

**FACTORS AFFECTING EMPLOYEE PRODUCTIVITY IN
PETROLEUM INDUSTRY: A CASE STUDY OF THE
NATIONAL OIL CORPORATION OF KENYA**

VICTOR OMONDI OKETCH

BBM/2013/49266

**A Research Proposal Submitted in Partial Fulfillment of Requirement for
the Award of Bachelor Degree in Business Management of Mount Kenya
University**

APRIL 2016

ABSTRACT

The purpose of the study was to analyze factors affecting employee productivity in the petroleum industry. The study was guided by the following objectives: to evaluate the effect of salary and bonuses on employees' productivity at National Oil Corporation of Kenya; to determine the effect of performance appraisal on employees' productivity at National Oil Corporation of Kenya; to analyze the influence of staff training on employees' productivity at National Oil Corporation of Kenya; and to examine the effect of labor turnover on employee's productivity at National Oil Corporation of Kenya. The study adopted descriptive survey design. The data was collected through a self-administered structured questionnaire. The research instrument was piloted for validity through content related method and reliability through half-split criterion. The target population of interest in this study was 240 mainly senior managers of National Oil Corporation of Kenya which included 42 Senior Management, 87 mid-level managers and 111 subordinate staff. Sample size of 72 was sampled using stratified sampling comprising 13 senior managers, 26 mid-level managers and 33 subordinate staff. Out of the 72 questionnaires that were administered, 40 questionnaires were duly filled and returned and therefore regarded as the responsive instruments and formed the basis for data analysis. This formed a response rate of 56%. The data collected was analyzed by descriptive statistics. Hence, descriptive statistics such as frequencies and percentages were used to describe the data. The analyzed data was presented in form of tables. The study found out that training, salaries and bonuses, performance appraisal and labour turnover all have an effect on employee productivity. Some of the recommendations given by the respondent's to improve employee productivity include: organisations should use democratic style of leadership to motivate employees towards better performance, the organisation should train its employees to make them competent and more comfortable in handling their duties, the working conditions should also be conducive for all the employees and the remuneration for the employees should also be appropriate. The study recommends that the employees' remuneration be in accordance with the work they have done and it should be given on time. The study further suggests that further research be conducted to determine the influence of working conditions on employee productivity