EFFECTS OF EMPLOYEE APATHY ON PRODUCTIVITY
AT KENYA REVENUE AUTHORITY

BY

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UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

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A Research Project Report submitted to the Chandaria School of Business in Partial Fulfillment of the Requirements for the Degree of Masters in Business Administration (MBA)

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STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: __________________________  Date: ______________________

Karen Wambui Wanja Kinyua (ID: 648887)

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

Signed: __________________________  Date: ______________________

Dr. Caren Ouma (PhD)

Signed: __________________________  Date: ______________________

Dean, Chandaria School of Business
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ABSTRACT

The objective of the study was to establish the factors affecting employee productivity in the workplace at Kenya Revenue Authority (KRA). The study was drafted and guided by the following objectives: effects of internal factors on employees’ productivity at KRA, effects of external factors on employees’ productivity at KRA and long-term solutions to employees’ productivity at KRA.

The study adopted a descriptive research design involving a sample size of 132 of which the response attained was 98. This represented a response rate of 74.2% with the males being 37.8% and females being 62.2% as reflected in the questionnaires. According to Mugenda (2012), a response rate of above 70% is distinction that provides an excellent assessment of the study results. All of the respondents had higher academic qualifications with 4.1% having diploma while 95.9% had degree, masters and other qualifications that proved ideal for quality response in the study. Majority of the respondents were economically productive as they were in the active age bracket; that is 26 to 46 years old.

The target population consisted of top executives, middle level management and lower level management. The study used stratified and simple random sampling technique to give a clearer scope to the selection of a representative from each stratum. The sample size for the study was drawn from KRA Thika branch. Data collection method involved use of detailed questionnaire with closed and open-ended questions administered to the Kenya Revenue Authority employees. The data was organized, edited, analyzed and interpreted using both descriptive and inferential statistics. The inferential statistics comprised of correlation, coefficient of determination, analysis of variance and regression. The results were presented using tables and figures.

The study sought to establish the influence of internal factors on employee productivity. The study findings revealed that there indeed exists a positive and significant association between the internal factors and employee productivity. It had a total mean of 3.57 and a standard deviation of 1.268 and a variance of 1.608.

The study sought to examine on the external factors that influence employee productivity in the organization. The study results indicated that external factors have a positive and significant association to employee productivity. It had a total mean of 3.48 with a standard deviation of 1.318 and a variance of 1.737.
The study results showed that there exists a positive and significant relationship between the long-term solutions and employee productivity. This had a total mean of 3.41, standard deviation of 1.259 and a variance of 1.584. There is need to have equitable and fair legal representation that will make employees work in a stress-free environment with maximum concentration on the work at hand.

The study concluded that there indeed exists a positive and significant co-relation between the internal and external factors of the organization and productivity. The long term solutions also play a significant role in productivity. Therefore, the defined roles, good internal working conditions, shared values and work culture, ethics, beliefs and attitudes significantly contributes to the higher employee productivity in the organization. There is need to have a culture in the organizations that cultivates the internal values to all employees. Employment regulatory policies, application of technology in the workplace, level of taxation and occupation health and safety are very relevant external factors in work environment. The study concludes that there is need to have career development plans in the organization, continuous review of employee performance management, provide adequate support resources and strengthen human resource management.

This study recommended that organizations should ensure they understand very well the diverse nature of human wants in the institution and try to link with the existing internal conditions to help establish the gap. There was also need to instill core values among the employees in corporate culture for appropriate policy evaluation and implementation in a synergized work environment. There was need to have a functional workplace that considers the work culture and employee attitudes towards their respective roles in the organization to promote teamwork and shared values to the fruits of employee productivity.

The study also recommended that there was need for the government to provide proper legal processes that involve the employees in public institutions and how it impacts on their productivity. Proper control measures and conflict resolution must be in place in order to adopt other meaningful approaches. Those who had legal challenges within and outside the scope of their work had cited time constraints, stress and absenteeism that lower their productivity. There was also need to consult the employees and involve them in decision making when adopting new technologies in the place of work. This will help
address on issues of flexibility and also serve the diverse clientele base in their cultural background.

The study recommended that the organizations need to have a well-defined and functioning communication channel that will not only promote their issues to be sorted but also give feedback on the employee performance in the organization. There was need to have a performance management process that would consider appraisals, training and development and communicate performance feedback that are relevant in building strong working culture and increase employee productivity.

The study also recommended that the revenue bodies should have adequate and supportive resources to help their employees perform all kinds of duties in a single setup to bring on the efficiency and effectiveness.
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I am grateful to God for His blessings and guidance throughout the entire duration of this course. His grace and favor for me are forever sufficient. I do wish to acknowledge Professor Stephen Nyambegera and Professor Mulinge who took me through the human resource major and impacted me with valuable knowledge and skills to face the world. I cannot forget my fellow students whom we shared group discussions together. Lastly, I would like to acknowledge Dr. Caren Ouma, my supervisor who has been guiding me through this project. She has been and continues to be a mentor and a great source of motivation.
DEDICATION

I dedicate this research project to my late mom, Stella Wanja, who is watching over me in heaven and my dad, Edward Karanja, who gave me his invaluable support morally, physically and materially throughout my studies.
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LIST OF ABBREVIATIONS AND ACRONYMS

ANOVA     Analysis of Variance
HRD       Human Resource Development
HR        Human Resource
ICT       Information and Communication Technology
JIT       Just in Time
KRA       Kenya Revenue Authority
NACOSTI   National Council of Science, Technology and Innovation
SPSS      Statistical Package for the Social Sciences
TQM       Total Quality Management
U.S.A     United States of America
U.K       United Kingdom
ADP       Automatic Data Processing
KPA       Kenya Ports Authority
OLS       Ordinary Least Squares
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background to the Study

Globally, employee apathy has become a major problem and legitimate concern in most organizations today (Luthans, 2015). In many European countries like United Kingdom, Netherlands, Germany, United States of America and Canada, some organizations have made an intensive effort year after year to deal with issues of apathy from the employees and as always, successes vary from organization to organization (Wellins, Bernthal & Phelps, 2012). For instance, Blau (2013) found out that effort level and direction of efforts are important in explaining individual worker’s performance in an organization. If employees are apathetic, they would not put desired efforts towards their job requirements, and this affects their productivity. Productivity usually drops off sharply when an employee feels apathetic.

Organizations globally have a variety of ways in enhancing their productivity although the ways are different from one organization to another and this depends on the actual functions of every organization (Cleland, 2013). According to Heady (2014), today, employee apathy is viewed and has appeared to be one of the most significant issues in organizations that enable management to bind together the energies of all employees to enhance their strength and maximization of productivity for both individuals and groups. Employee apathy is also an important issue for companies, given its impact on both the productivity of individuals and organizations as well as performance (Attridge, 2016). Dessler (2013) states that productivity is an evaluation of the worker’s or group of workers’ efficiencies and every organization performs its duties with the help of resources such as money, machines, materials and men.

Afshan, Sobia, Kamran, and Nasir (2012) opined that productivity is task achievements which are specific and determined against identified standards of speed, completeness, accuracy and cost. Individual productivity can be observed in production, easiness in usage of the new technology, high motivation and is crucial for every employee and significant for an organization’s survival (Afshan et al., 2012). Productivity entails both effectiveness and efficiency since certain activities are not productive if they are only
efficient, but not their effective, or effective, but not efficient (Kossek & Michel, 2011). Productivity on the employees’ part is also crucial since getting their job done efficiently will assist the organization's growth (Sahay, 2015). Organizational growth and progress will lead to profit increase. Increase in profits will then lead to a happy management, who will then hire more people and applaud those doing great jobs and could also increase the employees’ benefits. Productivity is beneficial since it enables organizations to be more effective in terms of cost (Mwenda, 2013). On the other hand, employee apathy is the way employees are indifferent to their organization, spirit, jobs, the company, its spirit, and everything relating to employee’s role (Frost, 2014).

They lack the initiative and motivation, not because they are lazy workers but because they see no valid reason to put their best at work since there is no sense of loyalty, trust and ownership within such employees (Schermisman, 2010). Employee apathy kills organizational spirit and depletes the organization of its sense of belonging (Ramage, Bean, & Johnson, 2014). Apathy towards work among employees is considered to be one of the major causes of their low productivity. Employees who display apathy at workplace may do so because daily responsibilities are not fulfilling, management does not set individual goals or because performance of employee is not met with reward. Employee apathy in organizations can lead to productivity falling, which can be a reason for the main setbacks in the bottom line (Blau, 2013).

According to Chandrasekar (2011), workplace environment has a positive and negative impact on employee’s morale, productivity, performance and engagement. Managers should ensure that they develop strategies that will create a good workplace environment thus, increase employee performance and increase their competitive advantage. Nanzushi (2015) noted that organizations should develop a comprehensive reward system, change management style to transformational leadership style that is inclusive of all employees and improve employee working condition thus, increase their productivity. Kwon, Chung, Roh, Chadwick and Lawler (2012) noted that leaders and managers who have a negative attitude reduce employee’s productivity and organizational performance.

Stevenson (2012) noted that some of the factors that influence employee productivity include technology, Capital type, management style, quality of service offered, internet
use, virus affecting computers, new employees, shortage of ICT workers, employee downsizing and incentives. According to World Vision Annual Report (2016) it was revealed that employee productivity at World Vision is affected by political atmosphere in the country, poor financial challenges, employees refusing to work in certain areas of the country, and lack of support from the communities in the remote areas.

Moreover, according to research carried out in 2013 by Gallup State of the American Workplace Report (2013), as much as forty-eight percent (48%) of all employees in the world are not happy in their jobs and has caused high turnover. The report further estimates that just thirty percent (30%) of staff in the United States were engaged, with almost one in every five employees’ eighteen percent were feeling disengaged actively. This shows that seventy (70%) percent of staff are not engaged actively in their day to day jobs. Such disengagement that is widespread has a direct negative impact on the bottom line. The most worrying impact is apathy of employee can have on subordinates, with Gallup (2013) lamenting dissatisfied employees as they damage influence that cost an estimation of US$550 billion in productivity and sales lost yearly. Moreover, according to ADP (2015) some 20 million of employees representing (18%) of the workforce in the U.S.A are actively disengaged. These people are not only unhappy at workplace, but they display their unhappiness openly, which in turn weakens the productivity of employees who are engaged. These workers also take more time and energy from their management, who must take actions in controlling the negativity and apathy throughout the workplace.

In the African context, the situation is not different since employee apathy is a common problem in most organizations. Work environment tend to focus on both personal and individual goals including recognition and reward pointing out the individual employee’s achievements. A study conducted by Matsaung (2016) on factors that influence employees’ morale at Greater Tzaneen Municipality in South Africa found out that employees are responsible for many tasks at work but have no authority, they are unable to voice complaints, there is inadequate recognition of their work, there is lack of clear job description and reporting relationships and these this have inculcated apathy among employee which has in turn affected both individual and organizational productivity. A survey in Nigeria by Kuye and Sulaimon (2011) indicated that apathetic attitudes by employees affected customers just as much as bad service does. The study showed that
68% of customers left their suppliers because of indifference towards the customer by an employee or employees (Kuye & Sulaimon 2011).

In Kenya, only a third of Kenyans are not engaged, since most of them are apathetic towards their jobs/work. This lack of employee engagement is at times associated directly with their management and how employees are feeling about that management, therefore it falls on management to resolve employee issues. This has affected organizations in terms of continuous improvement, efficiency and cost improvements. According to Kamau (2015), employee apathy is a great challenge for managers in Kenyan organizations to determine exactly how they will improve the problem of apathy and attain optimum commitment from their employees which would be significant in optimizing the organization’s and employee productivity. Management are trying to improve this apathy problem and achieving employee commitment by using techniques that were doing well in other organizations in the world and have been failing, since the strategies were not directly important to their own staff (Kamau, 2015).

