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**INFLUENCE OF EMPLOYEE ENGAGEMENT ON THE MARKET PERFORMANCE OF  
FAST-MOVING CONSUMER GOODS FIRMS IN NAIROBI COUNTY, KENYA**

**OSATO IGBINADOLOR**

**MBA 110236**

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS FOR THE AWARD OF DEGREE OF MASTER OF BUSINESS  
ADMINISTRATION OF STRATHMORE UNIVERSITY**



**APRIL 2020**

**DECLARATION**

I, the undersigned, declare that this project is my original work and has not been submitted for examination in any other institution.

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**Sign:** .....

**Date:** .....

**Approval**

This research project has been submitted for examination with my approval as the university supervisor

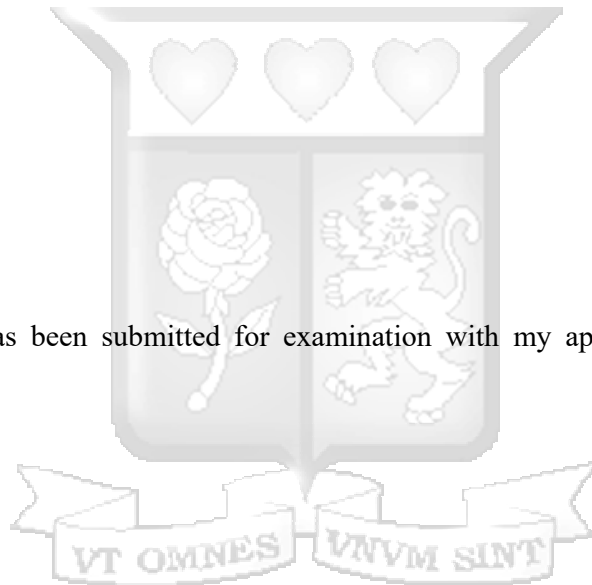
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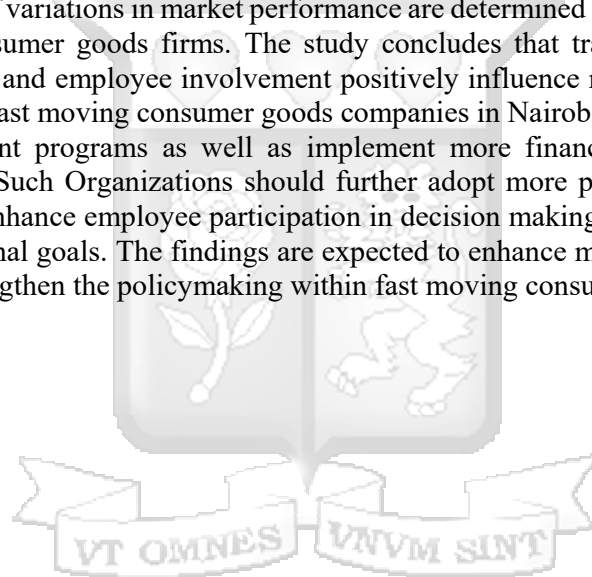
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## ABSTRACT

In the modern fast-moving consumer goods business, sustaining a competitive market position is of crucial concern. To meet their marketing performance goals, it is relevant for fast-moving consumer goods firms to maintain a highly engaged workforce. However, there is very minimal empirical evidence on how employee engagement influences the market performance of the firms; hence this study sought to contribute to the empirical gap by examining the causality between employee management and market performance. The study specifically sought to establish the effect of training and development; rewards and recognition as well as employee involvement on market performance. The research was anchored on the theory of employee engagement and the balanced scorecard model. The study adopted a descriptive research design, and the unit of analysis was the 80 fast-moving consumer goods firms in NAIROBI COUNTY. The sample respondents for the research were the 240 marketing, sales and brand managers within the firms. The study relied on structured research questionnaires to collect primary data. The study conducted a pretest of the research instrument, with 10% of the sample respondents. The collected research data was analyzed using descriptive and inferential statistics. The analyzed data was presented using charts, bar graphs and tables. The research was able to obtain an 83% response rate. The findings of the research established that 55.6% of variations in market performance are determined by employee engagement within fast-moving consumer goods firms. The study concludes that training and development, rewards and recognition and employee involvement positively influence market performance. The study recommends that fast moving consumer goods companies in Nairobi county should foster the training and development programs as well as implement more financial schemes to enhance employee productivity. Such Organizations should further adopt more participatory management approaches in order to enhance employee participation in decision making and designing programs for attaining organizational goals. The findings are expected to enhance managerial practice within the firms as well as strengthen the policymaking within fast moving consumer goods companies.



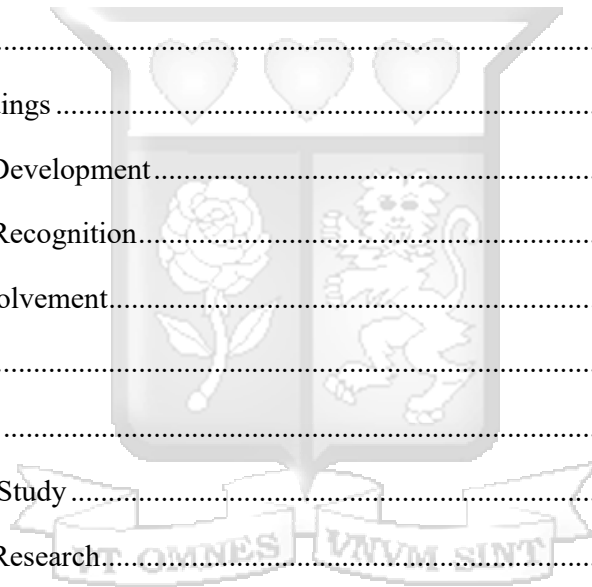
**Keywords:** *Training and development, Reward and Recognition, Employee Involvement, Employee Engagement*

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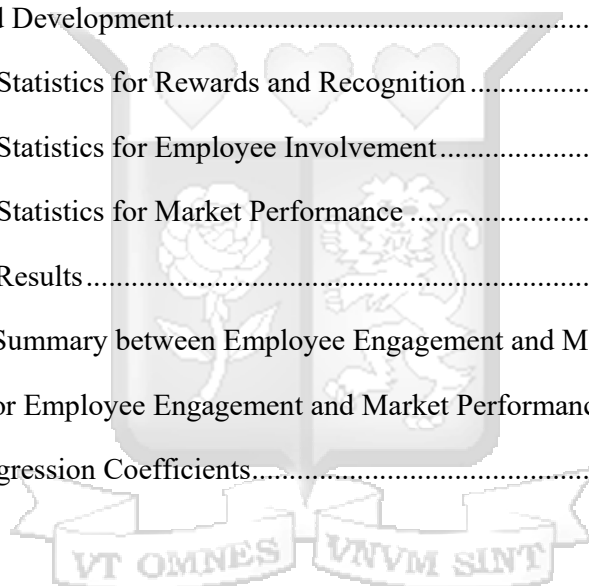
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## LIST OF ABBREVIATIONS

<b>FMCG</b>	Fast Moving Consumer Goods
<b>HR</b>	Human Resource
<b>MNC</b>	Multinational Companies
<b>NACOSTI</b>	National Commission for Science Technology and Innovation
<b>SBS</b>	Strathmore Business School



## OPERATIONAL DEFINITION OF TERMS

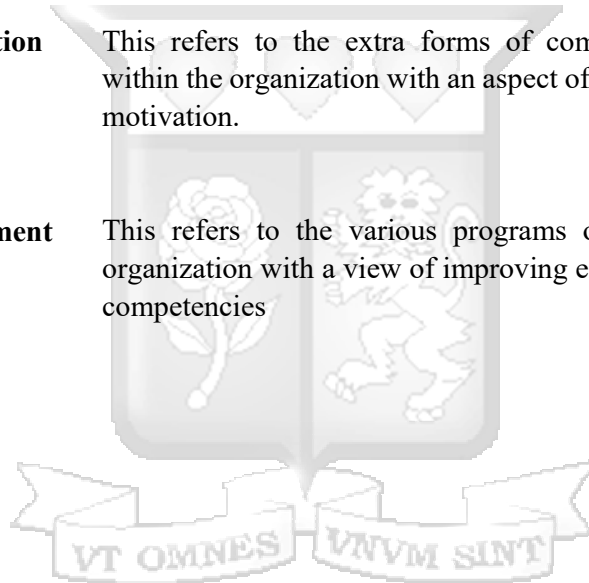
**Employee involvement** This refers to the different levels or forms of employee participation within an organization

**Employee engagement** This is a management aspect that promotes employees to greater performance levels.

**Market performance** Market performance is the methodical organization of marketing resources and processes to attain a calculable profit in return on investment and efficiency whereas maintaining quality in customer experience.

**Rewards and Recognition** This refers to the extra forms of compensation offered within the organization with an aspect of refining employee motivation.

**Training and development** This refers to the various programs offered within the organization with a view of improving employee skills and competencies



## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background to the Study

In the dynamic contemporary corporate environment, firms are faced with increasing market instability finding it hard to cope. In the operational environment, realizing the long-term objectives for the firm is the vital resource capabilities important to grasp the long-standing organization aims are regularly tough to assemble and recollect by specific organizations (Kaihara & Fujii, 2008). Companies, therefore, have to look beyond cost and quality as their source of competitive advantage. They have expanded their competitive strategies to encompass speed, quality, and flexibility, suiting modern consumers and markets through better employee management (Christopher & Towill, 2010). The business environment surrounding the speeding customer goods industry, commonly referred to by the acronym FMCG (hurtling consumer goods), has grown to be more competitive (Urbancova, 2013). Companies in the fast-moving consumer goods have been pushed into a competition to stay relevant and sustain favourable market performance levels (Suganthi, 2016).

Allied Market Research (2019) indicates that the global FMCG market is anticipated to attain \$15,361 billion in sales volume by 2025. The report indicates that a growing global consumption level supported by the increase in income level and demand has contributed to the growth in the market for consumer goods. The report indicates that the food and beverage segment has majorly contributed to the growth in the industry and is expected to maintain its growth within the projected time period. Reuters (2019) global FMCG business confidence report indicates that the existing economic environment is anticipated to improve the progression of the FMCG industry. Further, the fast-changing lifestyles among the middle class, growing e-commerce environment, digitalization and changes in the management of procurement and distribution are expected to foster the market growth within the industry.

Low margins have been linked to the FMCG industry, and therefore, companies operating in this market must employ strategies, which are engrossed on achieving top-level sales. Companies operating in this market must drive high volumes, which should compensate for the lost margins (KPMG, 2015). KPMG also shows that the total market shares for the fast-moving consumer goods industry for the consumers earning less than 3 USD per day in Africa continent was 59% of the total consumption. KPMG's (2016) review of the FMCG industry in

Africa indicates that the highest expenditure was recorded in Nigeria, South Africa, Morocco and Ethiopia with Kenya having a considerable growing market.

