THE IMPACT OF EMPLOYEE ENGAGEMENT ON ORGANIZATION PERFORMANCE: A CASE OF PACT, NAIROBI

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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 Masters in Organizational Development (MOD)

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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: __________________________
Caroline Muthike (ID. No: 647023)

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

Signed: ____________________________ Date: __________________________
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Dean, Chandaria School of Business
ABSTRACT

The purpose of this study was to investigate the impact of employee engagement in Pact Kenya. The study will be guided by the following research questions: What are the effects of lack of employee engagement on organization performance at Pact? What engagement strategies exist for employees at Pact? What is the impact of engaging employees at Pact organization?

The research adopted a census descriptive design with a target population of all 28 employees of Pact organization. Questionnaires were used to collect data after which the data was analyzed using descriptive statistics to allow conclusions to be drawn. The research begun with a pilot survey this is because the researcher needed to establish whether the questionnaires that were 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.

The process of data collection was be enhanced by the use of a research assistant. Data coding was then done followed by data presentation via tables and, figures and graphs. In this study, a descriptive approach to data analysis was used to analyze data collected. Quantitative data collected was analyzed using SPSS software version 21 and presented through percentages, means, standard deviations and frequencies. Data was collected by use of likert scale questionnaire of 1-5 which was administered to the respondents through the drop and pick method.

From the findings on the study Pact as an organization has committed to ensuring employees are engaged through participation of all employees in the strategy formulation from all levels. From the study it was found that Pact has ensured that there is a clear link on what the employees do on a day to day basis with the organization’s strategy and overall goal. The study also shows that employee engagement has a positive impact on organization performance. Employees at Pact are involved in the decision making and this has attributed to more committed employees at the work place. Most of the employees alluded to the fact that they have all the tools and resources needed to work effectively
across department. The study also showed that employee skills and abilities cannot be fully utilized without involving employees in the organization. Pact has prioritized on communication flow in the organization through weekly webinars, brown bags in the afternoons and this has ensured a clear direction on the employees on what the organization strives to achieve in the long run.

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.

This research recommended that Pact should enhance and strengthen its engagement strategies to the employees through awareness creation so that as employees continue performing their daily functions they may feel proud of working in that particular organization and discharge their daily duties in the right manner. Further recommendation was that Pact should allow its employees to make inputs in decision making in the organization. Pact organization should enhance Effective employee communication, employee empowerment, effective strategy formulation and monetary rewards which encourage employees to carry out their duties effectively hence improving the performance of the organization at Pact
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. Zachary Mosoti for his 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.
DEDICATION

I dedicate this project report to God for giving me good health and support that facilitated my successful completion of the project.
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

According to Cook (2008), employee engagement is more of a psychological contract than a physical one. Employee engagement can be defined as the willingness of the employees to go the extra mile, believe in the organization and what it stands for in an effort to help the organization succeed. Engaged workers are occupied in, passionate about and committed to their jobs. According to Lazonick (2014), companies globally cannot find a match between their returns, productivity and employee engagement in the office. Therefore some of the leaders of these global companies try to align the organizations strategy with the talent strategy in the organizations.

According to Lazonick (2014), the organization is the group of people and the opportunities or challenges that come with administration of an organization. It mainly deals with people-related issues that arise inside the organization. Schwartz (2011) found that possessions generating exist within a group of people who work for a particular organization, furthermore it embraces all facets of their information skill and intellectual properties. It includes skills knowledge and effort of the workforce and their capacity to do jobs. For that reason it’s important to note that organization acquires human resources that is motivated to do the job.

Companies survive for the purpose of achieving their set goals, be it privately owned or government owned or nonprofit making organization. To meet its goals an organization pools together resources such as human resource, wealth, material and equipment and puts equipment systems in place (Khan, 1990).

Mann and Harter (2016) established that by linking workers, by having them participate in judgment making, by making the place of work more self-governing and by empowering workers, there are certain outcomes such as attitudes and efficiency thus leading to improvement. Kariuki & Makori (2015) found that employee engagement has positive approach apprehended by workers about their jobs as well as inspiration and effort they place into their jobs concluded that that engagement leads to optimistic members of staff which leads to better performance.
Members of staff engagement have been defined in the educational literature in two categories; individual engagement and work engagement (Khan, 1990). Individual engagement is the harnessing of organization members to their job roles. He further renowned that there are three emotional conditions connected with individual engagement; meaningfulness, safety and availability. According to Maslach, Schaufeli & Leiter (2001), occupation engagement can be described as a encouraging, rewarding, professional state of mind that is characterized by energy, commitment, and incorporation. This model considers engagement as a extremely significant variable for the association between organization environment and outcomes.

Employee engagement has potential to significantly affect employee retention, productivity and loyalty. It is also a key link to customer satisfaction, company reputation and overall shareholder value. As a result, many organizations share the belief that in an evolving international free-agent talent market where knowledge is becoming an organizational commodity (Kroth, 2009). Employee engagement is an undeniable dominant source of competitive advantage at all levels. An organization’s human resource is its best resource. Therefore, the maintenance of a workplace with a higher caliber of employees is the key to success and the way to set competitive advantage in the global scenario (Schwartz, 2011).

A global research that was conducted shows that actually less than half of employees who work globally (46%) support the organizations stand that they receive remuneration for what they actually do on a daily basis in the work place. This However was the same perception employees had the year before. The report also found that although there is a notable slight improvement on the organization commitment towards improving employee engagement, the overall net change in the average employee perception on engagement is negative. However, globally the perceptions about resources and practices that foster a general culture of employee engagement have fallen in the last year Hewitt (2015).

Mann & Harter (2016) have been tracking employee engagement since the year 2000 in their research further stated that only 13% of employees feel are engaged in their workplace, with the United States having only a percentage of 32% in the entire workforce. They based their ratings on top most important organizational factors that
predict high performance outcomes such as having an opportunity to do what they do best each day, having someone at work who encourages their development and believing their opinions count at work. According to Harter & Adkins (2015), employees who work for managers who do not consider employee engagement valuable are often miserable in the office and this go on all the way to their homes. This consequently leads to their overall well-being even out of the office environment getting affected.

In Africa, employee engagement has risen over the past years and stood at 67%. As at 2014, Hewitt (2015) investigated and found that this is attributed to the economic opportunities in the region. This has led to more engaged employees who have focused on innovation, leadership and communication. This report further states that in Sub Sahara Africa though the trend is worrying as the proportion of employee engagement has been falling. According to Abbott (2014), in Africa the proportion of disengaged employees is similar to that of engaged employees for all professional employees working in organizations and those who have attained higher levels of education. The author further states that the reverse is true with the number of disengaged employees outnumbering the number of engaged employees for those with lower levels of education.

According to Deloitte Consulting (2014), a study that was conducted in Africa on employee engagement and retention 85% of the respondents indicated that this was a matter that needs to be dealt with urgency while 29% were simply not ready to face the issue. 63% of the respondents from South Africa rated employee engagement as the second most important challenge for South Africa. To attract the best employees, companies must research the market in their area as well as their industry to ensure that their total rewards package (salaries and benefits) is in line with their talent strategy.

A study that was conducted in Kenya by Mokaya & Kipyegon (2014) shows employee engagement is found to be higher in double-digit growth companies. This study that was conducted among banks in Kenya, further revealed that there a significant relationship between performance management system and employee engagement and that workplace recreation does not significantly influence employee engagement.

Companies exist for the purpose of gathering a set of goals, be it individual owned or government owned or nonprofit making organizations. Individual organizations for
example try to add value to their clients and make earnings for the shareholders. To achieve goals companies pool together resources, investment, human resource and puts system in place to organize resources (Stringer, 2010).

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

Over an earlier period of years members of staff engagement have been focused on human resource administration. It’s understood to take in the bodily, mental emotional aspects of human resource and brings previous considered concepts of staff dedication. Having emerged in to prospect of human resource administration recently not many studies have been done on conception of member of staff engagement. However the idea has become trendy today and more resonated with employers. Before the 1980”s workers were expected to be devoted to the organization in substitute for a life span employment. In 1980s this started to adjust with organizations realizing that they desired to be more inventive and flexible in empowerment of employees due to more than greater before global opposition (Wildermuth, 2008).

Price (2011) found that by relating workers, by having them contribute in resolution making, by making the place of work more self-governing and by empowering employees, there are positive outcomes such as attitudes and efficiency that get better. He found that members of staff engagement refers to positive way of thinking held by workers about their jobs and also inspiration and effort they put into their jobs and also found that engagement leads to great performance in the organization.
1.2 Statement of the Problem
Employee engagement is the key focus of both business entrepreneurs and academic researchers and is a blistering issue of modern business environment. A critical role of any organization is to provide an environment that boosts the potential of individual employees. Without understanding this, it is impossible for managers to formulate effective organizational strategies. A study by Juan (2010) indicates that the employee engagement has not been effectively managed in many organizations and firms lose between 5%-15% of sales revenue as a result of lack of attention to employee engagement. This suggests that formal employee engagement management systems are important tools contributing to the performance and growth of organizations.

Every organization wants to gain competitive advantage and employee engagement is the best tool for achieving it. In fact, employee engagement is considered to be the most powerful factor to measure a company’s vigor and orientation towards superior performance. Most organizations now tend to focus exclusively on measuring engagement rather than on improving engagement, they often fail to make necessary changes that will engage employees or meet employees' workplace needs. These flawed approaches pose significant barriers to improving engagement, increasing performance, promoting manager development and achieving lasting change. The result is that these companies make false promises to employees, pledging change through intensive communication campaigns but providing little actual follow-through.

Most of the research that has been conducted on the subject matter in relation to non-governmental organizations in Kenya is very limited. Most of the studies have focused on corporations and universities which have different structures and objectives. In order to create an environment for employee engagement, it is vitally important to be aware of the determinant factors. The study sought to assess the impact of employee engagement in organization performance specifically non-governmental organizations operating in Kenya.

