

EGERTON UNIVERSITY LIBRARY

**REWARDS SYSTEM AND RETENTION OF RESEARCH
PERSONNEL: THE CASE OF KENYA AGRICULTURAL
RESEARCH INSTITUTE, NAKURU DISTRICT**

BY

MOROGO, T.C.

CM11/0130/03

**A Research Project Submitted to Graduate School in
Partial Fulfillment of the Requirements for the Award of
Master of Business Administration Degree of Egerton
University.**

EGERTON UNIVERSITY

July, 2006



Eger234495

2008/73294

X

DECLARATION

This research project is my original work and has not been previously presented for a diploma or degree in any university.

Candidate: **Morogo, Teresa Chepchumba** Reg. No. CM11/130/03

Signature.....

Date..... 20. 09. 2006

APPROVAL OF THE PROJECT

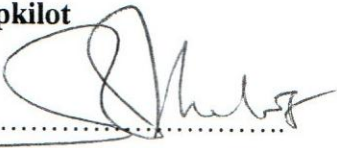
This research project has been submitted for examination with our approval as the university supervisors.

1. **Mr. F.O. Osenya**

Signature.....

Date.....24/7/06

2. **Dr. R.K. Chepkilot**

Signature.....

Date.....24/7/06

ACKNOWLEDGEMENT

I wish to sincerely thank my research supervisors, Mr. Francis Osenya, Ms. Patience Mshenga and Dr. Chepkilot for their immense contribution towards the success of this project. Their advice, encouragement and constant guidance played a big role in this work.

I also wish to thank all the other lecturers and fellow classmates (MBA 2003 class) for their input and encouragement throughout the development and consolidation of this project.

Finally I wish to acknowledge the support, patience and understanding of my family during the entire period of my MBA studies. All those who assisted me in one way or the other, I say may God bless you richly.

ABSTRACT

This study focused on the implication of Human Resources reward system on Research Scientists workers at the Kenya Agricultural Research Institute (KARI). Most government organizations such as KARI place a lot of emphasize on other elements of human resources such as recruitment and selection of staff while making little effort to improve the reward system that will attract its core workforce and make them feel happy to work with the organization. The implication of this has been reduced motivation amongst the scientist workers that has led to high staff turnover. The study established the current reward schemes put in place and as applied by KARI, how effective these rewards are in motivating and retaining the Research Personnel in the institute, the Researchers opinions on the rewarding system in KARI and the relationship between the rewarding system and the staff turnover at KARI in the last five years. The study adopted a case study of research with a Likert 5-point and 3-point scale based questionnaire. It obtained information from a sample size of 68 research scientists from the five KARI centers in Nakuru District. Descriptive and inferential statistics were used to analyze and present data that was presented in form of tables, frequencies averages and mean using computer-based Statistical Package for Social Sciences (SPSS). The results indicate that most rewards schemes and especially the non-financial ones, in the human resource department at KARI are only theoretical. The researcher found out that the Research Scientists generally have a negative attitude towards the rewarding system applied by KARI. The study also established that the Research Personnel in KARI are not motivated by the reward schemes in place. The conclusion from the results of the study carried out is that there is a strong relationship between the KARI rewarding system and Research Personnel Staff turnover as most scientists have left the institute due to its poor rewarding system.

TABLE OF CONTENT

| | |
|---|-------------|
| DECLARATION | i |
| APPROVAL OF THE PROJECT..... | ii |
| ACKNOWLEDGEMENT..... | iii |
| ABSTRACT..... | iv |
| TABLE OF CONTENT..... | v |
| LIST OF FIGURES | viii |
| LIST OF TABLES | ix |
| APPENDICES..... | x |
| CHAPTER 1: INTRODUCTION..... | 1 |
| 1.0 Background of the Study..... | 1 |
| 1.1 Statement of the Problem..... | 5 |
| 1.2 Objectives of the Study..... | 5 |
| 1.3 Hypotheses of the Study..... | 5 |
| 1.4 Significance of the Study..... | 6 |
| 1.5 Assumptions of the Study..... | 6 |
| 1.6 Scope of the Study..... | 7 |
| 1.7 Operational Definition of Terms..... | 7 |

| | |
|---|-----------|
| CHAPTER 2: LITERATURE REVIEW | 9 |
| 2.0 Introduction..... | 9 |
| 2.1 Reward Management | 9 |
| 2.1.0 Reward Strategy | 10 |
| 2.1.1 Total Reward Concept..... | 11 |
| 2.2 Retention Strategies for Knowledge Workers..... | 13 |
| 2.3 Staff Turnover..... | 14 |
| 2.4 Risk Analysis | 15 |
| 2.4.0 Areas of Action..... | 16 |
| 2.5 Reward Management Theories..... | 17 |
| 2.5.0 Herzberg's Theory of Motivation | 18 |
| 2.5.1 Vroom's Expectancy Theory | 18 |
| 2.5.2 Porter and Lawler Expectancy Model..... | 20 |
| 2.5.3 Equity Theory of Motivation | 21 |
| 2.6 Previous Research on Reward Systems and Retention of Employees | 22 |
| 2.7 The Conceptual Framework..... | 24 |
| CHAPTER 3: THE RESEARCH DESIGN AND METHODOLOGY | 27 |
| 3.0 Introduction..... | 27 |
| 3.1 Research Design | 27 |
| 3.2 Location of the Study..... | 27 |
| 3.3 The Study Population | 28 |
| 3.4 Sample Size and Sampling Procedures..... | 28 |
| 3.5 Instrumentation and Validity | 29 |
| 3.6 Data Collection Procedures..... | 30 |

| | |
|--|-----------|
| 3.7 Data Analysis Technique..... | 30 |
| CHAPTER 4: DATA PRESENTATION, ANALYSIS AND DISCUSSION. | 32 |
| 4.0 Introduction..... | 32 |
| 4.1 Nature of the reward system in the place at KARI. | 34 |
| 4.2 Research personnel attitude towards current reward system used by KARI..... | 40 |
| 4.2.0 Attitudes of Research Personnel towards salary reward | 42 |
| 4.3 Effects of the reward system used in KARI on the staff turnover. | 44 |
| CHAPTER 5: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS | 46 |
| 5.0 Introduction..... | 46 |
| 5.1 Summary of the Major Findings | 46 |
| 5.2 Conclusions and Recommendations..... | 47 |
| 5.3 Future Research | 48 |
| REFERENCES: | 49 |

LIST OF FIGURES

| | |
|---|-----------|
| Figure 1: The Reward System Model | 11 |
| Figure 2: Components of Total Rewards..... | 13 |
| Figure 3: Expectancy Theory..... | 20 |
| Figure 4: Porter and Lawler's Theoretical Model..... | 21 |
| Figure 5: Relationship between Variables..... | 26 |