### **1.1.1 Employee Engagement**

Purcell (2014) defined employee engagement as a wide aspect with theoretical and empirical rooting's which showed a significant relationship among potential antecedents and consequence of engagement as well as the components of engagement within an organization. An engaged personnel is able to acquaint with the policies within the organization and their job description as well as relate well with their colleagues in a bid to enhance the productivity within the firm (Robbins, 2008). An increase has been witnessed in employee engagement. This had been recorded among the consultants and the practitioners in the business circle (Gruman & Saks, 2011).

Employee engagement a major topic of interest in the business development environment and it has led to the formation of important component in the research done by consulting firms (Bailey, Madden, Alfes, & Fletcher, 2017). Employee engagement is a management sector that promotes employees to greater performance levels (Ndahiro, Shukla, & Oduor, 2015). Competitive companies make sure that engaged employees are retained so that customers are satisfied, low misuse of resources, customer-friendly, work with minimal supervision, and have the low motive of quitting. The companies make sure they provide the employee with motivation programs, promotion programs and good working conditions (Purcell, 2014).

Poorly engaged employees in an organization are unhealthy since they affect the firm's performance; also, the workers are less likely to persist in the organization thus increase the chances of quitting the job (Freidman, 2015). Engaged staffs have a sense of belonging to the company, making them realize the objectives and goals of the organization. They are most likely to stay in the organization hence enhancing employee retention. Therefore, employee engagement is an essential tool in the management of human resources since it increases employee retention and job satisfaction (Harter, 2016). Macey and London (2013) in their study, notes that a positive outcome is recorded in the performance of an organization when the employees are managed effectively. Onyango (2014) notes that financial rewards and strategic human resource practices are essential to employee engagement.

In their research paper, Sheikh and Naveed (2016) on employee engagement indicate that human resource practices such as performance, selection, compensation, job definition, employee participation as well as career are integral to employee engagement. Jacobs and

Mafini (2019) indicate that contingent rewards and professional development programs are essential in engaging employees. Mwangangi and Nahashon (2019) indicates that employing financial schemes and non-financial schemes enhance employee participation. **The current research examines employee engagement based on training and development, rewards and recognition and employee involvement.**

In the case where an organization ensures that its employees are well engaged and they are provided with adequate opportunities to reach their potential by constantly learning skills, developing their abilities as well as acquiring knowledge, the organizations in most cases can be said and identified to have highly skilled employees. The continuous practice and training give an organization the opportunity to gain employees who are highly talented and who have the urge to continue with developing themselves at a personal level. An organization that takes time in developing their employees always tend to retain the employees (Neeta, 2011)). Also, a satisfactory employee growth through training, services and learning can lead to making employees more engaged with respect to the job and the organization (Andrewa & Saudah, 2012). Boela and Torrington (2012), observed that a more key, nonstop and adaptable training and development frameworks, when offered in an organization, contribute to more positive impacts on employee's performance, with expanded instances of better and long-haul connections, correspondence, decision making and investment in the duties of the organization.

Macey and London (2013) suggest that the reward and recognition systems should be fit for noticing the employees' strengths and weaknesses for elevating performance. In case workers fail to attain the aim of a development plan can be adopted to help employees improve so that they are accommodated in the reward and recognition system, which in turn will enhance their engagement. Mwamanenge (2018) indicates that adopting an elaborate incentive and recognition scheme within a firm is a key antecedent to improved organizational performance.

According to Rowley (2014), where it has been utilized effectively, employee involvement/participation programs have brought about expanded duties, self-development, motivation and team working practices. Involving employees in the decision-making process through practices like consultation and application of suggestion schemes makes employees more dependable, upgrades the decision-making process, enhances operations, lessens the cost and improves organization engagement (Ganji-Nia & Upadhyay, 2013). Freidman, (2015), in their study, indicates that employee involvement fosters engagement of personnel within the

firm. Mouko (2017) notes that employee involvement in decision making boosts organization performance and turnover intentions within the firm.

### **1.1.2 Market Performance**

The importance of marketing in today's world is undeniable. Marketing assumes an extensive role the growth and development of an economy (Saha, 2014). Wells (2014) asserts that marketing arouses research and new ideas, leading to innovative goods and services. It is indeed the heart of the business because, without marketing, potential customers would not know about the products and services offered by a firm. Marketing allows customers to make a choice between products and is defined as a group of activities done by an individual organization to satisfy the customers that it serves (Biégas & Neto, 2015). For the individual organization to succeed, therefore, it ought to offer the right product, one that meets the needs of consumers and to pursue the right marketing strategies, which will solidify the message that the product is the best for the consumer (Christopher & Towill, 2010).

The market performance of the FMCG industry firms is a function of various variables. Market performance is based on economic results: product aptness with regards to buyer preferences (effectiveness), the profit rates with regards to costs and margins of marketing, price seasonality and price integration between markets (efficiency) (Lamberti & Noci, 2010). According to Karr (2012), measures whose aim is ensuring the improvement of market performance have been put in place worldwide. The measures Karr observed, he states that are revolved around improved costs of management practices, customer relation, product mix to upsurge the target market, well-versed and improved pricing decisions.

According to Davcik and Sharma (2017), the concept of market performance is a diverse concept that has room for assessment through the consideration of certain aspects which include, profitability, productivity, equity, and effectiveness. The current study examined market performance based on; customer satisfaction, customer retention, market share, growth in sales, and distribution efficiency.

### **1.1.3 Fast Moving Consumer Goods Firms**

FMCG industry, otherwise identified as the CPG industry, is characterized by firms manufacturing products with short shelf life, regularly purchased, and at lower cost. The FMCG sector is thus a typical situation of low-slung margin, high volume business (Suganthi, 2016). Large FMCG is well known around the world over with the sector comprising of

companies such as Coca-Cola, Johnson and Johnson and Unilever. Some of the products offered by this industry range from the food and beverages category, personal care category and home care category. Within these categories, FMCG products tend to be similar in many ways thus leading to a high competition in prices, and product innovation has to be relatively high in order for the firms to remain relevant (Linnet, 2014). However, despite the high-volume characteristic of FMCGs and relatively high Kenyan population size, KPMG (2014) reports that the Kenyan market remains underserved by FMCG companies.

KPMG (2016) identified Kenya as one of the fastest-growing markets for consumer goods which is attributed to the improving quality of life and access to a vast network of FMCG firms. Humphrey (2018) posits that with the growth in the middle class in Kenya it is expected that the demand for consumer goods will continue to grow in the country and this requires appropriate responses from the firms. Kilonzo (2018) notes that with the improving demand for consumer goods; the FMCG industry has been faced by increasing employee turnover as a result of inadequate implementation of human resource practices in the firms. From the above review, it is evident that the FMCG industry has attained a central place in the Kenyan economy; thus, it is vital to study the performance of the sector in order to yield results that can help improve the industry. This study was motivated by the inconclusively availability of empirical evidence in the sector in examining the effect of employee engagement on the performance of the FMCG firms within NAIROBI COUNTY.

## **1.2 Statement of the Problem**

In the modern fast-moving consumer goods business, sustaining a competitive market position is of crucial concern. The competition existing in the fast-moving consumer goods industry has extremely grown aggressive, with many competitors (Suganthi, 2016). The capacity of sustaining a fast-paced consumer properties company is heavily reliant on the firm's ability to attract and maintain its customers (Biégas & Neto, 2015). Dirisu, Ibiidunni and Oluwole (2013) posit that firms have been striving to understand customer preferences and needs in order to align their marketing strategies to serving their customers effeciently. However, despite these various responses by FMCG firms, there is limited knowledge on how employee engagement can influence their market performance. This knowledge gap has motivated the current research with a view of improving the contextual understanding of the benefits of employee engagement towards a better market performance for firms in Nairobi County.

Empirical studies by Peter (2014) studied marketing performance in Nigeria and noted that communication, emotional attachment, and effective relational styles influenced the market performance of organisations in the hotel industry. Wanja (2015) examined the link between calculated management practices applied and performance of Fast Food Franchises in NAIROBI COUNTY and indicates that employee training, better staff competency and strategy implementation were key predictors of firm performance. Kilonzo (2018) examined worker revenue intentions in FMCG Companies in Kenya and indicates that lack of organization trust, commitment, lack of organizational commitment, and pay satisfaction contributed to employee turnover. The above studies focused on FMCG firms; however, they did not examine market performance nor take into consideration the employee engagement within the industry. The current study sought to fill this gap by examining the influence of employee engagement on the market performance of FMCG firms in NAIROBI COUNTY.

### **1.3 General Objective**

To examine the influence of employee engagement on the market performance of Fast-Moving Consumer Good Firms in NAIROBI COUNTY, Kenya

#### **1.3.1 Specific Objectives**

- i. To establish the effect of training and development on the market performance of Fast-Moving Consumer Good Firms in Nairobi County, Kenya
- ii. To establish the effect of rewards and recognition on the market performance of Fast-Moving Consumer Good Firms in Nairobi County, Kenya
- iii. To establish the effect of employee involvement on the market performance of Fast-Moving Consumer Good Firms in Nairobi County, Kenya

### **1.4 Research Questions**

- i. What is the effect of training and development on the market performance of Fast-Moving Consumer Good Firms in Nairobi County, Kenya?
- ii. What is the effect of rewards and recognition on the market performance of Fast-Moving Consumer Good Firms in Nairobi County, Kenya?
- iii. What is the effect of employee involvement on the market performance of Fast-Moving Consumer Good Firms in Nairobi County, Kenya?

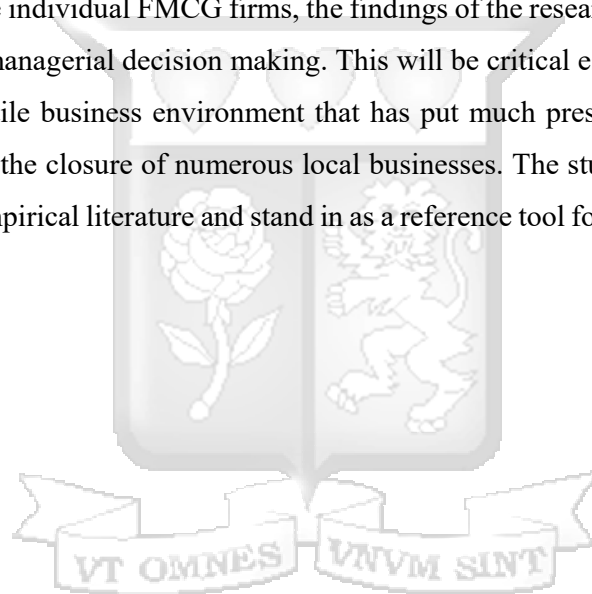
### **1.5 Scope of the Study**

The research study focuses on a geographical examination of the FMCG companies working within Nairobi County. The conceptual scope of the research focused on an examination of

employee engagement (training and progress, rewards and acknowledgement, employee involvement) and the market performance of FMCG firms in Kenya. The theoretical scope focussed on the theory of employee management and the balanced scorecard model. The sample scope for the study was restricted to the FMCG firms functioning within Nairobi County.

