations the specific company’s and the specific business unit strategy. In specific terms, business units that have pure cost strategies are likely to experience higher returns on investments when they have low autonomy. Similarly, pure differentiation strategies benefit, in terms of sales growth, from strong functional coordination. Considering these sentiments, it is noteworthy that the return on investments of cost strategies is, on average, higher in cases where some functional responsibilities are shared. A study by Gupta (1987) examined the relationships between business strategies, aspects, and implementation and established that indeed there are
structures which are more decentralized and which end up producing higher levels of strategic effectiveness, regardless of the strategic context.

2.4.2 Administrative Systems
Govindarajan and Fisher (2011) suggested that few researchers have focused on the design of differentiated administrative systems that can facilitate employee engagement. There three key administrative mechanisms through which firms can use to cope with uncertainty in this context include: design of organizational structure, design of control systems and selection of managers. On the basis of these distinctions, various constellations were put up. Bivariate results did not provide support for the interaction between the employee engagement strategy, decentralization, and effectiveness. When budget evaluative style, decentralization, and locus of control were aligned appropriately to meet the requirements of the business strategy, superior performance occurred. This was a clear indication of how the two aspects influence each other. Govindarajan and Fisher (2011) believe that leadership characteristics, structural variables, and control systems contribute differentially to the effectiveness of an employee engagement strategy.

2.4.3 Lack of Sufficient Reward Systems
Armstrong (2010) defines reward management as the formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value to the organization. It deals with the design, implementation, and maintenance of reward practices that are geared towards improvement of organizational, team and individual performance. According to Armstrong (2010), designing and implementing an effective compensation system is critical to human resources and development activity in managing people. While it may be difficult to say exactly how much a reward system can influence an organization, the creative use of a reward plan can work to maximize human resource productivity and contribute significantly to the achievement of human resource and organizational objectives. Employee reward systems refer to programs which are set up by a company in order to reward performance and motivate employees on individual and/or group levels. These rewards are normally considered separate from salary but may be monetary in nature or otherwise have a cost to the company. While previously considered the domain of private
companies, public institutions have also begun employing them as a tool to lure top employees in a competitive job market as well as to increase employee performance.

According to Raps (2005), designing and implementing an effective employee engagement reward system is a critical human resources activity which influences the attainment of performance targets and effectiveness of an organization to deliver on its mission and mandate. Employee engagement is very important in managing the human capital and failure to reward the staff for their collective and individual efforts often leads to dissatisfaction manifested in various forms for example industrial strikes, go slows or the so called wild cat strikes and grievances against the employer. This affects productivity and leads to loses in terms of lost man hours, high staff turnover and loss of profits or revenue.

According to Armstrong (2010), most employees regard pay and other monetary rewards such as allowances as significant motivating factors. However, non-monetary factors such as job security, career prospects, and working conditions, are also very relevant. Improved monetary rewards are regarded as the most important motivational factor by staff across all types of organizations in most countries. This is not surprising because the public services here have experienced significant drops in pay over the last thirty years - despite some recent improvements. It needs to be conceptualized that indeed a systemic reality exists in the developing countries.

2.4.4 Dysfunctional Internal Management Systems

Achua and Lussier (2013) cite that the internal environment relates to planning, organizing, directing, staffing, control, restructuring and budgeting for organizations with the aim of attaining organization objectives. All these factors relate to the strategic management functions of the leaders and determine the successful performance of an organization. The resources of the organization such as money, time and people have to be planned for on how they are going to help strategically in achieving the organization objectives and successful performance. Organizing, directing and staffing all relate to placing the right resources in the right place and give a sense of direction on the required actions to help achieve the organization objectives. Control is aimed at ensuring every action is progressing as planned towards achieving the objectives of the organization (Adair, 2010).
Several organizations are introducing types of internal devolution of management capacities or internal contracting. For instance, Armstrong (2010) noted that companies have created business units which are responsible for the development of commercial activities. These according to Armstrong (2010), has enabled business units manage their products in a comprehensive way and are responsible for the different functions of marketing, public relations, strategic planning, financial management, human resources and logistics. There are developments towards devolution of operational autonomy to local regional offices (Chetty, 2010). Key elements in this process are differentiation, subsidiary and communication networks.

2.4.5 Limited Profitability

Profit refers to the gain made after a transaction has been executed by deducting the cost of goods sold from the sales value (Cleland, 2013). This is one of the most important reasons why shareholders invest in a business; they put in their money into the organization believing that the business will be a profitable venture that gives back their invested money as well as profit. Other stakeholders of the organization such as the suppliers, banks, government, employees and community will also have an interest on if the business is making profits because they have interest in how the organization is performing (Lack, 2013). Profitable businesses are safer because they do not face the risk of being liquidated or declared bankrupt. The government’s interest in the profitability of the organization is due to the economic contribution through taxes levied on the business as well as the creation of employment to the citizens of the country.

The organization also adds value through provision of goods and services within the country. Organizations that export provide foreign currency as well as contribute to good relations between the two trading countries. It is therefore of key interest to the government that the business is profitable. Suppliers of a business would want the business to remain profitable because this means that the organization is able to pay their debts to them as well as provides an assurance of trading continuously since the business is making profits (Fevurly, 2013). Banks offer loans to the organization which have to be repaid within a specific period of time and with interest (Bensoussan, 2009). This means that the banks will be very interested on the finances of the organizations because it will determine the ability of the business to pay back the banks money or not. Employees represent the human capital that is used by the organization in achieving it’s objectives.
Their salaries are paid from the profits as well as salary increments and benefits offered. The community in which the business operates values the organization more if it engages in corporate social responsibility which is funded by profits. Effective leadership ensures that the organization is earning more income from its sales than the cost of sales. This is done by implementing strategies that are aimed at high profitability for the organization.

