

**HUMAN RESOURCE PRACTICES IN A NON-GOVERNMENTAL  
ORGANIZATION (NGO): A CASE STUDY AT MALAYSIAN NATURE  
SOCIETY (MNS)**

**By**

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**MASTER OF HUMAN RESOURCE MANAGEMENT  
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**Thesis Submitted to  
Othman Yeop Abdullah Graduate School of Business,  
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Master of Human Resource Management**



Othman Yeop Abdullah  
Graduate School of Business

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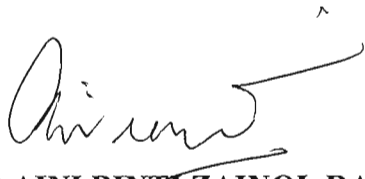
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## ABSTRACT

Malaysian Nature Society (MNS) is one of the largest and longest surviving NGOs in Malaysia. MNS is dependent upon membership fees through subscriptions as a main source of income; however it is not adequate to cover the cost of running MNS. The biggest challenge in MNS is to seek financial support through projects to maintain and sustain the organization. This exploratory qualitative research was carried out to study the human resource management practices in an Non-Governmental Organization (NGO) in a Malaysian context. Issues and challenges were also examined. Applying saturation and purposive sampling in this study, ten respondents were interviewed. Data gathered were transcribed, sorted, coded and analysed manually using Excel. Findings in this study revealed three themes, namely leadership, career development, and compensation and benefits. This study proposed with effective leadership, career development, and compensation and benefits, employees will perform better, increase retention and reduce high staff turnover. Majority of the participants also mentioned about the low salaries. Salary is the biggest motivator and MNS should look into a salary revision periodically.

## ABSTRAK

Penyelidikan ini dijalankan untuk mengkaji faktor-faktor yang mempengaruhi prestasi kakitangan dalam satu Organisasi Bukan Kerajaan atau "*Non-Governmental Organization*" (NGO) yang mana kajian khusus dijalankan pada Malaysian Nature Society (MNS) yang merupakan salah satu Organisasi Bukan Kerajaan (NGO) yang paling besar dan lama bertahan di Malaysia. Sebagai NGO berasaskan keahlian, MNS bergantung kepada yuran keahlian sebagai sumber utama. Walaubagaimanapun, jumlah yuran keahlian tidak mencukupi untuk mengurus MNS. Oleh itu, cabaran utama pekerja adalah banyak masa bekerja digunakan untuk mencari dana untuk menampung kos mengurus dan memastikan kelangsungan MNS melalui pembangunan pelbagai projek. Cabaran utama dalam pengurusan sumber manusia adalah bagaimana untuk memaksimumkan prestasi untuk mencapai objektif dan jangkaan penyumbang dana tanpa penyeliaan yang rapi dan terarah. Pengurusan sumber manusia berhubung kait dengan prestasi dalam memenuhi keperluan pemegang taruh dan pelanggan melaluti projek-projek yang dijalankan. Dapatan kajian menunjukkan terdapat perkaitan antara kepimpinan, motivasi dan penghargaan yang dapat mempengaruhi prestasi sumber manusia di MNS. Kepimpinan yang berkesan dapat meningkatkan prestasi staf selain mempengaruhi staf untuk kekal di MNS serta mengurangkan kadar lantik henti. Majoriti responden juga mmebangkitkan tentang isu gaji yang rendah. Gaji adalah faktor pendorong utama dan MNS perlu menilai semula gaji sekarang setelah 2 tahun. Penghargaan juga membantu bagi memastikan staf melaksanakan tugas berdasarkan Petunjuk Prestasi Utama selain mengekalkan staf.



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## LIST OF ABBREVIATION

MNS	:	Malaysian Nature Society
NGO	:	Non-governmental organization
BOT	:	Board of Trustees
HR	:	Human resource
HRM	:	Human resource management

# CHAPTER 1

## INTRODUCTION

### 1.1 Background of the Study

This study was carried out to study the human resource management factors that influenced staff performance in a Non-Governmental Organizations (NGO) in Malaysia, namely the Malaysian Nature Society (MNS). A Non-Governmental Organizations (NGO) is an organization registered with the Registrar of Societies (ROS) and is neither part of government nor a conventional for-profit business organization. Usually set up by ordinary citizens, NGOs may be funded by governments, foundations, businesses, or private individuals.

The NGOs in Malaysia include social groups such as Majlis Kanser Nasional (MAKNA), Malaysian Advocates for Cerebral Palsy (MyCP), environmental organizations such as MNS, Malaysian Turtle Conservation Society, Sahabat Alam Malaysia, Malaysian Environmental Protection Society, Friends of Bukit Kiara, school alumni associations, and many other organizations labelled as associations or societies. They play a very important role in society as they serve the public in specific areas as governed by their constitution and develop social networking and cooperation amongst their members. Many organizations support Government efforts such as the Red Cross or “Bulan Sabit Merah” or Red Crescent while others play a role as watchdogs for the public. Others play an advocacy role. They cover a wide

range of disciplines and areas of interest and they all play an important role in national development. They often are the “voice of the public” on certain issues and often submit these opinions to Government to raise concerns on certain issues.

NGOs are governed by Constitutions that are approved by the ROS and are managed by Committees or Councils elected by members at an Annual General Meeting. As a fairly large NGO, MNS has a number of full time staff and supported by part time staff. The management is headed by an Executive Director who is responsible to the Council. Council also has a number of Committees such as Conservation, Education and Finance and an Executive Committee (EXCO). Each Committee is chaired by a Council member with members from the relevant Heads of Departments (HODs), while EXCO comprises the President, Honorary Secretary and Treasurer.

MNS also has 13 branches in all the states of Malaysia except Perlis and these branches are managed by Branch Committees elected by members at the State AGMs. Each Branch sends a representative to Council meetings, usually represented by one of the State ExcOs, viz. the Chairman, Honorary Secretary of Treasurer. Branches also raise funds through projects and keep Headquarters informed of their projects and funders so that there is no overlap. Branches manage their funds independently of Headquarters.

All funds other than that obtained through subscriptions are managed by the Board of Trustees (BOT), previously called the Permanent Finance Committee. The BOT comprises distinguished and respected members of the

community who are also members of MNS. The Honorary Treasurer sits on the BOT as an ex-officio member. The BOT manages the financial reserves of MNS and MNS members and staff who wish to seek funding for projects, must propose projects to the BOT.

Council meets at least four times a year. Council members are not paid and contribute their time on a voluntary basis. Expenses incurred are usually reimbursed by the organization. Every society is required by law to hold an Annual General Meeting once a year and submit to the ROS its Annual Report including an audited Financial Report.

MNS has obtained approval from the Malaysian Treasury to exempt all donations to MNS from income tax. That means donors who donate funds to MNS can claim tax exempt on their donations with tax exempt receipts from MNS. This gives incentives to corporate organizations to donate money to MNS or to fund projects with MNS.

All financial contributions or donations to MNS are therefore eligible for income tax deductions under subsection 44(6) of the Malaysian Income Tax Law : *'Gift of money to Approved Institutions or Organizations (Amount is limited to 7% of aggregate income)'*.

Being an NGO, MNS does not receive any financial contribution from Government except for approved projects. However, some NGOs, such as the Malaysian Red Crescent (MRC) or Persatuan Bulan Sabit Merah with a specific social function, receive disbursements from the Ministry of Health, Malaysia for their emergency ambulance services as they serve an important



role in public safety and health. Currently, there are 20 ambulances owned by MRC operated by two qualified Ambulance Medical Aides (AMA) and equipped with Basic Life Support equipment. Apart from this, MRC also receive donations and contributions from public as well as corporate companies especially for their Corporate Social Responsibility (CSR) such as flood donation, earthquake etc.

MNS, on the other hand, does not receive any direct financial support from Government except for projects that they have been contracted from time to time from Government. MNS also depends on corporate support for funding and while corporations can receive tax exemption for their contribution, they are always wary that their contributions are not seen as going against Government policy. Many corporations contribute to NGOs as part of their Corporate Social Responsibility (CSR) and many responsible corporate bodies set a budget for the CSR activities. Nevertheless, funds are generally limited in NGOs as their only sure source of funds is from subscriptions of members. MNS also has corporate members that pay much higher subscription fees than ordinary members but their numbers are small. Therefore, good fiducial management is critical to ensure the sustainability of the organization and maintain continuity of good staff.

MNS has a total of 13 branches throughout Malaysia with its Kuala Lumpur based headquarters. They have a team of 40 dedicated full time staff of whom some are contractual staff, who oversee the society's administration and finances, as well as manage projects. These project officers also raise

funds for the organization through seeking sponsorship for their projects. Staff specialty covers different aspects of the environment from marine ecosystem to forest and covering specialized fields as birds, flora and ecotourism and represents a variety of disciplines of environmental conservation. The key is how to maximize performance amongst staff especially where the financial rewards are limited.