### **1.6 Significance of the Study**

The consumer goods market is one of the critical drivers of economic growth, and an examination of the industry is anticipated create importance various groups of stakeholders. To the government, the findings of the research are expected to enhance policy formulation that will aid to promote the development of companies within the FMCG industry through better labour policies. To the individual FMCG firms, the findings of the research are expected to add to their practice and managerial decision making. This will be critical especially in the current competitive and volatile business environment that has put much pressure on existing firms which has resulted in the closure of numerous local businesses. The study is also expected to foster the available empirical literature and stand in as a reference tool for future research work.



## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Introduction

Chapter two of the study discusses the pertinent literature associated with the research constructs. The chapter precisely reviews the theories that informed the study as well as previous empirical studies in line with study variables. The chapter further reviewed the research gaps as well as the conceptual framework of the research.

#### 2.2 Theoretical Review

The theoretical framework is an abstract, involving a set of statements built from clearly defined concepts that shows the interrelation of concepts. The theoretical framework demonstrates the theories and ideas that are of relevance to the topic of a research paper and that relate to the broader areas of knowledge being considered (Cole, 2011). The study was based on the theory of employee engagement and the balanced scorecard model to anchor the research variables.

##### 2.2.1 Theory of Employee Engagement

The theory of employee engagement was proposed by Kahn (1990). According to this theory, Kahn asserts that information is shared by the company management and employees in order to involve them in decision making hence promoting employee performance (Kahn, 1990). The theory highlights that the management empowers the employees through motivational programs such as offering training and development, holiday trips, further study leaves and many others. These programs motivate and engage employees hence reducing employee turnover (Johnson, 2015).

With respect to the hypothesis, it is the role of the forerunners of a firm to guarantee that all their employees are absorbed appropriately into the system and engaged in decision making within the firm (Hellevig, 2015). The hypothesis is important to the examination as it can help counter the propensities and practices established in several times of representative botch, which brings forth worker withdrawal and expanded turnover. It becomes association's administrators and supervisors to transfer their suspicions, obviously and exhaustively, allow the employees at the reasonable levels of their capability with the help of the supervisors or

representatives, and create a work environment in which engagement will bloom. Engagement is fundamentally the same as inborn inspiration (Seigts & Crim, 2016).

The theory holds that changing the structure of the business regarding work configuration, detailing duty, and the stream of correspondence hence expanding representative execution, fosters the employee engagement levels. This theory was integral in the current research in explaining how employee engagement can be a key predictor of market performance. The employee engagement was conceptualized in terms of training and growth, rewards and credit and the employee involvement level.

### **2.2.2 Balance Scorecard Model**

Kaplan and Norton (1996; 2004) developed the balanced scorecard model, a key conceptual framework of measuring organization performance. The authors posited that the balanced scorecard is a strategy-based system that focuses on results and accomplishments to make informed decisions at different levels of management in an organization. To make effective use of the balanced scorecard, it is key for organizations to focus on both performance measures and the desired result accomplishment. The balanced scorecard approach purposes providing administration with a combined set of measures, which give a “comprehensive but quick” view of the business.

The scorecard serves managers by providing information necessary for managers in the form of reports, which prevents sub-optimization by managers (Kaplan N. D., 1996). Therefore, the balanced scorecard gives organizations a comprehensive review of their operations and by its use, organizations are offered clear prescription measures on how to “balance” the implications in all the functional areas, including the management practices that effort to encourage drivers of previous performance such as financial measures. These also include other measures such as consumer fulfilment, improvement of personal and rational capital, and acquiring knowledge. The balanced scorecard is quick measures of the business outlook, and it is conceptualized in this study in terms of the growth and customer perspective. This perspective addresses the effect of the decision made in an organization (Kaplan & Norton, 2004).

The balanced scorecard is used in business to measure the outlook in terms of the financial impacts of priorities chosen, plans executed, decisions made, and actions taken in an organization. The balanced scorecard model was of great importance to the study in highlighting the dependent variable, to be contextualized using one main metric of the balance

scorecard; the market performance measures. The research relied on quantitative measures of firm performance based on customer and growth perspectives.

## **2.3 Empirical Review**

The empirical review section reviews the previous empirical literature in line with the research variables. The empirical studies were reviewed based on a global view, regional studies, and localized studies. The review of the empirical literature allowed for various contextual, methodological and knowledge gaps to be identified.

### **2.3.1 Training, Development and Market Performance**

The study sought to determine the effect of training, development practices on the market performance. A review of related literature was conducted in this section. Sheikh and Naveed (2016) examined the influence of HR actions upon the routine of multinational companies (MNC) functional in Pakistan. The research adopted a structured questionnaire in examining the performance of multinational Fast Moving Consumer Goods with quantitative data analyzed using descriptive and regression analysis. The results of the research indicated a positive association amongst performance assessment, profession development, worker involvement, work description, remuneration, selection, and the performance of multinational corporations. The research focused on MNC firms operating in Pakistan, while the current study examines both local and foreign FMCG operating within Nairobi County.

Bright (2014) did a study assessing the efficiency of training and development programs on employee performance and organizational growth. The research relied on questionnaires for data collection and focused on 40 departmental heads within FMCG. The results of the research indicate that an optimistic connection exist amongst efficient training and growth programs and the expansion of the companies. The research indicates that the introduction of new training policies, encouraging employee's participation and disciplinary actions are vital to improving organizational routine. The research, nevertheless, focused on general organization performance while the current study reviewed the market performance of FMCG firms.

Seid (2018) examined the aspects affecting the circulation routine of fast-moving goods focusing on the East Africa Bottling Share Company in Ethiopia. The research implemented a quantitative descriptive design approach and collected data from 144 key account customers using structured questionnaires. The research depended on Pearson and regression analysis. The results of the study show that competence and experience, coupled with financial and facility capacity, had an optimistic outcome on the distribution routine of the firm. The study

indicated that personnel competency fostered delivery and customer experience. The study focused on delivery performance within a single FMCG while the current study examines market performance.

Ouma (2018) did a study examining the effect of strategic human resource management practices on the performance of Bidco Africa Limited. The research adopted a descriptive research approach with a mix of quantitative and qualitative research being adopted in the study. The results indicate that training, recruitment, performance management and compensation were key determinants of improved organization performance. The study also indicates that career progression for personnel within the firm was positively correlated with improved firm performance. The research focused on a single FMCG firm in Kenya while the current study examines all the FMCG firms operating in Nairobi County.

Mutisya (2015) sought to determine the impact of professional development on firm performance in fast-moving consumer goods in Kenya. The research employed a descriptive research approach targeting 50 managerial staff within a local bottling company. The study relied on both descriptive and inferential analysis. Results indicate that career development positively influences the routine of fast-moving consumer goods firms in Kenya. The study indicates that career progression opportunities, promotion, and employee training are key to improved performance. The study did not examine the entire FMCG industry, which is the context of the current study.

### **2.3.2 Rewards, Recognition and Market Performance**

The study sought to determine the effect of rewards and recognition on the market performance.

This section presented a systematic review of empirical evidence linked to the constructs of the research.

Jacobs and Mafini (2019) studied the effect of transactional management, supply chain quality, and business performance in the fast-moving consumer goods industry. The study applied a survey research strategy and adopted a quantitative research method that collected data from managers of FMCG firms in Gauteng South Africa. The findings of the research indicate that contingent reward and management by expectation contributed to positive firm performance in both financial and non-financial metrics. The study fixated on FMCG firms in South Africa, while recent research observes the market routine of firms in Kenya.

Omokorede (2017), in a research paper, examined the influence of the reward system and employee performance of particular manufacturing companies in Lagos State, Nigeria. The

research assumed a survey research design and the population of the research comprised of 459 respondents drawn from 3 FMCG manufacturing firms. The analysis results showed that sense of accomplishment, recognition and appreciation had an optimistic effect on employee performance. The study indicates that salary and wages have no significant positive effect on employees' counterproductive behavior, while fringe benefits enhanced employees' adaptive performance. The research was limited to employee performance, whereas the present research concentrates on the market performance of FMCG firms in Nairobi County.

Mwamanenge (2018) assessed the consequence of incentive schemes on the routine of the sales force of Tanzania Cigarette Company. The study adopted a mixed research approach with descriptive and chi-square analysis. The research findings showed that employee training, rewards and recognition as well as incentive schemes were positively related to sales performance within the FMCG firm. The results also showed that salary increase and target setting involvement had the least association with sales performance. The study focused on sales performance while the current study explores the link between employee engagement and market performance of FMCG firms.

Onyango (2014) conducted an examination of the efficiency of the overall reward approach on the involvement level of employees at East African Breweries Limited. The research used a descriptive research design targeting the 704 permanent employees at EABL. The research relied on a structured questionnaire as a means of data collection. The results of the research indicate that pay and incentives, bonus systems, fringe benefits, and career development systems were key to improved engagement levels among employees. The study further indicates that satisfaction with employee benefits, financial security and quality of life improved engagement levels. The study focuses on employee engagement within an FMCG firm, whereas the current study examines the market performance of the FMCG firms.

Nzuki (2018) studied the effect of selected motivational factors on organizational performance in manufacturing companies in Kenya. The study adopted descriptive research and randomly sampled 98 respondents drawn from FMCG manufacturing companies in Kenya. The research relied on descriptive and inferential analysis. The results of the research indicate that compensation programs, working conditions, job security and employee recognition were absolutely related to firm performance. The research indicates that improved bonuses and enhanced overtime payments considerably enhanced employee motivation. The research was

limited only to FMCG in the manufacturing sector while the current examined all FMCG operating in Nairobi County.

### **2.3.3 Employee Involvement and Market Performance**

The study sought to determine the effect of employee involvement on the market performance.

This section reviewed empirical studies linked to the constructs of the research. Akhtar and Malik (2015) studied the influence of empowerment on routine and motivation within Indian FMCG. The study employed a survey research design with quantitative research technique applied in the study. The results of the analysis indicate that employee empowerment through delegation of duties, contribution in decision making, and worker sustenance plans contributed positively to employee performance within FMCG organizations in India. The study engrossed on Indian FMCG whereas the present research scope focuses on Kenyan FCMG's working within Nairobi County.

Jayantha (2014) examined the influence of high-performance work systems on organizational routine in the consumer goods sector in Sri Lanka. The research adopted a descriptive study used a descriptive research strategy focusing on 25 managerial executives within FMCG firms. The data analysis for the study employed univariate, bivariate, and multivariate analysis method techniques. The findings of the study show that employee commitment in the FMMG sector contributed positively to firm performance. The research indicates that extensive employee involvement and training positively enhanced firm performance within the FMCG sector. The research did not examine the market performance of the FMCG firms.

Ssegawa (2014) examined the factors affecting employee work fulfilment and the effect it has on worker performance at Unilever Kenya. The research employed a descriptive research design, with the population for the research being the 796 employees at the firm. The study relied on descriptive and inferential analysis of collected data. Findings of the study indicate that the working environment, nature of the job, job accountability, involvement level of employee and employee attainment were vital bases of employee performance. The research was restricted to employee performance within the firm while the present research assessed the market performance of FMCG firms in Nairobi City.