The Kenya Revenue Authority (KRA) was established by Cap. 469 which is an Act of parliament on July, 1st 1995 to enhance effectiveness in administration of tax and revenue collection sustainability. Since its foundation, revenue has dramatically increased which has allowed the government in providing much needed services to its citizens (Kenya Revenue Authority, 2016). Over 90 percent of the Kenyan budget funding is collected from local taxes by KRA. Kenya Revenue Authority views employee apathy as a significant issue which allows the employee and employer in establishing the extent to which departmental and organizational goals are attained, performance of staffs are meeting targets and goals that are set and development of individual competency, capacity, growth and learning (KRA revenue report, 2015). KRA has formed plans using objective approach to improve the problem of employee apathy but these plans have not been implemented or felt by employees which have affected their productivity (KRA, 2016). It is on the basis of this background that the study investigated the factors affecting employee productivity with reference to Kenya Revenue Authority in Thika.
1.2 Statement of the Problem

In order to be successful, organizations ideally have the role of obtaining and utilizing human resources effectively. Organizations therefore have the task of designing their human resources in ways that are fitting into the structure of the organization as this will enable organizations attain their objectives and goals. However, according to Gallup report (2013), it highlighted the decline of engagement of employees in organizations with more than (50%) percent of the employees are not engaged and nearly (20%) percent are disengaged actively. Hence, employee apathy at the organization is leading to low productivity, which is causing main setbacks in an organization. Employees have been facing challenges at work and at home that affect their productivity at work. It could be work overload, poor employee engagement, poor working environments, ineffective communication, poor management, conflicts at home and many other causes. Organizations want productive employees, so many of them are finding ways to improve workers’ output (Klatt, Schläfke & Moller, 2012). According to the KRA Revenue Report (2016/17), the region has been falling short of its revenue targets. This can be due to employee apathy that has affected the productivity of employees in the organization. The management has concentrated on the performance of employees but has failed to engage employees in decision making, inability to voice complaints and inadequate recognition at their work and this has affected the productivity in terms of revenue targets.

Moreover, many studies have been done on the factors that affect the performance of workers in various organizations; most of them being private. The empirical data provides quantifying and identifiable recommendations that will help in boosting performance. For instance, Ruto and Datche (2015) in their study on logistical challenges facing Kenya Ports Authority concluded that the state parastatal was performing poorly because of slow container handling processes, limited yard capacity, long clearing and forwarding procedures, poor planning, poor use of Information technology and poor corporate culture among others. The study did not look at how internal and external factors affects the productivity of employees hence the study fills this gap by investigating the factors that affect employee productivity. The study also established some gaps in literature such as internal, external factors and solutions to the factors which are addressed in this study. Mulera (2012) in a study on management practices effects on employee retention established various challenges that were facing Kenya Ports Authority such as upward
mobility of employees and poor management. Empirical evidence is scantly on how internal and external factors affect the productivity of employees and the solutions to these problems. The study therefore bridged the gap by investigating the factors affecting employee productivity at Kenya Revenue Authority, Thika Branch, Kenya.

1.3 General Objective

The general objective of the study was to investigate the effect of employee apathy on productivity at Kenya Revenue Authority.

1.4 Specific Objectives

1.4.1 To determine the effects of internal factors on employee productivity at Kenya Revenue Authority.

1.4.2 To determine the effects of external factors on employee productivity at Kenya Revenue Authority.

1.4.3 To determine the influence of long-term solutions on employee productivity at Kenya Revenue Authority.

1.5 Significance of the Study

1.5.1 KRA Organization and its Management

This study is important to Kenya revenue Authority (branches) in Kenya and its management to effectively realize the factors affecting employee productivity. The findings obtained through this study are useful to the management of Kenya Revenue Authority to help improve on policy formulation and their operational procedures as they work to strive to improve on the employee productivity.

1.5.2 Donors, Governments and Other Stakeholders

Partners, governments, donors and other stakeholders will seek efficient ways of partnering and co-operating in order to improve employee apathy factors and enhance productivity using the knowledge for sustainability. Moreover, the study findings act as a body of knowledge on the factors affecting employee productivity in organizations.
1.5.3 KRA Employees

The findings of this study provide in-depth information to the employees with some understanding on the significance of managing workplace factors in enhancing both organizational and individual productivity. Employees benefit as Kenya Revenue Authority makes attempts to improve their productivity through adoption of factors that promote employee productivity.

1.5.4 Scholars and Academicians

Finally, the study is important in that it creates a foundation that is useful against which studies can be conducted in the future by other researchers and scholars taking into consideration the suggestions given for further studies. The researcher hopes that the study forms a basis for further research for academicians in the fields of Business Administration who may see this as a good foundation for researching further, more specifically in Africa and Kenya.

1.6 Scope of Study

This study focused on KRA employees of the Thika branch in Kiambu County. Generally, the target population consisted of 10 top executives, 77 middle level management and 109 lower level management (KRA Thika branch, HR Records, 2018). The data was collected in 2019.

The only limitation faced was that some of the employees were afraid of being honest while filling in the questionnaire despite the fact that I assured them of confidentiality. Others declined to participate.

The assumption is that KRA employees have access to very important and confidential information and therefore are less trusting.
1.7 Definition of Terms

1.7.1 Productivity

Productivity as an evaluation of the efficiency of an individual worker or workers in a group and every organization performs its duties with the help of resources such as money, machines, materials and men (Dessler, 2011).

1.7.2 Employee Apathy

It is the way employees are indifferent in behavior and response to their work, their responsibilities and to the organizations in everything related to their work roles being impacted by internal and external factors (Frost, 2014).

1.7.3 Organizational Internal Factors

These are factors that affect employee performance and productivity and originate within the organization setup (Blok, Wesselink & Kemp, 2015). Some of the factors include: performance appraisal, which involves reviewing employees’ work performances: remuneration, which involves employees’ pay and leadership, which involves guiding and monitoring employees.

1.7.4 Organizational External factors

These represents government policies and institutional mechanisms that impacts on individual’s productivity at workplace and the involved organization has no control of (Charlier, Guay & Zimmerman, 2016).

1.7.5 Long-Term Solutions

This is an expression directed on the frequency of occurrence with stable standards that considers a great amount of time involved more so in employee wellbeing and productivity (Mäkikangas, Schaufeli & Feldt, 2016).

1.8 Chapter Summary

The chapter begun with the study introduction and background information on matters relating to the factors affecting employee in the organization also termed as employee apathy on productivity with a case of Kenya Revenue Authority. The study specific
objectives were to determine the effects of organizational internal factors on employee productivity within Kenya Revenue Authority, to determine the effects of organizational external factors on employee productivity within Kenya Revenue Authority and to determine the influence of long-term solutions to employee productivity in Kenya Revenue Authority. Chapter two has covered the literature review and empirical analysis of the reflective objectives.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter presents a literature review by various scholars on the factors affecting employee productivity at Kenya Revenue Authority. In this chapter, the researcher provided a broad review of literature relevant to the stated research objectives, which are:
To analyze and evaluate the internal factors affecting employee productivity in the workplace. To analyze and evaluate the external factors affecting employee productivity in the workplace and to identify and analyze effects of long-term solutions on employee productivity in the workplace.

2.2 Effects of Internal Factors Affecting Employee Productivity

2.2.1 Personnel Skills

The factors affecting employee productivity may be referred to as internal when the outcome is from experiences and backgrounds that are personal (Swanepoel, Erasmus & Schenk, 2008). One of the internal factors affecting employee productivity is performance role played by employees. Employees are reacting differently and individually to same situations (Cheminais, Bayat, Vander & Fox, 2012). For instance, an exercise involving retrenchment might inspire one staff to invest the retrenchment package and start an organization or business. However, another employee experiencing the same profile may waste and spend the received lump sum and responding to the layoff with a feeling of depression and rejection as a result of skill mismatch.

Change can have a negative or positive influence on the motivation of the employee as can uncertain the future (Cheminais et al., 2012) since each and every employee has desires, goals, ambitions that are different. Over time, the significance level positioned on each aspect as well as growth of individuals transforms (Armstrong & Murlis, 2009). Job of employees has an impact on the choices an employee makes in relation to self-development, the friends the employee associates with, learning options and the social status. Working can therefore be seen as instrumental that an employee can employ in
satisfying the needs. On the other hand, employers can employ motivation as an important tool to strengthen employee productivity (Armstrong & Murlis, 2009).

2.2.2 Internal Work Environment

The other factors were found to have a slight effect on employee productivity; these are conflict between personal life and work, work infrastructure, promotions in the organization, compatibility of employees with organizational culture, organizational transparency, training, career development, opportunities, pay and rewards. In relation to personal characteristics, it was examined that training of employees are the most contributing to high employee productivity, followed by relationship of employees with colleagues and employees age. Other employee related factors found to affect employee productivity were gender, marital status, and the education level of the employee (Njururi, 2016).

Organizations can exceed their target if the internal work environment is very conducive and proper layout of the office buildings, furniture and physical conditions under which workers operate. The subjective nature of some of the internal workplace environments are changing and employees must be able to react to the changes without losing morale to work. Every organization management has to be very sensitive towards creating an accommodative work environment given that the employees are likely to raise questions about their environment of work. Adhering and addressing good working environment in the organization has a positive impact to productivity of the employees. However, poor work environment and bad conditions like ventilation, working space, and lighting, protective personal emoluments may pose danger to the safety and productivity of the workers in an organization (Raziq, 2015).

A clear understanding of the work environment on productivity of the employees can’t be over emphasized or termed as overstatement in each organization. Study findings has shown that employees are directly influences by the environment they work in and supportive infrastructures that will help them be competitive and may achieve nothing if the internal work environment is not conducive. Adverse internal work environment negatively affects the morale of the employees and this call for better provision of good physical work environment for workers. The management must also be concerned with the need of creating a loyalty and morale in workplace by elimination of irritants such as
extreme temperatures, noise pollution and safe working environment. This will help the employees to be secure, fair and respect to all at the workplace. The great need and the emphasis to have a safe and secure working environment is backed by the occupational safety and health Act of 2007 which is mandatory for every organization to provide the minimum standards of interest that will enhance the performance of the employees as an objective (Makori, Thuo & Wanyonyi, 2012).

2.2.3 Performance Appraisal

The forces that influence employee productivity in organizations might be external if they begin from the employer, organization or the environment that is socio-economic (Swanepoel et al, 2008). These factors are evaluations in performance, remuneration, organizational styles of leadership or career movement reasons. One of the external factors affecting employee productivity is performance employee appraisals/evaluations. A process of performance appraisal that is effective can recognize weaknesses resulting in taking corrective actions (Cheminais et al., 2012).

The performance appraisal can also assist to retain workers that are content by acknowledging of individual performance of an employee, options of remuneration, movements in career and promotions, training that are structured and decisions related to disciplinary (Erasmus, Swanepoel & Schenk, 2005). An appraisal system that is constructive can help to motivate employees, as well as to ensure expectations that are clear and the desired actions that are needed to achieve outputs in the organization. According to Yao, Chen and Cai (2013), as more organizations are trying to achieve efficiencies that are greater with fewer employees, measures of productivity have become a common metric of labor for most organizations. Systems of measurement are not uniform since employees perform various tasks where some are routine and complex (Shafer & Moeller, 2012). However, employers employ a number of approaches to measure employee productivity. For instance, the employers who are budget-conscious are tracking several measures that are core and are relating to employee performance (Deadrick & Stone, 2014).

2.2.4 Employee Remuneration

Remuneration is another important external factor which influences the performance of employees. Remuneration is the financial and non-financial extrinsic or rewards that are
intrinsic that are provided by employers for the skills, time, and effort made by an employee to fulfill job requirements intended to achieve organizational objectives (Dowling, Festing & Engle, 2011). Cheminais et al., (2012) asserts that there is a strong association between intrinsic or extrinsic remuneration and the motivation and productivity of an employee. Remuneration has an influence that is significant on attitude and performance of workers in an organization since it is the most technique of motivation that is effective. Good remuneration enhances productivity, while poor pay adversely affects productivity (Cheminais et al., 2012).

