

# ISSN 2411-7323

www.sagepublishers.com

*2021* 

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# INFLUENCE OF TELEWORKING ON PERFORMANCE OF CLEARING AND FORWARDING FIRMS IN NAIROBI CITY COUNTY, KENYA

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### **ABSTRACT**

The transport and logistics sector is a major victim of Covid-19. The industry, which is driven by facilitating cargo movement to or from different geographical locations, supports key economic sectors such as manufacturing, agriculture, aid and relief, construction, education amongst others. However, the interventions to stop the spread of the Covid-19 have made it challenging if not impossible to move goods from point A to B thus affecting trade between regions. This study therefore sought to establish the influence of teleworking on performance of clearing and forwarding firms in Nairobi city county, Kenya. Specifically, the study sought to establish the influence of flexible working arrangement on performance of clearing and forwarding firms in Nairobi city county, Kenya and to determine the effect of professional isolation on performance of clearing and forwarding firms in Nairobi city county, Kenya. This study used of a descriptive research design. The unit of analysis in this study was the 450 clearing and forwarding firms operating in Nairobi County. The study targeted 900 respondents. Primary data was collected through use of questionaires. Quantitative and qualitative data was generated from the closedended and open-ended questions, respectively. Qualitative data was analyzed on thematic basis and the findings provided in a narrative form. Inferential and descriptive statistics were employed for analysis of quantitative data with the assistance of Statistical Package for Social Sciences (SPSS version 25). Descriptive statistics such as frequency distribution, mean (measure of dispersion), standard deviation, and percentages were used. Inferential data analysis was conducted by use of Pearson correlation coefficient, and multiple regression analysis. The study results were presented through use of tables and figures. The study concludes that flexible working arrangement has a significant effect on performance of clearing and forwarding firms in Nairobi city county, Kenya. Further, the study concludes that professional isolation has a significant effect on performance of clearing and forwarding firms in Nairobi city county, Kenya. From the results, the study recommends that the management of clearing and forwarding firms should continue embracing flexible working arrangement during the COVID 19 period. In addition, the study recommends that the management of clearing and forwarding firms should continue embracing temporary contracts arrangement during the COVID 19 period.

**Key Words:** Teleworking, Flexible Working Arrangement and Professional Isolation

## **Background of the study**

The transport and logistics sector is a major victim of Covid-19. The industry, which is driven by facilitating cargo movement to or from different geographical locations, supports key economic sectors such as manufacturing, agriculture, aid and relief, construction, education amongst others. However, the interventions to stop the spread of the Covid-19 have made it challenging if not impossible to move goods from point A to B thus affecting trade between regions (Pocock, & Charlesworth, 2020).

According to Ikegwuru and Horsfall (2020) the impact of COVID-19 pandemic was earliest experienced in China owing to the role it plays in worldwide manufacturing, with Wuhan, the epicenter of the deadly disease, playing a predominantly momentous role. Major industries around the world, including automotive, electronics, pharmaceuticals, medical equipment and supplies, as well as consumer goods, were affected. The pandemic stretched to the rest of the world, leading to lockdowns and border closures that constrained the movement of goods. Additional protocols (such as social distancing at warehouses) pioneered to guarantee the protection of workforce contributed to restricted access for shipment. The impacts on shipment aptitude were visible in three key worldwide transportation fragments: ocean, land, and air. Governmental restrictions wishing to unhurried down the stretch of epidemic and pandemic outburst show the way to mutilations for trade and industry processes, which impact on logistics operations. Ensuing panic buying and mounting home consumption had multipurpose impacts on transportation, warehousing and inventory management.

Telework has become a very popular arrangement that has grown rapidly worldwide, most recently due to the COVID-19 pandemic (Tapas & Taggar, 2021). As the lockdowns measures entered into force, a large proportion of the workforce was instructed to stay home and continue to work remotely - if their functions make it possible. Organizations that were previously familiar with teleworking, as well as organizations that haven't experimented with teleworking before, were sending their employees home, creating the conditions for the most extensive mass teleworking experiment in history.

Before the COVID-19 pandemic, teleworking was widely adopted in the European Union in domains such as information and communication services and knowledge- intensive business services (Milasi, *et al.*, 2021), areas where teleworking has remained an optimal solution during the pandemic (EU, 2020). During the COVID-19 pandemic, not only private companies but also public institutions have adopted teleworking, predominantly in the fields of education, financial services, and public administration (Milasi, *et al.*, 2021). In its first manifestations, teleworking was understood to be an advantageous work arrangement, given its task performing flexibility (Tapas & Taggar, 2021).

