DETERMINANTS OF EMPLOYEE PERFORMANCE IN HUMANITARIAN INTERNATIONAL NON-GOVERNMENTAL ORGANIZATIONS BASED IN KENYA

Nympher Atieno Omolo
Master of Science (Human Resource Management), Jomo Kenyatta University of Agriculture and Technology, Kenya

Dr. Thomas Mose
Jomo Kenyatta University of Agriculture and Technology, Kenya

©2019
International Academic Journal of Human Resource and Business Administration (IAJHRBA) | ISSN 2518-2374

Received: 14th September 2019
Accepted: 12th October 2019

Full Length Research

Available Online at: http://www.iajournals.org/articles/iajhrba_v3_i7_57_82.pdf

ABSTRACT

The various measures provided by the employer have immediate impact on the health, physical and mental efficiency, alertness, morale and overall efficiency of the worker and thereby contributing to the higher productivity. The basic purpose of employee performance is to enrich the life of employees and to keep them happy and conducted. Performance measures may be both statutory and non-statutory; laws require the employer to extend certain benefits to employees in addition to wages or salaries. Employee performance continues to be one of the key factors that determine the survival of INGOs in developing countries. Employee Performance has been discussed widely and still continues to draw more attention. The question that is emerging now is whether organizations are prepared to mitigate predictors of employee performance in organizations. This study focused on investigating the determinants of employee performance in Humanitarian International Non-governmental organizations in Kenya.

The specific objectives of the study were: to establish the influence of employee contracts on employee performance, to determine the influence of training on employee performance, to establish the influence of leadership style on employee performance, to determine the influence of reward system on employee performance. The study used descriptive survey design where the target population was 1300 respondents and all the subjects were observed in their natural setting. Stratified random sampling was used to come up with the required sample size of 130 participants. The study used questionnaires for data collection. Field data was analyzed with the help of the descriptive statistics such as percentages, means and standard deviation was used to analyze quantitative data. SPSS program was used in analyzing quantitative data. The results are presented in form of charts, graphs and frequency tables for easier interpretation. Inferential statistics (regression and correlation) was used to determine the degree of association between the study variables. The finding also indicated that an increase in Employment Contracts increases performance of employee, an increase in Training and Development would increases performance of employee, training of employees improves their efficiency levels, training opens opportunities for better career path within the organization, Leadership Style increases performance of employees positively, , their organization offers uniform medical insurance benefit to all staff, effective use of Rewards Policy increases performance of employees, their supervisor provided direction on what needs to be done in a timely manner. The study concludes that an increase in Employment Contracts increases performance of employees, Training and Development increases performance of employee, training of employees improves their efficiency levels, Leadership Style increases performance of employees positively, salary reviews are regularly done in our organization, effective use of Rewards Policy increases performance of employees, their supervisor provided direction on what needs to be done in a timely manner. The study recommends that The International Non-Governmental Organizations in Kenya should provide employees with attractive compensation and economic incentives and a healthy working environment, as this concept has the capacity to win the hearts of the employees and motivate them to
accomplish superior job performance; and thus organizations could effectively snatch out of their jaw the market share. **Key Words:** employee performance, humanitarian international non-governmental organizations, Kenya

**INTRODUCTION**

The Business world has increasingly become very competitive due to various forces including globalization, mergers and acquisitions. Organizations are struggling to survive. This will largely depend on how they utilize opportunities and resources available. One source of competitive advantage is human capital. International non-governmental organizations are among those organizations that will largely rely on their employees to leverage their performance. Performance management is a strategic and integrated approach to deliver sustained success to organizations by improving the performance of the people who work in organizations. This can be done by developing the capabilities of teams and individual contributions. Organizations can achieve their goals and objectives only through the combined efforts of their employees and it is the task of management to get work done. Employee performance management is fundamental to the effective operation of organizations. Performance management is an integral part of the employees and organizations relationship. It is essentially an integrating activity that permeates every fact of the operations of an organization (Ngoto & Kagiri, 2016). Employee performance management continues to be one of the key factors that determine the survival of INGO’s in developing countries. Performance management has been discussed widely and still continues to draw more attention. The question that is emerging now is whether organizations are prepared to mitigate factors affecting employee performance in organizations.

**STATEMENT OF THE PROBLEM**

In the past two decades the position of International Non-governmental organizations in developing countries has shifted from that of minor and little discussed players focusing on the welfare of the poor to major central actors on the world stage of development (Mwanjumwa & Simba, 2015). Within the Kenyan context some INGOs have demonstrated sound management practices characterized by good governance practices, quality staff, having clear visions and missions, financial stability among other factors (Njeri, 2016). However, employees change of behavior have risen hence project reports are not submitted on time, employees late coming, employees‘ absenteeism rate is high, employees have continually been taking leave without informing their managers and resignation from employment is getting higher. Statistics from the NGO coordination Bureau (2018) indicate that close to twenty five percent of NGOs in Kenya have closed down in the past one year because of poor governance resulting in inaccurate reports on how funds received have been utilized. If nothing is done to avoid this situation, a good number of INGOs will face management related problems or will close down (Kenya NGOs Coordination Board, 2008). Further, most of them faced with the possibility of collapse from the effects
of changing economic environment in the donor countries which calls for effective management and governance practices to ensure survival if not stability or growth (Otieno, 2016). Currently many International INGO’s find themselves unable to deliver on their mandates as per the agreed contracts with donors and or funders. A number of studies done by different scholars have identified manager’s attitude, organizational culture, personal problems, job content, financial rewards, communication, norms & standards used at work as some of the factors affecting employee performance (Marwa, 2016), However, few studies have considered the combined effect of employee contract, training and development, leadership style and reward system in influencing employees towards the attainment of the INGOs performance goals and objectives which are essential to management. This is despite, the four factors being recognized as central drivers of employee performance (Muchemi, 2015). Hence, undertaking a study to establish the combined effect of factors affecting employee performance in selected humanitarian INGOs made a contribution towards finding solutions to the continued current poor performance of employees. This is in line with Frederick Taylor's scientific and Maslow’s needs theories that highlight the importance of these intangible resources in enhancing performance (Mwai, 2018), expectancy theory by Victor Vroom (1964) and the goal setting theory by Edwin Locke (1968). The four theories are classified as motivation theories and they underline the concept of employee performance.