1.3 Purpose of the Study
The purpose of this research was to establish the influence of employees’ engagement on organization performance at Pact organization.
1.4 Research Questions

1.4.1 Does employee engagement have a positive impact on the organization performance in Pact?

1.4.2 What are the effects of lack of employee engagement on organization performance in Pact?

1.4.3 Does Pact have any employee engagement strategies for staff?

1.5 Importance /Significance of Study

This research will help the following people: Pact employees, on governmental organizations, academicians and researchers

1.5.1 Pact employees in Kenya

This Research will enable Pact employees in Kenya to explain the possible problems in the organization that arise as a result of lack of employee engagement and possibly find a long term solution to these problems.

1.5.2 Other Local Non-governmental Organizations

This researcher will uncover out how employee engagement can be well thought out and monitored and thus these findings will be of great value to other organizations as it will help them establish their level of employee engagement and take actions

1.5.3 Academicians and Researchers

The research will be supportive to researchers who may want to accomplish additional research on issues associated to employee engagement in nongovernmental organizations in Kenya. This is for the reason that this research brings out the variety of challenges being experienced by workers and strategies accessible to boost employee engagement in the organization.

1.6 Scope of the Study

The scope of this research was only limited to Pact organization in Kenya. The respondents included management, middle level management and low level management
staff who provided pertinent information about the research problem. This is intended to ensure resources are available and close supervision to guarantee quality information. The data was collected between the months of May 2016 and September 2016.

1.7 Definition of Terms

1.7.1 Workers Engagement

Workers engagement is a heightened emotional and intellectual connection that an employee has for his or her job, organization, manager or co-workers that in turn influences him or her to apply discretionary effort to his or her work (Gibbons, 2006).

1.7.2 Career Development

This is a formal, organized, planned effort to achieve a balance between individual career needs and organizational workforce requirements (Bernardin, 2010).

1.7.3 Competitive Advantage

This is the advantage that a firm has over its competitors and occurs when an organization acquires or develops an attribute or combination of attributes that allows it to outperform its competitors. It is value that an organization is able to create for its customers that exceeds the cost of creating this same value (Porter, 2008).

1.7.4 Employee Well being

It is a multi-dimensional aspect that involves the physical, mental and the social health of the employee. It requires organizations to actively assisting the employees to maximize their physical and mental health (CIPD, 2006).

1.8 Chapter Summary

This chapter introduced the focal point of this study which is the impact of employees’ engagement on organization performance case study of pact organization in Kenya. The chapter also gave the background of the study and identified research problem as well as knowledge gap for the research. The chapter also looked at the specific research questions that guided the research. This research also identified the rationale of the study and the scope which is limited to five non-governmental organizations in Kenya. Definitions of
terms used in the research have been included and the importance of the study has also been addressed. Chapter two explained past literature on the study and used the research questions as the structure for this review. Chapter three described the research style that was adopted for the study. Chapter four addressed the conclusion of the data that had been collected based on the research questions. Chapter five then summarized the various conclusions of the research according to the research questions and presented the major conclusions.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

The literature review was guided by three research questions: Whether employee engagement has a positive impact on the organization performance in Pact. What effects employee engagement has on organization performance in Pact, Whether Pact has any employee engagement strategies for staff. The review will assist in giving correct variables and the right measurement of the results of the research finding and conclusions.

2.2 Employee Engagement Impact on the Organization Performance

Every organization desires to achieve competitive advantages more than others and employee engagement is the best instrument for it. In fact, employee engagement is well thought-out to be the most powerful factor to determine Company’s strength (Burtis, 2010). Kahn (1990) defined employee engagement as “the harnessing of organization members’ selves to their job roles; in engagement people utilize and articulate themselves physically cognitively and expressively during role performances.

According to Kahn (1990), there are three emotional engagement conditions required for a worker to be correctly engaged: meaningfulness, safety, and ease of use. It was found that engagement is the correct people in right roles with right managers who drive employee engagement. This has been described as causing an overnight feeling amongst business people (Shuck, 2010).

Hewitt (2004) identified employee engagement as the situation in which individuals are psychologically and rationally committed to the organization or group as considered by three primary behaviors: say, strive and stay. This is explained as that the engaged employee will say positively about the organization to his fellow employees and the potential employees of the company; he will be eager and has a intense desire to work in the organization in spite of various opportunities available to him; the employee exerts the effort and exhibits behaviors that contribute to business success.
2.2.1 Employee Engagement Strategies

According to Fleming (2007), a totally busy worker is mentally and expressively bound with the organization, and gives 100 percent, feels overpoweringly about organizational goals and is dedicated to live by its principles. Academicians’ depicted concentration in the concept to a larger extent only from 2006. The workers go beyond the basic job accountability to delight the clients and take the business further. Research shows that engaged workers execute their mandate better, put in extra efforts to help get the job completed, show a strong level of dedication to the organization, and are more motivated and optimistic about their work goals. Various studies advocate that the existence of advanced levels of workforce engagement extensively reduces turnover intention (Maslach et al., 2001).

According to Saks (2006), the environment of workers engagement is comprised of job characteristics, apparent organizational support, noticeable supervisor support, rewards and appreciation, practical justice and distributive fairness. And the penalty of engagement was job satisfaction, organizational declaration, intention to quit and organizational citizenship behavior. Fleming (2007) found that employee engagement is the capacity to impound heads, hearts, and souls of your workers to motivate an built in longing and enthusiasm for fitness.

Studies by McCashland (1999) proved that employee engagement is something that is produced by aspects in the workplace. According to Ryan (1987) management which embraces a compassionate functioning environment normally displays apprehension for employees’ requirements and thoughts, provides positive opinion and encourages them to voice their concerns, develops new skills and work out work correlated problems.

According to Robinson (2006) employee engagement can be achieved through the creation of an organizational environment where positive emotions such as involvement and pride are encouraged, resulting in improved organizational performance, lower employee turnover and better health. Leadership was the subsequent main issue
acknowledged to be a essential factor in employee engagement. Successful leadership is a higher order multidimensional construct comprising of self-awareness unbiased dispensation on information, relational transparency and internalized ethical principles (Gardner, 2005).

Research by Welbourne (2007) indicates that workers engagement occurs naturally when leaders are stimulating. Workforce feel occupied when their work is considered significant and important. The duty of leadership is therefore to guarantee that workers see how their specific jobs contribute to the generally business achievement. Authentic and supportive leadership is theorized to impact workers of followers in the sense of growing their participation, fulfillment and enthusiasm for jobs (Schneider, 2009). The leadership factor comprised indicators on effective leadership and perceived administrator support.

2.2.2 Employee Empowerment

May (2004) established that associations in workplace had an impact on meaningfulness, and relates to engagement. Thus if the members of staff are having excellent relationship with their colleagues, work engagement is expected to be elevated. Torrington (2005) found that the needs of individuals hold and argued that persons who have satisfying interpersonal interactions with their coworkers also should practice greater significance in their work.

Team and Co-worker association show openly the interpersonal agreement aspect of employee engagement. Kahn (1990) found that accepting and trusting interpersonal relationships as well as encouraging team to enhance workers engagement. Organizational workers felt secure in job environments that were featured by honesty and supportiveness. In a supportive environment the organization should try to support members to try and try out new things and even not succeed without fear of the consequences (Kahn, 1990).

Training and Career Development is an extra significant element which is to be considered in the process of empowering workers that enables the workers in concentrating on focused work element. According to Schultz (2008), training and
development is a significant characteristic for enhancing workers engagement. Training enhances service correctness and in that way improves service performance and workers engagement. When employee undergo training and learning development programs their assurance develops on the area of training that motivates him to be more engaged in activities(keaveney,1995).

Remuneration is a very vital characteristic to employee engagement that motivates workers and enables them to attain more in their work place and hence focus more on personal development. It involves both monetary and non-financial rewards. Compensation is most remarkably delivered through a grouping of pay, bonuses and other monetary rewards and also through nonfinancial rewards like extra holiday, voucher scheme (Saks, 2006). Appreciation and rewards are important qualifications of employee engagement. When workers receive rewards and recognition from their organization they will feel grateful to respond with higher levels of engagement. Kahn (1990) established that people differ in their engagement as a function of their perception of the remuneration they obtain from a position.

Organizational policies, procedures, structures and systems make a decision to the extent to which workers are empowered in an organization. Most researchers found that congenial organizational policies and procedures are tremendously significant for workers engagement and the final accomplishment of the business goals. Significant policies and procedures include fair staffing and selection and flexible occupation life practices. Study by Schneider (2009) indicated that the employment policy of an organization shows certain messages that attract future employees’ engagement and commitment.

According to Richman (2008), an organization’s elastic work-life policies have a significant positive impact on workers engagement. Chetty (2010) found the importance of organizational policies and measures that best supports them in balancing their work and home environments are more likely to have engaged workers. To have higher level of engagement, organization should also go after policies which provide elastic work
arrangements. Workplace well-being is one more important measure that enhances employee empowerment.

Gallup global data propose that there is no metric that captures more variation in human conduct than interests. When defined as all the belongings that are significant to how we think about and familiarize our lives, wellbeing becomes the most important gauge for gauging the manipulation of organization on employees. Workers performance is all about results of the workers which may be monetary or non-monetary. However all measures will be ultimately connected to the achievement of the organization through the workers. Studies show that a significant way to improve the workers performance is to focus on fostering workers engagement as a driver of amplified organization performance (Christian, 2011).

According to Pearce and Robinson (2007), meaning at work has the potential to be valuable way of bringing employers and employees closer together to the benefit of both where employees experience a sense of community, the space to be themselves and the opportunity to make a contribution, they find meaning. Employees want to work in the organizations in which they find meaning at work.