Odero and Makori (2017) examined the link amongst employee participation and employee performance. The study implemented a survey research design with simple random sampling was applied in the choice of 60 respondents. The research findings show there is a positive connotation between employee involvement and performance. The study indicates that

involvement in decision making, workers representation, availability of suggestion system, and involvement in meetings was key to fostering the routine of personnel. The research, however, was restricted to an education setting while current research examines fast-moving consumer goods firms in Kenya.

Mouko (2017) examined the influences of employee involvement on decision making on structural routine. The study was fixated on the Huduma Centres in Kisii county with a case study design being adopted in the research. The study adopted a structured questionnaire in the collection of data, and the results indicate that the delegation of authority and involvement in decision making certainly prejudiced the organization's routine of the personnel. The results also show that good administration standards and good working conditions are key to performance. The study, however, focuses on a state parastatal while the present study context is on the performance of FMCG firms.

Nzuki (2017) studied the consequence of tactical planning actions on the organizational performance of SANDOZ GmbH, Kenya. The study used a case study research strategy with interview schedules being applied in data collection. The results of the research indicate that participatory decision making, employee participation, and delegation of duty were key elements of firm performance. The study also indicates that feedback systems and employee training are keys to performance. The research relied on a qualitative approach, while current research relies on a quantitative methodology.

Mwangangi and Nahashon (2019) carried a research on the association between job security and organizational routine in manufacturing companies in Kenya. The research used a descriptive research design and sampled 326 sales staff drawn from four manufacturing firms. The collected research data were analysed using regression analysis. The results indicate that the involvement of personnel in contract negotiations would contribute to higher job security, which enhances organizational performance. In addition to that, the research indicates that the approval of team-based sales structure and non-direct tracking of sales results fosters organization performance. Nevertheless, the research failed to focus on manufacturing companies within the fast-moving consumer goods industry.

## 2.4 Summary of Literature and Research Gaps

The study reviewed a number of studies linked to the constructs of the research. However, the studies exposed a number of gaps that this study sought to solve. Mwangangi and Nahashon (2019) study focussed on the level of organization performance and connection to employee involvement. The study failed to consider other aspects of employee engagement such as rewards and recognition system. This study expanded on this gap. Nzuki (2018) examined the motivational factors within manufacturing firms but failed to link any of the factors to market performance which was the focus of this research. Mutisya (2015) examined professional development of employees within FMCG firms and noted it was a positive predictor of performance. The study failed to consider employee involvement of rewards and recognition which are key variables within the current research.

**Table 2.1 Research Gaps**

Author	Title	Findings	Research Gap
Mwangangi and Nahashon (2019)	Relationship between job security and organizational performance in manufacturing companies in Kenya	The results indicate that the involvement of personnel in contract negotiations would contribute to higher job security, which enhances organizational performance.	The study, however, did not focus on manufacturing firms within the fast-moving consumer goods industry.
Nzuki (2018)	Effect of selected motivational factors on organizational performance in manufacturing companies in Kenya	Results show that compensation program and employee recognition positively affected firm performance	The research was limited only to FMCG in the manufacturing sector, while the current examined all FMCG operating in Nairobi County.
Omokorede (2017)	Influence of reward system and employee performance of manufacturing companies in Nigeria	The findings indicate that sense of accomplishment, recognition, and appreciation had a positive effect on employee performance	The research was limited to employee performance, while the current study focused on the market performance of FMCG firms in Nairobi County.
Ouma (2018)	Effect of strategic human resource management practices on the	The study indicates that career progression for personnel within the firm was positively correlated	The research focused on a single FMCG firm in Kenya while the current study examined

	performance of Bidco Africa Limited	with improved performance.	firm all the FMCG firms operating in Nairobi County
Seid (2018)	Factors affecting the distribution performance of East Africa Bottling Share Company in Ethiopia	The study indicated that personnel competency fostered delivery and customer experience.	The study focused on delivery performance within a single FMCG while the current study examined market performance.
Ssegawa (2014)	Factors influencing employee job satisfaction and its impact on employee performance at Unilever Kenya	Research indicates that working environment and participation level of an employee were key determinants of employee performance	The research was limited to employee performance within the firm, while the current study assesses the market performance of FMCG firms in Nairobi City.

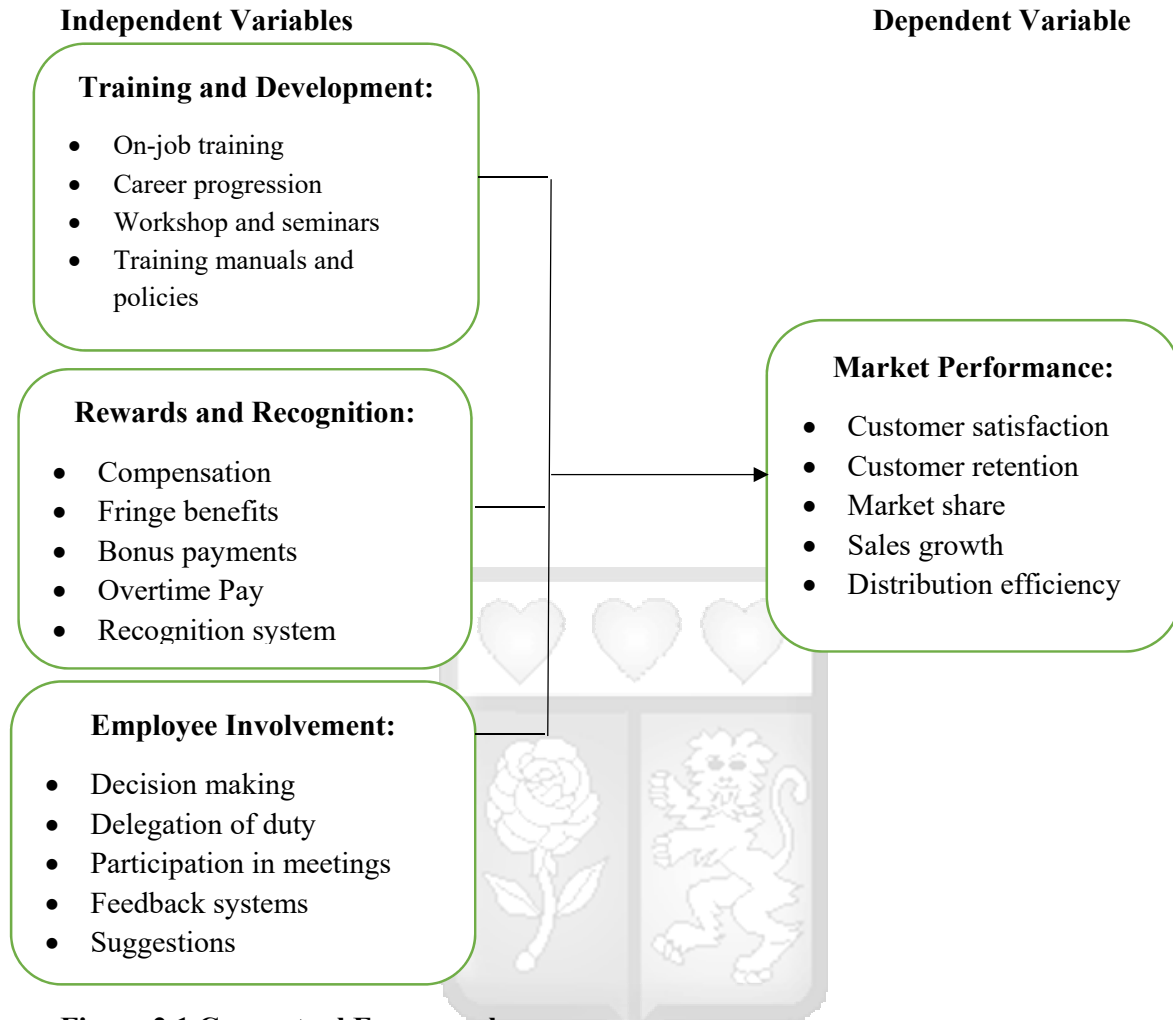
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**Source:** Researcher (2020)

## 2.5 Conceptual Framework

A conceptual framework is described as a diagrammatic representation of study variables and how they are perceived to relate with each other. It can be accompanied by the pertinent narrative to explain the operationalization of the study constructs and also their relationships (Kongiri, 2012).





**Figure 2.1 Conceptual Framework**

**Source:** Researcher (2020)

The above conceptual framework indicates the expected association among employee engagement and market routine. The study examined employee engagement based on training and growth, rewards, and recognition, along with employee involvement. The market performance of FMCG firms was measured using customer satisfaction, customer retention, improved market share, growth in sales and distribution efficiency.

**Table 2.2 Operationalization of Research Variables**

Variable	Indicators	Supporting literature	Data collection tool	Data analysis
<b>Training and development</b>	<ul style="list-style-type: none"> <li>On-job training</li> <li>Career progression</li> </ul>	Sheikh and Naveed (2016); Ouma (2018);	Structured questionnaire;	Descriptive analysis and

	<ul style="list-style-type: none"> <li>• Workshop and seminars</li> <li>• Training manuals and policies</li> </ul>	Mutisya (2015)	5-point Likert scale	inferential analysis
<b>Reward and recognition system</b>	<ul style="list-style-type: none"> <li>• Compensation</li> <li>• Fringe benefits</li> <li>• Bonus payments</li> <li>• Overtime pay</li> <li>• Recognition system</li> </ul>	Jacobs and Mafini (2019); Omokorede (2017); Nzuki (2018)	Structured questionnaire; 5-point Likert scale	Descriptive analysis and inferential analysis
<b>Employee involvement</b>	<ul style="list-style-type: none"> <li>• Decision making</li> <li>• Delegation of duty</li> <li>• Participation in meetings</li> <li>• Feedback systems</li> <li>• Suggestions</li> </ul>	Ssegawa (2014); Odero and Makori (2017); Mouko (2017)	Structured questionnaire; 5-point Likert scale	Descriptive analysis and inferential analysis
<b>Market performance</b>	<ul style="list-style-type: none"> <li>• Customer satisfaction</li> <li>• Customer retention</li> <li>• Market share</li> <li>• Sales growth</li> <li>• Distribution efficiency</li> </ul>	(Lamberti & Noci, 2010; Davcik & Sharma, 2017).	Structured questionnaire; 5-point Likert scale	Descriptive analysis and inferential analysis

**Source:** Researcher (2020)

## 2.6 Chapter summary

Chapter two of the study reviews the relevant theoretical and empirical literature relevant to the research constructs. The theory of employee engagement informs how various motivation programs within the workplace can be essential in developing a highly engaged workforce. The balance scorecard model underpins the measurement of the dependent variable market performance by examining customer and growth perspectives. The review of empirical literature indicates that various employee engagement tools are key predictors of organization performance. However, most of the studies have failed to focus on the link between the employee involvement constructs and market performance within FMCG firms in Kenya hence underpinning the main research gap that this study seeks to solve. The reviewed literature was key to the progress of the research tool and solving the main gap of this study.

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Introduction

Chapter three of the research reviews the methodology used in the research that was implemented in unravelling the study problem. The chapter precisely presents the design of the study, the population of the research, the sampling design, and sample size as well as the data collection instruments. The chapter further outlined the pretesting steps and the data analysis and presentation. Finally, the chapter reviewed the moral deliberations that were considered within the course of the study.

