EMPLOYEE MOTIVATION STRATEGIES IN KENYA'S MICROFINANCE SECTOR

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DECLARATION

This thesis has not been submitted for a degree in any other institution of higher learning and that the contents of this thesis are my original work.

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DEDICATION

I dedicate the research to all my MBA classmates of Dedan Kimathi University of Technology who have been my source of inspiration in fulfillment of my possible dreams. You have made the past two years a memorable experience. The joys, challenges and laughter we shared will be cherished forever.

I also dedicate it to my dear family Anthony, Ian, Natasha who have been patient, encouraged and prayed for me during my coursework.

ABSTRACT

The aim of this study was to evaluate employee motivational strategies in Kenya Women Finance Trust which is a deposit taking microfinance. Specifically the research study evaluated the effects of achievement on employee motivation at KWFT, assessed the impact of recognition on employee motivation at KWFT, analyzed the extent to which interest in the job affects employee motivation at KWFT and explored the importance of career advancement on employee motivation at KWFT.Descriptive research design in form of a survey was used. The 36 Business Development Officers working in KWFT branches in Nairobi Central, Nairobi West and the Headquarters were used in this study. A census will be used to select all the 36 officers in the branches. A questionnaire was used for data collection. Descriptive statistics such of means, standard deviation and frequency distribution were used to analyze the data. The data was presented in form of frequency tables, graphs and pie charts. A regression model was generated to establish the relationship between the dependent variable (employee motivation) and the independent variables (achievement, recognition, interest in the job and career advancement). The regression equation established was; $Y = 1.161 + 1.482 X_1 + 0.942 X_2 + 1.218 X_3 + 2.106 X_4$.The regression model showed that career advancement (X_4) had the greatest effects on employee's motivation with a coefficient of 2.106. This was followed by achievement(X_1) with a coefficient of 1.482, Interest on job(X_3) followed with a coefficient of 1.218 and finally recognition for achievement(X_2) with a coefficient of 0.942.This shows that all the study variables had a positive relationship and all the *P*-values were less than 5% hence statistically significant to make a conclusion on the population. This implies that the study variables had significant positive impact on employee's motivation. While, the test further revealed career advancement, achievement, interest on job and recognition passed the test of significance, and this implies that they had a positive significant impact on employee's motivation.

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LIST OF ABBREVIATIONS AND ACRONYMS

BDO   Business Development Officers

GDP: Gross Domestic Product

K-REP: Kenya Rural Enterprise Programme

KWFT: Kenya Women Finance Trust

MDG: Millennium Development Goals

MFI: Microfinance Institution

NGOs: Non Governmental Organisations

SMEP: Small and Micro Enterprise Programme

SPSS: Statistical Package for Social Sciences

UNDP: United Nations Development Programme

WWB: World Women Banking

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Motivation refers to forces that energize, direct and sustain a person's efforts (Bateman, 2008). If employees have everything they need to perform well, they will be able to do the job. However, they must be willing and this is where the question of motivation arises. Employees are willing to work hard if they see reasons to do so, and believe that their efforts will pay off. Motivation is not always the same since this changes as the moods do. As it happens in daily routine occasionally, it is on the higher part or vice versa (Stroh, 2009). There are times when motivation disappears for days and people have to reevaluate their ways.

It is important for organizations and individuals to be committed to implementing strategies and accomplishing strategic objectives. (Thompson and Strickland, 2011) argue that the strategy implementer's challenge is to design a reward structure that motivates people to do whatever it takes to make the strategy work successfully. This typically comprises trying to solidify wide commitment through motivation, incentives and rewards for good performance. The range of options includes all the standard reward punishment techniques, salary raises, bonuses, stock options, fringe benefits, promotions, fear of being sidelined, praise, recognition and job control, autonomy, attractive geographic assignment opportunities for personal satisfaction, and many more. But rewards have to be used creatively and they are tightly linked to the factors necessary for good strategy execution.

Motivation is important in business because it improves the level of efficiency in employees and this leads to increased productivity and reduction of operation costs. Motivation is important to managers in organizations because it helps them to inspire the employees in the workplace and

this in turn makes workers produce great business. It is also important because it enables people to work earnestly or enthusiastically and also helps people to move in a desired direction. Getting people to do their best work, even in trying circumstances, is one of managers' most enduring and slippery challenges. Indeed, deciphering what motivates employees is a centuries old puzzle. Some of history's most influential thinkers about human behavior among them Aristotle, Adam Smith, Sigmund Freud, and Abraham Maslow—have struggled to understand its nuances and have taught a tremendous amount about why people do the things the way they do them (Paul and Nitin, 2002).

Therefore, because of the important role the microfinance sector plays in the economy of a country, it is important to have a motivated workforce for the organization to perform well. Motivation is important in organizations because it improves the level of efficiency in employees and this leads to increased productivity and reduction of operations. It is also important to managers in organizations because it helps them to inspire the employees in the workplace and this in turn makes workers produce great results. In addition to that, motivation enables people to work earnestly or enthusiastically and also helps them to move in a desired direction.

Microfinance is usually understood to entail the provision of financial services to micro-entrepreneurs and small businesses, which lack access to banking related services due to the high transaction costs associated with serving these client categories (Meenakshi, 2003).

The concept of microfinance is not new (Karim, 1998). Savings and credit groups that have operated for centuries include the "susus" of Ghana, "chit funds" in India, "tandas" in Mexico, "arisan" in Indonesia, "cheetu" in Sri Lanka, "tontines" in West Africa, and "pasanaku" in Bolivia, as well as numerous savings clubs and societies found all over the world. European

banking begun more than 500 years ago in Italy with the provision of credit to the church and with payment services for long distance trade. The Italian banks did not provide financial solutions. Between 1490 and 1520 German and Swiss banks developed into financial intermediaries and took the lead in European finance. By 18th century, the development of microfinance began (Steinward, 2001). Structural changes from an agricultural based society to an industrial one and the rapid demographic growth after the end of the extended European wars (1618-1648) led to a tremendous increase in poverty in Europe. One response was the establishment of microfinance institutions during the 18th and 19th century. The common goal was to fight poverty (Steinward, 2001).

In early 18th century, Jonathan Swift, an Irishman, had the idea to create a banking system that would reach the poor (Jaya, 2001). Swift created the Irish Loan Fund, which gave small short term loans to the poorest people in Ireland who were not being served by commercial banks, in hopes of creating wealth in the rural areas of Ireland. The banking system took years to catch on, but then grew quickly and expanded globally. By the end of the 18th century, the Irish Loan Fund had over 300 banks for the poor and was serving over 20% of the Irish population. During the same period similar banking systems showed up all across Europe targeting the rural and urban poor (Huppi, 1990).

Friedrich Wilhelm Raiffeisen from Germany realized in 1835 that the poor farmers were being taken advantage of by loan sharks (Rutherford, 2000). He acknowledged that under the current lending system, the poor would never be able to create wealth; they would be stuck in a cycle of borrowing and repaying without ever making personal economic development. Friedrich

founded the first rural credit union in 1864 to break this trend. This system was different than previous banks because it was owned by its members, provided reasonable lending rates and was created to be a sustainable means of community economic development.

The idea of credit unions spread globally and by the end of the 1800s, these micro credit systems had spread all the way from Ireland to Indonesia. At the turn of the century similar systems were opening in Latin America. In Europe the credit unions were owned by its members, while in Latin America the institutions were owned by the government or private banks and were not as efficient as they were in Europe. In the 1950's donors and government subsidies were used to fund loans primarily for agricultural workers to stimulate economic growth but these efforts were short lived (Rutherford, 2000). The loans were not reaching the poorest farmers; they were often ending up in the hands of the farmers who were better off and did not need the loans as critically as others. Funds were being lent out with an interest rate much below the market rate and there were not enough funds to make this viable long term. These loans were rarely being repaid, so the banks' capital was depleting quickly and when the subsidized funds ran out, there was no more money to pump into the agricultural economy in the form of micro credit (Stiglitz, 1990).

In the 1970s the biggest developments in microfinance occurred. Grameen Bank in Bangladesh located in South Asia started off as an action based research project by Dr. Mohammad Yunus, a professor who conducted an experiment on credit program (Rutherford, 2000). This nonprofit program dispersed and recovered thousands of loans in hundreds of villages. The professor tried to extend this idea to other bankers in Bangladesh, but they were afraid that it was too risky as a business and turned down the offer. Grameen Bank is now one of the world's largest

microfinance institutions with millions of lenders. By the 1990's, lenders had learned how to increase loan repayment rates enough to make microfinance institutions sustainable. They targeted women as borrowers and gave them money to invest in businesses that would increase their income. They also charged very low interest rates so the borrowers could pay back their loans and still have money, i.e. create wealth, for themselves. This is when the term microfinance was coined to replace micro credit, because the new institutions were doing more than making loans; they were offering other financial services to the poor like savings accounts, insurance and money transfers.

In Africa, mainstreaming, formalization, and recognition of microfinance as part of the formal financial sector began to gain momentum in the late 1990s (Greuning, 1998). An estimated figure of more than 50 percent of the population in Sub-Saharan Africa live on less than $1.25 per day (Brownstein, 2007). An increasing number of African governments are paying attention to prioritizing microfinance. Over 30 countries in Africa have put in place microfinance-specific laws and have national microfinance strategies. Microfinance also falls in line with the African Union's continental objectives of promoting the attainment of the Millennium Development Goals (MDGs) which are eight international development goals that were established following the Millennium Summit of the United Nations following the adoption of the United Nations Millennium Declaration (Brownstein, 2007). The goals included eradicating poverty and hunger, promoting gender equality and empowering women and to develop a global partnership for development to mention a few.

Microfinance is not a new idea in East African (Ali, 2010). Most of the East African countries have embraced microfinance in discovering that they can make a lasting impact on poverty alleviation by offering sustainable financial services (Ali, 2010). In Uganda the credit schemes started emerging in the mid-1980s. However, they started to expand in terms of significant client outreach and receiving recognition until the mid-1990s. Clients of Ugandan Microfinance institutions are women while others like the Uganda Women Finance Trust target women only. Microfinance supports the idea that lending to women is thought to benefit the whole family and strengthen the role of women in society (Matovu, 2006).

Participation in microfinance programs allows Ugandan women to acquire business and non-business related knowledge, learn from each other, strengthen their business and personal relationships and learn leadership and public speaking skills (Matovu, 2006)). Many women that had performed management roles in microfinance groups have been elected into local councils. Belonging to MFI groups also provides women with status and prestige in the community, makes them less dependent on their spouses for money, increases their influence and bargaining power within the household and improves their self-confidence (Matovu, 2006).

In Tanzania, the history of microfinance starts way back in 1985 when the Government promoted and established the Presidential Trust Fund in mid-1990's (Mawa, 2008). Other MFIs emerged and in the late 1990's the Bank of Tanzania started specialized banks which are commonly known as community banks and cooperative banks which became the first commercial banks to venture into microfinance. The main aim was poverty alleviation.

The Tanzanian government tried to convince commercial banks to support small and medium businesses (Mawa, 2008). Once the National Microfinance Policy was implemented in 2001, microfinance was officially recognized as a tool for poverty eradication and with its increased use and exposure to the country; banks have taken an interest in offering microfinance.

In Kenya, the main aim of microfinance was and is to address poverty (Kasole, 2008). Between 1980 and 2000, Non-Government Organizations and multinational agencies were behind many MFIs (Kasole, 2008). They were co-financing agencies which were concerned with alleviation of poverty, creation of employment, increasing the income of the poor, improving, access to resources and participation in decision making. In the 1980s and 1990s the dominant microfinance institutions in Kenya were the Kenya Women Finance Trust (KWFT), Kenya Rural Enterprise Program (K-REP), Faulu Kenya and Family Finance Bank. Some of them have already converted into commercial banks.

Microfinance-related services play a vital role in Kenya's economy. An estimated 10 to 15 percent of the population relies entirely on Non Governmental Organisations and informal associations for financial services (Mutula, 2007). In 2008, Kenya passed the Microfinance Bill to regulate microfinance institutions (Mutwiri, 2009). The aim of the bill being to protect populations which are out of the scope of traditional banking services from corrupt microfinance institutions.

The government through Kenya's Vision 2030 has identified the financial sector as one of the six priority sectors in realizing this vision (Kenya's Vision 2030). The financial sector will be expected to mobilize and channel substantial resources required for investment to expand the production potential and open up the economy. Accordingly, it is envisaged that the

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microfinance sub-sector is positioning itself to enhance financial reach, deepening and inclusion as a major player and be part of this pivotal development.

Some of the roles microfinance has played in the country's development include helping to increase the household income, creating many job opportunities in the urban and rural areas, and providing access to financial services to the citizens which enable them establish and change their lifestyles. In addition to that, through lending, the people can diversify their income sources and enhance the enterprise growth and many more benefits are acquired from the sector.

MDG's call for the promotion of gender equality and empowerment of women to be able to participate in decision making in critical areas concerning women. Kenya's 2010 constitution has set the conditions for greater female electoral representation (Mutula, 2007). The Kenyan government is in a bid to enhance women participation in government. For instance, having the 47 women representatives each from every county and 18 senators who participate in the nation's lawmaking, the Women Enterprise Fund whose objective is to empower women economically and the new directive from the government on the 30% public procurement opportunity allocation which states that in every government procurement budget 30% goes to youth, women and people with disability (Public Procurement and Disposal Act, 2013). This shows that women have been recognized because of the role that they play in the society.

Women have played a role in the society since the pre-colonial time. Before the British colonized Kenya in the 1890s, Kenyan communities were governed by councils of elders consisting of elderly men in the community (Kasole, 2008). The role of women and girls was to farm, take care of children, maintain the homestead and tend to their husbands (Kasole, 2008). Women were economically empowered as they sold their farm produce in the market. As much as the

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man played the traditional leadership role, both in the family and work place, women empowerment through education has seen a paradigm shift whereby women are progressively playing the leadership and management role in not only blue chip companies but also in some powerful states of the world. Even within the family front, the woman is increasingly playing a greater role than before as more and more women find themselves heading their families, whether by default or by design as is the case for single mothers.