As asserted by Erasmus et al, (2005) and Maslow (1943), factors that are monetary such as high salaried employees inspire someone to be motivated highly only up to a certain point. Beyond that, self-actualization and motivational reasons like status, recognition and greater individual responsibility or growth referred to as remuneration that is intrinsic, may be needed in keeping employees passionate and loyal to the organization and their job in addition to remuneration that is extrinsic. Extrinsic remuneration according to Smit, Cronje, Brevi and Vrba (2011), is related to the benefits the employees receive in addition to their actual basic salary of the job. This is separated into rewards that are financial and non-financial.

Rewards that are financial are related to performance like achievement awards, commission, incentive schemes, bonuses, share options and merit awards. The awards of membership include medical insurance, sponsored holidays, retirement benefits, vehicle allowance and pension. The rewards that are non-financial are status rewards like provision of a personal assistant, furnishings choice, location of a prime office and parking area that is reserved. The rewards that are social are dinner invitations, praise, an active involvement in social events and compliments (Erasmus et al., 2005).

2.2.5 Organizational Leadership

Another contributing external factor is the styles of leadership. The leadership style within a company bears to encourage or inhibit employee’s productivity (Smit, et al., 2011). If management does not analyze carefully the needs and requirements of the organization and its employees, it may be a challenge for the organization to recognize the reasons why employees are behaving in a certain way. The management has a responsibility in ensuring that productivity remains high in an organization either for the
sake of the shareholders in the case of a private company or for meeting the needs of the citizens the case of public organizations. Among the key management practices that have an effect on productivity are operations management and human resource management. Operations management has a focus on the manner in which systems are managed including the use of Information and Communication Technology (ICT), Total Quality Management (TQM), Just in Time (JIT) and also lean production while human resource management focuses on the management of people such as recruitment, development and training, empowerment, teamwork, reward systems, performance appraisal and review and target systems (Heil, Bennis & Stephens, 2010).

Career movements also affect employee productivity in organizations. A variety of options are available for career progression of an employee within an organization (Erasmus et al., 2005). These are lateral moves outside or within the organization, with the same grade level, salary, benefits, vertical moves through demotion and promotion, diagonal moves within the same organization. The outward moves outside the organization known as separation occurs when employees are not motivated sufficiently hence their outputs and loyalty at work to the organization may be negatively influenced.

2.3 Effects of External Factors on Employee Productivity

2.3.1 Political Factors

Politics revolve around the activities that the government of the day and members of law-making institutions or people influence the way the country is managed. It broadly involves analyzing on the resources and how best policies can be formulated, enacted and implemented by the state organs to the best interest of the all citizens (Munyon, Summers & Thompson, 2015). The uplift of any nation’s workforce depends on the organization strength in leadership and stable political environment. The fact is that instable political environment characterized to most of the developing nations negatively impacts on the quality of work and employee productivity. It subjects the people to fear, less planning, lack of confidence and to the extreme end to mental trauma. Weak policies and noninvolvement in worker’s protection, better working conditions and growth in the workplace. According to Grissom, Viano and Selin (2016), the outcome of this insecurity affects negatively on the organization profit, growth and employee productivity.
When the political environment becomes unfriendly like that of post-election in 2007 and 2008 in Kenya, organizations such as Kenya Revenue Authority fail to deliver on their promised agenda in revenue collection and workplace organization (Kjær, 2015). Developing countries such as Pakistan are having unstable political environment and has led to shifting of the skilled human resources and organization to the stable neighboring nations like India that have stable political environment. The causal effect is reflected on the increased level of unemployment, decrease in the average level of the market salary and employee frustration at the workplace.

Evidently, instable political environment negatively subjects the employee to no respect in the society as well on affiliation. Many employees working in such environment are demotivated, distracted, insecure and unsettled hence affecting their quality of work, resource slippage, schedule slippages and cost overrun (Naseer, Raja, Syed & Darr, 2016). To promote a healthy and productive work environment, political stability is very essential in unlocking and promoting the employee productivity in all organizations within the state.

2.3.2 Socio-Economic Factors

The work environment presents a wide based view of employee’s demographic disposition characterized by culture, religion, norms, customs and values of the population within which the organization operates. According to Nyberg, Pieper and Trevor (2016), individual characteristics such as age, gender, background on education and work experience have a bigger impact on employee productivity in organizations. Changes in the social and economic set up of today’s work environment has led to giving more emphasis on the proper work environment and prevention of work-related disorders that needs multi-factorial interventions that are very comprehensive. Workplace hazards related to occupation health and safety on psychosocial, ergonomic and physical dimension are widely recognized and the imminent threat the have towards employee productivity at the work place (Chandani, Mehta & Mall, 2016).

The psychosocial dimension of the work environment is said to entail factors like depression, violence, stress and insufficient social capital that can cause health hazards to the employees in an organization. These may be as a result of occupational risk factors that have significant socio-economic impacts with regard to work related disorders such
as decreasing in the real working hours and potential productivity. The associated socio-economic risk factors have been rated by the workers of the large scale organizations to come up with clear policies on how to give proper guidance on the resource allocation and investment towards improving of the work environment and related work disorders. Thus, the effective allocation of human and economic resources must entail an assessment of socioeconomic impacts and critical risk factors in the ergonomic and physical dimensions of the work environment (Onkelinx, Manolova & Edelman, 2016).

Language plays a very critical role in bringing out a person’s self-identity and allows people to relate and understand one another. It represents the flow of how the thoughts are formulated and well communicated for the common agenda. According to Ringov and Zollo (2017), studied on the employee interaction and communication in the workplace and how it influences service delivery. This helps them to share their feelings, tell stories, express emotions, convey complex messages and learn. The challenges come in when there is interplay between the corporate language and the cultural language that gives a critical challenge to business practice. The diversity of the Kenyan people and foreigners with diverse cultural background not only gives a big challenge in expressing what they really mean by their word but also as a setback towards understanding the process of service delivery at workplace. This has been evidenced in the construction sector, revenue administration sector, banking sector among many. Improper understanding of one way of expressing a concerning issues may not be a critical issue to other parties and may lead to poor service delivery, de-motivation and mismatch in response.

The social aspect of one’s religion had a direct impact on the productivity at the workplace, it comprises of the religious behavior and religious belief. Religion affects the way people behave through an individual value system that highly contributes to a healthy organization. Employees are increasingly incorporating their religious perspective into their work environment and express spiritual beliefs. Studies conducted shows that there exists a positive relationship between religiosity and subjective wellbeing at the workplace (Ringov & Zollo, 2017).

The economic factors greatly impact on the employee productivity in the organization as well as the overall performance of the organization. These are exchange rate, inflation, interest rates, unemployment and disposable income of the consumers (Cloutier, Felusiak & Hill, 2015). Organization performance and employee productivity will reduce if the
prevailing market interest rate is high making the cost of credit and investment aimed at wealth creation to decline. Persistent increase in commodity prices in the market forces consumers to dig deeper into their pockets so as to foot the bills hence they are left with little money to save and invest. The loss in value of the money may de-motivate employees who work very hard and at the end of the day very little is left as their disposal. The period of economic recession presents a difficult and most challenging time not only to the employees but also to the employers too. During non-recession or economic boom, most of the employees are motivated and always busy engaged more so in the hospitality sector. During the economic crisis, the senior management faces hard time in engaging employees through motivation that may involve financial and non-financial rewards.

Závadský Hitka and Potkány (2015) studied changes of employee motivation of Slovak enterprise due to global crisis of 2008 and 2013. The study selected 2008 due to the global economic crises with macroeconomic indicators. The study involved a target population of 200 respondents selected across the industries sector. The study questionnaires were distributed, and the analysis set to establish how motivation impacted on the employee productivity. The study concluded that employees need to stay motivated in long-term and short-term point of view. Though, in environments where there is change of circumstances in economic situation like the global financial crisis of 2008 presents a delicate situation where monetary incentive and relationship has a critical role. The concerned institutions in the government have to formulate clear policies to address such challenges.

**2.3.3 Technological Factors**

Technological factors pertain to newness or innovation that may bring change by altering on the normal operations of the employee in the organization in a favorable or unfavorable (Frey & Osborne, 2017). Disruptive technology may impact on labor productivity by increasing on the efficiency, reducing wastage time and hastening work process. This makes the productivity of an employee in an organization to be high and increases motivation to work out more. Contrary to the role that technology brings in organization, there are indeed lots of challenges that come along with such technological change. Technology may render some skilled worker to be obsolete, reduce on the
manpower capacity lowering on the workforce and bringing fear to the existing human resources on their future role in organizations (Yueh & Lin, 2016).

Technology is an important external force that can have both disruptive and positive influence on employee productivity. Technological advancement can often assist to streamline the processes and make tasks easier for employees, new technology learning while remaining productive can be a challenge to some employees. This factor of rapid technology that is advanced and employers required making a decision on the need for new additional training, processes and documentation improvement. Employees need to have tools that are essential to carry out their everyday duties. This consists of computer technology, working space, appropriate equipment, machinery, sufficient lighting and economically correct seating (Akhtar, Boustani, Tsivrikos & Chamorro-Premuzic, 2015). Poor work conditions in relation to physical components leads to production levels that are low and an overall employee productivity. The second one particularly, if it is not considered it makes employees feel unappreciated and eventually, they may quit (Alavi Abdi, Mazuchi, Bighami & Heidari, 2013).

According to Tang (2012), work environment is also one of the main internal actors for employee productivity. Employees mostly want to be working in an environment that is favorable to them. This is the common causes that make employees to move from one organization to another from time to time. Work environments that are not safe to the employee, work environments that are below standards have a wide range of implications to employee productivity. Alavi et al. (2013) argued that work environment is often described as either bad or good and good working environment makes the workers feel at ease appreciated. The employees are often more productive and happier at work. A bad working environment makes the worker be unsettled, feel unappreciated and work in fear.

A critical internal factor that also influences employee productivity is the staff’s actions. According to Herbsman and Ellis (2010), by creating an atmosphere of assisting and sharing is at the top of the list when customers are asked to identify the primary factors that improve effective service to customers and productivity. Organizations that can create an internal culture that is effective based on teamwork, mutual support and respect will perceive productivity that is increased and customer services improved.
2.3.4 Environmental Factors

Environmental factors have come to be a frontline issue on their impact to employee productivity at the workplace. These revolve around ecological and environment aspects such as pollution and climate change. Workplace health and safety advocates for friendly work environments (Awan, 2015). Though, in big cities the air quality is more polluted and negatively impacts on the employees’ health relating to visibility, breathing and airborne contaminations. Sick workers or unsafe environment poses a challenge to the level of productivity in the organization (Schnall, Dobson & Elling, 2018). The government must have corrective measures to addresses challenges relating to the environmental pollution. This calls for infrastructural development and maintaining a good environment with measures to address on the extreme temperature and humidity. In addition, there is a growing awareness on the potential negative impact of climate change and how it is affecting organization on how they operate and their products they offer to the market. Concerted effort must be encouraged and have many of the organizations adheres to corporate social responsibilities and sustainability in hand with the government.

