

INFLUENCE OF EMPLOYEES EMPOWERMENT ON PERFORMANCE OF SMALL AND MEDIUM MANUFACTURING FIRMS IN NAIROBI CITY COUNTY, KENYA

^{1*} **Rebecca Masese Maina**
becky.masese@gmail.com

^{2**} **Scholastica Wamwayi**
scholawam@gmail.com

^{1,2} Jomo Kenyatta University of Agriculture and Technology, Kenya

Purpose: *Influence of Employees' empowerment on performance of small and medium manufacturing firms in Nairobi city county, Kenya*

Materials and methods; *The study adopted the descriptive research design. The target population of this study comprised of human resource managers and human resource assistants working in small and medium manufacturing firms in Nairobi. The sample size was based on a stratified random sampling approach because the population is considered heterogeneous, which means a simple random sample will not be representative. The unit of analyses of this study consisted of small and medium manufacturing firms in Nairobi under building and construction, Chemical & Allied, Energy & Electrical, Food & Beverages, Leather Products, Metal & Allied, Paper & Paperboard, Plastics & Rubber, Textile & Apparels and Timber & Wood Products, which are the key sectors in the industries. The study used questionnaires to collect data from 141 sampled populations of Human Resource Managers and Human Resource Assistants in small and medium manufacturing firms in Nairobi City County, Kenya.*

Results: *The study concluded that, the consequences of poor Stock Options will be poor performance, absenteeism, sick leave and higher staff turnover, recruitment and training costs. The achievement of better Stock Options in small and medium manufacturing firms is to yield dividends for employers in terms of having a more motivated, productive, less stressed workforce, increased productivity, and reduced absenteeism.*

Recommendations: *The study recommends that empowerment is not a one-step process but a continuous one. It requires nurturing and grooming of employees from the very beginning. Since Empowerment in small and medium manufacturing firms involves delegation and granting of authority by a superior to a subordinate for a specific purpose such as buying specific materials from a specified vendor.*

Keywords: *Employees' Empowerment, Stock Options, Co-Partnership, Profit Sharing*

INTRODUCTION

Background to the Study

The study examined the effect of employee motivation on performance of small and medium manufacturing firms in Nairobi City County, Kenya specifically, this chapter provides information on the global perspective of employee motivation on Performance of medium-sized manufacturing industries and then narrows down to regional and then local perspectives. It stresses context knowledge, research problem, general and specific expectations and research problems, the study rationale and the scope of the research process.

According to Khan and Muneer (2017) defines motivation incentive as an object, item of value, or desired action or event that spurs an employee to do more of whatever was encouraged by the employer through the chosen incentive. Rewards and incentives in the workplace have benefits for both employees and employers. When recognized for performance and productivity, employees increase morale, job satisfaction and involvement in organizational functions. As a result, small and medium organisation experiences greater efficiency and an increase in sales and productivity. Through workplace rewards and incentives, employers and workers enjoy a positive and productive work environment (Munyua, 2017).

Use of incentive system informs the employees what the desired results for the organisation are and motivates the employees to function in such a manner to achieve and exceed these organisational goals. For an incentive system to be effective, a certain number of critical factors have to be satisfied. These are, the incentive system should be consequential, and should be more

Reward oriented than punitive (Ndungu, 2017). Positive rewards should be those incentives that have a positive promise to meet the wishes and expectations. The incentives should provide negative and positive incentives. Positive rewards are usually motivational and aim to fulfil workers' psychological needs such as advancement, praise, appreciation, bonuses and allowances. Positive incentives are by nature constructive (Puka & Aliata, 2019). Osogo (2019) claims detrimental benefits are those directed at remedying employee violations or defaults. The goal is to correct errors so that useful outcomes can be achieved. In general, negative benefits are used where positive does not work and a psychological set back has to be given to employees.

Employees who receive recognition for their work accomplishments tend to have increased morale and positive workplace attitudes (Singh, 2017). Employee recognition is an incentive employers utilize to offer feedback and encouragement to employees. Recognition rewards include award ceremonies and public announcements. Workplace recognition rewards occur frequently such as at the end of the day, week or at the conclusion of the sales month (Ndichu, 2017).

Manufacturing firms use a wide variety of incentives to reward performance; this is consistent with motivation theories showing that rewarded behavior are repeated under individual bonuses, merit pay, and sales commissions tie pay to individual performance. Team bonuses are at the department level, whereas gain sharing, profit sharing, and stock options tie pay to company performance. While these systems may be effective, people tend to demonstrate behavior that is being rewarded and may neglect other elements of their performance. Therefore, reward systems should be designed carefully and should be tied to a company's strategic objectives (Friebel & Zubanov 2017).