One of the main microfinance institutions in Kenya, Kenya Women Finance Trust has a unique clientele, women. It is an affiliate of Women's World Bank (WWB) an independent international organization formed after the International Women's Year Conference in Mexico City in 1975 (Meenakshi, 2003). WWB is the only microfinance network with an explicit focus on women (KWFT, 2009). It has a network of 39 financial organizations from 28 countries also known as microfinance institutions located around the world. They provide small loans, to people to start their businesses. WWB is focused on ensuring women have access to these microloans.

KWFT is one of the largest regulated women-serving institutions in Africa and the leading deposit-taking microfinance institution in Kenya with 67.2% market share (United Nation Development Programme, 2010). It has an expansive branch network with 46 operational branches all over the country (KWFT, 2011). The institution targets low income women as an entry and contact point to their families with the objective of alleviating poverty through provision of innovative savings and credit products tailored to meet customer needs. This is in line with their vision of being the Women Financial Solutions Provider with a Difference and mission of Partnering with Women in their Creation of Wealth. The institution has risen to be

one of the most successful microfinance institutions in the country, with the largest network of any MFI providing deep penetration into rural and urban areas of Kenya also enjoying several awards and recognitions for the work they are doing for the society.

There are more than 33 other competitors in the microfinance sector such as Rafiki, SMEP, Faulu and many others but KWFT enjoys a unique status in financial services as the only financial institution to focus solely on women clients (KWFT, 2011). It has created a portfolio of products and services focused on meeting the needs of women entrepreneurs. The organization's success is based on the recognition that women are a key niche market that has significantly lower levels of access to financial services than the rest of the general population. For more than 20 years women have had little or no access to credit and their aim is to bridge this gap in the financial services sector with the main purpose being to encourage women to save (KWFT, 2011). Nevertheless, that does not mean that men cannot get services from KWFT. A woman can help her husband to access services as the principal account holder or signatory. In the organization, there are men who are in the senior management; for example the Managing Director, Finance Director and many others who are in the decision making level.

KWFT offers various products to their clients which include Biashara loans to support women with small and medium scaled businesses to access affordable financial services which aids in creation of employment and reduction of rural - urban migration. They offer Elimu loans to enable access to quality education for the family. They provide loans to purchase water tanks to store clean water for domestic use and improved sanitation, through strategic private partnerships. This ensures water storage especially for use during dry spells. They also offer biogas loans which is clean, cost effective energy used for cooking, heating and lighting. The

young ones are not left behind as there is a children's account which is designed to help them accumulate their savings.

Since inception in 1981, KWFT has developed training and career development policies and many employees have been trained. According to the KWFT Training Policy (2007) this has been done to facilitate among others, the promotion of career and professional development of staff, preparation of staff for higher responsibilities and the synchronization of required knowledge, skills and attitudes required for performance improvement. It is assumed that after training, these employees are promoted for purposes of career advancement and this would also motivate them. However, this seems not to be the case. There is lack of career advancement after training in KWFT; this is likely to seriously affect the motivation of employees to perform their duties successfully. If motivation is affected, the performance of KWFT will suffer and consequently fail to achieve its objectives.

Many employees are not motivated in their places of work and they therefore lack the drive to perform their duties as expected Sergiovanni (2007). There is a level from which employees whether clerical staff or officer cadre finds it difficult to move upwards or get promoted yet the microfinance needs employees who perform their duties well. However, the strategies which can be adopted in motivating KWFT employees remain poorly understood. If this problem continues and motivation is seriously affected, the performance of the employees is likely to decline and this could seriously affect the achievement of the goals and objectives of the company. Furthermore, it may not be defensible for the company to continue spending large amounts of money on rewards which may not lead to employee motivation and improved organizational performance.

1.2 Statement of the Problem

According to theories on motivation like Fredrick Hertzberg's two factor theory, employees who feel motivated to work are likely to be persistent, creative, and produce high quality work.

Although, research studies have been done on motivation, it is not clear what specifically motivates employees because every employee has his/her own way of getting motivated. Employers therefore, need to understand their employees better and use appropriate tactics to motivate them.

Furthermore, few studies have been carried out on motivational strategies in the microfinance sector in Kenya. Therefore, this study sought to analyze the employee motivational strategies used by KWFT.

1.3 Purpose of the study

The study basically aimed at evaluating employee motivational strategies which were being used by microfinance institutions in Kenya. The main purpose of this study was to determine the employee motivation strategies in KWFT.

1.4 Research questions

The general research question was determining employee motivational strategies in KWFT and was broken down into the following specific research questions.

i.   What are the effects of achievement towards employee motivation at KWFT?

ii.   What is the impact of recognition on employee motivation at KWFT?

iii.   To what extent does interest in the job affect employee motivation at KWFT?

iv.   What is the importance of career advancement on employee motivation at KWFT?

1.5 Research Objectives

General research objective

The general research objective of the study was to determine employee motivational strategies in KWFT which is a deposit taking microfinance.

Specific Objectives

i.   To evaluate the effects of achievement on employee motivation in KWFT.

ii.   To assess the impact of recognition on employee motivation at KWFT.

iii.   To analyse the extent to which interest in the job affects employee motivation at KWFT.

iv.   To explore the importance of career advancement on employee motivation at KWFT

1.6 Significant of the Study

This research will help many managers and leaders in our society to identify motivation strategies that they need to implement in order to successfully motivate their employees to perform their best. As a manager this knowledge will therefore help the researcher to understand what new strategies can be applied in order to motivate employees to achieve optimal business results. It is evident that there is a need for this study because of the many companies that are constantly spending money on various ways to increase employee motivation.

The research is needed to improve employees' performance at the workplace, to retain employees and to help companies establish a good image. Motivation being one of the huge components in determination of an organization's performance, top management will use the recommendations given to enhance high levels of motivation in their various places of work. This study is important to the management of KWFT and other similar organizations in Kenya by acting as a reference

point for motivational strategies that can be adopted and those that need to be put in place, both in the present and future.

Furthermore, this study will be of immense benefit to policy makers in the human resources functions of organizations and management in other areas like designing and putting in place welfare incentives for the workforce, enabling the organization to identify various types of needs and expectations of people at work and outline different approaches to motivation in the workplace. If employees are not motivated then the company could lose large amounts of money, customers or even go out of business. On the other hand, if employees are well trained and motivated by their employers it could have great income potential, keep loyal customers and gain a lot of market share in the microfinance sector.

1.7 Scope and Delimitations of the Study

The research was carried out at KWFT which had a population of 2300 employees and a vast network of over 237 branches spread across the country. The research focused on KWFT as it is the largest microfinance institution in Kenya and has also been voted the best employer and the best microfinance institution in Kenya leading to a number of awards (Nganga, 2011). The study involved the Business Development Officers (BDOs) based in Nairobi region which consisted of Nairobi Central, Nairobi West and the Headquarters. The researcher picked on Nairobi region as there were many BDO's, and the region had a big market share which means that the bulk of the work was in this region and the information required is a replica of what to expect from the regional offices. The population of the study was 36 officers. This was deemed sufficient to provide adequate data for the study.

1.8 Limitations of the Study

The main limitation of the study was its inability to include more organizations. The study focused on employees' motivation in KWFT where the findings would be generalized to such microfinance organizations in Kenya. The study anticipated to encounter unwillingness by respondents to reveal information which may be classified as confidential and to minimize this, the researcher informed the respondents that the information they offered would be treated with utmost confidentiality and a letter from the learning institution was attached to each questionnaire. The management also informed and permission requested for the undertaking of this research.

1.9 Definition of significant terms

Achievement: Something accomplished through great effort, skill, perseverance, or courage. Act of achieving; attainment or accomplishment: the achievement of one's object.

Business Development Officer: For the purpose of this study they are officers who recruit, train customers, lend and recover money from them.

Career advancement: For purposes of this study career advancement will be taken to imply progression through the ranks of the organizational hierarchy.

Career development: This is the process through which an individual's moves and experiences through the organization are seen to be rising to higher levels or otherwise.

Human nature: The distinguishing characteristics, including ways of thinking, feeling and acting, that humans tend to have naturally, i.e. independently of the influence of culture.

Incentives: An incentive is something that motivates an individual to perform an action.

Microfinance Institution: Microfinance is a source of financial services for entrepreneurs and small businesses lacking access to banking and related services.

Millennium Development goals: These are eight international development goals that were established following the Millennium Summit of the United Nations in 2000, following the adoption of the United Nations Millennium Declaration.

Motivation: It is a drive that cultivates an individual to move towards a goal.

Motivational Strategy: These are the methods of finding and harnessing motivation in order to achieve your goals.

Organisation leadership: The management staff that provides inspiration, objectives, operational oversight and other administrative oversights to the organization.

Recognition: State of being acknowledged.

Strategy: It is a plan of action or policy designed to achieve a major or overall aim.

Training: This is the process through which learning formally and systematically modifies behavior through education, instruction,

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development and planned experience. In the context of this study, training is a deliberate action focused at bringing about improvement in job performance and hence facilitates career advancement.

Working environment*:*   It means everything that forms part of employee's involvement with the work itself, such as the relationship with co-workers and supervisors, organizational culture, room for personal development.

1.10 Chapter Summary

This chapter gives an introduction of the study, the statement of the problem and objectives of the study. The study wants to determine employee motivational strategies in the microfinance sector. It has also given the significance, limitation and the de-limitation of the study.

In the second chapter a summary of literature review will be given an in depth analysis. This will include analysis of all the variables plus the past theories that relates to employee motivation. A research gap which requires investigation shall be determined.

In chapter three the research methodology shall be discussed expeditiously, that is the population of the study and the sample size which shall be deemed sufficient for the study. The mode of data analysis and representation shall also form a fundamental component in chapter three.

CHAPTER TWO: LITERATURE REVIEW

2.1: Overview on Employee Motivation

Employee motivation is one aspect of a human resource management development strategy (Butkus, 2009). Motivation regulates the behaviour of employees and enables them to achieve the desired goals of an organization. Therefore, motivation is the psychological process that provides behaviour, purpose and direction. It is also defined as an internal force, which is based on an individual's conscious and unconscious needs that drive him/her to achieve a goal indeed it's an internal drive to satisfy an unsatisfied need (Higgins, 2007).

According to Hughes (2008) a holistic approach should be used to improve certain qualities of work life training, such as fringe benefits, better employment conditions, and career development to support facilitation of motivation. These are directed towards achieving the organization's goal (Ukandu, 2011). High performing organizations increasingly pay close attention to the validity of their recruitment practices and are becoming equally vigilant about developing their employees in order to ensure they achieve optimum performance both in the present and in the future.

According to Spitzer (2007) motivation is one of the most important factors determining organizational efficiency. Every superior be it the manager or departmental supervisor in an organization must motivate their subordinates for the right types of behavior. The performance of human beings in the organization is dependent on the ability in the motivation and increases the willingness of the workers to perform, thus increasing efficiency and effectiveness of the organization.

Motivation ensures best and efficient utilization of all types of resources. Utilization of resources is possible to their fullest extent if the man is induced to contribute their efforts towards attaining organizational goals. One can be physically and mentally fit to work but he may not be willing to work. Motivation results in feeling of involvement to present his better performance. When motivated properly, they try to put efforts to produce more, thus increasing their efficiency and as a result, general production and productivity of the organization increases. Motivated employees use the methods, system and technology effectively in the best interest of the organization.

To achieve the organizational and individual goals in an economical and efficient manner, motivation is an important tool in the hands of management to direct the behavior of subordinates in the desired and appropriate direction and thus minimize the wastage of human and other resources. According to Spitzer (2007) performance improvement is considered to be a function of ability and motivation. Thus motivation is a critical factor in the success of any institution and to tap the talents of employees effectively, they need to encourage an atmosphere of creativity and innovations. If the employees' motivation is affected, the organization's performance will suffer and will not achieve its objectives.

Utilization of resources depends on the willingness of people to work. Motivation is therefore important in modern organizations today, the reason being that they work through physical, financial and human resources. When employees are motivated, this helps to convert the resources into useful products and also helps the management to get the best out of human resources.

Increased efficiency and output is an outcome of motivated employees. Performance is a product of not merely being able to do a task but the willingness to do the same with zeal and enthusiasm. Therefore, motivation bridges the gap between the overall efficiency and output and this ultimately helps reduce the cost of operation.

Achievement of goals is key to an organisation and if employees are well motivated, the organization is able to achieve its goals. This will enable the employees to move in a desired direction and earn rewards. In an organization where managers try to understand the needs of employees and provide appropriate incentive systems, accomplishment of goals is fairly easy.

Motivation brings the employees closer to the organization. The needs of employees are met through attractive rewards, promotional opportunities just to mention but a few and employees begin to take more interest in organizational work. Their morale is high and they start owning the organization, which helps to build or develop cordial relations between the management and the workers.

Organizations will enjoy a stable workforce if they introduce attractive motivational schemes which satisfy the needs of employees. As a result, their commitment to work increases and they do their tasks with loyalty and enthusiasm, and hence they are not tempted to leave the organization. This means reduced employee turnover and further satisfaction on the job means reduced absenteeism.

Theories of motivation are designed to explain why people behave in a particular way. Historically, mechanistic theories dominated the field, viewing humans as passive. Behavior was thought to involve stimulus response contingencies, with little or no attention given to

cognitions in behavioral regulation. However, by the 1960s, with the onset of the cognitive revolution, theories now viewed humans as active explorers with goals, interests, perceptions, values and choices all of which play a role in understanding behavior. Theories of intrinsic motivation developed during this time and focused specifically on understanding why people do activities for their own sake rather than for instrumental reasons. Current research continues to investigate the conditions that support and undermine intrinsic motivation and the consequences that follow.

McKinsey and Company (1977), one of the America's global management consulting firm, conducts studies for world's leading businesses, governments, and institutions. In one of their studies they have researched that organisations around the world are cutting back their financial-incentive programs, but few have used other ways of inspiring talent. Numerous studies have concluded that for people with satisfactory salaries, some nonfinancial motivators are more effective than extra cash in building long-term employee engagement in most sectors, job functions, and business contexts. Many financial rewards mainly generate short-term boosts of energy, which can have damaging unintended consequences. Indeed, the economic crisis, with its imperative to reduce costs and to balance short- and long-term performance effectively, gives business leaders a great opportunity to reassess the combination of financial and nonfinancial incentives that will serve their companies best through and beyond the downturn (Meenakshi, 2003).

The survey by McKinsey Quarterly (2009) underscores the opportunity. The respondents viewed three noncash motivators praise from immediate managers, leadership attention (for example, one-on-one conversations), and a chance to lead projects or task forces as no less or even more

effective motivators than the three highest-rated financial incentives: cash bonuses, increased base pay, and stock or stock options. The survey's top three nonfinancial motivators play critical roles in making employees feel that their companies value them, take their well-being seriously, and strive to create opportunities for career growth. These themes recur constantly in most studies on ways to motivate and engage employees (Marjo, 2010). This recent study has convinced many organizations to believe that non-cash motivators may be more effective in the long term than financial incentives.

The literature will deal with employees' motivational strategies with specific concern to KWFT and the research objectives. A motivated employee is someone that works hard because they feel fulfilled when they do so. Motivation is an important area of business research and over the years there have been many motivational theories. The word motivation is derived from the Latin word *movere*, which means to move. Schulze and Steyn, (2008) affirmed that in order to understand people's behaviour at work, managers or supervisors must be aware of the concept of needs or motives, which will help "move" their employees to act.

According to Robbins (2009), motivation is a needs-satisfying process, which means that when a person's needs are satisfied by certain factors, the person will exert superior effort toward attaining organizational goals. Theories of motivation can be used to explain the behaviour and attitude of employees. The researcher will look at a few of the motivation theories however; the focus of this research is on Herzberg's theory of motivation and Abraham Maslow's needs theory.

2.2 Theoretical framework

Motivation theorists Douglas McGregor and Abraham Maslow agree that humans are motivated by the desire to satisfy their various needs. There is a wide difference of opinion, however, concerning what these needs are and their relative importance.

The work of Frederick Herzberg complements that of Abraham Maslow. Herzberg showed that to truly motivate an employee you need to create conditions that make them feel fulfilled in the workplace. Herzberg set out a key difference between 'movement' and 'motivation'. He said that you can get employees to move by punishments and rewards e.g. penalties for poor work and high pay for good work. However, workers that move are not the same as workers that are motivated.

According to Herzberg if you want to motivate employees you need to create a series of 'satisfiers' which are quite different from high pay.

2.2.1 Hierarchy of Needs Theory

Abraham Maslow's hierarchy of needs theory classifies needs according to a pyramidal hierarchy, consisting of five levels: Physiological, Safety, Social, Esteem and Self-actualization (Steyn, 2008). People rarely reach a state of complete satisfaction except for a short time. As one need is satisfied, another overlapping need assumes prominence and motivates further effort until satisfied.

Abraham Maslow developed a theory of personality that has influenced a number of different fields, including education. This wide influence is due in part to the high level of practicality of Maslow's theory. Maslow's basic needs are clearly elaborated in the diagram below:
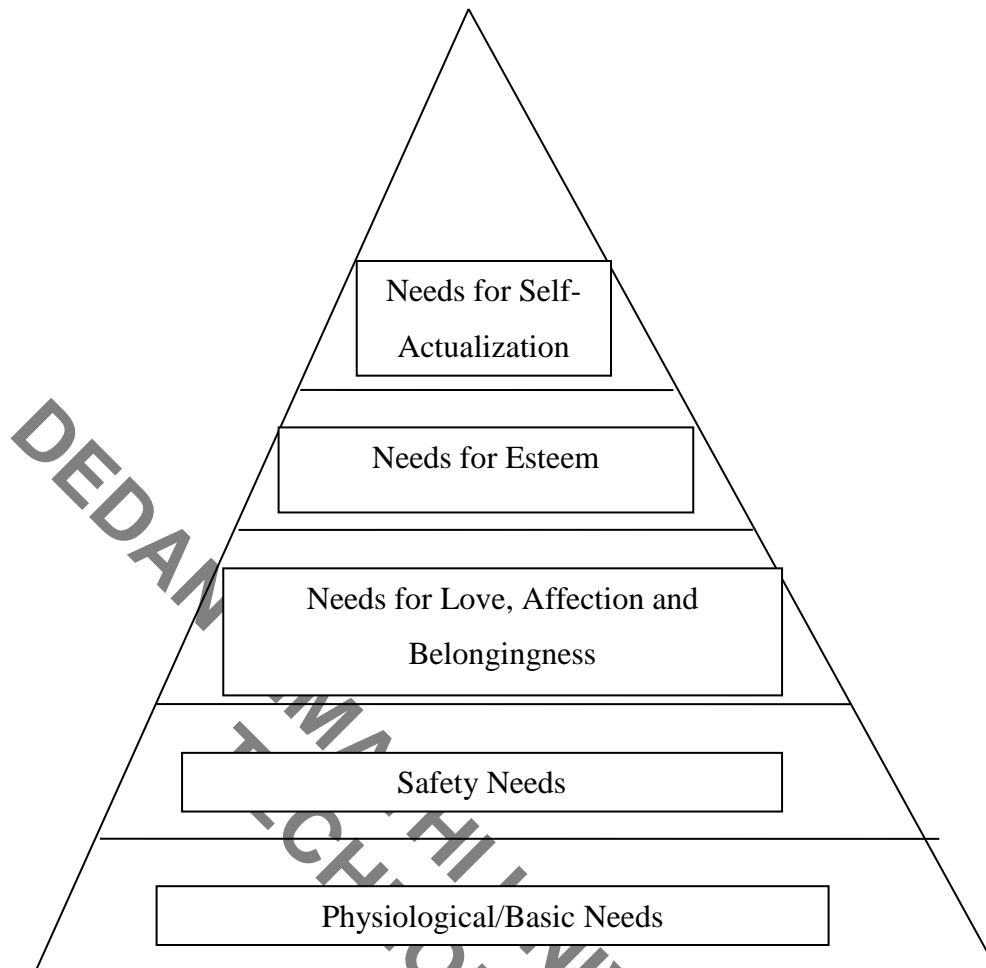
Source: Hunt, 1989

Figure 2.1: Maslow's Hierarchy of needs theory

2.2.1.1 Physiological/Basic Needs

These are biological needs. They include food, shelter and clothing and those other items which are required to be the norm to meet the needs of the body and for physical survival. They are the strongest needs because if a person was deprived of all needs, the physiological ones would come first in the person's search for satisfaction. The base level of need will be typically met in modern industrial society by the exchange of labour for a salary.

2.2.1.2 Safety Needs

When all physiological needs are satisfied and are no longer controlling thoughts and behaviours, the needs for security can become active. Adults have little awareness of their security needs except in times of emergency or periods of disorganization in the social structure (such as widespread rioting). Children often display the signs of insecurity and the need to be safe. Human beings require protection from the physical environment like housing and clothing for warmth or protection from sun, defence from any danger and security of employment (Walton, 2006).

2.2.1.3 Needs for Love, Affection and Belongingness

When the needs for safety and for physiological well-being are satisfied, the next class of needs for love, affection and belongingness can emerge. Maslow states that people seek to overcome feelings of loneliness and alienation (Walton, 2006). This involves both giving and receiving love, affection and the sense of belonging.

2.2.1.4 Needs for Esteem

When the first three classes of needs are satisfied, the needs for esteem can become dominant. These involve needs for both self-esteem and for the esteem a person gets from others. Humans have a need for a stable, firmly based, high level of self-respect, and respect from others. When these needs are satisfied, the person feels self-confident and valuable as a person in the world. When these needs are frustrated, the person feels inferior, weak, helpless and worthless.

2.2.1.5 Needs for Self-Actualization

When all of the foregoing needs are satisfied, then and only then are the needs for self-actualization activated. Maslow describes self-actualization as a person's need to be and do that which the person was "born to do" to become everything that one is capable of becoming. The hierarchy is used to depict the different levels of importance of each need. The most predominant needs; those at the lower end of the pyramid, must be satisfied before the next higher level of needs can be addressed. This hierarchy of needs gives us a beginning point for understanding how to motivate people in different situations.

The urges for accomplishment and growth emerge only when the most basic needs have been satisfied. The important elements in motivation to work are, therefore, unsatisfied or under satisfied needs. To be effective, an incentive should be designed and presented in satisfying one or more of their needs and be their motive for working.

Creative managers can do very well at helping people build esteem and self-actualization (Beer, 2006). Cultivating a participatory management approach is one excellent method. Another is to offer periodic courses and workshops designed to help people grow as individuals as well as to perfect job skills or acquire new ones. In a typical multi business firm, workers often give a lot of themselves, so it is very important that they be "replenished" vis-à-vis esteem and self actualization (Beer, 2006). It is unfortunately relatively rare to find an organization or manager that recognizes this need. Maslow's need theory has received wide recognition, particularly among practising managers. This can be attributed to the theory's intuitive logic and ease of understanding.

2.2.2 Herzberg's Motivation-Hygiene Theory of Motivation

Herzberg's motivation-hygiene theory, also known as the two-factor theory, has received widespread attention as having a practical approach toward motivating employees. In 1959, Herzberg published his analysis of the feelings of 200 engineers and accountants from over nine companies in the United States. These professionals were asked to describe experiences in which they felt either extremely bad or exceptionally good about their jobs and to rate their feelings on these experiences. Responses about good feelings are generally related to job content (motivators), whereas responses about bad feelings are associated with job context (hygiene factor). Motivators involve factors built into the job itself, such as achievement, recognition, responsibility and advancement (Bhatti, 2008). Hygiene factors are extrinsic to the job, such as interpersonal relationships, salary, supervision and company policy.

Herzberg's research proved that people will strive to achieve hygiene needs because they are unhappy without them, but once satisfied the effect soon wears off and satisfaction is temporary. Then as now, poorly managed organisations fail to understand that people are not motivated by addressing hygiene needs. People are only truly motivated by enabling them to reach for and satisfy the factors that Herzberg identified as real motivators, such as achievement, advancement, development, etc., which represent a far deeper level of meaning and fulfillment (Champion, 2008).

Dissatisfaction	**Hygiene factors**	**Normal condition/No motivation**

Absence		**Presence**

Normal conditions/Dissatisfaction	**Motivational factors**	**Motivation**
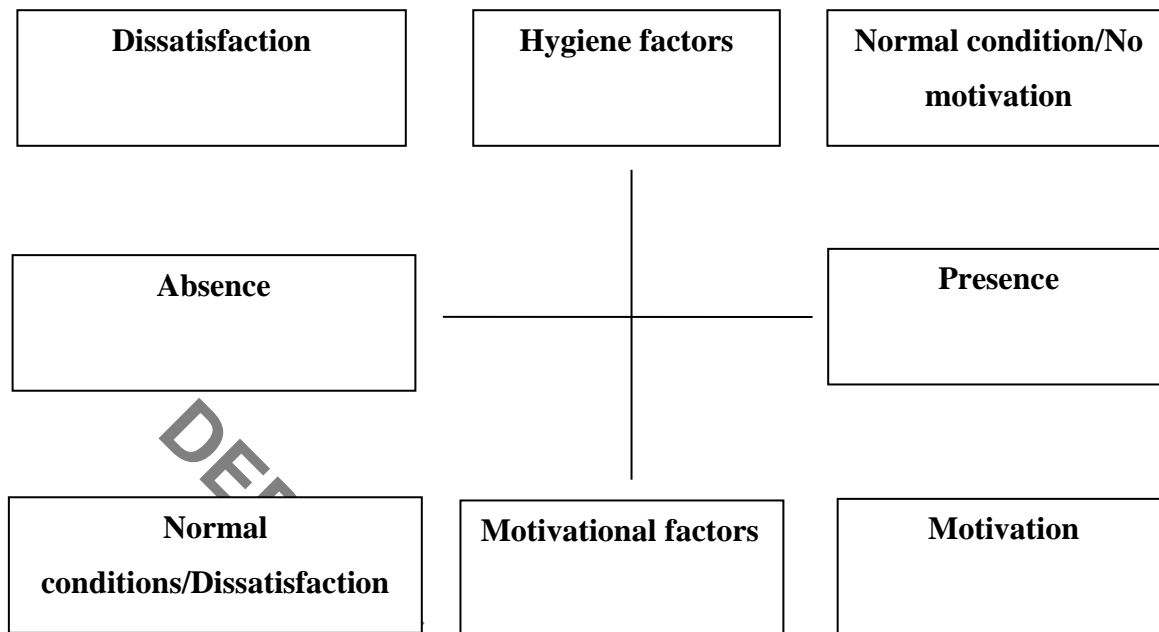
Source: Herzberg, 1959

Figure 2.2: Herzberg's Motivation-Hygiene Theory

According to Herzberg, the factors leading to job satisfaction are separate and distinct from those that lead to job dissatisfaction. Therefore, if you set about eliminating dissatisfying job factors you may create peace, but not necessarily enhance performance. This placates workforce instead of actually motivating them to improve performance.

According to Bhatti (2008) the characteristics associated with job dissatisfaction are called hygiene factors. When these have been adequately addressed, people will not be dissatisfied nor will they be satisfied. If one wants to motivate his team, he or she will have to focus on satisfaction factors like achievement, recognition, and responsibility.

To apply Herzberg's theory at the Kenya Women Finance Trust, the management needs to adopt a two stage process to motivate people. Firstly, it needs to eliminate the dissatisfactions they are experiencing and, secondly, there is need to help the employees find satisfaction.

2.2.3: Theories gap

Maslow hierarchy of needs indicates that unsatisfied needs motivate behavior; thus, lower-level needs such as the physiological and security needs must be met before upper-level needs such as belongingness, esteem, and self-actualization can be motivational. Frederick Herzberg's two-factor theory, also known as intrinsic/extrinsic motivation, concludes that certain factors in the workplace result in job satisfaction, but if absent, they don't lead to dissatisfaction but no satisfaction.

In spite of enormous research, basic as well as applied, the subject of motivation is not clearly understood and more often than not poorly practiced. To understand motivation one must understand human nature itself. And there lies the problem. Motivation is, in effect, a means to reduce and manipulate this gap. It is inducing others in a specific way towards goals specifically stated by the motivator. Naturally, these goals as well as the motivation system must conform to the corporate policy of the organization. The motivational system must be tailored to suit the situation and to the organization.

2.3 Empirical Literature

2.3.1 Achievement

Need for achievement can be defined as competitive behavior, which is characterized by a standard of excellence (McClelland, 2006) and which involves planning and striving for excellence (Hansemark, 2008). Need for achievement refers to the desire or tendency of an individual to do things rapidly and independently to increase self-regard. Need for achievement also includes the desire to accomplish and master difficult tasks. Overcoming obstacles and

attaining a high standard via the exercise of talent are driven by the need for achievement (Johnson, 2003).

