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Full Length Research Paper

How Employee Motivation and Quality Assurance influences Organizational Performance on Palm Oil Projects in Uganda

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Using a descriptive case study and quantitative research techniques, this study examined the influence of employee motivation and quality assurance on organizational performance on palm oil project in Kalangala district, Uganda. Data were collected from 291 respondents, comprising of employees and palm oil famers using a self-administered questionnaire. The data were analyzed using descriptive statistics, factor analysis, and correlation and regression analysis methods. Results indicate that there is a positive relationship between employee motivation and Quality Assurance (r = .293*, p<.05). This indicates that if employees were motivated, there will be improved quality assurance. Regression results reveal that Employee Motivation and Quality Assurance can predict 72.5% of organizational performance (Adjusted R Square = .725, Sig. =.000). For improved organizational performance, managers should work towards improving both employee motivation and quality assurance since these have been found to positively influence organizational performance.

Keywords: Employee Motivation, Quality Assurance, Organizational Performance

INTRODUCTION

Organization performance according to Pitt and Tucker (2008: p. 243), is defined as “a vital sign of the organization, showing how well activities within a process or the outputs of a process achieve a specific goal”. It is also defined as “a process of assessing progress towards achieving pre-determined goals, including information on the efficiency by which resources are transformed into goods and services, the quality of these outputs and outcomes, and the effectiveness of organizational objectives” (Amartunga and Baldry, 2003: p. 172).

Organization’s performance is made visible through the activities it conducts to achieve its mission. Outputs and

their effects are the most observable aspects of an organization's performance (Anderson and Carden, 1999).

Anderson and Carden (1999) in their book entitled “Enhancing organizational performance” state that ideas about the concept of performance vary considerably. Each interest group or stakeholder may have an entirely different idea of what counts. For instance, administrators might define organization's performance in terms of the amount of money brought into the organization through grants, whereas a donor might define performance in terms of organization's beneficial impact on a target group.

Motivated employees are likely to produce quality products/ services through quality assurance and improve organization performance. Although the Vegetable Oil Development Project has continuously provided substantial technical backstopping and technical support to promote quality assurance for palm oil growing in Kalangala, there are recurring issues with crop quality leading to rejection of farmers’ fresh fruit brunches averaging 3% against the acceptable rate of 2% and erratic fertiliser supplies up to 8 months of delay against the normal supply every three months of inputs leaving farmers disappointed and forcing them to turn to inferior third party purchases to fulfil their fertiliser requirements, The IFAD (December 2010). The report further noted that the level of remuneration is probably insufficient to retain current staff and raised concerns about staff safety in the field, particularly on water transport. This therefore raises interest in investigating why the quality assurance practices have not achieved the intended results.

The purpose of the study was to examine the influence of employee motivation and quality assurance on organizational performance in Uganda using the case of Kalangala palm oil project.

An overview of the palm oil project

The palm oil project in Uganda was a product of the Government of Uganda’s partnership with a private-sector operator, which has culminated into creation of one of the country’s largest public-private partnerships (PPP). This project includes a unique partnership for smallholder development financed by IFAD. VODP has also supported farmers groups grow and process sunflower, which has contributed to oilseeds now being selected as one of the nine strategic crops for the country. Government of Uganda has also worked with USAID and Danida, which have worked directly with farmers’ groups, including those under NAADS, and financed a number of activities focused on promoting field level PPPs between farmers’ groups and millers to increase the supply of oilseed crushing material.

The Continued support for the development of the vegetable oil sub-sector presents many opportunities for rural development and poverty alleviation. Palm oil is the most productive and efficient oil crop in the world, with an average yield of refined oil of about 4.2 tons per ha per year compared to about 0.4-0.6 tons per ha for sunflower and soybean. Palm oil needs to be grown where there is adequate water (usually in areas of more than 1800 mm/annum rainfall or in some cases using irrigation) and relatively warm temperatures. Together with the need for the proper growing conditions, the high initial investment cost (about USD 5 000/hectare for 4 years not including the cost of land) constitute a barrier to entry.

The palm oil component has leveraged major foreign direct investment to produce domestically an essential food commodity while creating factory and plantation jobs as well as rural livelihoods for smallholder producers. The model of nucleus estate and smallholder development has provided for knowledge transfer while protecting and helping farmers to plant a previously unknown industrial crop.