The Government of Kenya (GoK) has undertaken a raft of interventions in response to the Covid-19 pandemic to curb the transmission of the coronavirus since the confirmation of the first positive case of the coronavirus in the country on 12 March 2020. The measures include: cessation of movement from the larger Nairobi metropolitan area, Mandera county, coastal counties of Mombasa, Kilifi and Kwale; imposition of a nationwide curfew from 7pm to 5am with the movement of essential goods and service providers exempted from the curfew (curfew was further revised to start from 9pm to 4am); and enforcement of social distancing. This has affected normal business operations in the country.

The clearing and forwarding industry in Kenya comprise economic activities that relate to all imports and exports conducted in respect of goods entering or leaving the country as well as those transiting the country. It excludes exporters and importers whose core activity is not clearing and

forwarding. Thus, the clearing and forwarding industry serves as an input into every other industry in the national economy as well as many of those across the Kenyan borders. Cognizance is taken of the fact that the Kenyan Clearing and Forwarding industry is a very complex one, involving various activities including freight management and supply chain logistics (Musumba, 2018).

The operations of clearing and forwarding firms is licensed and regulated by the Kenya Revenue Authority (KRA) under the customs services department. There are certain minimum requirements that a firm must comply with to get approval for licensing or have the existing license renewed. These include - membership to Kenya International Freight and Warehousing Association (KIFWA), obtaining a certificate of good conduct for directors, a recommendation letter by a firm's bankers, clearance by the domestic taxes department in relation to income tax and Value Added Tax (VAT) returns among others (KRA, 2020).

The Kenyan clearing and forwarding industry have a size and fit for everybody. SMEs and large firms abound. In this industry, 30% of the firms consist of large firms like Bollore, Khuene and DHL among others, while 70% has been taken up by the SMEs (KRA, 2020). Most SME firms commonly referred to as brief-case agents have no office abode. They specialize mostly in providing clearing and forwarding services mostly to individuals who import second-hand motor vehicles as well as those with less than container loads of household effects imported from Dubai among other origins (Musumba, 2020).

### **Statement of the Problem**

The transport and logistics sector is a major victim of Covid-19. The industry, which is driven by facilitating cargo movement to or from different geographical locations, supports key economic sectors such as manufacturing, agriculture, aid and relief, construction, education amongst others. However, the interventions to stop the spread of the Covid-19 have made it challenging if not impossible to move goods from point A to B thus affecting trade between regions (Cheruiyot, 2020)

According to the International Air Transport Association (IATA), the aviation sector supports 6.2 million jobs in Africa or 2.6 per cent of Africa's GDP. However, since January 2020 over 185,000 pax have cancelled flights and vital cargo capacity disappeared. This has a negatively affected the air freight sector whose goods primarily comprise pharmaceuticals, chemicals, flowers, vegetables and fruits (Ongera & juma, 2020). Flower exports to key markets such as the European Union (EU) have dropped by over 50 per cent due to the financial crisis caused by the Covid-19. The Dutch auction has been operating below capacity, making some farms to suspend shipping of flowers. During the COVID-19 pandemic, not only private companies but also public institutions have adopted teleworking, predominantly in the fields of education, financial services, and public administration (Martin, 2020).

Various studies have been conducted on teleworking and performance. For instance; Karácsony (2021) conducted a study on the impact of teleworking on job satisfaction among Slovakian employees in the era of COVID-19, Sefora, Dabija and Stanca (2021) researched on the influence of teleworking on performance and employees' counterproductive behavior, Odu (2018) conducted a study on the effect of teleworking system on employees' performance in the Nigerian Oil and Gas Upstream Sector and Cheruiyot (2020) researched on the influence of telework adoption and its effects on employee engagement: a survey of ICT organizations in Kenya. Nevertheless, none of these studies focused on teleworking and performance of clearing and forwarding firms in Kenya. To fill the highlighted gaps, the current study sought to determine the influence of teleworking (flexible working arrangement, interaction reduction, professional

isolation and Self-regulatory capacity) on performance of clearing and forwarding firms in Nairobi city county, Kenya

# General objective

The general objective of this study is to determine the influence of teleworking on performance of clearing and forwarding firms in Nairobi city county, Kenya

# **Specific Objective**

The study was guided by the following specific objectives;

- i. To establish the influence of flexible working arrangement on performance of clearing and forwarding firms in Nairobi city county, Kenya
- ii. To determine the effect of professional isolation on performance of clearing and forwarding firms in Nairobi city county, Kenya

#### **Theoretical Literature Review**

## **Spill Over Theory**

Spill over theory was postulated in 1979 by Piotrkowski. The theory actually talks about work and family life. The author advocated that job related factors and family related factors should be in equilibrium for employees to be productive, brings about customer satisfaction, have job satisfaction and control their employee turnover.