Individuals who have a high need for achievement need regular and positive feedback regarding the progress of their work and experience satisfaction when their achievements are recognized and thus have a strong sense of accomplishment and success (McClelland, 2006). Need for achievement encompasses several traits such as taking personal responsibility for finding solutions to problems, setting moderate achievement goals, taking calculated risks, wanting concrete feedback regarding performance (McClelland, 2006), being innovative and planning for the future (Johnson, 2007) and persisting when faced by challenges (Wu, Matthews, Dagher, 2007).

The need for achievement plays an important role in workplace behavior. For example, the positive relationship between job-demand for learning and job-related learning has been shown to depend on need for achievement. Specifically, the strength of the positive relationship increases with increasing levels of need for achievement presumably because of an increase in the tendency to assume responsibility for one's own job-related learning (Cateora, 2008). Additionally, managers with high need for achievement tend to perform better than managers with low need for achievement (Kunnanatt, 2008).

Many studies such as Skogland (2004) have found a strong positive correlation between need for achievement and goal attainment. Furthermore, the need for achievement is relatively stable and subsequently is part of an individual's personality (McClelland, 2006). Individuals with a high need for achievement have a propensity to demonstrate their ability in overcoming difficult tasks whilst consistently maintaining high standards (Skogland, 2002). Such individuals constantly

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seek feedback on their performance in order to learn from their mistakes and prefer quantitative feedback (Kirkman, 1999). One reason why individuals with a high need for achievement seek objective feedback is that their motivation is intrinsic more so than extrinsic and therefore they prefer objective appraisal rather than approval or acceptance based on the subjective appraisals of others (Boyatzis, 1995).

Specifically, high need for achievement will be more likely than low need for achievement to stimulate the learning of job-related skills and knowledge because high need for achievement is more likely to drive one to meet the job-related challenges. This argument is supported by research showing that need for achievement is correlated positively to confidence, ambition (Seibert, 2004), a genuine appetite for success (Roth, 2000), working hard, competitiveness, and intrinsic motivation to master tasks.

Meeting work-related objectives is facilitated by performing the job better through experiential learning by improving one's skills and knowledge (Roth, 2000), developing psychological maturity (Bowen, 2010), or even imitating others. Furthermore, individuals with a propensity to increase their competencies when faced with complex problems tend to engage in learning activities. This tendency increases the chances of individuals with high need for achievement to adopt problem-based learning and action learning (Bowen, 2010). In contrast to individuals with a low need for achievement, individuals with a high need for achievement should be more likely to assume responsibility for their own job-related learning when faced with a job that demands learning.

2.3.1.1 Research gap on achievement

Future research is needed to reveal other moderators of the relationship between motivation and individual achievements; arguably, other variables such as organizational support for learning and job involvement. Career commitment may also be examined as a mediating variable between the need for achievement and job motivation. Defined as the extent to which an individual wishes to advance their career, career commitment may result in a greater rate of learning if learning was felt to be beneficial to one's long-term career goals.

2.3.2 Recognition

One of the major criteria for the quality of work life is adequate and fair recognition of what has been achieved. These rewards could include wage and salary payments, fringe benefits, such as vacations, pensions, and medical aid, status symbols, promotion and security (Seth, 2005). (Martocchio, 2008) proposes that culture determines and creates the context for money to motivate individuals in different countries. According to him, employees strive for high levels of performance if they believe that better performance will result in greater pay.

Employees exert high effort to accomplish goals that will make them feel good. According to (Reichheld, 2002), money does not motivate, but rather moves a person to achieve a goal in order to obtain the reward. Herzberg's hygiene-motivator theory, as referred to in the theoretical framework, states that extrinsic rewards, such as pay, benefits, working conditions, or company policies do not motivate, they merely ensure that performance is at an acceptable level.

Without the emotional appeal there is no motivational impact, and the latter is ultimately what organisations want to achieve. Successful employee-recognition programmes that offer tangible rewards that people can imagine receiving and enjoying, more easily motivate people to their

highest level of performance. This can be done at a much lower cost than monetary rewards (Sarvadi, 2005).

Jeffries (2007) concurs with this view by stating that organisations can retain their best employees by recognising their contributions to the organisation. Recognition, she argues, motivates employees, as it involves the acknowledgement of the efforts, creativity and willingness of employees to put in extra effort. The author reports on a survey that was conducted by the Performance Enhancement Group that shows that employees favour daily recognition over bonus or higher pay. The study also further revealed that employees who are recognised demonstrate their best efforts in their work.

Jeffries (2007) supports Nelson (1994) in the sense that recognition does not have to be expensive, but emphasizes that it must be consistent, and perceived as a long-term commitment by the organization. There is recognition of the fact that high-performance organizations have always understood the importance of offering awards and incentives that recognise, validate and value outstanding work (Wiscombe, 2002).

According to Jeffries (2007), it is possible for organisations to reap the benefits that result from a motivated, enthusiastic workforce that looks forward to making a difference for the organisation. Sometimes all it takes is a simple, genuine, spoken 'thank you'. Romano (2003) encourages managers to use recognition as the factor that will strengthen the bond between people and the organisation.

A fundamental part of making an employee feel rewarded and motivated is genuine recognition from their employer. Based on the above, it is evident that informal recognition programmes are becoming increasingly popular. This movement in employee motivation is much different than

the more traditional and formal programmes of recognition, such as employee-of-the-month and annual service awards that are highly structured and implemented by a timetable.

The focus of informal recognition is on spontaneous, sincere and personal appreciation of employee efforts. The interesting factor of such programmes is that they successfully recognise employees and the jobs they do, while usually requiring little or no funding to implement and maintain. Seemingly small thank yous can enhance a company's work culture and profit margin and can even help organisations grow (Wallsten, 2008).

2.3.2.1 Recognition research gap

Motivation of employees is one function which every manager has to perform along with other managerial functions. A manager has to function as a friend and motivator of his subordinates. Motivation is useful in all aspects of life and even our family life. The same is the case with business. This dearly suggests that motivation is extremely important. It is an integral part of the management process itself. This paper tends to fill the gap in the Kenyan microfinance sector by establishing whether recognition plays any role in the employees motivation programme.

2.3.3 Interest in the job

Employee's interest in their jobs has been associated with how people think, feel and perceive their jobs (Seth, 2005). It is widely used in the domain of human resources development which is believed that employee reports satisfaction with the intrinsic and extrinsic features of job (Skogland, 2004).

In literature so many theories have been applied for employee job interest. One of the important theories is Maslow's need theory that suggests human hierarchical needs that range from

psychological to self-actualization. On the basis of need fulfillment theory many researchers such as Reichheld (2002) and Prayag (2007) approached to know more about the employee satisfaction. On the other hand, job satisfaction was related to important traditional views that were formulated by Herzberg in1959.

This theory is based on intrinsic and extrinsic factors such as achievement, recognition, responsibility, salary, policy, interpersonal relationships, administration, and working conditions. However, employees are known to be changing jobs now than ever before because of regularly changing careers, jobs and employers (Schmidt, 2007). Thus, employee attitudes and behaviours relating to satisfaction are imperative for researchers and employers.

In literature many authors argue that job training is an important predictor of employee positive attitudes towards the job (Parasuraman, 2002). It is a set of planned activities on the part of an organisation to increase the job knowledge and skills of its members in a manner consistent with the organizational goals. Poon (2005) defines job training as the availability of written materials for learning, courses, participation in seminars, and conferences for the employees in organisation. He further argues that job training is an important predictor of employee job satisfaction. However, surprisingly, very little attention has been given to the relationship between job training and job attitudes.

It is well known that the team spirit that exists in organisations and how much employees in the organisation are concerned about each other's problems brings about job interest (Jaworsky and Kohli, 1993). Boyt (2005) argues that a team is composed of a group of people who collectively depend on each other's work to reach a common objective that acts as a binding force for the team. In fact, team spirit is made up of eagerly shared feelings, beliefs and values about group

membership and performance (Boyt, 2001). Furthermore, authors say team spirit in organisations indicates the strong desire to achieve common goals even in the face of hostility.

Research shows that clarity of job reduces uncertainty and level of learning through hit and trial risk among employees. In addition, job clarity helps employees to adjust to their job and lessen uncertainty (Kunnanatt, 2008). This has links to the employees' sense of knowing and what is expected from them to perform. According to Prayag (2007), job clarity is the degree to which desired responsibilities and expectations of a job are made clear to employee. It is related to the organizational structure and usually having roots in how clearly employees see their expectations and roles in the organisation (Al Zarooni, 2008). In other ways job clarity is a construct that goes hand in hand with employee performance and likely to enhance an organisation's performance (Johnson, 2007).

2.3.3.1 Interest in job research gap

It is generally accepted that performance can be driven by the right mix of management models and rewards schemes which improves the level in which the employees are interested in their jobs. This paper will establish the truth of the matter but will be much inclined to the microfinance sector.

2.3.4 Career advancement

Career advancement normally entails a clearly marked path of progression through the ranks of an organization. It is based on merit without regard for race, gender, age or ethnicity. Deserving cases become eligible for advancement. When employees get to know that each one of them has an equal chance of making it to the top, it becomes easy for them to put in their best. Graham and Bennet (2005) agree and note that the prospect of career advancement might in itself motivate

employees to work hard. Baguma and Rwabwera (2007) also confirm that employees aspire to progress steadily in organizations for which they work.

Under normal circumstances, career advancement would involve the existence of alternative career paths based on the individual employees and organizational needs. As Capelli and Hamori (2005) point out lack of advancement, for any reason, damages a manager's chances of making it to the top. Their study involving 100 executives 12 brought out an interesting fact that the longer one stays in a job the less likely his/her chances of advancement occur.

Loscertales (2007) reported that interpersonal skills contributed to career advancement potential. Both of these studies reported that increased employee involvement, including the willingness to negotiate with co-workers, self-managed teams, and participation in suggestion systems contributed to career advancement potential. Another study, by the British Retail Consortium, found that in addition to interpersonal skills, communication, and leadership related to career advancement potential (Troppe, 2006).

Cappelli (1999) found that career advancement opportunities changed as organizations transformed from vertical hierarchies to flatter, more globalized higher performance organizations. These flatter organizational structures required a new set of skills that influenced career advancement potential. This point was also addressed by Allen (2007), who observed that modern flatter structures were found to have negatively impacted career advancement opportunities within an organization.

Loscertales (2007) observed that career advancement opportunities can be viewed from the perspectives of both within the organization and between organizations. In the past, it was

common to remain and advance within a single organization over a career, but career paths now clearly include working for more than one organization (Clough, 2008).

Kaplan (2008) observed that workers strive for impressive job titles, higher compensation, and more responsibility. To achieve these career advancement goals, individuals need to self-manage their careers. Kaplan offered the following guidelines for career self-management: assessing one's career, skills, and performance; seeking coaches and mentors; having the humility to confront personal weaknesses; having an entrepreneurial attitude that is demonstrating entrepreneurial behavior within one's organization; seeking opportunities without putting one's own self interests ahead of the organization; and being willing to voice dissenting views.

Finally, regarding the need for ongoing training vis-a-vis career advancement potential, Robst (2007) emphasized that the relationship is a strong one. Employees' willingness to embrace continuous learning certainly should foster career growth.

2.3.4.1 Career advancement research gap

Many employees work in flat organizations where advancement opportunities into management do not exist. Even if advancement opportunities do exist, some may not have an interest in moving out of their career class and seek to look for greener pastures elsewhere. Given the important role that organizational commitment plays, researchers continue to seek a better understanding of both its causes and consequences.

2.4 Conceptual Framework

The conceptual framework of the study as illustrated below acts as a guide to show employees' motivational strategies which helps in their performance and productivity. The framework in the figure below shows the main concepts of the study.
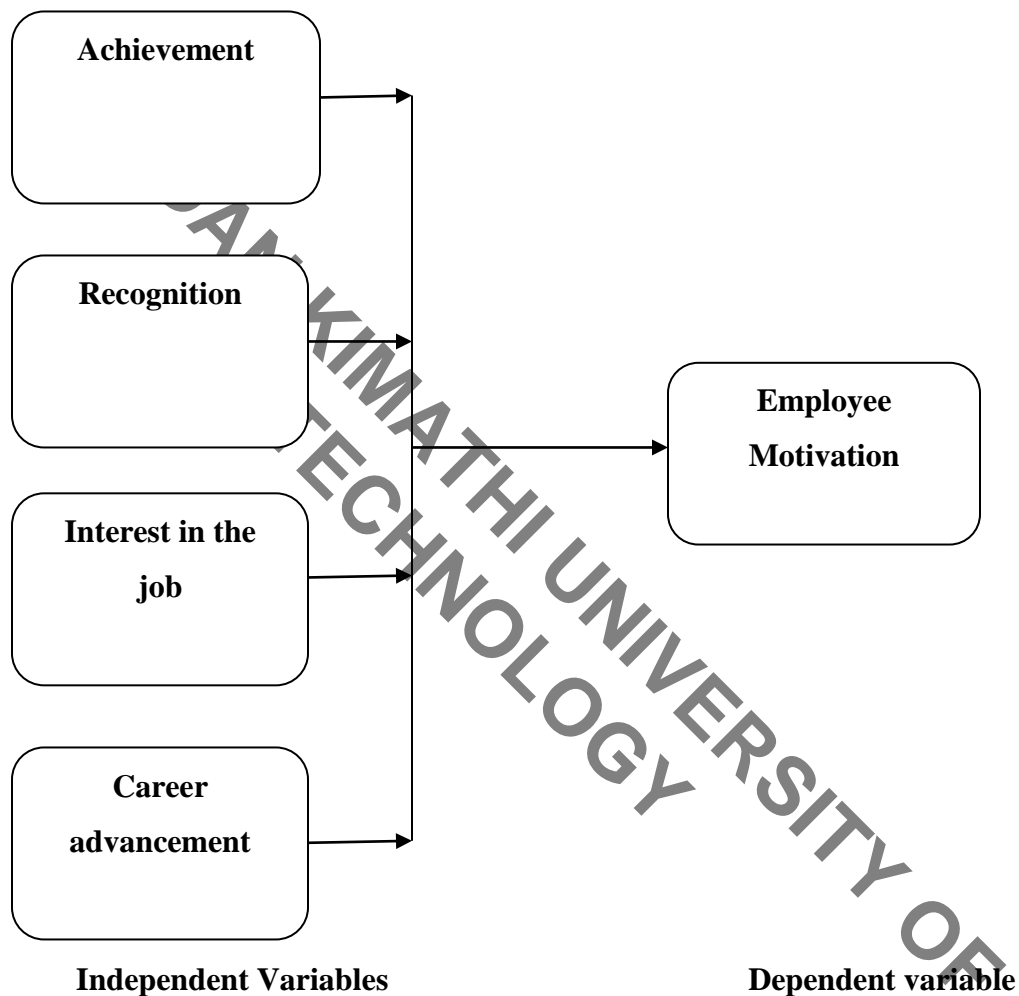
Figure 2.3: Conceptual Framework

2.4.1 Achievement

It is important for management to develop achievement levels in their organization to give the employees goals to which they can ascribe. A goal is a benchmark in the future and provides a level of motivation and recognition for exceptional work. Achievement levels provide

measurable landmarks of your progress through the organization. Many companies use titles to designate achievement levels in their organizations. Often with the titles comes additional responsibility.

