THE INFLUENCE OF INCENTIVES ON EMPLOYEES PERFORMANCE IN NON GOVERNMENTAL ORGANISATIONS: A CASE STUDY OF THE FEDERATION OF WOMEN LAWYERS – KENYA

by

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In accordance with Daystar University policies, this thesis is accepted in partial fulfilment of requirements for the Master of Business Administration degree.

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DECLARATION

I declare that this is my original work and has not been submitted to any other college or university for academic credit.

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DEDICATION

I dedicate this study to my dear family, for their love and open-handed support. To my husband, Richard Omondi Ouya for his love and patience, our son, Samuel Ochieng Ouya who has continuously challenged me during this journey and to our daughters, Melissa Achieng and Melanie Adhiambo for their encouraging words and smiles when the journey seemed tough. May our Lord Jesus richly bless you.
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<td>Government of Kenya</td>
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ABSTRACT

In recent years, there has been a mushrooming of Non-Governmental Organisations (NGOs) to offer services to the public hence complement the work of various world governments especially in developing countries. NGOs have become possible sources of employment to many people in developing nations. Federation of Women Lawyers Kenya (FIDA Kenya) which serves to promote the legal and human rights of women in Kenya is one such employer. The purpose of this study was to establish the influence of incentive schemes on employee performance at the FIDA Kenya. The study was guided by the following objectives; to assess the level of awareness of employees on incentives offered at the FIDA Kenya; to assess the influence of extrinsic rewards on the employee performance in the FIDA - Kenya; to establish the influence of intrinsic rewards to employees on their performance at FIDA Kenya; and to establish the influence of training on employee performance in the FIDA Kenya.

The study employed descriptive survey design and the census method of data collection. The study population was all the FIDA, Kenya employees. The study also showed that about half employees had missed out on bonus payments in the organisation even though there was a positive relationship between bonus payment and various aspects of employee performance. The findings also revealed that majority of the employees had not received work related training as key to enhancing quality and efficient and service delivery.

It is hoped that the findings in this study which was to assess the relationship between incentives and employee performance in NGOs will assist various NGOs in understanding practical incentives for employees and their impact on employee performance.
CHAPTER ONE

INTRODUCTION AND BACKGROUND OF THE STUDY

Sustainable competitive advantage of any organisation depends on a host of factors such as knowledge, innovation and the organisation’s preparedness to change (Gatheru, 2007). Most organisations experience challenges such as competition, technological advancement and globalisation that force them to strategically position themselves in the market to be profitable as well as remain competitive. Despite the diversity and nature of organisations, most organisations have goals and objectives that require a combination of all resources namely; human, technological and financial resources in order to successfully pursue their visions and missions. One of the most important factors is the human resource function which manipulates, transforms and ensures the success of the other factors (Armstrong, 2009).

According to Armstrong (2004), the performance of employees in organisations is critical in achieving sustainable high levels of productivity. This requires organisations to look at human resource management practices that affect employee productivity which include performance incentives as well as high and low turnover rates. The importance of incentives cannot be over-emphasised since the objective of business organisations is profitability and therefore the success of such organisations depends on employees’ performance. Chukwudi et al. (2012) agree with the fact that management of people at work is a fundamental part of the management process. The researcher noted that managers have to appreciate employees by motivating in order for the goals and objectives of the organisations to be realized.

For an organisation to maximise performance, employees have to be motivated. Gatheri (2007) states that managers motivate their employees by encouraging them to fulfil
their perceived goals, which involves considering individual factors such as needs, goals, abilities and attitudes as well as organisational factors which include pay, job security, co-workers, supervisors, recognition as well as the job itself. Since incentives play a critical role in employee motivation and ultimately productivity of the organisation, managers have a duty to create proper conditions that cause people to do their work with willingness and enthusiasm.

Unlike business organisations which measure the performance of their employees through tangible outputs such as increase in sales and profitability of the firm, Non-Governmental Organisations (NGOs) are unique in their operations. According to the NGO Coordination Board (2009), NGOs are designed to provide a variety of services rather than products. Since NGOs are not driven by profits, this implies that they have to achieve their set objectives through proper planning in order to be guaranteed with further donor funding.

Kenya has in the recent past experienced a tremendous growth in the NGO sector. According to a survey conducted by the NGO Coordination Board (2009), there were 6,075 organisations registered in Kenya but the number keeps increasing since the Board registers 400 new NGOs every year. The Board had further categorised NGOs based on their scope of operation which include; National and International NGOs. National NGOs are those that operate within Kenya only while International NGOs are those that operate within Kenya and in other countries or are affiliated to NGOs in other countries. According to Kanyingi and Mitullah (2007), the Non-profit sector employs 43 people for every 100 people employed in the public sector. In other words, the sector employs almost half (43 per cent) as many people as the public sector.

Indeed, the role NGO sector has become so critical in helping the government achieve many of its goals and programmes through complementing the services offered by the government. The expansion and growth of the sector brings with it tremendous opportunities.
for economic growth and improve social welfare in Kenya which also includes opportunities for job creation (NGO Board, 2009). Angba, Ekuri and Akpabio (2008 P. 37) notes that;

“NGOs owe their existence to the work outputs of their employees within the context of administrative and policy structures provided. To achieve their set goals, there must be material and human resources (workforce) on deck and working effectively and efficiently too.”

According to Brass (2010), NGOs function differently from profit making business, the efficiency of service delivery can only be measured through client cost/benefit and not sales and profitability. It is therefore important that managers in the NGO sector have to motivate their employees in order for them to provide effective quality program needs, specialized technical knowledge, and unique approaches to service delivery. To gain competitive advantage, managers in the NGOs sector have to establish how to motivate their employees as a strategic tool to help them achieve their goals and objectives.

Background of the study

Among the existing NGOs in Kenya is the Federation of Women Lawyers - Kenya (FIDA Kenya) founded in 1985 as a human rights NGO to promote the legal and human rights of women in Kenya. FIDA is an abbreviation of a Spanish title Federacion Internacional de Abogadas, translated as the International Federation of Women Lawyers. FIDA Kenya, until 1985 was the Kenyan Chapter of the International Federation of Women Lawyers which was founded in 1944 by a group of seven women lawyers in Cuba, El Salvador, Mexico, Puerto Rico and the United States of America (FIDA, 2012).

The vision of the FIDA Kenya is to help create a society that is free from all forms of discrimination against women by reason of either gender or sex. Its mission is to ensure that women are free from all forms of injustices on the basis of gender, sex, class, ethnic origin, physical disability and religious beliefs (FIDA, 2010). The organisational values include
women centred, professionalism, empowerment of women, integrity, team work and a learning organisation.

FIDA Kenya runs two programmes which include; Access to Justice Programme which seeks to provide legal aid services by offering legal advice, working with networks to provide legal representation and psycho-social support through counselling, training clients on self-representation in court and undertaking strategic public litigation. The other programme is the Transformative Justice Programme (TJP) which involves civic engagement as well constitutional and legislative reforms

According the Human Resource department (2012), FIDA Kenya has a total of 44 employees with offices in Nairobi’s Amboseli Road, Kisumu and Mombasa. Besides, the organisation has a membership of 950 Kenyan women lawyers. They also have women law students who also offer voluntary services for the purpose of promoting and safeguarding women’s rights in Kenya. Okemwa (2010) stated that, in a bid to deliver services to the public, NGOs like FIDA Kenya have to source for external financial assistance from foreign donors to implement programmes that enable them to achieve their key organisations performance indicators. The researcher noted that successful implementation of programmes in NGOs such as FIDA Kenya can only happen if employees are motivated to high morale and performance.

Statement of the problem

Due to the rise in the number of NGOs in Kenya, there has also been a lot of activity with the sector increasingly becoming a major player in the provision of basic services in many parts of the country. However, a survey conducted by People in Aid (2007) revealed that the growth in the NGO sector demanded more management attention in encouraging the employees to perform better since high staff turnover and poor performance have been persistent issues for both international and local NGOs. Organisations such as FIDA Kenya
continue to grapple with issues of donor funding in order to continue running their programmes but little consideration has been made to ensure that employees are motivated to carry out effective implementation of these projects. “Regardless of the affiliation, mission, size and extent of operations, problems of low morale and low motivation of staff and volunteers were found to exist in varying degrees in NGOs” (People in Aid, 2007, p. 1). Key to the above cited is low performance which in most cases is caused by NGOs not offering incentives to their staff. Employees attributed the decreases in efficiency and productivity to the fact that employers failed to provide adequate incentives and motivation that commensurate with their job and therefore their performance is below expectations (People in Aid, 2007). Unlike profit making organisation, this problems is unique to NGOs due to the style of operation which totally depends on the performance of their employees for service delivery.

Okemwa (2010) further supported that employee motivation in most local NGOs in Kenya has been given a back seat due to challenges in donor funding. NGOs continue to source for funds every year financial year to attain their key performance indicators. He further adds that majority of NGOs remain heavily dependent on external financial assistance from foreign donors and therefore the focus on funding compromises the employee motivation which ultimately leads to low morale and performance. In this case, Torrington, Hall and Taylor (2008) agreed to the fact that incentives are the most important avenues of motivating staff for high level of productivity.

Purpose of the study

The purpose of this study was to establish the influence of incentive schemes on employee performance at FIDA Kenya to assist other local NGOs develop practical incentives that can motivate their employees.
Objectives of the study

The study was guided by the following objectives:

1. To assess the level of awareness of incentives offered to employees at FIDA Kenya.
2. To assess the influence of extrinsic rewards on the employee performance at FIDA Kenya.
3. To establish the influence of intrinsic rewards to employees on their performance at FIDA Kenya.
4. To establish the influence of trainings on employee performance at FIDA Kenya.

Research Questions

The research attempted to address the following:

1. What is the level of awareness of incentives offered to employees at FIDA Kenya?
2. To what extent does extrinsic rewards influence employee performance at FIDA Kenya?
3. How do intrinsic rewards influence employee performance in NGOs such as FIDA Kenya?
4. How does training influence employee performance in NGOs at FIDA Kenya?

Justification of the study

Human resource remains the most important resource for an organisation to remain competitive in today’s business world (Hafiza, Shah, Jamsheed & Zamani, 2011). Human capital plays an important role in enabling the organisation to achieve its goals and objectives and can be explained as the sum of attributes, life experiences, knowledge, incentives, energy and enthusiasm that an organisation’s employees invest in their work (Noe, 2008). The researcher noted that employees’ inputs in NGOs are critical to the performance of an organisation as a service delivery and therefore important to motivate employees differently according to their contribution. Wyk (2011, P. 3) further states “that productivity and...
therefore profitability is a function of the behaviour of the employees of the business and it follows that successful influencing of that behaviour is the key to higher productivity.”

Despite the self-generated factors that influence people’s behaviours that guide them on how much effort to exert in their work, the researcher noted that there need for extrinsic motivation which should come from the employer. Extrinsic motivation, both monetary and non-monetary have a powerful effect on employees since they reward effort and behaviours which organisations wish to encourage and as a result encourage organisation’s effectiveness and productivity (Torrington, Hall & Taylor, 2008). The researcher deduced that under this category, incentives play a greater role in shaping the behaviour of employees towards achieving the organisation’s goals and objectives especially in NGOs. This study focuses on FIDA Kenya, one of the largest NGOs in Kenya that has been operational for the last 26 years and has so far employed the highest number of staff as compared to other local NGOs.

Significance of the study

The findings of this study will benefit the various NGOs in understanding practical incentives for employees and their impact on employee productivity. The study would also be an “eye opener” to managers running various NGOs in mitigating challenges they are facing in motivating their employees. The study would generate documented literature for future studies for both the NGO sector as well as researchers. Since the NGOs contribute significantly to the nation’s economy, the implementation of some of these recommendations in the study would enhance productivity of employees since this would automatically improve the national productivity and therefore the standards of living of the people of Kenya. The relevance of the study to researchers and academicians was to contribute towards expanding the frontiers of knowledge.
Assumptions

The study was based on the following assumptions:

a) All employees at FIDA Kenya would be objective and honest in their responses

b) Respondents would provide correct and truthful information to questions and explanations sought by the research instruments used.

c) There was a relationship between incentives and performance

Limitations and Delimitations of the Study

One limitation of the study lies was the fact that many people were reluctant in discussions touching on their economic status. Thus there was fear that such respondents would provide false answers to questions asked, hence a compromise to the quality of the study. In order to overcome these limitations, the study gave the respondents written assurance that data collected would be used only for research purposes. Strict confidentiality would be observed and that a respondent, upon request, would be given a copy of the findings of the study.

Secondly, this proposed study anticipated a challenge in accessing employees FIDA Kenya. In order to address this challenge, the researcher established a relationship with Human Resource Managers at FIDA Kenya to facilitate access.

Scope of the study

Due to the number of NGOs registered in Kenya, the study was confined to the case study which is FIDA Kenya based in Nairobi. FIDA Kenya has been in existence for the last 26 years and well established in terms of years of service and has comparatively a large number of employees. Unlike other smaller organisations, FIDA Kenya has clearly defined structures with an operational Human Resource Department and would produce a good
representation and view of local NGOs in Kenya. This study confined itself to the concept of incentives and how they affected performance in any given NGO.

Definition of terms

Extrinsic rewards: These are rewards that motivate an employee from the outside and not derived from the work itself. Example of extrinsic rewards are tangible monetary and non-tangible monetary such as bonus, gifts, certificates, vocational trips (Lai, 2009).

Incentives: According to Daniels (2000 p. 15), “incentives are used as an inducement to perform. The term is conventionally used synonymously with rewards but not used for recognition.”