## **1.2 Problem Statement**

As a non-profit organization, funds are generated through memberships, corporate sponsorships through CSR or projects undertaken by MNS. As a non-profit organization where funds are limited, MNS has to resort to other means to reward and retain staff. Unlike the profit making organization, where rewards are used by management to motivate and retain staff, an NGO does not have the financial capacity to act in a similar way. Thus, NGOs have to resort to other means to reward and maximize staff performance.

NGOs depend on employees to get work done to achieve its goals and objectives. The importance of human resources in any organization including NGOs is undeniable. Human resources are the main drivers to add value to the organizations, thus providing the competitive advantage for the organizations. Nonetheless, recognizing the importance and value of human resources alone is not sufficient. Organizations must ensure human resource management practices are designed to link employees to the organizational

goals. Batti (2014) stated that human resource management in NGOs is important as it leads to organizational performance and sustainability. She claimed that NGOs often place human resource management practices in the lower list of implementation priority. She added that human resource management in NGOs are inadequate which affect the overall performance of individuals and organizations, including turnover intention among employees.

Local (NGOs) often do not realize the importance of effective management of human resources to the well being of the organization and hence do not invest adequate time or resources to build their capacity in necessary human resource competencies. Ulah and Yasmin (2013) stressed that human resource management is one factor that could lead to the success or failure and sustainable development in many NGOs. They found that NGOs are not giving proper attention on the implementation of human resource management practices. As such, this study was conducted to determine NGOs' human resource management practices in the Malaysian context, specifically in MNS.

### **1.3 Research Questions**

To answer the problem statement or research gap stated, a primary research question and two secondary research questions were set.

The primary research question in this study was:

What were the human resource management practices in MNS?

The study attempted to answer the following secondary research questions:

- i. What were the factors that influence staff turnover at MNS?
- ii. What were the issues and challenges faced by employees in MNS?

#### **1.4 Research Objectives**

The primary research of this study was to identify the human resource management practices in an NGO in Malaysia.

Based on the research questions, this study tried to fulfil the following secondary research objectives:

- i. To determine the factors that influence staff turnover at MNS.
- ii. To identify issues and challenges faced by employees in MNS.

#### **1.5 Significance of the Study**

This study will be a significant milestone in understanding HR Management in NGOs in Malaysia. NGOs must embrace the fact that human resource must be managed effectively to ensure the well-being, success and sustainability of the organization (Batti, 2013; Ulah & Yasmin, 2013). By understanding factors that influenced employee behaviours that could lead to turnover would be beneficial for NGOs specifically, MNS. As such, NGOs could take a more pro-active action in dealing with such issues.

This study was intended to facilitate an understanding into the way management could improve in managing human resource better. The findings of the study have implications for the management in setting up a better human resource policies and practices.

This study was designed to fill the gap in understanding the human resource practices which employees perceived as important in an organization and NGOs, specifically MNS. Thus, an investigation into the effect of human resource management factors in an NGO in Malaysia could contribute to the literature on the areas in the field.

#### **1.6 Scope and Limitations of the Study**

The scope of the study shall be focused on one NGO in Malaysia. MNS was chosen as it is one of the largest and the longest NGO to survive in Malaysia. The study was limited to the staff of MNS, based on its Head Office, Kuala Lumpur. It shall be undertaken by interviewing members of the staff including its past President and past Vice President, and employees of all levels.

#### **1.7 Organization of the Thesis**

The thesis was divided into five chapters and was arranged as follows:

**Chapter One** gave a broad outline of the study which included the research questions, the importance of the study, and the significance of the study.

**Chapter Two** presented literature review related to the study. Some studies on HRM, the impacts of effective HRM and turnover intention were highlighted.

**Chapter Three** detailed out the research methodology used, including the population and sampling, and the data collection procedure undertaken to carry out the study.

**Chapter Four** reported the findings of this study. Findings were discussed according to the research objectives.

**Chapter Five** presented a summary of the study. The conclusion was outlined and future research endeavours were highlighted.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

A Non-Governmental Organization (NGO) must strive to attract, develop and retain qualified and enthusiastic employees as they are the key to the success of the organization. Studies by Hall et al., 2003, showed that a significant majority of NGOs identified human resources as their greatest strength. Effective NGOs embrace the significance of human resources and managing the human factors in order to succeed. This can be done by focusing on the employees' satisfaction, commitment, motivation and development in pursuit of organizational goals and objectives (Batti, 2014).

#### **2.2 Human Resource Practices**

Human resource management refers to the managing of employees to the optimum in order to achieve organizational goals. Stanley and Albin (2013:209) defined human resource management as a management function within organizations relating to people and their working relationship. One of the purpose of the HRM is to build an organisation by employing the 'right persons', in the 'right positions' and at the 'right time'.

Effective HRM practices in the areas of employee recruitment, selection, training, career development, industrial relations, compensation, benefits and performance management have been acknowledged as vital

factors in helping organisations to accomplish goals and objectives (Purcell, 1999; Storey, 2001). There is a diversity of areas under study related to human resource practices which include HRM and business strategy (e.g., Cook & Ferris, 1986); universal HR systems (e.g., Pfeffer, 1998); HR and employee performance (Storey, 2001) or HR and business performance (Huselid, 1995). Nevertheless, findings showed the importance of effective HR in staff recruitment and selection, training and development, and performance management, in ensuring the success of the organizations. Nonetheless, findings also showed that regardless of benefits gained from practicing effective HRM, many organisations do not have clear strategies to guide their HR activities (Gratton & Truss, 2003; Hsu & Leat, 2000; Kane, Crawford & Grant, 1999; Kaye, 1999).

The effectiveness of HRM practices in NGOs is equally shaded with haziness. Doherty (1998:18) commented that, “it would seem that we know relatively little about organisation effectiveness, including the contribution of human resources.” Very few studies have been conducted to study the HRM practices and impacts of a mixture of both paid staff and volunteers in NGOs (Chelladurai, 1999). Control over decision-making is a major source of conflict between volunteers and paid staff (McClam & Spicuza, 1998:26) who stated that “the relationship has been fraught with ambiguity, resistance, jealousy and tension.” There is also substantive literature on volunteer boards and committees and how they function (Doherty & Carron, 2003; Doherty, Patterson & Van Bussel, 2004).



Miller, Powell and Selzer (1990) found that volunteers need to be managed differently because they are more likely than paid employees to leave an organisation abruptly if they become dissatisfied. However, Miller, Powell and Selzer (1990) found in a study of hospital volunteers that turnover amongst volunteers was largely explained by the same factors as turnover amongst paid employees.

### **2.3 Turnover Intention**

Employee turnover has a substantial cost as it is a loss of social capital. Management needs to pay serious attention towards turnover issues because when the top performers leave the organization, the valuable assets of the organization will be reduced and lost. Turnover intention is broadly defined as “attitudinal (thinking of quitting), decisional (intention to leave), and behavioural (searching for a new job) processes proceeding voluntary turnover,” (Khatri, 2000).

Turnover is important to be taken care of in an organization because it will disrupt the organizational continuity as well as it is also costly to the organization. Cost for termination, advertising, recruitment, selection, and hiring should be taken into account by the organization (Abbasi & Hollman, 2008). Ali (2009) also suggested that the cost will increase if turnover among employees is not reduced. In today’s real life, when turnover happens in the organization, the costs of turnover incurred where it involved separation cost and also replacement costs. Separation costs may include severance paid and

costs associated with the exit interview. Meanwhile, the replacement cost includes the costs of hiring, time spent by the managers to assess and interview candidates, travel expenses and so on.

The forecasted turnover intention is a measurement of whether a business or organization employees are about to leave their positions or whether that organization plans to remove employees from their positions. Forecasted turnover intention, like turnover itself, can be either voluntary or involuntary. Similarly, Vangel (2011) in his research stated that the turnover can be either voluntary or being forced by the management. Voluntary turnover practice had been viewed as healthy for the company because it prevents employees from displaying negative attitudes at workplace.

Firth, Mellor, Moore and Loquet (2004) believed that the intentions are the most immediate determinants of actual behaviour. The study found that the more individual implemented the behaviour to quit, the more likely or will them be leaving the organization. Gregory (2007) supported the idea that the intention to quit has been found to be strong indicator of personal turnover across industries and theoretically is believed to be an important forerunner to turnover.

According to Bigliardi, Petroni and Ivo Dormio (2005), the intention to leave refers to the perception and feeling of an employee whether to stay or leave the organization. It can also be referred also as the worker's next step within the organization. Wen Lee and Hsiang Liu (2007) mentioned that the

formulation of intention to leave or stay is inherently a result of affective attitude toward the international assignment as well as perception of external employment alternatives among repatriate.

Besides, according to Alniacik *et al.*, (2011), they claimed that the intention to leave is the degree of likelihood of an employee terminating his membership in an organization. Employee who feels happy working at the present organization will definitely has a lower intention to quit from the current job.

Turnover intention had also been defined as an intention to leave and the probability of employee may find a new job and be the prediction to the real turnover. Employee faces a hard time to make a decision when he or she has the intention to change from one job to another job rather than to leave the job. The intention to depart from an occupation is a much more difficult decision than to leave the job. (Blau, 2000).