At other times, the title signifies a raise in pay or recognition of time spent in the company. The increase in pay also could carry additional responsibilities and duties or just designate seniority. Reaching a higher pay achievement levels in an organization can be tied to results of the group's efforts to effect change in the community or to the results obtained by a set of customers (McClelland, 2006).

2.4.2 Recognition

Instead of offering incentives alone, companies should design a reward program that matches with organization's culture and means something to its team members. They should motivate their team through frequent interim recognition activities, and reward them for a job well done. As two-way corporate loyalty slowly becomes an obsolete tradition, managers must become increasingly creative at building an environment that attracts and retains talented employees (Jeffries, 2007). A fair and consistently applied reward and recognition program should be a part of their plan. Spending one or two percent of their salary expenses on the gestures that say "thank you" and "congratulations" is cheaper than constantly replacing disgruntled employees who walk out the door to someplace where they might feel more appreciated.

2.4.3 Interest in the job

Job interest can affect a person's level of commitment to the organization, absenteeism, and staff turnover rate. It can also affect performance levels, his/her willingness to participate in problem

solving activities, and the amount of effort a person puts in to perform activities outside their job description. If a person feels satisfied with what they are doing, then his/her job feels less like work and more enjoyable. It is not an effort for them to get up in the morning and go to work (Poon, 2005). They are in a positive mood and often able to improve in areas of brainstorming, decision making, and problem solving.

Job interest also reduces the chance of feeling stressed, which can impact job performance, mental well being, and physical health. If a person is committed to their job, then they are more willing to work longer hours or take on additional responsibilities.

If a company is facing financial hardship, this individual may also be willing to take a pay cut or take up extra duties until management can help turn the organization around (Boyt, 2005). When a person is happy they are more likely to have a positive outlook on life and are more energetic and productive. This positive outlook often spreads to others that work with the individual and can have a positive experience on everyone's performance.

2.4.4 Career advancement

Career advancement encompasses everything one does from the time he begins his career to the time he retires. Advancement for some people means climbing the corporate ladder until he or she reaches the executive level. For others it means doing a great job and being recognized for it. Given the fact that traditional career paths are extinct in most industries, managers have few guideposts for advancing to the executive level. Only a distinct minority of companies is truly adept at succession planning and career development and even these firms tend to focus on only a few senior-level people. As a result, aspiring executives are left in the dark about what they

need to do to get ahead. Worse, most managers operate under four misconceptions regarding career advancement (Cappelli, 1999).

The ideas of Maslow and Herzberg have been built on in modern theories of Human Resource Development. Human Resource Development involves talking to employees to determine their needs and aspirations in order to establish Training and Development Plans. Human Resource Development recognizes that not only do organisations have objectives and requirements, but also the individuals that work for them. Strategies such as empowerment i.e. trusting employees to think for themselves and to make decisions rather than be told what to do, and career development plans provide real motivation for employees (Bennet, 2005).

The two theories use a hierarchical range where one stage must be completely met before progressing to the next level. Maslow hierarchy of needs theory and the Herzberg two factor theories posit that individuals exhibit certain behavior in an attempt to fulfill their needs. The two theories advance the criteria about what motivates people (Bhatti, 2008). They therefore, have different criteria on what they consider important. Some people consider safety and physiological needs to be very crucial for them. Herzberg's hygiene theory has similar criteria for grouping needs with Maslow. Maslow highlights the physiological, safety and belongingness needs while Herzberg lists pay, working conditions among other factors. Herzberg's two-factor motivators are comparable to Maslow's esteem and self-actualization need. Herzberg motivators include growth, achievement, advancement and responsibility (Champion, 2008). The two theories are also influenced by environmental factors, attitudes of employees and consequently their motivation. These factors influence the performance of

employees. The two theories deal with motivation and they will therefore, assist the researcher with insight on the research study which is motivation strategies.

2.5 Operational framework

This operational frame work shows the independent variable, the independent variables and the measurable parameters. It also illustrates the independent variables influence the dependent variable.

Parameters	Independent variables	Dependent variable
-Achievable goals / -Feedback on performance / -Competitiveness	Achievement	
-Praise or recognition / -Rewards / -Personal appreciation	Recognition	**Employee motivation** / - Team spirit / - Absenteeism / -Disciplinary issues
-Employees satisfaction / -Interpersonal relationship / -Medical coverage and other benefits	Interest in the job	
-Job enrichment / -Promotion / - Job enlargement	Career advancement	

Figure 2.4: Operationalisation of Conceptual Framework

Keeping employees motivated has never been as important as during the current economic downturn. As companies reduce their workforces, employees need to work at optimal levels to ensure increased productivity and profitability. Now more than ever, organizations must be proactive and have the right strategies in place to keep employees motivated (Bennet, 2005).

Management should be democratic rather than authoritarian. Involving staff in decisions will reduce the negative effect of redundancy programmes. The management style should be more about coaching, rather than telling approach. This will empower frontline staff, who will probably know how the organisation could become more effective and productive. Leaders must ensure that employees understand how their individual efforts contribute to the organizations overall strategy and direction (Champion, 2008). People want to be part of a winning team. Employees will take pride and be engaged in their work if they understand how their efforts impact the organization.

Organizational reward systems have traditionally either a fixed salary or hourly rate system or an incentive system. Fixed rewards can be tied directly to performance through merit pay systems, whereby people get different pay raises at the end of the year, depending on their overall job performance. Many organizations are experimenting with various kinds of incentive systems, which attempt to reward employees in proportion to their accomplishments. Four popular incentive systems include profit sharing, gain sharing, lump-sum bonuses, and pay for knowledge (Champion, 2008).

Table 2.1: Analysis of Variables

Variable	Author	Study	Parameters	Findings
Employee Motivation	Boyt (2005) Pakistan	Effects of teamwork on employee performance	Team work	• Findings revealed that a group of people who collectively depend on each other are able to be highly motivated and easily reach to a common objective
	Sergiovanni (2007) USA	Effects of motivational factors on teacher's job satisfaction	Absenteeism	• The study revealed that unmotivated employees lack the drive to do their duties and avoid the workplace as much as possible.
Achievement	McClelland (2006) Norway	Perspectives on employee motivation	Achievable goals	• Findings revealed that high performers are the ones who set moderate achievable goals
	Hansemark (2008) Kirkman (1999) North Carolina	Factors affecting high performance in the health care orgnisations	Feedback on performance	• Findings reveal that individuals with high need for achievement consistently need feedback on performance to be able to learn from their mistakes
	Roth (2000) India	Achieving competitive capabilities in the microfinance	Competitiveness	• Findings revealed that achievement is positively correlated to confidence, ambition, handwork and competitiveness
Recognition	Jeffries (2007) Columbia	Impact of workers receiving recognition	Praise or recognition	• Findings reveal that recognition motivates employees as it involves the acknowledgement of their efforts and willingness to put an extra effort.
	Sarvadi (2005) China	Relationship between reward, recognition and motivation	Rewards	• Findings reveal that non-monetary rewards like employee-recognition programmes motivate employees.
		Awards at work		• Findings revealed that when employees

			Personal appreciation	are recognized for the job they do, they are also able to appreciate themselves too and this highly motivates them.
	Wallsten (2008) Pittsburg			
Interest in the job	Skogland (2004)	Link between customer satisfaction and employee satisfaction	Employee satisfaction	• The findings revealed that employees report satisfaction with both intrinsic and extrinsic needs.
	Hertzberg (1959)	Frederick Herzberg two-factor theory	Interpersonal relationship Fridge benefits	• Findings revealed that interpersonal relationship and fridge benefits as some of the hygienic factors in his study and the absence of these factors can create dissatisfaction, but their presence does not motivate or create satisfaction.
Career advancement	Hertzberg (1959)	Frederick Herzberg two-factor theory	Job enrichment	• The study revealed that job enrichment is a motivational technique used by organizations to give an employee greater satisfaction in his work, by additional responsibilities previously reserved to other higher-ranking positions.
	Bennet (2005)	Career development in staff motivation in the banking	Promotion	• The study revealed that when employees know that each one of them has an equal chance of making it to the top, it motivates them and they put their best effort to perform.
	Kaplan (2008) Harvard University	Learning and growth	Job enlargement	• The study revealed that workers strive for impressive job titles, higher compensation and more responsibilities.

2.6 Research gap

However, nearly all studies about work motivation in Kenya were conducted in the commercial banks which are much more developed than microfinances in terms of human resource and clientele base. Furthermore, people's social values, including work values, in these institutions are influenced by Western culture to a large extent, especially the multinational banks. Therefore, most studies about work motivation in Kenya are limited since non-representative samples were used in those studies.

2.7 Chapter Summary

This chapter examined the empirical literature from other scholars and theoretical framework. Several theories on motivation have also been clearly explained and the much they relate to our study. It was on this basis that the conceptual framework was developed showing the correlation between our dependent variable and its independent variables. The conceptual framework has also been operationalized to bring out clearly the parameters, which may form our basis of investigation. The research gap has also been established. The next chapter will deal with the method in which we shall collect data, analyze it and make conclusions and recommendations in regard to our research problem.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

In this chapter the researcher presented the methodology that was used to carry out the study. This chapter focused on the research design, methods of data collection, the population, data collection instruments and procedures, and the data analysis.

3.2 Research Design

In this study, descriptive research design in form of a survey was used. Descriptive research portrayed an accurate profile of persons, events, or situations (Robson, 2007). It also determines things the way they are (Mugenda, 2004). The survey allowed the collection of large amounts of data from a sizable population in a highly economical way. It allowed the researcher to collect quantitative data, which was analyzed using descriptive and inferential statistics. The research used the F-test to test the model where by the (F-critical) from the table was compared to the (F-computed) from the ANOVA table to either reject or accept the null hypothesis.

3.3 Target Population

The population of interest of this study were all Business Development Officers working in KWFT branches in Nairobi Central, Nairobi West and the Headquarters. There are of 36 Business Development Officers (BDOs) who work in these three branches in Nairobi. The researcher picked on Nairobi region because there are many BDO's, and the region has a big market share which means that the bulk of the work is in this region and the information required is a replica of what to expect from the regional offices. The institution relies heavily on Business Development Officers to recruit, train, lend and recover money loaned to clients. To achieve this

effectively, the employees therefore must be highly motivated to be able to perform their duties better.

Table 3.1: Target population

Region	Number of Business Development Officers
Nairobi Central	12
Nairobi West	13
Headquarters	11
Total	**36**

Source: Kenya Bankers Association, 2014

3.4 Census

A census was employed since it focuses on particular characteristics of a population that is of interest, which was the best to enable the researcher to answer the research questions. The entire population was included in the study. All the Business Development Officers in these branches were served with the research instrument.

3.5 Data collection procedure and instruments

In order to investigate the employee motivational strategies in KWFT self-administered drop and pick questionnaires was distributed among sampled customers in these branches. The questionnaire was designed to identify the factors affecting employee motivation in KWFT. This made it easier to get adequate and accurate information necessary for the research. The researcher used structured questionnaires as the main data collection instrument. The questionnaires had both open and close-ended questions.

The close-ended questions provided more structured responses to facilitate tangible recommendations. The open-ended questions provided additional information that had not been captured in the close-ended questions. Secondary data sources were employed with previous documents or materials to supplement the data received from questionnaires and information from interviews. A pilot study was done and the main aim was to refine on the data collection instrument so that the respondents had no problem in answering the questions.

3.6 Reliability and Validity

3.6.1 Reliability

This helped the researcher to rectify and come up with good reliable instruments and ensure credibility of the results. Reliability has to show the degree at which the research instruments will yield good results (Cooper and Schindler, 2000). In order to achieve this, the researcher administered the instruments in person in order to assess their clarity. The researcher also computed a cronchbach alpha score of the instrument used to obtain the primary data. Cronchbach alpha ranges between 0-1.Scores between 0-0.6 indicate that the instrument has a low reliability while scores of 0.7 and above indicate that the instrument has a high level of internal consistency and reliability.

3.6.2 Validity

Validity, according to Mugenda and Mugenda (2003), is the accuracy, meaningfulness and the degree at which results obtained from the analysis of data actually represent the phenomena of the study. The study questionnaire was developed by the researcher based on the study objectives. The researcher pilot tested the questionnaire to establish its validity. A small number of ten employees from a similar microfinance were used to fine tune the questionnaire to ensure

that it was collect the required data to answer the specific questions to solve the research problem. This helped in ensuring the questionnaire is free from errors or ambiguity.

3.7 Data analysis

Before processing the responses, the completed questionnaires were edited for completeness and consistency. The data was then coded to enable the responses to be grouped into various categories. Descriptive statistics such as means, standard deviation and frequency distribution were used to analyze the data. This presented quantitative descriptions in a manageable form.

Descriptive statistics provided simple summaries about the sample and about the observations that will be made. Such summaries were either quantitative, such as summary statistics, or visual, which are simple-to-understand graphs. These summaries formed the basis of the initial description of the data as part of a more extensive statistical analysis, or they were sufficient in and of themselves for this particular investigation.

Regression model

The study examined the employee motivational strategies in KWFT which is a deposit taking microfinance. The variables in the study were classified into dependent and independent variables. The dependent variable was employee motivation in KWFT.

The relationship between the variables is stated using a mathematical function.