Slocum (2004) found that organizations have also come up with a new model they called “Hierarchy of engagement” which resembles Maslow’s need hierarchy model. In the bottom line there are basic needs of pay and benefits. Once an employee satisfied these needs, then the employee looks to development opportunities, the possibility for promotion and then leadership style will be introduced to the mix in the model. Finally, when all the above cited lower level aspirations have been satisfied the employee looks to an alignment of value-meaning, which is displayed by a true sense of connection, a common purpose and a shared sense of meaning at work.

2.3 Effects of Lack of Employee Engagement on Organization Performance
Armstrong (2009) found that achievement of any firm can be well determined with regards to how it makes efficient use of its possessions so as to attain preferred results. He
also found that human beings unlike other resource related to the organization have different needs. This means for that reason that the administration of any firm has a duty of recognizing such requirements and pleasing them as well as increasing human resource management systems

Armstrong (2009) further found that if the firm wants to stay competitive, it is very important to repeatedly develop the performance of these workers. This can only be enhanced by making sure that workers are highly motivated and the greatest way to do so is by workers engagement. This will help the firms because it will not only boost labor cost per unit but also attract and retain quality of workforce at all levels. This is indeed the reason why there is the prospective advantage in researching the efficiency of the compensation systems on performance of workers in a firm (Armstrong, 2009)

2.3.1 Reduced Employee Commitment

Stringer (2010), found out that workers commitment is not just a individuality attribute but a feature that can be tactically subjective. As such most workers are involved in their daily activities as they mind about it and have a longing to achieve their assigned tasks in the ideal way. Firms consequently require dedicated workers so as to be able to successfully dedicated workers to implement strategies. Stringer (2010) found that committed workers are more likely to give clients improved results, service and are willing to take time to solve difficult tasks.

Ryan (2007), found that workers who have reported that their talents and abilities are only being utilized to a 48% degree. In his view therefore selected have the ability of obtaining the remaining 52% by achieving a buy in from the workers. Leaders must let their workers distinguish how they will gain from the vision (Dimatteo, 2006). Many leaders take for granted that their workers are committed with the organization objectives. However Ryan (2007) found that this cannot be unspecified and by only communicating the strategy and make use of their best capabilities to carry them out.
Sterling (2013) found that attributes of the failure of some strategies to be deficient in of enough buy in among those who implement them. Guffey (2002) recognized a strong relationship connecting buy-in and workers support of the organization's strategic plan. These conclusions are also recognized by Hrebiniak (2006) who recognized inability to generate buy in as an obstruction to workers engagement. According to Galpin (1998), the disparity between successful and ineffective firm is the way management motivates and educates its workers to act. This is for the reason that there is tough connection among buy in and inspiration.

2.3.2 Lack of Employee Engagement Lowers Employee Competence

Many firms are indeed culpable of ignoring workers ‘competence. According to Charan (2010), majority managers fail to notice this significant features as they are too busy thinking of others supporting features like how to raise salaries and thus company development dealing with environment dynamics and other issues. This consequently means that little attention is given to workers capability. Capability can be defined as the normal or quality of the result of the employee competence (Rutherford, 1995).

According to Charan (2010), competency has additional knowledge and skills. This is because it involves capability to congregate multifaceted anxiety by drawing on and ensuring psychosocial possessions together with skills and possessions together with skills and altitudes in a particular context. If organizations have to be victorious they have to make sure that they have correct people for employment. This is mainly a consequence of their judgements, experience and therefore these aspects go a long approach in driving the organization performance (Bossidy, Charan & Burck, 2002). With no competencies either on top or bottom of the organization structure even the finest plan with the best environmental factors will have incomplete chances of achievement.

Michlitsch (2010) found that if workers lack the needed competencies or experience to enable them correctly carry out a company policy they then have a room for achievement. In this regard maintaining competencies within the organization do have an important role in flourishing worker engagement strategies. As such, organizations need to bring on
board through hiring and maintaining only experienced and competent employees. Organizations also need to increase competencies for current workers through improvement programs such as training and development (Michlitsch, 2010).

The deficiency of competencies is not exclusively attributable to lower level managers or workers. This is because even chief executive officers may not be suitable to perform a new plan (Hungler, 2007). He further found out that, career cycle of such executives has an upturned or unhelpful relationship connecting their term and firms financial performance. The recent studies concur with findings of these studies; on the other hand these studies seem not to recognize the specific skills and capabilities that are necessary to implement plan. Further a lot of center of attention is only on higher management skills such as management and exact management skills that are required to bring into line people and culture to carry out strategy.

Hrebiniak (2006) found that firms with developed capabilities or competencies are reliable with preferred plan would do better as compared to those organizations that are so far to achieve this fit connecting strategies and capabilities. Harrington (2006) additionally found that a superior level of the entire organizations participation throughout employee engagement practice had positive effects on the level of accomplishment victory, the organizations profits and overall accomplishment of the association. Hungler (2007) found that the required competencies of executives officers depend on the preferred planned course of the firm and competencies must match selected strategy. Taking into the thought the above mentioned argument it’s projected that deficiency of competent workers leads to short of workers engagement.

According to Megginson (2006), 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 further found that the human resource purpose should be considered in a manner that makes it not only part of the whole organization anatomy but also as a
strategic business partner. This will allow it to receive part together strategy formulation and implementation.

Career development enhances engagement for workers and retaining the most talented workers and provides opportunities for personal development. Workers need to feel that the central part principles for which their organizations stand are explicit and clear. Upward mobility of employees can be improved through training of employees. There are two widely articulated, but wholly divergent, perspective on the connection training interventions and employee turnover (Torrington, 2005). On the one hand he found that training opportunities improves commitment to a boss on the part of person employees, making them less likely to go away willingly than they would if no training were provided. The alternative view holds that training makes people to be employed and hence more likely to leave in order to develop their careers elsewhere. The view is thus put that money spent on training is money shattered because it ultimately benefits other employers.

Victorious firms illustrate admiration for each other workers employee’s character and involvement in spite of their job rank. A company’s ethical standards also lead to engagement of an individual (Russo, 2010). Workers want to be concerned in decisions that influence their jobs. Leaders of elevated engagement workplaces generate a trustful and demanding surrounding, in which workers are confident to disagree from the current convention and to input and innovate to move the firm onward. Employees are prepared to support the products and services which their company provides its clients depend largely on their perception of the superiority of those commodities and services. High levels of workers commitment are inextricably connected with high levels of client engagement (Ryan, 1987).

The member of staff commitment levels would be high if their superiors make available equivalent opportunity for growth and development to all the workers. Evaluation of a workers performance is a vital decisive factor for determining the level of employee engagement. The organization that observes an suitable performance appraisal technique
has will high levels of workers engagement. There should be both effective communications with the use of suitable communication channel in the firm. If a workers given a say in the decision making and has the right to be heard by his employer, if all this is observed then the engagement levels are likely to be high (Mary, 2011).

The connection linking leadership activities and job satisfaction has established a great deal of awareness in past studies. Robbins (2007) further found that there is a positive connection between management activities and job satisfaction. Stamps (1997) established that leadership behavior has a affirmative connection with job satisfaction at the same time initiating structure leadership behavior has a unhelpful relationship with job satisfaction while others found no relationship among the two variables.

There is some debate in the retention literature about the extent to which raising pay levels reduces staff turnover. On the one hand there is evidence to show that, on average, employers who offer the most attractive reward packages have lower attrition rates than those who pay poorly. The consensus among researchers specializing in engagement and retention issues is that pay has a role to play as a satisfier, but that will not usually have an effect when other factors are pushing an individual towards quitting. Raising pay levels may result in greater job satisfaction where people are already happy with their jobs. Remuneration therefore, must be complemented by other factors to improve employee engagement (Wildermuth, 2008).

In addition, the company should have a proper pay system so that the employees are motivated to work in the organization. In order to boost his engagement levels the employees should also be provided with certain benefits and compensations. Research indicates that the engagement levels are low if the employee does not feel secure while working. For some years research evidence has strongly suggested that employers benefit from ensuring that potential employees gain a ‘realistic job preview’ before they take up a job offer (Ingham, 2010).
Kee (2003) further explains that the purpose is to make sure that new staff enter an organization with their eyes wide open and do not find that the job fails to meet their expectations. A major cause of job dissatisfaction, and hence of high staff turnover, is the experience of having one’s high hopes of new employment dashed by the realization that it is not going to be as enjoyable or stimulating as anticipated. Therefore it is very essential for an organization to see to it that the job given to the employee matches his career goals which will make him enjoy his work and he would ultimately be satisfied with his job. The company should follow the open door policy (Michlitsch, 2000).

Stringer (2010) found that a person’s family life influences his work life. When an employee realizes that the organization is considering his family’s benefits also, he will have an emotional attachment with the organization which leads to engagement. Understanding employees and offering them the opportunity to stay with their family increases levels of engagement. For example, provision of leave to enable an employee join his family for a holiday is likely to result to higher commitment by the employee.

Confidence is the conviction or self-assurance in a person or company’s integrity, fairness and reliability (Stamps, 1997). Confidence is therefore a positive expectation that another will not through words, actions, or decisions act opportunistically. The key dimensions underlining hope are honesty, proficiency, reliability, devotion and sincerity. Truthfulness and reliability are in the midst of the six personality institute to be time after time connected with management (Robbins, 2007).

In a learning of remote employees and their differences from non-remote employees, proof indicates that interpersonal trust of the workforce and their bosses was found to be strongly (Staples, 2001). The findings were alike for both isolated and non-remote employees. Attractive findings concerning trust were conducted in downsizings of organizations that enlighten this dangerous issue. Stamps (1997), found that trust is the assurance or self-assurance in somebody or company honesty, equality and reliability. They found that individuals with high levels of trust had considerably higher job
satisfaction. Respondents with high trust levels felt they worked under less anxiety and felt less anxious and nervous than did the respondents with lesser trust levels.