Intrinsic rewards: These are rewards that motivate the employee from inside. These are rewards that self – motivate an employee and as such the employee will strives to satisfy psychological needs, needs for autonomy, competence and relatedness (Lai, 2009).

Monetary Incentives: The purpose of monetary incentives is to reward employees for excellent job performance through money. Monetary incentives include profit sharing, project bonuses, stock options and warrants, scheduled bonuses (e.g. Christmas and performance-linked), and additional paid vacation time. They help maintain a positive motivational environment for employees (Kepner, 2001).

Motivation: It is the “the set of processes that arouse, direct, and maintain human behaviour towards attaining some goal”. The creation of an enabling environment for employee to meet their needs increases their performances in the work place, Greenberg & Baron (2003, P. 190).

Non-Monetary Incentives: The purpose of non-monetary incentives is to reward associates for excellent job performance through opportunities. Non-monetary incentives include flexible work hours, training, tours pleasant work environment, and sabbaticals.
Performance: This is the outcomes of an employee about his or her work and objectives aligned with the organisation’s goals and objectives that are achieved by the employee to work effectively and efficiently. Performance can also be defined as the realisation of goals and meeting expectations, (Awan, Quereshi & Arif, 2012). In this study, performance will be measure will be measured through the employees’ timely completion of their project tasks and reporting as well as positive feedback from clients

Rewards: This is a prize that given to employees for doing an exceptional job at work. It can either be monetary rewards in form of cash or gift certificates or non-monetary rewards which include, parties or even just a pat on the back to say "great job." Cameron and Pierce (1997) noted that rewards could be used effectively to enhance interest and performance

Summary

This chapter provided background to the problem and the stated research questions, the purpose statement, the objectives, the significance of the study, the limitations and delimitations of the study, assumptions of the study, and the definitions of terms used in the study.
CHAPTER TWO

LITERATURE REVIEW

Introduction

This chapter contains a comprehensive literature review of past studies and arguments from journals related to the research problem. It examines what various scholars and authors have said about the influence of incentives on employee performance in various organisations. The chapter also reviews two theories related to the study and draws a theoretical framework. This chapter will conclude with a conceptual framework which is a diagrammatic representation of the relationship between the independent variables and the dependent variables.

Employee performance

An employee is a key element of an organisation and therefore the success or failure of the organisation depends on employee performance. According to Lai (2006, P. 3), “an employee’s performance is a function of ability and motivation, where ability is comprised of skills, training and resources required for performing a task.” Champathes (2006) noted that, an increase in employee performance ultimately leads to organisational effectiveness. The researcher notes that employee performance is critical also in the NGO sector as a means of achieving their goals and objectives. Since organisations worldwide compete in the labour market and there is need for managers to consider employees as a resource in which they have invested in and from which it expects valuable return (Raymond, HollenBeck & Gehart, 2006).
According to Hafiza, Shah, Jamsheed and Zamani (2011, P. 328), the “desired performance can only be achieved efficiently and effectively if an employee gets a sense of mutual gain of organisation as well as of himself, with the attainment of that defined target or goal.” The researcher deduced that in this case, motivating human resource becomes important for organisations in getting the efficient and effective results and continued success of the organisation. According to Robert and Jackson (2004) most employers adopt variable pay incentives in order to link individual performance to business goals and reward superior performance.

Greenberg and Baron (2003) define motivation as a set of processes that arouse, direct, and maintain human behaviour towards attaining some goal. Incentives fall within the broad scheme of motivation and can be divided into three main parts; the first part looks at arousal that deals with the drive, or energy behind individual (s) action. The second part refers to the choices people make and the direction their behaviour takes while the last part deals with maintaining behaviour clearly defining how long people have to persist at attempting to meet their goals (Greenberg & Baron, 2003).

According to Khan, (2010) workforce planning, staffing, compensation and incentives, teamwork, training, and employee security had a positive and significant influence on non-financial and financial dimensions of organisational performance. The researcher noted that incentives are mechanisms to encourage and recognise good performance but to become effective, incentive schemes have to be flexible and exciting to be able to motivate a diverse workforce. However, if handled badly, incentives can cause serious dissatisfaction (Bloisi, 2007).
Further, Greenberg (2005) acknowledges the importance of benefits in driving motivation since benefits outweigh the expenses involved in maintaining a demotivated employee to productivity. As managers grapple with types of incentives that would motivate their employees, equity in the distribution of incentives is of essence. Adams (1965) suggests that people are motivated to seek social equity in the rewards they receive for high performance. According to him the outcome from job includes; pay recognition, promotion, social relationship and intrinsic reward. To get these rewards various inputs needs to be employed by the employees to the job as time, experience, efforts, education and loyalty. Adams (1965) further suggests that people tend to view their outcomes and inputs as a ratio and then compare these ratios with others and turn to become motivated if this ratio is high.

Forester (2005) as cited by Chukwudi, Odogwu and Adedehinbo (2012) seems to have backed the foregoing viewpoint when he stated that regardless of the complexities surrounding motivation, it is evident that high levels of motivation are desirable from the point of view of leaders and managers within organisations and individual employees. The researcher argued that managers in NGOs have to spend time and effort to increase the motivation, performance and productivity of their employees considering the competition and rapid change in most organisations. Where motivation levels are low in organisations, dysfunctional cultures and employees are dissatisfied, many things crop up which are indecisive, unhappy and underperforming (Forster, 2005).

Mensah and Kamencu (2008), state that organisational change need to be strategic, rapid and effective especially in today's dynamic environment and that requires employees to continually re-align their performance with the evolving goals and objectives of the organisation. The researcher noted that is essentially true as much as continuous alignment is important to NGOs that want to see improved employee performance; however, some
organisations continue to struggle with getting employees to embrace the organisation’s beliefs and practices that are geared at enhancing performance.

Level of awareness of employees on incentives

According to Jones and Hoang (2004, P. 2), “Incentives are often implemented to induce the desired response or behaviour.” Different organisations have various forms of incentives, which can be classified in broadly as monetary and non-monetary incentives. Examples of monetary incentives are bonus payments for achieving a target, or an increase in budget levels. Non-monetary incentives include motivations tours, training opportunities, flexi-working hours, study leave or enhanced leisure time (Buchan, Thompson & O’May, 2000).

Chukwudi, Odogwu and Adedehinbo (2012) state that some of the monetary incentives provided by organisations include; salaries or wages, bonuses, medical allowance, educational allowance, among others. He further adds that non-monetary incentives include higher status or job title, appreciation and recognition, good working conditions, job security, job enrichment, providing training to the employees, proper job placements, proper promotions and transfers, proper performance feedback, proper welfare facilities and flexible working hours.

A research conducted by People in Aid (2007) on how to motivate staff and volunteers in NGOs in 28 NGOs in four selected countries namely; namely, Honduras, India, Kenya, and Pakistan revealed that some of the non-monetary incentives identified in NGOs included; management and staff development; employee performance recognition, career development special projects assignment, job rotation assignments and participatory processes and assignment. One of the key practical solutions addresses in this research was
the need for NGOs to strike a balance between personal and professional needs of their employees. The researcher noted that various NGOs stages are at different levels of maturity and therefore different strategic and operational levels, scopes, scales of operation and financial strength. Despite the differences, “successful interventions are those which address the personal and professional needs of employees” (People in Aid, 2007, P. 2). The researcher agreed to the fact that the existence and growth of survival of the organisations is determined by how employees are treated.

According to Condly, Clark and Stolovitch (2003), like rewards, incentives can either be extrinsic or intrinsic. However, they further divide incentives into three categories; monetary and non-monetary tangible and non-monetary intangible incentives. While monetary incentives are tangible such as cash rewards and gifts, non-monetary incentives are intangible or psychological in nature such as complimentary gifts, competition and lotteries, appreciation, challenging tasks as well as good employer relations. Different types of incentives have different levels of impact on employees’ performance and therefore can be grouped into competitive incentives, team or individual incentives. Milne (2007) asserts that even though there individual and group rewards, group rewards have also proved to influence the collective motivation of team members encourage either co-operation or competition among employees, motivate individual group members and trigger the occurrence of group level behaviour. The researcher added that both individual and group incentives are critical to the smooth running of the NGOs and contribute to organisational effectiveness.

Influence of extrinsic rewards on employee performance

Siira (2012) noted that extrinsic rewards are those rewards that come from outside of an individual. The rewards and goals are external and therefore opposite of intrinsic rewards.
“These rewards provide satisfaction and pleasure that the task itself may not provide” (Siira, 2012, P. 10). Extrinsic motivation can easily be seen in everyday life; employees that only go to work because of the salary they receive. It is evident that people work to earn money, to retain the certain quality of life, to pay the bills and buy food and other necessities (Oudejans, 2007).

Some of the examples of extrinsic rewards include performance related which increases performance of income to the employee especially when it is paid out as money rather than fringe benefits. Armstrong (2007) noted that money is a motivator because it satisfies a lot of needs and therefore a factor which is indispensable for life and which is needed to satisfy basic needs of survival and security. According to Agarwal (2010), money is still the most crucial motivating factor for employee that makes him perform well in the organisation.

Other extrinsic rewards such as staff promotions serve as an encouraging factor in enhancing employee performance since this means growth in career and ultimately an increase in pay in terms of salaries and benefits. Qasim, Mahwish and Akram (2011) established that any promoted employees will increase their efforts and performances in their work places besides other factors such as good performance appraisals, employee welfare, pension, medical facilities facilitates effective performances. The researcher argued that employees’ promotions need to be done on merit considering employees areas of competence if they are to remain effective.

According to Nguyen et al. (2003) as cited by Khan et al. (2011, P. 2698), “job satisfaction is the result of promotion opportunities in the organisation.” Similarly, Teseema and Soeters (2006) also cited by Khan et al. (2011) concluded that there is a positive relationship between promotion practices and perceived performance of employee and
therefore need for promotional opportunities to be provided to employees. According to Milne (2007, P. 29) recognition as an extrinsic reward is non-monetary and it is given to “employees selectively, in appreciation of a high level of behaviour or accomplishment that is not dependent on achievement against a given target.” Recognition can be as simple as providing and employee with feedback on what they have done right, or just a word of thank you. It is about acknowledging effort, commitment and learning, even if the outcomes were not as planned and it is also about, most importantly, celebrating successes. Like any other organisation, recognition programmes in NGOs can be used to reinforce an organisation’s values, promote outstanding performance and foster continuous learning by openly acknowledging role model behaviour (Milne, 2007). The researcher added that the managers in NGOs have to recognise the achievement of employees either at individual or group levels to influence behaviour.

Although recognition makes people feel good, there is need for managers to reward employees in a way that will have maximum impact and therefore need for tailored rewards that will honour and delight them personally (Valencia, 2008). According to Vroom (1964), employees are motivated by how much they want something and how likely they think they are to get it. Lai (2009) asserted that social acknowledgement as a non-monetary tangible incentive is also important to employees when they do something good since it boosts morale.

Influence of intrinsic rewards on employee performance

Akanbi (2011) stated that intrinsic motivation stems from motivation that is inherent in the job itself and which the individual enjoys as a result of successfully completing the task or attaining his goals. The researcher noted that since intrinsic rewards come from inside,
managers in NGOs have to identify employees’ areas of great performance and enhance them through recognition. Thaweewararuk (2011) defined an employee’s intrinsic motivation as the source of motivation that comes from performing a task for its own sake. This means therefore that employees that are intrinsically motivated about their work have a sense of accomplishment and achievement or they feel that they are doing something worthy. The researcher noted that an organisation’s reward system forms the basic tool for managing employee motivation. NGOs can therefore develop reward systems that have both formal and informal mechanisms by which employee performance is defined, evaluated, and rewarded.

According to Keller (2006), employers expect the best from their employees will always be given the best, where employers who expect little from their employees will receive low performance in return. In this case, communication and feedback becomes a critical tool to achieving employee participation. The researcher noted that lack communication from employers cause employees to feel overlooked and inhibits them from performing to the best of their ability.

Valencia (2008, para 59) states that “proper motivation of employees is directly associated with productivity and with maintenance factors. Workers who are content with their jobs, who feel challenged, who have the opportunity to fulfil their goals will exhibit less destructive behaviour on the job.” The researcher also noted that employees can also be motivated intrinsically motivated by other factors such as family, friends and investment welfare associations that, although not directly related to an employees work environment, affect the productivity of the employee.
Conclusively, when intrinsically motivated employees experience the work to be meaningful, feel personally responsible for outcomes and have knowledge of the results of their work it results in their motivation to perform well (Oldham & Hackman, 2010).

Influence of training on employee performance

Training and development is important in an organisation because training builds a team which is highly effective and very efficient. Quasim, Mehwish and Akram (2011, P. 1) stated that “training is the planned and systematic modification of behaviour through learning events, activities and programs which results in the participants achieving the levels of knowledge, skills, competencies and abilities to carry out their work effectively.” The researcher noted that training of employees is important to the performance of employees at all levels and therefore critical for HR managers from NGOs to align employee needs and organisational objectives in order for training to become effective.

Thaweewararuk (2011) argues that employees provided with broader skills and knowledge and support helps organisations reduce layers of management and make employees more accountable for results. Further, Qasim et al (2011) further emphasizes that training should be given the highest consideration by organisation since training, as a non-monetary incentive has a positive influences on employee performances as it enables an organisation to reduce cost as well increases productivity. The researcher adds that despite the benefits of training to employees in NGOs, managers have to understanding the employees’ willingness to attend training and learning as key to effective training.