#### 3.2 Research Design

Cooper and Schindler, (2014) defined research design as the strategy and arrangement constructed so as to enable the researcher answer the research questions, while according to Babbie, (2010) a study research design is the coherent design that plans customs in which data is collected and analysed, and results are obtainable. This study implemented a descriptive research design so as to realize the objective of the study. A descriptive research design is intended to deliver a depiction of circumstances as they naturally occur (Babbie, 2010).

#### 3.3 Target Population

According to Quinlan, (2011), the population of a study is the overall count of persons, items or units that are applicable to the study, Quinlan lists individuals, groups, organizations, documents, campaigns, incidents among others as entities that can form a study population. So as to ensure the study project is researchable, the researcher has to decide on the population of the study accurately. Shaw (2012) observed that deciding on the target population of the study, one should consider certain aspects that include amid others the ease of access to the population and data collection and the level to which the subject of the study affects the target population.

The unit of analysis of the research were the 80 FMCG firms operating within Nairobi County (Humphrey, 2018; KPMG, 2014; Oxford Business Group, 2016) within the Liquor, Child Care, Food and Beverage, and Households care and Personal care groups. The study focused on the FMCG firms within the city which plays as a logistical hub for the majority of the FMCG as evidenced by the presence of the high number of the firms' headquarters within the capital. Thus, this was pivotal in examining how the various employee engagement components influenced the market performance of the businesses.

The study focused on the marketing managers, sales managers and brand managers from each of the firms. The personnel were selected for the study since as the lead marketing officers, they are in a position to provide requisite knowledge on the main research variable (market performance) and was also able to underpin how various employee engagement programs have impacted their marketing performance at the firm.

**Table 3.1 Population of Research**

Category	No. of Firms	% Proportion
Alcohol	4	5%
Baby Care	6	7.5%
Food and Beverage	34	42.5%
Household care	27	34%
Personal Care	9	11%
<b>Total Population</b>	<b>80</b>	<b>100%</b>

**Source:** Humphrey (2018); KPMG (2014); Oxford Business Group (2016)

### 3.4 Sampling Design and Sample Size

Sampling technique is the method of choosing samples from the sample unit that participated in the process of data collection for the study (Hair, Money, Samouel, & Page, 2008). Hair et al., describes a sample frame as an inclusive number of every part from which the sample is drawn. The sample frame for the research was the 240 personnel members working within FMCG firms in Nairobi County. The current research employed a population survey of the respondents from each of the 80 FMCG functioning in Nairobi County. This allowed equal representation across the study sampling frame. The sample respondents for the study were 240 personnel members drawn from the marketing managers, sales manager and brand manager.

**Table 3.2 Sample Frame**

Category	No. of Firms	Respondents
Alcohol	4*3	12
Baby Care	6*3	18
Food and Beverage	34*3	102

Household care	27*3	81
Personal Care	9*3	27
<b>Sample Size</b>		<b>240</b>

---

### 3.5 Data Collection Instruments

This study intended to bring together primary data from the respondent through a questionnaire with only structured questions being selected. The study adopted a questionnaire as the instrument for data collection because of its efficiency and effectiveness in collecting primary data from subjects under study (Hair, Money, Samouel, & Page, 2008). The structured questions were meant to collect appropriate information that allows the researcher to efficiently analyze the data. Cooper and Schindler (2014), recommended the use a questionnaire for standardized questions to avoid misconceptions. A questionnaire (*See Appendix I*) was thought to be suitable for descriptive study as it allows the investigation of the perceptions of the respondent on the study variables.

### 3.6 Data Collection Procedures

The drop pick method of data collection was used by the research. It involved the assignment of questionnaires to a group of respondents who would fill them. The questionnaires were to be collected later at a convenient time once they have been filled. The above-mentioned data collection method made the data collection process easier since the respondents had adequate time to read, interpret and respond to the questionnaires. The study also constructed a google form to aid in data collection through emails. The study further ensured that all the relevant permissions are sought from the institution and the National Commission for Science Technology and Innovation. The study further conducted a pilot test with 10% of the study respondents who were not part of the main research. The pilot test enabled the study to conduct a reliability test on the internal consistency of the research paper.

#### 3.6.1 Reliability Test of Research Instrument

Reliability is the degree of consistency of results after repeated attempts. The study utilized the Cronbach Alpha to evaluate the interior consistency of the research tool. Babbie (2010) provide the following rules of thumb: >0.9 – Excellent, >0.8 – Good, >0.7 – Acceptable, >0.6 – Questionable, >0.5 – Poor and <0.5 – Unacceptable. The study adopted all indicators with Cronbach alpha of over 0.7.

**Table 3.3 Reliability Results**

Variable	Cronbach's Alpha	N of Items
Training and Development	.914	6
Rewards and Recognition	.883	6
Employee Involvement	.817	7
Market Performance	.899	9
Overall Statistics	.944	28

**Source:** Research Data (2019)

The results of the reliability statistics indicate there was internal consistency in the research instrument, as shown by Cronbach Alpha of above 0.7. The findings indicate that training and development items were excellent  $\alpha = .914$ , rewards and recognition was good  $\alpha = .883$ , employee involvement was good  $\alpha = .817$ , market performance was excellent with  $\alpha = .944$ . The overall statistics indicate a Cronbach alpha of .944, indicating that the research instrument can be utilized in the current research.

### 3.6.2 Validity Test of Research Instrument

Validity is described as the extent to which the test rates its objectives. The questionnaire was limited to the confines of the questionnaire. Reliable measures lead to and valid results which can easily be understood and interpreted (Quinlan, 2011). For content validity, the supervisor was requested to offer their professional opinion in scrutinizing that the research tool is in unison with the variables. The study also adopted construct validity by reviewing the research instrument to ensure that all the research constructs are captured in the questionnaire.

### 3.7 Data Analysis and Presentation

After the process of collecting data, the research sorted and edited. The data was then recorded and analysed using SPSS. The data analysis was done using inferential and descriptive statistics. Descriptive analysis was done via a combination of procedures such as frequencies, standard nonconformity, percentiles, and means. Inferential statistics were done via the approximation of a linear regression model. The multiple linear regression model was used to

ration the association between the dependent variables and independent variables. The regression model aided in illuminating the strength of the association between the research variables via the application of coefficients such as coefficient determination, correlation, and the level of significance using ANOVA models.

The multilinear regression model was as indicated;

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Where,

Y= Market Performance (Dependent variable)

$\alpha$ = Constant

X<sub>1</sub> = Training and development

X<sub>2</sub>= Rewards and recognition

X<sub>3</sub>= Employee involvement

e= error term

$\beta_1 - \beta_3$  = Coefficients of the predictor variables

### **3.8 Ethical Considerations**

The study applied for ethical clearance from the Strathmore Business School before undertaking the research study. Further, a NACOSTI research permit was received prior to starting the data collection procedure. The researcher also included an introduction section, which guaranteed the respondent that the research was for purposely for education. The study also ensured that all data accessed during this time of research is handled with the extreme discretion and was only utilized for the academic process.

## CHAPTER FOUR

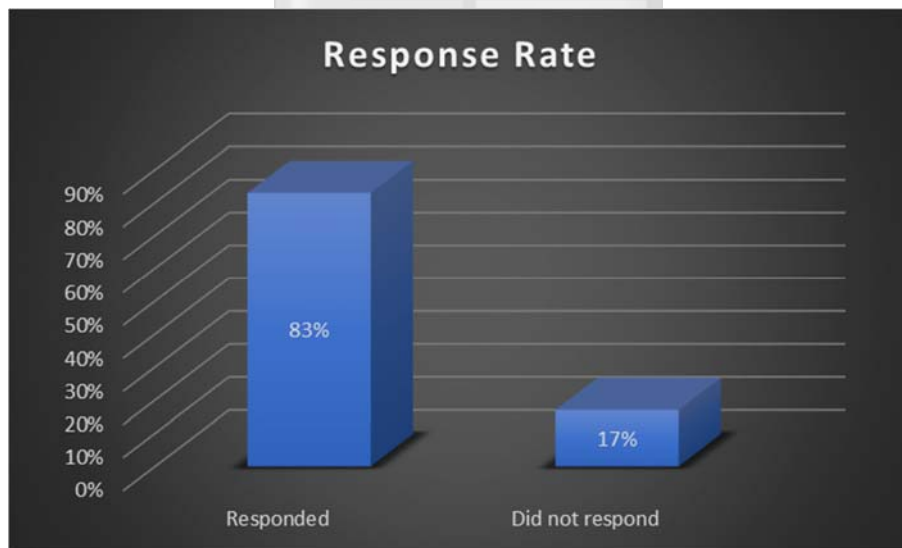
### PRESENTATION OF RESEARCH FINDINGS

#### 4.1 Introduction

Chapter four of this research project concentrates on a review of the research findings and their presentation. The results of the research were presented with regard to the research objectives. The findings were grouped into the response rate, the background data, the descriptive results, diagnostic tests and the inferential results.

#### 4.2 Response Rate

The research sought to collect research data from 80 FMCG firms with the marketing manager, brand manager, and sales manager being considered for the research. The results of the analysis show that the study was cable to gain 83% reply degree (N=198), whereas only 17% of the sample respondents failed to take part in the research. Cooper and Schindler (2014) posit that a reply degree of at least 70% is considered good for statistical analysis and inferences.



**Figure 4.1 Response Rate**

#### 4.3 General Information

The study examined the general information of the research respondents by determining their gender, age profile, educational attainment and length of service.

### 4.3.1 Gender of Respondents

The results indicate that the male population covered 54% of the total population, while the female population covered 46%. This shows parity in the distribution of personnel within the marketing and sales force of FMCG firms in Nairobi County.

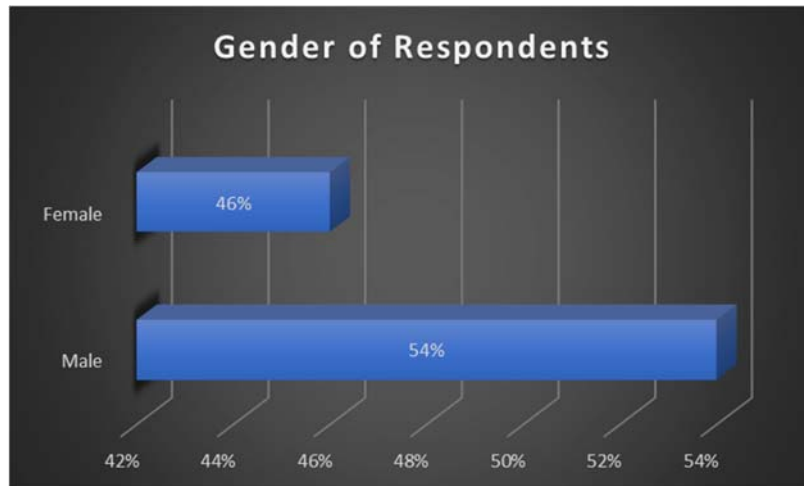


Figure 4.2 Gender of Respondents

### 4.3.2 Age of Respondents

The results are shown in Table 4.1 below:

Table 4.1 Respondents Age Profile

	Frequency	Percent
21-30 years	32	16.2
31-40 years	30	15.2
41-50 years	62	31.3
51-60 years	58	29.3
61 years and above	16	8.1
Total	198	100.0

Results of the research show that majority of the respondents are middle aged (41-60years).