Global Perspective of Employee motivation

Institutional systems for workers both officially and informally in different countries affect employee expectations related to performance incentives and management styles in different countries (Wang, 2017). The German Multinational Conglomerate (Singh, Jamil, Baroto, Hussin, Boyi and Singh, (2017) have separate compensation preferences and style management preferences for staff from these countries in their headquarters in China, Germany, Japan and the US. In Turkey strong commitment between leaders and employees. Employers are expected to care for their employees and offer security. There's a paradigm that the workplace should be a home away from home. However, although Turkish society is group oriented, group incentives in the workplace are carefully monitored because intense rivalry is common between groups (Mendis, 2017). Different Management use various incentive schemes to motivate employees. However, the compensation schemes of organizations, and therefore their performance incentives, depend on various laws, such as minimum wage and tax laws, which differ in each institutional framework. At the same time, the

motivational effects of incentives are again conditional on both cultural factors and individual preferences, which are most likely different in each country (Khan, Waqas & Muneer, 2017).

German institutional framework provides the employees with a comparatively high amount of paid vacation days; some employees working in the U.S. expressed the desire to have the same amount of vacation as their German counterparts. Also, German employees expressed an interest in the U.S.-style pay/performance system. The work of management is to make people productive so as to achieve superior employee's productivity, and gain a competitive edge in the globalized arena through effective compensation packages. According to Hafner, Pollard and Van Stolk, (2020) motivation is anchored on productivity, employee's productivity, motivation quality and service in managing people in every organization. This emphasis is often captured in organizational mission statements and goals. Incentive provides a platform through which firms motivate their employee's in order to improve their employee's productivity. Monetary and non-monetary incentive and how they affect organizations. Incentive programs are put in place by organizations to reward and compensate exceptional employee's productivity (Kariuki, 2020).

Regional Perspective of Employee motivation

The Human Development Report, showed that Rwanda and South Africa used incentive schemes to encourage their diasporas to return than encouraging them to invest at home. They upgrade their research institutions as a way to attract returnees, the commissions responsible for this exercise provide better working conditions for the employee and helped with housing and children's schooling. According to Mamdani and Minhaj, (2016) A primary purpose of an incentive scheme is to encourage greater productivity from individuals and work groups. The assumption usually made by management is that money or cash alone may not motivate employees. In designing incentive schemes, output standards are being established (Moodley & Hove, 2018). The standard is a measure of work that an average, well-trained employee, working at a normal pace, should be able to accomplish in a given period of time. In addition to motivating employees to increase their level of productivity, incentive schemes reduce turnover among good performers or productive workers. Incentive schemes are also cost effective to the government because of savings that often resulted from productivity improvements (Friebel & Zubanov, 2017).

The Nigerian banking industry has grown over the years with some banks going into strategic alliance, while new banks also emerged. Nigerian commercial banks, especially the new generation banks, set goals and profit and liability targets that are far-fetched with a clearly specified condition of either confirmation of appointment or promotion. Incentives, as often called, are aligned with the behaviours that help achieve organizational goals or performance. Incentives are either individual or group organization wide (Osogo, 2019). The financial incentives are designed to motivate banking industry employees to improve their performance to increase effort and output and by producing better results expressed in such terms as objectives for profit, productivity, sales turnover, cost reduction, quality customer service and on time delivery. This financial compensation provides extra money for achievement in terms of contribution or output. The commercial banks look forward to taking suggestions and inviting suggestion schemes from the subordinate's; incentives are one technique by which employees carry out their end of the employment contract, that is, compensating employees for their efforts. In general, an incentive scheme is designed to recognize some specific accomplishment on the part of an banking industry employee. It is expected that the prospect of the incentive payment will trigger the desired performance behaviour in the employee (Owusu, 2017).

Local Perspective of Employee motivation

East Africa large and medium manufacturing firms recognize the use of human resource as a major influence to their productivity. With current competitive environment, it is imperative for manufacturing firms are becoming more effective and efficient in utilizing their resources so as to improve their general performance through recruiting and retain highly qualified and motivated employees in order to remain competitive in the unstable environment (Ndungu, 2017).

The EAC is an addressable market where Ethiopia and the Democratic Republic of Congo have got a great meaningful market for manufactured products. Bidco Oil Refineries, Brookside Dairy, Athi River Mining, Nation Media Group and Britam Holdings, operating at a regional level are seeking to position themselves to address this market and carve out an early position. While having effective employees start from the recruitment and selection process, it is essential to motivate these employees in order to improve their performance and that of the organisations. Motivation has become one of the important aspects in identifying how individuals act the way they do at the workplace (Kathombe, 2018).