According to Torrington et al, (2005), organisational goals are always achieved by employee's efficiency so it is an organisational need that their employees must be well trained. However, according to the researcher, Torrington’s statement may be true if there is a
relationship between training and employee career development. On the other hand, an employee that is wrongly placed will not be motivated in any form of training since it does not contribute to his or her career growth. This basically means that employees in NGOs will regard training more highly if they perceive that it will enhance their careers. This therefore puts pressure on managers in NGOs to assess their selection and recruitment process and therefore deliver relevant training that ensure that employees effectively perform their jobs with self-satisfaction, self-confidence and hence improved performance.

Fakhar et al. (2011) further argued that employees that have opportunities to go through different training sessions are more capable in performing actual tasks. The researcher argued that trainings for employees working in NGOs have to be structured in a systematic way that encompasses main elements that continuously build knowledge and capacity for their work. Bae and Lawler (2000) also argued that a consideration of training and development practices significantly affect organisational performance.

According to Adeniyi (1995), staff training and development is as a work activity has very significant contribution to the overall effectiveness and profitability of an organisation. Indeed, Mensah and Kamencu (2008) in the study on employees working in various tea estates in Kenya concluded that employee training that is well planned and coordinated will ultimately enhanced the performance. The research also concluded that it is the responsibility of the managers in NGOs to facilitate and coordinate effective training programs that will address both personal and professional needs of the employee.

Theoretical framework

There are various motivational theories that explain the relationship between employee motivation and employee performance such; Maslow’s Hierarchy of Needs
Theory; Clayton Alderfer’s Existence, Relatedness and Growth (ERG) theory; Herzberg Two Factor theory; Adam’s Equity Theory; Vroom’s Expectancy Theory and McClellan Acquired Needs Theory. According to Wyk (2011), although all theories of motivation try to explain why people work and what will increase their feeling to function efficiently and effectively, not all motivational theories view the motivational process in the same way.

For the purpose of this study, the researcher considered Burrhus Frederic Skinner’s Reinforcement Theory (1953) and Abraham Maslow’s Hierarchy of Needs Theory (1954). The two theories are appropriate for this study because incentives push employees to a desired response or behaviour (Hoang, 2004). To complement the behaviour, Maslow’s Hierarchy of Needs Theory deals with the need for incentives to meet employees’ needs for them to become productive.

**Skinner’s Reinforcement Theory of Motivation**

Burrhus Frederic Skinner’s Reinforcement Theory (1953) as a learning theory states those employees’ behaviours that lead to positive outcomes will be repeated and behaviours that lead to negative outcomes will not be repeated. This brings out the need for managers in NGOs to positively reinforce employee behaviours that lead to positive outcomes and they should negatively reinforce employee behaviour that leads to negative outcomes. The researcher noted that due to the nature of NGOs, reinforcement theory is appropriate in motivating workers to change and maintain their performance over an extended period of time since behaviour is a function of its consequences. This requires managers to take up a more active role in providing feedback to their employees as well as managers keenly listening to the spoken and unspoken comments from their employees.
According to Wyk (2011), Reinforcement Theory (RT) looks at the relationship between behaviour and its consequences by changing or modifying employees’ on-the-job behaviour through the appropriate use of immediate rewards or punishments. According to Armstrong (2009), the theory suggests that behaviours followed by positive consequences occur more frequently and that behaviours followed by negative consequences will occur less frequent. The researcher noted that this is appropriate since the duty of managers in NGOs is to use incentives influences on employees’ behaviours to enhance their performance by controlling behaviour. Further, according to the theory, punishment is not considered as the most effective form of reinforcement since it brings about an undesirable behaviour.

Bagraim et al. (2007, P. 86) as quoted by Wyk (2011), identifies methods that can be used to affect employee behaviour which include; Positive reinforcement where managers apply a positive experience as a result of desired employee behaviour to encourage the employee to repeat a particular behaviour more frequently. Negative reinforcement is when employee behaviour is reinforced by the avoidance of undesirable consequences. Punishment is where undesirable behaviour is discouraged by the application of punishment and extinction which refers to withdrawal of something that an employee considers positive in order to weaken behaviour, especially behaviour that was previously rewarded.

Wyk (2011, P. 36) noted that “Managers and supervisors can attempt to shape employee behaviours by applying or withdrawing the consequences of their behaviour. Consequences they can either be positive or negative.” Indeed the shaping of employees in NGOs can produce the results desired by the manager which essentially entails achieving organisational goals and objectives. The Reinforcement Theory model is illustrated below:
The application of the Reinforcement Theory (RT) is important to this study in that through the use of incentives, employees in NGOs can clearly understand the kind of behaviour that their managers and supervisors desire in line with organisation’s goals and objectives. According to the proponents of this theory, in order to reinforce the desired behaviour through incentives, there is need for managers to apply incentives that will be suitable and appreciated by employees and distributed equitably among employees that have accomplished their goals. Although poor performance should not be rewarded, there is need for managers to analyse their employees to come up with mechanism for continuous improvement (Wyk, 2011).

Despite having received applause as a learning theory, Skinner’s Reinforcement Theory has also been criticised. According to Bagraim et al. (2007), critics consider
Reinforcement Theory as bribery since it concentrates on the extrinsic rewards. There is also the fear of employees depending on extrinsic rewards in order to perform.

Abraham Maslow’s Hierarchy of Needs

Abraham Maslow’s Hierarchy of Needs Theory (1954) was concerned with needs that push people into behaviour beyond the most basic fulfilment of survival needs. Maslow therefore addresses the need for managers to be practical when motivating their employees by ensuring that they meet employees’ needs according to their levels of existence. Maslow (1954) stated that human behaviour is related to his needs and therefore adjusted as per the nature of needs satisfied (Gornman, 2004). According to Lai (2004), Maslow categorised human needs into five categories and that these categories can be arranged in a hierarchy of importance which include; physiological, security, belongings, esteem and self-actualisation needs.

Armstrong (2009) noted that, Maslow argued that people are motivated to satisfy these five need levels. At the bottom of the hierarchy are the physiological needs things like food, sex, and air that represent basic issues of survival and biological function. The researcher noted that some organisations provide these needs by generally providing adequate wages and a conducive work environment which includes; restrooms, adequate lighting, comfortable temperatures, and ventilation.

The critical next level is the security needs for a secure physical and emotional environment. Examples include; the desire for housing; clothing; the need to be free from worry about money and job security. According to Lai (2004), these needs can be satisfied in the workplace by continuity (no layoffs), a grievance system to protect against arbitrary supervisory actions, and an adequate insurance and retirement benefits package for security.
against illness and for the provision of income in later life. According to People in Aid (2007), in developing countries such as Kenya issues of security remain top on employees’ hierarchy of priority because uncertainty avoidance is strong and therefore employees prefer secured long-term employment.

The level of belongingness needs relate to social processes and included the need for love and affection and the need to be accepted by one’s peers. These needs are satisfied for most people by family and community relationships outside work and friendships on the job. A manager in NGOs sector can satisfy these needs by allowing social interaction and by making employees feel like part of a team or work group. Esteem needs actually comprise two different sets of needs: the need for a positive-image and self-respect and the needs for recognition and respect from others. Managers in NGOs can therefore address these needs by providing a variety of extrinsic symbols accomplishment such as job titles, comfortable offices, and similar rewards as appropriate. The researcher notes at the intrinsic level, managers in NGOs can provide challenging job assignments and opportunities for the employee to feel a sense of accomplishment.

The top of the hierarchy are the self-actualization needs which involve realizing one’s potential for continued growth and individual development. The researcher noted that this is a preserve for few people and therefore the most difficult for managers in NGOs to address. Although this need can is individualistic, managers in NGOs can help employees by promoting a culture where self-actualization is made possible. For instance, managers could give employees opportunities to participate in making decisions about their work and the opportunity to learn and use new information, skills, and capabilities.
Criticism of Maslow’s Theory

According to Armstrong (2009), although Maslow’s Theory has a certain logic and has been accepted and continue to be used by many managers, it has been criticised for its rigidity, in that, people have difference priorities and therefore difficult to progress steadily up the hierarchy. This theory has also been criticised by People in Aid (2007) as not appropriate for NGOs especially in developing countries such as Kenya which is coupled by challenges of unemployment. Therefore because of these challenges, employees in NGOs might not consider this hierarchy as important but concentrate on key issues that affect their day to day lives which include survival and security needs.

Other researchers such as Clayton Aldefer have built on Maslow’s theory by establishing the Existence, Relatedness and Growth (ERG) Theory which suggests that individuals prioritise needs based on their circumstances and their varying levels of need. Aldefer grouped all the five levels of needs stated by Maslow in to three levels; where existence involved physiological and physical needs; Relatedness involved social needs and self-esteem; Growth related to personal growth and therefore self-actualisation. Unlike Maslow, Aldefer acknowledged that needs prioritisation was a dynamic, context based process (Mueller, Kurowski, & Mills 2005). According to the researcher, the application of incentives on employee in NGOs in line with the needs of employees is critical to employees’ performance, because it leads to ultimate productivity.

In relation to Maslow’s Theory, Magrussion and Nyrenius (2001) argue that the relationship between monetary rewards and needs as an individual climbs higher the ladder become less and less important and therefore critical for manager in NGOs to understand the different levels in order to provide incentives that satisfy needs. According to Lawler (2007),
both monetary and non-monetary incentives should be able directly address the relationship between job satisfaction and performance.

Conceptual Framework

The relationship between the dependent variable and independent variables in the study is diagrammatically represented in the figure below.

*Figure 2.2: Conceptual Framework showing relationship between Variables*

Source: Author (2013)
Summary

This chapter outlined literature review of past studies and arguments from journals related the research problem. It examined various scholars and authors on types of incentives offer by organisations and how they affect employee performance and satisfaction. This chapter also reviewed the various extrinsic and intrinsic rewards offered to employees as well as the impact of training on employee performance.

Since incentives influence employees positively to achieve organisational objects, the need to merge employees’ personal and professional needs become critical to managers in NGOs. Two theories related to the study; Reinforcement Theory and Maslow’s Hierarchy of Needs were discussed in the theoretical framework. This chapter concluded with a conceptual framework which is a diagrammatic representation that captured the independent, dependent and intervening variables.
CHAPTER THREE
RESEARCH METHODOLOGY

Introduction

Research methodology refers to the study of the general approach to inquiry in a given field. It focuses on the process of developing information and knowledge in a study (Ethridge, 2004). The chapter will deal with research design, location of the study, target population, sampling techniques, data collection methods, data collection procedures and data analysis. Ethical considerations applicable to the study will also be outlined.

Research design

According to Mugenda and Mugenda (2003), research design describes the procedures researchers follow to realize research objectives. Kothari (2004) states that a research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with the economy in procedure. Further Chandran (2004) notes that the choice of a research design is determined by a number of considerations such as; the research purpose, categories of data needed, data sources and the cost factor. There are various types of research designs. These include; observation, descriptive, exploratory and experimental research design (Chandran, 2004). Observation means to watch attentively in a scientific or systematic manner. Observation research methods are central to much qualitative research (Connaway & Powell, 2010).

Kothari (2004) explains that descriptive research is used in a study which is concerned with describing the characteristics of a particular individual, or of a group. According to Chandran (2004) this research design is appropriate to describe and portray characteristics of an event, situation, and a group of people, community or a population. Connaway and Powell (2010) add that the basic purpose for descriptive research usually is to
describe characteristics of the population on interest, make specific predictions and test associational relationships.

Exploratory research is conducted to investigate an issue or a topic in order to develop insights and ideas about its underlying nature. It is not intended to serve as an in-depth look into all factors related to a phenomenon (McNabb, 2010). Ethridge, (2004) note that exploratory research is particularly helpful in breaking large, and unclear problem statements into smaller, more precise sub-problem statements that is specific.

The research design that used study was descriptive in this regards since it sought to establish the influence of incentive on employee in NGOs. The design is appropriate because has described and portrayed characteristics of FIDA Kenya employees and the effect of various incentives on their performance. The design was applicable in the study because it enabled the researcher to establish relationships between variables in order to achieve an in depth analysis on the influence of incentives on employee performance at FIDA Kenya.

Target population

Target population refers to an entire group or individual, events or objects with common observable characteristics (Mugenda & Mugenda, 2003). According to a report from Human Resource department (FIDA, 2012), FIDA Kenya has a population of 44 employees; the target population of this research study targeted all the 44 employees of FIDA Kenya broken down as follows:

Table 3.1: Target Population

<table>
<thead>
<tr>
<th>Top Managers</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle – level employees</td>
<td>25</td>
</tr>
<tr>
<td>Junior and support staff</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>44</strong></td>
</tr>
</tbody>
</table>

Source: Fida Kenya (2013)
Sampling method

There are basically two types of sampling methods. These are: probability sampling also known as random sampling, and non-probability sampling (Kothari, 2004). Jackson (2011) describes probability sampling as a method where each member of the population has a known probability of being selected to be part of the sample. The main types of probability sampling include: simple random sampling, stratified sampling, systematic sampling and cluster sampling. Simple random samples are probability samples in which each population element has an equal chance of being included in the study and every combination of sample elements is just as likely as any other combination of ‘n’ sample elements (Lacobucci & Churchill, 2009).

Jackson (2011) notes that stratified random sampling is a sampling technique designed to ensure that sub-groups or strata are fairly represented. It is obtained by dividing the population into sub-samples or strata. A stratified random sample allows the researcher to take into account the different sub-groups of people in the population and helps guarantee that the sample accurately represents the population. The systematic sampling method is used in a population where individuals or units follow a natural ordering or where a natural ordering can be created. The ordering is usually linear, either ascending or descending. The population that is arranged in a certain way is divided into sub-sections of equal size. The number of sub-sections is pre-determined by the researcher according to the sample size that is needed. The researcher then chooses a number at random from among the first sub-section. The entire sample is drawn by picking the numbers in the corresponding position in the successive sub-sections (Chandran, 2004). A cluster sample as described by Lacobucci and Churchill (2009) is a probability sample in which the parent population is divided into mutually exclusive and exhaustive subsets and then a random sample of subsets is selected.
Non-probability sampling is that sampling procedure which does not afford any basis for estimating the probability that each item in the population has of being included in the sample” (Kothari, 2004, P.59). According to Jackson (2011) non-probability sampling is used when the individual members of the population do not have an equal or known likelihood of being selected to be a member of the sample. In this type of sampling, the researcher cannot state the probability of a specific element of the population being included in the sample (Connaway & Powell, 2010). The main types of non-probability sampling include convenience sampling and purposive sampling.