2.3.5 Legal Factors

In today’s workplace, most of the employees try as much as they can to keep their personal and professional lives separate in workplace. This is not the case as the impact of legal matters such as debt challenges, family crisis and investments (Cotter, 2017). The legal issues do distract employees from their work and create additional stress. Employees embroiled in legal challenges like lawsuits spend an average of three hours a week at their workplace dealing and trying to look for solutions. This may come also with lost productive time as a result of attending court cases. Legal matters end up negatively affecting employees’ morale given that there is constrained relationship with the family, friends and reported cases of stress, depression and absenteeism in the workplace (Mawdsley & Somaya, 2016). Smeldey (2017) argues that organizations must also understand the legal environment they are operating in to trade successfully and in an ethical way. Matters relating to copyrights, trademark, and tax policy and employee management must be wail centralized and regulated as failure to adhere to such issues may jeopardize operations of an organization.
2.4 Influence of Long-Term Solutions Affecting Employee Productivity

2.4.1 Corporate Culture

Corporate culture in the organization represents the vision and mission statement that aims at instilling the employees with values at general in the short term and long-term solutions. Altrasi (2014) asserts that employees are a strategic asset in an organization whose productivity at work influences the overall performance of the organization. It is through employee productivity that an organization can achieve and exceed its goals of performance efficiently (Muda, Rafiki & Harahap, 2014). According to Škare, Kostelić and Justić (2013) organizations need to take into account institutional factors that promote employees’ performance level and improve those factors in order to make employee perform well and thus achieve productivity that is of high level from the employees. According to Wambugu (2014), stated that organizations visions, values are written on to the walls with the sole purpose of constant encouragement of anyone who is within the organization to review on the personal reflection connected to organization’s desired destination. Thus, culture defines a secure bundle of values, norms, beliefs and behaviors often adhered to in the organization’s environment.

The concept of organization corporate culture is widely practicing by institutions with the aim of driving learning process of the employees and distribution of scarce resources. The work culture revolves a complete set of beliefs, attitudes and manners of having work done in a sensible approach with consideration to the organization culture. Being aware of the culture of the organization helps employees to conceptualize and draw references on the way’s operations are being conducted in the past and present. Thus, the intuition gives the guide on the expected future behaviors in the organization. Corporate culture promotes dedication to the firm’s values and policies by generating a shared sense of feeling of performing tasks towards a common goal. They serve as the control tool to dictate behaviors towards desired characteristics away from the unwanted characters through its norm (Ramadhani, Ramdhani & Ainissyifa, 2017). Culture can pose as a strength or weakness to an organization when it comes to decision making process, control, planning, interaction and cooperation in the workplace. The weakness of culture may hinder smooth running of the organization and implementation of the master plan to bringing about opposition to change. Employees in organizations where there is no sense
of allegiance, commitment or identity poses a threat to delivering the mission and vision of the organization.

The organization should ensure employees are motivated so that they can perform highly at work, employees should from time to time be trained on new things to improve skills. Organizations should create an enabling environment of work that will enable employee work efficiently (Bodla & Hussain, 2009). Work supervision should be supportive of the employee as this will lead to high level of performance. Organization should retain employees for long, as these employees have experience that sharpen their work skills and make them work better and their productivity becomes high. Moreover, more team building activities that will foster good employee relationships with colleague which in turn enhances their performance highly.

Organizations should continue encouraging the amount of contact between management team and their staff and should be at maximum since it helps in achieving understanding that is mutual, relationships that are personal and two-way communications that are constructive. This means that management and leaders in a team need to practice leadership that is face-to-face and must accordingly act, not fully engaging themselves in their offices or attending series of meetings. The involvement of first-line managers is completely crucial (Miao, 2011) since holding objective and regular consultative meetings between the employer and employees or managers and the employees will build a shared interest and trust environment.

High standards of organizational performance are associated to the firm’s culture practice and oriented to beliefs, values and behaviors in the workplace. Various researchers have come to conclude that organizational culture is still attached to high performance if only culture adjusts to changes in internal and external environment. Strong and supportive organization culture is very beneficial to all employees in promoting their efficiency and performance in the workplace. This leads to the attainment of intended goals and increase in employee productivity. In a result-oriented culture there is an emphasis on high skills administration, promotion of education, employee training and leadership skills practice. It sets boundaries and helps individuals with normative rules to dictate some of the key areas of that mold’s motivation to the workplace and shared sense of identity (Lee, Shiue & Chen, 2016). Corporate culture has a notable impact on employee productivity in the organization in both short term and long-term results. Institutions with a deeply
entrenched culture with larger workforce expansions, greater revenue collections and greater improvements are key characteristics of how corporate culture impacts on their performance positively (Bodla & Hussain, 2009).

2.4.2 Human Resource Development Strategies

Companies should formulate and implement HRD strategies in the organization to develop the employee’s careers and increasing their handling task skills. Further, using all programmers of management development and training as opportunities to strengthen core values is beneficial in gaining commitment. Very significantly, companies should assess that management and team leaders are committing themselves to their roles to uphold the mission, vision and core values of policies in HR of the organization and do not undermine them through criticism and neglect (Muda et al., 2014).

It is important to promote the use of plans in personal development that focus on improvement that is continuous mainly through individual reflection on self-managed learning and experience. Development in career should be conducted by the organization since it encourages employees in believing in having a future in the organization (Muda et al., 2014). The leadership should encourage good relationship between the staffs and management and is important since it determines the employee’s propensity of being loyal to an organization (Bodla & Hussain, 2009).

Investment in employee’s skills, talents and education is one of the ways of fostering best performances in the work involved as it instills professionalism, quality services and minimal errors. Learning and development in the workplace must have a consideration to address cognitive capabilities and behaviors to enhance on the knowledge of the employee’s organization (Bodla & Hussain, 2009). The process helps to eliminate, modify, direct and process employees in a manner that they are well equipped with the required skills to manage today and are prepared for future changes. Every organization has a role to design its human resource development strategies to better equip their employees and also manage change in the evolving business environment.

There is a sea of change in organizational competencies and management styles especially in private sectors. This is as a result of drastic change from scientific world to technological revolution being triggered by the employees and organization leadership. In order to bring sustainability in the operation and management of many institutions, there
is need to engage employees given that they sit at the commanding height of all other resources. In a similar note, Ede (2015) noted that the human resources development program in all levels of the organizations is indispensable if the sector expects to have a result-oriented approach. The changing nature of the world is coupled with the complex nature of the modern developments in the field of human resource management. Employees must be equipped so as to be able to cope with the developments and rapid changes through the process of human resource development program. Human resources in an organization play a big role in the success or failure which impact on the optimum performance on the level of employee productivity. Organizations like KRA have no choice but to empower and develop their human resources for the betterment of performance in their intended goals

2.4.3 Performance Management

Performance management is one of the most crucial developments in the field of human resource development and management, it comprises of all the activities that guarantee an organizational objectives and human resources through an efficient and effective manager of monitoring. Simply, performance management incorporates systems and mechanisms used by the organizational leaders and their employees to develop work exceptions and objectives of the organization (Mone & London, 2018). It helps to deliver and communicate on the performance, identify developmental need of the employees and evaluate on their performances.

Organizations should apply the process of performance management that encourages that expectations of performance are reviewed and agreed regularly. It is important for companies to formulate HR policies that govern the main areas of employee relations, development, employment and reward. Organizations should make sure that the reward systems are managed and developed in order to achieve fairness, equity and consistency in all aspects of remuneration and benefits. The organizations therefore should employ a policy of transparency that is general, to ensure that employees know what is going on, why it is going on and the effects it will create on their prospects, employment and development. Through this way trust can be created and to practice employment relations in a way that it will encourage mutual trust between employees and employer is important to employees’ productivity (Bodla and Hussain, 2014).
Performance management helps to set standard that supports the values of the institutions and provides the basis of key human resource decisions to be made such as merit, pay increase and promotions. The concept ensures that the best employee is recognized for his or her achievement in the stated contract and reward best performing employees. Performance management is enhanced through coaching, mentoring and counseling between the senior workers and junior workers to establish their abilities and identify gaps. Performance management helps employees to deliver significant return on the investment through a direct and indirect range of benefits, operational efficiency and helping to unlock the potential of the employees in an organization. Most of the public institutions are under an increasing demand to accomplish higher results in service delivery with fewer resources in use (Barrick, Thurgood, Smith & Courtright, 2015). Thus, performance management is meant to bring on accountability and optimum resource utilization to enhance productivity of each employee in the department.

2.5 Chapter Summary

This chapter contains literature review based on the specific objectives stated in chapter one. It contains literature from different authors with various perceptions of the research topic. The objectives covered in chapter two were; assessing the internal factors which involved personnel skills, internal work environment, performance appraisal, employee remuneration and organizational leadership. The second objective was to assess on the external factors that covered on the political, socio-economic, legal, environmental and technological. The third objective was based on the long-term solutions that involved corporate culture, human resource development strategies and performance management. Chapter three reviewed on the study methodology by elaborating on study research design that was descriptive and gave an organized model of inquiry to the planning of the research data.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

The chapter on the research methodology gave an in-depth analysis of the study variables. Specifically, the chapter has highlighted on the processes adopted when carrying out a fieldwork through the definition of methodology concepts and indicating their significance to the present study. The chapter has widely covered on the study research design, target population of the study, sampling design, data collection methods, research procedures, data analysis and finalized with the chapter summary. The significance of the study topic has been elaborated to assist the research have a structured model in the process of data collection, data analysis and interpretation of the data findings.

3.1 Research Design

Research design is a representation of an organized structure of inquiry that seeks to respond to the research questions by helping the researcher plan on data in a clear and meaningful approach (Paul, Parthasarathy & Gupta, 2017). In other words, research design is considered as a blueprint of how the researcher is intending to carry out the research. It is relevant to the current study by elaborating on the major part of the research study variables on the organizational internal factors, organizational external factors, long term solutions and how they impact on employee productivity.

The study has adopted a descriptive research design to help in the investigation of the factors affecting employee productivity at Kenya Revenue Authority in Thika Branch. Descriptive research design sought to identify and present on the causal relationship between the independent variables and dependent variable in the study relating to the research problem being invested as to why, when, what, where and how. The factors associated with; organizational internal factors, organizational external factors and long-term solutions. Thus, the study had questions as to why when developing the causal explanation in a structured detail for a deeper understanding of the given phenomenon.

According to Maxwel (2015), explanatory descriptive research design seeks to give an illustration of organizations, peoples activities, events and settings in a causal approach. This is an expansion of descriptive research design integrating on to the aspects of what,
when, where, which and how but also to the question of why in a compulsory expedition. Mwambia (2015), studied factors affecting adoption of technological innovation in Kenya Revenue Authority. The involved medium taxpayer’s office and it adopted an explanatory research design to show the link on the causal effects of factors and the adoption of technological innovation.

3.3 Population and Sampling Design

3.3.1 Population

Population represents a set of individuals, events, elements, cases or objects with special identifiable features that the research wants to inquire and develop a generalized analysis for decision making (Mugenda, 2012). Thus, the target population is termed as the total group of study subjects or people who have similar characteristics in one or more ways and form the study subject in a particular study. The target population comprised of upper level management, middle level management and lower level management at Kenya Revenue Authority Thika branch. Thus, from the above the target population consisted of 10 top executives, 77 middle level management and 109 lower level management (KRA Thika branch, HR Records, 2018). The employees were drawn from all the departments in the Kenya Revenue authority departments as presented in the Table 3.1 below.

Table 3.1: Population Distributions

<table>
<thead>
<tr>
<th>Cadre</th>
<th>Sample Frame</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper Level Management</td>
<td>10</td>
<td>5.1%</td>
</tr>
<tr>
<td>Middle Level Management</td>
<td>77</td>
<td>39.3%</td>
</tr>
<tr>
<td>Lower Level management</td>
<td>109</td>
<td>55.6%</td>
</tr>
<tr>
<td>Total</td>
<td>196</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: KRA HR Records (2019)
3.3.2.1 Sampling Design

According to Walliman (2017), sampling design as the procedure that the researcher opts to use in selecting a particular sample from target population in a study. Sampling design was incorporated in the study to systematically present on the approach of how the samples were arrived at, the sampling method applied was stratified random sampling. Stratification involves dividing the population into categorical groups known as strata and drafting a direct inference on to the nature of the study population. The study included a qualitative sampling with the main goal of presenting the right information that is very objective and rich in content on the matters relating to; determining the effects of organizational internal factors on productivity within Kenya Revenue Authority, determining the effects of organizational external factors on productivity within Kenya Revenue Authority and determining the long term solutions to productivity in Kenya Revenue Authority.