LIST OF TABLES

| | |
|---|-----------|
| Table 1: Statistics of Scientists who have left KARI since the Year 2000 | 4 |
| Table 2: Equity Theory Model | 22 |
| Table 3: Population Undertaken for Study | 28 |
| Table 4: Categories of Research Personnel Selected for Study | 29 |
| Table 5: Hypotheses Tests | 31 |
| Table 6: Response by Gender | 32 |
| Table 7: Response by Qualifications. | 33 |
| Table 8: Response by Experience (Years of Service)..... | 33 |
| Table 9: Hypothesis 1 Test: Testing the Application of Motivating Reward Reinforcers for Staff Motivation at KARI..... | 35 |
| Table 10: The Application of Motivating Rewards in KARI..... | 37 |
| Table 11: Hypothesis 2 Test: Testing the Employee Attitude Towards..... the Current Reward System. | 41 |
| Table 12: Cross Tabulation of Academic Qualification Against the Adequacy of the Current Salary Award | 42 |
| Table 13: Hypothesis 3 Test: Testing the Relationship Between the Reward Schemes and Staff Turnover in the last 5 years..... | 44 |

APPENDICES

| | |
|--|-----------|
| APPENDIX I: Sample letter to the Respondents..... | 52 |
| APPENDIX II: Sample of the Research Questionnaire used. | 53 |
| APPENDIX III: Descriptive Statistics of the Rewards Variables | 57 |
| APPENDIX IV: Research Personnel Attitudes Towards Applied Rewards Schemes in KARI (Statistical Presentation)..... | 58 |
| APPENDIX V: Testing Research Personnel Attitudes Towards Applied Rewards Schemes in KARI (Percentage Presentation)..... | 59 |
| APPENDIX VI: Testing the Relationship Between the Nature of the Reward Schemes and the Staff Turnover | 60 |
| APPENDIX VII: Cross Tabulation of Preferred Salary by University Qualifications. | 61 |
| APPENDIX VIII: KARI Organizational Structure | 62 |

CHAPTER 1: INTRODUCTION

1.0 Background of the Study

As organizations respond to the emerging environmental pressures, many of them are forced to transform their structures and management systems. As a result of this, many organizations are rethinking their reward strategies to better align them with the new realities. Employees do what they are rewarded to do, but many reward systems are not linked to desired performance. When this happens, management costs skyrocket and employee moral plummets. From conducting wage surveys to developing compensation structure for salaried and executive positions to comprehensive systems linking compensation to skill development, reward system can increase motivation, efficiency and productivity (Argarwal,1998).

The reward system should therefore be audited regularly to assess their effectiveness, the extent to which they are adding value and relevance to the present and future needs of the organization. This audit should include an assessment of opinions about the reward systems by their key users and those who are affected by them. This leads to a diagnosis of strengths and weaknesses and an assessment of what needs to be done and why (Armstrong, 2003).

Skilled workers want to feel that they are being paid comparably to what other companies pay for similar work in the industry. They also care about being paid equitably with others in similar positions making comparable contributions. When these two conditions exist along with interesting and meaningful work, acceptable working conditions and good management practices; the prospect of making a little more money in an unknown organization where these softer factors are, is usually not enough to pull the employees away from their current employer.

Mullins (2005), draws attention to skills shortages as one of the biggest challenges facing employers in the new millennium. In order to attract and keep skilled workers, the organization cannot rely simply on pay rise or cash bonus, but have to

be more creative about the way they structure remuneration packages. Individual performance – related pay is still the most widely used reward strategy, but attention is also given to employee share ownership, competence – related pay and team reward and also to non-cash incentives such as gift vouchers and recognition.

Branham (2005), in his article on six truths about employee turnover says that achieving zero percent turn over for skilled workers is not realistic, especially in today's job market. However, he points out those employees, especially high flyers, rank challenging and interesting work with freedom higher on their motivational list than money and performance – related pay.

Simplistically, the notion of total reward just says that there is more to rewarding people than throwing money at them. According to Murlis and Watson (2001), the monetary values in reward package still matter but they are not the only factors. They stress that total reward policies are based on building a much deeper understanding of the employee agenda across all elements of reward. Total rewards challenge is summed up by Pfeffer (1998) as follows:

“Creating a fun challenging and empowering work environment in which individuals are able to use their abilities to enhance motivation and performance – even though creating such an environment may be more difficult and take more time than merely turning the reward lever”.

The organizations that achieve the most dramatic reductions in turnover and even manage to maintain them at a lower level are usually the ones where the top management makes it a priority. Most organizations therefore need to consider strategies that will enable them retain their workers and more so the knowledgeable ones. Private organizations have succeeded in this area by coming up with good and attractive packages. The government organizations need to do something about retention strategies for their core personnel otherwise they will find themselves losing them to the private sector. The Kenya Agricultural Research Institute (KARI)

is one such an organization that has been losing its research personnel to other organizations ever since the institute was established.

KARI is a government organization that was established in 1979, through the Science and Technology (amendment) Act of parliament to carry out research on livestock, crops, soil and water resources. Its mission is to develop and disseminate appropriate agricultural technologies in collaboration with the stakeholders. It contributes to the sustainable improvement in the livelihoods of Kenyans by increasing agricultural and livestock products and conserving the environment (KARI, Annual Report, 2001).

With 33 branches spread across the country and serving both the national and regional mandates, KARI's vision is to be an institute of excellence in agricultural research and technology transfer, contributing to an improved quality of life for all Kenyans by realizing the following objectives;

1. To develop and validate appropriate technologies and knowledge.
2. To develop or enhance appropriate participatory and consultative technology development approaches and methodologies.
3. To disseminate knowledge and technologies and catalyze the process of outreach and adoption of agricultural technologies.
4. To contribute to and influence the development/change of agricultural policy environment and
5. To strengthen the efficiency, effectiveness and sustainability of KARI's institutional capacity (KARI Strategic Plan 2000-2010).

For KARI therefore to achieve its mission, vision, goals and objectives, there is need for the organization to review its employee retention strategies. Among the strategies that need to be looked into most critically are the reward systems. This is because despite the existing reward schemes in place, KARI has been experiencing brain

drain of its research personnel. The following statistics indicate the number of research scientists who have left the institute in the last five years.

Table 1: Statistics of Scientists who have left KARI since the Year 2000

| RESEARCH PERSONNEL | 2000 | 2001 | 2002 | 2003 | 2004 | Total |
|---|-------------|-------------|-------------|-------------|-------------|--------------|
| Assistant Research Officers | 03 | 04 | 04 | 03 | 02 | 16 |
| Research Officers | 04 | 04 | 03 | 03 | 03 | 17 |
| Senior research Officers | 19 | 04 | 05 | 09 | 04 | 41 |
| Principle Research Officers | 02 | 01 | - | 02 | 01 | 06 |
| Senior Principal Research Officers | 03 | 03 | 03 | 01 | 05 | 15 |
| Chief Research Officers | 03 | 02 | - | - | - | 05 |
| | 34 | 18 | 15 | 18 | 15 | |
| TOTAL | | | | | | 100 |

Source: KARI Headquarters-staff records section.

As can be seen above, this is a very alarming labour turnover especially when one considers the amount of training expenses the institute has spent in training these Scientists. The issue of staff turnover as acknowledged by the Director KARI (Dr. Romano Kiome) confirms that one of the most important threats to KARI includes brain drain through competition with international agricultural research centers and the private sector (KARI Strategic Plan, 2000-2010). It is also worthwhile to note that KARI relies entirely on this cadre in their main research business and losing such a big number of core workers within a short time will definitely affect its performance.

1.1 Statement of the Problem

The issue of retaining, motivating and rewarding knowledge workers has been one of the major concerns for many organizations especially government organizations. KARI is no exception to this trend of knowledge workers leaving the organization in search of better terms. This has necessitated the need to study the rewarding system as applied by the institute and determine its effectiveness in retaining the research personnel while at the same time increasing their level of output, innovation and motivation.

1.2 Objectives of the Study

This study broadly sought to find out the extent to which current rewarding system as used by the institute are motivating enough to contribute to the retention of its Research Personnel or de-motivation to the extent of their exit from the institute. The main objective is to determine the effectiveness of the reward system on retention of the research personnel in KARI. The specific objectives of the study were:

- (i) To find out the nature and application of the motivating rewards system in place at KARI.
- (ii) To establish the research personnel attitude towards the current reward system used by KARI.
- (iii) To ascertain the effect of the reward system used in KARI on the staff turnover.

1.3 Hypotheses of the Study

The researcher used the null hypothesis for the study. The following were the hypotheses used in this study:

- HO₁: The Human Resource Policy of KARI does not apply motivating reward reinforcers for its staff motivation.

HO₂: The Research Personnel at KARI have negative attitude towards the reward system applied.

HO₃: There is no significant relationship between the reward schemes used at KARI and the staff turnover in the last five years.

1.4 Significance of the Study

This study focused on the rewarding system that can motivate knowledge workers (in this case Research Scientists), to satisfy both their extrinsic and intrinsic needs and hence make them want to stay and work in the organization. This study, therefore, made a significant contribution to the existing literature on motivation of staff through rewarding. The results from this study also provided KARI with more information on reward strategies that need to be reviewed in the institute in order to retain its Research Personnel. KARI being a parastatal in an agricultural sector, the information got from this study is a good source of data for the ministry of agriculture in implementing the government policies to prevent brain drain in the country. The study enhanced the development of the Human Resource policies that regards to a rewarding system for knowledge workers in an organization. Finally the information got from this study has contributed to the existing academic literature in the field of Human Resource Management and specifically in the area of retention and rewarding strategies for the knowledge workers of an organization.

1.5 Assumptions of the Study

This research was carried out in KARI Centers in Nakuru District. The assumption was that the sampled research personnel would give an objective and true picture on the ground with no element of biasness. The researcher also assumed that what is happening in KARI centers in Nakuru District is a true reflection of what is happening in the rest of the KARI centers in other areas.

1.6 Scope of the Study

This study was designed to determine the reward system for the research personnel in KARI. The research personnel in this case constituted of all those workers in the technical department of KARI with professional papers ranging from Bachelors degree, Masters degree to PhD degree certificates. The aspects of rewards system that were studied included all the extrinsic and intrinsic motivators to research personnel in KARI.

1.7 Operational Definition of Terms

Reward management - A range of interconnected processes that aim through both financial and non-financial means to address what employee's value in the employment relationship.

Knowledge worker - This is a worker who applies his or her theoretical and practical understanding of a specific area of knowledge to produce outcomes of a commercial or personal value.

Reward systems – Refer to the financial and non-financial rewards used by an organization to compensate its workers. It covers the basic salary, fringe benefits, the perquisites and the characteristics of the organization's management depicted in the organization's structure and climate.

Motivation – Processes or factors that cause people to act or behave in certain ways.

Salaries – Is the direct financial payments in the form of incentives, commission and bonuses. It refers to the weekly or monthly remuneration paid to the white-collar workers (clerical, administrative and professional employees).

Intrinsic rewards – Derive from the individuals themselves and include a sense of achievement, a feeling of responsibility and recognition. These rewards internalize feelings of achievement that spur an employee to greater and sustainable motivation or long lasting motivation.

Extrinsic rewards – Derive from the organization and the action of managers and colleagues in the organization. They include salary, working conditions and supervision. These rewards do not influence the internal feelings of an employee and their effect on motivation is limited and short lived.

Staff turnover – Same as labour turnover and means the number of workers who leave and/or are replaced in a given period of time. It is expressed as a percentage of the average number of workers employed during the period.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

This chapter samples the theoretical contributions of different writers in the area of study. The chapter is divided into five main sections. The first part deals with the reward management. It includes the reward strategies that can be used by the organization to retain its knowledge workers. The second part deals with the retention strategies for the knowledge workers. In this section, the importance of risk analysis of knowledge workers is pointed out and the areas of action to be taken into consideration are highlighted. The third section of this chapter gives an analysis of what staff turnover can cost an organization while the fourth section brings out motivational theories related to reward management. The last part of the chapter gives a brief account of previous research carried out that is related to the area under study.

2.1 Reward Management

Reward management is concerned with formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value to the organization (Armstrong, 2003). Different scholars have defined reward management in different ways. Belcher (1974), Cavrel and Kuzmit (1986), observed that reward systems takes a broader scope to refer not only to extrinsic rewards such as salary and benefits but also to intrinsic rewards such as recognition, chance for a promotion and more challenging job. Singh and Nzuve (1992), and Dessler (1994) focused on the wage and salary administration aspects of reward indicated that it covers both financial incentives and non-financial incentives.

The overall strategic aim of reward management is to develop and implement the reward policies, processes and practices required to support the achievement of the organization's goals by helping to ensure that it has the skilled, competent, well

motivated and committed people it needs. The philosophy undermining the strategy is that people should be rewarded for the value they create (Armstrong, 2003).

2.1.0 Reward Strategy

Reward strategy defines what the organization intends to do in the longer term to develop and implement reward policies, practices and processes that will further the achievement of its business goals. It establishes priorities for developing reward plans that can be aligned to business and HR strategies. Brown (2001) suggests that: 'reward strategy is ultimately a way of thinking that you can apply to any reward issue arising in your organization to see how you can create value from it'. Brown further states that it is necessary to recognize that effective reward strategies have three components. First is the need to have clearly defined goals that have a well-defined link to business objectives. Secondly is the need to have an attractive well-designed pay and reward program that is tailored to the needs of the organization and its people, and is consistent and integrated with one another. Lastly and perhaps the most important but always most neglected, is the need to have the most effective and supportive HR and reward process in place.

Reward strategy therefore has to be consistent with human resource (or personnel) strategy, which should be in line with business strategy. The implementation of the reward strategy has three basic components: financial rewards, performance management, and non-financial rewards. The non-financial reward processes are designed to motivate employees through recognition responsibility, achievement, development, and growth. Motivators should be outcomes of the performance management processes that should lead to improved individual and team performance and, from there, to improved organizational effectiveness. (Pinnington and Edwards, 2000).

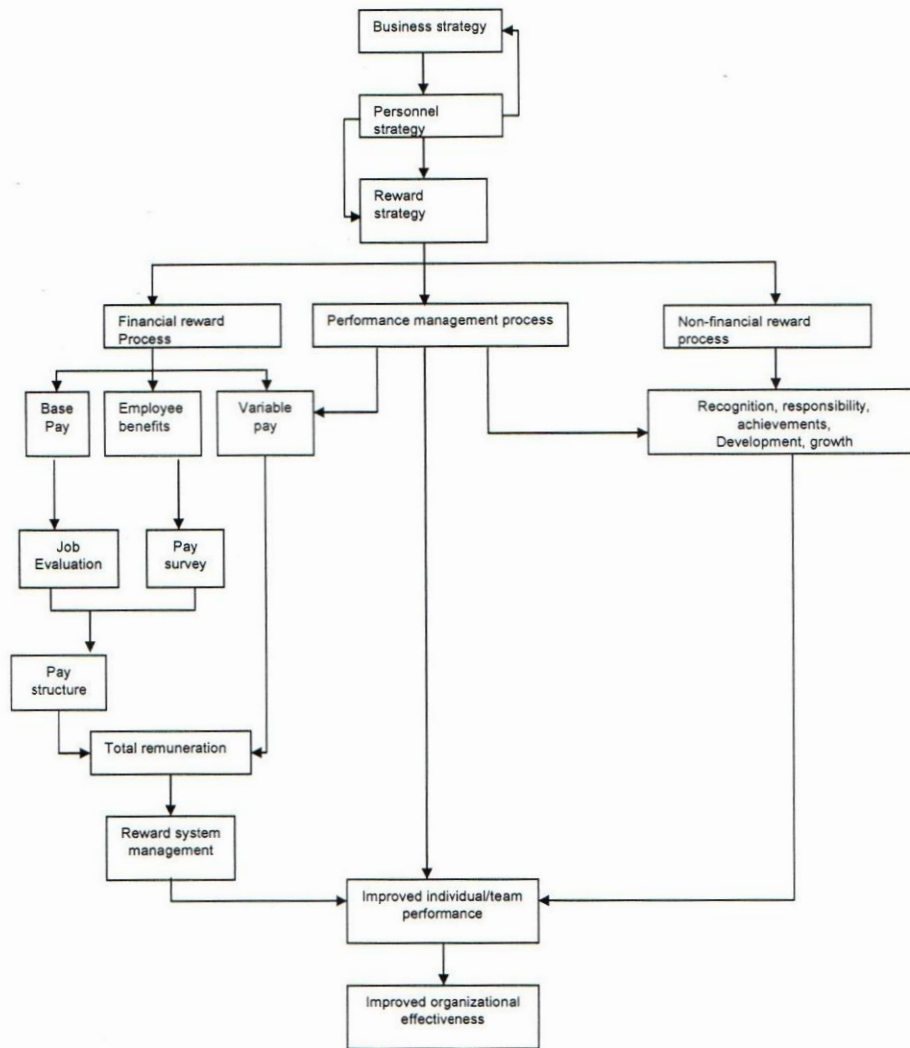


Figure 1: The Reward System Model

Source: M. Armstrong 1996

2.1.1 Total Reward Concept.

The total reward concept emphasizes the importance of considering all aspects of reward as an integrated and coherent whole. All the elements of total reward (base pay, pay contingent on performance, competence or contribution, employee benefits

and non-financial rewards) are deliberately linked together so that they are mutually supportive (Armstrong, 2003).

Worldatwork (2000) defines total reward as all the employer's available tools that may be used to attract, retain, motivate and satisfy employees. This encompasses every single investment that an organization makes in its people and everything its employees value in the employment relationship. Total reward program integrate the various ways in which people can be rewarded for their contribution, covering both financial and non-financial rewards.

According to O'Neal (1998), a total reward strategy is critical to addressing the issues created by recruitment and retention. And as illustrated by Worldatwork (2000), the components of total rewards are as shown in figure 2 below;

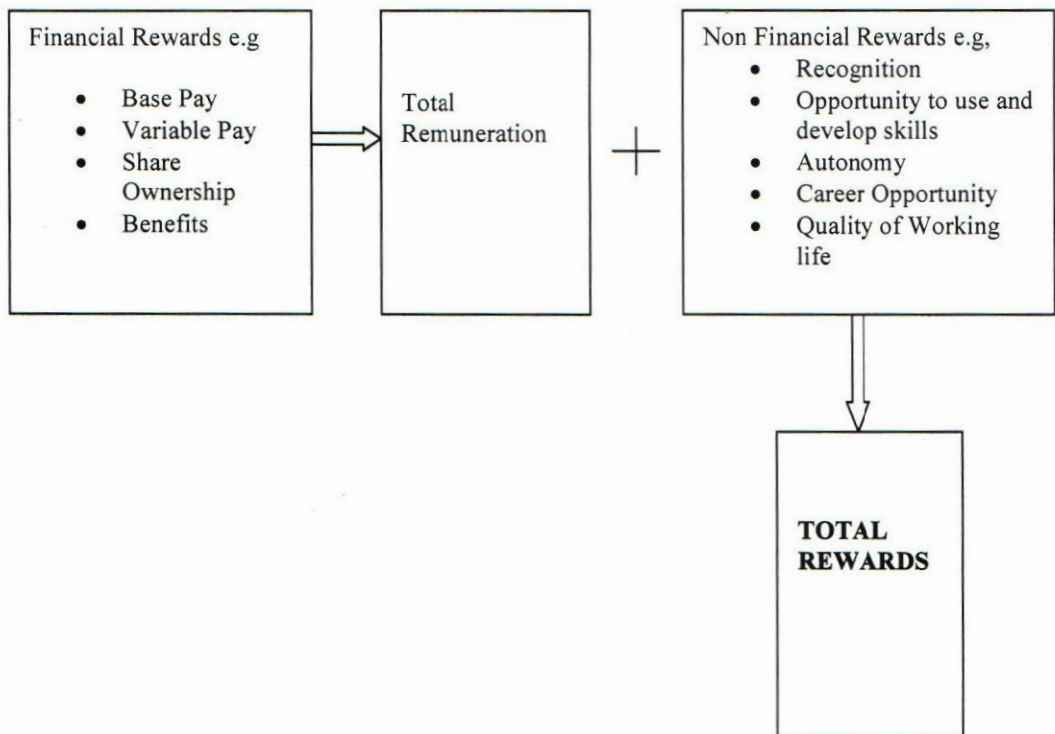


Figure 2: Components of Total Rewards

Source: . Armstrong, 2003.

According to worldatwork (2000), the benefits of total rewards approach are increased flexibility, recruitment and retention, reduced costs, heightened visibility in a light labour market and enhanced profitability.

2.2 Retention Strategies for Knowledge Workers.

A knowledge worker is anyone who works for a living at the tasks of developing or using knowledge. According to Drucker as cited by Mullins (2005), the knowledge worker includes system analysts, technical waiters, academic professors, researchers, lawyers, teachers and scientists of all kinds. Mullins himself gives a definition of knowledge workers as those employees who apply their theoretical and practical understanding a specific area of knowledge to produce outcomes of a commercial

and/or personal value. They are likely to be drawn from a wide variety of professionally qualified and specifically trained staff. Motivational researchers and theorists who have studied the motivation of knowledge workers agree that the Expectancy Theory of motivation is the most appropriate for this category of employee. The application of expectancy theory in reward strategies does suggest a very close and intricate link between rewards, the likelihood of earning those rewards and the realization of those rewards if performance is delivered (Mullins, 2005).

Reward strategies can contribute to the retention of knowledge people by demonstrating that they are valued for their contribution, and by operating fairly and consistently. The purpose of reward strategy is to develop policies and practices that will attract, retain and motivate high quality people. However reward strategy is not just about the development of remuneration packages and systems. It is fundamentally concerned with ensuring that people feel they are valued and with influencing them to behave in ways that will satisfy both the organization and their own needs.

There are limits to the extent to which financial payments to knowledge people will induce them to work better or harder or stay with the organization. In many cases knowledge workers are motivated by the work itself (intrinsic motivation) and the opportunities or development and growth it provides. Non-financial rewards such as recognition and opportunities for development and growth can function better for knowledge staff, and the impact lasts longer (Armstrong, 2003).

2.3 Staff Turnover

The analysis of the number of people leaving the organization (labour turnover or wastage) provides data for use in supply forecasting, so that calculations can be made on the number of people who may have to be replaced. More importantly, however, the analysis of the number of leavers and the reasons why they leave provides information that will indicate whether any action is required to improve

retention rates. It can prompt further investigations to establish underlying causes and identify remedies. The rates of labour turnover provide a graphic illustration of the turbulence within an organization. High rates of attrition can destabilize a business and demoralize those who attempt to maintain levels of service and output against a background of vacant posts, inexperienced staff and general discontent. Obviously recruitment, induction and training costs all arise with an increase in labour turnover and commented by Armstrong (2003), turnover may be a function of negative job attitudes, and low job satisfaction combined with an ability to secure employment elsewhere, that is, the state of the labour market.

An analysis of the reasons for leaving derived from exit interviews will provide useful information on which to base retention plans. Exit interviews aim to establish why people are leaving, not to persuade them to stay. Labour turnover is costly to any organization especially if labour turnover is high among the managers and knowledge workers. The information on labour turnover costs is enough for human resource department to use as a powerful argument in support of changes in employment and reward policies (Singh and Nzuve, 1992).

2.4 Risk Analysis

A retention strategy takes account of the particular retention issues the organization is facing, and sets out ways in which these issues can be dealt with. This may mean accepting the reality, as mentioned by Capelli (2000), that the market, not the company will ultimately determine the movement of employees. Capelli believes that it may be difficult to counter the pull of the market – You can't shield your people from attractive opportunities and aggressive recruiters and suggests that the old goal of HR management that is to minimize overall employee turnover, needs to be replaced by a new goal and that is to influence who leaves and when. This as proposed by Bevan, Barber and Robinson (1997), could be based on risk analysis to qualify the seriousness of losing key people or key posts becoming vacant.

Risk analysis can be carried out by initially identifying potential risk areas in which the key people in an organization may leave. For each of them as individuals or groups, it is necessary to estimate the likelihood of this occurring, how serious the effects of a loss would be on the business and the ease with which replacement costs could be made. Risk analysis provides specific information on areas for concern. More generally, some indication of the reasons for leaving and therefore when action needs to be taken may be provided by exit interviews. The retention plan should propose actions that focus on each of the areas in which lack of commitment and dissatisfaction can arise (Armstrong, 2003).

2.4.0 Areas of Action

Depending on the outcome of the risk analysis and the overall assessment of reasons for leaving, the possible actions that can be taken are to deal with uncompetitive, inequitable or unfair pay systems by reviewing pay levels on the basis of market surveys, introducing job evaluation or improving an existing scheme to provide for equitable grading decisions and reviewing contingent pay schemes to ensure that they operate fairly. 'Golden handcuffs' (loyalty bonuses) may be used as an inducement to stay, but as Capelli (2000), points out, there is a limit to the extent to which people can be "bribed" to stay. If they really want to go, any golden handcuffs can be countered by the 'golden hellos' offered by the aggressive recruiters.

Organizations should also design jobs to maximize skill variety, task significance, autonomy, control over their work and feedback and ensure that they provide opportunities for learning and growth. Organizations should learn to 'customize' jobs to meet the needs of particular individuals. It is also important to develop commitment to the work (job engagement) not only through job design but also by organizing work around projects with which people can identify more readily than with the company as a whole. This will encourage the development of social ties

within the company. In the words of Capelli (2000), 'loyalty to companies may be disappearing, but loyalty to colleagues is not'.

Opportunities to learn new skills and develop careers should be provided by organizations. This can be achieved by ensuring that selection and promotion procedures match the capacities of individuals to the demands of the work they have to do. Rapid turnover can result simply from poor selection or promotion decisions. The other important aspect is to reduce the losses of people who cannot adjust to their new job – the 'induction crisis' – by giving them adequate training and support when they join the organization.

Serious organizations will take steps to improve work-life balance by developing policies; including flexible working terms that recognize the needs of employees outside work. This will eliminate as far as possible unpleasant working conditions or the imposition of too much stress on employees. Last and very important is to select, brief and train managers and team leaders so that they appreciate the positive contribution they can make to improving retention by the ways in which they lead their teams. (Branham, 2005)

2.5 Reward Management Theories

Reward model is strongly expressed in the theories of motivation. There are many competing theories that attempt to explain the nature of motivation. These theories are all at least partially true and all help to explain the behaviour of certain people at certain times. Any theory or study that aids an understanding of how best to motivate people at work must be useful. It is because of the complexity of motivation and the fact that there is no ready-made solution or single answer to what motivates people to work well, that the different theories are important to the manager. The manager, therefore, must judge the relevance of these different theories, how best to draw upon them and how they might effectively be applied in particular work situations. (Mullins,1999). Motivation theories related to reward systems are the Hertzberg's

motivation – hygiene theory, Expectancy – based models (Vroom, Porter and Lawler) and Equity Theory of Motivation.

2.5.0 Herzberg's Theory of Motivation

It was not until Herzberg presented his two-factor theory of motivation that differences between higher and lower needs were elaborated. Herzberg stated that factors which create satisfaction (satisfiers or motivators) are those stemming from the intrinsic content of a job (eg recognition, responsibility, meaning and challenge) – these satisfy higher needs; factors which create dissatisfaction (dissatisfiers or hygiene factors) stem from the extrinsic job context (eg working conditions, pay, and supervision) – these satisfy lower needs. An important point in this theory is that as dissatisfaction stem from lower needs not being satisfied, when they are satisfied, this only removes dissatisfaction and does not increase motivation. If hygiene factors did not reach a certain standard, they felt “bad” about their jobs, and were unhappy. Positive motivation and a feeling of wellbeing could only be achieved, not by just improving these hygiene factors, but by improving genuine motivators such as recognition, achievement, responsibility, advancement and work itself. (Appleby, 1994)

2.5.1 Vroom's Expectancy Theory

The theory is founded on the idea that people prefer certain outcomes from their behaviour to others. They anticipate feelings of satisfaction should the preferred outcome be achieved. Vroom's model is based on three key variables: valence, instrumentality and expectancy.

Valence – the feeling about specific outcomes is termed valence. This is the attractiveness of, or preference for, a particular outcome to the individual. Vroom distinguishes valence from value. Valence is the anticipated satisfaction from an outcome while value is the actual satisfaction provided by an outcome. A person may desire an object but then gain little satisfaction from obtaining it. Alternatively,

a person may strive to avoid an object but find, subsequently, that it provides satisfaction.

Instrumentality – the valence of outcomes derives, therefore from their instrumentality. This leads to a distinction between first-level outcomes and second level outcomes. The first level of outcomes is performance - related. They refer to the quantity of output or to the comparative level of performance that acquire valence because of the expectation that they will lead to other outcomes as an anticipated source of satisfaction – second level outcomes. The second-level of outcomes are need – related. They are achieved through achievement of first-level outcomes, that is, through achieving high performance. People generally receive rewards for what they have achieved rather than for effort alone or through trying hard.

Expectancy – when a person chooses between alternative behaviours that have uncertain outcomes, the choice is affected not only by the preference for a particular outcome, but also by the probability that such an outcome will be achieved. This is expectancy. It is a relationship between a chosen course of action and its predicted outcome (Mullins, 2005).

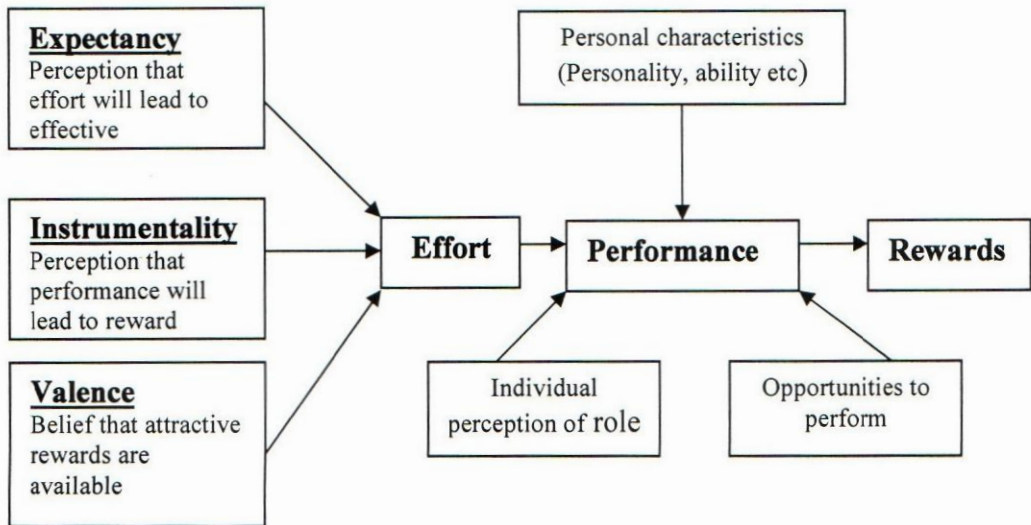


Figure 3: Expectancy Theory

Source: G.A. Cole, 2000.

2.5.2 Porter and Lawler Expectancy Model

Porter and Lawler have developed Vroom's expectancy/valence theory further. Their model goes beyond motivational force and considers performance as a whole. They point out that effort expended (motivational force) does not lead directly to performance. It is mediated by individual abilities and traits, and by the person's role perceptions. They also introduce rewards as an intervening variable. Porter and Lawler see motivation, satisfaction and performance as separate variables, and attempt to explain the complex relationships among them. Their model as shown in the figure below recognizes that job satisfaction is more dependent upon performance, than performance is upon satisfaction.

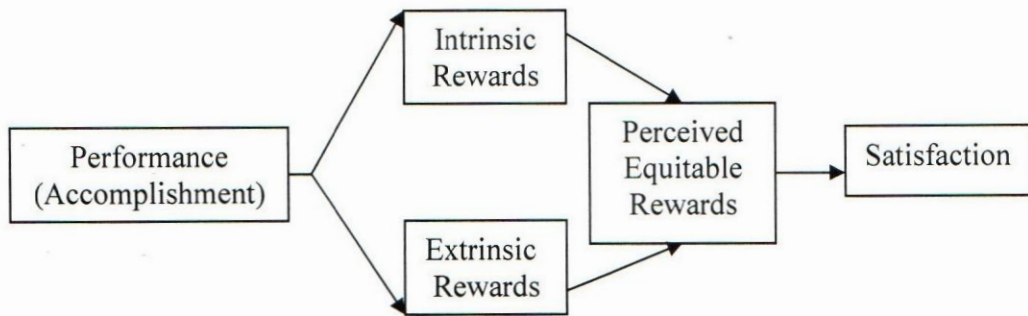


Figure 4: Porter and Lawler's Theoretical Model.

Source: G.A. Cole, 2000.

2.5.3 Equity Theory of Motivation

Equity theory focuses on people's feelings on how fairly they have been treated in comparison with the treatment received by the others. People compare their positions with that of others and this determines the way they perceive the same equity to their own positions. Their feelings about the equity of the exchange are affected by the treatment they receive when compared with what happens to other people. When the ratio of a person's total outcomes to total inputs equals the perceived ratio of other people's total outcomes to total inputs, then there is equity.

When there is unequal comparison of ratios, the person experiences a sense of inequity. Possible behaviour that comes as a result of inequity includes among others leaving the field. This is when a person tries to find a new situation with a more favourable balance such as absenteeism, request for transfer, resigning from a job or from the organization altogether (Mullins, 2005).

Table 2: Equity Theory Model

| Ratio Comparisons | Perception |
|--------------------------|---|
| 0/1A < 0/1B | Inequality due to being under rewarded |
| 0/1A = 0/1B | Equity |
| 0/1A > 0/1B | Inequity due to being over rewarded |

Where, **0/1A** represents the employee and

0/1B represents relevant others

As illustrated by table 2 above, equity theory demonstrates that individuals are concerned not only with the total reward package they get, but this compares with what others who are in a similar position receive. Empirical research on equity theory shows that employees are motivated by a sense of distributive justice; that is, employees are more motivated where they perceive rewards to be fairly distributed between people.

2.6 Previous Research on Reward Systems and Retention of Employees

Quite a number of studies have been carried out on reward systems and retention of employees worldwide. Mak and Sockel (1999), carried out a study on a confirmatory factor analysis of IS employee motivation and retention. They conducted a survey on existing IS employee and analyzed with LISREL VIII. The results showed that latent motivation has impact on latent retention, with job satisfaction and perceptions of management on career development as indicator variables for the former and burnout, loyalty, and turnover intent as indicator variables for the latter.

Milman (2003), explored the reasons behind hourly employee retention in small and medium attractions: the Central Florida example. The researcher collected data from 172 hourly employees in 13 Central Florida small and medium-size facilities. The results empirically confirmed that self-fulfillment and working conditions rather than monetary rewards, predicted hourly employees' retention. More specifically, employees who had positive experience with regard to consistent working hours, sense of fulfillment with their job, positive experience with performance reviews, longer tenure with their current employer, higher level of satisfaction with the job, and previous work experience were more likely to stay with their current employer.

Eisenberger et al (2001), investigated the relationships among employees' perception of supervisor support, perceived organizational support and employee turnover. The results suggested that supervisors, to the extent that they are identified with the organization, contribute to perceived organizational support and, ultimately, to job retention.

Chang (2003), carried out a research to examine the composite effect of extrinsic motivation on work effort. Analysis of data collected from the 401 employees from 29 companies in Korea showed that extrinsic practices significantly influence employee extrinsic perceptions, and that employees' perceptions of extrinsic motivations influence their work-effort levels.

Some people have carried out studies on rewarding system in Kenya. These studies have focused majorly on financial rewards. Kimathi (2000), undertook a study on employees' attitudes towards promotion on merit at Kenya College of Communication Technology. The study was exploratory in nature. Data was collected using a structured self-reporting questionnaire, based on Likert (1932) type of scale. The findings revealed that employees have negative attitude towards promotion on merit. This was attributed to the factors such as the weakness of performance appraisal to accurately capture performance indicators and measure

them. The employees' feeling was that performance appraisal interview is not carried out fairly and there has been failure in linking promotion to merit.

Bulinda (2003) conducted a case study on the effects of non-financial compensation strategies on manager's motivation in Kenya. The study focused on the implications of Human Resources compensation strategies/schemes on managers' motivation at Pyrethrum Board of Kenya. The research study was based on a structured Likert 5-point scale questionnaire. It obtained information from a population of 63 managers. Descriptive and inferential statistics were used to analyze data. The findings of the study showed that managers have significant compensation preferences that form the basis for the goals that they seek to satisfy in the employment set-up. The conclusion made out of these findings is that a system of individual incentives on rewards should be considered, and this should be expanded to not only financial rewards but also to other non-financial items that equally lead to greater motivation.

Some studies on rewarding of workers have been conducted in the country. Although they are non-scientific, they have contributed immensely to rewarding system. Such studies include salary surveys, collective bargaining agreements and civil service reviews. The focus of this study is to fill the gap of relating the reward system and retention of the knowledge workers. The study will mainly focus on the relationship between the reward schemes and retention of research scientists in KARI. In particular the study looks at both intrinsic and extrinsic reward schemes that can be used to complement each other and enhance the research personnel commitment to the institute's research work.

2.7 The Conceptual Framework

'Pay peanuts and you get monkeys' is a say that has lost its edge even in the current economic climate. Managing rewards is therefore not just by how much people are paid. This is because employees are not only motivated by the cash salary but also by how much their work fits into their life as a whole. This concept is forcing most

companies to re-examine the way they reward their staff and the procedures they use to assess performance.

An employee's motivation, job satisfaction and work performance will be determined by the comparative strength of sets of needs and expectations, and the extent to which they are fulfilled. For example some people may make a deliberate choice to forego intrinsic satisfaction and social relationships (particularly in the short term or in the earlier years of their working life) in return for high economic rewards.

Other people are happy to accept comparatively lower economic rewards in favour for a job that has high intrinsic satisfaction and/or social relationship. In addition the motivation to work is also influenced by the concept of the 'psychological contract'. This involves a series of expectations between the individual member and the organization. These expectations are not defined formally, and although the individual member and the organization may not be consciously aware of the expectations, their relationship is still affected by these expectations (Mullins, 1999).

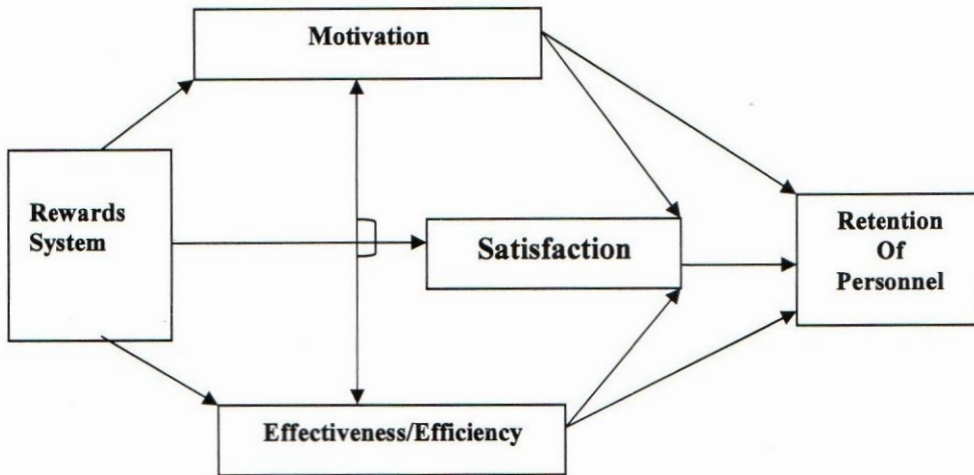


Figure 5: Relationship between Variables

Source: Author, 2005

Reward system will comprise of extrinsic (or financial) incentives such as base pay, variable pay, share ownership and other monetary benefits. It will also include intrinsic (or non-financial) incentives such as recognition, opportunity to use and develop skills, autonomy, career opportunity and quality of working life. This leads to satisfaction, motivation, efficiency and effectiveness of the workers and hence their retention in the organization.

CHAPTER 3: THE RESEARCH DESIGN AND METHODOLOGY

3.0 Introduction

The studied project sought to evaluate the reward systems and retention of research personnel. The research conducted was a case study of the Kenya Agricultural Research Institute. This Chapter therefore aims at providing a methodological framework that was used to attain the objectives of the study. The chapter presents the research design, location of the study, the sample size, sampling procedures, instrumentation, data collection and analysis of the research done.

3.1 Research Design

This study adopted a descriptive survey. The design allowed the researcher to assess the relationship between the research variables that was presented by descriptive statistics. The design was also appropriate because no treatment was given to the respondents before conducting the study.

The study investigated the already existing reward system in KARI for the research personnel. It also established the research personnel attitudes on the applied rewards and the effects of these rewards on staff turnover. Descriptive statistics was therefore used to present data based on the results found. The study was also designed to have the nature of a conclusive research with the objective of providing information to help the institute's decision makers make rational decisions on the reward schemes for its research personnel.

3.2 Location of the Study

The study was carried out in all the KARI centers in Nakuru district. The location was appropriate because it holds most of the KARI centers with national mandates in Rift Valley province and hence has the highest number of research personnel. Besides this, the area was also chosen because of its accessibility and familiarity to the researcher.

3.3 The Study Population

The targeted population was 94 research scientists distributed across the five KARI Research Centers (Njoro, Molo, Lanet, Perkerra and Naivasha) in Nakuru district. Hence the total population of research personnel studied was summarized as shown in table 3 below:

Table 3: Population Undertaken for Study

| Research Personnel (By Designation) | Highest Qualification | No. |
|--|------------------------------|------------|
| Assistant Research Officers | Bachelors of Science | 24 |
| Research Officers 1 | Masters of Science | 55 |
| Senior Research Officers | PhDs | 15 |
| Total | | 94 |

Source: KARI Headquarters staff records office.

3.4 Sample Size and Sampling Procedures

To take account of representation of various levels of education for research scientists, stratified random sampling was done. The stratification was PhD, Masters and Bachelors degree holders. It was assumed that research scientists of various education levels have varied views and evaluation of rewards system in KARI. The sample was obtained using the coefficient of variation. Nassiuma (2000) says that in most surveys or experiments, coefficient of variation of at most 30% is usually acceptable. The study took into consideration a coefficient variation of 25% and a standard error of 0.02. Nassiuma (2000) gives the formula below:-

$$n = \frac{NC^2}{C^2 + (N - 1) e^2}$$

Where n = Sample, N = Population, C = Covariance
and e = Standard error

$$n = \frac{79(25\%)^2}{(25\%)^2 + (79 - 1) (0.02)^2} = 53$$

Table 4: Categories of Research Personnel Selected for Study

| Strata | Population size | Sample size | Proportion % |
|--------------|-----------------|-------------|---------------|
| PhD | 15 | 15 | 22.06 |
| Masters | 55 | 37 | 54.41 |
| Bachelors | 24 | 16 | 23.53 |
| Total | 94 | 68 | 100.00 |

3.5 Instrumentation and Validity

The required information was collected by use of questionnaire prepared by the investigator. The questionnaires were administered to the selected research personnel in the selected KARI centers in Nakuru District. It contained information on reward system as put in place and applied by the institute, the research personnel attitudes on rewarding system used by the institute and the effects of these rewards on research

personnel turn over. Pilot study was carried out prior to the main research to test the validity of the research instruments.

