

## Effect of Incentives on Employee Performance At Kenya Forest Service Uasin Gishu County

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**Abstract:** *The purpose of the study was to investigate effect of incentives on employee performance at Kenya forest service Uasin Gishu County. The study was guided by the Force-Field Theory of Change and Evolutionary Theory of Change. It adopted descriptive survey research design. It targeted all the employees at Kenya Forest Service in Uasin Gishu County which currently has 8 forest stations with a total population of 115 employees. Census method was used to get a sample size of 115 respondents. Questionnaires were used in collecting data. To test validity of the instruments, the instrument was given to supervisors and research experts. A pilot study was done in Nandi County to test for reliability. Split half method was used to test the reliability. A cronbach alpha of 0.72 was obtained which confirmed the reliability of the research instruments. Descriptive statistics (percentages, mean and standard deviation) was used to analyze data. The study findings indicated that incentives are essential in organizational performance. It recommended that Kenya forest service and other government institutions should embrace reengineering process in their systems of operations in order to improve on customer service, new values of teamwork and cooperation, reduced employee turnover which in turn results in improved organizational image.*

**Keywords:** *Reengineering, incentives and employee performance*

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Date of Submission: 10-03-2018

Date of acceptance: 30-03-2018

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### I. Background Of The Study

According to Paille (2009) incentives is one of the means through which organization motivates it employees to encourage them and increase their performance. Incentive are used by various organizations to compensate and reward performance of employees who perform more than expectation (Waterloo & Ontario, 2009). Incentive are financial or non-financial rewards offered to employees to exert more effort into any giving task (Lawler, 2000) in National Commission on Productivity and Work Quality 1975). Incentives are a force that cause employees to behave in certain ways (Griffin, 2002). Incentives are designed to get the best performance from the employees and help retain their productivity (Bowen, 2000). Organization considers a variety of ways to reward the employees for their exemplary work performance, organization need to consider using the best employee rewards to get the desired results. Incentives are instrumental towards motivation and performance (Condly *et al*, 2003).

A firms productivity may be determined by their employees' ability to work, employees who are not rewarded performs poorly as compared to rewarded employees. Waterloo & Ontario (2009) divided employee rewards into monetary incentives and non-monetary incentives. Intrinsic motivation is an employee's inward drive which makes him to work towards the realization of organizational productivity (Ryan & Deci, 2000).

According to Sethi and King (2003) incentives has a significant impact on employee performance, they examined the relationship between re-engineering procedure orientation and non-financial performance standards such as employee satisfaction, learning, commitment, absenteeism and working environment. The study showed a positive relationship between re-engineering process and non-financial performance measures.

#### 1.2 Statement of the Problem

Incentives are intended to have a positive impact in the organization and cause it to have quantum leaps in turnover. Appropriate application of employee incentives results to employees becoming more involved in decision making, steps in re-engineering process are performed in a natural order and several jobs get done simultaneously (David *et al*, 2005). Also incentives will have multiple versions which enables the economies of scale that result from mass production yet allowing customization of products and services. Work will be performed where it makes bigger sense as well as at the customers and suppliers sites thus work is shifted across organizational and international boundaries, controls and checks are instituted and other non-value adding added

work are minimized. Reconciliation will be minimized by cutting back the number of external contact points and by creating business allowance.

Mlayet *al* (2013) also recognize the importance of the employee incentives when they state firms are not asset portfolios, but employees working as a team to discover, sell and offer service. However, they didn't show how to reengineer the labour in conjunction with the reengineering process. Of the four cases presented in reengineering the company, only the case of capital investment looks into this area. Capital holding performed a cultural audit which showed that unwritten rules of conduct appreciated information hoarding and barely acknowledged the customer. According to Sethi and King (2003) literature on incentives and employee performance also failed to provide any documentation or empirical evidence concerning the effect of reengineering. All they gave was the broad unfounded speculation that 50-70 percent of reengineering attempts fail. Rather than addressing directly the elusive concepts of success and failure, the study tried to give certification to aid wide speculations concerning the causes and outcomes of reengineering. This confirmation has also been tested to reveal which were the significant causes and results. It is therefore against this background that the study seeks to find out the influence of incentives on employee performance at Kenya Forest Service-Uasin Gishu County

### **1.3 Objectives of the Study**

To investigate the influence of incentives on employee performance at Kenya Forest Service-Uasin Gishu County

### *1.4 Research hypothesis*

There is no significant relationship between incentives and employee performance at Kenya Forest Service-Uasin Gishu County.