The theory emphasizes on the tendency of the worker to carry their emotions, attitudes, skills and behaviors that they establish at work into their family life and vice versa (Sidin *et al*, 2010). The spillover process can be either positive or negative. The negative spill over induces stress in individuals and the positive spillover can lead to high levels of satisfaction. Extensive research into the field of work life balance has indicated that employees who continuously work long hours have greater degree of work life conflict (Dex & Bond, 2005). The boundary between work and home are relatively weak and tend to spill over positive or negative spills into the home or work environment (Kipkoech, 2018).

Simultaneous membership in the two systems often entails strain and overload for individuals, families, and work units. In general, the spillover effects pattern shifts attention from the effects of social institutions on each other to the effects of family members on each other, ignoring the social and political consequences of the context in which family and work are located. Spillover can be positive or negative. Positive spillover refers to fact that satisfaction and achievement in one domain may bring along satisfaction and achievement in another domain. Negative spillover refers to the fact that difficulties and depression in one domain may bring along the same emotion in another domain (Pocock & Charlesworth, 2020). This study used spill over theory to establish the effect of Self-regulatory capacity on performance of clearing and forwarding firms in Nairobi city county, Kenya.

## **Social Exchange Theory**

The genesis of social exchange theory goes back to 1958, when American sociologist George Homans published an article entitled "Social Behavior as Exchange." Homans devised a framework built on a combination of behaviorism and basic economics. In the immediate years that followed, other studies expanded the parameters of Homans' fundamental concepts (Mambwe*et al.*, 2020). Social exchange theory is a concept based on the notion that a relationship between two people is created through a process of cost-benefit analysis. In other words, it's a metric designed to determine the effort poured in by an individual in a person-to-person

relationship. The measurement of the pluses and minuses of a relationship may produce data that can determine if someone is putting too much effort into a relationship (Magassouba, 2019).

The theory is unique in the sense that it doesn't necessarily measure relationships on emotional metrics. Rather, its systematic processes rely on mathematics and logic to determine balance within a relationship. While the theory can be used to measure romantic relationships, it can also be applied to determine the balance within a friendship (Njogu, 2019). Social exchange theory is a sociological and psychological theory that studies the social behavior in the interaction of two parties that implement a cost-benefit analysis to determine risks and benefits. The theory also involves economic relationships the cost-benefit analysis occurs when each party has goods that the other parties value. Social exchange theory suggests that these calculations occur in romantic relationships, friendships, professional relationships, and ephemeral relationships as simple as exchanging words with a customer at the cash register. Social exchange theory says that if the costs of the relationship are higher than the rewards, such as if a lot of effort or money were put into a relationship and not reciprocated, then the relationship may be terminated or abandoned (Nturibi, 2016). This study used social exchange theory to establish the influence of professional isolation on performance of clearing and forwarding firms in Nairobi city county, Kenya

## **Conceptual Framework**

According to Isiaka and Lasisi (2018), a conceptual framework is a research instrument that helps a researcher acquire awareness and comprehension of the topic of research, and also communicate that information. A conceptual framework can be beneficial as a tool to help a researcher make logical sense of future findings if it is well-articulated. It describes the possible links between the variables and is part of the plan for negotiation to be examined, tested, evaluated, and reformed as a result of analysis. The conceptual framework of this study had the independent variables and the dependent variable. The independent variables are flexible working arrangement, temporary contracts, professional isolation and Self-regulatory capacity while the dependent variable is performance of clearing and forwarding firms in Nairobi city county, Kenya.