### 4.3.3 Level of Education

The results of the research are shown in Table 4.2 below:

**Table 4.2 Respondents Education Level**

	Frequency	Percent
College diploma	76	38.4
Undergraduate degree	87	43.9
Postgraduate degree	35	17.7
Total	198	100.0

The results of the study indicate that about 60% of the respondents have attained at least an undergraduate degree. This shows the industry has more Marketing and sales personnel with higher educational qualification.

#### **4.3.4 Length of Service**

The study also determined the duration of service among the research respondents. The findings are recorded in Table 4.3 below:

**Table 4.3 Respondents Length of Service**

	Frequency	Percent
1-3 years	37	18.7
4-6 years	83	41.9
7-9 years	38	19.2
Over 10 years	40	20.2
Total	198	100.0

The study shows that a higher percentage of the respondents have an aggregate of over 5 years work experience within the industry, implying they have adequate information to solving the research problem.

#### **4.4 Descriptive Analysis**

The study utilized a descriptive analysis to conduct a tabulation of the findings of the study. The findings were laid out using frequencies, sum, means and standard deviation.

##### **4.4.1 Training and Development**

The first variable of the research was the training and development within the FMCG companies. The results are shown in Table 4.4 below:

**Table 4.4 Training and Development**

	N	Sum	Mean	Std. Deviation
The firm offers on-job training opportunities for personnel	198	854.00	4.3131	.81417
There is an elaborate training policy in place within the organization	198	781.00	3.9444	1.11380
The firm has developed a comprehensive training manual for personnel	198	780.00	3.9394	1.07881
The management provides employees with equal opportunity for advancement and growth	198	742.00	3.7475	1.04073
The organization provides adequate training for its employees	198	767.00	3.8737	1.05639
There is the effective management of personnel talent within the organization	198	683.00	3.4495	1.32335

The findings of the study show agreement that the firm offers on-job training opportunities for personnel, as indicated by a mean of 4.3131 and a deviation of .81417. Results also indicate agreement that there is a conclusive training strategy in place within the organization as noted by a mean of 3.9444. There was a pact among respondents when asked if the firm developed a comprehensive training manual for personnel shown by means of 3.9394 and mean of 1.07881 demonstrating high disparity in responses. Boela and Torrington (2012) observe that adequate learning opportunities, adaptable training and development frameworks foster performance.

Findings also showed agreement that the management provides employees with equal opportunity for advancement and growth, as shown by mean of 3.7475. On aspect of the organization providing adequate training for its employees, there was pact as noted by a mean of 3.8737.

Regarding the effective management of personnel talent within the organization, a deviation of 1.32335 in the responses shows this as a concern. Sheikh and Naveed (2016) note that adequate

planning and selection of personnel was key to an engaged workforce. Neeta (2011) training and development practices allow the organization to foster its overall performance.

#### 4.4.2 Reward and Recognition

The second variable of the research was the rewards and recognition within the FMCG companies. The findings are shown in Table 4.7 below:

The results were laid out using frequencies, sum, means and standard deviation.

**Table 4.5 Descriptive Statistics for Rewards and Recognition**

	N	Sum	Mean	Std. Deviation
The organization offers adequate compensation to the personnel working in the firm	198	808.00	4.0808	.91437
The firm offers adequate fringe benefits to the personnel working in the firm	198	723.00	3.6515	1.15093
The organization has implemented a bonus system to motivate personnel in the firm	198	759.00	3.8333	1.18257
The firm has a system in place to recognize hard-working personnel in the firm	198	720.00	3.6364	1.16597
The firm offers overtime stipend to workers within the organization	198	699.00	3.5303	1.29293
The firm has integrated medical benefits schemes as part of employee's compensation packages	198	751.00	3.7929	1.21853



The findings of the study also show agreement that the firm offers adequate compensation to the personnel working in the firm, as shown by mean of 4.0808. Similarly, Results the organization offers adequate fringe benefits to the personnel working in the firm, as indicated by mean of 3.6515 and a high variation of 1.15093. Findings also show that the organization implements a bonus system to motivate personnel in the organization and recognize hard-working personnel in the firm as shown by a mean of 3.8333 and 3.6364 respectively. Macey and London (2013) posit that reward and recognition systems are key to fostering the strengths and upgrading of firm performance. Mwamanenge (2018) notes that having elaborate financial incentives and recognition incentives is a predictor of firm performance. The results agreed with the firm having integrated medical benefits schemes as part of employee's compensation

packages shown by an average of 3.7929. Mwangangi and Nahashon (2019) adoption of elaborate financial and non-financial schemes within the firm fostered employee engagement.

#### 4.4.3 Employee Involvement

The third variable of the research was the employee Involvement within the FMCG companies. The findings are shown in Table 4.10 below: The results were presented using frequencies, sum, means and standard deviation.

**Table 4.6 Descriptive Statistics for Employee Involvement**

	N	Sum	Mean	Std. Deviation
Employees within the organization are usually involved in decision making	198	717.00	3.6212	1.19769
Employees are valued and are treated respectfully by the management within the organization	198	722.00	3.6465	1.17774
Employee suggestions are usually invited during feedback sessions within the organization	198	693.00	3.5000	1.17396
The organization conducts performance appraisal objectively within the firm	198	706.00	3.5657	1.09602
The organization usually delegates duty within the organization	198	728.00	3.6768	1.14287
The personnel within the organization are allowed to attend consultative meetings with the firm	198	667.00	3.3687	1.23421
Employees are always given an opportunity to express their views within the organization	198	677.00	3.4192	1.23857

Findings show that employees within the organization are involved in decision making and are also treated respectfully by the management within the organization as shown by the mean of 3.6212 and 3.6465 respectively. The study also agrees with the thoughts that suggestions from employees are usually invited during feedback sessions, a similar view shared by Ganji-Nia and Upadhyay (2013) that involvement in decision making fosters firm operations and lessens the cost of having an engaged workforce.

The results also show that the organization conducts performance appraisal objectively within the firm and delegates duties according which Mouko (2017) equally noted that improved delegation and employee participation enhances firm performance.

Nonetheless there seem to be non-unified response among most of the respondents about been allowed to attend consultative meetings and given an opportunity to express their views within the organization as shown by a mean of 3.3687 and 3.3192, even though Freidman (2015) showed improved personnel involvements foster personnel engagement.

#### 4.4.4 Market Performance

The dependent variable of the research was the market performance within the FMCG companies. The findings are shown in Table 4.13 below:

**Table 4.7 Descriptive Statistics for Market Performance**

	N	Sum	Mean	Std. Deviation
The firm has improved its service quality	198	773.00	3.9040	1.12014
The firm has recorded a growth in customer loyalty	198	746.00	3.7677	1.07419
The firm has improved its customer feedback system	198	724.00	3.6566	1.28767
There firm has improved its brand recognition within the market	198	736.00	3.7172	1.24256
The firm has recorded a growth in new customer acquisition	198	703.00	3.5505	1.18578
There is a growth in the level of sales within the organization	198	703.00	3.5505	1.27649
The firm has enhanced its value chain within the market	198	744.00	3.7576	1.11829
The firm has been able to achieve a better supplier relationship	198	707.00	3.5707	1.25142
The firm has achieved better effectiveness in product distribution within the market	198	729.00	3.6818	1.24826

There was agreement among most respondents on Improved service quality, improved customer feedback system and the growth in customer loyalty in the firms as shown by the

mean of 3.9040, 3.6566 and 3.7677 respectively. They also attest to the fact that the firm has improved its brand recognition within the market as indicated by a mean of 3.7172 and a variation of 1.24256. Biégas and Neto (2015) indicates that marketing effectiveness is concerned with improved customer choices, innovation in product offering and improved quality offering.

Majority of respondents also agree to the firm recording a growth in new customer acquisition and growth in the level of sales within the organization. They agree the firm has equally enhanced their growth it's value chain within the market and able to achieve a better supplier relationship.

#### 4.5 Correlation Analysis

The study sought to determine the level of association between the independent and the dependent variables of the study. The research utilized correlation analysis at a 5% significance level to conduct the tests. The results are presented in the table below.

**Table 4.8 Correlation Results**

		Market Performance
Training and Development	Pearson Correlation	.452**
	Sig. (2-tailed)	.000
	N	198
Rewards and Recognition	Pearson Correlation	.568**
	Sig. (2-tailed)	.000
	N	198
Employee Involvement	Pearson Correlation	.700**
	Sig. (2-tailed)	.000
	N	198

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The findings indicate a positive influence of training and development on market performance  $P = .452$ ,  $\text{Sig} = .000 < .05$ . Ouma (2018) notes that training, recruitment, performance management and compensation were vital bases of improved organization performance. The findings indicate an optimistic effect of rewards and recognition on market performance  $P = .568$ ,  $\text{Sig} = .000 < .05$ . Mwamanenge (2018) notes that rewards and recognition, as well as incentive schemes, were certainly linked to sales performance within the FMCG firms. The findings indicate a positive effect of employee involvement on market performance  $P = .700$ ,

Sig = .000<.05. Odero and Makori (2017) indicate that involvement in decision making, workers representation, availability of suggestion system, and involvement in meetings was key to fostering the performance of a firm.

#### 4.6 Regression Analysis

The main objective of the research was to examine the influence of employee engagement on the market performance of Fast-Moving Consumer Good Firms in Nairobi County, Kenya. The study adopted a multiple regression to estimate the magnitude of the relationship between the research variables.

**Table 4.9 Regression Summary between Employee Engagement and Market Performance**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.746 <sup>a</sup>	.556	.549	5.43761

a. Predictors: (Constant), Employee Involvement, Training and Development, Rewards and Recognition

b. Dependent Variable: Market Performance

The study sought to determine the relationship between employee engagement on the market performance of Fast-Moving Consumer Good Firms in Nairobi County. The results of the regression indicate that employee involvement, training, and development, rewards and recognition determine 55.6% ( $R^2 = .556$ ) variations in the market performance of FMCG firms in Nairobi County. Mouko (2017) notes that employee participation enhances the organization performance. Wanja (2015) indicates that strategic management practices, such as employee training positively enhances firm performance. Kilonzo (2018) notes that compensation, commitment and satisfaction are key to improved performance in FMCG firms.

The study further sought to examine the statistical significance of the research model. The study utilized the F-statistic results as the basis of testing the null hypothesis of the study.

**Table 4.10 ANOVA for Employee Engagement and Market Performance**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7180.021	3	2393.340	80.945	.000 <sup>b</sup>
	Residual	5736.125	194	29.568		

Total 12916.146 197

a. Dependent Variable: Market Performance

b. Predictors: (Constant), Employee Involvement, Training and Development, Rewards and Recognition

The ANOVA results showed an F value of 80.495, which is greater than F- (critical f; 1.162), with a significance value of 0.000 which is less than 0.05 hence the null hypothesis of the study is rejected. The study thus holds that the regression model was statistically significant in predicting the relationship between employee engagement on the market performance of Fast-Moving Consumer Good Firms in Nairobi County.