## **II. Literature Review**

### **2.1 THEORITICAL REVIEW**

#### *2.1.1 Force-Field Theory of Change*

Sarkar & Singh (2006) developed a theory about organizational change called the force field theory. George (2003) describe the force-field theory as a broad variety of forces arise from the way an organization operates, from its structure, control systems and culture that makes it oppose change. At the same time, a wide variety of forces arise from changing task and general environments that push organizations towards change. These two sets of forces are always in opposition in organization. For organizations to re-engineer, administrators must find ways to increase the forces for change, decrease the resistance of change, or do both at the same time. Lewin's force field analysis is used to distinguish which factors in a firm drive an individual towards or away from a desired state, and which resist the driving forces. These can be analyzed in order to inform decisions that will make change more acceptable (Walker & Ruekert, 2007).

Forces are more than attitudes to change. Kurt was aware that there is a lot of emotion beneath people's change of attitude. To recognize what makes individual resist or accept change it is important to know the morals and skills of that particular individual. Creating self-responsiveness and intelligence in emotions can aid in understanding these powers that work within people. It's the behaviour of individuals that will alert you to the presence of driving and restraining forces at work (Chalos, 2008).

For change to happen the status quo or equilibrium must be upset either by adding conditions that favor the change or by lowering forces of resistance. What Kurt Lewin argues that when driving forces are stronger than forces of restraining, equilibrium will change particularly if understanding how individuals go through change and reasons for change resistance. Driving forces will always be there to make change more attractive to individuals, and restraining forces that are in place to maintain things the way they are (Setegnet *al*, 2013).

Successful change is realized by either establishment of the driving forces or lowering the restraining forces. The force field analysis incorporates with Lewin's three stage theory of change as one goes towards relaxing the existing balance going towards the anticipated change, and freezing the transformation at the latest level for a new equilibrium to exist that resists further change (Crispus, 2000)

Force-Field Theory of Change usually focuses on the subjectivity of associating scores to the driving or restraining forces of change. The model functions within partial settings and that there are conditions outside these environment in which Lewin's theory may not applicable. Finally this model of analysis is a technique that may be useful in all situations.

This study is essential because it shades some light on how re-engineering process is supposed to be implemented and the benefits and demerits of re-engineering process using this theory. Successful re-engineering process is attained through either increasing the motivating forces or weakening the restrictive forces (Setegn, Ensermu, and Moorthy, 2013).

### *2.1.2 Evolutionary Theory of Change*

George and Jones posited that Evolutionary Theory is a gradual, incremental and narrowly focused, it is not rapid but a constant effort to improve. Eardley *et al.*, (2008) states that total quality management is the best example of evolutionary change that is consistently applied and its impact on improvement seen or felt over a long term. Evolutionary theories are based on the assumption that organizations gradually change from simple foundation to more difficult forms. Sociologists like Craumer believed that human organizations evolve in a unilinear way that is in one line of expansion. According to them social change meant progress toward something better. They perceived change positive and advantageous. According to then the evolutionary process implied that organizations would necessarily reach new and higher levels of civilization. According to Morgan there were three basic steps in the process: barbarism, savagery, and civilization. Augusta ideas relating to the three stages in the development of human thought and also of society such as the theological, metaphysical and positive in a way symbolize the three essential stages of social change. This evolutionary analysis of social transformation was influenced by Charles Darwin's theory of Organic Evolution (Ayanda and Sidikat, 2008)

Those who were fascinated by this approach used in human society and argued that organizations should have come from the simple and ancient to that of too difficult and modern. Herbert Spencer is a British sociologist who approved this analogy to its edge. He stated that society itself is an organism. He made use of Darwin's principle of the survival of the fittest to human organizations. He said that society has been regularly developing towards a good position. He argued that it has evolved from military society to the industrial society (Eardley *et al.*, 2008)

He claimed that western races, classes or organizations had survived and evolved because they were better tailored to face the life conditions. This observation known as social Darwinism got popular in the late 19th century. It existed even at the first stage of the 20<sup>th</sup> century. Emile Durkheim noticed the reason of societal changes as a society's rising moral density (Ayanda and Sidikat, 2008)

Durkheim saw firms as dynamic in the direction of high separation interdependence and formal control under the pressure of increasing moral density. He advocated that organizations have evolved from a relatively undifferentiated social structure with least division of work and with a type of team spirit called mechanical team spirit to a more separated social planning with least division of work leading to a kind of solidarity called organic solidarity (Subrahmanyam, 2008).