3.3.2.2 Sampling Frame

Sample frame consists of the study units or elements that are readily accessible by the researcher at the time of conducting a research study. Sampling frame involves the information that is generally applied to identify a sample utilized to identify a sample population for statistical treatment in the study via the involvement of a numerical identifier on each of the individual characteristics in the study (Berger and De La Riva Torres, 2016). The key information was obtained from the Kenya Revenue Authority Thika branch and detailed on the present human resource in the organizations. The current human resource report indicates that the institution has a total workforce of 198 employees that include upper level management, middle level management and lower level management.

3.3.2.3 Sampling Technique

According to Dang and Pheng (2015), sampling techniques involve the process of selecting a set of elements, people or items and sorting them as per their characteristics in a study. Sampling techniques must involve a predetermined model to be used when drawing samples from a target population in a manner that is relevant in establishing a study hypothesis of the population when the analysis becomes statistically insignificance during the analysis.
The study grouped the respondents and incorporated a stratified simple random sampling technique. This involved using the different departments to choose a few random people to represent each department in filling in the questionnaire. This ensured that every department’s opinion was well represented and gave a clearer scope to the selection of a representative from each stratum. It also made it easier for the researcher to carry out the research effectively and efficiently without bias.

### 3.3.2.4 Sample Size

Sample is termed as a representation of people, elements, item or sets drawn from a particular target population with special features for the research objectives (Bryman & Bell, 2015). A viable sample size has to have a statistical consideration with the critical of containing a level of precision to give on the range of value of the population in estimation. The sample size has to have a confidence level to establish the number of times out of the 100% of the results expected when the same population is repeatedly sampled with an average value of the attribute already obtained. The level of variability in the study sample size ought to be considered in a heterogeneous population with an optimum level of precision. The main objective for selecting a sample size from the target population was for the researcher to be in a position to infer valid conclusions about the study and the population characteristics. Kothari (2014) argued that a sample size of above 20% of the target population is ideal for generalization of the study findings involving whole population. Thus, this study applied Yamane (1997) formula to determine the sample size as shown below:

\[
n = \frac{N}{1 + N(e)^2}\]

Where:

- \(n\) = Sample Size
- \(N\) = Population Size (196)
- \(e\) = Level of Precision (0.05)
n = 196

\[1 + 196(0.05)^2\]

n = 132

Table 3.2: Sample Size Distributions

<table>
<thead>
<tr>
<th>Strata</th>
<th>Sample Frame</th>
<th>Percentage</th>
<th>Sample Size</th>
<th>Percentage of Total Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper Level Management</td>
<td>10</td>
<td>5.1%</td>
<td>7</td>
<td>3.6%</td>
</tr>
<tr>
<td>Middle Level Management</td>
<td>77</td>
<td>39.3%</td>
<td>52</td>
<td>26.5%</td>
</tr>
<tr>
<td>Lower Level management</td>
<td>109</td>
<td>55.6%</td>
<td>73</td>
<td>37.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>196</strong></td>
<td><strong>100</strong></td>
<td><strong>132</strong></td>
<td><strong>67.3%</strong></td>
</tr>
</tbody>
</table>

Source: Author (2019)

3.4 Data Collection Methods

Data collection methods is a process that the researcher incorporates in a study when gathering information from all the relevant sources from respondents through the use of questions in writing, observation, interview or content analysis and presenting the answers to the research problem for result analysis (Daniel & Harland, 2017). Data collection method involved use of primary qualitative method; this detailed a drafted questionnaire with closed and open-ended questions administered to the Kenya Revenue Authority employees at Thika branch. The questionnaires were used to capture on the respondent’s demographic information and descriptive responses. The descriptive responses were based on a Likert scale with a five-point ratings scale. The scale being: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree. Marshall and Rossman (2014) acknowledges that structured questionnaires consists of several questions that have a common set of categorical responses with the main aim of helping to analyze on the distribution, beliefs and attitudes of the respondents for ease in administration, generalizing of responses and easy to administer.
3.5 Research Procedure

Research procedure involves detailed step by step activities of analyzing data by capturing and outlying of the results (Dang & Pheng, 2015). The researcher first collected a letter of introduction from United States International University and a permit from the National Council of Science, Technology and Innovation (NACOSTI). The researcher also sought permission from the administration of Kenya Revenue Authority before collecting data from the subjects.

The purpose of the study was explained to the respondents and confidentiality assured to the respondents by not writing their names on the questionnaires.

Thereafter, the questionnaires were administered by the researcher to the selected participants. The study was conducted through self-administering the questionnaires and delivered to the employees.

3.6 Data Analysis Methods

Data analysis is the process entailing efforts in formally identifying themes and constructing ideas that have been suggested by data and attempting to demonstrate support for those themes and ideas (Creswell, 2013). The data was organized, edited, analyzed and interpreted using both descriptive and inferential statistics. Qualitative data was sorted into research patterns and categories to help the researcher make a general statement in regard to the observable features of the study. The data was summarized, tabulated, coded and analyzed. The descriptive statistics comprised of standard deviation, means, frequencies and percentages. The inferential statistics comprised of correlation, coefficient of determination, analysis of variance and regression. The studies used the computer programme SPSS version 24 to code and analyze the data. The results were presented using tables and figures. Regression model as an inferential was also used in analyzing the data as follows.
\[ Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \]

Where: \( Y \) = Employee Productivity (Dependent Variable)

\( \alpha \) = constant

\( \beta \) = Coefficient

\( X_1 \) = Internal Factors (Independent Variable)

\( X_2 \) = External Factors (Independent Variable)

\( X_3 \) = Long Term Solutions (Independent Variable)

\( \varepsilon \) = Error rate

3.7 Chapter Summary

The chapter reviewed the methodology by discussing the study research design, population and sampling design, sample frame of the study, sampling techniques, sample size and data analysis. The next chapter is chapter four which has covered data analysis, presentation and discussion.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

The chapter presents the discussions of the findings from the data collected using the questionnaire. The results and findings relating to the factors affecting employee productivity in the workplace were analyzed as per the questionnaires collected and the SPSS output analysis presented as shown. The findings of the study are presented in form of tables, pie charts, and bar graphs.

4.1.2 Response Rate

A total of 132 questionnaires were issues out of which 98 were fully filled and recorded. The response rate represented 74.24% which was considered very ideal for the study. The questionnaires that were not filled were due to the respondents not having enough time to fill due to the nature of the work.

![Response Rate Chart]

**Figure 4.1: Response Rate**

4.2 General Information

This detailed on the gender, level of education, age of the respondents and work experience. The general information captures on the gender of the respondents, level of education, age and number of the years working with the institution.
4.2.1 Gender of Respondents

Referring to Figure 4.2, a total of 98 respondents was attained of which 37.8% were male while 62.2% were female. This indicated that there is slight gender imbalance with more ladies than men in the branch.

![Gender of Respondents](image)

**Figure 4.2: Gender of the Respondents**

4.2.2 Education Level

Relating to the above Figure 4.3, the targeted respondents in the study were asked to indicate their highest level of education. From the analysis, 64.3% had degree qualifications, 31.6% had masters and others whereas 4.1% had diploma. This proved that the respondents were providing skilled labor and had a broad understanding of the research topic.

![Education Level](image)

**Figure 4.3: Education Level**
4.2.3 Age of the Respondents
From the above Figure 4.4, 35.7% of the respondents were aged between 27 – 36 years, 31.6% of the respondents were aged between 37 – 46 years, 20.4% were aged between 20 – 26 years, 8.2% were aged between 47 – 56 years and 4.1% were aged 57 years and above. Most of the respondents were within the age gap that is economically active and hence very productive in their designated duties.

Figure 4.4: Age of the Respondents

4.2.4 Number of years working at KRA
The study sought to establish the number of the years that the respondents have been working in the institutions. From the analysis; 62.2% of the respondents have worked for between 1–6 years, 30.6% had worked in the organization for between 7–9 years, 4.1% had worked in the organization for less than a year and 3.1% had worked in the organization for over ten years.

Figure 4.5: Years of Experience
4.3 Effects of Internal Factors on Employee Productivity

The study assessed on the respondent’s views on the matters to do with the internal factors and how it impacts on employee productivity in the organization. The statement involved reviewing on the sub elements of internal factors and giving a rank based on the mean scores. From the analysis, statement relating to the organization having a defined role played by employees to influence employee productivity was ranked top with a mean of 3.57 and a standard deviation of 1.268 and a variance of 1.608. Statement relating to KRA cultivating internal values and culture to all employees had a least level of support with a mean of 2.59 a standard deviation of 1.353 and a variance of 1.832.

Table 4.1: Internal Factors and Employee Productivity

<table>
<thead>
<tr>
<th>Statement</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>KRA cultivates internal values and culture to all employees</td>
<td>98</td>
<td>2.59</td>
<td>1.353</td>
<td>1.832</td>
</tr>
<tr>
<td>The management instills core values in corporate culture for policy execution with synergy.</td>
<td>98</td>
<td>2.66</td>
<td>1.268</td>
<td>1.607</td>
</tr>
<tr>
<td>Employees attitudes and culture greatly impact on productivity</td>
<td>98</td>
<td>2.8</td>
<td>1.292</td>
<td>1.669</td>
</tr>
<tr>
<td>Positive behaviors and values greatly affect the level of productivity at KRA</td>
<td>98</td>
<td>2.97</td>
<td>1.171</td>
<td>1.37</td>
</tr>
<tr>
<td>My organizational beliefs and values enhance employee productivity</td>
<td>98</td>
<td>2.99</td>
<td>1.223</td>
<td>1.495</td>
</tr>
<tr>
<td>Performance appraisal has positively influenced the productivity of employees</td>
<td>98</td>
<td>3.17</td>
<td>1.362</td>
<td>1.856</td>
</tr>
<tr>
<td>Work values and ethics bring harmony and cordial relationship at my workplace.</td>
<td>98</td>
<td>3.19</td>
<td>1.081</td>
<td>1.168</td>
</tr>
<tr>
<td>The employee personal conflict and work has a contributing effect on employee productivity</td>
<td>98</td>
<td>3.21</td>
<td>1.364</td>
<td>1.861</td>
</tr>
<tr>
<td>The working conditions of the organization is favorable to influence employee productivity</td>
<td>98</td>
<td>3.45</td>
<td>1.293</td>
<td>1.673</td>
</tr>
<tr>
<td>The organization has a defined role played by employees to influence employee productivity</td>
<td>98</td>
<td>3.57</td>
<td>1.268</td>
<td>1.608</td>
</tr>
</tbody>
</table>
4.4 Effects of External Factors on Employee Productivity

The study assessment on external factors influencing employee productivity in the organization was established as shown in the table. Statement relating to poor economic environment lowers employee productivity had the highest level of impact with a mean of 3.48 with a standard deviation of 1.318 and a variance of 1.737. Least of the support was relating to a statement on the legal issues that are time consuming and lowers one's productivity at the workplace had above average rating of a mean of 2.80 with a standard deviation of 1.377 and a variance of 1.896.