**GENERAL OBJECTIVE**

The main objective of the study was to investigate the determinants of employee performance in International Non-governmental organizations in Kenya.

**SPECIFIC OBJECTIVES**

1. To establish the influence of employee contracts on employee performance in humanitarian international non-governmental organization based in Kenya.
2. To determine the influence of training on employee performance in humanitarian international non-governmental organization based in Kenya.
3. To establish the influence of leadership style on employee performance in humanitarian international non-governmental organization based in Kenya.
4. To determine the influence of reward system on employee performance in humanitarian international non-governmental organization based in Kenya.

**THEORETICAL REVIEW**

This study was grounded on the expectancy theory by Victor Vroom (1964), the goal setting theory by Edwin Locke (1968), Taylor’s Motivation Theory - Scientific Management and Herzberg two factor theory that has shown multiple applications in the workplace. The four theories are classified as motivation theories and they underline the concept of performance management.
**Goal-Setting Theory**

Proposed by Edwin Locke (1968) suggests that the individual goals established by an employee play an important role in motivating the employee for superior performance. This is because employees keep following their goals and if these goals are not achieved, they either improve their performance or modify the goals and make them more realistic. So, in any case the performance is improved and this is what the performance management system aims at Otieno (2018).

Locke and colleagues (1981) examined the behavioral effects of goal-setting, concluding that 90% of laboratory and field studies involving specific and challenging goals led to higher performance than did easy or no goals. Githuba, (2017) argue that it is not sufficient to urge employees to "do their best". "Doing one's best" has no external referent, which makes it useless in eliciting specific behavior. To elicit some specific form of behavior from another person, it is important that this person has a clear view of what is expected from him/her. A goal is thereby of vital importance because it helps an individual to focus his or her efforts in a specified direction. In other words, goals canalize behavior.

**Expectancy Theory**

Proposed by Victor Vroom (1964). This theory is based on the hypothesis that individuals adjust their behavior in the organization on the basis of anticipated satisfaction of valued goals set by them. The individuals modify their behavior in such away which is most likely to lead them to attain these goals. This theory underlies the concept of performance management as it is believed that performance is influenced by the expectations concerning future events Salaman et al. (2005).

Mitchell et al. (2000) suggest that assuming goal acceptance, increasing the challenge or difficulty of goals leads to increased motivation and increases in performance. Expectancy theory hypothesizes that individuals change their behavior according to their anticipated satisfaction in achieving certain goals Vroom (1964). The two theories have implications for the design of performance management processes and employee performance and the general organizations performance. Both goal setting and expectancy theory are founded on the premise that human beings think in a rational, calculative and individualistic way Clark(1998). Clark further notes that performance management and indeed performance is based on an extremely rationalistic, directive view of the organization which assumes not only that strategy can be clearly articulated but also that the outcomes of HR processes can be framed in a way that make clear their links to the organizations strategic objectives. He further argues that the approach assumes casual links between different parts of the process that can be readily identified and enable under performance in one or more aspects of the process to be managed to ensure optimum functioning of the performance management system. He further notes that the social processes and power systems within which organizations operate together with the broader organizational and country-cultural context are important mediating factors in the operation and success of any system in any organization.
Taylor's Motivation Theory - Scientific Management

Frederick W. Taylor (1856-1915), developer of scientific management. Scientific management (also called Taylorism or the Taylor system) is a theory of management that analyzes and synthesizes workflows, with the objective of improving labour productivity. The core ideas of the theory were developed by Frederick Winslow Taylor in the 1880s and 1890s, and were first published in his monographs, Shop Management (1905) and The Principles of Scientific Management (1911). In Taylor’s view, workers can produce more output if responsibility for decision-making and planning are removed. Workers should not have to think, they should just do. His observations also indicated that a consistent approach by workers was the best way of achieving this. He argued that in each workplace the methods used by the most efficient workers should be utilized by all workers. Therefore, workers should be trained to work to the model used by those who produce most output. This idea of scientific management takes what is called a ‘task-orientated’ approach to managing workers. This means that the workers are just thought of as ‘machines’ for completing tasks.

Taylor’s ideas of scientific management based motivation on financial rewards. When applied to the workplace, there are several features that characterize scientific management. These are: workers are paid for carrying out specific tasks – they are not paid for thinking; they are paid for levels of output produced; this involves the use of piece-rate payments; there is a tall hierarchy within organizations, with little scope for upward communication; the best (most efficient) method of working is to be adopted by all workers; close supervision of workers and monitoring of performance exists. What the workmen want from employers beyond anything else is higher wages: what employers want from workmen most of all is low labour costs in manufacture. Taylor thought of scientific management as the best way of achieving this. The adoption of his methods led to large increases in productivity and was the foundation of the mass-production techniques applied by Henry Ford and many others. We now, of course, realize that low-cost labour manufacturing may not be the only key to success with the much greater emphasis that is now placed on quality. There is, nonetheless, still a role for scientific management. When competitiveness in labor-intensive industries depends on costs being kept to a minimum, then you will find that the ideas of Taylor are still being used today. Consider fast-food chains, with their 100-page manuals on how to prepare a burger, with little or no responsibility placed on the worker apart from maintaining a level of output. Many global fast-food chains utilize a scientific management approach by producing the same product on high streets all over the world.