2.5 Chapter Summary

This chapter presented a review of literature related to the purpose of the study. It was guided by the three research questions: What are the effects of lack of employee engagement on job performance at UAP Insurance? What engagement strategies exist for employees at UAP Insurance? What challenges exist in engaging employees at UAP Insurance? The review will assist in giving correct variables and the right measurement of the results of the research finding and conclusions. The next chapter dealt with the research methodology applied to this particular study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

Chapter three provides an analysis of the research method that was used in the study. It also captures the population, sampling design, data collection methods, data analysis and the data presentation techniques that were used in the study. The chapter provides information on how the researcher obtained data from the respondents and the various instruments that were used to facilitate the needed data. Information on how the sample was selected is offered in this chapter and on the various procedures to be incorporated in order to arrive at the decisions. Information regarding the presentation of the findings are also provided in the chapter.

3.2 Research Design

A descriptive research design was adopted, in order to obtain the necessary data. According to Burns and Bush (2010), a descriptive research design is a set of methods and procedures that describe variables. Similar views were expressed by Cooper and Schindler (2001) who posit that a descriptive study investigates these variables by answering who, what, where, when and how questions. According to Sloman (2010), descriptive analysis has the following advantages: the analysis requires the researcher to directly observe behavior in a natural environment which offers away of collecting baseline rates of the problem behavior. The analysis also helps in identifying particular antecedents or consequences which are to incorporated in functional analysis.

3.3 Population and Sampling Design

3.3.1 Population

Population is the total collection of elements on which we want to make inferences (Saunders, Lewis and Thornhill, 2009). The target population in the study was all the 46 the employees of UAP Insurance Mombasa, which is one of the branches of the organization of study.
Table 3.1: Population Size – UAP Insurance Kenya – Mombasa Office

<table>
<thead>
<tr>
<th>Department</th>
<th>Population size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations</td>
<td>13</td>
</tr>
<tr>
<td>Marketing</td>
<td>20</td>
</tr>
<tr>
<td>Finance</td>
<td>5</td>
</tr>
<tr>
<td>Human Resource</td>
<td>1</td>
</tr>
<tr>
<td>IT</td>
<td>2</td>
</tr>
<tr>
<td>Corporate</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>46</td>
</tr>
</tbody>
</table>

Source: UAP, 2013

3.3.2 Sampling Frame

Cooper and Schindler (2000) define the sampling frame as the list of elements from which the sample is actually drawn. In this case, the sampling frame comprised of the staff at UAP Insurance Mombasa. As outlined in the scope of the study, this paper focused mainly on the Mombasa branch, as such the population of the study was stratified along the functions identified. A list of employees in Mombasa branch was obtained and analyzed by department to facilitate sampling.

3.3.2.1 Sampling Technique

According to Cooper and Schindler (2000), the sampling technique involves the division of a population into smaller groups known as strata. The strata are formed based on members' shared attributes or characteristics. This study however did not adopt any sampling technique given that the entire population was used in the study. The data was collected from all the 46 the employees at the UAP Insurance Mombasa office. A survey was carried out as the whole population of employees at this branch was used because the number was manageable with the time and costs allocated for this study. This included employees working in the various business units of the company who play a role related to the functional areas of the different business divisions. The business units included: Corporate, IT, Finance, Human Resources, Marketing (Incl. DSF) and Operations.
Table 3.2: Population Size – UAP Insurance Mombasa Branch

<table>
<thead>
<tr>
<th>Department</th>
<th>Distribution</th>
<th>Population size</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. Of</td>
<td>Percentage (%)</td>
</tr>
<tr>
<td>Operations</td>
<td>Employees</td>
<td></td>
</tr>
<tr>
<td>Marketing (incl. DSF)</td>
<td>20</td>
<td>43.5</td>
</tr>
<tr>
<td>Finance</td>
<td>5</td>
<td>10.9</td>
</tr>
<tr>
<td>Human Resource</td>
<td>1</td>
<td>2.1</td>
</tr>
<tr>
<td>IT</td>
<td>2</td>
<td>4.3</td>
</tr>
<tr>
<td>Corporate</td>
<td>5</td>
<td>10.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>46</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: UAP, 2013

3.4 Data Collection Methods

Primary data was collected for this study. This was done through structured questionnaires which were developed to mirror the three specific objectives of the research and distributed to the selected respondents for data collection. The research used structured questionnaires so as to guarantee uniform responses from the different respondents. The use of questionnaires as an instrument to collect primary data has various reasons such as: There are various reasons for the use of questionnaires as primary data collection instrument; not only are they adaptable but also popular data collection instruments and are a relatively low-cost way of acquiring information.

3.5 Research Procedures

The study questionnaires were developed based on the study objectives stipulated in chapter one. Cooper and Schindler (2008) stated that the importance of using a pilot test is that it allows one to detect the weaknesses in the research design and instruments on 5% of the sample size. For this reason, a pilot test was conducted with the hope that three days would be enough for the exercise after which the questionnaire would be modified subject to the feedback obtained from the pilot test. Respondents in the pilot test were requested to be keen on any ambiguity or duplication in the questions, how lucid they were, and ease of understanding and consistency in interpretation by all respondents or if there was any research bias.
The modified questionnaire was distributed to respondents in the survey with the exception of the respondents who had participated in the initial pilot test. The respondents of the survey were all located within the same area at UAP Insurance Mombasa branch; therefore three days were enough to distribute the question to the respondents. Follow up calls were made to the respondents in order to guarantee a high response rate as well as a cover letter addressing each respondent by their was provided so as to detail the academic purpose of the research. Anonymity and confidentiality were also accorded to the respondents in their response.

3.6 Data Analysis Methods

The collected data was coded and statistically analyzed using the Microsoft Excel program on Microsoft Office and the Statistical Program for Social Scientists (SPSS), but was first subjected to a check for completeness as well as accuracy. The statistical tools employed in the analysis included: frequency tables, cross tabulations, percentages, variance, standard deviations and regressions. These were generated to analyze the respondents’ measure to the various aspects in the questionnaires. In order to enable ease in the understanding, analysis and interpretation of the results, tables and bar graphs were used to represent that data.