According to Ndichu (2017) employee motivation is viewed as one of the strategies of organisations to enhance its performance through its workers by providing a conducive, motivated environment in the organisation. Employee motivation in Britam Holdings is based on the condition where employees are ready to dedicate time and passion to their work by devising better techniques to get the work done with all sense of eagerness and dedication. Recognition approach by Nation Media Group boost employee's self-esteem and customer loyalty to the brand and in turn drive organizational performance. Recognition is a vital technique in employee and customer retention. Customers are co-producers and brand managers of organization products and services. The managers and organisations understand and know how to deal effectively with their employees' motivation since motivated employees are important to ensure the organisation becomes successful (Muhumed, 2018).

Small and Medium Manufacturing Firms In Nairobi

These small and medium-sized enterprises (SMEs) are defined by the government of Kenya GOK, 2005 as business that engage between 1-99 employees, cover a range of establishments in almost all sectors of the economy; they operate formally or informally, seasonally or year round and are located in a number of areas. Micro & Small enterprises (SMEs) play an important role in Kenya's economic growth. SMEs form a critical sub-sector that employs about 80% of the Kenyan workforce (Muhumed, 2018).

Most retail businesses in Nairobi County are either small or medium-sized initiatives (SMEs) with a low turnover and a limited number of employees, usually owner-managed. Some of the businesses are registered under the Business Names Registration Act either as sole proprietors or partnerships, while others are not registered at all. A small number of SMEs is registered as private companies under the Companies Act, Cap 486 of the Laws of Kenya. The size of the premises is usually small, with only sample products being displayed. The owner provides all the managerial input including financing, marketing, sourcing and physical distribution management (Muhumed, 2018).

By calculating the specific outputs of the company according to its expected outputs, goals or objectives, small and medium-sized enterprises efficiency is calculated. Success covers three aspects of business results: return on income on financial reports, return on equity and earnings, success (sales and market share) of products on the market and return on shareholders (Waithira, 2018). Many (SMEs), measure their performance through their financial activities while at the same time, some other organisations recognize the non-financial

performance measurements, such as management quality, long-term orientation, workforce quality, performance through workforce qualities and financial output (profit and cash flows. In this sense, it is the main concern of the (SMEs), is to ensure that the right recruitment and selection practices are used to bring in the right people on board and provide appropriate motivational tools that stimulates and improves employee's morale for better performance and improve quality of service(Owusu, 2017).

Statement of the Problem

Small and Medium manufacturing firms in Nairobi survival and development seems to be the lack of institutional support by human resource reward incentives. Along with inadequate poor performance and failure of SME recognizing employees performance. According to Muhumed (2018), factors for poor performance and failure in SME resulted due to attrition rate attributed by lack of reward incentive system, poor Stock Options and no career development prospect lower levels of engagement lead. Industries lack of recognition employee, poor monetary rewards system and diminished productivity are key issues that have proliferated and lead to medium-sized manufacturing company's workplace becoming a toxic environment for employees to work (Muhumed, 2018).

Manufacturing firms are experiencing employee demotivation due to the above factors employees has lost their inspiration and morale. This lack of interest and enthusiasm for work has disastrous consequences for an organisation. Factory output, measured in terms of Index of Industrial Production (IIP), had declined by 4.6 % in September 2019. A slowdown was witnessed food and beverage manufacturing sector, which declined by 3.9 % in September as compared to 4.8 % growth a year ago. As peruse-based classification, the growth rates in September 2020 over September 2019 are (-) 5.1% in primary goods, 7 % in intermediate goods and (-) 6.4 % in infrastructures/ construction Goods. Manufacturing of wood and products of wood & cork, except furniture; articles of straw and plaiting materials have shown the growth of 15.5 % unlike previous year 2019 9.2 % in basic metals (Kenya Association of Manufacturers and Exporters Directory, 2019).

For manufacturers to develop control and flexibility they need motivated employees few literature is available to support Waithira (2018). Carried studies on effects of rewards strategies on employee performance of farm concern international, Kenya. It was established that the promotion schemes in the firm were instrumental in improving employee Performance. Studies by Muhumed (2018), Effect of monetary incentives on performance of small and medium enterprises in Kenya: found that financial incentives not guarantee organisation performance if other incentives factors not considered. Bradler & Neckermann (2019). The magic of the personal touch: Field experimental evidence on money and appreciation as gifts the results suggest that the combination of money and gratitude only works when the giver adds a personal touch to the gift. None of the above studies focused on motivational incentives hence therefore this study will help in determining effect of employee motivation on performance of Medium-sized manufacturing companies operating in Nairobi City County, Kenya.