Furthermore, turnover intention is the tendency of the attitude or the degree to which employees are likely to leave the organization or voluntarily resigned from his or her job. However, if the availability of alternative opportunities for being attached with another job is lesser or not more attractive than it is now, indirectly being owned emotionally and mentally, will impact on employees' attitudes such as coming late to work, absenteeism, less enthusiastic or less desire to perform.

Turnover is one of the prophecies on actual quitting behaviour. To estimate future turnovers, the intention to turnover can be used based on past studies. Besides, the intention to leave is the last phase before the real turnover takes place. Bigliardi, Petroni and Ivo Dormio (2005), stated that turnover is motivated by the dissatisfaction of the individual with some aspect of the work environment (including the job, co-workers or organization), or the organization with some aspects of the individual, such as poor performance or attendance. Therefore, an employee will definitely leave the organization when he or she has a high level of pressure to leave because of particular dissatisfaction. When actual turnover happens, it will decrease the effectiveness and productivity for the current staff because they had to support the tasks left by the ex-colleague.

David Ryan and Sagas (2009) in their study reveals that there is a significant relationship between satisfaction of the salary being paid, work-family conflict and planning to quit. Research by J. Udo, Guimãrães and Igbaria (1997) found that work commitment as the most immediate prediction that plant managers' aim to stay with their organization.

#### **2.4 Impact of Human Resource Practices on Employee Behavior**

Organizational employee behaviour has been defined as “individual behaviour that is discretionary, not directly or clearly recognized by the formal reward system, and in the aggregate promotes the efficient and

effective functioning of the organization” (Organ, 1988, p. 4). This is recognised from employees’ task performance that reflects their work activities that do not fall within the territory of formal job requirements (Mayer & Schoorman, 1992) and are not performed on the basis of a motivation to obtain immediate rewards or avoid punishment (Shore & Wayne, 1993). Study by Sun et al., 2007 showed that this has linked high-performance HR practices and employee’s behaviour (e.g.), this relationship likely relies on some principal attitudinal explanation that does not directly depend on immediate rewards from the organization—such as high performance HR practices (e.g., extensive training, performance-based incentives)—to increase extra-role behaviour. In particular, a high-performance HR—organizational employee linkage is likely better explained indirectly, through the impact of high-performance HR practices on employees’ affective commitment.

Committed employees under a high-performance HR system are likely to hold deep bonds with the organization and feel both eager and grateful to contribute to organizational objectives (Blau, 1983; Cohen, 2003). They are likely to remain with the organization greater than that of less committed employees, for a few reasons. Firstly, employees can contribute to organizational effectiveness only as they continue their employment relationship; so, a desire to help achieve organizational goals aligns with an intent to remain with the organization. Secondly, employees are likely to choose to leave an organization when they think that incentives to stay no

longer match the contributions they make (March & Simon, 1958). Sheridan (1985) stated that their desire to leave thus represents a form of withdrawal and likely reflects a lack of emotional attachment to the organization and its objectives.

## **2.5 Human Resource Practices in Non-Governmental Organizations**

A Non-Governmental Organization (NGO) must strive to attract, develop and retain qualified and enthusiastic employees as they are the key to the success of the organization. Studies by Hall et al., 2003, showed that a significant majority of NGOs identified human resources as their greatest strength. The selection of staff often is a combination of passion, attitude and motivation with volunteerism depending on the nature of the NGOs. Volunteers need to feel appreciated and important which can be done by showing that no one else would be able to conduct it as well as this particular volunteer (Halonen et al., 2010).

NGOs has the similar challenges with for-profit organizations including issues such as employee commitment on common mission and vision, motivation, managing diverse workforce, staff turnover, disciplines and (Mellanen, 2011). This leads to managing their performance for better productivity. The combination of individual performance and team performance will lead to organizational performance (Armstrong, 2010.). Performance consists of ability and motivation; thus, in order to achieve high-levels of performance both factors need to be strongly present. NGOs offer

additional inseparable benefits and motivate employees by providing the opportunity to actualize individual values and principles, a factor that gives employees a sense of achievement (Brandel, 2001). Employees of NGOs tend to participate in the decision-making process because many NGOs practice a democratic culture (Brandel, 2001). Employees are encouraged to generate or contribute ideas for service delivery, work in project teams/committees, and they have multiple tasks in their work. In performance management of an NGO, the goal setting and feedback are very important as the motivation is often based on the learning that the employee received from their work.

Performance management is achieved by each individual being accountable for their own actions regardless of the results since both the organization and individual contribute to the objectives, tasks, standards, and performance measures, monitoring progress and developing performance (Armstrong, 2000). Therefore, paying attention to employees' attitudes is required in order to improve the relationship between the employers and employees. These include among others, motivation, guidance, coaching, job satisfaction, commitment, career advancement, goal setting and so on. Healthy critics are encouraged whereby the critics can be transformed into motivation, advice or guide, which might improve the performance of the employees. Nevertheless, the positive feedback needs to be mentioned as well, preferably both before and after the critic. (Halonen *et al.*, 2010). Studies have also suggested and indicated that employee attitudes such as job

satisfaction and commitment generate significant and positive contributions to a solid performance (Fletcher and Williams, 1996).

When one employee excels in his work, he should be rewarded. Rewards motivate employees to perform better in future as well as retain talent. Rewards can be divided into financial and non-financial rewards using different strategies to allocate the rewards. (Armstrong, 2010).

For NGOs, the rewards usually are in the form of non-financial rewards such as recognition for their achievements in projects spearheaded or undertaken by them. These include intangible rewards like quality of working life and work-life balance, performance management, learning and development. Money alone cannot be relied on motivating people to work, so it should be reinforced with these non-financial rewards. If the motivation is achieved in such ways, it can have longer-lasting and powerful effect on people. (Armstrong, 2010)

Understanding what motivates individuals is important in the workplace as this will leave a great impact on the staff performance. Motivated employees are happier at work. They get more satisfaction from their work, lesser absenteeism, tend to be more loyal and work with more enthusiasm. This in turn encourages them to contribute more to the development of an organization. Tesco motivates its employees by increasing their knowledge, skills and job satisfaction through training and development and providing relevant and timely reward and recognition.



Herzberg's two-factor theory of motivation was based on satisfiers and dissatisfiers. Satisfiers are motivators related to job satisfaction while dissatisfiers are motivators related to hygiene or maintenance. Hygiene factors, on the other hand, created dissatisfaction if they were absent or inadequate. Dissatisfaction could be prevented by improvements in hygiene factors but these improvements would not alone provide motivation.

Employers need to create conditions to motivate employees and make them feel fulfilled and satisfied in their work and workplace as well. Satisfiers include achievement, responsibility, career advancement, and recognition. Satisfiers are all intrinsic motivators that are directly related to rewards achieved from work performance and even the nature of the work itself.

Dissatisfiers are extrinsic motivators based on the work environment, and include the company's policies and administration such as supervision, peers, working conditions, and salary. Herzberg also believed that satisfiers hold the greatest potential for increased work performance. Work-life programs are a form of satisfier that recognizes the employee's life outside of work which, in turn, helps motivate the employee to perform at their level best.

Most motivation strategies are "push" or "pull" factors based i.e. keeping people moving either with a kick from behind (threats, fear, tough targets) or by offering choc drops (bonuses, grand presentations of the company vision, team-building games).

Palmer (2005) came up with a motivation strategy based on intrinsic core motivators which is more effective, sustainable and humane way to motivate individuals to perform. The strategies are:

1. Recognize core motivators – ask employees of their job inspiration and to identify targets which will motivate them to perform at their level best.
2. Set “Values-Congruent” Goals “– set goals or motivators using SMART – specific, measurable, achievable, realistic, time-based formula.
3. Identify and handle all obstacles – be clear about what is standing in the way and who is going to handle it.
4. If it’s not working, change it – change the way motivation is done if it is not working anymore.
5. Design the process as well as the goal – design the process flow to achieve the goal.

Elton Mayo back in 1930, on the other hand, suggested that motivation at work are formed by good communication, good teamwork, show interest in others, involve others in decision making, ensure the wellbeing of others, ensure work is interesting and non-repetitive work. Training and development refers to providing training, workshops, coaching, mentoring, or other learning opportunities to assist the employees to challenge and motivate themselves to perform the functions of their position

to the best of their ability. Training and development activities also increase their knowledge which enables them to perform the tasks efficiently.

## **2.6 Summary**

For NGOs, the selection of staff often is a combination of passion, attitude and motivation with volunteerism depending on the nature of the NGOs. Effective HRM plays an important role in attracting, developing and retaining qualified and enthusiastic employees as they are the key to the success and sustainability of the organization. NGOs lacking in the HRM practices face issues and challenges including high turnover and employee dissatisfaction. Thus, it is imperative that NGOs start to concentrate on good HRM policies and procedures to retain good and loyal employees.

## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The qualitative research used a survey where questionnaires were presented to a selected group of staff and members of MNS. All staff represented the population and the sample of the study. As MNS does not have a Chief Executive Officer during the time of the survey, each letter was copied to the President of MNS, Mr Henry Goh, so that he was made aware of the commencement of the study.