Table 4.2: External Factors and Employee Productivity

<table>
<thead>
<tr>
<th>Statement</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal issues are time consuming and lower ones productivity at the workplace.</td>
<td>98</td>
<td>2.8</td>
<td>1.377</td>
<td>1.896</td>
</tr>
<tr>
<td>I have had legal challenges outside my work environment</td>
<td>98</td>
<td>2.85</td>
<td>1.342</td>
<td>1.801</td>
</tr>
<tr>
<td>Language barrier is a challenge to my work productivity</td>
<td>98</td>
<td>2.91</td>
<td>1.37</td>
<td>1.878</td>
</tr>
<tr>
<td>I serve clients from different cultural background</td>
<td>98</td>
<td>2.96</td>
<td>1.406</td>
<td>1.978</td>
</tr>
<tr>
<td>Our operation is in line to the required government policies</td>
<td>98</td>
<td>2.97</td>
<td>1.569</td>
<td>2.463</td>
</tr>
<tr>
<td>My organization has occupation health and safety guide at the workplace.</td>
<td>98</td>
<td>3.04</td>
<td>1.292</td>
<td>1.668</td>
</tr>
<tr>
<td>High taxes pose a challenge to employee motivation at workplace.</td>
<td>98</td>
<td>3.06</td>
<td>1.353</td>
<td>1.831</td>
</tr>
<tr>
<td>My religion binds me to work ethics</td>
<td>98</td>
<td>3.12</td>
<td>1.387</td>
<td>1.923</td>
</tr>
<tr>
<td>My organization has invested in new technologies</td>
<td>98</td>
<td>3.18</td>
<td>1.319</td>
<td>1.739</td>
</tr>
<tr>
<td>The new technologies simplify work creating efficiencies</td>
<td>98</td>
<td>3.19</td>
<td>1.241</td>
<td>1.539</td>
</tr>
<tr>
<td>Regulatory policies do affect employee productivity</td>
<td>98</td>
<td>3.4</td>
<td>1.538</td>
<td>2.366</td>
</tr>
<tr>
<td>Economic performance impacts our organization</td>
<td>98</td>
<td>3.41</td>
<td>1.42</td>
<td>2.017</td>
</tr>
<tr>
<td>Poor economic environment lowers employee productivity</td>
<td>98</td>
<td>3.48</td>
<td>1.318</td>
<td>1.737</td>
</tr>
</tbody>
</table>
4.5 Influence of Long-Term Solutions on Employee Productivity

The study assessed the factors relating to long term solutions and its implication to employee productivity. From the assessment, statement relating to the organization has implemented career development to improve on employee productivity had the top-level support with a mean of 3.41, standard deviation of 1.259 and a variance of 1.584. The assessment of the statement relating to the management processes being employed within the organization are perceived to increase on employee productivity had lowest level of support. Performance management processes are employed within the organization to increase on employee productivity had the lowest level of support with a mean score of 2.40, standard deviation of 1.314 and a variance of 1.727.

Table 4.3: Long-Term Solutions and Employee Productivity

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance management processes are employed within the organization to increase on employee productivity</td>
<td>98</td>
<td>2.4</td>
<td>1.314</td>
<td>1.727</td>
</tr>
<tr>
<td>The area of human resource development is relevant to my duties</td>
<td>98</td>
<td>2.61</td>
<td>1.313</td>
<td>1.724</td>
</tr>
<tr>
<td>The organization uses two-way communication to enhance employee productivity</td>
<td>98</td>
<td>2.67</td>
<td>1.274</td>
<td>1.624</td>
</tr>
<tr>
<td>Adequate resources are provided for employee empowerment</td>
<td>98</td>
<td>2.87</td>
<td>1.344</td>
<td>1.807</td>
</tr>
<tr>
<td>I am motivated due to development in my organization</td>
<td>98</td>
<td>2.97</td>
<td>1.264</td>
<td>1.597</td>
</tr>
<tr>
<td>Performance management has helped me deliver on my work appropriately</td>
<td>98</td>
<td>3.03</td>
<td>1.350</td>
<td>1.824</td>
</tr>
<tr>
<td>The skills acquired are relevant to my work</td>
<td>98</td>
<td>3.28</td>
<td>1.250</td>
<td>1.562</td>
</tr>
<tr>
<td>The employee are motivated to enhance employee productivity</td>
<td>98</td>
<td>3.33</td>
<td>1.250</td>
<td>1.562</td>
</tr>
<tr>
<td>The organization has implemented career development to improve on employee productivity</td>
<td>98</td>
<td>3.41</td>
<td>1.259</td>
<td>1.584</td>
</tr>
</tbody>
</table>

4.5.1 Employee Productivity

The study review on the dependent variable relating to employee productivity in the organization was examined and response presented in order of the support level. The analysis showed that statement relating to employee efficiency at the workplace is very high had the highest level of support with a mean of 3.99, standard deviation of 1.089 and variance of 1.185. Employees meeting their target at the workplace in their organization
had the minimal level of support with a mean of 2.94, standard deviation of 1.427 and variance of 2.037. These results show us that due to lack of efficiency and not being able to meet their target employees are not very productive. Organizations should develop strategies that will increase and motivate employees to be more productive.

Table 4.4: Employee Productivity

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have met my work target in my organization</td>
<td>98</td>
<td>2.940</td>
<td>1.427</td>
<td>2.037</td>
</tr>
<tr>
<td>Employees aren’t involved in decision making leads to low productivity in the workplace.</td>
<td>98</td>
<td>3.050</td>
<td>1.373</td>
<td>1.884</td>
</tr>
<tr>
<td>There is increased output and quality work</td>
<td>98</td>
<td>3.380</td>
<td>1.070</td>
<td>1.145</td>
</tr>
<tr>
<td>There is corporation and teamwork in the organization</td>
<td>98</td>
<td>3.730</td>
<td>1.051</td>
<td>1.104</td>
</tr>
<tr>
<td>There is learning in my organization place of work</td>
<td>98</td>
<td>3.740</td>
<td>1.029</td>
<td>1.058</td>
</tr>
<tr>
<td>I concentrate at my workplace</td>
<td>98</td>
<td>3.800</td>
<td>1.055</td>
<td>1.113</td>
</tr>
<tr>
<td>Employee apathy has negatively impacted on productivity</td>
<td>98</td>
<td>3.910</td>
<td>0.996</td>
<td>0.991</td>
</tr>
<tr>
<td>My efficiency at workplace is very high</td>
<td>98</td>
<td>3.990</td>
<td>1.089</td>
<td>1.185</td>
</tr>
</tbody>
</table>

4.6 Inferential Statistics

4.6.1 Validity and Reliability

To measure on the study reliability and validity of the data collected, an internal consistency model of Cronbach’s Alpha was computed using the SPSS and the findings presented as shown in the table. The entire test on the variables registered a Cronbach’s Alpha of above 0.7 showing that the data had a high level of internal consistency.

Table 4.5: Validity and Reliability

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Cronbach’s Alpha results</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>organizational internal factors</td>
<td>0.707</td>
<td>Acceptable</td>
</tr>
<tr>
<td>organizational external factors</td>
<td>0.917</td>
<td>Acceptable</td>
</tr>
<tr>
<td>long term solutions</td>
<td>0.869</td>
<td>Acceptable</td>
</tr>
</tbody>
</table>
4.6.2 Correlation Analysis

The study used regression analysis to compute on the strength and nature of association that exists among the study variables. This involved; correlation, coefficient of determination, analysis of variance (ANOVA) and multilinear regression equation.

Table 4.6: Correlation Analysis

<table>
<thead>
<tr>
<th>Pearson Correlation</th>
<th>Employee productivity</th>
<th>Internal factors</th>
<th>External factors</th>
<th>Long term solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee productivity</td>
<td></td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal factors</td>
<td></td>
<td>.866</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>External factors</td>
<td></td>
<td>.609</td>
<td>.629</td>
<td>1.000</td>
</tr>
<tr>
<td>Long term solutions</td>
<td></td>
<td>.662</td>
<td>.445</td>
<td>.866</td>
</tr>
</tbody>
</table>

Correlation was used to compute on the nature of relationship between the independent variable and dependent variable. The results of correlation are expected to be within the scales of positive one and negative one with values close to positive one showing strong correlation and values close to negative one indicating a weak association.

From the findings, there was a strong positive association between internal factors and employee productivity \( (r =0.866, \ p \ value < 0.05) \). Secondly, there was a strong positive association between long term solutions and employee productivity \( (r = 0.662, \ p \ value < 0.05) \). Thirdly, there was a strong positive association between the external factors and employee productivity \( (r = 0.609, \ p \ value < 0.05) \).

4.6.3 Regression Analysis

Table 4.7: Regression Model

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.633*</td>
<td>.617</td>
<td>.423</td>
<td>.38445</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Long term solutions, Internal factors, External factors
Coefficient of determination was computed to establish on how well the study’s data was appropriate for the statistical fitness in the analysis. From the table, the coefficient of determination of $R^2 = 0.617$ was establishing and it indicated a relatively goodness of fit of the study to the Ordinary Least Squares regression model. This showed that 61.7% of the variability in employee productivity at KRA is attributed to internal factors, external factors and long-term solutions. The remaining 38.3% of the variability is attributed to other factors not explained in the model.

**Table 4.8: Analysis of Variance (ANOVA)**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>5.324</td>
<td>3</td>
<td>1.774</td>
<td>7.562</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>22.062</td>
<td>94</td>
<td>.235</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>27.385</td>
<td>97</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee productivity

b. Predictors: (Constant), Long term solutions, Internal factors, External factors

For the ANOVA, the $F$ – Test was used to determine on the significance of the overall model. From the given table, an $F$ value of 7.562 and p-value of 0.000 was established which is lower than 0.05. This indicated that the model was statistically significant in assessing the effect of internal factors, external factors and long-term solutions on employee productivity at KRA.

**Table 4.9: Regression Coefficients**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>3.368</td>
<td>.330</td>
</tr>
<tr>
<td>Internal factors</td>
<td>1.051</td>
<td>.096</td>
</tr>
<tr>
<td>External factors</td>
<td>.522</td>
<td>.184</td>
</tr>
<tr>
<td>Long term solutions</td>
<td>.551</td>
<td>.195</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee productivity

b. Predictors: (Constant), Long term solutions, Internal factors, External factors
The model was obtained and summarized as shown below:

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \]

Whereby:

\[ Y = 3.368 + 1.051X_1 + .522X_2 + .551X_3 + \varepsilon \]

\( Y = \) Employee productivity

3.368 = Employee productivity in absence of the explanatory factors

\( \beta_0 = \) Constant term

\( X_1 = \) internal factors

1.051 = coefficient of \( X_1 \)

\( X_2 = \) external factors

.522 = coefficient of \( X_2 \)

\( X_3 = \) long term solutions

.551 = coefficient of \( X_3 \)

The multiple linear regression analysis was used to establish the association between employee productivity and the three independent variables (internal factors, external factors and long-term solutions) when holding all other factors constant. The regression coefficients in the above table indicated that holding all factors constant (internal factors, external factors and long-term solutions), the level of absorption of employee productivity will be at 3.368. The analysis of the regression result showed that when holding other factors constant (external factors and long-term solutions) internal factors increase employee productivity by 1.051 units. Simply, internal factors increase employee productivity by 105.1% holding all other factors constant. It was rated the one with the highest level of impact among the three factors presented. Given that the \( (\beta = 1.051 \text{ and } p\text{-value of less than 0.05}) \).

The regression result showed that when holding all other factors constant (internal factors and external factors) external factors increase employee productivity by 0.522 units, this shows that external factor increases employee productivity by 52.2% and was rated the third in the level of impact given that the \( (\beta = 0.522 \text{ and } \text{p-value of less than 0.05}) \). The third variable showed holding all factors constant (internal factors and external factors), long term solutions increases employee productivity by 0.551 units, this showed that long term solutions increases employee productivity by 55.1% and was rated high given that the \( (\beta = 0.551 \text{ and the } \text{p – value of less than 0.05}) \).
4.7 Chapter Summary

The study broadly expounded on the research findings relating to the study topic on factors affecting employee productivity in the workplace. This involved relaying of the then demographic information and the descriptive analysis of the specific variables on internal factors, external factors and long-term solutions. Thereafter, inferential analysis on correlation, coefficient of determination, analysis of variance and regression model were incorporated.

The next chapter presents study discussions on the general assessment of the specific variables on internal factors, external factors and long-term solutions. In addition, the study presented a concluding remark on the three variables. Finally, study recommendations were given on the areas that need reassessment.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The study discussion, conclusion and recommendations are reviewed in the chapter to capture on the factors and employee productivity in the organization. The chapter presented study variables in the chronology of internal factors, external factors and long-term solutions.