**Table 4.11 Overall Regression Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	3.493	2.162		2.616	.001
Training and Development	.171	.109	.100	2.569	.008
Rewards and Recognition	.350	.108	.223	3.245	.001
Employee Involvement	.718	.073	.549	9.856	.000

a. Dependent Variable: Market Performance

The resultant regression model is;

$$Y = 3.493 + .171X_1 + .350X_2 + .718X_3 + 2.162$$

The results in table 4.11 indicate a constant  $\alpha = 3.493$  is significantly different from 0 since the p-value  $0.001 < 0.05$ . The beta value ( $\beta$ ) = .171 is significantly different from 0 since the p-value  $0.008 < 0.05$ . The regression coefficients indicate a significant positive effect of change in the unit of training and development on market performance (.171). Mutisya (2015) indicate that career development positively influences the performance of fast-moving consumer goods firms.

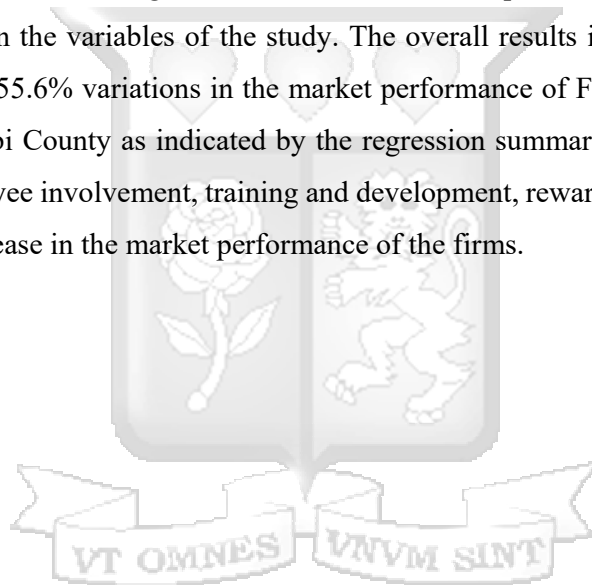
The beta value ( $\beta$ ) = .350 is significantly different from 0 since the p-value  $0.001 < 0.05$ . This shows a significant positive effect of a unit change in rewards and recognition on market performance (.350). Nzuki (2018) found out that improved bonuses and increase overtime

payment enhanced motivation among the personnel, which predicts improved firm performance.

The beta value ( $\beta$ ) = .718 is significantly different from 0 since the p-value  $0.000 < 0.05$ . The findings indicate a positive effect of unit change of employee involvement on market performance (.718). Mouko (2017) indicates that increased participation in decision making and better working conditions improved firm performance.

#### **4.7 Chapter Summary**

The main aim of this study was to establish the connection between employee engagement on the market performance of Fast-Moving Consumer Good Firms in Nairobi County. This chapter focussed on the presentation of the research findings. This chapter presented the response rate of the research, background information of the respondents and the presentation of the results based on the variables of the study. The overall results indicate that employee engagement explains 55.6% variations in the market performance of Fast-Moving Consumer Good Firms in Nairobi County as indicated by the regression summary. The results indicate that improving employee involvement, training and development, rewards and recognition can lead to a positive increase in the market performance of the firms.



## CHAPTER FIVE

### DISCUSSION, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Introduction

Chapter five of the research focuses on the summary, discussion, conclusions, and recommendations drawn from the research. The chapter was presented in line with the variables of the research.

#### 5.2 Summary

The fast-moving consumer goods industry is among the fastest-growing sector in the country. This has been supported by increasing income levels among the middle-class and the growing population and consumer purchases. This has led to increased attention among scholars to examine the industry. The current study aimed at examining the market performance of the firms within the industry and the result of employee engagement on the firm's market performance. The research was grounded on the theory of worker involvement and the balance scorecard model.

The study was grounded on a descriptive research design that utilized a quantitative approach with the unit of analysis being the 80 firms within the FMCG industry in Nairobi County. The study sampled 3 respondents per the firm with data being collected using a structured research questionnaire through drop and pick method and adoption of Google forms. The study was able to obtain an 83% response rate, with the majority of the respondents, 54% being male personnel members. The results of the regression show that employee involvement, training, and growth, rewards and recognition determine 55.6% ( $R^2 = .556$ ) variations in the market performance of FMCG firms in Nairobi County

#### 5.3 Discussion of Findings

##### 5.3.1 Training and Development

The findings indicate that within the majority of the firm's personnel was offered on-job training opportunities, and there were an elaborate training policy and a comprehensive training manual. Sheikh and Naveed (2016) in their research also acknowledge that job definition, career planning and selection of personnel predicted firm performance. Seid (2018) also notes that capacity improvement for personnel and improved competency enhances customer experience within FMCG firms.

The results also show that equal opportunity for advancement and growth were offered to the personnel. The study also indicates that the management of personnel within the firm was not entirely effective. Ouma (2018) found out that training, recruitment, and performance management predicted the organization's performance of an FMCG firm. The findings of this study indicate a positive effect of training and development on market performance  $P = .452$ ,  $Sig = .000 < .05$ .

### **5.3.2 Rewards and Recognition**

The study results show that adequate compensation was offered to personnel within the firm with both adequate fringe benefits and an elaborate bonus system being in place within the firm. Similarly, Jacobs and Mafini (2019) note that contingent reward and recognition positively improved firm performance. Omokorede (2017) also found out that recognition and appreciate the enhanced performance. The study, however, shows no interaction between salary, wages and firm performance.

The findings also show that the organization had an elaborate recognition system with the firm providing overtime stipends to personnel and medical benefits being attached to their compensation packages. These findings are in tandem with Onyango (2014), who notes that pay and incentives, bonus systems as well as fringe benefits-improved engagement levels within FMCG firms. Nzuki (2018) also notes that improved bonuses and enhanced overtime payments considerably enhanced employee motivation. The results of the current research indicate an optimistic effect of rewards and recognition on market performance  $P = .568$ ,  $Sig = .000 < .05$

### **5.3.3 Employee Involvement**

The findings of the study indicate that the organization involves employees in decision making and ensures that personnel is valued and treated with respect. Akhtar and Malik (2015) are of a similar view that delegating job duties and improving participation in decision making will enhance employee productivity. The study also showed that the firm had an effective feedback system and conducted performance appraisals of the personnel. Jayantha (2014) also notes that having elaborate suggestion systems positively improve staff performance. The research also shows that delegation of duty is highly encouraged within the firm; employees are included in consultative meetings and given opportunities to express their views. Odero and Makori (2017) similarly found out that involvement in decision making, meetings and worker representation improved institutional performance. The findings of this study indicate a positive effect of employee involvement on market performance  $P = .700$ ,  $Sig = .000 < .05$ .

## **5.4 Conclusions**

The main aim of the research was to establish the result of employee engagement on the market performance of fast-moving consumer good firms. The results show that employee involvement, training and development, rewards and recognition determine 55.6% ( $R^2 = .556$ ) variations in the market routine of FMCG firms in Nairobi County. The study concludes that employee engagement practices are critical to fostering the institutional performance of FMCG firms.

The study found out that training and development positively influenced the level of market performance within the firms. The study concludes that the fast-moving consumer good firms have been able to enhance the training opportunities offered to their personnel by adopting elaborate training policies and having a comprehensive training manual. The study further concludes that the firms have enhanced the management of their personnel talents.

Based on the findings, the research concludes that rewards and recognition are positive predictors of the market performance of FMCG firms. The study concludes that FMCG firms offer adequate compensation and fringe benefits of the personnel working within the firm. The study further concludes that the organization have implemented a bonus system and offers overtime payment to the personnel. The study has also established that there are integrated medical benefits offered by the firm.

The results indicate that employee involvement positively influences the level of market performance within the firms. The study concludes that the firm has improved participative decision making and a consultative meeting between employees and the management. The study further establishes that the personnel within the firm undertake routine performance appraisals and delegation of duties is accorded to the personnel equally.

## **5.5 Recommendations**

The study recommends the optimization of the participative management so as to ensure the improvement of employee engagement. The general achievement of an organization is reliant on the individual employee contribution thus the performance reviews should be focused on individual input and the reflection of the improvement will directly imprint on the general company objectives. Employees should also be given a chance to express their views and ideas and consequently their expectations from the strategies set down by the company.

Management and staff networking forums should be encouraged in order to create an environment where ideas and issues flow freely. Management should also communicate to staff

as often as possible, articulating their expectations of them. In order to achieve optimal employee engagement and employee performance, management should establish a regular and timely two-way feedback mechanism to encounter the communications requirements of the firm, job demands and employee expectations.

The study recommends that the employees are engaged in decision making since the involvement of employees in the decision-making procedure of a firm leads the employees to gain more experience in the professional and personal level. The employees get to better understand how the organization runs its business and consequently leading to the increased yield of the firm or organization. The research further recommends that the organization should adopt elaborate performance appraisal systems.

The research commends that the firm should implement better financial schemes to foster employee productivity over non-financial benefits. In order to get greater performance from the employee, the firm should use incentives such as employee bonuses. Another incentive that can be used is position elevation. In addition, employee work should be evaluated truth and fairness so as to give the employee security in their engagement in the organization.

The study further commends that the firms adopt more robust training and career development practices that can enhance the competency and professionalism of the personnel. Effective employee training would lead to enhanced employee engagement. Training allows staffs to be alert of their required expectation. It is essential to communicate and deliberate employee performance and pre-empt skill gaps and put employees in relevant training programs for enhanced interconnection.

### **5.6 Limitations of the Study**

The study was only limited to an examination of FMCG firms operating within Nairobi City County. There is need for further examination of all the firms within the industry in Kenya to enhance the generalizability of the results to firms outside of the capital. Further the study was only limited to FMCG firms who represents 22% of the firms registered with Kenya Manufacturing association. This limits the applicability of the results within the wider sector. The study was also limited to market performance of the firms. The concept of performance being wide and multi-faceted may limit the overall adoption of the findings of this research.

### **5.7 Areas for Further Research**

The research notes that the market performance of fast-moving consumer good firms is predicted by a number of variables. The study suggests that more research work should be

conducted to examine how both internal and external factors influence the financial performance of fast-moving consumer good firms in Kenya.