#### **3.2 Research Questions & Research Objectives**

The study attempted to answer the following research questions:

- i. What were the human resource management practices in MNS?
- ii. What were the factors that influence staff turnover at MNS?
- iii. What were the issues and challenges faced by MNS?

#### **3.3 Research Design**

This qualitative research explored the perceptions of employees regarding the human resource practices at MNS, specifically factors that influenced them to remain with MNS. In-depth interview was seen as the most common way of executing qualitative research and the assumption was that the people are the experts of their own experiences and consequently

the most proper conveyers of their perspectives of a certain phenomenon (Creswell, 2013; Darlington & Scott, 2002).

The three most common sources of data collection in qualitative research (Creswell, 2013; Silverman, 2013) are individual interview, focus group and observation.

### **3.3.1 Individual interview**

Interviews which include individual interview or focus group can be done via highly structured, semi structured or unstructured ways (Patton, 2014). Structured interviews consist of the interviewer asking each participant the same questions in the same way. A very structured set of questions is used, similar to a questionnaire. The questions may even be phrased in such a way that a limited range of responses can be obtained. For example: "Do you think that benefits are a great motivator for you to remain with the organization?". Interviews enable a lot of data relevant to the subject matter to be collected. The data will be coded, analysed and verified to identify thematic interpretations guided by the research questions (Patton, 2002).

Semi-structured interviews (sometimes referred to as focused interviews) consist a series of open ended questions based on the topic areas the researcher wants to cover. The open ended nature of the question defines the topic to be probed further but provides opportunities for both interviewer and interviewee to discuss some other topics in more detail as well. If the interviewee has difficulty to answer a question or provides only a brief

response, the interviewer can use examples or prompts to encourage the interviewee to consider the question further. In a semi structured interview, the interviewer also has the opportunity to probe the interviewee to further elaborate on the original response or to follow a line of inquiry introduced by the interviewee (Creswell, 2013).

Unstructured interviews (sometimes referred to as "depth" or "in depth" interviews) have very minimum structure. Unstructured interviews allow the researcher and participants to casually talk with one another and share information in an informal atmosphere. Participants were given the opportunity and freedom to say what they felt was important pertaining to the subject matter in their own words. The interviewer conducted the interview with the aim of discussing a limited number of topics, sometimes as little as one or two, and summarized the questions on the basis of the interviewee's previous response. Although only one or two topics were discussed, they were covered in great details. The interview might begin with the interviewer saying: "I'd like to hear your thoughts on the management of the organization". The probing questions would depend on how the interviewee responded. The difference between unstructured interview and semi structured interviews is that in a semi structured interview the interviewer has a set of broad questions to ask and may also have some prompts to help the interviewee but the interviewer has the time and space to respond to the interviewee's responses (Creswell, 2013).

### **3.3.2 Focus groups**

Sometimes it is preferable to collect information from groups of people rather than from individuals. Focus groups can be useful when obtaining certain types of information or when circumstances would make it difficult to collect information using other methods. Some sensitive topics work better with a group, if all members of the group are open to share their experiences (Creswell, 2013).

### **3.3.3 Observation**

Observation is a technique that can be used when data collected through other means can be of limited value or is difficult to validate. For example, in an individual interview, participants may be asked about how they behave in a certain situation but that does not mean that they actually do what they say they will do. Observing them in those situations is more reliable: it is possible to see how they actually react or behave. Observation can also serve as a technique for verifying or nullifying information provided in face to face interviews.

The data collected must be descriptive so that the reader can understand what happened and how it happened. Data collected from observation is also very useful in overcoming discrepancies between what people say and what they actually do and might help the researcher to uncover behavior of which the participants themselves may not be aware of (Creswell, 2013; Silverman, 2013).

As the focus of the study was to gather data from the respondents' perspectives, individual interviews were chosen as the primary approach in the data collection process. The study used a qualitative method as it was the best method of gathering "rich" and meaningful data from the mouth of the respondents based on their own experiences (Creswell, 2007; Denzin & Lincoln, 2003). A qualitative study allowed the researcher to find the importance people relate the subject matter to their experiences. It was a mode to apprehend the phenomenon which the study would like to unravel.

#### **3.4 Operational Definition**

The qualitative research used a survey where questionnaires were presented to a selected group of staff and members of MNS. All staff represented the population and the sample of the study. As MNS does not have a Chief Executive Officer during the time of the survey, each letter was copied to the President of MNS, Mr Henry Goh, so that he was made aware of the commencement of the study.

#### **3.5 Population and Sampling Size**

MNS has a workforce of just over 40 staff at the Head Office in Kuala Lumpur. Permission to interview the management staff in MNS was obtained from the Executive Director. Due to the small number of employees, the population and sample of the study included all employees at the



headquarters of MNS. Judgment and purposive sampling method were used to commence the data collection in this study. Due to the fact that most of the staff often go on field trips, the researcher commenced the interviews on a convenient basis with those who were at the office initially. Appointments were made beforehand with the respondents via phone calls or emails. A set of questionnaires were emailed to the respondents with a cover letter explaining the purpose of the study so that they knew what their roles and contributions were in the study.

### **3.6 Research Instrument**

This qualitative study approach is carried out via individual interviews in which the interviewer was guided by a set of questions with all respondents. The interviews were carried out using both structured and unstructured means. Structured interviews include a set of questions that the researcher has formulated beforehand. Unstructured interviews allow the researcher and subject to simply talk with one another and share information in an informal atmosphere (Patton, 2014).

This study was conducted using in-depth interviews with selected respondents as they are the experts of their own experiences in which they are able to convey their perspectives of a certain matter (Darlington & Scott 2002). Several questions covering a wide spectrum on the research topic can be posed to guide respondents to reveal their opinions, whilst allowing them

the opportunity and freedom to say what they feel is significant and important to them and the organization as a whole (Hesse-Biber & Leavy, 2006).

In this study, a letter of permission to interview the staff has been sent to the President of MNS in August 2013 and verbal approval was obtained in early May 2014. The respondents were informed via telephone call or email on the intention to be interviewed and purpose of the survey. They were assured that all feedback will be kept confidential with no names mentioned and they agreed. The interviews were carried out in a normal-conversation like situations which would provide as little threat as possible, thus, the interviews were done at places of their choices, which included the office or café nearby. The interviews were conducted according to the staff categories and probe to follow key questions. Different terms were used for easy understanding among the lower rank staff to gather information as they might not be familiar with the terms used in Human Resources. Therefore, in this study, the Seidman (1998) interviewing technique was also used. This method suits the objective of being brought into the participants' worlds: "the goal of the interviewing technique is to have the participant share or contribute his or her experience within the topic".

Some of the probing questions posed included the following questions:

Question One: What are the HR policies and procedures in placed at MNS?

- i. What types of reward and benefit does MNS offered to the employees?
- ii. Has MNS got a succession plan?
- iii. How does MNS manage talent?
- iv. Do you practice flexi working hours?
- v. How is staff performance assessed in MNS?

Question Two: What are the factors that influence the performance of staff in MNS?

- i. Which HR practices do you think influence your performance in MNS?
- ii. What other factors make you influence your performance?
- iii. In general, NGOs are not well endowed with funds to pay their employees. In view of that how do MNS attract and maintain good staff to perform their tasks in meeting the organization's goals and objectives?
- iv. How does MNS recognize its staff for good performance?

Question Three: In your opinion, what are the most challenging issues faced by MNS?

- i. Is there a high staff turnover

- ii. Are funding easily obtainable from corporate bodies?
- iii. How many projects planned in a year?

### **3.7 Data collection**

In this study, both structured and semi-structured interviews were get in-depth data (Rubin & Rubin, 1995). In May 2014, an approval was obtained from the Executive Director of MNS to begin data collection via interviews with the staff of MNS in their Head Office in Kuala Lumpur. Due to their nature of work, interviews had to be pre scheduled according to their availability and time. The participants agreed to be interviewed with the understanding that all information provided would be kept confidential. A set of questionnaires were emailed to them one week before the interviews took place.

The researcher personally contacted each of the participants to explain the objective of the research and to set the date and time for the individual interviews. Each interview session took around 60 minutes. The researcher started the interview by introducing herself and again explained on the objectives of the research. At the beginning of each interview, the participants were asked to state their positions in the organization and years of service. To break the ice, the researcher asked the participants to introduce themselves which include their family background and their passion in life. The reason the researcher asked about their passion and hobbies was to gain trust and confident from respondents so that they were more relax and would open up

and respond better to the research questions. The researcher then started to ask questions based on the set of questions prepared as a guide.

Question One: What are the HR policies and procedures in place at MNS?

Question Two: What are the factors that influence the performance of staff in MNS?

Question Three: In your opinion, what are the most challenging issues faced by MNS?

The researcher started transcribing the interview data immediately after each interview.

### **3.8 Data Saturation**

The aim of data collection is to stop when data has saturated. Data saturation occurs when the next respondent interviewed would be reciting what others have described (Lofland & Lofland, 1984). A number of sufficient respondents must be interviewed for data to saturate (Strauss & Corbin, 1990; Robson, 2002; Richards, 2005; Hesse-Biber & Leavy, 2006).