3.7 Chapter Summary

The chapter has described the research methodology that was used to carry out this study. First it has defined the population then described the sampling technique and size. This has been followed by a description of the method that was used to conduct the research and the justification of the use of the chosen method. There is further discussion on the data collection methods and the instruments that were used are stated. So as to ensure there is easy replicability, the research procedures have been clearly described indicating that a pilot test was conducted. At the end, the chapter looked at the data analysis methods which were used by the researcher to analyze the collected data and make conclusive remarks on the study. The following chapter presents the findings of the data that was collected using the questionnaires.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the results and findings of the study on the research objectives with regards to the data collected from the respondents. The first section provides the background information with regards to the respondents; consequently the sections two, three and four present findings with respect to the research questions. The respondents targeted in the study were forty six (46) employees of UAP Insurance Mombasa branch. A total of thirty responded which is indeed 65 % of the target population.

<table>
<thead>
<tr>
<th>Response Rate</th>
<th>DISTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Questionnaires Issued</td>
<td>Frequency 46</td>
</tr>
<tr>
<td>Questionnaires Returned</td>
<td>Frequency 30</td>
</tr>
<tr>
<td>Questionnaires Not Returned</td>
<td>Frequency 16</td>
</tr>
</tbody>
</table>

Source: Research Data, 2014

4.2 Background Information

This sub-section provides background information relating to the respondents in terms of gender, years of service, level of education as well as department they work in among others.

4.2.1 Age of the Respondents

The table 4.2 reveals that majority of the employees in Mombasa branch office are less than 40 years old with very few over 40 years old. Specifically, 66 % of the employees are between 20-30 years while 24 % are between 31-40 years. It is also clear from the table that the office does not have employees who are more than fifty years old. This implies that the majority of UAP Insurance employees are fairly young.
Table 4.2: Age of the Respondents

<table>
<thead>
<tr>
<th>Age in Years</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-30 Years</td>
<td>16</td>
<td>56</td>
</tr>
<tr>
<td>31-40</td>
<td>10</td>
<td>34</td>
</tr>
<tr>
<td>40-50</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Research Data, 2014

4.2.2 Level of Education

In the table 4.3, 60% of the employees have college level of education while 25% have acquired university education. Out of the remaining 15%, 10% have only secondary level of education while 5% have a broad category known as others inferring that UAP Insurance employs most staff who are from college.

Table 4.3: Level of education

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secondary School</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>College</td>
<td>18</td>
<td>60</td>
</tr>
<tr>
<td>University</td>
<td>8</td>
<td>25</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Research Data, 2014

4.2.3 Department

In table 4.4 below, departments where respondents were working at the time of survey is provided. The table shows that majority of the employees are in marketing department followed by administration. In percentage terms, 60% work in marketing while 15% in administration. The remaining 25% work in finance, IT among other department. The high number of employees in marketing clearly shows that UAP Insurance is interested in marketing than other departments. This implies that the various departments in UAP Insurance are fairly balanced in terms of staff allocation.
### Table 4.4: Department

<table>
<thead>
<tr>
<th>Department</th>
<th>Distribution</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Percent</td>
</tr>
<tr>
<td>Administration</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td>Marketing</td>
<td>18</td>
<td>60</td>
</tr>
<tr>
<td>Finance</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>IT</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Others</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Research Data, 2014

### 4.2.5 Years of Employment

Table 4.5 provides a summary statistic of the years of service that the respondents have provided in UAP Insurance. The table reveals that no employee had served the company for more than five years with majority having worked in the company for between 1-3 years. On the other hand, 40% have worked in the company for less than one year while 10% have worked for between 3 – 5 years. This result demonstrates that the employees in the branch are relatively new and that the Mombasa branch is in the process of expanding. This indicates that most UAP Insurance employees joined the organizations not long ago as is also evident in their age in the earlier subsection.

### Table 4.5: Years of Employment

<table>
<thead>
<tr>
<th>Years of Employment</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percent</td>
</tr>
<tr>
<td>Less than one Year</td>
<td>12</td>
</tr>
<tr>
<td>Between 1-3</td>
<td>15</td>
</tr>
<tr>
<td>Between 3-5</td>
<td>3</td>
</tr>
<tr>
<td>Over 5 years</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
</tr>
</tbody>
</table>

Source: Research Data, 2014
4.3 Effects of Lack of Employee Engagement on Job Performance

One of the key issues that the study sought to address was effects of lack of employee engagement on performance. In this sub-section, we provide the summary analysis of the same.

4.3.1 Lack of Employee Engagement is due to Incompetence in Management

Figure 4.1, presents a summary of the findings with regards to how lack of employee engagement is as a result competent people in the management. Figure 4.1, reveals that 86.7 % of the respondents agree strongly, while 13.33 agree that lack of employee engagement is as a result incompetent people in the management. These findings imply that majority of the employees felt that the lack in employee engagement in the organization was caused by incompetence in the management team of UAP Insurance.

![Chart showing the percentage of respondents who agree and strongly agree with the statement that lack of employee engagement is due to incompetence in management.]

Source: Research Data, 2014

Figure 4.1: Lack of Employee engagement is due to Incompetence in Management

4.3.2 Lack of Employee Engagement affects Strategy Implementation

Figure 4.2, further presents a summary of the findings with regards to how lack of employee engagement affects strategy implementation. The results of the study, as seen in figure 4.2, show that 53.3 % of the respondents agree, 6.7 % of the respondents strongly agree, and 10 % of the respondents disagree, 6.7 % strongly disagree while 23.3 % of the
respondents are neutral. The findings imply that indeed a lack of employee engagement at UAP Insurance affects the organization’s strategy implementation.

Source: Research Data, 2014

Figure 4.2: Lack of Employee Engagement affects Strategy Implementation

4.3.3 Employee involved in Decision Making

Figure 4.3, offers a summary of the findings with regards to how the organization does not allow employee to make inputs in decision making. The results of the study as seen in figure 4.3 show that 33.3 % of the respondents agree, 63.3 % of the respondents strongly agree, and 3.3 % of the respondents are neutral. This implies that the organization does not involve its employees in decision making within the organization.

Source: Research Data, 2014

Figure 4.3: Employee involvement in Decision Making
4.3.4 Lack of Communication between Management and Employees

Figure 4.4 further presents findings with regards to how lack of communication flow in the organization between top management and employees and amongst the employees themselves affects employee performance. As seen in figure 4.4, it is evident that 33.3 % of the respondents agree, 63.3 % of the respondents strongly agree, and 3.3 % of the respondents are neutral. The findings infer that lack of communication flow between top management and employees and amongst the employees at UAP Insurance affects the employees’ performance.