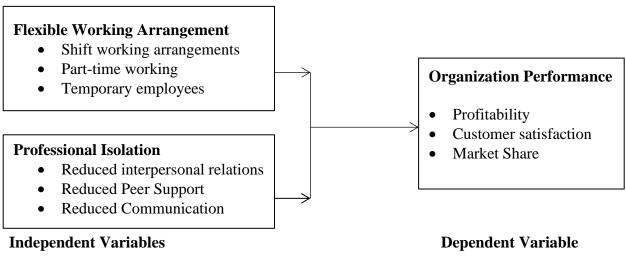


Figure 2. 1: Conceptual Framework

## Flexible Working Arrangement

Flexible working arrangements are actually emerging issues in human resource management field. The world is becoming a global village, hence as an employee in any organization the balance

between personal life and work responsibilities should not be ignored, if the employee performance is to be achieved. Employee performance is defined as work related task that is expected on employees and how well the task was done. The performance can be measured monthly, quarterly, semi-annually or annually to be able to provide improvement of identified segment in the business (Dessler, 2008). Armstrong (2009) added that it is an element of both motivation and abilities of employee. The author addresses that it can be improved through careful placing and training programs with right incentive both monetary and non-monetary to improve the overall performance of the organization

Flexible working relates, to an organizations working arrangement in terms of working time, working location and pattern of working (chartered institute of personnel and development). Flexible working arrangements like flexible part time, shift work, compressed work hours and job sharing are often used to help employees in balancing their family and work life (Lim & Teno, 2000) during 'core hours' which 2 is usually fixed or a period between the latest permissible starting time and earliest permissible finishing time.

#### **Professional Isolation**

Teleworking is a means of conducting work which favours the professional isolation of employees (Golden, et al., 2020). Professional isolation is developed by employees when interpersonal relations are lacking or significantly reduced to an unsatisfactory level, and when there is emotional stress in executing their work (Aizenberg and Oplatka, 2019). Applied to the study of professional isolation, Social Exchange Theory highlights the importance of organizational support from supervisors and co-workers through difficult circumstances to reduce counterproductive work behaviours (Kashif & Johl, 2020), and increase job satisfaction and performance (Wikhamn & Hall, 2019). Within relational exchanges, individuals conduct a subjective cost-benefit analysis, making decisions considering the aspects which favour them best (Kashif & Johl, 2020). When employees experience professional isolation and implicitly feel that there are no more opportunities for growth (Aizenberg and Oplatka, 2019) and/or for peer support (Song and Gao, 2020), they are prone to diminish their involvement in social exchanges, with positive results for the welfare of the organization (Zainun, *et al.*, 2020).

## **Empirical Literature Review**

### Flexible Working Arrangement and Organization Performance

Pocock and Charlesworth (2020) studied the influence of workplace culture on quality employment that supports employees to resolve work and family over the life course in Australia. This study revealed three WLB interventions. Firstly, macro social and economic initiatives for employees that include provision for childcare, aged care, disability care, healthcare, transport, housing, education, social infrastructure, taxation and social security payments. Secondly, the regulation of work which consists of the nature of the employment contract, salary, working hours regulations and leave, the opportunity for an individual and collective voice. Finally, critical interventions occur at the workplace where local enterprise and workplace culture and immediate supervision are the filters through which regulation takes or fails to take effect. This study also revealed that workplace cultures are essential as a determinant in ensuring employee quality that accommodates care. In regard to the flexibility in working hours, the study discovered that intense workloads and long working hours impedes flexibility.

Kipkoech (2018) conducted a study on flexible working arrangements on employee performance in kericho county referral hospital, Kenya. The study adopted descriptive research design. The target population was stratified into top management, doctors, clinical officers, nurses and subordinates consisting of 111 employees of Kericho County Referral Hospital. A sample of 104

staff of Kericho referral hospital was selected using stratified sample techniques and from each strata simple random sampling was used. The data was collected using closed and open ended questionnaire. The finding indicated that flexi working strategies was significant to performance of employees in an organization. It was noted that the performance contributed by flexi working methods were 22.9% while other factors which was not measured was 77.1%. Temporary contract, work shift and part time working were positive significant predictors while flexi time positive but not significant to performance

Kangogo and Wanambiro (2019) conducted a study on the influence of flexible working schedules on organizational commitment of employees in hospitals in nakuru town, Kenya. The study employed a descriptive research design. The targeted population of this study was 652 employees from 15 hospitals in Nakuru town. A sampling technique was used where 86 employees were selected to serve as the target population of the study. Questionnaires constructed on a five point likert scale format were used for data collection. The analyzed data was presented in form of tables accompanied by relevant discussions. The findings indicated that flexible work schedules have a weak positive significant (r=.237, p=.039) relationship with organizational commitment. The study concluded that flexible work schedules significantly influence the organizational commitment of employees in public hospitals in Nakuru town.