Melcrum (2005) found that defined differently, key driver’s mean that levers that can be pulled to maximize the impact on engagement. These levers or key drivers are seen as significant to employee engagement. Shaw (2005) found that there is a science to engagement. He further states that to be truly effective, companies need to balance their efforts according to their desired outcomes and focus their resources on improving engagement in areas that will provide the highest performance and returns. Organizations drive engagement by proactively leveraging three sources of influence for change employees, leaders, and organizational systems and strategies. These three drivers are concerned in building an enabling environment for employee engagement. Although engagement has multiple drivers, the ultimate ownership of engagement rests within the individual employee.

Organizations hoping to drive engagement must tap into employees ‘passion, commitment, and identification with the organization. This is accomplished by having the right employees working in the right jobs, which is the first engagement driver. When we say the “right” employees we mean that individuals have the skills to do the job can do and that their jobs tap into their personal motivators (Ingham, 2010).

Organizations can ensure high job fit by effectively deploying employees’ talents when making selection, placement, and promotion decisions. Research has repeatedly shown that when job fit is high; an employee performs better and is more likely to stay with the organization. In addition to having a motivational match, some employees are more likely than others to be inherently engaged in their work. This has implications for driving engagement levels because organizations can benefit from hiring employees with a greater tendency for engagement before they even begin to work (Hungler, 2007). Thomas (2004) states that management needs to demonstrably value employee feedback. Actual dialogue is essential; communicating openly, honestly and frequently will build employee engagement only if it goes both ways.
Thomas (2004) further suggests that leaders in an organization should build a sense of purpose with all employees. The organizational structure and reporting roles need to reinforce openness and dialogue with easy access to tools and forums where employees are listened to without fear of reprisal. Employees that step tentatively into this dialogue for the first time need to be rewarded with action by management, respect for their input as well as with follow-up in each and every moment. According to Kaplan & Norton (2008) things may not necessarily change because of every employee’s suggestions but their comments need to be treated fairly and consistently throughout the organization. Several studies confirm that recognition and respect are more motivating than money.

According to the Coffman (1999), an organization’s reputation and branding are a critical success factor in building an employee engagement culture. Organizational reputation is achieved by how the company builds relationship both with internal and external stakeholders, including business success. Gallup (2003) stated that leadership actions and behavior are catalytic to the organization’s reputation and that financial prosperity is not the only measure of success. Levin (2005) established that company branding can only be achieved through employees who are engaged. The research further states that branding does not only entail the “look and feel” perspective, but also the customer’s psychological and emotional connection to the company which can only be achieved through highly engaged employees who live the brands of the organization.

It is common knowledge that leaders shape and change culture in organizations. This they do by “walking the talk”, demonstrating what is important to them and therefore to the company. Also through rewards, modeling behavior and measurement on continuous basis managers can change the organizational culture and put remedial action in place where necessary. All the mentioned dimensions cumulatively become building blocks towards creating a culture of engagement because employees will identify with correct organizational behaviors which are supported by leadership and management, organizational values, vision and mission, human resource policy and so forth to catapult the company’s success through highly engaged and performing employees (Kee, 2003).
Studies by Gallup (2003) suggested that the supervision styles used by managers influence the level of employee engagement. After 30 years of research, the Gallup Institute (2003) has determined that there are five essential skills that leaders need to have if they are going to succeed in increasing employee engagement. These include building trust, mentoring, inclusion, alignment, and team development. An organization’s leadership sets the tone for the entire atmosphere of the company. Therefore, companies capable of building strong relationships between the leadership and employees will be able to create a supportive people culture, which in turn, will drive higher levels of engagement.

Levin (2005) stated that integrated corporate culture and employee engagement is key to organizational success. They argue that research has shown that the more engaged the workforce, the more innovative, productive and profitable the company. Although employee engagement surveys have become increasingly popular, such surveys fail to inform what specific actions are needed to get people more engaged.

Armstrong (2009) stated that all of these skills are dependent on each other, i.e. one has to build trust before one can be effective at mentoring, and mentoring is crucial to be successful at inclusion and alignment. It is no secret that the organization’s culture drives its performance. Successful cultures, however, do not just spring up by themselves. Melcrum (2005) stated that corporate culture is developed by its leaders either when the organization starts up or reinvented via a change in strategy.

Kyarimpa (1996) stated that in the face of intense competition and shareholder pressure for high returns, in order to ameliorate the existing revenue pressures most companies resort to easy, short-sighted, knee-jerk reaction type of response and thousands of employees, in particular low level employees lose their jobs in the hope that costs will be minimized and profits maximized. Needless to say, the psychological damage that retrenchments and downsizing cause to surviving employees is too ghastly to contemplate. This is due to the negative impact of retrenchments and downsizing, business leaders must acknowledge.
According to Meyer (2000), when downsizing, organizations do not accomplish the desired improvements, but instead experience an escalation in negative consequences. These include negative effects on the “survivor’s” morale, productivity and overall commitment to the organization. He goes on to say that researchers report such downsizing effects as: feelings of job insecurity, anger, job stress, decreased loyalty and organizational commitment, lowered motivation and productivity, and increased resistance to change. Survivors also suffer from a common set of symptoms, which include guilt, anxiety, fear, insecurity, anger and in more severe cases, even depression (Meyer, 2000).

According to Buchholtz (2011) it is therefore obvious that retrenchment and/or downsizing have a negative effect on employee engagement, because as stated before, the elements that are needed to create engaged employees are the ones that are adversely affected by the retrenchment of their colleagues. In reality, however, business cannot shy away from retrenchments and downsizing, especially if such interventions are part of the company’s integrated business strategy. However, to minimize the psychological damage on employees such as loss of long standing relationships, loss of coaches, mentors and friends; feelings of uncertainty about the future, disengagement and high stress levels due to amplified responsibilities, proper management processes need to be in place before and after retrenchments in order to ameliorate the situation (Shaw, 2005).

2.4 Employee Engagement Strategies for Staff

The description for workers engagement as provided by Gallup organization is the contribution with enthusiasm for jobs. Dimatteo (2006) found that workers engagement to commitment of employees and a positive employee’s emotional attachment. Studies have demonstrated that the top drivers of employee engagement include management interest in the wellbeing of the employees, communication between management and employees, and provision of opportunities for the plans career and skills growth. The next subsection offers member of staff engagement plans.
2.4.1 Employee Empowerment

Slocum (2004) established that workers empowerment revolves around giving employees authority, skill, and self-control to perform their duties. Pearce and Robinson (2007) found that empowerment is the act of allowing an individual or team the right and flexibility to make decisions and initiate actions. Burtis (2010) established that empowerment is a procedure of decentralizing resolution creation in an organization where managers give more self-support to low level and front procession workers.

Lincoln (2012) established that empowerment is the use of certain techniques to transform those without power to equitable positions. In this regard it’s clear that the concept of empowerment is the practice of giving. In this regard therefore it’s clear that the concept of empowerment is the practice of giving employees the authority to make decision that enhances the process as perceived by the employees without referring to their superiors.

Workers empowerment has very strong connection with workers ability to implement ability (Argyris, 1998). The skills and capabilities of workers cannot be fully utilized without workers bring empowered. Hrebiniak (2006) found that implementation of decisions may take too long to be executed. Therefore when decision takes too long to be executed it’s a sign of lack of empowerment because workers do not have powers to make their own decisions. It’s therefore an essential strategy implementation since decisions take too long to be executed and its therefore a sign of lack of empowerment because workers do not have power to make their own decisions. Workers empowerment is therefore an important strategy execution since decisions about certain people are better left to people directly working for them.

2.4.2 Employee Communication

Communication is an important strategy as far as workers engagement is concerned. Effective communication is the strategy that has strong impact on performance of the organization (Beer, 2010). He further found that well conceived strategy and communicated to the organization equals a well-executed strategy. The knowledge of strategy and understanding it are two different concepts. As such for strategy to be successfully executed these two concepts have to be integrated.
The knowledge of strategy and understanding it are two different concepts. As such for a strategy to be successfully executed these two concepts have to be integrated. Kaplan (2008) found that problems in organizations in United States revealed that in the great majority of surveyed companies not more than ten percent of workers understood their companies’ strategy. Other research studies have revealed that less than five percent of the employees typically understand their organization strategy. Hrebiniak (2006) stated that many companies’ employees were not aware of their companies’ strategy.

Raps (2005) indicated that one of the reasons why strategy implementation process frequently leads to very challenging and complex problems or even fails is the vagueness of the assignment of responsibilities. Michlitsch (2000) found the need for people to know clearly what they are supposed to do if the company wants to succeed. Lack of direction in organization leads people to do their work according to their personal view of what tasks should be done how and what order.

### 2.4.3 Effective Leadership

Kyarimpa (1996) established that efficient management is vital to victorious workers engagement. This is vital, particularly in developing countries where majority of the firms lack effective leadership (Harrington, 2006). Such firms’ emphasis is placed on shorter term frames, strong focus on command, control and predictability with little emphasis placed on employees’ empowerment an motivation. Lewin (2003) found out that management and leadership are two different things which are required for better employee engagement. He further found out that people are tired of managers who are no leaders and vice versa. Contemporary management thinking suggests that managers do things right while leaders do the right things. He observed that managers combine human and other possessions to realize goals.

A strong sense of purpose is normally purpose of discretion of true leadership such that it plays an important role in influencing creative energies of all people in business (Schultz, 2008). Leadership is a key ingredient to making strategic change and effective and lasting decisions (Daft, 2005). According to Daft (2005) one major challenge facing leaders today is changing business environment that demands a paradigm of leadership to evolve to a
new mindset that relies on human skills, integrity and team work. Schultz (2008) found out that the advantage and moral value of a benevolent approach to treating employees’ especially lower echelons as human beings and respecting human dignity in all forms leads to motivated work force.