$Y = f(X_1, X_2, X_3, X_4)$

Where Y is the dependent variable and X_1, X_2, X_3 and X_4 are the independent variables

Therefore, an analytical model of a linear multiple regression equation of the form shown below was developed.

Where:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e_1$$

Y= Employee motivation

α = Autonomous factors

X_1=Achievement

X_2=Recognition for achievement

X_3=Interest in job

X_4=Career advancement

β_1 = Coefficient for Achievement

β_2 = Coefficient for Recognition for achievement

β_3 = Coefficient for Interest in job

β_4 = Coefficient for Career advancement

e= Error term - Captures all relevant variables not included in the model because they are not observed in the data set

This regression relationship showed the extent to which each independent variable influenced the dependent variable. This was shown by the coefficient of the independent variable in each case. A correlation analysis was also performed to find how the variables are related to each other in the model.

3.8 Ethical Issues

Due to sensitivity of some information collected, the researcher held a moral obligation to treat the information with utmost confidentiality. Since the respondents might be reluctant to disclose

some information, the researcher reassured the respondents of confidentiality of the information given.

3.9 Expected Outcome

By the end of the research, it is expected that there will be a relationship between the dependent and the independent variables. Additionally, the developed model is expected to prove the same.

CHAPTER FOUR: RESEARCH FINDINGS, INTERPRETATIONS AND DISCUSSION

4.1 Introduction

This chapter presents the research findings, interpretations and discussion of the data collected. The research sought information from Business Development Officers working in KWFT branches in Nairobi Central, Nairobi West and the Headquarters. There were 36 Business Development Officers who worked in the three branches in Nairobi.

4.2 Demographic Data

4.2.1 Response Rate

The researcher administered 36 questionnaires to Business Development Officers who work in the three Kenya Women Finance Trust branches in Nairobi. The researcher collected the enclosed questionnaires from the respondents after completion. The findings are presented in the following figure.
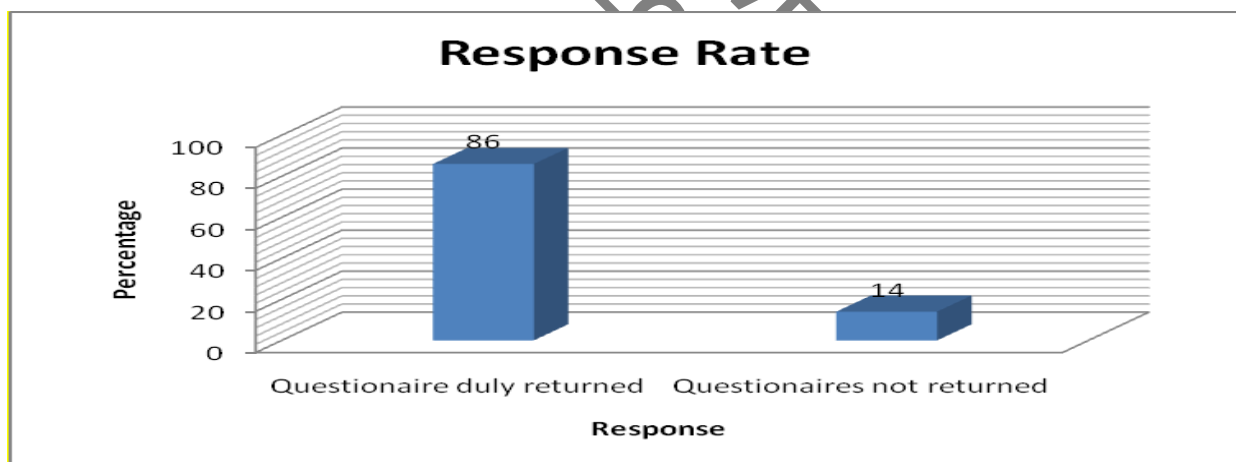
Figure 4.1: Response rate

From the figure above, the questionnaires returned were 31 (86%). According to Mugenda and Mugenda (2003), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. Based on the assertion, the response rate was considered to excellent. A commendable response rate of 86% was achievable after the researcher administered the questionnaires and made personal visits and phone calls to remind the respondents to fill-in and return the questionnaires.

4.2.2: Gender

The respondents were requested to state their gender. The results are as shown in the table below
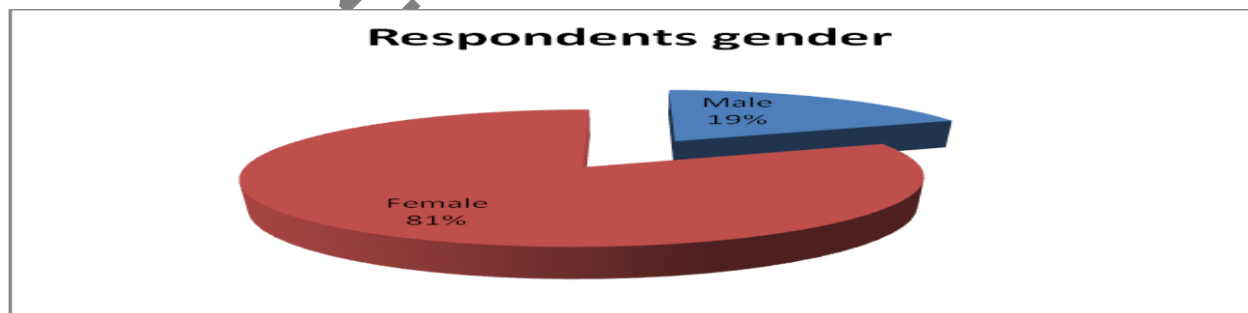
Figure 4.2: Respondents Gender

Figure 4.2 above showed that there were 25 (81%) female respondents who were the majority whereas there were 6 (19%) male respondents. This is an indication that both genders were involved in this study and thus the finding of the study would not suffer from gender biasness.

4.2.3: Age of the Respondents

Respondents were asked to tick their age bracket. The following figure shows the respondents' age:
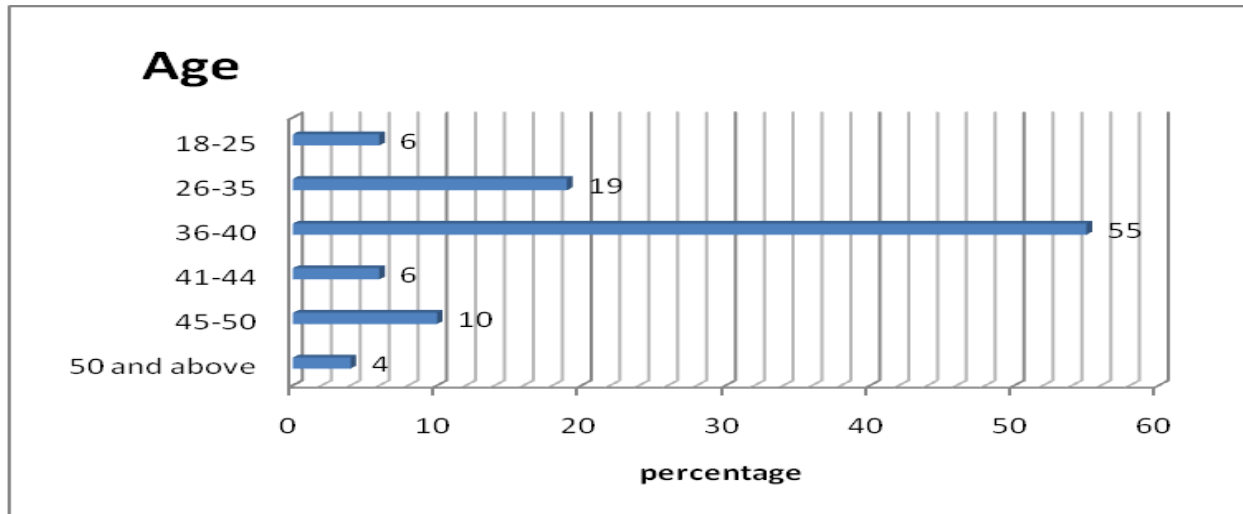
Figure 4.3: Respondents Age

The study found that respondents were aged between 36 to 40 years (55%), 26 to 35 years (19%), 45 and 50 years (10%), either between 18 and 25years and 41-44 years (6%) whereas 50 years and above (4%). This is an indication that respondents were well distributed in terms of their age. This also showed that respondents aged between 36 to 40 years (55%) who were the majority had been in their organisation for quite some time and they had adequate knowledge on employee motivational strategies. This group of the respondents would easily give a clear view on what the organisation had been doing to improve employee's welfare and whether it was adequate to fully motivate them to achieve the set organisation goals as the organisation anticipated.

4.2.4: Educational Level

The respondents were required to indicate their level of academic/professional qualifications.

Table 4.1: Highest Level of Education

Highest level of education	Frequency	Percentage (%)
College	11	35
University	20	65
Total	**31**	**100**

The study found that 20 respondents (65%) had attained a degree from the university whereas 11 respondents (35%) had reached the college level, this showed that respondent in the organisations were well educated. The educational level distribution of the respondents implied that the respondents regardless of their status were willing to provide the information that was required by the study that helped in understanding the study problem that was under research.

4.2.5: Years of Service

From the finding on the years of service, the study found that majority of the respondents indicated that they had served KWFT for a duration of 1 to 5 years (39%), followed by 6 to 10 years (29%), over 10 years (26%), whereas for less than one year (6%). This is an indication that majority of the respondents had served in the microfinance institution for more than 3 years and so would give credible information in regard to the research study employee motivational strategies used by microfinance institutions.
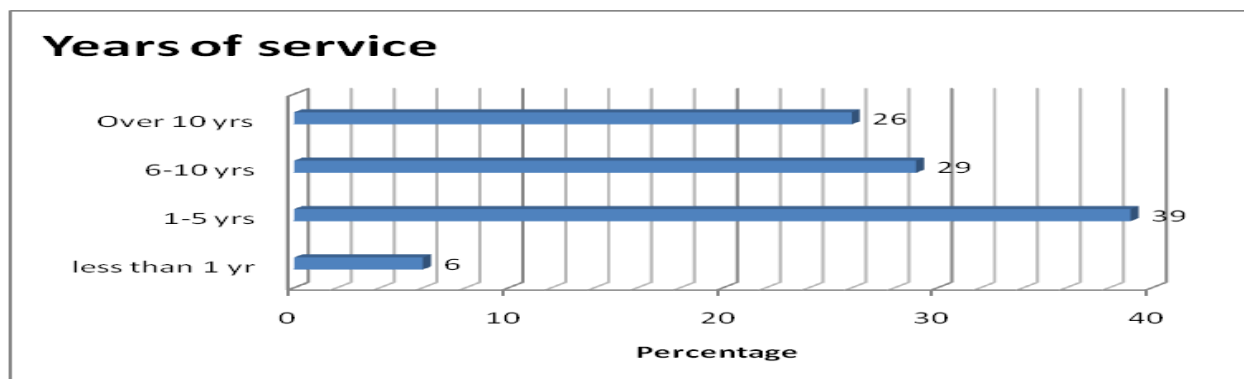
Figure 4.4: Years of Service

The tendency of older employees with higher levels of education, longer organisational tenure shows higher levels of motivation and can be explained by two reasons. Firstly, older employees who are well educated are likely to receive higher organisational rewards, and sometimes less work load, than less educated employees or younger people do. Secondly, the longer tenure employees tend to show higher levels of organisational commitment than shorter tenure employees, because they have been associated with their organisations for some time and, thus, may have ascended to better positions, or simply have enjoyed working there. This supports the common argument in the management literature that motivated employees are normally committed to their organisations (Mowday, 2002).

4.2.6: Common Incentives

On the common incentives used by KWFT, the respondents stated that the microfinance provided them with training opportunities as well as on job promotion as shown in table 4.2 at 42%. Other respondents stated that the organisation provided paid time off which included sick days, vacation days, and personal days that allows employees to use as the need or desire arises as shown by 16%. This is an indication that the microfinance had incentives which motivated the employees but they had to be increased to match with the rising banks productivity and profitability.

Table 4.2: Common Incentives

Common incentives	Frequency	Percentage
Paid time off	5	16
Promotion	13	42
Training opportunities	13	42
Total	**31**	**100**

The respondents further stated that when given an incentive due to good performance they feel motivated hence more output is experienced. It was further established that promotions motivated employees when it was done without favourism. Once favourism is used for promotions the juniors are demotivated, work morale is low and also creates a gap between juniors and their seniors.

4.3: Descriptive Statistics

In this section, questions based on the study parameters were analyzed using mean and the standard deviation. The mean indicated where the opinion of the majority lied while the standard deviations illustrated the much the responses deviated from the mean. The findings were also linked to literature review in the previous chapters in the research study.

4.3.1: Achievement on Employee Motivation

In this, section all the responses regarding the study parameters for the study variable achievement was analyzed. The results were as follows;

4.3.1.1: Achievable Goals

This study rated the respondent's opinions on what hindered them from achieving their set goals,

Table 4.3: Goal Achievement

Goals achievement	N	Minimum	Maximum	Mean	Std deviation
Lower level of salary	31	2.00	5.00	3.79	0.90
Poor working environment	31	1.00	4.00	3.52	0.06
Poor scope for personal development	31	2.00	5.00	3.35	0.28
Past mistakes	31	1.00	4.00	2.61	0.88
Self-Limiting beliefs	31	1.00	5.00	3.06	0.41

From the findings majority of the respondents agreed that low level salary and poor working environment was a major impediment in their achievement of the set goals as represented by a mean of 3.79 and 3.52 respectively. The respondents had a neutral opinion on poor scope for personal development as shown by a mean of 3.35, self-limiting beliefs as shown by a mean of 3.06 and finally past mistakes as shown by a mean of 2.61. The respondent's opinions did not vary that much since the standard deviations were less than one in all the cases as shown in table 4.3.

This study showed that salary level and the working environment plays a fundamental role in motivating employees in organisations. These findings concur with those of Stroh, (2009) who stated that employees are willing to work hard if they see reasons to do so, and believe that their efforts will pay off. Motivation is not always the same since these changes as of the moods do. As it happens in daily routine occasionally it is on the higher part or vice versa.

4.3.1.2: Feedback Performance

The feedback on performance was also analyzed and how it affected the organisation employee motivation.

Table 4.4: Feedback on Performance.