![Bar Chart](image)

**Source:** Research Data, 2014

**Figure 4.4:** Lack of Communication between Management and Employees

4.3.5 Lack of Employee Engagement Lowers Employee Commitment

As seen in figure 4.5, it is evident that majority of the respondents (70.0 %), strongly agree while 30.0 % agree. This is an implication that at UAP Insurance lack of employee engagement indeed lowers employee commitment.
4.3.6 Lack of employee engagement lowers employee competence

Figure 4.6, further presents the results of the study with regards to how lack of employee engagement lowers employee competence. The results of the study reveal that majority of the respondents (80.0 %), strongly agree while 20.0 % agree. This indicates that indeed lack of employee engagement at UAP Insurance lowers employee competence.

Source: Research Data, 2014
Figure 4.5: Lack of employee engagement lowers employee commitment

Source: Research Data, 2014
Figure 4.6: Lack of employee engagement lowers employee competence
4.3.7 Lack of Employee Engagement and Skill Utilization

Figure 4.7, reveals that majority of the respondents (50.0 %), agree while 20.7 % strongly agree that the skills and capabilities of employees cannot be fully utilized without such employees being engaged. On the other hand 3.3 % disagree while 26.7 % remain neutral. This is an implication of how essential skill utilization is to employee engagement.

Source: Research Data, 2014

Figure 4.7: Lack of Employee Engagement and Skill Utilization

4.3.8: Employee Engagement and Employee Performance

Linear regression was conducted to determine the relationship between employee engagement and employee performance. The study revealed that the impact on overall, all the variables of employee engagement and employee performance was statistically significant at p<0.001. The overall model explained 61.1 % of variance in employee performance, which was revealed to be statistically significant. This shows therefore that there is a relationship between employee engagement, (beta .613) and employee performance.

Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.487</td>
<td>.611</td>
<td>.623</td>
<td>.843</td>
</tr>
</tbody>
</table>

a.  Predictors: (Constant), employee engagement
b.  Dependent Variable: employee Performance
4.4 Employee Engagement Strategies

4.4.1 Employee Empowerment

Table 4.8, is a presentation of findings with regards to how employee empowerment helps employees to understand their roles in driving the company strategy and how their daily job contributes to it. As seen in table 4.8, it is evident that majority of the respondents (53.3%), agree while 40.0% strongly agree. This implies that employee empowerment at UAP Insurance helps employees to understand their roles in the company strategy and how their daily job contributes to it.

| Source; Research Data, 2014 |

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>3.587</td>
<td>.000</td>
</tr>
<tr>
<td>Employee Engagement</td>
<td>.613</td>
<td>.000</td>
</tr>
</tbody>
</table>

4.4.2 Effective Employee Communication

Table 4.9 further reveals that majority of the respondents (46.7%), agree while 46.7% strongly agree that Effective employee communication helps employees to make decisions on their own. This implies that effective employee communication is an essential strategy for employee engagement.
Table 4.9: Effective Employee Communication

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neutral</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>Agree</td>
<td>14</td>
<td>46.7</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>14</td>
<td>46.7</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Research Data, 2014

4.4.3 Effective Leadership

Table 4.10, further sought respondents’ opinions with regards to how effective leadership is key to employee engagement. As seen in table 4.10, it is evident that that majority of the respondents (60.0 %) agree while 33.3 % strongly agree to how effective leadership is key to employee engagement. On the other hand 3.3 % disagree while 3.3 % remain neutral. This implies that effective leadership at UAP Insurance is key to employee engagement.

Table 4.10: Effective Leadership

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>Neutral</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>Agree</td>
<td>18</td>
<td>60.0</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>10</td>
<td>33.3</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Research Data, 2014

4.4.5 Effective Reward System

In order to address the issue of effective reward system, table 4.11 presents a summary of the findings with regards to how employees regard pay and other monetary rewards such as allowances as significant motivating factors. As seen in table 4.11, it is evident that that majority of the respondents (56.7 %) agree while 43.3 % strongly agree that employees regard pay and other monetary rewards such as allowances as significant motivating factors. These findings imply that an effective reward system is an important employee engagement strategy.
<table>
<thead>
<tr>
<th>Table 4.11: Effective Reward System</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Frequency</strong></td>
</tr>
<tr>
<td>Agree</td>
</tr>
<tr>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

**Source:** Research Data, 2014

4.5 Challenges in Employee Engagement

4.5.1 Lack of Competent People

Table 4.12, presents a summary of findings with regards to how lack of competent people at all levels (CEOs, Middle managers, Lower-level employees) presents a challenge to employee engagement. The findings as presented in table 4.12, reveals that majority of the respondents (50.0 %), agree while 33.3 % strongly agree that lack of competent people at all levels (CEOs, Middle managers, Lower-level employees) is a challenge to employee engagement. On the other hand 3.3 % disagree while 13.3 % remain neutral. These findings imply that lack of competent people at all levels at UAP Insurance presents a challenge to employee engagement.

<table>
<thead>
<tr>
<th>Table 4.12: Lack of Competent People</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Frequency</strong></td>
</tr>
<tr>
<td>Neutral</td>
</tr>
<tr>
<td>Agree</td>
</tr>
<tr>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Disagree</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

**Source:** Research Data, 2014

4.5.2 Lack of Effective Communication

As seen in the figure 4.7, 65% of respondents strongly agree, 25 % agree, 4 % disagree, 2 % strongly disagree while the remaining 4 % are uncertain that lack of effective communication flow in the organization between top management and employees is a challenge to employee engagement. The findings imply that effective communication flow at UAP Insurance between top management and employees is a challenge to employee engagement.
4.5.3 Lack of an Effective Organizational Structure

Figure 4.8 presents a summary of the findings with regards whether lack of an effective organizational structure poses a challenge to employee engagement. As seen in the figure, majority of the respondents (54%) strongly agreed that indeed lack of an effective organizational structure was a challenge to employee engagement. This was also the case for 31% of the respondents. On the contrary 6% (3%+3%), of the respondents disagreed while 9% remained uncertain. These findings imply the significance of an effective organisation structure in enhancing employee engagement.