Convenience sampling can also be referred to as accidental sampling or haphazard sampling. In this sampling method, the researchers use as participants those individuals who are easy to get. People are selected on the basis of their availability and willingness to respond (Gravetter & Forzano, 2009).

In purposive sampling, the sample is arrived at by selecting a sample based on one’s knowledge of the population and the objectives of the research (Connaway & Powell, 2010). Mugenda and Mugenda (2003) state purposive sampling is a technique that allows a researcher to use cases that have the required information with respect to the objectives of his or her study. Probability sampling methods require the researcher to know the whole population and have access to it in order to develop a random, unbiased sample. For these reasons, probability sampling methods are rarely used except in research involving small, contained population (Gravetter & Forzano, 2009).

Although the researcher discussed the sampling techniques above, this study did not require sampling to be applied as the study used a census approach whereby the researcher endeavoured to gathered information from all the 44 employees of FIDA Kenya; 41 questionnaires were disseminated and sought interview with 3 key personnel of FIDA Kenya. A census is a sampling method in which all the information of a particular research is
collected from all the individuals or items in the target (Chandran, 2004). Considering the size of the organisation, the advantage of the census as a method of enumeration for this study was that it provided accurate information from data collected. The weakness of this method is that it may be very costly if the number of objects or employees in the area of study is large. However in this case the study the target population was only confined within FIDA Kenya thus making it easy for the researcher to access the respondents.

Data collection methods

There are several methods of collecting primary data particularly in descriptive researches. These included observation, interview, and questionnaires among others. Observation method is used specially in studies relating to behavioural sciences. The information is sought by way of the researcher’s own direct observation without asking from the respondent (Kothari, 2004).

Interviews are used to gather data from people about opinions, beliefs and feelings about situations in their own words (Ary, Jacobs, Sorensen & Razavieh, 2009). There are two basic types of interviews and these are personal interviews and telephone interviews. Personal interviews take place in a one-on-one setting between the researcher and the research participants. They are useful in situations in which the participant or process of interest is not directly observable. As noted by Chandran (2004) telephone interviews are a direct method of data collection where the respondents who have been selected are interviewed over the phone. It is therefore restricted to those who have a telephone facility and are selected from the telephone directory.

Questionnaires are another method of data collection. According to Kothari (2004), this method is popular, particularly in cases of big enquiries. A questionnaire consists of a number of questions printed or typed on a form or set of forms. The questionnaire is then given to respondents who are expected to read and understand the questions and write down
the reply. In a self-administered questionnaire the respondents have the advantage of asking the interviewer to clarify a question when it is not clear to them (Chandran, 2004). Self-administered questionnaires allow the participants to respond to the questions by themselves and at their own pace. They ease the respondents’ burden by giving them the time to think through their responses (Monsen& Horn, 2008).

In this study, the researcher used two data collection methods namely; questionnaires were administered to 41 employees of FIDA Kenya as well key informant interviews with three employees of FIDA Kenya. This rationale for using questionnaires was that questionnaires allowed for a large number of respondents to be responding to them at the same, thus it saves on time as opposed to other methods such as interviews. Interviews are particularly important since they involve interviewing employees that are knowledgeable and have expertise on a particular issue. The researcher therefore sought to conduct interviews with 3 key employees at FIDA Kenya who include two Senior Programme Officers and the Human Resource Manager in order to gather their information on the research.

Data collection procedure

The researcher administered the questionnaires to the relevant respondents in an effort to achieve the necessary information through the drop and pick method whereby the researcher drop the questionnaires to the respondents through the assistance of the Human Resource Manager at FIDA Kenya offices and collected them after two weeks. The researcher also sought interviews with key personnel at FIDA Kenya as well as conducted the actual interviews. The researcher also personally collected the questionnaires from FIDA Kenya offices.
Piloting testing

In this study a pilot testing was conducted through a pre-test that will be carried at African Woman and Child Feature Service which is a media NGO in Nairobi. Piloting helped the researcher to improve on the questionnaires in order to enhance the validity and reliability. Piloting of the instruments was done on five employees of African Woman and Child Feature Service to test for validity.

Data analysis and presentation

Data analysis involves assigning meaning to the data collected (Gliner & Morgan, 2000). It involves working with data, organizing it, breaking it into manageable units, synthesizing it, searching for patterns, discovering what is important and what is to be learned and, deciding what will be reported (Connaway and Powell (2010). The quantitative data was obtained from the research data which was coded and keyed into the Statistical Package for Social Science (SPSS) analysis software. According to (Hair, et al, 2011) quantitative data analysis may involve using descriptive statistics to obtain an understanding of the data. To facilitate this, graphs and charts were used for easy understanding and describing the data.

Ethical considerations

Ethics involves the study of right and wrong conduct (Dooley, 2007). This study ensured that the respondents are assured of the confidentiality of the information they provided. Permission was sought from the relevant authorities prior to the commencement of the study. Such Authority included the permission from the National Council of Science and Technology and FIDA Kenya Administration Office prior to collection of data from the target population. The study clearly inform the respondents of the purpose of the study and gave them a written assurance that data collected would only for research purposes and that strict confidentiality will be observed. To increase the degree of confidence among the
respondents, no personal identification details were required for the purpose of the questionnaires and interviews. Consent of the respondents was also sought. The sources of data and other information for literature review were acknowledged effectively, in this study. Mugenda and Mugenda (2003), says that a researcher must confirm to the principle of voluntary consent where the respondents willingly participate in research. Informed consent should be based on the information regarding: the purpose of the research, identification of the researcher, any benefits that may be received. Mugenda (2008) noted that participation in research is voluntary and subjects are at liberty to withdraw from the study at any time without any consequences. Researchers are required to communicate this to the respondents before the start of the study. The researcher ensured that all respondents fully understood all the details pertaining to the study. No respondent was forced to take part in the study but was done voluntarily.

According to Bryman and Bell (2007), plagiarism refers to passing off another person’s work as if it were their own, by claiming credit for something that was done by someone else. It is taking and using another person’s thoughts as if they were their own. Utmost care was taken to ensure that all work borrowed from other scholars was acknowledged.

The researcher undertook the necessary precautions to ensure that ethical behaviour and confidentiality was exhibited during the research study process. The researcher sent out a letter to the Executive Director and the Human Resource Department at FIDA Kenya requesting for permission to conduct the research as well as assure them of confidentiality. The researcher clearly explained to the respondents the objectives of the study to enable them make an informed consent to participation. The questions in the questionnaire to all staff at the FIDA Kenya were designed in such a way as to motivate them to answer truthfully by introducing the researcher and the purpose of the research.
Summary

This chapter outlined how the research was carried out. It discussed the various research designs that were applied and data collection methods available and the way in which information collected was analysed. The research was descriptive in nature. Research questionnaires and key informant interviews were used as a method of data collection.
CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS

Introduction

This chapter presents findings of the study. The study sought to assess the level of awareness of employees on incentives offered at FIDA Kenya; to assess the influence of extrinsic rewards on the employee performance at FIDA Kenya; to establish the influence of intrinsic rewards to employees on their performance at FIDA Kenya and to establish the influence of trainings on employee performance at FIDA Kenya. To accomplish this, data was collected from all the employees of FIDA Kenya. This chapter presents the study findings.

Response Return Rate

Questionnaires and interview schedules were used as data collection instruments. Out of 41 questionnaires administered, a total of 32 questionnaires were returned and used in the analysis. This translates to a response rate of 78% which according to Babbie (2010) is a good and sufficient rate for analysis and report generation. The reason cited in the cases of non-response of the other 9 was misplacement of the questionnaires. Out of the 3 scheduled interviews only 2 were carried out as the third respondent was not within reach during the study period.
General Characteristics of the Respondents

Gender of the respondents

The response for the gender characteristics of the respondents was as given in Table 4.1 and Figure II. The finding revealed that 20 of the respondents (62.5%) were female while 12 (37.5%) were male. Thus majority of the respondents were female, implying that in FIDA Kenya, majority of the employees are female due to the nature of work in the organisation. Rahmbhat and Sheth (2013) confirm that majority of those involved in community work such as done by FIDA Kenya are women and their actions are informed by their awareness, attitude, skill, capacity and sensitivity to environment to resolve environmental problems. Figure 4.3 below emphasizes on this.

Table 4.1: Gender characteristics of the respondents

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>12</td>
<td>37.5</td>
</tr>
<tr>
<td>Female</td>
<td>20</td>
<td>62.5</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Figure 4.3: Gender distribution of Respondents
Respondents’ Age

The findings in table 4.2 below showed that majority of the respondents 19 (59.4%) were aged between 25 and 35 years, 6 (18%) were aged between 36 and 45 years, 6 (18%) were above 45 while only 1 respondent (3.1%) indicated below 25 years old. Angba, Ekuri & Akpabio (2008) indicate that majority of workers in an organisation that is stable are middle aged. This implies that although majority of employees at FIDA Kenya are female, most of them lie within the active and productive age of between 25 and 45 years old. This information is also emphasized in figure 4.4 below.

Table 4.2: Respondents’ Age

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 25 Years</td>
<td>1</td>
<td>3.1</td>
</tr>
<tr>
<td>25-35 years</td>
<td>19</td>
<td>59.4</td>
</tr>
<tr>
<td>36-45 years</td>
<td>6</td>
<td>18.8</td>
</tr>
<tr>
<td>Above 45 years</td>
<td>6</td>
<td>18.8</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Figure 4.4: Respondents’ age
Respondent's highest academic qualification

The findings in table 4.3 revealed that most of the respondents 15 (46.9%) were graduates, 11 (34.4%) held post graduate qualifications, 5 (15.6%) were A-level holders while only 1 (3.1%) held a Primary level certificate. None were holders of only O-Level certificate. This meant that that majority of FIDA Kenya employees 27 (81.3%) were holders of Bachelor degrees and above. This implied a professionally rich work force. This is confirmed by Figure 4.5 gives a pictorial presentation of these findings.

Table 4.3: Respondent's Highest Academic Qualification

<table>
<thead>
<tr>
<th>Level of education</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Level</td>
<td>1</td>
<td>3.1</td>
</tr>
<tr>
<td>O-Level</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>A-Level</td>
<td>5</td>
<td>15.6</td>
</tr>
<tr>
<td>Graduate</td>
<td>15</td>
<td>46.9</td>
</tr>
<tr>
<td>Post graduate</td>
<td>11</td>
<td>34.4</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Figure 4.5: Respondent’s highest academic qualification

41
Respondent's Designation at FIDA Kenya

In Table 4.4 the study revealed that most of the respondents in this study (46.9%) held middle level management positions in this organisation, followed by 31.3% who work as junior and support staff and 21.9% as top level management. This means that the majority of the respondents were in the middle level management. This is asserted by FIDA (2012) that demand for this level of qualifications in relation to the programme areas offered at FIDA Kenya required employees with capacity and skills and therefore competitive in the current market.

Table 4.4: Respondent's Designation at FIDA Kenya

<table>
<thead>
<tr>
<th>Designation</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top level management</td>
<td>7</td>
<td>21.9</td>
</tr>
<tr>
<td>Middle level management</td>
<td>15</td>
<td>46.9</td>
</tr>
<tr>
<td>Junior and Support staff</td>
<td>10</td>
<td>31.3</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Respondent's marital status and gender

From the findings presented in Table 4.5, slightly above half of the respondents 53.1% were single out of which 15 were females while only 2 were men. 46.9% of the respondents were married of which 10 were male while only 5 were female. None of the respondents was either widowed, or separated. According to People in Aid (2007), employees are different and because of this, their personal and professional needs have to be addressed through unique interventions. This implied that the incentives used for the different categories would differ and would motivate the staff if they were more specific to each category.
Table 4.4: Respondent's marital status and Respondent's Gender

<table>
<thead>
<tr>
<th>Respondent's Marital status</th>
<th>Respondent's Gender</th>
<th>Total Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>male</td>
<td>female</td>
<td></td>
</tr>
<tr>
<td>single</td>
<td>2</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>married</td>
<td>10</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td>Widow</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Widower</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Separated</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>12</td>
<td>20</td>
<td>32</td>
</tr>
</tbody>
</table>

Length of time one has worked at FIDA Kenya

The findings in table 4.6 showed that 13(40.6%) respondents indicated that they had been working in the organisation for between 4 to 10 years. 25% had been in the organisation for less than one year, 7 (21.9%) had worked in FIDA Kenya between 1 and 3 years and only 4 respondents had been with the organisation for over 10 years. Debebe (2007) asserts that staff turnover is a combination of factors which include family problems, poor leadership, dissatisfaction with the job, better opportunity in other organizations, dissatisfaction with the area and educational opportunity. It was clear that there had been a high turnover of employees over the years in FIDA Kenya and this could probably be attributed to low incentives among them.