1.3 Objectives of the Study

1.3.1 General Objective

The main objective of the study was to examine the effect of Employees' Empowerment on Performance of medium-sized manufacturing industries in Nairobi City County, Kenya

1.3.2 Specific Objectives

The specific objectives of the study will be:

- i. To determine the effect of Stock Options on Employees' Empowerment of small and medium manufacturing firms in Nairobi City County, Kenya
- ii. To establish the influence of Co-Partnership on employee empowerment of small and medium manufacturing firms in Nairobi City County, Kenya
- iii. To investigate effects of Profit Sharing on employee empowerment of small and medium manufacturing firms in Nairobi City County, Kenya

LITERATURE REVIEW

This chapter reviews the various theories that exist on effect of employee motivation on performance of medium-sized manufacturing industries in Nairobi City County, Kenya It specifically covers the empirical studies, conceptual framework critique of the literature review and the research gaps

Theoretical Review

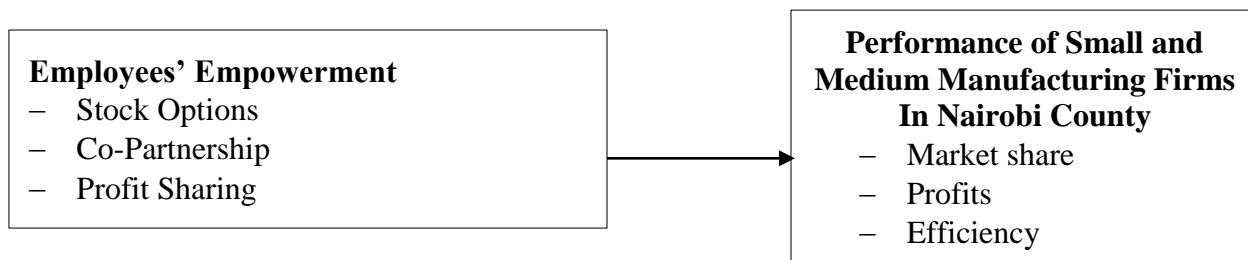
A theory is a contemplative and rational type of abstract or generalizing thinking or the result of such thinking Depending on the context, the results might for example include generalized explanation of how nature works (Klees, 2016). The theoretical literature review helps establish what theories already exist, the relationship between them, to what degree the existing theories have been investigated, and to develop new hypotheses to be tested. Often, this form is used to help establish a lack of appropriate theories or reveal that current theories are inadequate for explaining new or emerging research problems (Klees, 2016).

Employees' Empowerment

incentive compensation is a form of variable compensation in which a salesperson's or other employee's earnings are directly tied to the amount of product they sell, the success of their team, or the success of the organization as a whole. Incentive compensation management is the strategic use of incentives to drive better business outcomes and more closely align sales rep behavior with the goals of the organization (Vincent & Kiongera, 2017).Incentives in an incentive compensation plan can take many forms, and may include commissions, bonuses, prizes, SPIFs, and recognition. Incentive compensation plans are ideally designed so that salespeople can maximize their rewards as the company maximizes revenue. Company's sales incentive compensation plans should are so that the company's salespeople can earn the most money when they help achieve the company's most important sales goals (Owusu Ernest, 2017).

Profit sharing is an incentivized compensation plan that gives employees a certain percentage of a company's profits. Employees receive an amount based on the business's earnings over a specified period of time, typically once per year. Profit sharing differs from employee bonuses, which are usually given when a company sees a profit. While there are both pros and cons to profit-sharing plans, profit sharing can be an excellent way for employers to reward employees for their great performance (Waithira, 2018).

Stock and Stock Options: If a corporation is large enough, it may offer stock shares in the company as one benefit of employment. If the corporation is doing well, stocks become increasingly valuable. For some employees, stock options are a good way to share in their employer's success. Profit-sharing plans can deliver a wide range of perks, starting with tax benefits. Profit sharing plan contribution counts as a tax deduction for local businesses. In addition, any financial contributions made to these plans are not taxed until the funds are distributed at retirement, this allows businesses to minimize their tax liability and increase their savings (Mandago, 2018).