The vertically-integrated model expressed in the private sector’s publicity brings the efficiency of modern extraction techniques together with environmental safeguards, avoiding the negative consequences caused by smallholder processing (deforestation for fuel and pollution of water sources).

According to DeFond et al. (2005), Francis and Wang (2008) the association between assurance firm size (Big N versus non-Big N) and earnings quality depends upon the level of litigation risk imposed by a country’s legal system. Aside from the legal system, however, cross-country earnings quality may also be influenced by other factors which are difficult to control such as differences in national culture (Doupnik 2008; Morais and Curto 2009; Han et al. 2010). Two principles included in QA are: "Fit for purpose", the product should be suitable for the intended purpose; and "Right first time", mistakes should be eliminated. QA includes regulation of the quality of raw materials, assemblies, products and components, services related to production, and management, production and inspection processes. Quality is determined by the product users, clients or customers, not by society in general. It is not the same as 'expensive' or 'high quality'. Low priced products can be considered as having high quality if the product users determine them as such.

A study conducted in Hong Kong, Pounder (1999), developed organizational effectiveness criteria, which reflected expectations from organization management, applicable across production institutions. The organizational effectiveness model comprised four effectiveness criteria, namely:

1. *Productivity* - efficiency. This refers to behavior that reflects the extent to which leadership is concerned with

Table 1. Sample Size determination

Category	Staff Population	Sample size
Staff	20	10
Farmers	1,173	290
Total	**1,193**	**300**

Source: Krejcie and Morgan 1970

Table 2. Quality assurance enforcement frequency

			Respondent Category		Total
			Staff	Farmers	
Frequency with which the organization enforces Quality Assurance Policies	Always	Count	4	151	155
		Column %	40.0%	52.1%	51.7%
	Sometimes	Count	5	113	118
		Column %	50.0%	39.0%	39.3%
	Rarely	Count	1	26	27
		Column %	10.0%	9.0%	9.0%
Total		Count	10	290	300
		Sample %	3.3%	96.7%	100.0%

Source: Primary data

the quantity of what it produces and the cost of production.

2. Cohesion. This refers to behavior that reflects the extent to which it is concerned with staff morale, interpersonal relationships, teamwork and sense of belonging.

3. Information management – communication. This refers to ability of the leaders to distribute timely and accurate information needed by its stakeholders to do their jobs.

4. Planning- goal setting: This aspect of an organization's performance has to do with behavior that reflects the extent of its ability to set goals and objectives and systematically plan for the future.

The effectiveness of employee behavior within organizations and the effectiveness of their performance are referred to in this paper as organizational effectiveness. The studies by Weese (1996) and Lim and Cromartie (2001) recognized that a significant indirect relationship exists between leadership and organizational effectiveness. Changes in an organizational strategy bring about new management challenges which, in turn require new strategies to be successfully implemented. To guarantee that standards and quality of educational provisions are being maintained in the universities, will require that management understands the new challenges and effectively restructure the organizations to achieve the expected outcomes. Organizational effectiveness is therefore necessary for managers to guarantee provision of quality products/ services. Based on the four critical indicators of organizational effectiveness discussed above, this study sought to establish how effectively organization managers in selected organizations in Kenya have played their role in quality assurance.

Employee motivation, Quality assurance and organizational performance

Brown and Pinello (2007) document that companies are less likely to manage earnings upward to meet or beat analyst forecasts in annual vis-à-vis interim reporting periods and Jiang and Menon (2010) link the higher quality of fourth-quarter earnings vis-à-vis interim earnings to the annual audit. This finding suggests that assurance firms of all sizes provide higher quality services when faced with greater litigation risk, providing support for the litigation-based theory of service quality. Second, we extend research documenting that annual earnings audited by larger assurance firms exhibit higher earnings quality than those audited by smaller assurance firms (Becker et al. 1998; Francis et al. 1999) by showing that interim earnings reviewed by larger assurance firms also exhibit higher earnings quality than those reviewed by smaller firms. Since litigation risk is very low for interim