Table 4.5: Length of time one has worked at FIDA Kenya

<table>
<thead>
<tr>
<th>Time</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>8</td>
<td>25.0</td>
</tr>
<tr>
<td>1-3 years</td>
<td>7</td>
<td>21.9</td>
</tr>
<tr>
<td>4-10 years</td>
<td>13</td>
<td>40.6</td>
</tr>
<tr>
<td>over 10 years</td>
<td>4</td>
<td>12.5</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Section one worked

As shown in Table 4.6 the findings indicate that majority of the respondents 34.4% work in the administration department, 25% work in the Governance & reforms section, 21.9% was in the Legal protection department, 9.4% were in the psycho-social support section, 6.3 % worked in the finance department while only 3.1% was in the shelter and protection section. This implies that majority 59.4% of the FIDA Kenya employees were concentrated in the key areas which formed the core mandate of the organisation. Such areas were Governance & reforms, Shelter & Protection Legal protection and psycho-social support (FIDA, 2012). Figure 4.6 below emphasises on this.

Table 4.6: Section one worked

<table>
<thead>
<tr>
<th>Section</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance &amp; reforms</td>
<td>8</td>
<td>25.0</td>
</tr>
<tr>
<td>Shelter &amp; Protection</td>
<td>1</td>
<td>3.1</td>
</tr>
<tr>
<td>Legal protection</td>
<td>7</td>
<td>21.9</td>
</tr>
<tr>
<td>psycho-social support</td>
<td>3</td>
<td>9.4</td>
</tr>
<tr>
<td>Administration</td>
<td>11</td>
<td>34.4</td>
</tr>
<tr>
<td>Finance</td>
<td>2</td>
<td>6.3</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Figure 4.6: Section respondents work
Level of awareness of employees on incentives offered

This section presents the findings in respect to Objective 1 which sought to assess the level of awareness of employees on incentives offered at FIDA, Kenya.

Awareness of the concept of performance incentives in the organisation

The response as to whether or not the respondents were aware of the concept of incentives in the organisation is as given in Table 4.8. The findings show that 90.6% of the respondents (29) indicated that they were aware of the incentives program in FIDA Kenya; while 9.4% (i.e. only 3 respondents) said that they were not aware of the incentives program in the organisation. Data collected from the interviews also concurred that FIDA Kenya offered were Bonus payment, Study leave and training.

Table 4.7: Awareness of the concept of performance incentives

<table>
<thead>
<tr>
<th>Awareness</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>yes</td>
<td>29</td>
<td>90.6</td>
</tr>
<tr>
<td>no</td>
<td>3</td>
<td>9.4</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Level of awareness of incentive offered by the organisation

The study analysed the relationship between types of incentives offered by the organisation against the level of awareness through a cross-tabulation as shown in Table 4.8 below. It was revealed that majority of the respondents 19 (59.4 %) were not aware of the existence of promotion as an incentive in the organisation while 13 (40.6 %) respondents were aware that promotion existed. On recognition, half of the respondents (50%) were aware of its existence while the other 50% were not. Majority of the respondents 87.5% (28) were not aware of any employee motivation in FIDA Kenya, while only 12.5 % admitted to being aware. 59.4% of the respondents said that they were aware of the training program in the
organisation while 40.6% were not. Information on flexible working hours 22 (68.8%) admitted to not being aware of its existence while 10 (31.2%) respondents said they were aware. Majority of the respondents, 81.2% were fully aware of study leave being offered by FIDA Kenya as an incentive while only 18.8% were not aware. Interestingly none of the respondents were aware of any enhanced leisure time existence as an incentive in the organisation which implied that could be enhanced leisure time was not offered to employees as an incentive in the organization. Data collected from the interviews also concurred that FIDA Kenya offered were bonus payment, study leave and training. These findings agree with Robert and Jackson (2004) who realised that most employers adopt variable pay incentives in order to link individual performance to business goals and reward superior performance. Table 4.8 below also shows this scenario.

Table 4.8: Type of incentive against awareness

<table>
<thead>
<tr>
<th>Type of incentive</th>
<th>Level of awareness</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes Frequency</td>
</tr>
<tr>
<td>Promotion</td>
<td>13</td>
</tr>
<tr>
<td>Recognition</td>
<td>16</td>
</tr>
<tr>
<td>Motivation</td>
<td>4</td>
</tr>
<tr>
<td>Training</td>
<td>19</td>
</tr>
<tr>
<td>Flexi-working hours</td>
<td>10</td>
</tr>
<tr>
<td>Study leave</td>
<td>26</td>
</tr>
<tr>
<td>Enhanced leisure</td>
<td>0</td>
</tr>
</tbody>
</table>

Issues affecting the way incentives are offered to employees

Findings on issues affecting the way incentives are offered to employees revealed that 24 (75%) of the respondents indicated that donor funding majorly affected the incentives program while 25% said that donor funding did not affect incentives. 16 (50%) of respondents indicated that organisation policies did indeed affect incentive program while 50% indicated that it did not affect the way incentives are offered to employees. 65.6% of
the respondents indicated that staff competence did not affect the way incentives were offered to employees while 11(34.4%) indicated that indeed staff competence affected the incentives program. This is indeed confirmed by Okemwa (2010) who noted that employee motivation in most local NGOs is not a priority due to challenges in donor funding which NGOs continue to source for funds every year financial year to attain their key performance indicators. This information is indicated in Table 4.9.

**Table 4.9: Issues affecting incentives**

<table>
<thead>
<tr>
<th>Issues affecting incentives</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donor funding</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>24</td>
<td>75.0</td>
</tr>
<tr>
<td>No</td>
<td>8</td>
<td>25.0</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100.0</td>
</tr>
<tr>
<td>organisation policies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>16</td>
<td>50.0</td>
</tr>
<tr>
<td>No</td>
<td>16</td>
<td>50.0</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100.0</td>
</tr>
<tr>
<td>staff competence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>11</td>
<td>34.4</td>
</tr>
<tr>
<td>No</td>
<td>21</td>
<td>65.6</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100.0</td>
</tr>
</tbody>
</table>

What respondents would want changed in the incentives program

Upon being asked on what they would want changed in the program majority 13 (40.6%) of those who responded said that the incentive program would be more effective if employees were more informed and involved in the planning and implementation of the program. 10 respondents (31.3%), did not respond to this question but 7 respondents (21.9%), said that incentives program in FIDA Kenya ought to be more substantial and that incentives should be given regularly and be distributed fairly to all employees. Forster, (2005) agreed where there is low levels are motivation in organisations is a result of dysfunctional cultures and dissatisfied employees among many things that crop up which are indecisive, unhappy and underperforming. One respondent, (3.1%) indicated that there was need for policy review on the incentive program while only 1 respondent was satisfied with
the incentive program the way it was. The interview findings revealed that the incentives programme at FIDA Kenya was not yet fully developed and that there was need for the employees to invest more in motivating the employees. These responses are shown Table 4.10 below.

Table 4.10: What Respondents would want changed in the incentives program

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees should be well informed and be involved in the incentives program in planning and implementation not just the board</td>
<td>13</td>
<td>40.6</td>
</tr>
<tr>
<td>Incentives program is okay the way it is</td>
<td>1</td>
<td>3.1</td>
</tr>
<tr>
<td>Policy review on incentive program</td>
<td>1</td>
<td>3.1</td>
</tr>
<tr>
<td>Incentives should be more substantial and be given fairly and regularly</td>
<td>7</td>
<td>21.9</td>
</tr>
<tr>
<td>No response</td>
<td>10</td>
<td>31.3</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Influence of extrinsic rewards on the employee performance at FIDA Kenya

This section presents the findings in respect to objective 2 which sought to establish the influence of extrinsic rewards on the employee performance at FIDA Kenya. The researcher based the study of extrinsic rewards on Promotion, Recognition and Cash bonuses.

Influence of Promotion on employee performance

The findings on influence of promotion on employee performance were as revealed in table 4.10. 16 respondents said that they had never received promotion in the organisation. Of those who received promotion 14 (87.5%) said that it had been fairly influential on their performance while only 2 (12.5%) agreed that their promotion had highly influenced their performance. Neither of the respondents were sure of the influence of promotion on their performance nor had that promotion not influenced their performance. The interviews revealed that promotion had motivated staff, increased employee productivity and enhanced staff retention in the organisation. It is clear that promotion as an extrinsic reward had a
positive impact on performance yet the organisation had not considered this reward to a considerable number of employees. This findings agree with Qasim, Mahwish and Akram (2011) who established that promoted employees increase their efforts and performances in their work places. Similarly, Teseema and Soeters (2006) also cited by Khan et al. (2011) concluded that there is a positive relationship between promotion practices and perceived performance of employee and therefore need for promotional opportunities to be provided to employees. The findings are shown in Table 4.11 below.

**Table 4.11: Influence of Promotion on employee performance**

<table>
<thead>
<tr>
<th>Have you ever received promotion</th>
<th>Influence on performance</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Highly influential</td>
<td>Fairly influential</td>
</tr>
<tr>
<td>YES</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td>%</td>
<td>12.5%</td>
<td>87.5%</td>
</tr>
<tr>
<td>NO</td>
<td>16</td>
<td>16</td>
</tr>
</tbody>
</table>

Influence of recognition on employee performance

The findings in Table 4.11 showed that majority of the respondents (18) were never accorded any recognition on their performance. 6 (42.9%) of the respondents who had received recognition had been awarded with a certificate, 5 (35.7%) had been given cash award while 3 (21.4%) of this who had been recognized were showered with praises upon performing well. This findings agree with Lai (2009) who asserted that social acknowledgement as a non-monetary tangible incentive is also important to employees. This implies that either the organisation recognised good performance or many of the employees did not produce exemplary performance.
Table 4.12: Awarded recognition for any performance accomplishment

<table>
<thead>
<tr>
<th>Response</th>
<th>Award given</th>
<th>Cash award</th>
<th>Praises</th>
<th>None</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Certificate</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>YES</td>
<td>Count 6</td>
<td>5</td>
<td>3</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>% 42.9%</td>
<td>35.7%</td>
<td>21.4%</td>
<td>0.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>NO</td>
<td>Count 0</td>
<td>0</td>
<td>0</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>% 0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>100%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total</td>
<td>Count 6</td>
<td>5</td>
<td>3</td>
<td>18</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>% 18.8%</td>
<td>15.6%</td>
<td>9.4%</td>
<td>56.3%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Influence of Bonus Payment on Employee Performance

A cross-tabulation between bonus payments offered and employees making fewer mistakes on work as shown in Table 4.13 revealed that most of the respondents (17) had not received any bonus payments in the organisation. Out of the 15 who had received bonus payments, majority, 5 (33.3%) agreed that that they had improved in their work performance by making fewer mistakes in their work, 3 (20%) of the respondents strongly agreed that they had made fewer mistakes, 3 (20%) were undecided on whether cash bonus had actually impacted on their performance. 2 (13.3%) respondents each both disagreed and strongly disagreed that bonus payment had actually impacted on their work employees. This finding is supported by Agarwal (2010) stated that money is still the most crucial motivating factor for employee that makes him perform well in the organisation. These findings are as shown in Table 4.13 below.

Table 4.13: Bonus payment against Employee performance

<table>
<thead>
<tr>
<th>Response</th>
<th>Since the incentives programme</th>
<th>I have made fewer mistakes on my work</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>Agree</td>
</tr>
<tr>
<td>Bonus payment offered</td>
<td>Yes</td>
<td>Count 3</td>
</tr>
<tr>
<td></td>
<td>% 20.0%</td>
<td>33.3%</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>Count 17</td>
</tr>
</tbody>
</table>
Correlations between Cash Bonus and Employee Performance

A Spearman’s Rank Correlation relating Cash Bonus and Employee Performance is as shown in table 4. The findings showed that there was a positive Spearman’s Rank Correlation between bonus payment and various aspects of employee performance as follows: a positive correlation of 0.059 between the bonus payments given and employees being able to beat deadlines on their reporting. This value is higher than the significant at the 0.05 level. This means that the relationship is statistically significant and that the bonus payments offered does influence the employees’ performance in reporting on time. These findings agree with Armstrong (2007) that money is a motivator because it satisfies a lot of needs and therefore a factor which is indispensable for life and which is needed to satisfy basic needs of survival and security.

It was also revealed that there is a positive correlation of 0.087 between the bonus payments given and employees improving on problem solving and team working. This value is higher than the significant at the 0.05 significant level. This means that the relationship is statistically significant. The interpretation is that the bonus payments provided have a positive influence on the employees’ cohesion and performance.

The study findings revealed that there is a negative correlation at -0.286 between the bonus payments offered and employees making fewer mistakes in their work. This value is lower than the significant at the 0.05 level, implying that the relationship is negative. The interpretation was that the bonus payments given had negative influence on the employee performance and this could imply possibly the cash bonus given was very little to make impact on the effective working of employees in relation to making fewer mistakes in their work. These findings approve Bloisi (2007), who found out that if handled badly, incentives can cause serious dissatisfaction. This also concurs with Forster (2005), who stated that where motivation levels are low in organisations, dysfunctional cultures and employees are
dissatisfied, many things crop up which are indecisive, unhappy and underperforming. All these findings are as shown in Table 4.14 below.

*Table 4.14: Correlations between cash bonus and employee performance*

<table>
<thead>
<tr>
<th></th>
<th>Bonus payment offered</th>
<th>Made fewer mistakes</th>
<th>Team work, problem solving</th>
<th>Beat deadline on reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Correlation Coefficient</strong></td>
<td>1.000</td>
<td>-.286</td>
<td>.087</td>
<td>.059</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.113</td>
<td>.157</td>
<td>.391</td>
<td>.452**</td>
</tr>
<tr>
<td>N</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
</tr>
</tbody>
</table>

**Spearman's rho**

<table>
<thead>
<tr>
<th></th>
<th>Bonus payment offered</th>
<th>Made fewer mistakes</th>
<th>Team work, problem solving</th>
<th>Beat deadline on reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Correlation Coefficient</strong></td>
<td>-.286</td>
<td>1.000</td>
<td>.157</td>
<td>.452**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.113</td>
<td>.391</td>
<td>.452**</td>
<td>.100</td>
</tr>
<tr>
<td>N</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
</tr>
</tbody>
</table>

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

Influence of intrinsic rewards to employees on their performance at FIDA Kenya

This section presents the findings in respect to objective 3 which sought to establish the influence of intrinsic rewards to employees on their performance at FIDA Kenya.