Materials and methods

The study adopted the descriptive research design. Research design is defined as a plan, structure and strategy of investigation conceived to obtain answers to research questions and control variance. Descriptive design was adopted for this study as it would enable the researcher to obtain a cross-referencing data, some independent confirmation of data, and arrange of options. Descriptive studies are not only restricted to facts finding, but might often results in the formulation of important principles of knowledge and solution to significant problems. The target population of this study comprised of human resource managers and human resource assistants working in small and medium manufacturing firms in Nairobi, located in different regions that were 218 staff members and questionnaires were issued. This study used both closed and open questions which where responses were restricted to small set of responses that generate precise answers to develop the empirical study. In designing the questionnaire, a five point Likert-type scale was used in order to provide the extent of the respondents feelings or opinions on the impact of employee motivation on Performance of medium-sized manufacturing industries where by a scale of one implies strong disagreement with an issue or statement while a scale of five implies a strong agreement in that order. The completed questionnaires were edited for completeness and consistency. Pearson coefficient correlation analysis was used to determine the relationship between each of the effects of employee motivation on Performance of medium-sized manufacturing industries in Nairobi City County, Kenya. The Pearson correlation coefficient is a bi-variate correlation coefficient that in this study was used to indicate one on one association between each of the independent variables to the dependent variables. The study employed a multiple Regression analysis to estimate the causal relationships between factors under study. With the aid of Statistical Package for Social Sciences (SPSS), the research performed multiple regressions analysis on primary data to estimate the beta values of factors and F – test statistics to determine their significance at confidence level of 95%. The results of analyses data were presented using tables and charts with a brief description thereafter.

RESEARCH FINDINGS, ANALYSIS AND DISCUSSION

Introduction

The study was to determine the effect of employee motivation on performance of medium-sized manufacturing industries in Nairobi City County, Kenya, specifically, the study focused on four study variables; Stock Options, Co-Partnership, Profit Sharing and employees' empowerment. This chapter presents the findings and results of the application of the variables. Data was analysed, results interpreted on the basis of the overall objectives of the study.

Response Rate

The study targeted a sample of 141 Human Resource Managers and Human Resource Assistants

Officers working in small and medium manufacturing firms in Nairobi City County, Kenya. Out of the 141 distributed questionnaires, 117 were filled and returned. This translated to a response rate of 82.9 %. This

implied that the response was good enough and representative of the population and conforms to Asenahabi (2019) a survey response rate of 50% or higher should be considered excellent in most circumstances. A high response rate is likely driven by high levels of motivation to complete the survey. The response rate of 88% for this study therefore, yielded more accurate measurements than did surveys with higher response rates.

Table 1: Response Rate

Category	N	Percentage
Responded	117	82.9%
Incomplete questionnaires	33	17.1%
TOTAL	141	100

Descriptive Analysis

Descriptive statistics are brief descriptive coefficients that summarize a given data set, which can be either a representation of the entire or a sample of a population. Descriptive statistics are broken down into measures of central tendency and measures of variability spread. Measures of central tendency include the mean, median and mode, while measures of variability include the standard deviation, variance, and the minimum and maximum variables (Klees, 2016).

Employees' Empowerment

The respondents were requested to indicate the level to which they agreed with the given statements that relate to the influence of Employees' Empowerment on employee empowerment of small and medium manufacturing firms in Nairobi City County, Kenya. From the findings, majority of the respondents strongly agreed that Profit sharing with employees is an excellent way to reward employees. Employees receive a portion of the profit based on their position and time with the company as indicated by the mean of 3.78 and standard deviation 0.71. The respondents moderately indicated that a profit-sharing plan gives employees a share in their company's profits based on its quarterly or annual earnings which empowers them more on control of the organisation as indicated by a mean 3.74 and standard deviation of 0.66. The study findings indicated that profit-sharing plans may consist of contributions made to tax-advantaged retirement accounts or cash bonuses to empower employee role their own investments which was supported by a mean score of 3.83 and standard deviation of 0.73 .

The respondents to a moderate extent agreed that Bonuses can be set up to directly drive and support the company's needs, annual results, successful completion of projects and/or significant project milestones so as to motivate employee achieve their goal timely was supported by a mean score of 3.62 and standard deviation of 0.60. The study further revealed that Stock options are often part of management's executive compensation may be offered to key employees in lieu of a higher salary as indicated by 3.91 and standard deviation of 0.85 .the respondents positively indicated that Profit-sharing bonuses are generally should be paid out once a year in the form of cash or on a deferred basis as an empowerment for committed to management the organisation as was supported by a mean score of 3.97 and standard deviation of 0.95. This implies that Employees now have greater awareness and are more concerned with the satisfaction of higher level needs. The study findings were in agreement with those of Beede and Ogbu (2017) that Empowerment provide opportunities to the employees at lower levels to develop their competencies. Thus, it can be used as a source of managerial talent for the organisation.