5.2 Summary

The objective of the study was to establish the factors affecting employee productivity in the workplace and finding solutions. The study adopted a descriptive research design to carry out the study involving a sample size of 132 of which the response attained was 98. This represented a response rate of 74.2% with the males being 37.8% and females being 62.2% as reflected in the questionnaires. According to Mugenda (2012), a response rate of above 70% is distinction that provides an excellent assessment of the study results. All of the respondents had higher academic qualifications with 4.1% having diploma while 95.9% had degree, masters and other qualifications that proved ideal for quality response in the study. Majority of the respondents were economically productive as they were in active age brackets. An estimated 96% of the respondents had worked with KRA for a period ranging from one year to above ten years hence they were aware of factors affecting their productivity in the workplace with specification on to the internal factors, external factors and long-term solutions.

The findings from the first objectives revealed that the organization has a defined role played by employees to influence employee productivity and working conditions is favorable to influence employee productivity. However, respondents could not reach an agreement on employee personal conflict and work affects employee productivity, work values and ethics bring harmony and cordial relationship at my workplace and performance appraisal has positively influenced the productivity. In addition, responds disagreed on beliefs and values enhance employee productivity, positive behaviors and values affect the level of productivity, employee’s attitudes and culture has an impact on
productivity, the management instills core values in corporate culture for policy execution with synergy and KRA cultivates internal values and culture to all employees.

The findings from the second objectives revealed that respondents could not reach an agreement on poor economic environment lowers employee productivity, economic performance affects the organization, regulatory policies affect employee productivity, the new technologies simplify work creating efficiencies, organization has invested in new technologies, religion binds employees to work ethics, high taxes pose a challenge to employee motivation at workplace, organization has occupation health and safety guide at the workplace, operation of the organization are in line to the required government policies, employees serve clients from different cultural background, language barrier affects work productivity, employees have legal challenges outside their work environment and legal issues are time consuming and lowers one productivity at the workplace.

The findings from the third objective showed that respondents could not reach an agreement on the organization has implemented career development to improve on employee productivity, the employee are motivated to enhance employee productivity, skills acquired are relevant to employees work, performance management helped employees deliver their work appropriately, employees are motivated due to development in my organization, adequate resources are provided for employee empowerment, organization uses two-way communication to enhance employee productivity, The area of human resource development is relevant to employees duties and performance management processes are employed within the organization to increase on employee productivity.

5.3 Discussion

5.3.1 Effects of Internal Factors on Employee Productivity

The findings revealed that respondents agreed that the organization has a defined role played by employees to influence employee productivity. Cheminais et al., (2012) noted that one of the internal factors affecting employee productivity is role played by employees. Employees are reacting differently and individually to same situations (.For instance, an exercise involving retrenchment might inspire one staff to invest the retrenchment package and start an organization or business. However, another employee
experiencing the same profile may waste and spend the received lump sum and responding to the layoff with a feeling of depression and rejection as a result of skill mismatch.

The findings indicated that respondents agreed that the working conditions of the organization are favorable to influence employee productivity. However Raziq (2015) noted that organizations can exceed their target if the internal work environment is very conducive and proper layout of the office buildings, furniture and physical conditions under which workers operate. Adhering and addressing good working environment in the organization has a positive impact to productivity of the employees. However, poor work environment and bad conditions like ventilation, working space, and lighting, protective personal emoluments may pose danger to the safety and productivity of the workers in an organization.

The study determined that respondents could not reach an agreement on performance appraisal positively influencing the productivity of employees. This is in disagreement with Cheminais et al., (2012) who stated that one of the external factors affecting employee productivity is performance appraisals/evaluations. A process of performance appraisal that is effective can recognize weaknesses resulting in taking corrective actions. The performance appraisal can also assist to retain workers that are content by acknowledging of individual performance of an employee, options of remuneration, movements in career and promotions, training that is structured and decisions related to disciplinary (Erasmus et al., 2005).

It was established that respondents disagreed on employees’ attitudes and culture greatly impacting on productivity. Bodla and Hussain (2009) argued that corporate culture has a notable impact on employee productivity in the organization in both short term and long-term results. Institutions with a deeply entrenched culture with larger workforce expansions, greater revenue collections and greater improvements are key characteristics of how corporate culture impacts on their performance positively.

The findings showed that there was a disagreement on employee personal conflict and work having a contributing effect on employee productivity. According to a study done by Njururi (2016), it was revealed that conflict between personal life and work, work infrastructure, promotions in the organization, compatibility of employees with
organizational culture, organizational transparency, training, career development, opportunities, pay and rewards affect employee productivity.

The study revealed that respondents disagreed on organizational beliefs and values enhancing employee productivity. Ramadhani et al., (2017) stated that work culture involves a complete set of beliefs, attitudes and manners of having work done in a sensible approach with consideration to the organization culture. Being aware of the culture of the organization helps employees to conceptualize and draw references on the way’s operations are being conducted in the past and present. Thus, the intuition gives the guide on the expected future behaviors in the organization. Corporate culture promotes dedication to the firm’s values and policies by generating a shared sense of feeling of performing tasks towards a common goal.

The findings revealed that respondents disagreed on positive behaviors and values greatly affecting the level of productivity. Bodla and Hussain (2009) assert that corporate culture has a notable impact on employee productivity in the organization in both short term and long-term results. Institutions with a deeply entrenched culture with larger workforce expansions, greater revenue collections and greater improvements are key characteristics of how corporate culture impacts on their performance positively.

5.3.2 Effects of External Factors on Employee Productivity

The findings revealed that respondents could not reach an agreement on poor economic environment lowers employee productivity and economic performance impacts our organization. Cloutier et al., (2015) argued that economic factors greatly impact on the employee productivity in the organization as well as the overall performance of the organization. These are exchange rate, inflation, interest rates, unemployment and disposable income of the consumers. Organization performance and employee productivity will reduce if the prevailing market interest rate is high making the cost of credit and investment aimed at wealth creation to decline. Persistent increase in commodity prices in the market forces consumers to dig deeper into their pockets so as to foot the bills hence they are left with little money to save and invest
It was established that respondents could not reach an agreement on regulatory policies do affect employee productivity. According to Munyon et al., (2015), the uplift of any nation’s workforce depends on the organization strength in leadership and stable political environment. The fact is that instable political environment characterized to most of the developing nations negatively impacts on the quality of work and employee productivity. It subjects the people to fear, less planning, lack of confidence and to the extreme end to mental trauma. Weak policies and noninvolvement in worker’s protection, better working conditions and growth in the workplace. According to Grissom et al., (2016), the outcome of this insecurity affects negatively on the organization profit, growth and employee productivity.

The findings showed that could not reach an agreement on whether their religion binds them to the work ethics. Ringov and Zollo (2017) stated that Employees are increasingly incorporating their religious perspective into their work environment and express spiritual beliefs. Studies conducted shows that there exists a positive relationship between religiosity and subjective wellbeing at the workplace. The social aspect of one’s religion had a direct impact on the productivity at the workplace, it comprises of the religious behavior and religious belief. Religion affects the way people behave through an individual value system that highly contributes to a healthy organization.

The findings established that respondents disagreed on language barrier is a challenge to their work productivity. According to a study done by Ringov and Zollo (2017) on the employee interaction and communication in the workplace and how it influences service delivery. It was revealed that challenges come in when there is interplay between the corporate language and the cultural language that gives a critical challenge to business practice. The diversity of the Kenyan people and foreigners with diverse cultural background not only gives a big challenge in expressing what they really mean by their word but also as a setback towards understanding the process of service delivery at workplace. This has been evidenced in the construction sector, revenue administration sector, banking sector among many. Improper understanding of one way of expressing a concerning issues may not be a critical issue to other parties and may lead to poor service delivery, de-motivation and mismatch in response.

The study revealed that respondents could not reach an agreement on new technologies simplify work creating efficiencies and organization has invested in new technologies.
Yueh and Lin (2016) stated that disruptive technology my impact on labor productivity by increasing on the efficiency, reducing wastage time and hastening work process. This makes the productivity of an employee in an organization to be high and increases motivation to work out more. Technological advancement can often assist to streamline the processes and make tasks easier for employees, new technology learning while remaining productive can be a challenge to some employees (Akhtar et al., 2015).

The findings indicated that respondents disagreed on they had legal challenges outside my work environment and Legal issues are time consuming and lowers one productivity at the workplace. According to Mawdsley and Somaya (2016), legal issues do distract employees from their work and create additional stress. Employees embroiled in legal challenges like lawsuits spend an average of three hours a week at their workplace dealing and trying to look for solutions. This may come also with lost productive time as a result of attending court cases. Legal matters end up negatively affecting employees’ morale given that there is constrained relationship with the family, friends and reported cases of stress, depression and absenteeism in the workplace

5.3.3 Influence of Long-Term Solutions on Employee Productivity

It was established that respondents could not reach an agreement on the organization has implemented career development to improve on employee productivity. The organization should ensure employees are motivated so that they can perform highly at work, employees should from time to time be trained on new things to improve skills. Organizations should create an enabling environment of work that will enable employee work efficiently (Bodla & Hussain, 2009). Moreover, more team building activities that will foster good employee relationships with colleague which in turn enhances their performance highly. Lee et al., (2016) postulated that in a result-oriented culture there is an emphasis on high skills administration, promotion of education, employee training and leadership skills practice.

It was revealed that respondents disagreed on the organization uses two-way communication to enhance employee productivity. Organizations should continue encouraging the amount of contact between management team and their staff and should be at maximum since it helps in achieving understanding that is mutual, relationships that are personal and two-way communications that are constructive. This means that
management and leaders in a team need to practice leadership that is face-to-face and must accordingly act, not fully engaging themselves in their offices or attending series of meetings. The involvement of first-line managers is completely crucial since holding objective and regular consultative meetings between the employer and employees or managers and the employees will build a shared interest and trust environment (Miao, 2011).

The findings showed that respondents could not reach an agreement on skills acquired are relevant to their. Bodla and Hussain (2009), asserts that investment in employee’s skills, talents and education is one of the ways of fostering best performances in the work involved as it instills professionalism, quality services and minimal errors. Learning and development in the workplace must have a consideration to address cognitive capabilities and behaviors to enhance on the knowledge of the employee’s organization.

The findings showed that respondents disagreed on performance management processes employed within the organization to increase on employee productivity. However, Bodla and Hussain (2014) noted that organizations should apply the process of performance management that encourages the expectations of performance be reviewed and agreed on regularly. Mone and London (2018) indicated that performance management incorporates systems and mechanisms used by the organizational leaders and their employees to develop work exceptions and objectives of the organization. It helps to deliver and communicate on the performance, identify developmental need of the employees and evaluate on their performances.

The findings revealed that respondents could not reach an agreement on performance management helping them deliver on their work appropriately. According to Barrick et al., (2015), performance management helps employees to deliver significant return on the investment through a direct and indirect range of benefits, operational efficiency and helping to unlock the potential of the employees in an organization. Most of the public institutions are under an increasing demand to accomplish higher results in service delivery with fewer resources in use. Thus, performance management is meant to bring on accountability and optimum resource utilization to enhance productivity of each employee in the department.
5.4 Conclusions

5.4.1 Effects of Internal Factors on Employee Productivity

The study sought to establish the influence of internal factors on employee productivity. The study findings revealed that there indeed exists a positive and significant association between the internal factors and employee productivity.

Thus, the study concludes that organization defined roles, good internal working conditions, shared values and work culture, ethics, beliefs and attitudes significantly contributes to the higher employee productivity in the organization. The study also concludes that there is need to have a culture in the organizations that cultivates the internal values to all employees.

5.4.2 Effects of External Factors on Employee Productivity

The study sought to examine on the external factors that influence employee productivity in the organization. The study results indicated that external factors have a positive and significant association to employee productivity.

Therefore, the study concluded that employment regulatory policies, application of technology in the workplace, level of taxation and occupation health and safety are very relevant external factors in work environment. The study concludes that there is need to have equitable and fair legal representation that will make employees work in a stress-free environment with maximum concentration on the work at hand.

5.4.3 Influence of Long-Term Solutions on Employee Productivity

The study objective sought to assess the effect of long-term solutions to employee productivity. The study results showed that there exists a positive and significant relationship between the long-term solutions and employee productivity.