**Forms of intrinsic rewards by employees**

The respondents upon being asked if they found satisfaction in completion of their task to measure if they were self-motivated, 20 respondents (62.5%) indicated that they feel a sense of achievement when they accomplish a given task while 37.5% indicated that they did not. 21 (65.6%) of respondents said that they feel a sense of accomplishment whenever they finish a given task while 11 (34.4%) did not. These findings agree with Thaweewararuk...
(2011) who asserts that the source of an employee’s sense of satisfaction come from fulfilment that comes from performing a task for its own sake.

Table 4.15: Forms of intrinsic rewards by employees

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have sense of achievement when I finish task</td>
<td>Yes</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>32</td>
</tr>
<tr>
<td>Have sense of accomplishment when I finish task</td>
<td>Yes</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>32</td>
</tr>
</tbody>
</table>

Intrinsic rewards nature of influence on employee performance

A cross tabulation on the nature of influence of intrinsic rewards on employee performance revealed that 21 respondents had intrinsic rewards which had had positive influence on the performance of 20 (95.2%) respondents, while only one (4.8%) of them had had negative influence. 11 respondents said they did not have intrinsic rewards. In addition the interviewees also agreed that intrinsic rewards had brought satisfaction and helped employees meet their deadlines on reporting. This information is as shown below.

Table 4.16: Intrinsic rewards on nature of influence on employee performance

<table>
<thead>
<tr>
<th>Response</th>
<th>If yes what was it</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>positive influence</td>
<td></td>
</tr>
<tr>
<td>Have intrinsic rewards influenced</td>
<td></td>
<td></td>
</tr>
<tr>
<td>your performance</td>
<td>Count</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>95.2%</td>
</tr>
<tr>
<td>no</td>
<td>Count</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>62.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Negative influence</td>
<td></td>
</tr>
<tr>
<td>Have intrinsic rewards influenced</td>
<td></td>
<td></td>
</tr>
<tr>
<td>your performance</td>
<td>Count</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>4.8%</td>
</tr>
<tr>
<td>no</td>
<td>Count</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>3.125%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not received intrinsic</td>
<td></td>
</tr>
<tr>
<td>Have intrinsic rewards influenced</td>
<td></td>
<td></td>
</tr>
<tr>
<td>your performance</td>
<td>Count</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>100.0%</td>
</tr>
<tr>
<td>no</td>
<td>Count</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>34.375%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Influence of intrinsic rewards on been able to beat deadline on reporting performance

A cross tabulation on whether employees who had intrinsic rewards had been able to meet their deadlines on reporting about their work revealed that out of the 21 respondents who had received intrinsic rewards a majority, 10 (47.6%) had agreed that they had been able to beat their reporting deadlines, 4 (19%) respondents strongly agreed that they had met their reporting deadlines, 4 (19%) disagreed that intrinsic rewards had influenced their reporting deadlines while 3 (14.3%) were undecided on whether intrinsic rewards had influenced their reporting work in time. 11 had not had intrinsic rewards thus could not tell on their level of agreement on timely meeting of deadlines. These findings concur with Valencia (2008), who found out that employees can also be motivated intrinsically motivated by other factors such as family, friends and investment welfare associations that, although not directly related to an employees work environment, affect the productivity of the employee. Oldham & Hackman, (2010) further stated that intrinsically motivated employees experience the work to be meaningful, feel personally responsible for outcomes and have knowledge of the results of their work it results in their motivation to perform well. Table 4.17 below show these findings.

*Table 4.17: Intrinsic rewards influence on beating deadline on reporting*

<table>
<thead>
<tr>
<th>Response</th>
<th>I have been able to beat my deadline on reporting</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>Agree</td>
</tr>
<tr>
<td>Have intrinsic rewards yes</td>
<td>4 (19.0%)</td>
<td>10 (47.6%)</td>
</tr>
<tr>
<td>influenced your performance</td>
<td>Count %</td>
<td>%</td>
</tr>
<tr>
<td>no</td>
<td>11 (100%)</td>
<td>100%</td>
</tr>
<tr>
<td>Total</td>
<td>Count %</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td>32 (100%)</td>
<td>100%</td>
</tr>
</tbody>
</table>
Influence of trainings on employee performance

This section presents the findings in respect to objective 4 which sought to establish the influence of trainings on employee performance at FIDA Kenya.

Forms of trainings offered to employees

A finding on forms of trainings that respondents had received was given as in Table 4. 18 in that 16 (50%) of the respondents said that they had received seminars while 50% had not. 25 (78.1%) had attended various workshops while only 21.9% had not. Only 8 (25%) respondents said that they had received on job training while 24 (32%) had not. According to Laing (2009) agrees with these findings by supporting that organisational consider several factors in which determines the quantity and quality of training and development activities which includes among others the availability of suitable skills within the existing work force and the extent to which management see training as a motivating factor.

This findings imply that majority of the respondents had not received relevant skills to impart to their work performance. This was confirmed by the interviews which revealed that trainings in FIDA Kenya were not structured and most professional trainings were offered as per needs and haphazardly.

Table 4. 18: Forms of training

<table>
<thead>
<tr>
<th>Forms of training</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seminars</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>16</td>
<td>50.0</td>
</tr>
<tr>
<td>No</td>
<td>16</td>
<td>50.0</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100.0</td>
</tr>
<tr>
<td>Workshops</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>25</td>
<td>78.1</td>
</tr>
<tr>
<td>No</td>
<td>7</td>
<td>21.9</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100.0</td>
</tr>
<tr>
<td>On job training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>8</td>
<td>25.0</td>
</tr>
<tr>
<td>No</td>
<td>24</td>
<td>75.0</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Training areas provided by FIDA Kenya

A cross tabulation on whether respondents had been given training and in which areas revealed that out of the 25 respondents had been training from the organisation. Only 9 respondents had received both content related to their work and general training, 5 respondents had received only training in line with their job career, 4 respondents had received training on general areas such as team building and networking, 3 of the respondents said that they received training on both relevant content and in line with their jobs while 2 respondents had received training on only content or work related and 2 respondents had received training in all the three areas. According to Laing (2009), although training and development of employees is an issue that has to be faced by an organisation, many NGOs meet their needs for training in an ad hoc and haphazard way. It therefore goes without say that training in these organizations is more or less unplanned and unsystematic. These findings are shown in table 4.19.

Table 4.19: Areas of training against training offered by FIDA Kenya

<table>
<thead>
<tr>
<th>Response</th>
<th>Given training</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>In line with my job career</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>%</td>
<td>100.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Content or work related</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>%</td>
<td>100.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>General training such as team building and networking</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>%</td>
<td>100.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Content related and general training such as team building and networking</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
<td>%</td>
<td>100.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>In line with my job career and content related</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>%</td>
<td>100.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>All the above areas</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>%</td>
<td>100.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>None</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>%</td>
<td>0.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total</td>
<td>25</td>
<td>7</td>
</tr>
<tr>
<td>%</td>
<td>78.1%</td>
<td>21.9%</td>
</tr>
</tbody>
</table>
Correlations between Training and Employee Performance

The findings showed that there were negative Spearman’s Rank Correlations between training given and various aspects of employee performance as follows;

A negative correlation at - 0.020 between the training incentive and employees making fewer mistakes in their work was revealed. This value is lower than the significance at 0.05 level, implying that the relationship is negative. The interpretation was that the training given had negative influence on this employee performance indicator and this implies that training given was not effective and impacted narrowly on the working of employees.

It was also shown that there is a negative correlation of -0.170 between the training given and employees improving on problem solving and team working thus, this value is lower than the significant at the 0.05 significant level. This means that the relationship is statistically insignificant. The interpretation was that the training provided had no influence on the employees’ cohesion and performance.

The findings revealed that there was a negative correlation of -0.228 between the training given and employees being able to beat deadlines on their reporting. This value is lower than the significant at the 0.05 level. This means that the relationship is statistically insignificant and that the training offered does not influence the employees’ performance in reporting on time. These findings agreed with Qasim et al (2011) who emphasised that training should be given the highest consideration by organisation, as a non-monetary incentive has a positive influence on employee performances as it enables an organisation to reduce cost as well increases productivity. Fakhar et al. (2011) supports this argument by stating that employees that had opportunities to go through different training sessions are more capable in performing actual tasks. The findings also concurred with Menssah and Kamencu (2008) in the study on employees working in various tea estates in Kenya which
concluded that employee training that is well planned and coordinated will ultimately enhance the performance. All these findings are as shown in table 4.20 below.

**Table 4.20: Relationship between training and employee performance**

<table>
<thead>
<tr>
<th>Spearman’s rho</th>
<th>Ever been given training by this organisation</th>
<th>Made fewer mistakes</th>
<th>Enhanced teamwork and problem solving</th>
<th>Meet deadlines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correlation</td>
<td>1.000</td>
<td>-.020</td>
<td>-.170</td>
<td>-.228</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.</td>
<td>.916</td>
<td>.352</td>
<td>.210</td>
</tr>
<tr>
<td>N</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Made fewer mistakes</th>
<th>Correlation Coefficient</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.000</td>
<td>.916</td>
<td>.916</td>
<td>32</td>
</tr>
<tr>
<td>-.020</td>
<td>.391</td>
<td>.391</td>
<td>32</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Enhanced teamwork and problem solving</th>
<th>Correlation Coefficient</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>-.170</td>
<td>.391</td>
<td>.391</td>
<td>32</td>
</tr>
<tr>
<td>.352</td>
<td>.157</td>
<td>.157</td>
<td>32</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Meet deadlines</th>
<th>Correlation Coefficient</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>-.228</td>
<td>.052</td>
<td>.052</td>
<td>32</td>
</tr>
<tr>
<td>.210</td>
<td>.778</td>
<td>.778</td>
<td>32</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
Summary of key findings

1. Employees at FIDA Kenya are aware of the concept of performance incentives in the organisation, the findings indicated that 90.6% of the respondents were aware of the incentives program in FIDA Kenya; while 9.4% said that they were not aware of the incentives program in the organisation. Incentives offered to FIDA employees included promotion, recognition of performance, training, program, bonus payment and study leave.

2. The study clearly brought out that, despite FIDA Kenya having an incentive program for its employees, the incentives programme was not yet fully developed and that there was need for the organisation to invest more in motivating the employees. Findings revealed that donor funding was the major factor which affected the incentives program.

3. Findings on influence of promotion on employee performance of those who received promotion revealed that 87.5% of those who received said that it had been fairly influential on their performance while only 12.5% agreed that their promotion had highly influenced their performance. It is clear that promotion as an extrinsic reward had a positive impact on performance yet the organisation had not considered this reward to a considerable number of employees.

4. Concerning recognition, the findings showed that majority of the respondents (18) were never accorded any recognition on their performance. A Spearman’s Rank correlation relating cash bonus and employee performance showed that there was a positive relationship between bonus payment and various aspects of employee
performance as follows: a positive correlation of 0.059 between the bonus payments given and employees being able to beat deadlines on their reporting, positive correlation of 0.087 between the bonus payments given and employees improving on problem solving and team working and a negative correlation at -0.286 between the bonus payments offered and employees making fewer mistakes in their work. This means that the bonus payments offered does influence the employees’ performance in reporting on time, had provided have a positive influence on the employees’ cohesion and performance but had negative influence on the employee performance and this could imply possibly the cash bonus given was very little to make impact on the effective working of employees in relation to making fewer mistakes in their work.

5. On Influence of intrinsic rewards to employees on their performance the findings revealed that respondents found satisfaction in completion of their task very important. 62.5% indicated that they felt a sense of achievement when they accomplish a given task. 65.6% of respondents said that they feel a sense of accomplishment whenever they finish a given task.

6. The influence of training on employee performance was very critical since findings showed that 50% of the respondents had received trainings while 50% had not. The employees had received training in form of attending various workshops and on job training and not necessarily in line with the employee’s career growth. These findings implied that majority of the respondents had not received relevant skills to impart to their work performance. Training at FIDA Kenya should be well planned and coordinated in order to impact on employee performance.
Summary

This chapter has given an analysis and interpretation of the findings on data collected from the questionnaires. Frequencies, percentages and mean were mainly used in the analysis to establish trends and patterns of the responses. Findings revealed that though employees were aware of incentives programs, very few had actually benefitted from it. The Spearman’s Rank correlation was used to bring out the relationships between the various incentives and employee performance. It was found out that there were negative relationship between extrinsic variables such as cash bonuses and training in relation to aspects of employee performance thus implying that the organisation’s incentives programme had not impacted strongly on the employee performance. The next chapter provides a summary of key findings, conclusions and recommendations.
CHAPTER FIVE

DISCUSSIONS OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter summarises the findings of the study. The study sought to assess the level of awareness of employees on incentives offered at FIDA Kenya; to assess the influence of extrinsic rewards on the employee performance at FIDA Kenya; to establish the influence of intrinsic rewards to employees on their performance at FIDA Kenya and to establish the influence of trainings on employee performance at FIDA. To accomplish this, data was collected from all the employees of FIDA, Kenya. This chapter captures the discussion of findings, conclusions and recommendations.

Discussions

This section presents a summary of findings on the demographic characteristics of the respondents and the discussion on the findings based on the research objectives.