Table 2: Employees' Empowerment

Statements	Min.	Max.	Mean	Std.
Profit sharing with employees is an excellent way to reward employees. Employees receive a portion of the profit based on their position and time with the company	2.00	3.00	3.78	0.71
A profit-sharing plan gives employees a share in their company's profits based on its quarterly or annual earnings	2.00	3.00	3.74	0.66
Contributions to a profit-sharing plan are made by the company only; employees cannot make them, too	1.00	5.00	3.95	0.84
Profit-sharing plans may consist of contributions made to tax-advantaged retirement accounts or cash bonuses.	1.00	4.00	3.83	0.73
Technique involves paying out a bonus based on a percentage of how much each employee is paid in salary	2.00	5.00	3.94	0.94
The bonus is paid based on the number of shares each employee is given.	2.00	5.00	4.08	0.91
Bonuses can be set up to directly drive and support the company's needs, annual results, successful completion of projects and/or significant project milestones	1.00	5.00	3.62	0.60
Stock options are often part of management's executive compensation may be offered to key employees in lieu of a higher salary	2.00	4.00	3.91	0.85
Profit-sharing bonuses are generally paid out once a year in the form of cash or on a deferred basis.	2.00	4.00	3.97	0.95

Performance of small and medium manufacturing firms in Nairobi City County

The study sought the extent to which indicators of level of performance experienced by small and medium manufacturing firms in Nairobi City County in the last five years in terms of Market share, Profits and Efficiency that is related to Stock Options, Co-Partnership, employee recognition and employees' empowerment. The implementation of employee motivation was found to contribute to performance of small and medium manufacturing companies as Market share level increase attributed to implementation of employee motivation as indicated from 7.5% in year 2016 to 21.6% in the year 2020. The performance in Profits level was on upward trends as the Profits increased steadily from 300,000 ksh, 450,000 ksh and then 700,000 ksh, 900,000 ksh and 1.5 m from 2016 to 2020 respectively.

On achievement of manufacturing Efficiency, a 5 – point likert scale was adopted. The level of manufacturing Efficiency in manufacturing companies was at 2.3, in year 2016 it was 3.1, in the year 2017 it was 3.3, in year 2018 it was 3.67 in the year 2019 and 3.8 in the year 2020 respectively. This implied that the effectiveness of any reward system requires factors that the recipient must perceive the reward as a positive event, and second, the reward needs to encourage the desired behavior. The studies agreed with those of Moodley and Hove, (2018). that general believe that the relationship between HRM policies and practices in relation to human resource planning, Involvement and commitment of human resource, reward planning and training and development lead to organisational performance.

Table 3: Performance of small and medium manufacturing firms in Nairobi City

Statements	2016	2017	2018	2019	2020
Market share	7.5%	10.3%	15.3%	18.5%	21.6%
Profits	300,000ksh	450,000ksh	700,000ksh	900,000ksh	1.5m
Efficiency	2.3	3.1	3.3	3.6	

Inferential Statistics

This subsection presents the results for inferential analysis of the Pearson Correlation and Multiple Regression, determination of coefficient or beta values of study variables.

Regression model Summary

The study found in the table below the R Square, which is the coefficient of determination, was used to measure the dependent variable variations and their effect on the dependent variables. As observed, the R Square value is 0.643; this value is between 0 and 1. Analytically, this shows that 64.3% of variations in the dependent variable can be explained by the independent variables. Profit-sharing, Stock Options and Co-partnership explain 64.3 % of variation in small and medium manufacturing firms while the remaining 35.7 % is associated with factors that are not within the scope of this study.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.802a	.643	.634	.456

- a. Dependent Variable: Performance of SMEs manufacturing firms
- b. Predictors: (Constant), Profit-sharing, Stock Options, Co-partnership

Regression Coefficients Results

From the findings in the regression analysis, if the factors (Stock Options, Co-Partnership, Profit Sharing) were held constant, Employee empowerment of small and medium manufacturing firms in Nairobi City County, Kenya would be at 1.955.

The multiple regression analysis results showed the beta coefficients obtained from as follows; From the regressed model, the researcher found out that any increase in unit of Stock Options while holding other factors constant, would cause a significant increase in the Employee empowerment of small and medium manufacturing firms in Kenya by $B_1 = 0.294$, increase in unit of Co-Partnership while holding other factors constant, would cause a significant increase in the Employee empowerment of small and medium manufacturing firms in Kenya by $B_2 = 0.555$, increase in unit of Profit Sharing while holding other factors constant, would cause a significant increase in the Employee empowerment of small and medium manufacturing firms in Kenya by $B_3 = 0.218$. The significant level helped in determining the relative importance of each variable in the model. As a guide regarding useful predictors, we look for p-values above -0.5 or below

+0.5. In this case the significant variable level of the variables was as follows; P-value=0.000<0.05, Co-Partnership P-value=0.001<0.05, Profit Sharing P-value=0.000>0.05, Stock Options P-value=0.005<0.05 respectively. Hence-Partnership and Stock Options were significant at level.