Table 3. Factor Analysis for Organization Performance

	Productivity	Funds Management
Our farmers' base has increased for the last 5 years.	.730	
Our project has achieved most of its important goals.	.650	
Our ffbs sales volume to OPUL has increased over the years.	.920	
The volume of our assets has increased over the years.	.781	
We have more acreage of oil palm gardens that have been opened up since the commencement of project.	.831	
The volume of FFBs collected from farmers has increased over the last 5 years	.683	
There has been an immense expansion of our project activities from its earlier initial size.	.731	
The number of farmers we serve has increased over the years.	.628	
The number of employees and farmers we are dealing with has increased over the years	.696	
Our loan funds from IFAD have increased since last year.		.765
Excess funds (management fees) for future operations have risen over years.		.801
We have captured the largest share of Kalangala residents into oil palm growing.		.623
Eigen Value	4.162	1.579
Variance%	59.453	22.555
Cumulative %	59.453	82.008

Source: Primary data

review services, this finding provides support for theories that larger firms engage in higher quality assurance services to protect their brand reputation (Barton 2005; DeAngelo 1981; Firth 1993; Moizer 1997; Weber et al. 2008; Francis and Wang 2008).

Using annual data, Boone et al. (2010) find that audit quality does not differ between big firms and national firms during 2003-2006. Boone et al. (2010) found out that a longer sample period presents evidence of significant differences in service quality between Big N and national firms when conducting both annual and interim attest services.

Research Design

The research design was case study, descriptive and used both quantitative and qualitative techniques. Qualitative tools were largely used in the research because of necessity to arrive at conclusions about the relationships of the study. On the other hand, quantitative data was collected and analyzed in order to get in depth understanding of how the variables under the study impact the overall organizational performance.

Study Population

The study population included staff of Kalangala Palm oil Growers' project under The Vegetable Oil Development Project and farmers from Kalangala district. The number of employees was 20 at the project and 1,173 farmers participating in producing palm oil

Sampling and Sample Design

The population was stratified according to the knowledge and skills each possess. Within each category, purposive sampling technique was used to select employees with management experience and knowledge about the subject area. Simple random sampling was used to collect samples from all the six palm oil blocks of Kalangala District.

Table 4. Correlation results

	Job Satisfaction	*Employee Motivation*	*Quality Assurance*	*Organization Performance*
Employee Motivation	.381**	1.000		
Quality Assurance	.431**	.293*	1.000	
Organization Performance	.479**	.618**	.802**	1.000
** Correlation is significant at the 0.01 level (2-tailed).				
* Correlation is significant at the 0.05 level (2-tailed).				

Source: Primary data

Table 4. Regression analysis

		Unstandardized Coefficients		*Standardized Coefficients*	T	Sig.
Model		B	Std. Error	Beta		
	(Constant)	.684	.169		4.054	.000
	Employee Motivation	.436	.068	.409	6.458	.000
	Quality Assurance	.828	.082	.662	10.120	.000
	Dependent Variable: Organization Performance					
	R Square	.802				
	Adjusted R Square	.725				
	F Statistic	79.798				
	Sig.	.000				

Source: Primary data

Sample Size

The sample size was based on Krejcie and Morgan (1970) table. The study population of 1,193 will have a sample size of 291 respondents from staff and farmers. However, this sample was rounded up to 300 respondents table 1 shows the study sample.

FINDINGS

Data were gathered to examine the frequency within which the project enforced quality assurance. The results in table 2 below highlight the frequency with which the organization enforced Quality Assurance Policies

Table 2 above shows responses of respondents when they were asked to comment on the frequency with which the project enforces quality assurance, 51.7% said that the project always enforces quality assurances, 39.3% said sometimes while 9.0% said the project rarely enforces quality assurance policies.

Factor Analysis for organization Performance

Results for the analysis of organizational performance are indicated below. Table 3 shows factor analysis results for organizational performance.

Table 3 above shows that productivity explains 59.45% while funds management explains 22.56% of organizational performance. The vital factors to address under productivity include; increase in the farmers' base (.730), increase in ffbs sales to OPUL (.920), increment in acreage under oil palm (.831), and increment in ffbs collection from farmers (.683), increase in the number of farmers served (.628) and increment in the number of employees (.696). The important factors to address under funds management are; increment in IFAD loan funds to the project (.765), rise in management fees for future operations (.801) and share of Kalangala residents growing oil palm (.623).