Herzberg Two-Factor Theory

Two factor theory propounded by Herzberg et al. (1959) as cited by Bormann (2004) is an important theory that explains what satisfies or dissatisfies employees and hence, serves as an important framework for employee retention. Herzberg et al. (1959) proposed a two-factor theory or the motivator-hygiene theory. According to this theory, there are some job factors that result in satisfaction while there are other job factors that prevent dissatisfaction. The opposite of “Satisfaction” is “No satisfaction” and the opposite of “Dissatisfaction” is
“No Dissatisfaction”. Herzberg et al. (1959) classified these job factors into hygiene and motivator factors.

Hygiene factors are those job factors which are essential for existence of motivation at workplace. These do not lead to positive satisfaction for long-term. But if these factors are absent or if these factors are non-existent at workplace, then they lead to dissatisfaction. In other words, hygiene factors are those factors which when adequate/reasonable in a job, pacify the employees and do not make them dissatisfied. These factors are extrinsic to work. Hygiene factors are also called dissatisfiers or maintenance factors as they are required to avoid dissatisfaction. These factors describe the job environment scenario. The hygiene factors symbolize the physiological needs which the individuals want and expect to be fulfilled.

Pay or salary is the first and foremost hygiene factor. Pay structure should be appropriate and reasonable. It must be equal and competitive to those in the same industry in the same domain. The company policies should not be too rigid. They should be fair and clear. It should include flexible working hours, dress code, breaks, vacation, etc. The employees should be offered health care plans (medi claim), benefits for the family members, employee help programs, etc. The physical working conditions should be safe, clean and hygienic. The work equipment’s should be updated and well-maintained. The employees’ status within the organization should be familiar and retained. The relationship of the employee with his peers, superiors and subordinates should be appropriate and acceptable. There should be no conflict or humiliation element present. The organization must provide job security to the employees.

According to Herzberg et al. (1959), the hygiene factors cannot be regarded as motivators. The motivational factors yield positive satisfaction. These factors are inherent to work. These factors motivate the employees for a superior performance. These factors are called satisfiers. These are factors involved in performing the job. Employees find these factors intrinsically rewarding. The motivators symbolize the psychological needs that are perceived as an additional benefit. Motivational factors include recognition; the employees should be praised and recognized for their accomplishments by the managers. Also, the employees must have a sense of achievement. This depends on the job. There must be a fruit of some sort in the job. There must be growth and advancement opportunities (promotional opportunities) in an organization to motivate the employees to perform well. The employees must hold themselves responsible for the work. The managers should give them ownership of the work. They should minimize control but retain accountability. The work itself should be meaningful, interesting and challenging for the employee to perform and to get motivated.

EMPIRICAL REVIEW

Employee Contracts

In this study focus was on two broad categories of employment contracts namely fixed term contracts and temporary contracts. According to the European foundation for the
Improvement of living and working conditions report of 2007, fixed term employment contracts are contracts where the end of the employment relationship is determined by objective conditions such as reaching a specific date, completing a specific task or the occurrence of a specific event while permanent contract is also referred to as indefinite contract. It is believed that the type of employment contract affects employee’s productivity.

Mutune, Hansen, Wahome and Mungai, (2017) established that implementation of a performance contract at the Kenya Forestry Research Institute had negative effects on employees’ perception of contract violation. The case study was utilized to help the researcher to assemble data for the academic undertaking. The target population comprised of the institutes employees in six regional centers. The study utilized cluster sampling method to select 51 research participants whereas structured questionnaire was utilized to collect the primary data. The descriptive statistics were utilized to describe the major characteristics of the research participants including the manner in which research participants viewed the effect of new contract. The study established that the employees’ role in the performance contacts was more of implementing (58%) the institutes’ roles whereas others claimed that their roles were concerned with implementing, monitoring and controlling various issues at the institute. The participants indicated that the employer’s main role was to offer them with steady employment, secure it and support employees to perform their duties. The findings pointed towards a relational type of contract that was geared towards safeguarding employees’ interests. In spite of this, the employees were found to relate with employer on a stable basis because most of the negative effects were rated low. Accordingly, the employees were ready to implement most of the things highlighted by the performance contract suggesting that they were committed to their organization.

Bankins (2015) assessed the process perception of a contract change in terms of making sense of and repairing breaches and violation of a psychological contract through coping strategies among employees. He used mixed methods with 26 qualitative interviews from graduate newcomers and a longitudinal survey on 107 graduate newcomers. The study focused mainly on unfolding events and the way participants developed coping strategies with a special attention on “adaptive remediation” process model. The model demonstrated the way violation of contract triggered sense making and in turn resulted to withdrawal of employees before they made senses of, responded to and adapted the discrepancies. It established that a process of repairing contract could occur whenever coping strategies that were termed as “remediation effects” could be effective. The actions either addressed themselves to contract breaches or even tended to repair psychological contracts through cognitive reappraisal of work environment, but not he breaches. The results highlighted the unfolding procession nature of contract developed psychologically.

Guchait, Cho and Meurs (2015) assessed the effects of perceived supervisory and organizational support and psychological contract with the impacts it has on turnover among Indian hospitality employees. The focus was on relational and transactional contract. It further evaluated the effects of support coming from supervisors as an indicator of organizational support. Due to the unavailability of a good number of employees in major hotels, the study narrowed its focus to employees working in restaurants. It established that
perceived support from supervisors enhanced organizational support, which in turn improved relational psychological contract and not transactional contract.