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## APPENDICES

### Appendix I: Introduction Letter

To the Managing Director

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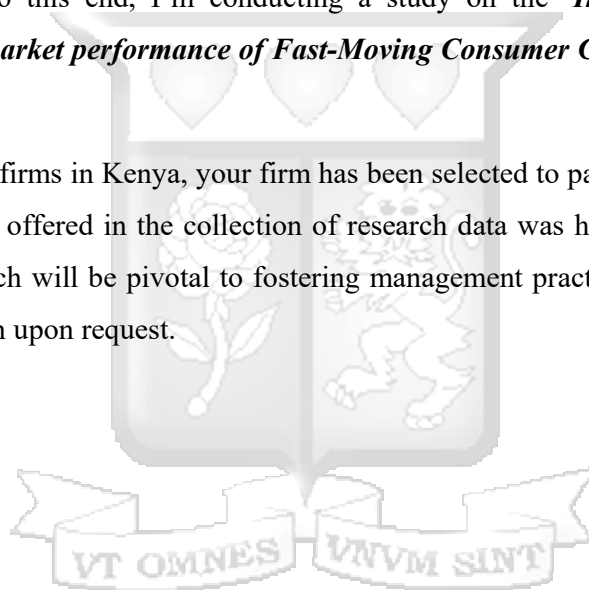
Ref: **Request to Collect Data for Academic Research**

Greetings, my name is Osato Igbinadolor a student of Masters of Business in Administration at Strathmore University Business School. As a requirement for the award of my academic degree, I'm required to undertake a research study that will foster practice and policy within my area of study. To this end, I'm conducting a study on the '*Influence of employee engagement on the market performance of Fast-Moving Consumer Good Firms in Nairobi County, Kenya.*'

As part of the FMCG firms in Kenya, your firm has been selected to participate in the current study. Any assistance offered in the collection of research data was highly appreciated. The findings of the research will be pivotal to fostering management practice and will be shared with your organization upon request.

Regards;

Osato Igbinadolor



## Appendix II: Research Questionnaire

The below research questionnaire seeks to capture data on the influence of employee engagement on the market performance of fast-moving consumer good firms in Nairobi County, Kenya. The collected data will only be utilized for academic purposes and the anonymity of the respondents was upheld through the research work.

### Section A: General Information

1. What is your gender?

- Male
- Female

2. What is your age?

- 21 - 30
- 31 - 40
- 41 - 50
- 51 - 60
- 61 and above

3. What is your highest level of education?

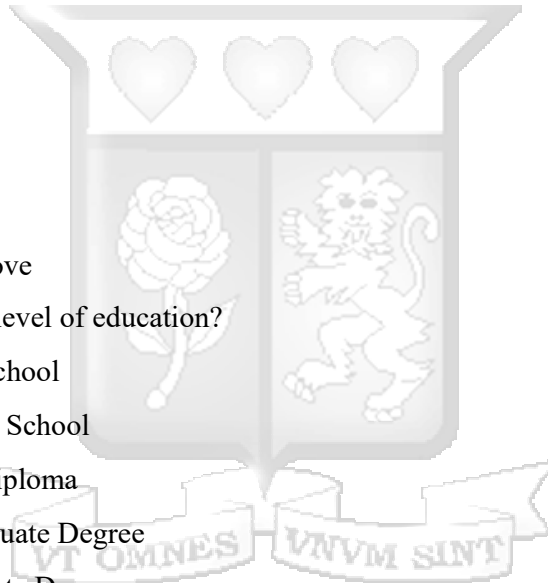
- Primary School
- Secondary School
- College Diploma
- Undergraduate Degree
- Postgraduate Degree

4. How long have you been working within the fast-moving consumer goods industry in Kenya?

- 1-3 years
- 4-6 years
- 7-9 years
- Over 10 years

5. What position do you operate within the fast-moving consumer goods industry in Kenya?

- Brand Managers
- Marketing Managers
- Sales Manager



## PART B: TRAINING AND DEVELOPMENT

Please indicate in the table with a tick (√) or a cross (×) with a scale of

**5= strongly agree 4= Agree 3= Disagree 2= Strongly Disagree 1= Neither agree nor disagree**

Kindly answer the following questions based on your agreement with the following statements on the level of training and development within the firm. The scale level ranges from 1 – 5.

No	Training and Development	5	4	3	2	1
6.	The firm offers on-job training opportunities for personnel					
7.	There is an elaborate training policy in place within the organization					
8.	The firm has developed a comprehensive training manual for personnel					
9.	The management provides employees with equal opportunity for advancement and growth					
10.	The organisation provides adequate training for its employees					
11.	There is effective management of personnel talent within the organisation					

## PART C: REWARDS AND RECOGNITION

Please indicate in the table with a tick (√) or a cross (×) with a scale of

**5= strongly agree 4= Agree 3= Disagree 2= Strongly Disagree 1= Neither agree nor disagree**

Kindly answer the following questions based on your agreement with the following statements on the level of rewards and recognition within the firm. The scale level ranges from 1 – 5.

No	Rewards and recognition	5	4	3	2	1
12.	The organization offers adequate compensation to the personnel working in the firm					
13.	The firm offers adequate fringe benefits to the personnel working in the firm					
14.	The organization has implemented a bonus system to motivate personnel in the firm					
15.	The firm has a system in place to recognize hard-working personnel in the firm					

16.	The firm offers overtime stipend to workers within the organization					
17.	The firm has integrated medical benefits schemes as part of employee's compensation packages					

#### PART D: EMPLOYEE INVOLVEMENT

Please indicate in the table with a tick (√) or a cross (×) with a scale of 5= **strongly agree** 4= **Agree** 3= **Disagree** 2= **Strongly Disagree** 1= **Neither agree nor disagree**

Kindly answer the following questions based on your agreement with the following statements on the level of employee involvement within the firm. The scale level ranges from 1 – 5.

No	Employment involvement	5	4	3	2	1
18.	Employees within the organization are usually involved in decision making					
19.	Employees are valued and are treated respectfully by the management within the organization					
20.	Employee suggestions are usually invited during feedback sessions within the organization					
21.	The organisation conducts performance appraisal objectively within the firm					
22.	The organization usually delegates duty within the organization					
23.	The personnel within the organization are allowed to attend consultative meetings with the firm					
24.	Employees are always given an opportunity to express their views within the organization					

#### PART E: MARKET PERFORMANCE

Please indicate in the table with a tick (√) or a cross (×) with a scale of

5= **strongly agree** 4= **Agree** 3= **Disagree** 2= **Strongly Disagree** 1= **Neither agree nor disagree**

Kindly answer the following questions based on your agreement with the following statements on the level of market performance within the firm. The scale level ranges from 1 – 5.

No	Market Performance	5	4	3	2	1
25.	The firm has improved its service quality					
26.	The firm has recorded a growth in customer loyalty					
27.	The firm has improved its customer feedback system					

28.	There firm has improved its brand recognition within the market					
29.	The firm has recorded a growth in new customer acquisition					
30.	There is a growth in the level of sales within the organization					
31.	The firm has enhanced its value chain within the market					
32.	The firm has been able to achieve better supplier relationship					
33.	The firm has achieved better effectiveness in product distribution within the market					



*Thank You For Your Time*

## **Appendix III: List of FMCG Firms**

### **Alcohol**

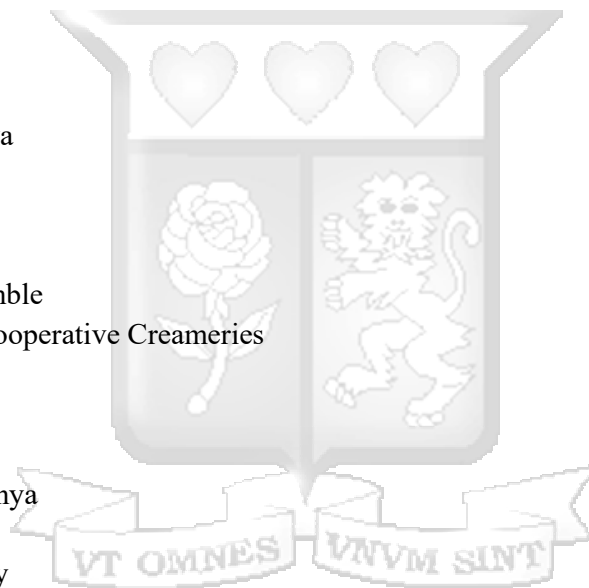
1. British American Tobacco (BAT)
2. East African Breweries
3. Heineken
4. Leleshwa

### **Baby Care**

1. Penda health
2. Bayer East Africa
3. Glaxosmithkline
4. Nivea
5. Alison Products Limited
6. Healthwise

### **Food and Beverage**

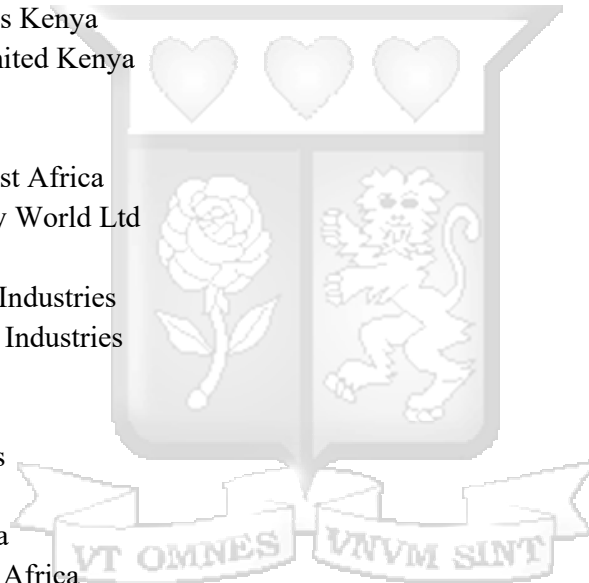
1. Unilever Kenya
2. Coca-cola
3. Brookside
4. Nestle
5. Procter & Gamble
6. New Kenya Cooperative Creameries
7. Supa Loaf
8. Pauls Bakery
9. Weetabix
10. Del Monte Kenya
11. Unga Limited
12. Eldoville Dairy
13. Kinangop Dairy Ltd
14. Bio Foods Products
15. Fresh Farm Dairy
16. Farmers Choice
17. Alpha Fine Foods Limited
18. Quality Meat Suppliers
19. Kenchick
20. Pembe Flour Mills
21. Kapa Oil
22. Kenafric Industries
23. House of Manji
24. Wrigles
25. Premier Oil Mills
26. Mumias Sugar
27. Besfoods Kenya



28. George Williamson Kenya
29. Great Lakes Tea and Coffee
30. Cadbury Kenya
31. Crown Foods
32. Soy Africbrooke Bond
33. Chai Export
34. Keringet

### **Household care**

1. Bidco Kenya
2. The Kenyan Good Food Company Ltd
3. Heritage Foods Kenya
4. Glacier Products Ltd
5. Tetra Pak
6. Haco Industries Kenya
7. Chandaria Limited Kenya
8. Colgate
9. Geisha
10. Pz Cussons East Africa
11. Nairobi Beauty World Ltd
12. Velocity Ltd
13. Camelia Soap Industries
14. Elephant Soap Industries
15. Nairobi Soap
16. Vitafoam
17. Alpine Coolers
18. Aquamist
19. ProPack Kenya
20. Eveready East Africa
21. Sudi Chemical Industries Ltd
22. Styles Industries Ltd
23. Greenwich Industries
24. Gul Industries
25. Dawn Industries
26. Capwell Industries
27. Tri Clover Industry



### **Personal Care**

1. Hasbah Kenya Ltd
2. Dawa Limited
3. Reckitt Benckiser
4. Spin Knit
5. Healthwise

6. Jacky's
7. Benham Inter
8. DK
9. Sangali Berga