Therefore, the study concludes that there is need to have career development plans in the organization, continuous review of employee performance management, provide adequate support resources and strengthen human resource management. The study concludes that improvement in employee skills through training and development is a key pillar to nourishing employee productivity in the organization.
5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 Effects of Internal Factors on Employee Productivity

The study established that the presence of a positive and significant association between the internal factors and employee productivity. This study recommended that organizations should ensure they understand very well the diverse nature of human wants in the institution and try to link with the existing internal conditions to help establish the gap.

There is also need to instill core values among the employees in corporate culture for appropriate policy evaluation and implementation in a synergized work environment.

There is need to have a functional workplace that considers the work culture and employee attitudes towards their respective roles in the organization to promote teamwork and shared values to the fruits of employee productivity.

5.5.1.2 Effects of External Factors on Employee Productivity

The study recommended that there is need for the government to provide a proper legal process that involves the employee of the organization in public institutions and how it impacts on their productivity.

Proper control measures must be in place and conflict resolution to adopt other meaningful approaches. Those who have had legal challenges within and outside the scope of their work had cited time constraints, stress and absenteeism that lower their productivity.

There is also need to consult the employees and involve them in decision making when adopting new technologies in the place of work. This helps address on issues of flexibility and also serve the diverse clientele base in their cultural background.

5.5.1.3 Influence of Long-Term Solutions on Employee Productivity

The study established the existence of a significant relationship between the long-term solutions and employee productivity. This study recommends that the organizations need to have a well-defined and functioning communication channel that will not only promote their issues to be sorted but also give feedback on the employee performance in the organization.
There is need to have a performance management process that will consider appraisals, training and development and communicate performance feedback that are relevant in building strong working culture and increases employee productivity.

The study recommended that the revenue bodies should have adequate and supportive resources to help their employees perform all cadres of duties in a single setup to bring on the efficiency and effectiveness.

5.5.2 Recommendations for Further Studies

The current study sought to establish the factors affecting employee productivity in the workplace with a case study of Kenya revenue authority. The study was limited to the specific objectives on the; internal factors and employee productivity, external factors and employee productivity and long term solutions and employee productivity.

More research should be done to identify effects of legal factors and environmental factors on employee productivity.

In addition, the factors considered in this study were not very exhaustive to expound on the employee productivity. Therefore, there is need to carry out further studies on the study topic but with consideration to other organization for making a general conclusion on employee productivity.
REFERENCES


APPENDICES

Appendix A: Introductory Letter

Karen Wambui Wanja Kinyua

To the Respondents

Ref: Research Assistance

I am a final year student at the United States International University – Africa studying master’s in business administration. Am carrying out a research project titled ‘factors affecting employee productivity in Kenya Revenue Authority.’

I kindly request your generous participation in filling the attached questionnaires. The information to be obtained will be used for academic purpose. The respondents are guaranteed that the information provided will be treated with utmost privacy and confidentiality.

Yours Sincerely

Sign……………..

Karen Wambui Wanja Kinyua
APPENDIX B: Questionnaire

This questionnaire is designed to ascertain information for purely academic purposes. The purpose of the study is to investigate the factors affecting employee productivity in the workplace: a case study of Kenya revenue authority in pursuant of a Master’s Degree in Business Administration (Human Resource Management Option).

NB. All information gathered here would be treated with almost confidentiality. Thank you.

**Instructions: Tick (✓) where appropriate**

**Part I: Demographic Data**

What is your;

1. Age?
   - 20-26 Years □
   - 27-36 Years □
   - 37-46 Years □
   - 47-56 Years □
   - 57 Years and more □

2. Gender?
   - Male □
   - Female □

3. Education Level?
   - Diploma □
   - Degree: □
   - Masters: □
   - Doctorate: □
   - Others: □

Other, please (Specify)

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4. How long have you been working with KRA?

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<tr>
<th>Time Frame</th>
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<tbody>
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<td>Less than a year</td>
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<td>1-6 years</td>
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<td>7-9 Years</td>
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<td>10 years and more</td>
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**PART II: INTERNAL FACTORS AND EMPLOYEE PRODUCTIVITY**

On a scale of 1 to 5 where 5 is strongly Agree, 4 is Agree, 3 is Neutral 2 is Disagree and 1 is strongly disagree. To what extent do you think are the effects of internal factors on employee productivity in the workplace?

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<thead>
<tr>
<th>Statements</th>
<th>SD 1</th>
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<th>N 3</th>
<th>A 4</th>
<th>SA 5</th>
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<td>The organization has a defined role played by employees to influence</td>
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<td>employee productivity</td>
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<td>Performance appraisal has positively influenced the productivity of</td>
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<td>employees</td>
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<td>The working conditions of the organization is favorable to influence</td>
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<td>employee productivity</td>
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<td>The employee personal conflict and work has a contributing effect on</td>
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<td>employee productivity</td>
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<td>My organizational beliefs and values enhance employee productivity</td>
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<td>Work values and ethics bring harmony and cordial relationship at my</td>
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<td>workplace.</td>
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<td>The management instills core values in corporate culture for policy</td>
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<td>execution with synergy.</td>
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<td>Employees attitudes and culture greatly impact on productivity</td>
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<td>Positive behaviors and values greatly effects on the level of productivity</td>
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<td>at KRA</td>
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<tr>
<td>KRA cultivates internal values and culture to all employees</td>
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</table>
PART III: EXTERNAL FACTORS AND EMPLOYEE PRODUCTIVITY

On a scale of 1 to 5 where 5 is strongly Agree, 4 is Agree, 3 is Neutral 2 is Disagree and 1 is strongly disagree. To what extent do you think are the effects of external factors on employee productivity in the workplace?

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<td>Our operation is in line to the required government policies</td>
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<td>Regulatory policies does affect employee productivity</td>
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<td>Economic performance impacts our organization</td>
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<td>Poor economic environment lowers employee productivity</td>
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<td>High taxes poses a challenge to employee motivation at workplace.</td>
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<td>I serve clients from different cultural background</td>
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<td>Language barrier is a challenge to my work productivity</td>
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<td>My religion binds me to work ethics</td>
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<td>My organization has invested in new technologies</td>
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<td>The new technologies simplifies work creating efficiencies</td>
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<td>My organization has occupation health and safety guide at the workplace</td>
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<td>I have had legal challenges outside my work environment</td>
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<td>Legal issues are time consuming and lower ones productivity at the workplace.</td>
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PART IV: LONG TERM SOLUTIONS TO LOW PRODUCTIVITY IN THE WORK PLACE.

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<tr>
<td>The organization has implemented career development to improve on employee productivity</td>
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<td>The employee are motivated to enhance employee productivity</td>
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<td>The organization uses two-way communication to enhance employee productivity</td>
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<td>Performance management processes are employed within the organization to increase on employee productivity</td>
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<td>The area of human resource development is relevant to my duties</td>
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<td>Performance management has helped me deliver on my work appropriately</td>
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<td>Adequate resources are provided for employee empowerment</td>
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<td>The skills acquired are relevant to my work</td>
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<td>I am motivated due to development in my organization</td>
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**Employee productivity**

On a scale of 1 to 5 where 5 is strongly Agree, 4 is Agree, 3 is Neutral 2 is Disagree and 1 is strongly Disagree, rate your opinion on statement relating to employee productivity in the workplace?

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<tr>
<th>Statement relating to employee productivity.</th>
<th>1=SD</th>
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<th>5=SA</th>
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<tr>
<td>I concentrate at my workplace</td>
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<td>There is corporation and teamwork in the organization</td>
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<td>My efficiency at workplace is very high</td>
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<td>There is increased output and quality work</td>
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<td>Employee apathy has negatively impacted on productivity</td>
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<td>Employees aren’t involved in decision making leads to low productivity in the workplace.</td>
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<td>I have met my work target in my organization</td>
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<td>There is learning in my organization place of work</td>
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<td>Others…………….</td>
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Appendix C: Consent Form

EFFECTS OF EMPLOYEE APATHY ON PRODUCTIVITY AT
KENYA REVENUE AUTHORITY

PRINCIPAL INVESTIGATOR

KAREN WAMBUI WANJA KINYUA

2343 -00200
0718659850
karenkinyua92@gmail.com

PURPOSE OF STUDY

You are being asked to take part in a research study. Before you decide to participate in this study, it is important that you understand why the research is being done and what it will involve. Please read the following information carefully. Please ask the researcher if there is anything that is not clear or if you need more information.

The purpose of this study is to provide in-depth information to the employees with some understanding on the significance of managing workplace factors in enhancing both organizational and individual productivity. Employees will benefit as Kenya Revenue Authority makes attempts to improve their productivity through adoption of factors that promote employee productivity.

STUDY PROCEDURES

- Receive questionnaires
- Fill the questionnaire (40 minutes)
- Hand in questionnaires to researcher

RISKS

There are no foreseeable risks associated with this research. You may decline to answer any or all questions and you may terminate your involvement at any time if you choose.
BENEFITS

- **KRA Organization and its Management**
  This study is important to Kenya revenue Authority (branches) in Kenya and its management to effectively realize the factors affecting employee productivity. The findings obtained through this study are useful to the management of Kenya Revenue Authority to help improve on policy formulation and their operational procedures as they work to strive to improve on the employee productivity.

- **Donors, governments and other Stakeholders**
  Partners, governments, donors and other stakeholders will seek efficient ways of partnering and co-operating in order to improve employee apathy factors and enhance productivity using the knowledge for sustainability. Moreover, the study findings act as a body of knowledge on the factors affecting employee productivity in organizations.

- **KRA Employees**
  The findings of this study provide in-depth information to the employees with some understanding on the significance of managing workplace factors in enhancing both organizational and individual productivity. Employees benefit as Kenya Revenue Authority makes attempts to improve their productivity through adoption of factors that promote employee productivity.

- **Scholars and Academicians**
  Finally, the study is important in that it creates a foundation that is useful against which studies can be conducted in the future by other researchers and scholars taking into consideration the suggestions given for further studies. The researcher hopes that the study forms a basis for further research for academicians in the fields of Business Administration who may see this as a good foundation for researching further, more specifically in Africa and Kenya.

CONFIDENTIALITY

For the purposes of this research study, your comments will not be anonymous. Every effort will be made by the researcher to preserve your confidentiality including:
• Keeping any identifying participant information in a locked file cabinet in the personal possession of the researcher.

Participant data will be kept confidential except in cases where the researcher is legally obligated to report specific incidents.

CONTACT INFORMATION

If you have questions at any time about this study you may contact the researcher whose contact information is provided on the first page.

VOLUNTARY PARTICIPATION

Your participation in this study is voluntary. It is up to you to decide whether or not to take part in this study. If you decide to take part in this study, you will be asked to sign a consent form. After you sign the consent form, you are still free to withdraw at any time and without giving a reason. Withdrawing from this study will not affect the relationship you have, if any, with the researcher. If you withdraw from the study before data collection is completed, your data will be returned to you or destroyed.

CONSENT

I have read and I understand the provided information and have had the opportunity to ask questions. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving a reason and without cost. I understand that I will be given a copy of this consent form. I voluntarily agree to take part in this study.

Participant's signature ______________________________ Date __________

Investigator's signature __________
Appendix D: Debrief Form

EFFECTS OF EMPLOYEE APATHY ON PRODUCTIVITY AT KENYA REVENUE AUTHORITY

Thank you for agreeing to participate in this study! The general purpose of this research is to determine the effects of both the internal and external organizational factors on employee productivity and finding solutions.

We asked people who work for KRA to take part in filling the questionnaire. The experimenter does not know your position in the organization. In this study, you were asked to answer the questionnaire with utmost honesty so as to help the researcher gather accurate information. The results from this study will help the researcher find the pressing issues in the organization and also find effective and efficient ways to solve them.

Thank you for your participation in this study. If you have further questions about the study, please contact the researcher at 0718659850 or karenkinyua92@gmail.com.

Additional Reading:


