UNIVERSITY OF NAIROBI
DEPARTMENT OF EXTRA-MURAL STUDIES
SCHOOL OF CONTINUING AND DISTANCE STUDIES

TITLE: IMPACTS OF NON-FINANCIAL INCENTIVES ON EMPLOYEES' PRODUCTIVITY. A CASE STUDY OF KENYA POWER & LIGHTING COMPANY.

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REG NO : L125/14868/2010

A TRADE PROJECT SUBMITTED IN PARTIAL FULFILLMENT FOR THE AWARD OF DIPLOMA IN HUMAN RESOURCE MANAGEMENT OF THE UNIVERSITY OF NAIROBI.

2012
DECLARATION

DECLARATION BY STUDENT

I declare that this is my work. It has never been presented in any other university for academic award.

Signature __________________________

Name Martha Margo Serido

Date 31/10/2012

DECLARATION BY SUPERVISOR

This project has been submitted for examination with my approval as the supervisor.

Signature __________________________

Name Mrs. Naomi Ondicho

Date 31/10/2012
ABSTRACT

The main purpose of the study was to investigate the impacts of non-financial incentives on employee's productivity. This study assessed the problems which the institution (Kenya Power) stands to lose or gain through the non-financial incentives on employee's productivity. This was fulfilled by the critical analysis of the objectives of the study, the problem statement, and the research questions of this study.

Literature review of the subject matter was critically analyzed in chapter two where by reviews concerning the objectives of the study were explained in detail on their effects and benefits on the productivity of employees. Theories related with non-financial incentives which focused on different variables in an attempt to explain motivation in the organizational setting were also discussed in order to bring out how non-financial incentives are of impact to the productivity of employees in an organization.

Probability sampling design was employed to select the population of 40 employees out of the 200 employees in accordance to the KPLC Transmission department. A descriptive design was used to select persons of interest which was comprised of managers, supervisors, engineers, sales persons and subordinate stuff of Kenya Power.

Data was analyzed in frequency and percentages and presented in tables and pie-charts. A primary data was collected using semi structured questionnaires that the researcher administered to the respondents.

The researcher found out that in order to increase productivity in the organization, promotion should be made on the basis of seniority merit or combination of both. Promotions gives or prove incentive to initiate enterprise necessitates logical training for advancement and forms an effective reward for loyalty and cooperation thus productivity in the organization. Workers in the organizations are always promoted on the basis of having met some standards to the extent that output is the sum of both permanent and transitory components, those who meet the standards will have expected transitory components that are positive.