## **Professional Isolation and Organization Performance**

Dissault and Thibodeau (2019) conducted a study on professional Isolation and Performance at Work of School Principals. Principals of a suburban area of the province of Quebec (n = 109) were administered French versions of the UCLA Loneliness Scale and Self-Appraisal Instrument for Community College Administrators. The results indicate, as expected, a negative and significant correlation (r = -.27, p = .005) between isolation and self-report of performance at work of school principals. The results highlight the importance of looking for ways to reduce professional isolation of principals and to pursue research on this topic.

Golden, Veiga and Dino (2019) researched on the impact of professional isolation on teleworker job performance and turnover intentions. Survey data from a matched sample of 261 professional-level teleworkers and their managers revealed that professional isolation negatively impacts job performance and, contrary to expectations, reduces turnover intentions. Moreover, professional isolation's impact on these work outcomes is increased by the amount of time spent teleworking, whereas more face-to-face interactions and access to communication-enhancing technology tend to decrease its impact.

Cooper and Kurland (2020) conducted a study on Telecommuting, professional isolation, and employee development in public and private organizations. The study relied on 93 semi-structured interviews with telecommuters, non-telecommuters, and their respective supervisors in two high technology firms and two city governments. These organizations had active telecommuting programmes and a strong interest in making telecommuting a successful work option, providing an opportunity to investigate the challenges of telecommuting that existed even within friendly environments. The interviews demonstrated that professional isolation of telecommuters is inextricably linked to employee development activities (interpersonal networking, informal learning, and mentoring). The extent to which telecommuters experience professional isolation depends upon the extent to which these activities are valued in the workplace and the degree to which telecommuters miss these opportunities. Public respondents appeared to value these informal developmental activities less than private employees.

Volkan and Esin (2019) conducted a study on the relationship between performance and Loneliness at Workplace. The sample of the study consists of 109 academicians in total, 64 males

(58.7%) and 45 females (41.3%) who are working at Manisa Celal Bayar University. The study data were gathered through face-to-face and online questionnaires. Workplace loneliness scale by Wright, Burt and Strongman was used as a scale in the study. When the collected data were analyzed, it was found that there was a significant relationship between workplace loneliness and various demographic factors, while there was a negative relationship between workplace loneliness and performance.

### RESEARCH METHODOLOGY

## **Research Design**

This study used a descriptive research design. Mugenda and Mugenda (2018) explained the descriptive design is a process of collecting data in order to test a hypothesis or to answer the questions of the current status of the subject under study. Its advantage is that, it is used extensively to describe behavior, values, attitude and character. The description research design aspect of it attempted to provide more details and insights from the respondents on how the dependent variables impact on the independent variable.

## **Target Population**

Target population is the entire set of individuals (or objects) having the same characteristics as pointed out in the sampling criteria used for the study (Bryman, 2013). The target population makes a part of the universal population (Creswell, 2014). The unit of analysis is what is being targeted in the research. The unit of analysis in this study was the clearing and forwarding firms operating in Nairobi County. According to Kenya International Freight and Warehousing Association (KIFWA), there are 450 clearing and forwarding firms in Nairobi County. The unit of observation was therefore 900 participants comprising of two senior employees from each firm.

## Sample Size and Sampling Techniques

Sample refers to a part of or fraction of population that is being investigated upon. It can also be defined as a group of individuals who are engaged or participating in a study. Wilson (2010) defined it as selected elements such as objects, subjects or people that participate in a particular study. Samples are used to reflect the entire attributes of a given population under investigation such that the study's findings can be generalized to the entire population. A good sample size should be enough to adequately represent the characteristic of the population being studied. Sahu (2017) notes that the best sample should give enough data on the population and this data should be adequate and capable of being analyzed easily.

The study's sample size was reached at using Krejcie and Morgan sample size determination formula (Russell, 2013). Using this formula, a representative sample was obtained. The study's total population is 900. Simple random sampling was used to select 269 respondents from the total population.

The formula used for arriving at the sample size is;

$$n = \frac{x^2 N P (1 - P)}{\left(M E^2 (N - 1)\right) + \left(x^2 P (1 - P)\right)}$$

Where:

n=sample size

 $x^2$ =Chi-square for the specified confidence level at 1 degree of freedom

N=Population size (900)

P = is the proportion in the target population estimated to have characteristics being studied. As the proportion was unknown, 0.5 was used.