The researcher's initial plan was to interview all 40 employees at MNS. Nonetheless, after interviewing the ninth respondent, data has saturated. The

researcher continued with the tenth respondent to ensure that data had indeed saturated. Data coverage in this study was guided by data saturation.

A total of 10 staff were interviewed representing different members of the employees starting from the Council Member, Finance Manager, HR Manager, Project Field Officers, Finance officers, Administrators as well as Receptionist. The list of respondents was shown in Table 4.1.

The researcher continued with data analysis with ten respondents. As mentioned earlier, the researcher started transcribing the interview data immediately after each interview. After transcribing the second interview data, the researcher started comparing the data between Respondent 1 and Respondent 2. This comparative method was done rigorously after each interview to identify common categories and themes based on the respondents' perceptions on the subject matter.

### **3.9 Data analysis**

Analysis of data in this study involved summarizing the data gathered and transcribed. These data were then categorized and classified according to the researcher's interpretations. Data were analysed and organized "to bring order, structure, and meaning" (Marshall and Rossman, 1995). In doing so, the researcher sought for common words from each transcript and categorized the accordingly.

Data analysis can be done manually or by using qualitative software packages available to assist researchers to analyse data. Some of the most well-known software packages include:

## I. ATLAS.ti

The purpose of this software is to help researchers uncover and systematically analyze complex phenomena hidden in unstructured data such as in text, multimedia, geospatial. This program provides tools that let the researcher locate, code, and annotate findings in primary data material, to weigh and evaluate their importance, and to visualize the often complex relations between them. ATLAS.ti is normally used by researchers and practitioners in a wide variety of fields including anthropology, arts, architecture, communication, criminology, economics, educational sciences, engineering, ethnological studies, management studies, market research, quality management and sociology. This software consolidates large volumes of documents and keeps track of all notes, annotations, codes and memos in all fields that require close study and analysis of primary material consisting of text, images, audio, video, and geo data. It also provides analytical and visualization tools designed to open new interpretative views on the material.

## II. NVivo

The purpose of this software is to help users organize and analyze non-numerical or unstructured data. The software allows users to classify, sort and arrange information, examine relationships in the data; and also combine analysis with linking, shaping, searching and modeling. The researcher can test theories, identify trends and cross-examine information in a multitude of ways using its search engine and query functions. NVivo caters a wide range of research methods, including network and organizational analysis, action or evidence-based research,

discourse analysis, grounded theory, conversation analysis, ethnography, literature reviews, phenomenology, mixed methods research and the Framework methodology.

### III. NUD\*IST

This software is designed to assist researchers in handling Non-numerical Unstructured Data by Indexing, searching and theorizing, supports rapid coding and code-based access for small or large bodies of qualitative data in academic, governmental and other settings. NUD\*IST provides symmetrical handling of data documents and ideas, with emphasis on rapid access for interpretation, coding and searching.

Due to the small number of respondents, the researcher decided to use manual analysis by using Microsoft Excel. The interview data were initially keyed in using Microsoft Word. The pages were divided into two columns. The column on the left was the interview data. The smaller column on the right was intentionally created for the researcher to make notes or remarks of relevant keywords after going through the interview transcripts several times.

Figure 3.1:  
*Manual data analysis*

<b>Respondent</b>	<b>INTERVIEW DATA</b>	<b>NOTES/REMARKS</b>
1	Question 1: i. We have a basic policy on HRM. Employees are compensated based on projects. Mmmm... rewards? Celebrate on successful completion of respective projects.	Project-based
2		
3		
4		
5		
6		



7		
8		
9		
10		

Once done, the researcher exported the data from Words to Excel spreadsheet. In doing so, the researcher went through the data once again to make sure that every transcript was religiously covered. The sorting and coding process commenced after all the data were copied to Excel spreadsheet. The process was done and repeated several times until the researcher was satisfied that all common words and phrases were covered.

Following Cresswell (2013)

The data analysis in this study was consistent with Cresswell's (1998) strategies of general data analysis and data reduction. Huberman and Miles (1994) stated that general data analysis included reviewing all information gathered, memoing and coding the data to initiate the sorting process, and developing codes and categories, followed by patterns and themes. The process of analysing data was done in systematically to identify and formulate themes emerging from the data. The researcher examined themes by identifying important and relevant elements from the participants' responses.

Patton (2002) advocated that one of those challenges was to make sense of huge amounts of data gathered. He (2002:432) suggested that this could be done by "reducing the volume of raw information, sifting trivia from significance, identifying significant patterns, and constructing a framework for communicating the essence of what the data reveal". Maxwell (1996) and Merriam (2002) conceded that data analysis should begin immediately after the first data was collected. This process should continue after each data collection until the end.

Data collection, transcribing, coding, analysing and writing were undertaken concurrently throughout the study. Each interview was conducted and transcribed by the researcher. Phrases or responses such as “mmmm...”, “you know...”, “Ohhhh...”, “Gosh” and “hahaha (laughter)” which did not have any effects on the findings were excluded from the transcription. The transcriptions were quite intricate as participants responded in a mixture of Malay language and English. To ensure that the data gathered would be workable, translations were carried out word for word from Malay language to English. The writer had taken great care in doing so, to make sure the translation did not go out of context and retained the same meaning. No attempt was made to correct grammatical errors when translating and transcribing data. On that note, the writer had made every effort to use direct quotes from the subjects as they said them.

Next, the researcher went through the common words and phrases to identify certain patterns and began categorising them accordingly. themes and categories that emerged. Patton (2002) stated that “through imaginative variation, the researcher develops enhanced or expanded versions of the invariant themes” (p.486). In most cases the respondents repeated certain words or phrases a few times in their respective interviews. These words or phrases were combined to unveil the respondents’ true experiences.

All the participants’ feedback and responses were summarized according to the keywords and categorized according as follows:

Table 2 :  
Minor, major and themes categories

<b>Themes</b>	<b>Major categories</b>	<b>Minor categories</b>
Career Development	Demotivation	demotivated
	Resignation	keeping and retaining staff
	Salary	no career development
		resignation
		contractual job
		better opportunities
		better paying jobs
Leadership	Guidance	not adequately supervised and guided
	Coaching	poor leadership
	Mentoring	little or no supervision
Compensation & Benefits	Attraction	provide training
	Retention	annual increments and bonus
		encourage training
		flexi hours

### 3.10 Summary

In this chapter, the researcher has decided to use qualitative method via interview for this study. Upon obtaining approval from the Executive Director of MNS, staff of MNS were informed of the intention and objective of this study. The researcher had opted to analyze the interview or feedback by using Excel template whereby the participants' feedback and responses were summarized according to the keywords and categorized according minor categories, major categories and finally identify the theme.

## **CHAPTER 4**

### **FINDINGS**

#### **4.1 Introduction**

In May 2014, an approval was obtained from the Executive Director of MNS to begin data collection via interviews with the staff of MNS in their Head Office in Kuala Lumpur. However, due to their nature of work, the interviews had to be pre scheduled according to their availability and time. A total of 10 interviews were conducted with a total of 10 (ten) staff in MNS. The judgment and convenient sampling method were used in this study. The participants agreed to be interviewed with the understanding that all information provided would be kept confidential.

#### **4.2 Descriptive analysis**

In this study, the interview data were collected, transcribed, sorted and summarized into an understandable format before they were coded and reported. Data analysis involved the act of repeating a process over and over again with the aim of making sense of the phenomenon under study. Large amounts of data were coded and categorized into significant features to develop specific patterns or themes.

A total of 10 participants participated in the study. The number of respondents was based on data saturation point.. The researcher has also included the Past President and Council member to get their feedback as from

top management level point of view. All respondents were interviewed according to their schedule. The breakdown of the participants was as follows:

Table 4.1:  
*Breakdown of participants*

No .	Position	Gender	Years of Service	Age range
1	Past President	M	30 years	60 - 80
2	Council Member	M	20 years	60 - 80
3	Finance Manager	M	10 years	40 - 50
4	Human Resource Officer	F	6 years	40 - 50
5	Project Officer 1	M	7 years	22 - 30
6	Project Officer 2	M	4 years	22 - 30
7	Project Officer 3	M	2 years	22 - 30
8	Public Relation Officer	F	4 years	22 - 30
9	Conservation Officer	M	8 years	30 - 40
10	Receptionist	F	1 year	30 - 40

### 4.3 Results of the study

The interviews in this study were conducted accordingly with 10 participants which was guided by data saturation. The researcher first called each participants to inform them of the objectives of the study which is to examine human resource practices in MNS, to determine factors that influences the staff performance in MNS and to identify issues and challenges faced by MNS. Different date, time and venue were set with each participant accordingly. The researcher started with the following questions in line with the research objectives:

i. **To examine human resource practices in MNS**

Question 1: Are there any special rewards and benefits provided by MNS to employees?