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$, with the beta coefficients inserted was found to be;

$$Y = 1.955 + 0.294X_1 + 0.555X_2 + 0.218X_3$$

Table 5: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.955	.214		9.157	.000
Stock Options	.294	.103	.426	2.862	.005
Co-Partnership	.555	.126	.691	4.398	.000
Profit Sharing	.218	.147	.297	1.483	.001

The multiple regression models generally assumed the following equation;

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

Where:-

Y= Employee empowerment of small and medium manufacturing firms in Nairobi City County, Kenya

β_0 denotes the unknown parameters which may represent a scalar or a vector $\beta_1, \beta_2, \beta_3$, denote sensitivity of Y to the independent variables X_1, X_2, X_3 and respectively.

X_1 = Stock Options

X_2 = Co-Partnership

X_3 = Co-Partnership

ε =Error Term

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Introduction

This chapter presents the summary of the findings, conclusion and recommendation of the study objectives and the corresponding hypothesis. It then draws conclusions based on these findings and discussions are put for the recommendations of the study based on study variables. Finally, the chapter presents the study limitations and recommendations for further areas of research.

Summary of the Findings

Generally, the objective of the study was to establish the Effects of employee motivation on Employee empowerment of small and medium manufacturing firms in Kenya, The sample size was based on a stratified random sampling approach because the population is considered heterogeneous, which means a simple random sample will not be representative. The unit of analyses of this study consists of Building and construction, Chemical & Allied, Energy & Electrical, Food & Beverages, Leather Products, Metal & Allied, Paper &

Paperboard, Plastics & Rubber, Textile & Apparels and Timber & Wood Products small and medium manufacturing firms. The study therefore established the following as per the study factors: Work-Life Balance, Co-Partnership, Profit Sharing

Employees' Empowerment and Performance of small medium manufacturing firms

The study objective was to examine the influence of Employees' Empowerment on employee empowerment of small and medium manufacturing firms in Nairobi City County, Kenya, The study finding answered the study question. How do Employees' Empowerment determinants employee empowerment of small and medium manufacturing firms in Nairobi City County, Kenya? The study found out that Employees' Empowerment has the highest influence on Employee empowerment of small and medium manufacturing firms. ($\beta_4=0.625$, $p=0.002<0.05$). The study established that Employee Empowerment in work setting means giving employees the means, ability, and authority to do execute duties. It involves efforts to take full advantage of organization's human resources by giving employees more information and control over how they perform their jobs. Various techniques of empowerment range from participation in decision-making to the use of self-managed or empowered teams.

Conclusions

The study concluded that when employees are empowered, small and medium manufacturing firms gives them a sense of accountability and responsibility for developing their own skills. They usually go to lengths for optimizing their efforts and nailing their work. Empowered employees take personal pride in their work and they take the responsibility for doing a good job. As a result, organizations reap the benefits of empowered employees as they deliver superior products and services. Additionally, empowered employees address day to day challenges of customer handling much more efficiently. Dealing with an unsatisfied customer by using the tools and authority to make a decision, they can fix the issue there and then.

Study Recommendations

The study recommends that Empowerment is not a one-step process but a continuous one. It requires nurturing and grooming of employees from the very beginning. Since Empowerment in small and medium manufacturing firms involves Delegation and granting of authority by a superior to a subordinate for a specific purpose such as buying specific materials from a specified vendor. Empowerment has a wider scope because the subordinate is given adequate autonomy or freedom to select the type of materials from the vendor he thinks is the best. Simultaneously, the management should also be receptive of inputs coming from the employees. Listening and making them feel heard are proven boosters of employee morale and hence empowerment.

REFERENCES

- Asenahabi, B. M. (2019). Basics of Research Design: A Guide to selecting appropriate research design. *International Journal of Contemporary Applied Researches*, 6(5), 76-89.
- What it is, How to Detect it and How to Solve it with Applications in R and SPSS. *Practical Assessment, Research, and Evaluation*, 24(1), 1.
- Beede Emerole, D., & Ogbu Edeh, F. (2017). The effect of compensation on employee performance in Nigeria civil service: A study of Rivers State board of internal revenue service. *Journal of Strategic Human Resource Management*, 6(2).