Evolutionary Theory of Change has been criticized because of its ethnocentric nature i.e. it makes heavy value judgments on different societies; taking the Western culture as the most important. The theory also assumes all cultures follow similar progression and possess the same goals. Further it equates civilization with material culture, i.e. technology and cities. Furthermore the theory equates evolution with progress or fitness, based on deep misunderstandings of evolutionary theory (David *et al.*, 2005).

## *2.2 Incentives and Employee Performance*

The usage of re-engineering process and worker incentives was intended to have a positive impact in the organization and cause it to have quantum leaps in turnover. Appropriate application of employee incentives results to employees becoming more involved in decision making, steps in re-engineering process are performed in a natural order and several jobs get done simultaneously (David *et al.*, 2005). Also incentives will have multiple versions which enables the economies of scale that result from mass production yet allowing customization of products and services. Work will be performed where it makes bigger sense as well as at the customers and suppliers sites thus work is shifted across organizational and international boundaries, controls and checks are instituted and other non-value adding added work are minimized. Reconciliation will be minimized by cutting back the number of external contact points and by creating business allowance.

Mlayet *al.* (2013) also recognize the importance of the employee incentives when they state firms are not asset portfolios, but employees working as a team to discover, sell and offer service. However, they didn't show how to reengineer the labour in conjunction with the reengineering process. Of the four cases presented in reengineering the company, only the case of capital investment looks into this area. Capital holding performed a cultural audit which showed that unwritten rules of conduct appreciated information hoarding and barely acknowledged the customer.

In order to curb these tendencies, high-ranking executive provided a constant flow of information throughout the company regarding reengineering expectations and success and raised the performance appraisal system to emphasize the new values of teamwork and cooperation. Sethi and King (2003) also failed to provide any documentation or empirical evidence concerning the effect of reengineering. All they gave was the broad unfounded speculation that 50-70 percent of reengineering attempts fail. Rather than addressing directly the elusive concepts of success and failure, the study tried to give certification to aid wide speculations concerning the causes and outcomes of reengineering. This confirmation has also been tested to reveal which were the significant causes and results. The findings suggested that the primary reasons for reengineering seemed to increase efficiency (internal factor) and improve customer service (external factor) while the most significant

outcome of reengineering were better technology and better customer services. This methodology is sensible contribution than one which tries to make reengineering either succeed or fail. Whether an attempt is successful or not, it has to be deliberated against the purpose that was initially designed to achieve.

According to Sethi and King (2003) incentives has a significant impact on employee performance, they examined the relationship between re-engineering procedure orientation and non-financial performance standards such as employee satisfaction, learning, commitment, absenteeism and working environment. The study showed a positive relationship between re-engineering process and non-financial performance measures.

Re-engineering process orientation demands better employee performance. The quality and efficiency of re-engineering process help to boost the performance of employees and provide better service to customers (Sarkar & Singh, 2006). Re-engineering process is a socio-technical approach that brings about behavioral change and material modification (Sethi and King, 2003). It assists to shape behavior of employee and mind-set through self-management (Sethi and King, 2003) performance of employee is important for firm's success. The literature showed factors like security of jobs, absenteeism, and maintenance and on- job and off-the-job training as influencing performance of employee (Tesfaye and Debela, 2009). Employee turnover, fulfillment, dedication, team work and loyalty are also determining factors of worker performance (Ongaro, 2004).

Employee attachment and loyalty are other measures of employee commitment (Ozcelik, 2009). Esprit de corps is cohesion and teamwork in the setting of an organization (Al-Rawi, 2008). It signifies employee attachment to achieve common objectives (Robins, 2001). Proper firm's leadership and conduct yield pride, employees dedication and commitment that are important determinants of esprit de corps (Hesson, 2007) The literature, indicates the positive impact of re-engineering process orientation on organizational performance (Johnson *et al.*, 2003).