Respondent #1 : *“Not really except for the usual annual salary increments. Bonuses are given rather sparingly and according to performance”.*

Respondent #2 : *“They receive annual bonus, usually one month salary, besides the usual mandatory benefits such as EPF and SOCSO, wherever applicable”.*

Respondent # 3 : *‘A small bonus was usually given. As the budget of the NGO was usually tight the award of bonuses to its staff is usually small’*

Respondent # 4 : *“None other than usual annual increments and bonus. Of course, this will depend on the staff performance for that particular year”.*

Respondent #5: *“For me, rewards will be in the form of training and attending conferences local and overseas. I would be very happy to be given the opportunity to attend the*

*conference, training or seminar as the expand my knowledge and sharpen my skill as well as networking”.*

Respondent #6: *“Well, to my knowledge, there are no special rewards other than mandatory by law and bonuses decided by management and Council”.*

Respondent #7: *“Not really other than those mandatory by law, this is to me the EPF and Socso. Bonus depends on the staff performance and also whether MNS has the budget for it”.*

Respondent #8: *“I just joined MNS, so I am not aware of any special rewards or benefits though”.*

Respondent #9: *“What I know is that there will is bonus...err..normally equal to 1 month salary. But then again, it depends of your performance review and also whether MNS has to the extra money to pay”.*

Respondent #10 : *“Well, I don’t know of any special rewards or benefits though”.*

Question 2 : Is there a succession planning in MNS? How does talent identified?

Respondent #1 : *“Not really a succession plan although management does keep an eye on good staff that are committed and dedicated to the cause of MNS. MNS identifies good staff by their ability to undertake projects successfully, their commitment and passion to the environment, their knowledge on nature and the environment and their communication skills as they have to communicate to the stakeholders”.*

Respondent #2 : *“I am not sure if they have a succession plan. I don't think so. Good management must be able to identify talent from within the organization by being in close contact with their staff work. Once a special talent is identified, special programmes must be developed to nurture and develop that talent to its maximum. Delegation of duties is very important”.*



- Respondent #3 : *“With a small organization like the MNS with a small number of employees in its payroll, succession plans were difficult”.*
- Respondent #4 : *“I don’t think there is a succession planning done so far. For my team, talent is identified from observation and monitoring of performance.”*
- Respondent#5 : *“I think it’s time for human resource to look into succession planning and come out with attractive package to retain the talent. Some of the staff, especially those field staff are skilled workers and they specialized in their own conservation field. We need to ensure they stay with us”.*
- Respondent #6 : *“None that I know of. I believe talent starts from proper recruitment and are monitored through time via staff performance”*
- Respondent #7 : *“Within our section (PRO) yes but not within MNS itself”.*

Respondent #8 : *“Not really. Talent is usually manifested through performance”.*

Respondent #9 : *“So far, we don't have succession planning in MNS although we can identify talent though they yearly staff performance. This is a good suggestion for human resource to think about”.*

Respondent #10 : *“I am a non-executive staff, thus I am sorry, I am not are of this and don't know what is succession planning and what is talent though”.*

Further question probed by the researcher was as follows:

Question 3: How is staff performance measured in MNS?

Respondent #1: *“Staff performance is measured based upon key performance targets and key performance indicators (KPIs) This is reviewed quarterly.....set by every supervisor with each staff under him at the beginning of each year. Performance is measured basically by the ability to deliver projects to a successful end to meet the targets set by the project and the expectations of the project funder. Financial achievement is usually also*

*used as a measure of performance that includes to what extent the staff has managed to manage the funds allocated to the project effectively without loss of efficiency”.*

Respondent #2: *“We have a peer review system. We developed annual KPIs (Key Performance Indicators) for our staff review and monitor periodically”.*

Respondent #3: *“There was the usual evaluation form with the usual criteria like commitment to work, interest, relationships with the superior officers and colleagues as well as goals or KPI set for each staff. his KPIs are being reviewed every year through performance review”.*

Respondent #4: *“Key Performance Indicators and targets are set at the beginning of each financial year and are monitored by the supervisors”.*

Respondent #5: *“As team lead, we agree on KPIs at the beginning of the year for each staff and we set targets to be achieved. We review this through performance review done annually”.*

Respondent #6: *“KPIs set by management. Complaints are monitored and evaluated through yearly performance review”.*

Respondent #7: *“To my understanding, KPIs are set by seniors for juniors and reviewed annually.”*

Respondent #8: *“For me, KPIs are set by managers at Unit levels and reviewed through annually”*

Respondent #9: *“At the beginning of the year, my boss and I normally discussed on what are the targets that I need to meet and upon agreed by both parties, that will be put in my KPIs for the year”.*

Respondent #10: *“We set targets for each staff member to achieve that are agreed upon and review annually through performance review.”*

After interviewing each participants on the questions pertaining to the first research objectives, the researcher then proceed to interview with the second research objectives and third research objectives thereafter.

ii. **To determine factors that influences the staff performance MNS.**

Question 1: Do you consider the salaries as important factor in MNS?

Respondent #1: *“Yes to a certain limit. Thus MNS concentrates on getting staff interested and passionate about their jobs and tasks and emphasize to them that they are helping save and protect the environment when they work with MNS. This sales pitch is used for all staff including management and administrative staff because there is greater awareness of the environment and conservation now especially amongst the younger generations”.*

Respondent #2: *“Oh yes, Yes, very important. I know that the scale is not the same as corporate organization, and I understand that we are a non-profit organization as well. So with the annual increment and bonus, that will help me to sustain as I enjoyed working here”.*

Respondent #3: *“For young executives in a new job, salaries are important consideration in any organization. It is only at the later stages of life that one gives other considerations to serving in an NGO like MNS such as*

*committed to environmental issues, community involvement”.*

Respondent #4: *“If you ask anyone about salary, it will never be enough. To me, yes, salary is important but as long as I get my monthly pay check, I am happy”.*

Respondent #5: *“Of course, salary is very important”.*

Respondent #6: *“Yes, indeed. However, I believed that all new joiners to MNS must understand that we are a non-profit organization and that we depend on project funding to survive. Thus, they cannot compare our salary scale with the corporate bodies”.*

Respondent #7: *“Yes, salary is very important to me and to everybody too. We are allowed to claim for overtime and travel allowances including mileage for activities that we do”.*

Respondent #8: *“Yes, to me salary is very important especially here working in Kuala Lumpur where everything is expensive. Salary increment and bonus are based on the staff performance, thus I’ll make sure I perform my*

*level best to meet my KPIs while enjoying my work in MNS”.*

Respondent #9: *“To some extent, yes, salary is important. We do get allowance if we are asked to work outstation and accommodation is provided”.*

Respondent #10: *“Yes but not everything. Why I say this is because to me, if one is happy and enjoy what they are doing, salary became a secondary. It is not worth it if you work under stress and not happy with a high salary”.*

The researcher further probed into more questions as follows:

Question 2: Apart from salary, what other factors that influence you to perform? For example, do you practice flexi working hours?

Respondent #1: *“Yes definitely. This is the only way to manage an NGO as staff is often required to work after office hours with clients after their working hours, or over weekends and holidays when the general public do not work and have time to enjoy nature. That’s when MNS staff work. Thus flexi working hours is a must”.*

Respondent #2: *“Yes. Very much so especially for the field officers. However, the administrative staff are required to sign in and sign out as theirs are fixed working hours which is from 9am to 5pm”.*

Respondent #3: *“Yes, For example, the Environment Education Branch who is involved in organizing courses at its Nature Education Centres thus, flexi working hours have to be instituted. Same goes to other units which require the officers to work according to their schedule and sometimes odd hours”.*

Respondent #4: *“I am working in the administration department, thus, my working hours is from 9am to 5pm.”*

Respondent #5: *“Yes, we do practice flexi hours for field officers. This is necessary as some of the field officers have to work outside Kuala Lumpur”.*

Respondent #6 : *“We have flexi hours for the field officers like me. This is particularly useful as I am able to manage my own time especially when I had to work outstation”.*

Respondent #7: *“One of the reasons why I like working here is because of the flexi hours. With my nature of work which is*



*constantly outstation, his practice is very good. I just need to inform my superior and human resource of my whereabouts and for what project, and that's it!"*

Respondent #8: *"Apart from flexi hours, what influence me to perform is interacting with public on conservation awareness. I also was given the opportunity to gain more knowledge through the training, seminars and conference where MNS sent its staff to attend according to their specialization".*

Respondent #9: *"For me, what influences me to perform is the public recognition whereby I was invited by other organizations to give talk on my field of specialization. I felt honoured to be given the opportunity to create public awareness on conservation".*

Respondent #10: *"For me, the flexi hours are the plus point. I don't mind working after office hours or on weekends as I enjoyed my work very much and the flexi hours helps me to manage my time accordingly".*

Further question asked by the researcher was:

Question 3: How do MNS attract and retain good?