Solinger, Hofmans, Bal and Jansen (2016) evaluated whether employees bounced back after psychological contracts were violated with a special focus on recovery process. To explore this effect, they studied organizational commitment with the help of longitudinal design among a sample 109 young academicians going through job changes. Upon tracking these changes for 10 weeks, they ascertained whether participants were able to recover after a contract breach even though some employees would be expected to do better than others. The study demonstrated that breach of organizational support had close relationship with breach of resolution processes. In addition, it demonstrated a nonlinear element in breach trajectories of commitment suggesting that the processes that determine the success of breach resolution are complicated.

Morris, Hassard, Delbridge and Endo, (2019) notes that with increased market place pressure and the introduction of new management practices such as downsizing, benchmarking and others, has had significant effect on the traditional employment relationship. The relationship has been replaced by new psychological relationship that has fewer implicit guarantees by employers to employee such as security and internal promotion. This has increased the need to understand how employees can be encouraged to engage in discretionary extra-role behavior under the new psychological contract. It is increasingly becoming important to focus on the role of employee trust for organizations to be able to obtain the much needed discretionary efforts of employees. Morris, et al., further notes that high levels of employee trust are needed to encourage cooperative behavior facilitate the development of communication networks and increase the willingness of employees to share their knowledge with others for the benefit of the organization. Employee reciprocity in the form of commitment to the organization is strongly dependent on employee assessment of the level of support given to them by management. This assessment is based on employee perception of the beliefs, integrity and benevolence of managers and the general trustworthiness of management. Trust here is a significant feature of the employee /employer relationship.

Mungai, (2017) in his study points out that technological changes, structural changes and the organization of work, together have profound implications for the skills required by an organization as well as for the types of attachments or contracts that the organization needs with its employees in order to fulfill its objectives. Development of organizations from simple and trade based to complex organizations over time has had a significant impact on employee contracting. Isaksson further notes that in the recent past bureaucratic arrangements that build on formal personnel rules that encouraged long term employment relations have been questioned in a period of increasing uncertainty for companies. Job security, internal labor markets and career ladders earlier seen as necessary tools in securing long-term relations and the loyalty of employees seem to be offered to a declining number of employees.

Chelangat and Gachunga, (2016) noted that employees on temporary contracts have higher satisfaction and challenges the conventional thinking that temporary employment contracts
have a negative effect on employee’s productivity. Osman, Onserio, Wairugi, Sangale, Kariuki, Isaboke and Orinde, (2017) notes that temporary workers choose their level of effort in order to maximize expected utility. They provide higher effort when they perceive a sufficiently large probability of getting their fixed term contracts converted to permanent ones. This therefore means firms with higher conversion rates are likely to experience higher employee output and where is evident that there are no chances of conversion then this is likely to affect employee productivity negatively.

Contrary to the implications of the new employment relationship of psychological relationship, Michael (2018) notes that there still exists essentially unchanged nature of the employment relationship in a market system which is characterized by conflicting interests and asymmetrical power and under the new employment arrangements the conflictual and cooperative elements characteristic of the employment relationship persists albeit in an attenuated form. This therefore means employment protection or job security remains significant in promoting improved labor management. Job security modifies the commodity status of labor and has been a long time concern of employees and trade unions. In other related studies Maina (2016) argues that long term employment contracts are likely to turn to a burden during declining economic times. They point out that there is need to carefully balance between long term employee engagements and short-term contracts to ensure an organization comes up with a favorable mix so as to maintain flexibility that can keep a company responsive against any fluctuations in demand.

**Training**

Ndubai, Mbeche and Pokhariyal, (2016) noted that there is considerable interest amongst organizations as to which type of workplace characteristics are more conducive to higher levels of productivity. Investment in human capital through higher qualifications and training is considered as a key step towards achieving sustained long-term productivity. Despite the fact that these investments provide direct return to employees who benefit from them there is little, direct evidence about possible wider returns. Wider returns arise when internally workers seem to gain from skill acquisition but firms also gains to an equal, greater, or lesser extent. There has been a good deal of empirical research that examines the connection between productivity and human capital in the form of human skills at the national and local levels but not until recently at the micro level of the organization.

In this research focus was on the influence of employee skills levels on employee performance. Marwa (2016) in their paper ‘skills dispersion and firm productivity’ pointed out that the right measure of skills has remained quiet controversial. The most common proxies have been the educational attainment and experience, by themselves or as the basis for the construction of more sophisticated measures of human capital. However this are only measures of formal skills that only imperfectly reflect innate differences in ability and informal skills, such as accuracy on the job or communication ability. They further note that the productivity of each worker depends on the skills of other workers in the firm as well. Skilled employees are a strategic input for any organization. The ILO report (2008) points out
that training for new skills gives opportunity for better career paths within the organization, higher income and employability. In addition it is recognized that new skills are required for.

Thygesen, Løber, Skensved and Hansen, (2016) points out that education and training increase employees’ job skills, and their perception towards efficiency and effectiveness in carrying their operations. It further causes employees to exhibit higher feelings of satisfaction, motivation and consequently increase in production. This therefore means organizations that have high capacity building are likely to experience increased performance characterized by a motivated workforce. Skills building initiatives are very important to employees. Hashemi, et al., (2017) note that the skills building activities performed by organizations indicates that the organization cares for its employees. While many organizations invest in their employees, the employees on the other hand derive job satisfaction from their work, which in turn leads to increased employee performance. However this development depends on the individual employee’s willingness to develop, organizational culture, top management attitude and organizational opportunities for growth.