Re-engineering process helps to improve both the financial and the non-financial performance of an organization (Graham, 2010). Investment in re-engineering process result in firm's competitive advantage and hence significant improvements to the system (Johnson*et al.*, 2003).re-engineering process focuses on the efficient transformation of input into output to exceed requirements of the customer. In this manner, it aids in attaining overall firm's targets through attaining efficiency as well as efficacy (Johnson*et al.*, 2003).

### **III. Methods And Materials**

#### **3.1 Research Design**

The study employed a descriptive survey design. Descriptive survey attempts to describe characteristics of subjects or phenomena, opinions, attitudes, preferences and perception of persons of interest to the researcher. Moreover a descriptive survey aims at obtaining information from a representative of the population and from that sample; the researcher will be able to present the findings as being representative of the population (Orodho, 2009).

#### **3.2 Area of study**

The study was conducted at Kenya Forest Service-Uasin Gishu County. Kenya Forest Service is a State Corporation established by an Act of parliament February 2007 and operationalized through the Forest Act 2005 and its mandate is to conserve, develop and sustainably manage forest resources for Kenya's social-economic development. The KFS management structure comprises 10 conservancies that are ecologically demarcated, 76 Zonal Forest Offices, 150 forest Stations, and 250 divisional forest extension offices located countrywide, and critical in forest management and surveillance. To participate in forest management, forest adjacent communities have formed registered groups and are currently working with KFS to sustainably manage forest resources. In total, there are at least 150 community forest associations. Kenya forest service Uasin Gishu County has 8 forest stations with a population of 115 employees.

#### **3.3 Target population**

This study targeted all the employees at Kenya Forest Service- Uasin Gishu County which currently has 8 forest stations with a total population of 115 employees.

**Table 2.1** Target Population

<b>Stations</b>	<b>Administrators</b>	<b>Other employees</b>	<b>Total</b>
Kapsaret station	1	12	13
Timboroa station	1	14	15
Cengalo station	1	11	12
Kipkurere station	1	15	16
Nabkoi station	1	16	17
Ecosystem managers' station	2	11	13
Lorenge station	1	11	12
Head of conservancy station	2	15	17
Total	10	105	115

### 3.4 Sampling Technique and Sample Size

For the purpose of getting a representative sample, the study employed census method owing to the small number of employees in the county. A census is the procedure of systematically acquiring and recording information about the members of a given population. It is a regularly occurring and official count of a particular population. A census is often construed as the opposite of a sample as everyone is surveyed rather than a fraction. However, population census relies on a sampling frame to count the population. This is the only way to be sure that everyone has been included as otherwise those not responding would not be followed up and individuals could be missed. The fundamental premise of a census is that the population is not known and a new estimate is to be made by the analysis of primary data. Thus the sample of the study was 115 respondents

### 3.5 Data presentation and Analysis

Descriptive Statistics (percentages, mean and standard deviation) were used to analyze data obtained. Data collected from the field was coded on the computer coding sheets and presented in tables;

### 3.6 Limitations of the Study

The study findings were limited to Kenya Forest Service-Uasin Gishu County and though its results may be generalized to cover all other conservancies even if the composition of other conservancies' characteristics may be different. The respondents were not willing to participate in the study in fear of exposing their re-engineering processes where some of them suspected that the researcher has an ill motive to the organization. This was overcome by explaining to them the intention of the study and issuing the introduction letter from the school and any relevant authorities for verification purposes. The policies of organizations were also too rigid to the extent that the respondents might fear giving out the information. To overcome this limitation the respondents were assured that the given information would confirm to serve the research purpose

## IV. Findings, Conclusions And Recommendation

The objective of this study was to find out the effects of incentives on employee performance, to achieve this objective, the participants were asked to respond to items in the questionnaire on a likert scale of 1-5. The results are presented in table 4.9 below

**Table 4.1** Incentives and Employee Performance (N=109)

Variables	M	SD
Incentives has led to employees becoming more involved in decision making	3.661	1.270
Incentives has led to reduced employee turnover	4.017	1.068
Incentives has emphasized on the new values of teamwork and cooperation	4.035	1.162
Incentives has increased efficiency and improve customer service	4.643	4.843
Incentives has led to employee satisfaction	3.748	1.198
Incentives has led to the attainment of targets and goals in Kenya forest service	3.783	1.090
Incentives has led to improved image of the organization	4.130	.833

Source: (Research Data, 2018).