Source: Research Data, 2014

Figure 4.9: Lack of an Effective Organizational Structure
4.5.4 Lack of Effective Administrative Systems

As seen in the figure 4.9, 52% of the respondents strongly agree, 33% agree, 6% are uncertain, while 5% disagree as 4% strongly disagree implying that lack of effective administration systems at UAP Insurance is a challenge to employee engagement.

Source: Research Data, 2014

Figure 4.10: Lack of Effective Administrative Systems

4.5.5 Dysfunctional Internal Management Systems

As shown in the figure 4.10, 58% of the respondents strongly agree, 33% agree, while 2% are uncertain on how lack of dysfunctional internal management systems is a challenge to employee engagement. On the contrary 5% of the respondents disagree, while 2% strongly disagree. This implies that at UAP Insurance lack of dysfunctional internal management systems is a challenge to employee engagement.

Source: Research Data, 2014

Figure 4.11: Dysfunctional Internal Management Systems
4.5.6 Lack of Direction in the Organization

As seen in the figure 4.11, 35 % of the respondents strongly agree, 41 % agree, while 11 % are uncertain that the lack of direction in the organization leads people to do their work according to their personal view which compromises on employee engagement. On the contrary 5 % of the respondents disagree, while 6 % strongly disagree. This depicts that at UAP Insurance lack of direction compromises employee engagement.

Source: Research Data, 2014

Figure 4.12: Lack of Direction in the Organization

4.6 Chapter Summary

In this chapter, results and findings based on the specific objectives have been presented in form of tables and figures as well as graphs. The study presented findings on the effects of lack of employee engagement on job performance at UAP Insurance, which revealed that majority of the respondents were in agreement that lack of employee engagement affects strategy implementation at UAP Insurance which is because the organization does not allow employees to make inputs in decision making in the organization.

Furthermore, the study revealed that majority of the respondents agreed that lack of employee engagement lowers employee commitment and employee competence. The study further revealed that there exists a number of challenges related to employee engagement at UAP insurance such as: lack of competent people at all levels, lack of effective communication flow in the organization between top management and lower-level employees, lack of an effective organizational structure.
Chapter five provides a detailed discussion of the results and findings, and provides conclusions. Thereafter recommendations for improvement on each specific objective will be provided followed by recommendations for further studies.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter is made up of four sections; this includes the chapter summary, discussion, conclusions, and recommendations respectively. The first section provides a summary of the study, while section two presents a discussion of the major findings of the study. The third section offers a discussion as well as the conclusions based on the specific objectives, and to end with, the last sub-section provides the recommendations for improvement which are indeed based on the specific objectives.

5.2 Summary

The main purpose of this study was to investigate the effects of lack of employee engagement on job performance in Mombasa branch office of UAP Insurance in Kenya. The study was guided by the following research questions: What are the effects of lack of employee engagement on job performance at UAP Insurance? What engagement strategies exist for employees at UAP Insurance? What challenges exist in engaging employees at UAP Insurance?

The research adopted a census descriptive design with a target population of 46 employees of UAP Insurance Mombasa office staff from which a survey was be carried out. Questionnaires were used to collect data after which the data was analyzed using descriptive statistics to allow conclusions to be drawn. The research started off with a pilot survey; this is because the research needed to establish whether the questionnaires to be used were appropriate enough to allow respondents to understand the questions and also to meet the overall objective of the study. The pilot study was also done to ensure accuracy and completeness of the research instrument. Following this, the recommendations and modifications were assimilated to create the final questionnaire. The process of data collection was enhanced by the use of research assistants (RAs) drawn from the EMOD class and trained on the use of the research tools. Data coding was done then followed by data presentation via tables and, figures.
The findings on the effects of lack of employee engagement on job performance at UAP Insurance revealed that majority of the respondents were in agreement that lack of employee engagement affects strategy implementation at UAP Insurance, this is because the organization does not allow employees to make inputs in decision making in the organization. In the same regard, it was established that lack of communication flow in organization between top management and employees and amongst the employees themselves affects employee performance at UAP Insurance.

Moreover, the study revealed that majority of the respondents agreed that lack of employee engagement lowers employee commitment and employee competence. It was also discovered that lack of employee engagement affects employee understanding of why the company is going in a particular direction. The study established that the skills and capabilities of employees cannot be fully utilized without such employees being engaged as well as and further established that a lack of direction in the organization leads to people carrying out their duties at the office according to their personal view thus compromise on the organization’s priorities. Last but not least, it was also established that there is a relationship between employee engagement, (beta .613) and employee performance.

The findings, with regards to the engagement strategies that exist for employees at UAP Insurance, showed that employee empowerment helps employees to understand their roles in the company strategy and how their daily job contributes to it. Employee empowerment also helps employees to link their daily jobs to overall strategic objectives of the organization. Effective employee communication helps employees to make decisions on their own. The study further exposed that leadership is key to employee engagement as well as pay and other monetary rewards such as allowances. Finally it was revealed that designing and implementing an effective employee engagement system is critical to employee performance.

The study disclosed that there exists a number of challenges related to employee engagement at UAP Insurance and these include: lack of competent people at all levels, lack of effective communication flow in the organization between top management and lower-level employees, lack of an effective organizational structure, lack of effective administration systems, lack of sufficient reward systems, lack of dysfunctional internal
management systems, and lastly lack of direction in the organization leads people to do their work according to their personal view thus compromise on employee engagement.

5.3 Discussion

5.3.1 Effects of Lack of Employee Engagement on Job Performance

The findings on the effects of lack of employee engagement on job performance at UAP Insurance revealed that majority of the respondents were in agreement that lack of employee engagement affects strategy implementation at UAP Insurance, this is because the organization does not allow employees to make inputs in decision. In the same regard, it was established that lack of communication flow in organization between top management and middle-level management and amongst the employees themselves affects employee performance at UAP Insurance.