Chuan and Penyelidikan (2016) indicate that the use of 0.5 provides the maximum sample size and hence it is the most preferable.

ME=desired margin of Error (Expressed as a proportion)

$$n = \frac{1.96^2900 * 0.5 * 0.5}{(0.05^2 * 900) + (1.96^2 * 0.5 * 0.5)}$$
$$n = 269$$

### **Data Collection Instruments**

Primary data was used in this study. Greener (2018) indicates that primary data is made up of first-hand information that has not been processed or analyzed. A questionnaire which is a form of quantitative data collection tool was used to collect primary data. The study's primary data was obtained using semi-structured questionnaires.

The structured questions were useful as they enabled easy analysis of data and reduced the time and resources needed for data collection. The unstructured questionnaires helped the researcher get in-depth responses from the respondents as they give a chance to them provide views and suggestions on the various issues. Kultar (2017) points out that a questionnaire is a cheap tool for data collection is very effective in collecting information from a large population. Further the data would not be biased as the questionnaire guarantees anonymity.

The questionnaire had three sections, with the first part requesting the respondent's sociodemographic data. Part two composed of five sections and had data on the independent variables (flexible working arrangement, temporary contracts, professional isolation and Self-regulatory capacity) and independent variables (performance of clearing and forwarding firms in Nairobi city county, Kenya).

### **Pilot Test Study**

A pilot study, or, pilot test or pre-test is defined as a small-scale preliminary research that is conducted so as to evaluate time, cost and feasibility to improve on the design of a particular study prior to conducting the actual one or full-scale research project (Kultar, 2017). The researcher carried out a pilot study to ensure the data collection tool is reliable and valid. The pilot test helps correct some of the challenges encountered before undertaking the final study. The pretesting sample was made of 27 respondents, representing 10% of the sample size. The results from the pilot test were not used in the main study. In addition, the respondents used in the pilot test were excluded from the final study.

### **Data Analysis and Presentation**

Quantitative and qualitative data was generated from the closed-ended and open-ended questions, respectively. Qualitative data was analyzed on thematic basis and the findings provided in a narrative form. Before the data could be analyzed, the researcher ensured the data was checked for completeness, followed by data editing, data coding, data entry, and data cleaning. Inferential and descriptive statistics were employed for analysis of quantitative data with the assistance of Statistical Package for Social Sciences (SPSS version 25). To summarize the respondent's responses in relation to their views on the various aspects of the variables, and the respondents' demographic information analysis was undertaken using descriptive statistics (Bhattacherjee, 2016).

Descriptive statistics such as frequency distribution, mean (measure of dispersion), standard deviation, and percentages were used. Descriptive statistics therefore enables researchers to present the data in a more meaningful way, which allows simpler and easier interpretation (Singpurwalla, 2017). Inferential data analysis was conducted by use of Pearson correlation coefficient, and multiple regression analysis. Inferential statistic is used to make judgments about the probability that an observation is dependable or one that happened by chance in the study.

The relationship between the study variables was tested using multivariate regression models.

#### RESEARCH FINDINGS AND DISCUSSION

## **Descriptive statistics**

# **Performance of Clearing and Forwarding Firms**

The respondents were requested to indicate their level of agreement on various statements relating to performance of clearing and forwarding firms in Nairobi city county, Kenya. A 5 point Likert scale was used where 1 symbolized strongly disagree, 2 symbolized disagree, 3 symbolized neutral, 4 symbolized agree and 5 symbolized strongly agree. The results were as presented in Table 4.1.

From the results, the respondents agreed that performance of some clearing and forwarding firms has stagnated. This is supported by a mean of 3.968 (std. dv = 0.905). In addition, as shown by a mean of 3.859 (std. dv = 0.885), the respondents agreed that the profitability of some clearing and forwarding firms has stagnated. Further, the respondents agreed that there are few complaints on the level of service delivery. This is shown by a mean of 3.800 (std. dv = 0.605). As shown by a mean of 3.785 (std. dv = 0.981), the respondents agreed that the market share of some clearing and forwarding firms has improved.