From the table above it was revealed that incentives can lead to employees becoming more involved in decision making which had a mean of 3.661 at a standard deviation of 1.270. The response on the issue that incentives leads to reduced employee turnover was supported by a mean 4.017 and a standard deviation of 1.068. Further, the respondents accepted that incentive leads to team work and cooperation which had a mean of 4.035 and a standard deviation of 1.162. on the issue that incentives has led to increased efficiency and improve customer service, the mean was 4.643 and a standard deviation was 4.843. Respondents also agreed that incentives has resulted in employee satisfaction which was supported by a mean of 3.748 and a standard deviation 1.198, the response that Incentives has led to the attainment of targets and goals was supported by a mean of 3.783 and a standard deviation 1.090. Lastly, the respondents agreed that Incentives has led to improved image of the organization which was supported by a mean of 4.130 and a standard deviation of 0.833.

It can therefore be shown that the effects of incentives on employee performance include: Involvement of employees in decision making, reduced turnovers, improved teamwork and cooperations, improved efficiency, employee satisfaction, attainment of targets and goals and finally improves the image of the organization. These results indicate that majority of the respondents had a positive perception that incentives leads to good employee performance. These results is supported by Davison (2000) who states that the application of re-engineering process and employee incentives is intended to have a positive impact in the organization and cause it to have quantum leaps in turnover. Appropriate application of employee incentives results to employees becoming more involved in decision making, steps in re-engineering process are performed in a natural order and several jobs

get done simultaneously. Martenette *et al.*, 2003, also recognize the importance of the employee incentives when they state “companies are not asset portfolios.

On the basis of findings the study concluded that incentives has led to involvement of employees in decision making , it has led to reduced employee turnover, put more emphasis on the new values of teamwork and cooperation , increased efficiency and improve customer service, employee satisfaction, attainment of targets and goals and finally improves organizational image. From the findings it was recommended that Kenya forest service and other governmental organizations should embrace the reengineering process in form of incentives to their systems of operation as this would assist in operational efficiency, reduction in turnovers and hence attainment of targets the ultimate role of existence of any organization.

## *4.2 Recommendation of the Study*

### *4.2.1 Recommendation on Policy and Practice*

From the study the following recommendations were made:

- [1]. Kenya forest service and other governmental organizations should bring in reengineering Process innovation to their system of operations; this would help to improve operational efficiency Process change initiatives bring about business efficiency by reducing time and cost.
- [2]. Kenya forest service should break its work into its simplest and most basic tasks. This would lead to the structure of enterprises becoming hierarchical or functional in order to manage such divided tasks thus increasing employee performance.
- [3]. Kenya forest service and other governmental organizations management should provide a constant flow of information throughout the company regarding reengineering expectations and success and raised the performance appraisal system to emphasize the new values of teamwork and cooperation this would increase participation in decision making among the employees hence performance.
- [4]. Kenya forest service should emphasize on the revision of reward systems, communication, empowerment, employee involvement, training and education, creating a culture for change, and stimulating receptivity of the organization to change the most important factors related to change management and establishing a culture of performance measures.

### *4.2.2 Suggestion for Further Study*

Owing to the limitations of the study it is suggested that same study be done but in other organizations. Also since re-engineering process creates new processes that define jobs and responsibilities across the existing organizational functions. There is need to create a new organizational structure which determines how re-engineering teams are going to look, how human resources are integrated, and how the new jobs and responsibilities affect employee performance.

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IOSR Journal of Business and Management (IOSR-JBM) is UGC approved Journal with Sl. No. 4481, Journal no. 46879.

Judith Chepkemoi. " Effect of Incentives on Employee Performance At Kenya Forest Service Uasin Gishu County." *IOSR Journal of Business and Management (IOSR-JBM)* 20.3 (2018): 26-32.