Megginson (2006) found that there is a distinction between administration and leadership. According to him, leading is an essential part of managing but not the whole of it, as much of it is the inability of leading. Management requires the use of leadership and includes other functions such as planning, organizing, staffing and controlling. Therefore it is important for strategic leaders to scrutinize past event and understand what this might mean in future.

The present big business surroundings is really varying quickly and as such it is becoming increasingly complex (Chetty, 2010). It is for that reason that there is need to have a visionary leadership in place which is willing to learn experiment and influence organization change (Meyer, 2000). In this view then leadership can be defined in two ways first leadership that knows what to be done and secondly leadership that influences others to cooperate in doing it. Harrison (2003) found that strategic leadership is the leadership associated with creating organization vision. He also found out that strategic leaders should establish core values, administration organization and serve as a steward in the organization.

2.4.4 Employee Training, Development and Mentoring

Baron (2010) found that workers have to be aligned to the organization and leaders must appreciate the truth from employees in a very possible way. Burtis (2010) found that mentoring is a process of giving direction to workers through constant guidance and action to be taken. Baron (2010) found that training involves exposing employees to expert coaching by a specialist in order to learn new skills, and this will involve the firm in allowing their workers to undertake courses which help to progress in their careers.

Market trends are continually varying plus the surroundings, workers have to be strategically positioned to respond to these changes effectively. (Dess, 2000). It’s therefore important that leaders strategically place themselves in a competitive position by
investing in human resource and human capital. This can be achieved by exposing employees to training, constant guidance through mentoring and development. Training is conducted by consultants who have knowledge and experience in the field of training. Employees gain skills on proper handling of customers and gain of performing their jobs.

An example is whereby the organization employees are trained on how to handle customers better. 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 (Torrington, 2005).

2.5 Chapter Summary

This section presented a review of past studies and was guided by three objectives: What are the effects of lack of employee engagement on organization performance at pact organization? What engagement strategies exist for employees at pact organization? What engagement strategies exist in engaging employees at pact organization? The review assisted in giving correct variables and the right measurement of the results of the research finding and conclusions. Chapter three dealt with the research methodology that was applied in the study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter will provide analysis of research method used in this research. It also includes population, sampling design, data collection methods, data analysis and data presentation techniques used in this study. It also provides information on how the researcher obtained data from respondents.

3.2 Research Design

According to Kothari (2004) a research design stands for advance planning of the methods to be adopted for collecting the relevant data and the techniques to be used in their analysis. Orodho (2004) & Kothari (2004) described a research design as a design that seeks to portray accurately the characteristics of a particular individual, situation or a group. This research used a correlational research design which aims to systematically investigate and explain the nature of the relationship between variables in the real world. Correlational research studies go beyond simply describing what exists and are concerned with systematically investigating relationships between two or more variables of interest (Porter, 2009). The researcher deemed the correlational research design as appropriate for the study because the study was concerned with finding answers to a key question of organization performance, the impact of employee engagement on organization performance, effects of lack of employee engagements and employee engagement strategies employed by Pact.

3.3 Population and Sampling Design

3.3.1 Population

Population refers to total collection of elements on which the researcher wants to make inferences (Saunders, 2009). The target population was 28 employees of Pact. These comprised of sixteen staff members who came from lower management, four staff from middle management and eight staff from top management within the organization.
Table 3.1: Population Size (Pact)

<table>
<thead>
<tr>
<th>Position</th>
<th>Population Size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>8</td>
<td>28.5%</td>
</tr>
<tr>
<td>Middle level management</td>
<td>4</td>
<td>14.42%</td>
</tr>
<tr>
<td>Low level management</td>
<td>16</td>
<td>57.22%</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Pact (2016)

3.3.2 Sampling Design

Sampling is the process of selecting a sufficient number of elements from the population so that by studying the sample, and understanding the properties or the characteristics to the population elements. According to Cooper (2001), sampling is the process of selecting a number of individuals for a study in such a way that the individual represent larger group from which they are selected. The major criterion that is used when deciding on the sample size is the extent to which the sample size represents the population.

3.3.2.1 Sampling Frame

According to Mugenda (2003) a sampling frame is a set of information used to identify a sample population for statistical treatment. Therefore a sampling frame includes numerical identifier for each individual plus other identifying information about feature of an individual to aid in analysis and allow for division into further frames. Kothari (2004) stated that sampling frame must be representative of the population and this is a question outside the scope theory demanding the judgement expert in particular subject. A sample frame includes all individual in target population excludes all individuals in target population and includes accurate. The sampling frame for this study consisted of a list of all employees that worked at Pact Nairobi and it was obtained from the Human Resources department.
3.3.2.2 Sampling Technique

Cooper (2001) found that sampling technique involves the division of population into smaller groups called 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 28 the employees at the Pact organizations. A Census was carried out because the whole population of employees at this organization is manageable. It included employees working in various departments of the organization who play a role related to functional areas.

3.2.2.3 Sample Size

The sample size for the study was the entire population of Pact office which were 28 employees. This included top management, middle management and rest of employees in the organization.

3.4 Data Collection Methods

According to Kohari (2004), data collection instrument are devices used to collect data. The instrument that is used in this study will be questionnaire. A questionnaire is a document consisting of number of questions printed or typed in a definite order on a form or set of forms.

3.5 Research Procedures

The questionnaires were developed and based on study objectives in chapter one. Cooper (2001) stated that the importance of using a pilot test is that it allows one to detect the weaknesses in the research design and instruments. Therefore researcher before distributing the questionnaire to the respondents’ pre tested it in order to identify errors and omissions, corrections will be incorporated in the questionnaire. The questionnaire was distributed to the respondents to express their own opinions and feeling related to the study.

In order to enhance a high response rate, the researcher personally delivered the question to the respondents in their places of work. The respondents were required to complete the
questionnaires within 48 hours. Collection of the complete questionnaires was done personally by the researcher.

3.6 Data Analysis Methods

Data collected for analysis was inspected for errors and completeness. After inspection and correction, the data was coded where each question represents a variable and each respondent represents an observation. Coded questionnaires were keyed into SPSS version 21 for data analysis. Descriptive statistics of centrality and deviation such as means, modes and standard deviation are used to analyze the data. Analyzed data was presented by using tables. Also inferential statistics such as regression analysis are used to establish the significance of each of the factors for customer’s retention on mobile telecommunication. The following model was applied.

Regression Model:

\[ Y = B_0 + B_1S + B_2P + B_3B + \alpha \]

Where \( Y \) = Organization performance \( B_0 \) = constant term, \( B_1 - B_5 \) (coefficients), \( S \)-employee engagement strategies, \( P \)-effects of lack of employee engagement, \( B \)-positive impact of employee engagement.

3.7 Chapter Summary

The chapter described the research methodology that was used to carry out the study. First it has defined population then described the sampling technique an size. This has been followed by a description of the method used to conduct the research and justification of the chosen method. There is further discussion on data collection methods and instruments that were used in order to ensure reliability of the research procedures that were clearly described indicating that a pilot test was conducted. The following chapter concentrates on the study results and findings.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the results and findings of the study on research objectives with regards to data collected from 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. In total, 26 questionnaires were responded to, representing 92.8% percent response rate.

4.2 General Information

4.2.1 Staff Levels in the Organization

In total, of the questionnaires responded Out of these, 5 (19.2%) were from assistants, 17 (65.4%) from Officers and 4 (15.3%) from Management. This indicates that most of the employees are at Pact are officer or rather middle management.

Figure 4.1 Staff Levels in the Organization
4.2.2 Response Rate

In total, 26 questionnaires were responded to, representing 92.8% percent response rate. Out of these, 5(19.2%) were from assistants, 17(65.4%) from Officers and 4 (15.3%) from Management. This means that the responses had representation from all the cohorts in the organization. Further, to this, the majority (73%) reported being happy at work, while 61.5 percent rated the organization as having a strong culture, even though some 34.7 percent felt the culture was mediocre and were very likely to leave for another organization; most of these are assistants (38.4%).

Table 4.1 Sample Profile

<table>
<thead>
<tr>
<th>What level do you hold in the organization</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>4</td>
<td>15.3</td>
</tr>
<tr>
<td>Officer</td>
<td>17</td>
<td>65.4</td>
</tr>
<tr>
<td>Assistant</td>
<td>5</td>
<td>19.3</td>
</tr>
<tr>
<td>Total</td>
<td>26</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>How happy are you at work?</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>19</td>
<td>73</td>
</tr>
<tr>
<td>No</td>
<td>4</td>
<td>15.5</td>
</tr>
<tr>
<td>Not sure</td>
<td>3</td>
<td>11.5</td>
</tr>
<tr>
<td>Total</td>
<td>26</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>How would you rate your organization's culture</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong</td>
<td>16</td>
<td>61.5</td>
</tr>
<tr>
<td>Mediocre</td>
<td>9</td>
<td>34.7</td>
</tr>
<tr>
<td>Poor</td>
<td>1</td>
<td>3.8</td>
</tr>
<tr>
<td>Total</td>
<td>26</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>How likely would you leave for a 10% raise from another Company</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Likely</td>
<td>10</td>
<td>38.4</td>
</tr>
<tr>
<td>Likely</td>
<td>6</td>
<td>23</td>
</tr>
<tr>
<td>Uncertain</td>
<td>4</td>
<td>15.4</td>
</tr>
<tr>
<td>Not Likely</td>
<td>3</td>
<td>11.6</td>
</tr>
<tr>
<td>Never</td>
<td>3</td>
<td>11.6</td>
</tr>
<tr>
<td>Total</td>
<td>26</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Research Data, 2016
4.2.3 Significance of Employee Engagement on Organization Performance

The respondents indicated that all the four model variables are significantly different from neutral (score of 3). One samples t-test results as shown in table 4.2 shows that employee engagement strategies (S), effects of lack of employee engagement (P), positive impact of employee engagement (B) and organizational performance are significant (p<0.05). This means that majority of the staff either agree or strongly agree that the three (3) variables are key in determining performance. These results are in consonance with those presented by Baumruk (2004) and Kahn (1990) who argued that employee engagement is the best tool for any organization. In both studies, employee engagement was considered as the most powerful factor to measure company’s vigor.