Demographic Characteristics of the Respondents

The study finding revealed that 62.5% of the respondents were female while 37.5% were male. Thus majority of the respondents were female, implying that in FIDA, Kenya majority of the employees are female. The findings also showed that majority of the respondents (59.4%) were aged between 25 and 35 years, 36% were aged above 36 while only 3.1% were below 25 years of age. This means that the majority of the FIDA employees were female are within the active and productive age of between 25 and 45 years old. This also implies that FIDA Kenya being an organization that champions for women’s rights attracts more female staff than male because of its mandate.
It was also revealed that majority of FIDA employees 27(81.3%) were holders of Bachelor degrees and above. This implied a professionally rich work force. The study revealed that most of the respondents in this study (46.9%) held middle level management positions at FIDA Kenya, followed by 31.3 % who work as junior and support staff and 21.9% as top level management. This means that the majority of the respondents were in the middle level management.

Slightly above half of the respondents 53.1% were married while 46.9 % were single. None of the respondents was either widowed, or separated. This number is more than half of the employee in the organization signifying the types of incentives offered would be more specific to motivate them since their needs are different from those employees that are single. The findings showed that 40.6% respondents indicated that they had been working in the organisation for between 4 to 10 years, 25% had been in the organisation for less than one year, 21.9% had worked in FIDA between 1 and 3 years and only 12.5% of the respondents had been with the organisation for over 10 years. This could imply that the organisation had a relatively high turnover of employees. The findings indicated that majority 59.4% of the FIDA Kenya employees were based in the key areas which formed the core mandate of the organization which included: Governance & reforms and Legal protection.

Level of awareness of employees on incentives offered

On awareness of the concept of performance incentives in the organisation, the findings indicated that 90.6% of the respondents were aware of the incentives program in FIDA Kenya; while 9.4% said that they were not aware of the incentives program in the organisation. The study clearly brought out that FIDA Kenya had an incentive program for its employees which agree with Robert and Jackson (2004) who realised that most employers adopt variable pay incentives in order to link individual performance to business goals and reward superior performance.
After analysing the relationship between types of incentives offered by the organisation against the level of awareness, it was revealed that majority of the respondents 59.4% were not aware of the existence of promotion as an incentive in the organisation while 40.6% respondents were aware that promotion existed. On recognition, half of the respondents (50%) were aware of its existence while the other 50% were not. Majority of the respondents 87.5% were not aware of any employee motivation in FIDA Kenya while only 12.5% admitted to being aware. 59.4% of the respondents said that they were aware of the training program in the organisation while 40.6% were not. Information on flexible working hours 68.8% admitted to not being aware of its existence while 31.2% respondents said they were aware.

Majority of the respondents, 81.2% were fully aware of study leave being offered by FIDA Kenya as an incentive while 18.8% were not aware. Interestingly none of the respondents were aware of any enhanced leisure time existence in the organisation which implied that it was not offered by the organisation. Despite indication that the employees were aware of the other types of incentives it was clear that their level of awareness varied from one incentive to the other.

Findings on issues affecting the way incentives are offered to employees revealed that 24 (75%) of the respondents indicated that donor funding majorly affected the incentives program while 25% said that donor funding did not affect incentives. This is indeed confirmed by Okemwa (2010) who noted that employee motivation in most local NGOs is not a priority due to challenges in donor funding which NGOs continue to source for funds every year financial year to attain their key performance indicators.

Upon being asked on what they wanted changed in the incentive program, majority 40.6% of those who responded said that the incentive program would be more effective if employees were more informed and involved in the planning and implementation of the
program. 21.9% of the respondents said that incentives program in FIDA Kenya ought to be more substantial and those incentives should be given regularly and be distributed fairly to all employees. Forster, (2005) agreed where there is low levels are motivation in organisations is a result of dysfunctional cultures and dissatisfied employees among many things that crop up which are indecisive, unhappy and underperforming. 3.1% respondents indicated that there was need for policy review on the incentive program while only 1 respondent was satisfied with the incentive program the way it was. The interview findings revealed that the incentives programme at FIDA Kenya was not yet fully developed and that there was need for the employees to invest more in motivating the employees.

Influence of extrinsic rewards on the employee performance

The findings on influence of promotion on employee performance revealed that 16 respondents said that they had never received promotion in the organisation. Of those who received promotion 87.5% said that it had been fairly influential on their performance while only 12.5% agreed that their promotion had highly influenced their performance. The interviews revealed that promotion had motivated staff, increased employee productivity and enhanced staff retention in the organisation. It is clear that promotion as an extrinsic reward had a positive impact on performance yet the organisation had not considered this reward to a considerable number of employees. This findings agree with Qasim, Mahwish and Akram (2011) who established that promoted employees increase their efforts and performances in their work places Similarly, Teseema and Soeters (2006) also cited by Khan et al. (2011) concluded that there is a positive relationship between promotion practices and perceived performance of employee and therefore need for promotional opportunities to be provided to employees.
Concerning recognition, the findings showed that majority of the respondents (18) were never accorded any recognition on their performance. 42.9% of the respondents had been recognized by being awarded certificates, 35.7% had been given cash award while 21.4% of those who had been recognized were showered with praises upon performing well. This findings agree with Lai (2009) who asserted that social acknowledgement as a non-monetary tangible incentive is also important to employees. This implies that either the organisation recognized good performance or many of the employees did not produce exemplary performance.

A cross-tabulation between bonus payments offered and employees making fewer mistakes on work revealed that most of the respondents (17) had not received any bonus payments in the organisation. Out of the 15 who had received bonus payments, majority (33.3%) agreed that they had improved in their work performance by making fewer mistakes in their work. This finding is supported by Agarwal (2010) stated that money is still the most crucial motivating factor for employee that makes him perform well in the organisation. Indeed, 20% of the respondents strongly agreed that they had made fewer mistakes, 20% were undecided on whether cash bonus had actually impacted on their performance. 13.3% respondents each both disagreed and strongly disagreed that bonus payment had actually impacted on their work employees.

A Spearman’s Rank correlation relating cash bonus and employee performance showed that there was a positive relationship between bonus payment and various aspects of employee performance as follows: a positive correlation of 0.059 between the bonus payments given and employees being able to beat deadlines on their reporting. This value is higher than the significant at the 0.05 level. This means that the relationship is statistically significant and that the bonus payments offered does influence the employees’ performance in reporting on time. These findings agree with Armstrong (2007) that money is a motivator.
because it satisfies a lot of needs and therefore a factor which is indispensable for life and which is needed to satisfy basic needs of survival and security.

It was also revealed that there is a positive correlation of 0.087 between the bonus payments given and employees improving on problem solving and team working. This value is higher than the significant at the 0.05 significant level. This means that the relationship is statistically significant. The interpretation is that the bonus payments provided have a positive influence on the employees’ cohesion and performance.

The study findings revealed that there is a negative correlation at -0.286 between the bonus payments offered and employees making fewer mistakes in their work. This value is lower than the significant at the 0.05 level, implying that the relationship is negative. The interpretation was that the bonus payments given had negative influence on the employee performance and this could imply possibly the cash bonus given was very little to make impact on the effective working of employees in relation to making fewer mistakes in their work. These findings approve Bloisi (2007), who found out that if handled badly, incentives can cause serious dissatisfaction. This also concurs with Forster (2005), who stated that where motivation levels are low in organisations, dysfunctional cultures and employees are dissatisfied, many things crop up which are indecisive, unhappy and underperforming.

Influence of intrinsic rewards to employees on their performance

The respondents upon being asked if they found satisfaction in completion of their task to measure if they were self-motivated, 62.5% indicated that they felt a sense of achievement when they accomplish a given task while 37.5% indicated that they did not. 65.6% of respondents said that they feel a sense of accomplishment whenever they finish a given task while 34.4% did not.
On the nature of influence of intrinsic rewards on employee performance revealed that 21 respondents had intrinsic rewards which had had positive influence on the performance of 20 (95.2%) of them, while only 1 (4.8%) of them had had negative influence. 11 respondents said they did not have intrinsic rewards. In addition the interviewees also agreed that intrinsic rewards had brought satisfaction and helped employees meet their deadlines on reporting. This shows that intrinsic rewards had a positive impact on employee performance.

A cross tabulation on whether employees who had received intrinsic rewards had been able to meet their deadlines on reporting about their work revealed that out of the 21 respondents who had received intrinsic rewards a majority, 47.6% had agreed that they had been able to beat their reporting deadlines, 19% respondents strongly agreed that they had met their reporting deadlines, 19% disagreed that intrinsic rewards had influenced their reporting deadlines, while 14.3% were undecided on whether intrinsic rewards had influenced their reporting work in time. These findings concur with Valencia (2008), who found out that employees can also be motivated intrinsically motivated by other factors such as family, friends and investment welfare associations that, although not directly related to an employees work environment, affect the productivity of the employee. Oldham & Hackman, (2010) further stated that intrinsically motivated employees experience the work to be meaningful, feel personally responsible for outcomes and have knowledge of the results of their work it results in their motivation to perform well. 11 respondents did not experience intrinsic rewards thus could not tell on their level of agreement on timely meeting of deadlines. This result indicates that intrinsic reward has a positive relationship with employees meeting their deadlines on reporting about their work.

Influence of trainings on employee performance

Findings on forms of trainings that respondents had received revealed that 50% of the respondents said that they had received trainings while 50% had not. Of those who had
received training 78.1% had attended various workshops while only 21.9% had not. Only 25% respondents said that they had received on job training while 32% had not. This was confirmed by the interviews which revealed that trainings in FIDA Kenya were not structured and most professional trainings were offered as per needs and haphazardly. This findings imply that majority of the respondents had not received relevant skills to impart to their work performance.

A cross tabulation on whether respondents had been given training and in which areas revealed that out of the 25 respondents who had received training from the organisation 9 respondents had received both content related to their work and general training, 5 had received only training in line with their job career, 4 had received training on general areas such as team building and networking, 3 said that they received training on both relevant content and in line with their jobs while 2 respondents had received training on only content or work related and 2 had received training in all the three areas.

Correlations between training and employee performance showed that there was a negative Spearman’s Rank correlation between training given and various aspects of employee performance as follows; a negative correlation at - 0.020 between the training incentive and employees making fewer mistakes in their work was revealed. This value is lower than the significance at 0.05 level, implying that the relationship is negative. The interpretation was that the training given had almost no influence on this employee performance indicator and this implies that training given was not effective and impacted narrowly on the working of employees. It was clear that training in the organisation should be well planned and coordinated in order to impact on employee performance. Qasim et al (2011) emphasised that training should be given the highest consideration by organisation, as a non-monetary incentive has a positive influences on employee performances as it enables an organisation to reduce cost as well increases productivity. Fakhar et al. (2011)
supports this argument by stating that employees that had opportunities to go through different training sessions are more capable in performing actual tasks. The findings also concurred with Menssah and Kamencu (2008) in the study on employees working in various tea estates in Kenya which concluded that employee training that is well planned and coordinated will ultimately enhance the performance.

It was also shown that there is a negative correlation of -0.170 between the training given and employees improving on problem solving and team working thus, this value is lower than the significant at the 0.05 significant level. This means that the relationship is statistically insignificant. The interpretation was that the training provided had no influence on the employees’ cohesion and performance. This would be obviously true because most of the training offered at FIDA Kenya were only in form of workshops and not necessarily in line with the employee’s career growth.

The findings revealed that there was a negative correlation of -0.228 between the training given and employees being able to beat deadlines on their reporting. This value is lower than the significant at the 0.05 level. This means that the relationship is statistically insignificant and that the training offered does not influence the employees’ performance in reporting on time.
Conclusions

These are the conclusions arrived at by this study:

On level of awareness of employees on the incentives program, the study concluded that most of the employees were aware the general concept of the incentives program in FIDA Kenya, however, it was clear that majority of the employees 59.4% were not aware of the existence of promotion, general motivation and flexible working hours while a good number of the employees were aware of recognition, training program in the organisation.

Majority of the employees 81.2% were fully aware of study leave being offered by FIDA Kenya as an incentive. Interestingly none of the employees were aware of any enhanced leisure time existence in the organisation which implied that it was not offered by the organisation. Despite indication that the employees were aware of the other types of incentives it was clear that their level of awareness varied from one incentive to the other. It was clear that most employees felt that donor funding majorly affected the incentives program. Employees also felt that the incentive programmes at FIDA Kenya would be more effective if they were more informed and involved in the planning and implementation of the program.

The study concluded that half of the employees had never received promotion in the organisation and that majority of those who did revealed that it had been fairly influential on their performance. It is clear that promotion as an extrinsic reward had a positive impact on performance yet the FIDA Kenya had not considered this reward to a considerable number of employees.

Concerning recognition, the study showed that majority of the respondents had never been accorded any recognition on their performance while certificates were the major tool used to reward performance in FIDA Kenya. This implies that either the organisation
recognized good performance or many of the employees did not produce exemplary performance.

The study also showed that about half employees had missed out on bonus payments at FIDA Kenya. However, the study revealed a positive relationship between bonus payment and various aspects of employee performance as such as employees being able to beat deadlines on their reporting and ability to solve problems and enhance team work. It is critical to note that there was a negative relationship between the bonus payments offered and employees making fewer mistakes in their work which could possibly imply that cash bonuses given was very little to make impact on the effective working of employees in relation to making fewer mistakes in their work.

The respondents upon being asked if they found satisfaction in completion of their task to measure if they were self-motivated, 62.5% indicated that they felt a sense of achievement when they accomplish a given task while 37.5% indicated that they did not. 65.6% of respondents said that they feel a sense of accomplishment whenever they finish a given task while 34.4% did not.