The findings are an affirmation that indeed the success of any organization can be well determined with regards to how it makes effective use of its resources so as to achieve the desired results. Human beings unlike any other resource pertinent to the organization, have different needs. This means therefore that the management of any organization has a task of recognizing such needs and satisfying them as well as developing the human resource management systems. According to Armstrong (2010), if the organization wants to remain competitive, it is imperative to continually improve the performance of these employees. This can only be achieved by ensuring that the employees are highly motivated and committed, and the best way to do so is by employee engagement. Employee engagement will benefit the company since it will not only increase the labor productivity and reduce the labor cost per unit, but also attracts and retains the caliber of employees needed at all levels. This is indeed the reason why there is the potential benefit in researching the effectiveness of the reward systems on employee performance (Armstrong, 2010).

Furthermore, the study revealed that majority of the respondents agreed that lack of employee engagement lowers employee commitment and employee competence. According to Stringer (2010), employee commitment is not just a personality trait but a quality that can be strategically influenced. As such most employees are involved in their daily jobs as they care about it and have a desire to accomplish their assigned tasks in the
perfect way. Organizations therefore need committed employees so as to be able to successfully execute their set strategies (NCT, 2013). A study by Stringer (20010) showed that committed employees are more likely to give your customers better service, they are willing to take the time to solve difficult problems, their work is of higher quality, and they are more likely to stay with the organization.

The findings of the study disclosed that at UAP there is lack of talent and capability utilization. According to Ryan and Ryan (2009), studies have shown that employees have reported that their talents and abilities are only being utilized to a 48% degree. In this regard therefore leaders have the responsibility of unleashing the remaining 52% by achieving buy-in to employees. Leaders must let their employees know how they will benefit from embracing the vision (Dimatteo, 2006). Many leaders assumed that their employees are onboard with company’s objectives. However, Ryan and Ryan (2011) stated that this cannot be assumed, and by only communicating the strategy to them, employees cannot be assumed to support the strategy and utilize their best capabilities to execute them.

It was also revealed that lack of employee engagement affects employee understanding of why the company is going in a particular direction. The study lastly established that the skills and capabilities of employees cannot be fully utilized without such employees being engaged as well, lack of direction in the organization leads people to do their work according to their personal view thus compromise on organization’s priorities. It was also established that there is a relationship between employee engagement, (beta .613) and employee performance.

5.3.2 Employee Engagement Strategies

The findings with regards to the engagement strategies that exist for employees at UAP Insurance revealed that employee empowerment helps employees to understand their roles in the company strategy and how their daily job contributes to it. These findings agree with Hellriegel and Slocum (2004) who argued that employee empowerment revolves around giving employees the authority, skills, and self-control to perform their tasks. Further, the findings are in line with Brymer (1991) who sees empowerment as a process of decentralizing decision making in an organization, where managers give more
autonomy to their lower level and front line employees. In the same regard, Lincoln, Travers, Ackers and Wilkinson (2012) are also of the same viewpoint in that they define empowerment as the use of certain techniques to transform those without power into equitable position. In this regard, therefore it is clear that the concept of empowerment is the practice of giving employees the authority to make decisions that enhance the processes as perceived by the employee without referring to superiors. Employees who are competent and aware of the organization’s strategy and their role in it cannot participate in its execution without being empowered to do so.

The findings also revealed that employee empowerment helps employees to link their daily jobs to overall strategic objectives. Indeed employee empowerment has a very strong relationship with employee’s ability to execute strategy (Argyris, 1998). The skills and capabilities of employees cannot be fully utilized without such employees being empowered. In a study by Hrebiniak (2006), it is revealed that execution decisions take too long to be executed. As such, when decisions take too long to be executed it is a sign of lack of empowerment because employees do not have the power to make their own decisions and thus they need to wait until the busy top management makes them. Employee empowerment is thus essential to strategy implementation since decisions about certain issues are better left to people directly working and responsible for them.

The findings agree with a study by Mahloney and McMillan (1994) revealed that workers directly involved in a process know best how to improve it. Since Kenyan organizations have high power distance, as identified by Hofstede (2003), it is evident that Kenyan organizations in general do not apply empowerment principles.

It was also established from the study that effective employee communication helps employees to make decisions on their own. The study further revealed that leadership is key to employee engagement as well as pay and other monetary rewards such as allowances. A strong sense of purpose is normally the discretion of true leadership as such it plays an important role in harnessing the creative energies of all the people in the business Schultz et al. (2008). An exceptional leadership is a key ingredient to making strategic change effective and lasting (Daft, 2012). According to Daft (2012), one of the enormous challenge facing leaders today is the changing business environment which demands a paradigm of leadership to evolve to a new mindset that relies on human skills, integrity and teamwork. Schultz, et al. (2003) further stated that the advantage and moral
value of a benevolent approach to treating other employees especially the lower echelons as human beings and respecting human dignity in all its forms, research and observations show that well motivated employees are more productive and creative.

Lastly, designing and implementing an effective employee engagement system through effective communication is critical to employee performance. Communication is an essential strategy as far as employee engagement is concerned. Properly communicating strategy to employees has a strong impact on the performance of the organization (Beer and Eisenstat, 2010). Beer and Eisenstat (2010) avowed that a well-conceived strategy communicated to the organization equals a well-executed strategy. The knowledge of the strategy and understanding it are two different concepts. As such, for a strategy to be successfully executed these two concepts have to be integrated.

5.3.3 Challenges to Employee Engagement

The study also revealed that there exists a number of challenges related to employee engagement at UAP Insurance these include: lack of competent people at all levels, lack of effective communication flow in the organization between top management, lack of an Effective organizational structure, lack of effective administration systems, lack of sufficient reward systems, lack of Dysfunctional Internal Management Systems, and finally lack of direction in the organization leads people to do their work according to their personal view thus compromise on employee engagement.

These findings provide a clear indication that indeed an effective organizational structure can positively influence the employee engagement process while at the same time it can be an implementation barrier. According to Drazin and Howard (1984), a proper employee strategy-structure alignment is a necessary precursor to the successful implementation of new business strategies (Noble, 1999). Consequently firms that delay in making this realignment may end up exhibiting poor results which can place them at a serious competitive disadvantage. The findings also agree with Schaap (2010), who suggested that the act of adjusting organizational structure with respect to a perfect strategy can greatly help to ensure successful strategy implementation.