Feedback	N	Minimum	Maximum	Mean	Std deviation
Superiors play an important role in structuring the work environment	31	2.00	5.00	4.35	0.91
Creativity and innovation in problem solving increases with effective feedback	31	3.00	5.00	4.03	0.87
Employees' motivation and initiative is increased with effective feedback	31	2.00	5.00	4.32	0.87
Employee motivation increases with effective feedback	31	2.00	5.00	4.26	0.40
Feedback help in increased productivity, the quality of work and the effectiveness	31	2.00	5.00	4.39	0.22

This study also wanted the respondents to state their level of agreement on the statements in the table above regarding employee's feedback and performance; from the study the respondents agreed that feedback help in increasing productivity, the quality of work and the effectiveness of the work group as represented by a mean of 4.39.the respondents further agreed that superiors played an important role in structuring the work environment and providing information and feedback to employees as represented by a mean of 4.35. Employees' motivation and initiative is increased with effective feedback as shown by a mean of 4.32 and finally agreed that creativity and innovation in problem solving increases with effective feedback to employees as represented by a mean of 4.03.

These findings were similar to those of McClelland, (2006) who found out those individuals who have a high need for achievement need regular and positive feedback regarding the progress of their work and experience satisfaction when their achievements are recognized and thus have a strong sense of accomplishment and success. Need for achievement encompasses several traits

such as taking personal responsibility for finding solutions to problems, setting moderate achievement goals, taking calculated risks, wanting concrete feedback regarding performance, being innovative and planning for the future and persisting when faced by challenges (Johnson, 2007).

4.3.1.3: Competitiveness

Competitiveness in the organisation was also analyzed and how it affected the employee motivation. The study rated the factors that highly motivated employees and encourage competitiveness in the organization.

Table 4.5: Organisational Competitiveness

Competitiveness	N	Minimum	Maximum	Mean	Std deviation
Colleagues and working conditions	31	3.00	5.00	4.48	0.72
Financial incentives	31	2.00	5.00	4.06	0.93
Challenging jobs	31	2.00	5.00	3.87	0.81
Creativity	31	2.00	5.00	3.58	0.96
Company's goodwill	31	2.00	5.00	4.13	0.88
Training and learning scope	31	3.00	5.00	4.23	0.88
Management style	31	2.00	5.00	4.23	0.15

From the results in this study colleagues and working conditions highly motivated employees as shown by a mean of 4.48. This was followed by the management style, training and learning scope as both represented by a mean of 4.23. The company's goodwill was also another factor which the respondents agreed that it motivated them and made them compete in service delivery as shown by a mean of 4.13, financial incentives was also ranked among the factor as shown by a mean of 4.06 and finally challenging jobs as shown by a mean of 3.87. All the STD deviations were less than one in all the cases. This is a clear indication that motivating employees in an

organisation is a multifaceted task that requires the combination of many factors which includes adequate remuneration, training and a supportive management among others.

Work can be interesting when jobs are well designed and when, specific goals are specified. By offering good wages, organization attempt to increase employee motivation performance by linking incentive pay to increase in performance (Dubois, 2000). In studies of motivation compensation has always been and certainly skills in an important motivator but not the only one. Money its self cannot guarantee productivity among employees (Hughes, 2003)

4.3.2: Recognition for Achievement

In this section, all the parameters on recognition for achievement were analysed. They included praise and recognition, rewards and personal appreciation. The findings were as follows;

4.3.2.1: Praise and Recognition

Praise and recognition was analyzed and its effects on employee motivation fully elaborated. The respondents agreed that at the microfinance when people feel overwhelmed, they lose confidence and become irritable or withdrawn, making them less productive and effective and their work less rewarding. As represented by a mean of 4.16 and that the remuneration policy at the microfinance ensures that the organization is able to attract and retain the staff that it needs in order to do its business as shown by a mean of 4.0. All the standard deviations were less than one in each case.

Table 4.6: Praise and Recognition

Praise and Recognition	N	Minimum	Maximum	Mean	Std deviation
The reward policy at the microfinance ensures that the organization is able to attract and retain the staff that it needs in order to do its business	31	2.00	5.00	4.00	0.18
At the microfinance when people feel overwhelmed, they lose confidence and become irritable or withdrawn, making them less productive and effective and their work less rewarding	31	3.00	5.00	4.16	0.69

Clark (2007) for example, called for fostering the work motivation of individual's and teams as it has a direct impact on their performance. He argued: Solid evidence supports claims that motivational programs can increase the quality and quantity of performance from 20 to 40 percent. Motivation can solve three types of performance problems: people are refusing to change; allowing themselves to be distracted and not persist at a key task; treating a novel task as familiar, making mistakes but not investing mental effort and taking responsibility because of overconfidence. In addition to the descriptive results, the views of the respondents' qualitative results also indicated that employee motivation in private firms can be improved through a number of ways including strengthening family spirit, capacity building, monitoring and evaluation, encouraging delegation of duties, awarding of best performers, stress management events as well as recognition of workers. Respondents during an interview revealed that monitoring and evaluating employees during the time of performing their work periodically create fear of being dismissed from work hence work with one heart of remaining in the organization

4.3.2.2: Reward

Rewarding in the organisation was also analyzed and how it affected the employee motivation.

Table 4.7: Reward

Reward	N	Minimum	Maximum	Mean	Std deviation
Wages	31	2.00	5.00	3.74	0.24
Salaries	31	2.00	5.00	3.97	0.87
Bonuses	31	1.00	5.00	3.71	0.19
Rewards	31	1.00	5.00	3.68	0.49

On the level of agreement by the respondents on the above incentives, the study established that Salaries, Wages, Bonuses and rewards had a very huge impact on the employees as shown by means of 3.97, 3.74, 3.71 and 3.68.The respondents stated that these were the best signs of recognition of employees by their respective organisations. Similar assertions were made by Spitzer (2007) in his study whereby he established that organizations will enjoy stable workforce if they introduce attractive motivational schemes which satisfy the needs of employees. As a result, their commitment to work increases and they do their tasks with loyalty and enthusiasm, they are not tempted to leave the organization. This means reduced employee turnover and further satisfaction on the job means reduced absenteeism.

4.3.2.3: Personal Appreciation

The study sought to determine the respondent's level of agreement on the effect personal appreciation as a recognition strategy on the performance of the employees at the microfinance.

Table 4.8: Personal Appreciation

Personal appreciation	N	Minimum	Maximum	Mean	Std deviation
There is praise on something that I have done well by my supervisors.	31	2	5	4.10	0.18
KWFT appreciates my hard work and contributions as an individual.	31	2	5	3.97	0.16
KWFT offer staff members flexible scheduling for the holidays, if feasible.	31	1	5	4.06	0.20
The microfinance has given me opportunities to participate on a special committee where my talents are noticed. These also include professional association meetings and philanthropic events.	31	2	5	4.10	0.20

From the study findings, most of the respondents as shown by a mean of 4.10, strongly agreed that they had praised on something that they had done well by their supervisors and that the microfinance has been giving them opportunities to participate on a special committees where their talents can be noticed. Other respondents as shown by a mean of 4.06 indicated that KWFT offer staff members flexible scheduling for the holidays feasible and the rest of the respondents as shown by a mean of 3.97 indicated that KWFT appreciated their hard work and contributions as an individual. This is an indication that the microfinance has made huge strides in winning the hearts of its employees through appreciation but much still needs to be done in this area.

4.3.3: Interest in the Job

This section gives the respondents opinions the interest on job variable. The parameters discussed include employee's satisfaction, interpersonal relationship and medical coverage and other benefits.

4.3.3.1: Employee Satisfaction

The study also wanted to establish the respondent's level of agreement on the various strategies that their organisation had adopted to make the employees more satisfied with their job.

Table 4.9: Employees Satisfaction

Employees Satisfaction	N	Minimum	Maximum	Mean	Std deviation
Reliability of the systems used in the organization	31	1.00	5.00	3.74	0.48
Incentive schemes and other reward structures	31	2.00	5.00	4.16	0.24
Annual salary increments and how they are determined	31	3.00	5.00	4.45	0.72
Support from the Management team	31	3.00	5.00	4.13	0.85
Interpersonal relationship	31	3.00	5.00	3.84	0.78

From the findings annual salary increments and how they were determined was one of the strategy which the organisation had adopted as shown by a mean of 4.45, incentive schemes and other reward structures was also rated agreed as represented by a mean of 4.16, support from the management team was ranked third with a mean of 4.13, interpersonal relationship with a mean of 3.84, and finally reliability of the systems used in the organization as shown by a mean of 3.74.

Argument that well motivated employees are generally good performers (Mowday etal, 2000). Employees who are satisfied with their motivation climate are likely to rate their performance highly, because they feel that, following the creation of a positive motivation environment, the organisation will expect them to be good performers. Katz (2010) for example, asserted that organizations need to motivate their members to: join and remain in the organisation, perform their assigned duties dependably, and exhibit "innovative and spontaneous behaviours".

Likewise, Speen (2003) suggested that employees' performance could be optimized by using motivational programs. He asserted: People work better and get more done in an environment where they are appreciated and incentive programs help create that atmosphere. In fact, when an employer uses motivational programs, employees feel that the company is concerned for their welfare and wants to recognise their accomplishments

4.3.3.2: Interpersonal Relationship

The study requested the respondents to rate the above statements regarding interpersonal relationship effects.

Table 4.10: Interpersonal Relationship

Interpersonal Relationship	N	Minimum	Maximum	Mean	Std deviation
An interpersonal relationship in the microfinance is the keystone in building what I want to achieve in life.	31	2	5	4.16	0.20
Development of interpersonal relationships has become increasingly more important in our department.	31	2	5	4.23	0.22
The relationship with management have made me feel comfortable at my work station and therefore improving my productivity and efficiency	31	2	5	4.16	0.21

From the study findings, majority of the respondents as shown by a mean of 4.23 strongly agreed that development of interpersonal relationships has become increasingly more important in their department. The study further revealed that interpersonal relationship in the microfinance is the keystone in building what they want to achieve in life and also that the management have made them feel comfortable at their work station and therefore improving their productivity and efficiency as shown by a mean of 4.16.

4.3.3.3: Medical Coverage and other Benefits

The study requested the respondents to rate the above medical benefits in their organizations.

Table 4.11: Medical Coverage and other Benefits

Medical Coverage and other Benefits	N	Minimum	Maximum	Mean	Std deviation
Paid sick days	31	2	5	3.81	0.13
Medical insurance schemes	31	2	5	4.10	0.18
Compensation	31	1	5	4.19	0.20
Support from the Management team when one is unwell	31	2	5	4.19	0.20

From the study findings, most of the respondents as shown by a mean of 4.19 strongly agreed that there has been adequate compensation and support from the management team when one is unwell, other respondents as shown by a mean of 4.10 strongly agreed that the medical insurance schemes are highly provided and other respondents as shown by a mean of 3.81 agreed that they were paid during sick days by their respective organizations.

4.3.4: Career Advancement

The study also analyzed the parameters in the career advancement variables. These parameters included job enrichment, promotion and job enlargement.

4.3.4.1: Job Enrichment

The study established that influence that employees have in sharing ideas with others, assist in advancement and networking in organisations and this was shown by a mean of 4.45. It also revealed that employees trusting in themselves is one of the most important success factors in their careers and this was shown by a mean of 4.42. Finally the study revealed that those people that advance in their careers focus less on what others say about them and more on how their

competencies and leadership skills can add-value to the organization as shown by a mean of 4.32.

Table 4.12: Statements on Career Advancement

Statements on career advancement	N	Minimum	Maximum	Mean	Std deviation
People that advance in their careers focus less on what others say about them	31	4.00	5.00	4.32	0.48
The most effective and sustainable way to advance in your career is to be yourself.	31	1.00	5.00	4.13	0.31
Trusting in yourself is one of the most important success factors in your career.	31	3.00	5.00	4.42	0.81
The influence you have in sharing ideas with others, assist in advancement and networking.	31	2.00	5.00	4.45	0.81

Companies can optimize employee performance by engaging in a continuing, organized program of promotion, motivation, communication and recognition. With an incentive or motivation program, organisations can obtain some level of additional performance in exchange for some extra compensation.

4.3.4.2: Promotion

Statements on promotion at KWFT were also rated by the respondents. The findings were as follows;

Table 4.13: Statements on Promotion

Statements on Promotion	N	Minimum	Maximum	Mean	Std deviation
I feel KWFT values its employee.	31	2.00	5.00	3.77	0.29
KWFT provides opportunities to grow and learn through job enrichment.	31	1.00	5.00	3.65	0.33
KWFT use promotions as an incentive to reward employee's efforts.	31	2.00	5.00	3.84	0.93
KWFT has contributed to my career advancement.	31	3.00	5.00	4.26	0.73

On the rating of the above statements on career advancement in their organisation, it was established that majority of them agreed that KWFT had contributed immensely to their career advancement as shown by a mean of 4.26. They further stated that KWFT used promotions as an incentive to reward employee's efforts as shown by a mean of 3.84. Respondents also felt that KWFT values its employee as shown by a mean of 3.77 and finally KWFT provided opportunities to grow and learn through job enrichment as shown by a mean of 3.65.

4.3.4.3: Job Enlargement

The study sought to determine the extent of the respondent's agreement on job enlargement in their respective organisations.

Table 4.14: Job enlargement

Job enlargement statements	N	Minimum	Maximum	Mean	Std deviation
The organization helps employees improve and increase the skills for both the organisation and individual benefit.	31	2	5	4.16	0.19
Due to job enlargement in the microfinance employees learns many new activities at different departmental levels.	31	2	5	4.19	0.22
Job enlargement provides wide range of activities for employees in the organisation.	31	2	5	4.10	0.19

From the study findings, the respondents strongly agreed that due to job enlargement in the microfinance, employees learn many new activities at different departmental levels. In addition, the respondents as shown by a mean of 4.16 strongly agreed that the organization helps employees improve and increase the skills for both the organization and individual benefit. The respondents also strongly agreed as shown by a mean of 4.10 that Job enlargement provides wide range of activities for employees in the organization.

These findings are similar to those of Kaplan (2008) who observed that workers strive for impressive job titles, higher compensation, and more responsibility. To achieve these career advancement goals, individuals need to self-manage their careers. Kaplan (2008) offered the following guidelines for career self-management: assessing one's career, skills, and performance; seeking coaches and mentors; having the humility to confront personal weaknesses; having an entrepreneurial attitude that is demonstrating entrepreneurial behavior within one's organization; seeking opportunities without putting one's own self interests ahead of the organization; and being willing to voice dissenting views.