Respondent #1: *“Often with difficulty but the essence is to continue to obtain project funding that are large and over an extended period so that the staff can be adequately rewarded financially and the security of tenure secured at least over the duration of the project. there must also be continually projects developed and funds secured for these will help sustain the organization and maintain staff”.*

Respondent #2: *“To me, training of staff is also a major attraction and MNS has good local and international networks which offer short term specialized training that MNS sends its staff to. I personally look forward to be selected and sent for conference or training as this will enhance my knowledge in the field which I am doing”.*

Respondent #4: *“We have portfolios that allow flexibility such as flexi hours. The staff has the opportunity to be out with nature, forests, parks, etc.that allow them freedom to*

*travel. They are encouraged to specialize and take further studies in various disciplines related to nature and their work”.*

Respondent #5: *“It was not easy to keep employees at MNS as the emoluments offered were not high and career development was limited. The key elements to attract and retain them were their commitment to the cause of the protection and conservation of our natural heritage .....the rainforests, the marine ecosystems, the rivers, the wetlands and the ecosystems.... and sustainable development”.*

Respondent #6: *“I would say provide training, encourage specialization by attending workshops and conferences both local and overseas”.*

Respondent #7: *“There is a unique aspect for working for an NGO such as MNS where we have greater aims to “save the environment”. This motivates many us to work for MNS in spite its limitations”*

- Respondent #8: *“MNS encourage filed work, provide training to develop expertise which I look forward to”.*
- Respondent #9: *“Flexi hours, motivating staff through regular communication and monitoring”.*
- Respondent #10: *“Provide training and opportunities to attend conferences and meetings local and overseas. Various languages, especially English and Bahasa Malaysia. This is often a limitation. Thus such specialized staff must be trained in this area”.*
- Respondent #4: *“Human resource needs to recruit personnel with commitment and interest and to provide the training so that they can perform their duties. We need to inculcate desirable values like trust, honesty, discipline, courteous, ethical, professionalism”.*
- Respondent #5: *“In my opinion, human resource needs to ensure that we creating appropriate working ambience for the staff. They also need to provide adequate and reasonable emoluments and allowances as this is one of the major*

*issue on resignation of the good officers for greener astures”.*

Respondent #6: *“Keeping staff continuously motivated. This calls for good leadership who can motivate and guide these staff in meeting the organization’s goal”.*

Respondent #7: *“I think it’s due to low salary compared to other corporate organization”.*

Respondent #8: *“Keeping staff motivated all the times under good team lead even though they work with other units and branches of MNS staff, we still need to keep them motivated”.*

Respondent #9: *“Keep staff salaries on time and ensure enough funds in the bank to run the organization”.*

Respondent #10: *“Keeping track of performance especially of field staff in MNS stationed outside of Headquarters. We also need to ensure that we keep in touch and good relations with donors and stakeholder”.*

The researcher also probed the following question:

Question 2: Is there a high staff turnover? If yes, please state the reason.

Respondent #1: *“Staff turnover can be quite high at times and there is no security of tenure for most staff as they have been recruited for projects based upon project funding. The main reason for high staff turnover is when projects end and no other project is available to take these staff. This is rather unfortunate as they had been trained and familiar with the MNS and the organization’s expectations”.*

Respondent #2: *“Salaries of MNS are not very competitive, many staff also leave for greener pastures elsewhere be it to the Government of private sectors. Often times MNS lose staff to other NGOs as MNS has trained them and these NGOs get the advantage of getting trained staff in NGO organizations, often times by offering them a slight increment above their present salaries”.*

Respondent #3: *“Staff at the centers often feels “forgotten” and not being recognized in the mainstream of activities. Staff*

*often feels that they are not adequately supervised and guided and left too much on their own”.*

Respondent #4: *“To the younger staff, it is due to absent of career development, thus they explore better opportunities for better emoluments and perks in alternative employment”.*

Respondent #5: *“Yes, mainly due to poor leadership and sometimes interferences from members”.*

Respondent #6: *“Generally yes due to low salaries, lack of supervision and leadership at the top”.*

Respondent #7: *“Yes in some units due to lack of leadership and not buying in into MNS Vision and Mission statement. Human resource needs to ensure they hire the correct people for the correct job”.*

Respondent #8: *“Yes in some fields such as field officers. This is sad as we have trained them and sent them for training but other organization pinch them with better salary package”.*

Respondent #9: *“Somewhat yes due to low salaries relative to their qualifications and other institutions”.*

Respondent #10: *“Relatively yes, amongst new staff who are mostly young and constantly looking for better career with good pay”.*

After all the interviews were done, the researcher compiled all feedback in an Excel template accordingly. The researcher used content analysis which is a procedure for the categorisation of verbal or behavioural data, for purposes of classification, summarisation and tabulation. The content of the interview can be analysed on two levels which is basic or higher level. The basic level of analysis is a descriptive data which involved what was actually said with nothing read into it and nothing assumed about it. The higher level of analysis is interpretative which concerned with what was meant by the response, what was inferred or implied. It can also be called the latent level of analysis.

Content analysis involves coding or labelling and classifying or categorizing data. The ground idea is to identify from the transcripts the extracts of data that are informative and to choose the important messages hidden in the mass of each interview.



The researcher first read through it all the feedbacks which has been keyed-in into Excel template and highlighted each item of the information required and categorized accordingly. The categorization was based on the frequently mentioned terms or concerns as follows:

Table 4.2  
*Coding of Key Findings*

Coding according to most frequent answer		Number of similar answer
<b>Research Objective</b>	<b>To examine human resource practices in MNS</b>	
	Succession planning	0
	Talent identified	4
	Performance planning KPI set by supervisor	8
<b>Research Objective</b>	<b>To determine factors that influences the staff performance MNS.</b>	
	Flexi hours	9
	Salary	8
	Training	6
<b>Research Objective</b>	<b>To identify issues and challenges faced by MNS</b>	
	Rewards ie bonus / salary increment	7
	High turnover to due salaries	6
	Retaining staff	10
	Keeping staff motivated	7
	Leadership	7

Once the researcher had identified from the above transcript on categories that can be linked in staff performance, the researcher then further narrowed down by listing them as major categories and smaller categories or minor categories to identify the themes which will be used as findings for this study.

Table 4.3:  
*Categorization and Themes of Key Findings*

<b>Themes</b>	<b>Major categories</b>	<b>Minor categories</b>
Career Development	Demotivation	demotivated
	Resignation	keeping and retaining staff
	Salary	no career development resignation
		contractual job better opportunities
		better paying jobs
Leadership	Guidance	not adequately supervised and guided
	Coaching	poor leadership
	Mentoring	little or no supervision
Compensation & Benefits	Attraction	provide training
	Retention	annual increments and bonus
		encourage training flexi hours

Based on the above categorization, the themes identified were career development, leadership and compensation & benefits. The 3 categories plays an important part in any organization to ensure staff are motivated to work with the proper guidance under a good leadership, thus they look forward to career development and better compensation and benefits. Staff who performed well needs to be recognized accordingly as this will boost their confidence level hence, retain good staff.

Following are the areas that need to be addressed are:

Motivation:

Motivation directly links to individual performance that leads to organization success, thus retaining highly skilled and qualified people and keeping them motivated are the challenges that HR needs to look into. The greatest challenge that MNS has to face is the competitive salary of the corporate organizations. Employees tend to Thus, as a non-profit organization where funds are limited, MNS has to resort to other means to reward and retain staff. This can be done through quality of working life and work-life balance, performance management, learning and development, empowerment etc.

Motivated employees will work harder and achieve greater output, therefore reducing labour costs. It requires less supervision and demonstrates pride in its work, making a greater impact to the organization. Motivation can also be in the form of learning and development whereby the employees are able to acquire more skills, capabilities and knowledge which is beneficial to both the employee and the organization. This can either be self-attained learning where individual is responsible for the process.

Organization might provide development programmes, events or guidance aimed at giving the employee the possibility to learn and develop in line with the organization's objective. (Armstrong, 2010). NGOs can, however, realize a good return on investment in training if they are careful to measure training outcomes as they relate to organizational goals.

Leadership:

Leaders play an important role to lead, guide and as mentor to motivate their mentees to work hard and committed to the organization. Leadership means, the leaders have the ability and capacity to do something through talent and skill. Leaders are in a position to provide either positive or negative effects to their team.

Leadership exists within each individual, and it is not confined to the limits of formally appointed leaders. For leaders to be most successful, they need to facilitate each individual under their team in the process of leading himself or herself. Leaders become great by unleashing the potential and abilities of staff, consequently having the knowledge sharing of many people instead of relying solely on their own skills and abilities.

Compensation and benefits or rewards:

Compensation and benefits or rewards boost the level of productivity and job performance which ultimately reinforces the behaviour of employee. Reward is intended to motivate and give focus, which will create staff satisfaction and loyalty to the company.

Rewarding teams on the other hand, encourages teamwork and achievement of team goals in meeting the overall organization's goal. Recognition from perspective on work, also means that it extends the importance of employee well-being beyond economic concerns, and into key issues of respect and dignity at work (Holgrew, 2001).

#### 4.4 Summary of Findings

The analysing of the data collected was done according to the themes presented in the thesis as well as with the perspective of the improvement needs. Based on the research objectives, the composite findings described in this section include the participants' understanding of HR practices and performance in MNS, and how they experience it. The research objectives and the findings are :

- i. To examine HR practices in MNS

For the interviews and feedback from participants, the findings showed that there were no succession planning practices in MNS. Human resource in MNS should look into this matter seriously as potential and talented staff might just move to other organization for better future. Successors can be identified through performance review, whereby the superior would be able to identify talents and groom them to be their successor. A career ladder should be made transparent for these talents as this would ensure loyalty to the organization. This will motivate the talented staff to remain with MNS.