It was established that ineffective administration systems affect employee engagement negatively. This affirms the sentiments by Govindarajan and Fisher (2011) who argued that few researchers have focused on the design of differentiated administrative systems
that can facilitate employee engagement. There three key administrative mechanisms through which firms can use to cope with uncertainty in this context include: design of organizational structure, design of control systems and selection of managers. On the basis of these distinctions, various constellations were put up. Bivariate results did not provide support for the interaction between the employee engagement strategy, decentralization, and effectiveness. When budget evaluative style, decentralization, and locus of control were aligned appropriately to meet the requirements of the business strategy, superior performance occurred. This was a clear indication of how the two aspects influence each other.

Furthermore, the study was able to establish that lack of sufficient reward systems can be a challenge to effective employee engagement. According to Armstrong (2005), designing and implementing an effective compensation system is critical to human resources and development activity in managing people. While it may be difficult to say exactly how much a reward system can influence an organization, the creative use of reward plan can work to maximize human resource productivity and contribute significantly to the achievement of human resource and organizational objectives. Employee reward systems refer to programs which are set up by a company in order to reward performance and motivate employees on individual and/or group levels. These rewards are normally considered separate from salary but may be monetary in nature or otherwise have a cost to the company. While previously considered the domain of private companies, public institutions have also begun employing them as a tool to lure top employees in a competitive job market as well as to increase employee performance.

Failure of internal management systems was also established to be a challenge to employee engagement. It is evident that several organizations are introducing types of internal devolution of management capacities or internal contracting. For instance, Armstrong (2010) noted that companies have created business units which are responsible for the development of commercial activities. These according to Armstrong, have enabled business to units manage their products in a comprehensive way and are responsible for the different functions of marketing, public relations, strategic planning, financial management, human resources and logistics. There are developments towards devolution of operational autonomy to local regional offices (Chetty, 2010). Key elements in this process are differentiation, subsidiary and communication networks which can therefore hinder effective employee engagement.
5.4 Conclusions

5.4.1 Effects of Lack of Employee Engagement on Job performance

The findings on the effects of lack of employee engagement on job performance at UAP Insurance lead to a conclusion that indeed a lack employee engagement affects strategy implementation at UAP Insurance. This is because the organization does not allow employees to make inputs in decision making in the organization. In the same regard, it can be concluded that lack of communication flow in organization between top management and employees and amongst the employees themselves affects employee performance at UAP Insurance.

The study also concludes that lack of employee engagement lowers employee commitment and employee competence. In the same way, lack of employee engagement affects employee understanding of why the company is going in a particular direction. Finally it can be concluded that the skills and capabilities of employees cannot be fully utilized without such employees being engaged as well; lack of direction in the organization leads people to do their work according to their personal view thus compromising on organization’s priorities.

5.4.2 Employee Engagement Strategies

The findings with regards to the engagement strategies that exist for employees at UAP Insurance lead to a conclusion that employee empowerment helps employees to understand their roles in the company strategy and how their daily job contributes to it. Also employee empowerment helps employees to link their daily jobs to overall strategic objectives. Effective employee communication helps employees to make decisions on their own. The study further concludes that leadership is key to employee engagement as well as pay and other monetary rewards such as allowances. Finally designing and implementing an effective employee engagement system is critical to employee performance.

5.4.3 Challenges to Employee Engagement

The study concludes that there existed a number of challenges related to employee engagement at UAP Insurance. These include: lack of competent people at all levels, lack
of effective communication flow in the organization between top management and employees, lack of an effective organizational structure, lack of effective administration systems, lack of sufficient reward systems, lack of dysfunctional internal management systems, and finally lack of understanding the direction taken by the organization.

5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 Effects of Lack of Employee Engagement on Job performance

The study recommends the need for organizations to put in place mechanisms to enhance employee engagement, given that it affects job performance. Going by the findings of the study, the management of UAP Insurance in Mombasa branch needs to focus more energy in enhancing performance of their employees.

In addition, UAP Insurance should allow employees to make inputs in decision making in the organization. In the same regard, UAP Insurance should address the issue of lack of communication flow in organization between top management and employees and amongst the employees themselves in order to enhance employee performance. Lastly UAP Insurance should put in place mechanisms of enhancing the skills and capabilities of employees to fully be utilized so as to enhance employee performance.

5.5.1.2 Employee Engagement Strategies

The study established that indeed employment strategies that exist to enhance employee engagement are very distinct and thus it is important for the management of UAP Insurance to consider the various strategies that can enhance employee engagement, if indeed the organization is striving to enhance employee engagement.

UAP Insurance employees need to understand their roles in the company strategy and how their daily job contributes to it. The organization also needs to help its employees link their daily jobs to overall strategic objectives of the organization. Effective employee communication at UAP Insurance will also encourage employees to make decisions on their own. UAP Insurance also needs to enhance employee engagement as well as pay and other monetary rewards such as allowances.
5.5.1.3 Challenges to Employee Engagement

The study acknowledges the existence of various challenges that face the organization with regards to employee engagement. As such the management has to be careful to ensure that it underlines such challenges and as well outline how best to deal with the challenges.

UAP Insurance also needs to address the following challenges facing its employees: the lack of competent people at all levels, lack of effective communication flow in the organization between top management and lower-level employees, lack of an effective organizational structure, lack of effective administration systems, lack of sufficient reward systems, lack of dysfunctional internal management systems, and to end with, lack of direction in the organization leads people to do their work according to their personal view thus compromise on employee engagement.