Table 4. 1: Performance of Clearing and Forwarding Firms

|   | Mean  | Std.<br>Deviation |
|---|-------|-------------------|
| The performance of some clearing and forwarding firms has stagnated   | 3.968 | 0.905             |
| The profitability of some clearing and forwarding firms has stagnated | 3.859 | 0.885             |
| There are few complaints on the level of service delivery             | 3.800 | 0.605             |
| The market share of some clearing and forwarding firms has improved   | 3.785 | 0.981             |
| Aggregate   | 3.848 | 0.832             |

# **Temporary Contracts and Performance of Clearing and Forwarding Firms**

The second specific objective of the study was to assess the influence of temporary contracts on performance of clearing and forwarding firms in Nairobi city county, Kenya. The respondents were requested to indicate their level of agreement on various statements relating to temporary contracts and performance of clearing and forwarding firms in Nairobi city county, Kenya. A 5 point Likert scale was used where 1 symbolized strongly disagree, 2 symbolized disagree, 3 symbolized neutral, 4 symbolized agree and 5 symbolized strongly agree. The results were as presented in Table 4.2.

From the results, the respondents agreed that temporary contracts influence performance of clearing and forwarding firms. This is shown by a mean of 3.835 (std. dv = 0.793). In addition, the respondents agreed with a mean of 3.813 (std. dv = 0.884) that seasonal contracts have been adopted by clearing and forwarding firms. Further, as shown by a mean of 3.798 (std. dv = 0.786),

the respondents agreed that clearing and forwarding firms have employed casual workers. The respondents also agreed that some of the employees in clearing and forwarding firms are substitute workers. This is shown by a mean of 3.788 (std. dv = 0.892). Further, the respondents agreed with a mean of 3.723 (std. dv = 0.786) that they are satisfied with the effectiveness of temporary contracts in their firm.

**Table 4. 2: Temporary Contracts and Performance of Firms** 

|  | Mean  | Std.      |
|--|-------|-----------|
|  |       | Deviation |
| Temporary contracts influence performance of clearing and              | 3.835 | 0.793     |
| forwarding firms   |       |           |
| Seasonal contracts have been adopted by clearing and forwarding        | 3.813 | 0.884     |
| firms  |       |           |
| Clearing and forwarding firms have employed casual workers             | 3.798 | 0.786     |
| Some of the employees in clearing and forwarding firms are substitute  | 3.788 | 0.892     |
| workers  |       |           |
| Am satisfied with the effectiveness of temporary contracts in our firm | 3.723 | 0.786     |
| Aggregate  | 3.788 | 0.897     |

### **Inferential Statistics**

Inferential statistics in the current study focused on correlation and regression analysis. Correlation analysis was used to determine the strength of the relationship while regression analysis was used to determine the relationship between dependent variable (performance of clearing and forwarding firms) and independent variables (flexible working arrangement and professional isolation).

## **Correlation Analysis**

The present study used Pearson correlation analysis to determine the strength of association between independent variables (flexible working arrangement and professional isolation) and the dependent variable (performance of clearing and forwarding firms). Pearson correlation coefficient range between zero and one, where by the strength of association increase with increase in the value of the correlation coefficients.

**Table 4. 3: Correlation Coefficients** 

|                        |                 | Organization<br>Performance | Flexible Working<br>Arrangement | Professional<br>Isolation |  |
|------------------------|-----------------|-----------------------------|---------------------------------|---------------------------|--|
|                        | Pearson         | 1                           |                                 |                           |  |
| Organization           | Correlation     |                             |                                 |                           |  |
| Performance            | Sig. (2-tailed) |                             |                                 |                           |  |
|                        | N               | 251                         |                                 |                           |  |
|                        | Pearson         | .858**                      | 1                               |                           |  |
| Flexible Working       | Correlation     |                             |                                 |                           |  |
| Arrangement            | Sig. (2-tailed) | .000                        |                                 |                           |  |
|                        | N               | 251                         | 251                             |                           |  |
|                        | Pearson         | .818**                      | .172                            | 1                         |  |
| <b>5</b> 2 1 1 1 1     | Correlation     |                             |                                 |                           |  |
| Professional Isolation | Sig. (2-tailed) | .002                        | .079                            |                           |  |
|                        | N               | 251                         | 251                             | 251                       |  |

From the results, there was a very strong relationship between flexible working arrangement and performance of clearing and forwarding firms (r = 0.858, p value =0.000). The relationship was significant since the p value 0.000 was less than 0.05 (significant level). The findings are in line with the findings of Pocock and Charlesworth (2020) who indicated that there is a very strong relationship between flexible working arrangement and organization performance.

Further, the results revealed that there is a very strong relationship between professional isolation and performance of clearing and forwarding firms (r = 0.818, p value =0.002). The relationship was significant since the p value 0.002 was less than 0.05 (significant level). The findings are in line with the findings of Dissault and Thibodeau (2019) that there is a very strong relationship between professional isolation and organization performance.