Empirical evidence suggests that acquisition of knowledge and skills enhances creativity. Research further shows that individuals with a learning orientation seek challenges that provide them with learning opportunities. Awadh and Saad (2015) in their study note that managers play a great role in building employees creativity. They need to create conditions for the learning orientation to take hold and bring forth creativity. They are instrumental in providing an environment that stimulates and nourishes creative self-efficacy. They need to serve as creative models; they can instruct their employees on creativity-relevant skills and provide hands-on opportunity to apply these skills. Creativity is significant since it provides opportunity to learn new skills and hence improve on employee productivity.

**Leadership Styles**

Asrar-ul-Haq and Kuchinke (2016) identified poor management as a major reason for low morale and unsatisfactory employee performance, yet organizations are usually tempted to promoting employees’ to management and leadership roles without assessing their readiness to the roles and neglecting provision of sufficient orientation and training. When making decisions to choose managers it is worth noting that although one might be a stellar performer in his or her area of expertise they rarely automatically possess the skills knowledge, and abilities to perform at the same level as managers and leaders. This means for organizations to succeed in selecting the right managers they have to take time to use evaluation tools such as behavioral interviews or psychological assessments to identify the right managers.

Fiaz, Su and Saqib, (2017) in their study note that relations between managers and employees have a significant effect on productivity. Bad relations often lead to violations of psychological contract, low levels of fulfillment of perceived promises and commitments made by the organization. Quality supervision requires one to have good leadership qualities. Bosses are expected to be in tune to their people. Choi, Kim and Kang, (2017) notes that bosses are expected to take charge effectively of the team they lead. It is also important for them to boost performance by watching their peoples back: making it safe for them to learn,
act and take intelligent risks; shielding them from unnecessary distractions and external idiocy and doing hundreds of little things that help them achieve one small win after the other and feel pride and dignity along the way. According to Sutton expressing confidence, being decisive, getting and giving credit, taking responsibility and providing psychological safety are some of the responsibilities a good supervisor should take up.

Hands-on transactional management provides an opportunity for supervisors to produce results from their teams. It is believed that a good supervisor will most likely translate to improved employee performance. In the article “the under-management epidemic” notes that in an effort to be hands off and not become “micromanagers” supervisors have gone to the opposite extreme and completely abdicated their primary role as managers. Successful managers among other things should provide their direct reports with: performance requirements and standard operating procedures related to tasks and responsibilities. They also are required to define parameters, measurable goals and concrete deadlines for all work assignments for which the direct reports will be held accountable. A prerequisite to corporate success it is the way its leaders apply management techniques.

Almutairi (2016) notes that the techniques must start from within the organization and they should include mechanisms to ensure commitment, communication, quality management, benchmarking, process improvement and measurement. It is worth noting that INGO’s have come a long way in establishing management techniques and rolling them out across their employees. Accurate monitoring, evaluation and documentation of work performance are important. Almutairi (2016) further notes that specific feedback on work performance with guidance for improvement and fairly distributed rewards and detriments helps managers provide their direct reports with the most basic elements of supervision. Almutairi (2017) argue that managers put performance management into practice and by doing so affect employees’ perception as well as their commitment, motivation and trust. Perceived organizational and supervisory support affects an employee’s performance and as such the quality of supervision cannot be ignored when discussing employee performance. Wage increase for employees is often based on some kind of performance appraisal. Mwangi (2017) notes that many firms express dissatisfaction with their performance appraisal schemes. If an appraisal scheme is not transparent or is too complicated it seems likely that employees will not react to monetary incentives by exerting increased effort. This therefore means firms will need to ensure that their appraisal schemes are transparent and the rating errors associated with them are minimized. Abusive supervision is characterized by declining employee performance. Yahaya and Ebrahim, F. (2016) defines abusive supervision to include undermining, public denigration and explosive outbursts. Sustained exposure to abusive supervision is associated with serious negative outcomes for both victims and organizations.

These losses translate into employee withdrawal and loss of productivity. This among other reasons gives impetus to establish how leadership styles exhibited by managers in an organization affect employee performance in an INGO setting. It is worth noting that a study conducted in Kenya on the internal democratization of international NGO’s revealed that a
good number of them are authoritarian along some dimensions of authority. In this study Alkahtan (2015) further notes that this variation in internal democracy among international NGO’s raises concerns on their accountability. Employee participation in decision making is also doubtful in these organizations. More often than not decreased employee participation in decision making leads to decrease in employee motivation and performance. There appears to be congruence between the authority structures of international NGO’s in Kenya and those of socio-political context in which they are embedded.

**Employee Reward system**

Shields, Brown, Kaine, Dolle-Samuel, North-Samardzic, McLean and Plimmer, (2015) define employee compensation to include all forms of pays given to the employees arising from their employment. Rewards management policy is one of the elements organizations use to attract and retain its most valuable and worthy assets. Literature has identified various human resources management practices which are considered to be the best practices for retaining and motivating human capital in an organization. A good rewards management practice is one of such practices. Kiruja and Mukuru, (2018) further notes that Human Resources are the key drivers of the prosperity and success of any organization and unless the organization does offer salary, rewards and due benefits according to its employees needs and wants it will not be able to conquer the highest level of efficiency and competency of its employees.

Kiruja and Mukuru, continues to point out that rewards management is a complex process which requires accuracy and precision and if not carried out properly may lead to organizational concerns. An ideal reward policy encourages employees to work harder and with more determination. It also helps the organization to set standards that are job related, realistic and measurable. Such policies should have sound integration with other HRM practices. The basic wage or pay is the main component of compensation, fringe benefits and cash and non-cash benefits complete the compensation and benefits elements. Pay determination is intended to meet objectives such as equity, efficiency, macro-economic stability and efficient allocation of labor. Sattar, Ahmad and Hassan, (2015) notes that extraordinarily high wage increases are not in general associated with further increases in individual productivity. On the contrary these high wage increases may lead to an inefficient employee.