5.5.2 Recommendation for Further Studies

Based on the research findings, it is recommended that additional studies be conducted on the relationship between employee engagement and employee performance in all branches at UAP Insurance. First of all, the study recommends further studies on the aspect of employees having similar ages and being within the same income bracket and in the same cycle phase. Secondly the study recommends further studies on a comprehensive engagement system for UAP Insurance since at the moment the engagement system in the organization is not comprehensive.
REFERENCES


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APPENDICES

Appendix I: Cover Letter

Mary Nyawira Nduru
P.O. Box 73224-00200
NAIROBI, Kenya
TEL: + 254735265851

Dear Respondent,

RE: PARTICIPATION IN RESEARCH

I am a postgraduate student pursuing my master’s degree at USIU. I am currently conducting research study on “the effects of lack of employee engagement on job performance” as one of the major requirements. In this regard, you have been selected to take part in this study as a respondent.

Please complete all items to reflect your opinions and experiences. Please answer all the questions freely. You cannot be identified from the information you provide and no information about individuals will be given to any organization. The data collected will be used for the purposes of this academic research only.

Your participation is important for the success of this project and I greatly appreciate your contribution.

Sincerely,

Mary Nduru
Appendix II: Research Questionnaire

SECTION A: GENERAL INFORMATION

Circle the letter which represents the most appropriate position for you

1. Age in years
   A. Below 25
   B. 26 – 30
   C. 26 – 40
   D. 41 – 35
   E. 45 and above

2. Education level
   A. Secondary School graduate
   B. Diploma Holder
   C. Graduate
   D. Master Degree
   E. Other

3. Length of service at the present organization
   A. 3 – 6 years
   B. 7 – 9 years
   C. 10 – 12 years
   D. 13 – 15 years
   E. Above 16 years

4. Number of Years in employment
   A. 1 – 3 years
   B. 4 – 7 years
   C. 8 – 11 years
   D. 12 – 15 years
   E. Above 15 years
**SECTION 2: EFFECTS OF LACK OF EMPLOYEE ENGAGEMENT ON PERFORMANCE**

Using a scale of 1 – 5 tick the appropriate answer from the alternatives provided for each of the questions.

*Scale: 1 = Strongly Disagree  2 = Disagree  3 = Uncertain  4 = Agree  5 = Strongly Agree*

| Q1. | Lack of employee engagement is as a result of lack of competent people in the management in your company | (1), (2), (3), (4), (5) |
| Q2. | Lack of employee engagements affects your company’s strategy implementation | (1), (2), (3), (4), (5) |
| Q3. | Your organization does not allow employees to make inputs in decision making in the organization | (1), (2), (3), (4), (5) |
| Q4. | Lack of communication flow in your organization between top management and employees and amongst the employees themselves affects employee performance | (1), (2), (3), (4), (5) |
| Q5. | Lack of employee engagement lowers employee commitment | (1), (2), (3), (4), (5) |
| Q6. | Lack of employee engagement lowers employee competence | (1), (2), (3), (4), (5) |
| Q7. | Lack of employee engagement affects employee understanding of why the company is going in the current direction | (1), (2), (3), (4), (5) |
| Q8. | The skills and capabilities of employees cannot be fully utilized without such employees being engaged | (1), (2), (3), (4), (5) |
| Q9. | Lack of direction in the organization leads people to do their work according to their personal view thus compromise on the organization’s priorities | (1), (2), (3), (4), (5) |
| Q10. | Employee engagement impacts on employee performance | (1), (2), (3), (4), (5) |
Section 3: EMPLOYEE ENGAGEMENT STRATEGIES

Using a scale of 1 – 5, tick the appropriate answer from the alternatives provided for each of the questions.

**Scale: 1= Strongly Disagree  2 = Disagree  3 = Uncertain   4 = Agree  5 = Strongly Agree**

| Q11 | Employee empowerment helps employees to understand their roles in the company strategy and how their daily job contributes to it | (1), (2), (3), (4), (5) |
| Q12 | Employee empowerment helps employees to link their daily jobs to overall strategic objectives | (1), (2), (3), (4), (5) |
| Q13 | Employee engagement helps to ensure unified methods of work | (1), (2), (3), (4), (5) |
| Q14 | Employee engagement helps employees to know exactly how to work on their duties | (1), (2), (3), (4), (5) |
| Q15 | Effective employee communication helps employees to make decisions on their own | (1), (2), (3), (4), (5) |
| Q16 | Leadership is key to employee engagement | (1), (2), (3), (4), (5) |
| Q17 | Employees regard pay and other monetary rewards such as allowances as significant motivating factors | (1), (2), (3), (4), (5) |
| Q18 | Designing and implementing an effective employee engagement system is critical to employee performance | (1), (2), (3), (4), (5) |
**Section 4: CHALLENGES IN ENGAGING EMPLOYEES**

Using a scale of 1 – 5 tick the appropriate answer from the alternatives provided for each of the questions.

**Scale:** 1= Strongly Disagree 2 = Disagree 3 = Uncertain 4 = Agree 5 = Strongly Agree

<table>
<thead>
<tr>
<th>Question</th>
<th>Description</th>
<th>Score Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q19.</td>
<td>Lack of competent people at all levels (CEOs, middle-level managers, lower-level employees) is a challenge to employee engagement</td>
<td>(1), (2), (3), (4), (5)</td>
</tr>
<tr>
<td>Q20.</td>
<td>Lack of effective flow of communication in your organization between top management and employees is a challenge to employee engagement</td>
<td>(1), (2), (3), (4), (5)</td>
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<tr>
<td>Q21.</td>
<td>Lack of an effective organizational structure is a challenge to employee engagement</td>
<td>(1), (2), (3), (4), (5)</td>
</tr>
<tr>
<td>Q22.</td>
<td>Lack of effective administration systems is a challenge to employee engagement</td>
<td>(1), (2), (3), (4), (5)</td>
</tr>
<tr>
<td>Q23.</td>
<td>Lack of sufficient reward systems is a challenge to employee engagement</td>
<td>(1), (2), (3), (4), (5)</td>
</tr>
<tr>
<td>Q24.</td>
<td>Lack of dysfunctional internal management systems is a challenge to employee engagement</td>
<td>(1), (2), (3), (4), (5)</td>
</tr>
<tr>
<td>Q25.</td>
<td>Lack of direction in the organization leads people to do their work according to their personal view thus compromise on employee engagement</td>
<td>(1), (2), (3), (4), (5)</td>
</tr>
</tbody>
</table>