# **Regression Analysis**

Multivariate regression analysis was used to assess the relationship between independent variables (flexible working arrangement and professional isolation) and the dependent variable (performance of clearing and forwarding firms)

**Table 4. 4: Model Summary** 

| Model | R    | R Square | Adjusted R Square | Std. Error of the Estimate |  |
|-------|------|----------|-------------------|----------------------------|--|
| 1     | .931 | .867     | .868              | .10428                     |  |

a. Predictors: (Constant), flexible working arrangement and professional isolation

The model summary was used to explain the variation in the dependent variable that could be explained by the independent variables. The r-squared for the relationship between the independent variables and the dependent variable was 0.867. This implied that 86.7% of the variation in the dependent variable (performance of clearing and forwarding firms) could be explained by independent variables (flexible working arrangement and professional isolation).

**Table 4. 5: Analysis of Variance** 

| M | odel       | Sum of Squares | df  | Mean Square | F      | Sig.              |
|---|------------|----------------|-----|-------------|--------|-------------------|
|   | Regression | 41.081         | 2   | 20.54       | 349.33 | .000 <sup>b</sup> |
| 1 | Residual   | 7.254          | 248 | .0294       |        |                   |
|   | Total      | 48.335         | 250 |             |        |                   |

a. Dependent Variable: performance of clearing and forwarding firms

The ANOVA was used to determine whether the model was a good fit for the data. F calculated was 349.33 while the F critical was 2.408. The p value was 0.000. Since the F-calculated was greater than the F-critical and the p value 0.000 was less than 0.05, the model was considered as a good fit for the data. Therefore, the model can be used to predict the influence of flexible working arrangement and professional isolation on performance of clearing and forwarding firms.

b. Predictors: (Constant), flexible working arrangement and professional isolation

**Table 4.6: Regression Coefficients** 

| Model |                      |         | Unstandardized<br>Coefficients |               | Standardized<br>Coefficients | t     | Sig.  |
|-------|----------------------|---------|--------------------------------|---------------|------------------------------|-------|-------|
|       |                      |         | В                              | Std.<br>Error | Beta                         |       |       |
| 1     | (Constant)           |         | 0.204                          | 0.058         |                              | 3.517 | 0.001 |
|       | flexible arrangement | working | 0.377                          | 0.105         | 0.379                        | 3.590 | 0.000 |
|       | professional is      | olation | 0.358                          | 0.101         | 0.359                        | 3.545 | 0.002 |

a Dependent Variable: Firm Performance

The regression model was as follows:

$$Y = 0.204 + 0.377X_1 + 0.358X_2$$

According to the results, flexible working arrangement has a significant effect on performance of clearing and forwarding firms,  $\beta_1$ =0.377, p value= 0.000). The relationship was considered significant since the p value 0.000 was less than the significant level of 0.05. The findings are in line with the findings of Pocock and Charlesworth (2020) who indicated that there is a very strong relationship between flexible working arrangement and organization performance.

Furthermore, the results revealed that professional isolation has significant effect on performance of clearing and forwarding firms,  $\beta 1=0.358$ , p value= 0.002). The relationship was considered significant since the p value 0.002 was less than the significant level of 0.05. The findings are in line with the findings of Dissault and Thibodeau (2019) that there is a very strong relationship between professional isolation and organization performance.

#### **Conclusions**

The study concludes that flexible working arrangement has a significant effect on performance of clearing and forwarding firms in Nairobi city county, Kenya. The study findings revealed that shift working arrangements, part-time working and temporary employees influences performance of clearing and forwarding firms in Nairobi city county, Kenya.

Further, the study concludes that professional isolation has a significant effect on performance of clearing and forwarding firms in Nairobi city county, Kenya. The study findings revealed that reduced interpersonal relations, reduced peer support and reduced Communication influences performance of clearing and forwarding firms in Nairobi city county, Kenya.

## Recommendations

The study found that flexible working arrangement has a significant effect on performance of clearing and forwarding firms in Nairobi city county, Kenya. This study therefore recommends that the management of clearing and forwarding firms should continue embracing flexible working arrangement during the COVID 19 period.

Further, the study found that professional isolation has a significant effect on performance of clearing and forwarding firms in Nairobi city county, Kenya. This study therefore recommends that the management of clearing and forwarding firms should embrace digital communication strategies and minimize meetings during the COVID 19 period.

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