Table 4.2 T-tests

<table>
<thead>
<tr>
<th></th>
<th>T</th>
<th>Df</th>
<th>Sig. (2-tailed)</th>
<th>Mean Difference</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>P</td>
<td>4.390</td>
<td>21</td>
<td>.000</td>
<td>.82727</td>
<td>.4354 - 1.2191</td>
</tr>
<tr>
<td>S</td>
<td>5.390</td>
<td>21</td>
<td>.000</td>
<td>.97403</td>
<td>.5982 - 1.3498</td>
</tr>
<tr>
<td>B</td>
<td>2.231</td>
<td>21</td>
<td>.037</td>
<td>.54545</td>
<td>.0370 - 1.0539</td>
</tr>
<tr>
<td>Y</td>
<td>9.922</td>
<td>21</td>
<td>.000</td>
<td>1.40909</td>
<td>1.1137 - 1.7044</td>
</tr>
</tbody>
</table>

4.2.4 Multiple Comparisons

The management felt that Pact is doing better, although the mean differences on perceptions were found not significantly different. The management and officers felt that the organization has put in place effective employee management strategies, although the assistants differed with them significantly. This is also the case with positive impact of employee engagement. The management felt that employees get the necessary feedback in a clear structured manner across departments and functions. This was not the case with officers and assistants, and the difference in perception was found to be statistically significant, with assistants reporting low opinion. On performance, although not significantly different opinions, the management reported higher perception as compared to both officers and assistants.
### Table 4.3 Multiple Comparisons (Least Square’s Difference)

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>(I) Level</th>
<th>(J) Level</th>
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<th>95% confidence level</th>
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### 4.3 Effects of Lack of Employee Engagement on Organization Performance

One of the key issues that the study sought to address was effects of lack of employee engagement on performance. The respondents were asked to rate various factors on lack of employee engagement, the results of the study were as follows:
4.3.1 Communication Flow Between management and Employee

Respondents were asked to indicate flow of communication in the organization between top management and employees and amongst the employees themselves how this affects the organization performance. As seen in figure 4.1, it is evident that more than 80 % of the top management and middle management strongly agree, 58 % of the lower level employees’ respondents strongly agree, and less than 20 % of the respondents are neutral. The findings infer that lack of communication flow between top management and low level employees affects the employee’s performance.

![Figure 4.2 Communication Flow between management and Employees](image)

4.3.2 Strategy Formulation

The respondents were asked to indicate how strategy formulation in the organization between top management and employees and amongst the employees themselves affects employee performance. As seen in figure 4.2, it is evident that more than 80 % of the top management and middle management strongly agree, 58 % of the lower level employees’ respondents strongly agree, and less than 20 % of the respondents are neutral. The findings infer that lack of proper strategy formulation between top management and low level employees affects the employee’s performance.
4.3.3 Decision Making

The respondents were asked to indicate if they are involved in decision making in the organization. 99% of the middle level employees and lower level employees felt that they are involved in decision making. 60% of top management however seem to agree that employees are involved in decision making in the organization. Only 30% of employees felt that they were not involved in decision making. This shows that decision making is considered as important as employee engagement in Pact.

Figure 4.4 Decision Making

4.3.4 Employee Empowerment

The respondents were asked to indicate if they feel empowered by the organization to perform their duties. 80% of the middle level employees and lower level employees felt that they are empowered to perform their duties in the organization. 30% of top
management however seem to disagree that employees are empowered to perform their duties in the organization. 40% of both the middle and lower level employees however were not sure if the organization has empowered them to make decisions or not. This shows that decision making is considered as important as employee engagement in Pact.

![Figure 4.5 Employee Empowerment](image)

4.3.5 Employee Training

The respondents were asked to indicate if they have the necessary tools and resources needed to perform their duties. 100% of the middle level employees and lower level employees felt that they have undergone the necessary training to perform their duties in the organization. 25% of top management however seem to disagree that all employees have the necessary tools to perform their duties in the organization. This shows that training is considered as important as employee engagement in Pact and as such management feel that they can still do more to equip the employees with the necessary tools needed to perform their duties.
4.3.6 Employee Commitment

The respondents were asked to indicate whether lack of employee engagement does lower employee commitment. 50% of management did feel those employees who are not committed to the organization may not necessarily perform even if they were empowered. 43% of middle level management felt that employee engagement leads to employee commitment in the organization. 5% of the assistants felt that employees who are not engaged have low commitment towards the work place as is shown in figure 4.7. This shows that employee commitment is considered an important aspect employee engagement in Pact and as such management felt that both employee commitment and employee engagement are as important and may not necessarily have a direct connection.
The respondents were asked to indicate whether employees’ skills and capabilities can be utilized without employees being engaged in the organization. Figure 4.8 shows that 70% of management felt that employees skills are put into use through the various employee welfare committees set up in the office. 30% of middle level management felt that their capabilities are put into action especially during fund raising where the entire organization is involved. This shows that employee skills and capabilities an important aspect in employee engagement strategy.
4.4 Effects of Employee Engagement Strategies

The respondents were asked to rate various factors using the Likert scale on the employee engagement strategies used by Pact. The results are as follows:

**4.4.1 Employee Goal Clarity**

The respondents were asked to indicate if there is a clear link between the employees' work and the organization's goals and objectives. Figure 4.9 shows that 35% of the employees in middle management felt that their jobs are linked to the organization's overall goal. 60% of management felt that there is a clear link between the organization's goals and objectives. This shows that goal clarity is an important employee engagement strategy.
4.4.2 Employee Self Governance

The respondents were asked to indicate whether the employees have the freedom and self-governance to make choices about their day to day work. Figure 4.10 shows that 97% of management felt that the employees have all the freedom to make decisions on a day to day basis. 30% of middle level management felt that they have the freedom to make decisions and 80% of the assistants felt that they did not freedom to make decisions on their own regarding work activities. This shows employees are empowered to make decisions of their own.

![Figure 4.10 Employee Self Governance](image)

4.4.3 Charismatic Leadership

Respondents were asked to indicate whether the leadership in the organization was a key factor in employee engagement. As seen in figure 4.11, it is evident that that majority of the respondents (80.0 %) agree while 17 % strongly agree to how effective leadership is very important ingredient to employee engagement. Only 3%of the employees disagree. This shows that Pact takes leadership as a key employee engagement strategy.
4.4.4 Effective Reward Systems

Respondents were asked to indicate how they regard pay and other rewards such as recognition. As seen in figure 4.12 it is evident that that majority of the respondents 9% agree while 90% strongly agree that employees regard pay and recognition as significant motivating factors. Only 1% of the employees neither agreed. These findings imply that an effective reward system is an important employee engagement strategy.

Figure 4.11 Charismatic Leadership

Figure 4.12 Effective Reward Systems
4.4.5 Role Clarity

Respondents were asked to indicate if the organization helps employees to understand their roles in the company strategy and how their daily job contributes to it. Figure 4.13 shows that 58% of the employees strongly agree while 30% agreed. 10% of the respondents were neutral while 2% of the respondents disagreed. This shows that Pact management need to increase awareness of the organizations strategy to employees and how each of their roles link to the achievement of the organizations strategy.

![Role Clarity Chart]

**Figure 4.13 Role Clarity**

4.4.6 Employee Empowerment

Respondents were asked to indicate if they have the appropriate amount of information to make the necessary decisions about their work. As seen in figure 4.14 it is evident that that majority of the respondents 45% agree while 55% strongly agree that they have the information and easily accessible online on the organizations website. Only 2% of the employees neither agreed. These findings imply that employee empowerment is an important employee engagement strategy.
4.4.7 Employee Assistance Portals

The respondents were asked to indicate if they know who to inquire from when something unexpected in the organization happens. Figure 4.15 shows that 70% of management seemed to agree that the systems are in place, 20% of the officers agreed that there were self-service portals as well where an employee keys in the questions that are needed, only 10% of the respondents did not seem aware of whom to go to for information. This shows that employee self-assistance portals are an important contribution to engaged employees which in turn leads to a positive organization performance.
4.5 Effects of Employee Engagement on Organization Performance

Several regression diagnostics were conducted to avoid admission of spurious estimates. These included normality test, test for linearity, test for homogeneity and model specifications. With Variance Inflation Factors (VIF) less than 10 and tolerance values less than 1, the three variables are not serially correlated. The results are as follows:

4.5.1 Regular Feedback

The respondents were asked to indicate if the feedback they receive from management and their supervisors is timely towards the improvement of the organization performance. Figure 4.16 shows that 63% strongly agreed that they receive up to date and timely feedback, 30% of the respondents agreed to receive timely feedback. Only 5% of the respondents disagreed while 2% neither agreed nor disagreed. This shows that feedback is an important contribution to organization performance.

![Regular Feedback Pie Chart]

Figure 4.16 Regular Feedback

4.5.2 Model Summary

From the model summary table 4.4, employee engagement strategies (S), effects of lack of employee engagement (P) and positive impact of employee engagement (B) were found
capable of explaining 96.4 percent for the total variations in organizational performance (Y) (R-Squared = 0.964).