- Chukhrova, N., & Johannssen, A. (2019). Fuzzy regression analysis: systematic review and bibliography. *Applied Soft Computing*, 84, 105708.
- Creswell, J. W., & Hirose, M. (2019). Mixed methods and survey research in family medicine and community health. *Family Medicine and Community Health*, 7(2).
- Friebel, G., Heinz, M., Krueger, M., & Zubanov, N. (2017). Team incentives and performance: Evidence from a retail chain. *American Economic Review*, 107(8), 2168-2203.
- Hafner, M., Pollard, J., & Van Stolk, C. (2020). Incentives and physical activity: An assessment of the association between Vitality's Active Rewards with Apple Watch benefit and sustained physical activity improvements. *Rand Health Quarterly*, 9(1).
- Hu, C. P., & Chang, Y. Y. (2017). John W. Creswell, Research Design: Qualitative, Quantitative, and Mixed Methods Approaches. *Journal of Social and Administrative Sciences*, 4(2), 205-207.
- Kariuki, J. G. (2020). *Factors Affecting Implementation of Performance-Based Reward Strategies in Kenyan Public Sector: A Case of Capital Markets Authority* (Doctoral dissertation, United States International University-Africa).
- Kathombe, M. W. (2018). *Reward management strategies on employee performance in selected universities in Nakuru County, Kenya* (Doctoral dissertation, Egerton University).
- Khan, N., Waqas, H., & Muneer, R. (2017). Impact of Rewards (Intrinsic and extrinsic) on employee performance: with special reference to courier companies of city Faisalabad, Pakistan. *International journal of management excellence*, 8(2), 937-945.
- Klees, S. (2016). Inferences from regression analysis: Are they valid. *Real World Economics Review*, 74, 85-97.
- Kothari, C. (2017). research methodology methods and techniques by CR Kothari. Published by New Age International (P) Ltd., Publishers, 91.
- Landry, A. T., Gagné, M., Forest, J., Guerrero, S., Séguin, M., & Papachristopoulos, K. (2017). The relation between financial incentives, motivation, and performance. *Journal of personnel Psychology*.
- Mamdani, K. F., & Minhaj, S. (2016). Effects of motivational incentives on employees' performance: A case study of banks of Karachi, Pakistan. *South East Asia Journal of Contemporary Business, Economics and Law*, 9(2), 32-39.
- Mandago, R. J. (2018). Influence of Green Reward and Compensation Practice On Environmental Sustainability In Selected Service Based State Corporations In Kenya. *European Journal of Business and Strategic Management*, 3(6), 1-12.
- Mendis, M. V. S. (2017). The impact of reward system on employee turnover intention: a study on logistics industry of Sri Lanka. *International Journal of Scientific & Technology Research*, 6(9), 67-72.
- Moodley, S., & Hove, G. (2018). The Factors Affecting Employee Motivation and Its Impact On Organisational Performance at an Engineering Supplies Company In Durban, Kwa-Zulu Natal. *Kuwait Chapter of the Arabian Journal of Business and Management Review*, 7(4), 55.

- Muhumed, A. D. (2018). Effect of Monetary Incentives On Performance of Small and Medium Enterprises In Kenya: *A Case Study Of Graphic Line-ups Limited* (Doctoral dissertation, MUA).
- Munyua, K. M. (2017). Influence of intrinsic motivation on job performance and organisational commitment among the employees: Case of K-Unity, Kiambu County, Kenya. *A Project Submitted in Partial Fulfilment of the Requirements for the Award of Degree of Master of Psychology*.
- Ndichu, J. N. (2017). *Effects of Incentives and Rewards on Employee Productivity in Small Banks in Kenya: A Case Study of First Community Bank* (Doctoral dissertation, United States International University-Africa).
- Ndungu, D. N. (2017). The Effects of Rewards and Recognition on Employee Performance in Public Educational Institutions: A Case of Kenyatta University, Kenya. *Global Journal of Management and Business Research*.
- Osogo, N. O. (2019). Effects of Motivation on Employee Performance within the Banking Industry: A Case of Bank of Africa in Nairobi County Kenya (*Doctoral dissertation, United States International University-Africa*).
- Owusu Ernest, K. (2017). Review of Incentive scheme provisions for enhanced motivation and service delivery. *International Journal of Applied Environmental Sciences*, 12(12), 2049-2067.
- Puka, S., Wanyama, K. W., & Aliata, V. L. (2019). Employee compensation on job performance in the county government of Kakamega, Kenya. *The Strategic Journal of Business & Change Management*, 6 (3), 627 – 635.
- Singh, H., Jamil, R., Baroto, M. B., Hussin, M., Boyi, Y., & Singh, S. (2017). Impact of financial and non-financial incentives on employee performance. *Advanced Science Letters*, 23(1), 146-150.
- Vincent, M. M., Alala, O. B., & Kiongera, M. F. (2017). Effect of Employee Reward System on Job Satisfaction among Non-Core Staff in Catholic Sponsored Secondary Schools in Bungoma Diocese, Kenya. *Int. J. of Multidisciplinary and Current research*, 5.
- Waithira, K. M. (2018). Effects of Rewards Strategies on Employee Performance of Farm Concern International, Kenya.
- Wang, L. W. (2017). Recognizing the best: The productive and counterproductive effects of relative performance recognition. *Contemporary Accounting Research*, 34(2), 966-990