4.4: Inferential Statistics

4.4.1: Reliability Coefficients

Reliability of the questionnaire was evaluated through Cronbach's Alpha which measures the internal consistency Cooper & Schindler (2008). Cronbach's alpha was calculated by application of SPSS for reliability analysis.

Table 4.15: Reliability Coefficients

Scale	Cronbach's Alpha	Number of Items
Achievements	0.834	20
Recognition	0.767	10
Interest in the Job	0.753	12
Career Advancement	0.820	15

Cooper and Schindler (2008) indicated 0.7 to be an acceptable reliability coefficient. Table 4.15 shows that achievements had the highest reliability (α=0.834) followed by career advancement (α=0.820) and recognition (α=0.767) and finally interest in the job (α=0.753). This illustrates that all the four scales were reliable as their reliability values exceeded the prescribed threshold of 0.7.

4.4.2: Regression Model

This section illustrates the regression model derived, the model summary, the analysis of variance and hypothesis testing.

Table 4.16: Table of Coefficients

The following tables gives the coefficients which helps in establishing the regression line;

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.161	.129		9.00	.000
Achievement	1.482	.064	.093	23.16	.039
Recognition	0.942	.050	.232	18.84	.004
Interest in the job	1.218	.040	.030	30.45	.041
Career advancement	2.106	.059	.007	35.69	.016

The established regression equation was as follows;

$$Y = 1.161 + 1.482\, x_1 + 0.942\, x_2 + 1.218\, x_3 + 2.106\, x_4 + 0.129$$

Y=Employees Motivation

1.161 represents employee motivation that is constant despite the variation of the independent variables.

X_1 = Achievement

X_2 = Recognition

X_3 = Interest in the job

X_4 = Career advancement

0.129 represent the variables that have not been considered by the study but contribute towards employee motivation.

From the above regression model, holding achievement, recognition, interest in the job and career advancement to a constant zero, employees motivation would be 1.161, it was established that a unit increase in achievement would cause an increase in employee motivation by a factor of 1.482, a unit increase in recognition would cause an increase in employees motivation by a factor of 0.942, also a unit increase in interest in the job would cause an increase employees motivation by a factor of 1.218, also unit increase in career advancement would cause an increase in employees motivation by a factor of 2.106. This clearly shows that there is a positive relationship between employee's motivation and achievement, recognition, interest in the job and career advancement. The study further revealed that the *p*-value were less than 5% in all the variables, which shows that all the independent variable were statistically significant and thus in position to make conclusion for the study.

Table 4.17: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.901[a]	.811	.798	.88195

Adjusted R squared is coefficient of determination shows the variation in the dependent variable due to changes in the independent variable, from the findings in the above table the value of adjusted R squared was 0.798 an indication that there was variation of 79.8% on the employees motivation due to changes in achievement, recognition, interest in the job and career advancement at 95% confidence level. R is the correlation coefficient which shows the relationship between the study variables, from the findings shown in the table above there was a strong positive relationship between the study variables as shown by 0.901.

Table 4.18: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.042	2	0.021	3.064	.0018[b]
	Residual	9.128	28	0.326		
	Total	**9.17**	**30**			

From the ANOVA statics in table above, the processed data, which is the population parameters, had a significance level of 1.8% which shows that the data is ideal for making a conclusion on the population's parameter as the value of significance (p-value) is less than 5%.

The study also tested the following research hypothesis

$H_0=$ Achievement, recognition, interest in the job and career advancement do not influence employees motivation

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$H_1\neq$ Achievement, recognition, interest in the job and career advancement have a significant effect on employees motivation

An F test was used since the study sample was more than 30 respondents. In this case the F critical was compared to the F computed. If the F computed is greater than F critical, the decision rules states that the null hypothesis should be rejected. In this case the null hypothesis stated that achievement, recognition, interest in the job and career advancement which were the variables of this study do not influence employees motivation.

Taking F-critical from the table with Degree of freedom given by (n-1) = (31-1) =30, then F critical =2.042. From the ANOVA (F-calculated) =3.064. Decision rule follows that we Reject the null hypothesis (H_0) If (F-computed) > (F-critical). The researcher therefore concludes that achievement, recognition, interest in the job and career advancement have a significant effect on employees motivation. This means that the study variables had a huge influence on motivation of employees in the organisation. The null hypothesis was rejected and the model was deemed fit.

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1: Introduction

From the analysis and data collected, the following discussions, conclusion and recommendations were made. The responses were based on the objectives of the study. The researcher intended to investigate the employee motivational strategies which can be adopted by microfinances in the country. Therefore the main purpose of this study is to investigate the factors affecting employee motivation in KWFT.

5.2: Summary of the Findings

5.2.1 Achievement

On the achievement of goals the study revealed that low level salary and poor working environment was a major impediment in their achievement of the set goals as represented by a mean of 3.79 and 3.52 respectively. It further revealed that feedback help in increasing productivity, the quality of work and the effectiveness of the work group as represented by a mean of 4.39. The researcher noted that colleagues and working conditions highly motivated employees as represented by a mean of 4.48. This was followed by the management style, training and learning scope as both represented by a mean of 4.23.

5.2.2 Recognition

Praise and recognition was analyzed and its effects on employee motivation fully elaborated. The respondents agreed that at the microfinance when people feel overwhelmed, they lose confidence and become irritable or withdrawn, making them less productive and effective and their work less rewarding as represented by a mean of 4.16

It was further established that Salaries, Wages, Bonuses and rewards had a very huge impact on the employees as shown by means of 3.97, 3.74, 3.71 and 3.68 respectively. It was also revealed that employees had been praised on something that they had done well by their supervisors and that the microfinance had been giving them opportunities to participate on a special committee where their talents can be noticed as represented by a mean of 4.10.

5.2.3 Interest in the Job

From the findings it was revealed that employee's satisfaction, interpersonal relationships, medical coverage and other benefits helped in improving the employee's interests in the job. Also annual salary increments and how they were determined was one of the strategies which the organisation had adopted as shown by a mean of 4.45 to improve the interest in their jobs. The study also revealed that there had been adequate compensation and support from the management team when one is unwell and that employees had been sharing ideas with others, to assist in advancement and networking in organisations.

5.2.4 Career Advancement

Career advancement in their organisation, it was established that majority of them agreed that KWFT had contributed immensely to their career advancement as shown by a mean of 4.26. It was further revealed that KWFT used promotions as an incentive to reward employee's efforts as shown by a mean of 3.84 and that KWFT valued its employee and provided opportunities to grow and learn through job enrichment and job enlargement.

5.3 Discussions

5.3.1: Achievement

The study revealed that low level salary and poor working environment was a major impediment in their achievement of the set goals and this was represented by a mean of 3.79. It was also noted that salary level and the working environment plays a fundamental role in motivating employees in organisations. These findings concur with those of Stroh, (2009) who stated that employees are willing to work hard if they see reasons to do so, and believe that their efforts will pay off.

It was further revealed that feedback help in increasing productivity, the quality of work and the effectiveness of the work group as represented by a mean of 4.39. The superiors also played an important role in structuring the work environment and providing information and feedback to employees. Employees' motivation and initiative is increased with effective feedback.

The study further revealed that good working conditions highly motivated employees and also brings about health competition in the organisation represented by a mean of 4.48. This is however enhanced by good management style, training and the company's goodwill. This is a clear indication that motivating employees in an organisation is a multifaceted task that requires the combination of many factors which includes adequate remuneration, training and a supportive management among others.

5.3.2: Recognition

The study also revealed that when employees are not praised and recognized they feel overwhelmed, they lose confidence and become irritable or withdrawn, making them less productive and effective and their work less rewarding. A good reward policy at the

microfinance would ensure that the organization is able to attract and retain the staff that it needs in order to do its business.

The study further revealed that salaries, wages, bonuses and rewards had a very huge impact on the employees as represented by a mean of 3.97. Similar assertions were made by Spitzer (2007) in his study whereby he established that organizations will enjoy stable workforce if they introduce attractive motivational schemes which satisfy the needs of employees. This means reduced employee turnover and further satisfaction on the job means reduced absenteeism.

The study also revealed that when an employee is praised on something that he has done well gives him or her opportunities to participate on special committees where his or her talent can be noticed. It was further established that KWFT offer staff members flexible scheduling for the holidays and appreciates their hard work and contributions as an individual. This is an indication that the microfinance has made huge strides in winning the hearts of its employees through appreciation but much still need to be done in this area.

5.3.3: Interest on the Job

Employees who are satisfied with their motivation climate are likely to rate their performance highly, because they feel that, following the creation of a positive motivation environment, the organisation will expect them to be good performers. Katz (2010) for example, asserted that organizations need to motivate their members to: join and remain in the organisation, perform their assigned duties dependably, and exhibit "innovative and spontaneous behaviours".

The study further revealed that interpersonal relationship in the microfinance is the keystone in building what they want to achieve in life. Companies can optimize employee performance by engaging in a continuing, organized program of promotion, motivation, communication and

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recognition. With an incentive or motivation program, organisations can obtain some level of additional performance in exchange for some extra compensation.

5.3.4: Career Advancement

It was also established that KWFT had contributed immensely to its employee's career advancement and it used promotions as an incentive to reward employee's efforts. Employees also felt that KWFT valued its labour force and it provided opportunities to grow and learn through job enrichment. These finding concur with those of Loscertales (2007) who reported that interpersonal skills contributed to career advancement potential. This study reported that increased employee involvement, including the willingness to negotiate with co-workers, self-managed teams, and participation in suggestion systems contributed to career advancement potential.

5.4: Conclusion

Employee motivation is one of the most essential parts in a company's development and success. It is hence vital for an employer to understand what motivates the employees and how to maximize their overall job performance.

5.4.1 Achievement

This study highlights various aspects necessary for motivating employees. It is observed that there is direct and positive relationship between rewards as a result of achievements made and employee motivation. It means that reward is directly proportion to employee work motivation. The change in rewards offered to employees necessarily changes the work motivation and performance of employees. The better the rewards, the higher the levels of motivation and greater levels of employee.

Formally most employees were satisfied if their basic needs were met. In today's world, employees want more, since an employee has become a major focus. For managers to do this effectively, managers must keep their employees motivated, so that valuable employees stay in the company and perform at their best. To motivate employees is not an easy task. Motivation of employees has to be built up over a long time, and it can be destroyed in a day. There are many different ways of motivating employees. Every motivation theorist comes up with different approach.

5.4.2 Recognition

Recognition and empowerment play an essential part in enhancing employee motivation towards organizational tasks. By appreciating the employees for their work well done and giving them participation in decision making, internally satisfies them with their job. Thus their enthusiasm and motivation towards accomplishment of tasks increases.

5.4.3 Interest in the Job

Motivators differ from employee to employee, and also different according to the business sector. A manager needs to take time and effort to understand what their employees are looking for in their work and try to meet these needs and wants to the best of their ability. Employee evaluation helps managers to understand how employee performance links to their motivational factor and also how their performance can be improved through satisfying their needs, wants and expectations from the company.

5.4.4 Career Advancement

As a conclusion it can be seen that the general factors that affect work motivation in microfinances are personal growth, work environment, achievement, salary, recognition, responsibility and work itself. A combination of material reward and spiritual encouragement seems be the most efficient way to maximize work motivation in microfinances.

Table 5.1: Rank of Strategies

Rank	Variables	Coefficients	p-value
1	Career Advancement (X_4)	2.106	0.016
2	Achievement (X_1)	1.482	0.039
3	Interest in the job(X_3)	1.218	0.041
4	Recognition (X_2)	0.942	0.004

This study established that career advancement improved employee's motivation by a very greater extent. For every one unit increase in career advancement the employee's motivation would increase by 2.106 units. This was followed by achievement whereby a unit increase of achievement in the organisation would improve employees motivation by 1.482, Interest on job followed with a coefficient of 1.218 and finally recognition with a coefficient of 0.942.

5.4 Recommendations

In the global market place, organisations worldwide rely on their employees in order to compete favourably and gain competitive advantage. There is a growing need for microfinances in Kenya to improve on service delivery and enhance profitability and higher productivity. Therefore this research recommends actions to be taken by Kenya Women Finance Trust and other microfinance institutions at large.

On achievement, the research recommends that organizations need to set goals which are moderate and achievable to be able to attain their focus. Feedback on performance is very key as individuals who achieve highly need feedback consistently to be able to learn from their mistakes. Achievement is positively correlated to confidence, ambition, handwork and competitiveness and therefore it is important to take all this aspects into consideration for competitive capabilities in the microfinance institutions.

Recognition of achievement motivates employees as it involves acknowledging their efforts and willingness to put some extra effort and therefore organizations should heavily invest in this to retain their staff. Employees in microfinances are better influenced by salary package. In order to motivate employees, microfinances must not only pay salaries and wages that are industry competitive, but those that equally compete with the commercial banking sector.

Interest in the job is very important and therefore, at organisational level, managers should build a respectable corporate culture and image that will position their organisations as employers of first choice where prospective and incumbent talent will be proud to work and build a long lasting career. Such structures include good interpersonal relationships corporate social responsibility, ethical practices, employee welfare, and advancement of the general good and development of the larger society.

It is recommended that organizations consider career advancement to their employees as this provides room for growth. This can be done through job enrichment, job enlargement which is done by providing additional responsibilities, higher compensations to the employees which help

them to grow. To be able to do this effectively, managers in microfinances must device a practical means of retaining key employees whose expertise is critical to service delivery. One way of achieving this is to motivate these employees through comprehensive and proactive programmes. Organisations should invest heavily in the education, training and development of their employees.

All these require courageous and vigorous managers, who are willing to tackle the challenges of motivation and be honest and open with their employees. If microfinance managers do choose to take action and absorb the proposed motivational tactics, then there is a good chance that microfinances performance will improve dramatically.

5.5: Recommendation for Further Studies

Further Research is recommended to be extended to the commercial bank sector to assess the effects of motivation on employee performance. The sample size can be enlarged in all the Counties in Kenya and different statistical tools can use in the research. Most private commercial banks can also investigate levels of motivation that can enhance their employees' performance. Their findings would help the banks to determine which packages their employees' desire most for the bank to grow in this dynamic banking environment.

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