Lee and Raschke (2016) in their study revealed that compensation management can affect job satisfaction and employees organizational commitment. Organizations can use employee compensation as a method for enhancing employee’s job satisfaction and their commitment with the organization. Both financial and non-financial compensation are significant in fostering overall organizational commitment which when realized helps maximize employee contribution. International Labor Organization (ILO) publications such as “an introduction to performance and skill-based pay systems “ (1998) has pointed out pay as an important and contentious element in an employment relationship with the employer, employee and the government having equal interests. For the employer it forms part of a greater part of his costs and it also affects his ability to recruit and retain quality labor force. To the employee it
is fundamental to his standard of living and is a measure of the value and his services. The government is interested since salaries affect aspects of macro-economic stability such as employment, inflation, purchasing power and socio-economic development in general.

De Gieter and Hofmans, (2015) recognizes that compensation and benefits are determined through government regulation, minimum wage determination, trade union negotiations which culminate to collective bargaining agreements, decisions of arbitrations or court determinations and individual employee contract of employment. There are factors that have influenced pay and pay increases, which are profit, job evaluation, seniority, cost of living, workforce shortage or surplus, negotiating strengths of parties and skills. Though skills have been reflected in pay differentials, pay systems have been seldom geared to the encouragement of skills acquisition and application. Organizations can use employee benefits to increase employee productivity. Audenaert, Decramer, George, Verschuere and Van Waeyenborg (2019) in their study demonstrated that employee benefits offer advantage in organization productivity through improvement of labor efficiency. Benefits also help increase employee satisfaction, which is a sign of good management and happy environment in any organization. Kaur and Kaur (2017) note that performance based pay acts as a precursor to job satisfaction. When employees perceive that they receive adequate pay from their employer and that they are actively involved in the pay systems this leads to greater job satisfaction. Cooke, Cooper, Bartram, Wang and Mei (2019) points out that compensation is inherently strategic. Organizations use different compensation strategies and have discriminatory powers in choosing their reward and pay policies. These policies affect employee performance and are highly complementary with other activities in an organization. Compensation is not isolated in an organization it is inextricably linked to the technology, marketing, operations and financial decisions of an organization. Given the important effects of compensation for both organization performance and employee behavior it is important to understand what factors managers should consider when designing their organizations compensation systems and what elements should be in place for compensation systems to produce desirable worker behavior. This brings to the fore the need to design strategic compensation packages to enhance employee performance. The packages should have an integrated framework of strategic.

**RESEARCH METHODOLOGY**

**Research Design**

According to Creswell and Creswell (2017) a research design is master plan/framework or blueprint specifying the methods and procedures for collecting and analyzing the needed information. The study used descriptive research design. Creswell and Poth (2017) define a descriptive research design as the plan and structure of investigation or a plan for investigating the sources and type of information to be used. The advantage of using descriptive research design is that all the subjects were observed in their natural setting. In addition descriptive research design is known to lead to more exhaustible information and reliable results. This method was primarily preferred as it allows for an in-depth study of the subject matter. Data was collected among selected INGO employees and was based on
employee performance as a dependent variable and how it is influenced by the independent variables which are; type of employee engagement contracts, employee training and development, leadership styles, and rewards system.

**Target Population**

Creswell and Poth (2017) explain that the target population should have some observable characteristics, to which the study intends to generalize the results. Meyers, Gamst and Guarino (2016) state that population includes all elements that meet certain criteria in the study. Target population consists of all members of a real or hypothetical set of people, events or objects from which a researcher wishes to generalize the results of the research while accessible population consists of all the individuals who realistically could be included in the sample Wang (2015). The target population of the study was 1,300 employees from 10 leading Humanitarian INGO who launched INGO Accountability Charter in 2006 based in Kenya spread between three broad categories namely; top management, middle level management and lower level management/ support.

**Sampling Frame**

Lewis, (2015) defines a sampling frame as a list of population from where a sample is drawn. The sampling frame consisted of 10 selected Humanitarian INGO based in Kenya who launched INGO Accountability Charter. Unit of observation comprised of top management, middle management and lower level management/ support in each of the selected Humanitarian organization.

**Sample and Sample size**

Sampling is the procedure to gather people, places or things to study and a process of selecting a number of individuals or objects from the population such that the selected group contains elements representative of the characteristics found in the entire group (Wang, 2015). The study utilized stratified random sampling in the selection of the sample. Employees were clustered into three strata. The strata were based on three broad employee categories in the organization; top management, middle management and support staff/lower management. Simple random sampling was applied to select individuals in the respective Strata. According to Mugenda and Mugenda (2013), when the study population is less than 10,000, a sample size of between 10 and 30% is a good representation of the target population and hence 10% is adequate for analysis. Therefore, top management (210 x 0.1), middle management (370 x 0.1) and Lower management (720 x 0.1) was considered making a sample size of 130 respondents.

**Data Collection Instruments**

Lewis (2015) defines a questionnaire as a method for elicitation, recording, and collecting of information. It is a self-administered method for all correspondents as it is inexpensive and allows the respondents to complete the questionnaire at a convenient time. A questionnaire is a printed form containing a set of questions for gathering information administered or self-administered under supervision or unsupervised. Since the questions formulated in the
questionnaire relate directly with research questions, it had two sections where section A was general questions with demographic characteristics of respondents and section B was identification of variables under study followed by their respective operational definition. The questionnaires had both open and closed questions.