Correlation results for the study variables

Correlation analysis was used to examine the relationship between the three study variables as seen in table 4.

Results in table 4 show a positive relationship between employee motivation and Quality Assurance ($r = .293^*$, $p<.05$). This indicates that if employees were motivated, there will be improved quality assurance.

REGRESSION RESULTS

Regression analysis was used to examine the nature of relationship between the independent and the dependent variables. Table 5 shows the results.

Regression results in table 4 reveal that Employee Motivation and Quality Assurance can predict 72.5% of organizational performance (Adjusted R Square = .725). Regression model was also significant (Sig. =.000).

DISCUSSION OF FINDINGS

This section presents a discussion of findings in relation to literature.

Organizational Performance

The research shows that productivity explains 59.45% while funds management explains 22.56% of organizational performance. For any organization to be seen performing, it should first show results and then provide management for funds. To measure productivity, there is need to show; increase in the farmers' base, increase in ffbs sales to OPUL, increase in acreage under oil palm, increment in ffbs collection from farmers, increase in the number of farmers served, and increment in the number of employees. The important factors to address under funds management are; increment in IFAD loan funds to the project, rise in management fees for future operations and share of Kalangala residents growing oil palm.

Employee Motivation

The research shows that work environment explains 44.46% of employee motivation, cooperation explains 23.80% and facilitation explains 12.94%. For any organization to motivate employees, most efforts should be put on work environment, and then cooperation and facilitation. The important factors to address under work environment are; differences in staff salaries, working conditions, fair and transparent promotions, and appreciation for extra ordinary performance. Cooperation should be handled by addressing; working relation with workmates, matching responsibilities and remuneration and management helping employees to solve personal problems. The important factors under facilitation are; non financial motivation and adequate facilitation for expected work.

Employee Motivation and Quality Assurance

The results show a positive relationship between employee motivation and Quality Assurance ($r = .293^*$, $p<.05$), which means that if employees were motivated, there will be improved quality assurance, due to the fact that motivating employees through allowing them to make decisions about products that meet acceptable standards when selecting farmers' fruits encourages leads to more vigilance and improved enforcement of quality assurance.

CONCLUSION

Quality assurance is a continuous process by which an institution can guarantee that standards and quality of its products/ service provisions are being maintained or enhanced (Standa 2008). A study that examined the problems of leadership within a university concluded that one of the most difficult challenges that leaders within universities face is that they must take responsibility for systems that provide assurance of quality teaching, research and community services within rapidly changing environment, despite bureaucratic structural context dominated by process mentality (QUT 1994). As Ndeithu (2007); the quality assurance regulatory body in Kenya (Commission of Higher Education) recognizes that quality assurance is primarily the responsibility of individual universities (Standa 2008).

Individuals are constantly presented with different life situations, such as new job, payment and work conditions. Motivation becomes difficult to apply because the experience base is not strong enough to drive a recycling of the motivation process (Armstrong, 2006**).**The motivation process is itself constrained by the acceptance that organizations do not exist or operate in a vacuum. The fact that they are open systems which function within a larger super-structures means that elements in the external environment will always play a limiting role on their operations and the goals they set, both for themselves and the workers (Hirsch and Gellner, 2001). Because the organizational managers are under constant pressure to "deliver", they may find Operationalizing the principle of setting difficult, but achievable goals for workers a discrete and unsustainable venture, especially when the goals set by workers do not exactly match the expectations and demands of the organizational stakeholders and end up

affecting the job satisfaction, quality assurance and organization performance.

Recommendations

- Organizations need to have motivated employees who can manage develop and manage processes and procedures.
- Organizations should adopt International Standard Organization quality standards to ensure that the products they produce meet the minimum standards.
- Organizations need to develop policies on quality, design for quality, and control for quality planning for quality and have commitment for quality.
- Develop teamwork and team work culture so that quality assurance be a responsibility of everyone in the organization. People need to be part of the quality circles and play a complementary role in achieving quality.
- Motivated employees will help in ensuring formulation in quality standards and enforcing the standards.

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