**Table 4.4 model Summary**

<table>
<thead>
<tr>
<th>R</th>
<th>Rsquare</th>
<th>Adjusted R Square</th>
<th>Std .error of the estimate</th>
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<td>.964</td>
<td>.958</td>
<td>77.665</td>
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Predictors: (Constant), B, S, P

Dependent Variable: Y

**4.5.3 Communication Flow**
The respondents were asked to indicate if the organization communicates well with all the employees on what is going on. Table 4.5 shows that 30% of the employees strongly agree while 59% of the respondents disagreed. 10% of the respondents were neutral and neither agreed or disagreed.

**Table 4.5 Communication Flow**

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<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>percentage</th>
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<td>9</td>
<td>40%</td>
</tr>
<tr>
<td>Disagree</td>
<td>13</td>
<td>49%</td>
</tr>
<tr>
<td>Neither agree disagree</td>
<td>2</td>
<td>10%</td>
</tr>
</tbody>
</table>

**4.5.4 Regression model performance as dependent variable**
A regression model with performance (Y) as the dependent variable and employee engagement strategies (S), effects of lack of employee engagement (P) and positive impact of employee engagement (B) as independent variables was found to be statistically significant [F(3, 18) = 16.515, p<0.05). Figure 4.5 shows that employee engagement strategies, effects of lack of employee engagement and positive impact of employee engagement can be used to explain organizational performance significantly.
Table 4.6 Regression model

<table>
<thead>
<tr>
<th></th>
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<th>Df</th>
<th>Mean square</th>
<th>F</th>
<th>Sig</th>
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<td>Total</td>
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</table>

Predictors: (Constant), B, S, P
Dependent Variable: Y

Source: Research Data, 2016

4.5.5 Coefficients

Individually, the coefficients for employee engagement strategies (S), effects of lack of employee engagement (P) and positive impact of employee engagement (B) were found significant at 5 percent level of significance. Figure 4.6 shows that the three (3) variables are important in the model.

Table 4.7 Coefficient Table

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<tr>
<th>Coefficients</th>
<th>B</th>
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Dependent Variable: Y

4.5.6 Department Efficiency

The respondents were asked to indicate whether they work efficiently across departments and functions. Figure 4.17 below shows that 15% of the management strongly agree, 70% of the officers strongly agree, 10% of the assistants agree, while only 20% of the officers agree and 28% of the management Agree. However, 50% of the assistants seemed to disagree with only 20% of the officers disagree. This shows that there is a lapse in
efficiency across departments and there seems to be a disconnect between management and the assistants.

![Figure 4.17: Department Efficiency](image)

**4.5.7 Employee Engagement**

The respondents were asked to indicate if employee engagement leads to a positive impact on organization performance. Figure 4.18 shows that 80% of the respondents seemed to strongly agree while only 15% of the respondents agreed. Only 2% of the respondents seemed to disagree while 2% of the respondents neither agree nor disagree. From these findings it is quite clear that employee engagement has a positive impact on organization performance.
Figure 4.18 Employee Engagement

4.6 Chapter Summary

This chapter has presented findings of the study by giving brief explanation on figures presented. Findings have been presented in form of tables and figures. Analysis was used to give percentages, descriptive analysis was used to give means and standard deviations and regression has been used for analysis. The next chapter gives the study’s discussion, conclusion and offers recommendations.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
This chapter is made up of four sections; chapter summary, discussion, conclusion 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 conclusions on the specific objectives and last subsection provides recommendations for improvement which are indeed based on the specific objectives.

5.2 Summary of Findings
The main purpose of this study was to investigate the effects of employee engagement on organization performance in Pact organization. This research was guided by following research questions: Does employee engagement have a positive impact on organization performance in pact? What are the effects of employee engagement on organization performance at pact? Does pact have any employee engagement strategies for staff?

This research adopted a correlational research design descriptive design with a target population of 28 employees of Pact organization. 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. Data coding was done then followed by data presentation via tables and figures.

The study showed that Pact Management felt that the organization is doing better in engaging employees although the mean differences on perceptions were found not significantly different. The management and officers felt that the organization has put in place effective employee management strategies, although the assistants differed with
them significantly. This is also the case with positive impact of employee engagement. The management felt that employees get the necessary feedback in a clear structured manner across departments and functions. This was not the case with officers and assistants, and the difference in perception was found to be statistically significant, with assistants reporting low opinion. On performance, although not significantly different opinions, the management reported higher perception as compared to both officers and assistants.

The study showed that employee engagement strategies (S), effects of lack of employee engagement (P) and positive impact of employee engagement (B) can explain 96.4 percent for the total variations in organizational performance. The three (3) independent variables were found to be statistically significant, meaning that employee engagement strategies, effects of lack of employee engagement and positive impact of employee engagement can be used to explain organizational performance significantly. Further, their coefficients were found significant at 5 percent level of significance, meaning that the three (3) variables are very important in determination of performance at Pact.

Through Use of a complete census of Pact staff, a 78.6 percent response rate was recorded. From the responses, majority of the staff either agreed or strongly agreed that the three (3) variables employee engagement strategies (S), effects of lack of employee engagement (P) and positive impact of employee engagement (B) are key in determining performance at Pact.

5.3 Discussion
The objectives of the study were to establish whether employee engagement has a positive impact on Pact performance; to determine the effect of lack of employee engagement on performance and to ascertain whether pact has employee engagement strategies for staff. The findings show that employee engagement strategies (S), effects of lack of employee engagement (P) and positive impact of employee engagement (B) have a positive effect on performance at Pact.
5.3.1 Employee Engagement Strategies

The study showed that there is a clear and well understood link between the employees work and the organizations goals and objectives. 60% of the management felt that their job descriptions were well matched to the organizations overall goal, while 35% of the middle level officers agreed as well. The results support (Torrington, 2005) who found that for service organization whose overall goal is customer satisfaction then employees should be trained on how to handle customers. As employees gain skills on proper handling of customers there will be ripple effect where customers will keep coming back to buy from business. This will provide more sales hence improve performance.

The study also showed that the employees have the freedom and self-governance to make choices about their day to day work. 75% of the management felt that employees have the freedom to make decisions. However, 80% of the assistants did not feel that they have the freedom to make decisions. The results agree with Robinson (2006) observations that employee engagement can be achieved through the creation of an organizational environment where positive emotions such as involvement and pride are encouraged, resulting in improved organizational performance, lower employee turnover and better health. Therefore involving the employees and giving them the freedom to make decisions is an important employee engagement strategy.

The study shows that the leadership in Pact is a key factor in employee engagement. Majority of the employees 80.0% agree while 17 % of the respondents strongly agree as to how effective leadership is very important ingredient to employee engagement. The study is in consonance with research by Wildemuth (2008) which indicates that employee engagement occurs naturally when leaders are engaged they become inspired. Employees feel engaged when their work is cons. Employees feel engaged when their work is considered important and meaningful. The task of leadership is therefore to ensure that employees see how the specific task contributed to overall business success. Authentic and supportive leadership is theorized to impact employee performance by increasing their involvement, satisfaction and enthusiasm for work.
The findings of the study revealed that Pact management really value reward systems and have made sure to include both monetary and intrinsic rewards in their structure. 90% of the employees strongly agree that employees regard pay and recognition as significant motivating factors. 1% of the respondents were however neutral as to whether reward systems are employee engagement strategies. The study agrees with Saks (2006) who found that recognition and reward influence employee engagement to organizations.

The study shows that another employee engagement strategy that can be seen in the way that Pact handles its operations is role clarity. 58% of the respondents showed that their roles are clear to them and only 2% of the employees did not seem to be aware of their roles in the organization. The study shows that employees are clear on what their roles are and what each of them is required to contribute in order to contribute to the organization’s goal. The study is in agreement with Pearce and Robinson (2007), which states that meaning at work has the potential to be valuable way of bringing employers and employees closer together to the benefit of both where employees experience a sense of community, the space to be themselves and the opportunity to make a contribution, they find meaning. Employees want to work in the organizations in which they find meaning at work.

The study shows that appropriate amount of information to make the necessary decisions about employees work is an important employee engagement strategy. 95% of the employees strongly agree that they have the information and easily accessible online on the organizations website. Only 2% of the employees neither agreed nor disagreed. The study agrees with Galpin (1998) who found the difference between successful and unsuccessful organization is the way the management motivates and educates its employees to act. This therefore highlights the strong relationship between buy-in and motivation.

The study shows that 70% of management seemed to agree that there are systems are in place in which employees can turn to when stuck for information or questions, 20% of the officers agreed that there were self-service portals as well where an employee keys in the questions that are needed, only 10% of the respondents did not seem aware of whom to
The study agrees with Shaw (2005) who states that organizations drive engagement by proactively leveraging three sources of influence for change: employees, leaders, and organizational systems and strategies. These three drivers work in concert to build an enabling environment for employee engagement. Although engagement has multiple drivers, the ultimate ownership of engagement rests within the individual employee.

5.3.2 Effects of Lack of Employee Engagement on organization Performance

The study found that lack of employee engagement decreases organization performance. 30% of the management felt that the organization has put in place effective employee empowerment strategies, although the 50% of the employees differed with them significantly. This is also the case with positive impact of employee engagement. This shows a disconnect between the two top management and middle level management. The study differs with Hrebiniak (2006) who revealed execution decisions take too long to be executed and therefore it’s a sign of lack of empowerment because employees don’t have powers to make decisions.

The study found that in Pact communication flow in the organization between top management and employees and amongst the employees was timely and through the proper channels. 80 % of the top management and middle management strongly agree and this can be seen as to being implemented by Pact in order for the employees to feel engaged at all levels in the organization.