**Data Collection Procedure**

An introductory letter from the university was used so as to create that confidence among respondents. The questionnaires were not interpreted due to the assumption that the target population was literate. Meyers et al., (2016) defines data collection as the precise and systematic way of gathering data useful to research questions. The study used questionnaires to collect data whose administration was by the help of research assistants. The study additionally applied drop and pick data collection procedure. The procedure was adopted in order to give respondents enough time to respond to the formulated questions.

**Data Analysis and Presentation**

Data analysis, according to Patten and Newhart (2017), is the process that kicks off instantly after the closure of data collection and lasts to the point where processing and interpretation of data is done. After data collection, the questionnaires were scrutinized for completeness and if they had been completed as required. Data was then coded and classified in terms of similarities then tabulated. Descriptive statistics such as percentages, means and standard deviation was used to analyze quantitative data. SPSS program was also used in analyzing quantitative data and results presented in form of charts, graphs and frequency tables for easier interpretation. Inferential statistics (regression and correlation) was used to determine the degree of association between the study variables. The study adopted a multiple regression model to show the link between dependent and independent variables. The model for this study is as illustrated below:

\[ Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon \]

Where: \( Y = \) Employee performance; \( X_1 = \) Type of employee engagement contract; \( X_2 = \) Training and Development; \( X_3 = \) Leadership style; \( X_4 = \) Reward System; \( \alpha = \) regression coefficient; \( \beta_1, \beta_2, \beta_3 \) and \( \beta_4 \) = coefficients of various independent variables; \( \epsilon = \) error term

**RESEARCH RESULTS**

**Employee Contracts and Employee Performance**

The finding also indicated that an increase in Employment Contracts increases performance of employees. The study also established that their contracts are pegged on achievement of a given objectives, the policies on employment contracts were easy to understand, the policies on employment contracts were well communicated to staff, the policies on employment contracts are well structured, they are happy with my current employment contract, their contract was renewed on terms similar to those in the previous contract, their contracts were pegged on expiry of a given time period, the employment contract signed affects my
accomplishment of tasks, their contract has been renewed on its expiry and Employee Engagement Contracts have an effect on employee’s performance.

**Training and Employee Performance**

The study identified that an increase in Training would increases performance of employee, training of employees improves their efficiency levels, training opens opportunities for better career path within the organization, they have attended a number of trainings since I joined this organization, their organization organizes regular trainings for its employees, their organization rewards professional trainings achieved by its employees, their organization organization has clear policies on employee training, training improves my level of creativity, properly trained employees perform their tasks better in this organization and Training have an effect on employee’s performance.

**Leadership Styles and Employee Performance**

The findings revealed that Leadership Style increases performance of employees positively, their supervisor provided direction on what needs to be done in a timely manner, their supervisor incorporates them in key decision making, their supervisor entrust work with his or her juniors, their supervisor is responsible for all the work they do, their supervisor had faith in their work, their supervisor pays keen attention on deliverables, their supervisor encourages employees to freely air their feelings, their supervisor gives timely feedback on my work and their supervisor taught them how to accomplish tasks accurately.

**Employee Reward System and Employee Performance**

The finding indicated that effective use of Rewards Policy increases performance of employees, salary reviews are regularly done in our organization, remuneration in this organization is based on experience of an individual, their organization offers uniform medical insurance benefit to all staff, salary increases are carried out in an organized manner in this organization, the reward system in this organization motivates them to work hard, remuneration in this organization is based on skills qualification, salary reviews were based on clear policy guidelines, outstanding employees in their organization were recognized, their current salary was commensurate to their skills and level of experience, the reward system is competitive in the industry and Styles have an effect on employee’s performance

**INFERENTIAL STATISTICS**

The researcher conducted regression analysis so as to test relationship among variable. Findings are in subsequent sections. Table 1 gives the findings of the Model Summary of the regression analysis. From the findings in Table 1, the value of R Square was .789 which represents 78.9%. This shows that 78.9% change in employee performance in International Non-Governmental Organizations in Kenya is explained by these determinants that include employee contracts, training, leadership style and reward system. The implication of this finding to the current study is that apart from leadership style, training and development,
rewards policy, employment contracts, there are other determinants such as level satisfaction, compensation and remuneration and many others that influence employees’ performance in Humanitarian International Non-governmental Organization based in Kenya that is recommended for further studies to be done. More specifically, these other factors explain 21.1% change in employees Performance in humanitarian international non-governmental organization based in Kenya.

Table 1: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.888a</td>
<td>.789</td>
<td>.783</td>
<td>.69579</td>
</tr>
</tbody>
</table>

a. determinants: (constant), leadership style, training and development, rewards policy, employment contracts

Table 2 gives the findings on the Analysis of Variance (ANOVA) that was conducted at 5% level of significance.

Table 2: Analysis Of Variance

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>d.f</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>313.158</td>
<td>4</td>
<td>78.290</td>
<td>86.988</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>83.746</td>
<td>93</td>
<td>.900</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>396.904</td>
<td>97</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: employees’ performance
b. determinants: (Constant), leadership style, training and development, rewards policy, employment contracts

Table 3 shows a number of items including the value of F calculated and the p-value showing significance. From the findings, it can be seen that F calculated is 86.988 while the value of F critical (at degrees of freedom 4, 93) is equivalent to 2.4695. Thus, it can clearly be shown that $F_{calculated}>F_{critical}$, and hence the overall regression model was significant in estimating the interaction between relationship these determinant and performance in humanitarian international non-governmental organization based in Kenya. Table 3 gives the beta coefficients and p-values.