The study also concluded that majority of the employees in FIDA had intrinsic rewards and self-motivation and thus had satisfaction on achieving tasks given to them. This in turn had impacted positively on their performance. The study brought out clearly that employees who had intrinsic rewards were able to meet their deadlines of reporting about their work.

The study concluded that the major form of training in FIDA Kenya was though workshops. Besides, these findings also revealed that majority of the employees had not received serious work related training which was key to enhancing quality and efficient and service delivery through continuous improvement. Among employees who had received training were negative correlations between the training incentive and employees making
fewer mistakes in their work, improving on problem solving and enhanced team working and employees being able to beat deadlines on their project reporting.

Recommendations

From the findings of this study, the following recommendations were made:

There is need for FIDA Kenya to put up mechanisms to sensitise employees on the existing incentives available to them. This is because despite indication that the employees were aware of the other types of incentives offered by the organisation, it was clear that their level of awareness varied from one incentive to the other.

From the findings above, it was clear that the management at FIDA Kenya needed to put in place an incentive programme for its staff, but there is need for the incentives need to be more substantial to make an impact on the employee performance. The incentive program would therefore be more effective if they are participatory thus where employees would more involved in the planning and implementation of the program.

Management to review it policies on its incentive programme in order to make them regular and be distributed fairly to all employees. This would also apply to incentives such as promotion where the organisation can develop a clear scheme that indicates how an employee can be promoted considering the terms of service and the benefits that accompany the positions.

Training is a critical component in enhancing an employees’ performance. Considering the most employees had only received training through workshops revealed that there was no proper curriculum set up for training employees at FIDA Kenya. Besides, most employees reported that the trainings received did not relate to their career growth. This is an indication the need to have structured trainings in built in the organisation as a strategy for continuous improved. This can therefore add value to employees’ career growth and therefore motivate them to enhance their skills that automatically translate to employee performance.
From the above findings, FIDA Kenya depends entirely on donor funding in order to run the organisation and hence the inability to provide concrete incentives to its employees which can ultimately enhance their performances. It would therefore be prudent for the organisation to look for other alternative sources of funding to ensure that can enable the organisation to improve on their incentive programmes.

Recommendations for further studies

This study recommends research on the influence of training on employees’ performance in Non-Governmental Organisations.

A study can also be done to explore various models that NGOs can use to finance incentives. For instance, the use of reserve funds, running of hybrid NGOs which on one arm generate profits which can be used to cater for incentives of the employees and a model of where employees work on flexi hours, half days at the office and home.
Conclusion

This study brings out the fact that staff motivation is indeed a very significant component in enhancing employee performance in any organisation. Indeed the study clearly brings out the lack of motivation by NGOs in Kenya due to the fact that they solely depend on donor funding for financing their activities. As observed from other studies NGOs in Kenya provide almost half of the workforce ought to look at human resource management practices that affect employee productivity which include performance incentives as well as high and low turnover rates. This requires management to balance between organisational and individual employees needs in order to ensure effective growth of the organisation and personal growth through continuous improvement. This calls for managers in NGOs to come up with comprehensive, all inclusive programmes for employee motivation and clear sustainable ways of financing such programmes.
REFERENCES


Daniels, A.C. (2000). *Bringing out the best in people: How to apply the astonishing power of positive reinforcement.* Quebecor: FairField.


Oudejans, R. (2007). *Linking extrinsic and intrinsic motivation to job satisfaction and to motivational theories: comparison between the public sector (nurses) and the private sector (call centre agents)*. Faculty of Economics and Business Administration. University of Maastricht: USA.


APPENDICES

Appendix I: Questionnaire

The researcher is a student of Daystar University, undertaking Masters in Business Administration - Human Resources Management option. The purpose of this questionnaire is to obtain information that is relevant to my research study; The Influence of Incentives on Employees Performance in Non-Governmental Organisations: A Case Study of the Federation of Women Lawyers – Kenya. All your responses will be treated with maximum confidentiality. Be free to give your opinions, which will only be used purely for academic purposes.

Part 1: General- Information

Tick (√) as appropriate

1. Kindly indicate your gender

Male (     ) Female (     )

2. Please indicate your age from the choices below

Below 25 years (     ) 25-35 years (     )
36-45 years (     ) above 45 years (     )

3. Kindly indicate your highest academic qualification

Primary level (     ) K.C.S.E (     ) A’ Level (     )
Graduate (     ) Post graduate (     )
Other (specify)..........................................................

4. What is your designation in this organisation ( FIDA Kenya )

Top level management (     ) Middle level management (     ) Support staff (     )
Other (specify)..........................................................
5. What is your Marital Status:

- Single (  )
- Married ( )
- Widow ( )
- Widower ( )
- Separated (  )

6. For how long have you been working at FIDA Kenya?

- Less than 1 year (  )
- 1-3 years (  )
- 4-10 years (  )
- Over 10 years (  )

7. What section do you cover at FIDA Kenya? (tick areas you deal with)

- Governance and Reforms (  )
- Shelter and protection (  )
- Legal protection (  )
- Psycho-social support (  )
- Administration (  )
- Finance (  )
- Other (specify)..............................................................................................

**PART 2:** Information on incentives offered by FIDA Kenya

Tick as appropriate (√)

8. Are you aware of the concept of performance incentives?

- Yes (  )
- No (  )

9. What types of incentives are offered to employees by FIDA Kenya?

- Bonus payments for achieving a target (  )
- Promotion (  )
- Recognition (  )
- Motivations tours (  )
- Training opportunities, (  )
- Flexi-working hours (  )
- Study leave (  )
- Enhanced leisure time (  )
- Other ________________________________________________________________

10. Have you ever received any of the above incentives? Yes (  ) No (  )
11. If YES how often?

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Monthly</th>
<th>Quarterly</th>
<th>Semi-annually</th>
<th>Annually</th>
<th>Impromptu</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff promotion</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Recognition</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Training</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonus payments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motivations tours</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flexi- hours</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Study leave</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leisure time</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

12. What are some of the issues that affect the way incentives are offered at FIDA Kenya?

- Staff competence  ( )
- Organisational policies  ( )
- Donor funding  ( )
- Any other ______________________________________________

Part 3: Information on extrinsic rewards

13. Which of the extrinsic rewards below have you ever received from this organisation?

- Promotion  ( )
- Flexible working hours  ( )
- Motivations tours  ( )
- Enhanced leisure time  ( )
- Study leave  ( )
- None of them  ( )
- Any other type of reward ……………………………………………………..
14. Since your entry into this organisation, have you ever received a job promotion?

Yes (    )       No (    )

15. If yes what did you receive?

Improved good pay (    )    Job movement (    )

16. Has this promotion influenced your job performance positively?

Yes (    )       No (    )

17. If yes how influential has it been?

Highly influential (    )    fairly influential (    )    Not sure (    )    Not influential at all (    )

18. Have you ever been awarded or given recognition for any performance accomplishment in the organisation? Yes (    )       No (    )

19. If YES what did you receive?

Certificate (    )    Cash award (    )    Tools and equipment (    )

Any other (specify) …………………………………………………..

Part 3: Information on intrinsic rewards

20. Which of the intrinsic rewards below have you ever experienced?

Successfully completed my tasks (    )

I often have a sense of achievement when I finish a given task (    )

I often have a sense of accomplishment when I finish a given task (    )

I received recognition from the organisation on work well done (    )

None of the them (    )

Any other type of intrinsic reward …………………………………………………..
21. How competent are you in aiding the organisation achieve its objective?

Have been rightly placed in my job

Have relevant training skills

Have the ability to handle the organisations clients

The organisation provides an enabling environment for achievement

22. How do you agree with the following statements:

<table>
<thead>
<tr>
<th>Please indicate your opinion regarding each statement (Tick ✓ as appropriate)</th>
<th>Question Statements</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>There is fairness and equitable distribution of promotion and growth incentives in this organisation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>I have easy access to information on available incentives of my organisation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>There is a quality and profitable incentive program in this organisation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>I am self-motivated and satisfied in my job</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
23. Have intrinsic rewards influenced your performance?
Yes (    )   No (    )

24. If yes was it a positive or negative influence

Part 4: Information on training

25. What forms of training and capacity building does this organisation offer to its employees?
Seminars (    )    Workshops (    )    On-job training (    )
Others (specify) ……………………………………………

26. Have you ever been given training by this organisation? Yes (    )  No (    )

27. If yes which areas?
In line with my job career (    ) content or work related training (    )
General training such as team building and networking (    )
Others areas (specify)…………………………………………………………………….

28. Describe how often you have been trained by the organisation within a year?

Form Frequently Less frequently Very Frequently Not at all
Training

29. How effective was the training you received in enhancing your performance in the organisation?
Very effective (    )  Effective (    )
Lowly effective (    )  Not effective at all (    )
30. Below are questions concerning job training. Please indicate the extent to which you agree with the following statements.

<table>
<thead>
<tr>
<th>Please indicate your opinion regarding each statement.</th>
<th>Question Statements.</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I have been given training by the organisation thus enabling me handle my service delivery better thus improved performance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>I have received training support in core areas of need to profitably perform in the organisation.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>I regularly identify new strategies of delivering service through capacity building and training given.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>I received skills development and growth through the organisation’s training programs</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Part 5: Information on Employee Performance

31. Which of the following best describes how the incentives below influence the performance of employees in this organisation? Tick the frequency that applies to you.

<table>
<thead>
<tr>
<th>Incentives</th>
<th>Highly influential</th>
<th>Fairly influential</th>
<th>Not sure</th>
<th>Not influential at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff promotions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recognition</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash bonuses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intrinsic rewards</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff training</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

32. How satisfied are you with the following incentives as regards your performance

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Extremely satisfied</th>
<th>Satisfied</th>
<th>Neutral</th>
<th>Not satisfied at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff promotion</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash bonus</td>
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<td></td>
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<tr>
<td>Recognition</td>
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</tr>
<tr>
<td>Intrinsic reward</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Staff training</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
33. Please indicate the extent to which you agree with the following statements

<table>
<thead>
<tr>
<th>Please indicate your opinion regarding the following statements</th>
<th>Statements</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1. Strongly disagree … 5. Strongly agree)</td>
<td>I am satisfied with my performance and my job</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Since the incentives programme, I have made fewer mistakes on working</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>This organisation has enhanced its decision making among employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Upon being given incentives I now understand jobs’ details</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>The organisation has teamwork and improved on problem solving</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>5</td>
<td>The organisation has been able to beat its deadline on reporting</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>6</td>
<td>This organisation has been able to achieve its goals and objectives</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

Part 6: Information on staff competence:

34. Would you be confident in saying that you are very competent in your job performance? Yes ( ) No ( ) Not sure ( )

35. What would you want changed in the incentives program in this organisation?

.......................................................... ..........................................................

.......................................................... ..........................................................

Thank you very much for taking your time to participate in this research.
Appendix II: Interview Schedule

The researcher is a student of Daystar University, undertaking Masters in Business Administration - Human Resources Management option. The purpose of this interview schedule is to obtain information that is relevant to my research study; The Influence of Incentives on Employees Performance in Non-Governmental Organisations: A Case Study of the Federation of Women Lawyers – Kenya. All your responses will be treated with maximum confidentiality. Be free to give your opinions, which will only be used purely for academic purposes.

1. What is your highest academic qualification

2. What is your designation in this organisation (FIDA Kenya)?

3. For how long have you been working in this organisation?

4. What areas do you cover as an organisation?

5. What types of incentives are offered by this organisation to its employees and how often do you do this?

6. Are there any extrinsic rewards that you give to your employees?

7. How do these rewards influence your employees’ job performance?

8. What types of intrinsic rewards are experienced by employees and how do they influence their performance?

9. What forms of training does FIDA Kenya you offer to employees and how effective are they?

10. How best would you describe the organisations’ incentive program and its effectiveness to employees and has it enabled the organisation achieve its goals and objectives?

Thank you very much for your responses and patience
October 31, 2012

Executive Director
Federation of Women Lawyers-Kenya (FIDA-K)
Amboseli Road off Gitanga Road
P.O. Box 46344 00100

Dear Sir/Madam,

RE: RUTH OMLUKHANGO – STUDENT NO. 10-1303

Ruth is a fully registered student in the School of Business & Economics at Daystar University. She has completed her course work towards a Master of Business Administration (MBA) degree. She is now working on the research for her thesis.


The purpose of my writing is to request that you give Ruth any necessary assistance to enable her to complete this important academic exercise.

We assure you that any information collected will be used strictly for academic purposes and will remain absolutely confidential. Upon completion of the research, Ruth’s thesis will be available at our library.

We appreciate your support for our student towards the successful completion of her thesis research.

Sincerely,

Thomas Kopier
HEAD OF COMMERCE DEPARTMENT
Appendix IV: Research Authorization

NATIONAL COUNCIL FOR SCIENCE AND TECHNOLOGY

Our Ref: NCST/RCD/14/013/407

Ruth Omukhango
Daystar University
P.O BOX 44460-00160
NAIROBI

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on “The influence of incentives on employees performance in Non Governmental organizations: A case study of the federation of women lawyers -Kenya” I am pleased to inform you that you have been authorized to undertake research in Nairobi County for a period ending 30th May, 2013.

You are advised to report to the Executive Director, FIDA before embarking on the research project.

On completion of the research, you are expected to submit two hard copies and one soft copy in pdf of the research report/thesis to our office.

DR. M. K. RUGUTT, PhD, BSc
DEPUTY COUNCIL SECRETARY

Copy to:

The Executive Director,
FIDA

"The National Council for Science and Technology is Committed to the Promotion of Science and Technology for National Development"
Appendix V: Research Permit

Daystar University

MBA