The study supports Hungler (2007) who found that lack of communication in organization leads people to do their work according to their personal view of how job should be done. The study shows that communication is important strategy as far as employee engagement is concerned .Effective communication have strong impact on performance of the organization. Burtis (2010) found out that a well communicated strategy equals a well-executed strategy. The knowledge of strategy and understanding it are two different concepts.
The study found that strategy formulation in the organization involved all the employees in the organization. 80% of the management agree to the fact that employees are involved in strategy formulation, with 58% of the middle level employees agreeing that they are all involved in the strategy formulation in the organization. In Pact, top management believes that the organizations strategy can only be a successful if the employees are involved and there is constant feedback and this has increased employee engagement in Pact thereby increasing organization performance which is one of the areas that Pact stands out. The study agrees with Raps (2005) who found that one reason of strategy implementation challenge process fails is because of vagueness of assignment of responsibilities.

The study found that most of the employees in Pact are involved in decision making. 98% of the middle level management felt that they are involved in decision making. However, 30% of the assistants felt that they are not involved in decision making all the time and there is need for the organization to bring them in order for all employees to feel equal in the organization. The study agreed with Michlitsch (2000) who found the need for people to know clearly what they are supposed to do.

The study agrees with Ryan (1987) who found that successful organizations regardless of their levels 90% of workers want to be involved in decisions that affect their jobs. Leaders of high engagement create trustful and challenging environment. High levels of employee engagement are inextricably linked to high level of customer engagement.

The study found that in Pact 99% of the middle level employees receive the necessary training in order to handle their duties efficiently and effectively. However, 25% of the top management felt that training was not a necessarily large component on employee engagement. The management felt that there was still room for improvement and felt that the employees should take up more training opportunities in their respective field of operation. The study differs with Baron (2010) who found that training should involve exposing employees to expert coaching by specialist in their field. The findings revealed that according to the employees at pact they consider school activities as training as opposed to mentorship programs.
The study agrees that training and career development is important dimension which should be considered in process of empowering employees’ in order to keep the focused to their work. According to Kroth and Keeler (2009), training and development is an important factor for improving employee engagement. Training improves service delivery and accuracy and therefore has an impact on service delivery and performance of the organization.

The study shows that employee lack of employee commitment can lead decreases employee engagement in the office. 50% of management did feel those employees who are not committed to the organization may not necessarily perform even if they were empowered. 43% of middle level management felt that employee engagement leads to employee commitment in the organization. 5% of the assistants felt that employees who are not engaged have low commitment towards the work place. The study differs with Stringer (2010) who observed that commitment of employees is more likely to give clients better services.

### 5.3.3 Positive impact of employee engagement on organization performance

The study shows that employees from Pact receive feedback from management and their supervisors in timely manner and this has been towards the improvement of the organization performance. 63% strongly agreed that they receive up to date and timely feedback, 30% of the respondents agreed to receive timely feedback. The study agrees with Thomas (2004) who states that management need to demonstrably value employee feedback. Actual dialogue is essential; communicating openly, honestly and frequently will build employee engagement only if it goes both ways. Thomas (2004) further suggests that leaders in an organization should build a sense of purpose with all employees. The organizational structure and reporting roles need to reinforce openness and dialogue with easy access to tools and forums where employees are listened to without fear of reprisal.

From the study a regression model with performance (Y) as the dependent variable and employee engagement strategies (S), effects of lack of employee engagement (P) and positive impact of employee engagement (B) as independent variables was found to be
From these findings, it can be seen that positive impact of employee engagement can be used to explain organizational performance significantly. The study agrees with Buchholtz (2010) who stated that every organization wants to gain competitive advantage over others and employee engagement is the best tool for it. In fact employee engagement is considered most powerful feature to measure company’s vigor.

From this study it was seen that the organization has slackened on departmental efficiency leading to a decrease in organization performance. 70% of the management strongly agree that there needs to be done some work on how employees relate to each other, this shows that there is a lapse in efficiency across departments and there seems to be a disconnect between management and the assistants. The study agrees with Ryan (1987) who found that management should foster a supportive working environment and typically displays concern for employees.

From this study it can be concluded that employee engagement is a very key ingredient to the success of the organization. It can be seen that Pact values this and has put in place strategies to ensure that employees are engaged at all levels in the organization. The management at Pact also see the organization as a whole picture and are key on not settling for mediocrity but pushing themselves and the employees further to achieve high levels of employee engagement and thus an increase in organization performance.

60% of the middle management felt that employee engagement is a positive strategic move for any organization that needs to benefit from its workforce. 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. 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, 2000). 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.
5.4 Conclusion

5.4.1 Employee Engagement strategies

The study shows that the findings on engagement strategies that exist for employees at Pact organization lead to a conclusion that charismatic leadership, goal clarity, rewards and recognition, employee empowerment are some of the engagement strategies that an organization can put in place in order for the employees to feel engaged. The study shows that Pact has well able leaders in top management who have steered the organization in the right direction. It can therefore be concluded that if pact employed engagement strategies then every engaged employee would be intellectually and emotionally bound with the organization and give 100%, feel passionate about the goals of the company and would live committed to goals of the organization.

5.4.2 Effects of Lack of Employee Engagement on organization performance

The findings on the effects of lack of employee engagement on organization performance at Pact organization lead to a conclusion that indeed a lack employee engagement would affect organization performance at Pact negatively. Pact lacks involvement of all the employees in decision making especially the lower level employees. For pact to remain competitive it’s important to continually improve its performance. Organizations need to highly motivate and best way to do this through motivation of employees. Therefore pact needs to motivate its employees so that they can remain committed to the organization. It can therefore be concluded that for Pact therefore needs committed employees so as to be able to successfully execute their set strategies.

5.4.3 Impact of Employee Engagement on Organization Performance

The findings on the impact of employee engagement on Performance were found to be positive. Pact involves most of its employees in strategy formulation for the organization. There is also a clear link of the roles of the employees which is tied to the overall goal of the organization. The employees at Pact have also been empowered to make Pact has also ensured that there is proper communication flow in between departments and from the top management to the other departments. Therefore all employees have the right tools and resources needed to do the jobs well. It can therefore be concluded that employee
engagement leads to increased employee commitment and thus increases organization performance.

5.5 Recommendations

Based on the results, Pact should; strengthen its culture through awareness creation, sensitization and capacity targeting all staff members.

5.5.1 Recommendations for improvement

5.5.1.1 Impact of employee engagement on performance in pact

Employee engagement has a positive impact at Pact. To enhance this management at Pact should enhance and strengthen its engagement strategies to the employees through awareness creation so that as employees continue performing their daily functions they may feel proud of working in that particular organization and discharge their daily duties in the right manner.

5.5.1.2 Effects of Lack of Employee Engagement on Organization Performance in Pact

Pact organization should allow its employees to make inputs in decision making in the organization. Otherwise if there is lack of communication flow in organization between top management and employees, poor decision making, and lack of employee empowerment this would greatly affect the performance of pact organization.

5.5.1.3 Employee Engagement strategies in pact

Pact has engagement strategies for its staff. Therefore pact organization needs to help its employees link their daily jobs to overall strategic objectives of the organization. Pact strategies include Effective employee communication, employee empowerment, effective strategy formulation and monetary rewards which encourage employees to carry out their duties effectively hence improving the performance of the organization at Pact.
5.5.2 Recommendation for further studies

Based on the research findings it's recommended that additional studies be conducted on the relationship between employee engagement and employee performance. Secondly, the studies recommend that Pact should hire external consultants to engage employees fully on the issues they face on a day-to-day basis or issues that hinder their motivation.


Rutherford, P. (1995) Competency Based Assessment, Pitman, Melbourne. 75


APPENDICES

APPENDIX I: COVER LETTER

Caroline Muthike

P.O. Box 28598-00100

NAIROBI, Kenya

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 Organization 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,

Carol Muthike.
APPENDIX II: QUESTIONNAIRE

Instructions

Please answer the questions by filling in the spaces provided or ticking the choices provided.

SECTION A: BACKGROUND DATA

General information

What level do you hold in the Organization?

Management ( ) Officer ( ) Assistant ( ) Other ……………………………

How happy are you at work?

Yes ( ) No ( ) Not Sure ( )

How would you rate your organization's culture

Strong ( ) Mediocre ( ) Poor ( ) Other ……………………………

How likely would you leave for a 10% raise from another Company

Very Likely ( ) Likely ( ) Uncertain ( ) Not likely ( ) Never ( )

Section B

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

**IMPACT OF 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. | There is a clear link between employees work and the company’s goals and objectives | (1), (2), (3), (4), (5) |
| Q12. | Employees have the appropriate amount of information to make correct decisions about their work | (1), (2), (3), (4), (5) |
| Q13. | Charismatic leadership is important to employee engagement | (1), (2), (3), (4), (5) |
|---|---|---|---|---|
|   | Do employees have freedom, self-governance, and an ability to make choices about their work | When something unexpected comes up in your work, employees usually know who to ask for help | Employees regard pay and recognition as significant motivating factors | 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) | (1), (2), (3), (4), (5) | (1), (2), (3), (4), (5) | (1), (2), (3), (4), (5) |

**IMPACT OF EMPLOYEE ENGAGEMENT IN ORGANIZATION 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
<table>
<thead>
<tr>
<th>Q18</th>
<th>My supervisor gives me regular feedback on how I am doing.</th>
<th>(1), (2), (3), (4), (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q19</td>
<td>This organization communicates well with all employees about what is going on.</td>
<td>(1), (2), (3), (4), (5)</td>
</tr>
<tr>
<td>Q20</td>
<td>There is proper communication flow in your organization between top management and employees</td>
<td>(1), (2), (3), (4), (5)</td>
</tr>
<tr>
<td>Q21</td>
<td>I have the tools and resources I need to do my job well</td>
<td>(1), (2), (3), (4), (5)</td>
</tr>
<tr>
<td>Q22</td>
<td>We work effectively across departments and functions.</td>
<td>(1), (2), (3), (4), (5)</td>
</tr>
</tbody>
</table>