Table 3: Coefficients

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>18.981</td>
<td>5.475</td>
<td>3.467</td>
<td>.001</td>
</tr>
<tr>
<td>Employment Contracts</td>
<td>.011</td>
<td>.076</td>
<td>.022</td>
<td>.145</td>
</tr>
<tr>
<td>Training</td>
<td>.161</td>
<td>.055</td>
<td>.445</td>
<td>.2927</td>
</tr>
<tr>
<td>Rewards Policy</td>
<td>.317</td>
<td>.108</td>
<td>.524</td>
<td>.2935</td>
</tr>
<tr>
<td>Leadership Style</td>
<td>.031</td>
<td>.013</td>
<td>.069</td>
<td>.2385</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Performance
Table 3 results into the following regression model:

\[ Y = 18.981 + 0.011X_1 + 0.161X_2 + 0.317X_3 + 0.031X_4 \]

From the overall regression coefficient Table 4.1, the findings indicated that when other factors are kept constant, Employee Performance would be at 18.981. The finding also indicated that an increase in Employment Contracts would in turn increase performance of employees by .011. This finding is in line with Asrar-ul-Haq and Kuchinke (2016) defines employee performance as the degree of accomplishment of the task that makes up an employee’s job. According to him job performance is determined by: an employee’s capacity, which relates to the extent to which an individual possesses the relevant skills, abilities, knowledge and experience to perform; availability of opportunity to perform; willingness which relates to the degree to which an employee both desires and is willing to exert effort towards attaining some level of motivation to perform. An increase in Training would increase performance of employees by .161. This finding is in line with Bankins (2015) who pointed out human resources essentials those human service managers should address. Performance management was identified as one. Here disciplining employees and informing employees of performance deficiency or skills gaps should follow a clear process since if the two are not well managed they may lead to litigations which generally has a negative impact on employee performance. She further points out that organizations success is directly linked to the effectiveness and productivity of its employees.

Rewards Policy also would increase performance of employees by .317 when there is unit increase. These findings are consistent with Guchait, Cho and Meurs (2015) who stated that Africa and south Asian countries (except India) performance in labor productivity is not very encouraging. Labor productivity level in 2005 in sub-Saharan Africa economies was the lowest among all regions. He further emphasized the need to pay more attention on average education attainment level, producing productive employment to attract foreign direct investments. Human resources management practices have significant impact on organizations productivity.

Leadership Style lastly would increase performance of employees by .031 when there is unit increase in it. This finding is in line with Lee and Raschke (2016) who indicated that training and development, team work, human resources planning and performance appraisal are correlated with an organizations business performance. Human resources management practices cannot be ignored when focusing on an employee’s performance. HRM practices have been noted to significantly affect organizational performance to greater extent.

All the variables p-values were significant as all the values were less that 0.005 (at constant, leadership style, training and development, rewards policy, employment contracts have.001, .000, .005, .004 and .015 respectively). This finding indicate that this variable significantly influence performance of employees. This finding is in line with De Gieter and Hofmans, (2015) who indicated that training and development, team work, human resources planning and performance appraisal are correlated with an organizations business performance. Human resources management practices cannot be ignored when focusing on an employee’s
performance. HRM practices have been noted to significantly affect organizational performance to greater extent.

CONCLUSION

The study concludes that an increase in Employment Contracts increases performance of employees, their contracts are pegged on achievement of a given objectives, the policies on employment contracts were easy to understand, the policies on employment contracts were well communicated to staff, the policies on employment contracts were well structured, they are happy with my current employment contract, their contract was renewed on terms similar to those in the previous contract, their contracts were pegged on expiry of a given time period, the employment contract signed affects my accomplishment of tasks, their contract has been renewed on its expiry and Employee Engagement Contracts have an effect on employee’s performance.

The study concludes that an increase in Training increases performance of employee, training of employees improves their efficiency levels, training opens opportunities for better career path within the organization, they have attended a number of trainings since they joined this organization, their organization organizes regular trainings for its employees, their organization rewards professional trainings achieved by its employees, their organization has clear policies on employee training, training improves my level of creativity, properly trained employees perform their tasks better in this organization and Training have an effect on employee’s performance.

The study concludes that Leadership Style increases performance of employees positively their supervisor provided direction on what needs to be done in a timely manner, their supervisor incorporates them in key decision making, their supervisor entrust work with his or her juniors, their supervisor is responsible for all the work they do, their supervisor had faith in their work, their supervisor pays keen attention on deliverables, their supervisor encourages employees to freely air their feelings, their supervisor gives timely feedback on my work and their supervisor taught them how to accomplish tasks accurately.

The study concludes that effective use of Rewards Policy increases performance of employees, salary reviews are regularly done in our organization, remuneration in this organization is based on experience of an individual, their organization offers uniform medical insurance benefit to all staff, salary increases are carried out in an organized manner in this organization, the reward system in this organization motivates them to work hard, remuneration in this organization is based on skills qualification, salary reviews were based on clear policy guidelines, outstanding employees in their organization were recognized, their current salary was commensurate to their skills and level of experience, the reward system is competitive in the industry and Styles have an effect on employee’s performance.

RECOMMENDATIONS

Individualized approach should be adopted by assessing the demographic trends of the organization. International NGOs in Kenya ought to focus on offering maximum value to
employees at the individual level, and demographic trends could reveal the standard of living practices that the organization could exploit and take advantage of to meet employees and improve their job performance.

The International Non-Governmental Organizations in Kenya should provide employees with attractive compensation and economic incentives and a healthy working environment, as this concept has the capacity to win the hearts of the employees and motivate them to accomplish superior job performance; and thus organizations could effectively snatch out of their jaw the market share.

Policymakers should decide on procedures to improve motivational factors and establish very clear and elaborate legislative frameworks and policies to guide the Non-Governmental Organizations effectiveness.

REFERENCES