- ii. To determine factors that influences the staff performance MNS.

From the findings, factors which influence staff are the flexi hours and training. They enjoyed working in the field and are

passionate about their work. Non-monetary rewards such as attend training, conference and seminars both local and overseas are a plus point for them as these would enhance their skill and specialization. Human resource in MNS should also incorporate 'period of compulsory service or bond' in their training policy to avoid staff leaving the organization for other companies soon after their acquired skill from attending training. This is to ensure the return of investment (ROI) for spending money on sending them to attend training especially overseas training.

- iii. To identify issues and challenges faced by MNS.

Findings from this survey showed that retaining staff is crucial. High turnover is mainly due to salaries which are relatively lower than the other corporate organization. Human resource in MNS should select the right people to the right job as being an NGO, they depend on funding for projects from other corporate organization to run the organization. New staff should be properly oriented on their first week of joining and get familiarize with the mission and vision of the organization. Those who are really passionate about their job will not be too picky on their salary paid. Keeping staff motivated requires good leaders, and good leaders ensures good teamwork, hence meeting the organization's goal.

## CHAPTER 5

### CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter discussed on the findings of this study and the recommendations by the researcher.

#### 5.2 Discussions

Based on the findings of this study, the researcher found out that there are issues in MNS pertaining to staff performance which is career development, leadership and recognition. Staff performance is measured based upon key performance targets and key performance indicators (KPIs) set by every supervisor with each staff under him at the beginning of each year. This is reviewed quarterly. Performance is measured basically by the ability to deliver projects to a successful end to meet the targets set by the project and the expectations of the project funder.

Financial achievement is usually also used as a measure of performance that includes to what extent the staff has managed to manage the funds allocated to the project effectively without loss of efficiency. Thus performance valuation and assessment become important as a basis for rewards or recognition. Thus, reporting of projects that become the basis of evaluation is important. Funder feedback and the likelihood of continued funding also become a factor in evaluating rewards.

There are no special rewards except for the usual annual salary increments. Bonuses are given rather sparingly and according to performance. Thus performance evaluation and assessment become important as a basis for rewards. Thus reporting of projects that become the basis of evaluation is important. Unlike some corporate organizations, rewards are in the form of monetary rewards of a handsome bonus according to the staff performance and company profit.

For NGOs, the rewards usually are in the form of non-financial rewards such as recognition for their achievements in projects spearheaded or undertaken by them. These include intangible rewards like quality of working life and work-life balance, performance management, learning and development. Money alone cannot be relied on motivating people to work, so it should be reinforced with these non-financial rewards. If the motivation is achieved in such ways, it can have longer-lasting and powerful effect on people. (Armstrong 2010).

Non-monetary rewards can also be in the form of quality of working life and work-life balance, performance management, learning and development. A study (M. Joanna, 2011) on the employees of Art in Tanzania, both paid and un-paid, feel that the rewarding is done equally. Volunteers and interns do not expect financial rewards and they are satisfied with their motivational and inspirational rewarding system; the reward for them can be the feeling of being needed and the joy of the good work. The



internship or volunteering can also prove useful in 38 other professional ways such as appreciated work experience and acquired skills.

Understanding what motivates individuals is important in the workplace as this will leave a great impact on the staff performance. Motivated employees are happier at work. They get more satisfaction from their work, lesser absenteeism, tend to be more loyal and work with more enthusiasm. This in turn encourages them to contribute more to the development of an organization. Tesco motivates its employees by increasing their knowledge, skills and job satisfaction through training and development and providing relevant and timely reward and recognition.

One of the factors that influence staff performance is MNS is flexi hours whereby the field officers enjoyed flexi working hours to suit their nature of work. These staff are often required to work after office hours with clients after their working hours, or over weekends and holidays when the general public do not work and have time to enjoy nature. That's when MNS staff work. Thus flexi working hours is a must. This makes monitoring and supervision more difficult especially where projects are outstation. Staff are allowed to claim for overtime and travel allowances including mileage for such activities.

The most challenging issues is how to keep staff motivated to achieve their best performance level in an environment of relatively low financial rewards. MNS does this by empowering its staff to work independently with

some but not very close supervision. This is in a sense a necessity as most of the staff work on projects outside the office, over the weekends and holidays. Thus trust and integrity of staff are critical factors to make this empowerment work. The only measure of success is whether the staff fulfils the terms and conditions of the project and whether they meet the requirements of the project funder.

Funder satisfaction is crucial as otherwise, funders and sponsors will not continue to fund projects by the society and the society shall lose the most important source of funding. Thus staff must be trained to work independently, prepare regular reports for management and also for funders and be able also to see opportunities for new projects for the society. Thus writing skills are also important besides the ability to work in the field including in the forest and with Orang Asli communities. Good leadership is important to motivate, guide and ensure good teamwork in meeting the organization's goal.

Human resource in MNS should also look into identifying talent and succession planning. This can be done via performance review whereby the team lead or supervisor are able to identify potential talents as successors. With the exception of a few long serving staff who have been awarded tenure, most MNS staff are on annual contract or for the duration of the project that they were hired in the first place. Thus security of tenure is a major issue.

### **5.3 Conclusion**

As an NGO, MNS continuously faces the challenge of securing adequate funding to finance its activities as well as retain staff. With only a few core permanent staff, most of MNS staff are contractual and are being paid through project funding. Thus, it is critically important for MNS to continually develop projects that are acceptable to its stakeholders. The process of securing funding can often be a drawn out process that can take a prolong period of time. During that time MNS must have adequate funding to maintain its existing staff. Moreover, a cycle of funding is limited to the financial schedule of the corporate sectors and therefore, MNS has to time its project proposals before private sector budgets are finalized. Moreover, these projects have a definite timeline and therefore management and implementation of these projects are critical to ensure that the funders and the stakeholders meet their expectations. It is result of this cyclical projects, MNS faces the challenge of managing project staff who are temporary recruited to manage projects. The staff must be so motivated that they can work independently without close supervision and therefore training in project management is very important. However, due to certain exigencies, such training was not often fully carried out and staff had to undertake project management without due and complete training.

The other major factor in human resource management in MNS is that MNS undertakes many field projects and manages for nature education centers where a number of field staff are located. These staff, while

independent in carrying out their duties, have also to be managed and supervised as closely as possible. Thus, the project managers at Head Quarters have got to develop reporting mechanisms which are realistic to ensure fair evaluation of performance upon which rewards are disbursed. Good leadership is also very important to guide, coach and motivate these staff to work as a team.

Findings from this study showed that MNS staff are not paid as highly as equivalent ranks in the private sector. Even though many of the MNS staff are academically qualified and some are even specialist in their own area of conservation, they are dedicated to serving MNS because of their passion and commitment to conservation. Thus, good motivation and leadership are crucial in MNS. Other than a one month bonus as a rewards, other non-monetary rewards such as attending both local and overseas is also a good motivator as staff are able to enhance their skill and also broaden their networking especially on the international line.

The interviews carried out show distinctly that these individuals have ideals that are hard to come by in a private organization. They are not only passionate about nature and conservation, but are so dedicated to their work that the normal hours of work do not apply to them. Their work takes them beyond the office into rural environments and often times during weekends and holidays when conservation functions are held. Thus the staff often have got to sacrifice the weekends and holidays for the sake of MNS. Thus management has got to take consideration into these factors in evaluating

their performance. The normal reporting system may not apply in such a case and special control systems have to be developed to ensure fair and equitable rewards.

### 5.3 **Recommendations**

NGOs play a unique and important role in society. MNS plays a special role as the ears and eyes of society in the field of environment and conservation, the staff of MNS carries out the policy as determined by the Council. They work under an environment of limited financial rewards. Even the salaries are not comparable to those of equivalent stature and qualifications as in the private sector. With the exception of a few permanent staff, security of tenure is not guaranteed and employment is often dependent upon the ability to seek funding for projects through which they are paid. Thus, it is recommended that the corporate sector makes it their social corporate responsibility to support NGOs because of their important role in conservation. Moreover, MNS regularly makes public statement and reports on the environment and conservation which are sent to Government authorities and the relevant Ministries. Feedbacks from such respectable organization are important for the Government to understand the feelings of the public on certain issues.

The findings in this study which are leadership, career development and compensation and benefits are inter-related whereby with proper leadership, the staff of MNS may be able to perform better thus, retain staff

and reduce the high staff turnover. The majority of the participants has also mentioned about the low salaries as compared to other corporate organization. Salary is the biggest motivator especially among the employees and it is an issue that MNS should look into i.e. salary revision after 2 years. Recognition also plays an important role in ensuring staff performs well above the target set in their KPI and also able to retain staff with a proper career development accordingly. Recognition can either be monetary such as bonus and annual increment or non-monetary such as promote their specialization or skill to the public in seminars or conferences, both locally and overseas.

As Malaysia aspires to be a developed country by year 2020, the role of NGOs such as MNS is critically important so that transparency in Governance can be recognized.

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