3.6 Data Collection Procedures

Authority to collect data was sought from KARI head office as well as from the heads of the selected centers. The researcher administered the questionnaires to the respondents and collected them immediately the respondents finished filling them. The data collection exercise took two months.

3.7 Data Analysis Technique

Descriptive statistics, that is, frequencies, percentages, cross tabulations and graphical presentations were used to analyze data using computer-based Statistical Package for Social Sciences (SPSS). The statistical results obtained formed the basis of the rejection or acceptance of the hypothesis in question.

Table 5: Hypotheses Tests

| Hypothesis | Variable | Test |
|--|---|-------------|
| Reward Reinforcers in the Human Resource Policy of KARI are not applicable | -Reward Reinforces | Frequencies |
| The employees at KARI have negative attitude towards the Reward System applied | -Nature of Reward System -Attitude towards the Reward System | Mean |
| There is no significant relationship between the Reward System used at KARI and the staff turnover in the last five years. | -Staff turnover | Mean |

Source: Author, 2005

CHAPTER 4: DATA PRESENTATION, ANALYSIS AND DISCUSSION.

4.0 Introduction.

The researcher mainly concentrated on primary data collected from the field by use of the questionnaires. A total number of sixty eight (68) questionnaires were distributed to the respondents in the five centres of KARI in Nakuru District. The researcher managed to get back fifty five (55) questionnaires, which forms 81% of the initial total questionnaires send out to the field. The degree of freedom used in all the calculations was 95% level of confidence. Other variables in the questionnaires that are not related directly to the objectives and hypothesis of the study are appended for reference for example appendix VII. The data was presented, analyzed and discussed by the use of tables and figures as indicated below:-

Table 6: Response by Gender

| Gender | Frequency | Percent (%) |
|---------------|------------------|--------------------|
| Male | 37.0 | 67.3 |
| Female | 18.0 | 32.7 |
| Total | 55.0 | 100.0 |

Source: Field Data, 2005

As indicated on the above table, there were more male respondents (67.3%) from the study compared to the female respondents (32.7%). This gives an indication that there are more men research personnel in KARI compared to women. This shows that most of the views collected from the study were male dominated. To come up with a better and gender sensitive Rewarding System that will put into consideration specific women motivational demands, it is very important for KARI to consider having a gender balanced research personnel workforce in future.

Table 7: Response by Qualifications.

| Qualification | Frequency | Percent (%) |
|----------------------|------------------|--------------------|
| Bachelor | 13.0 | 23.6 |
| Masters | 30.0 | 55.6 |
| PhD | 12.0 | 21.8 |
| Total | 55.0 | 100.0 |

Source: Field Data, 2005

The table above shows the respondents qualifications. It indicates that there are more master degree holders in KARI's five centres which is 55.6% of the total research personnel workforce compared to 23.6% and 21.8% for Bachelors and PhD holders respectively. With the highest number of its total workforce having a master degree, there is need for the organization to seriously consider improving its Rewards System in order to retain this highly trained and marketable workforce within the organization, hence the importance of this study.

Table 8: Response by Experience (Years of Service).

| Years of service | Frequency | Percent (%) |
|-------------------------|------------------|--------------------|
| 1-10 years | 24.0 | 43.6 |
| 11-20 years | 11.0 | 20.0 |
| 21-30 years | 18.0 | 32.7 |
| Over 30 years | 2.0 | 3.6 |
| Total | 55.0 | 100.0 |

Source: Field Data, 2005.

From the above table, the research personnel who have been with the institute for the last ten years is 43.3%, however, as the years proceed, the number of research personnel reduce respectively. This means that as the research personnel gain more experience and on job training, they become more marketable and therefore their exit from the institute for other organizations. The results from the study carried out revealed that one of the reasons for this exit is the disincentive Rewards System of which is the main objective of carrying out this study.

For easy analysis of data, the researcher grouped data in relation to the set objectives and hypothesis of the study. Data was therefore analyzed effectively by gathering the respondents' views together so as to establish the effectiveness of the rewarding system used by KARI in retaining its research personnel. In view of the above data was analyzed as follows:-

4.1 Nature of the reward system in the place at KARI.

From the study, the researcher established that although most rewards schemes exist in KARI, the contents of these rewards are not applied. The following table indicates the results of the hypothesis I test:-

Table 9: Hypothesis 1 Test: Testing the Application of Motivating Reward Reinforcers for Staff Motivation at KARI.

| Reward system | Applicable Percentage |
|----------------------------------|------------------------------|
| Monthly Salary | 100.0 |
| Monthly Medical Allowance | 98.2 |
| Annual Leave Allowance | 98.2 |
| Team work environment | 98.2 |
| Scientific award | 74.5 |
| Scholarship | 74.5 |
| Housing facility | 72.7 |
| Funeral scheme | 67.3 |
| Challenging senior staff | 63.6 |
| Career progress | 63.6 |
| Employment security | 56.4 |
| Recognition for good performance | 41.8 |
| Challenging responsibilities | 41.8 |
| Promotion on qualification | 32.8 |
| Promotion on merit | 29.1 |
| Security recognition | 27.3 |
| Executive Benefits | 27.3 |
| Consultative decision making | 27.3 |
| Seniority award | 23.3 |
| Loans facility | 20.0 |
| Promotion on experience | 14.5 |
| Recognition for Good Performance | 02.0 |

Source: Field Data, 2005.

The table testing the hypothesis is extracted from section B of the questionnaire. This section deals with the application of the reward reinforces at KARI (Ref to appendix II Questions 1-22). The test that was used was frequencies based on the variables.

From the above results, the researcher found out that non-financial rewards in KARI carry a smaller percentage compared to the financial ones. This means we accept the null hypothesis I that says that “Motivating Reward Reinforcers in Human resource

policy of KARI are not applicable". The interpretation of these findings is that although most reward schemes exist in KARI's human resource policy, very few of these rewards and especially the motivating ones are applied or put in practice at all. Under normal circumstances, a well motivating organisation should balance its financial and non-financial rewards. The results from the study indicate that KARI's financial rewards although fewer carry a bigger percentage in application compared to non-financial rewards which are many and applied on minimal or not applied at all. According to Armstrong, there is a limit to the extent to which financial payments to knowledge workers will induce them to work harder or better or stay in the organization. In many cases knowledge workers are motivated by the work itself. Non-financial rewards can therefore function better for knowledge workers and the impact lasts longer (Armstrong, 2003).

The study further revealed that although the research personnel acknowledged the application of almost all the reward schemes as pointed out to them in the questionnaires, the general expression was the insignificance of the contents of these rewards. Monthly medical allowance was given as an example. The respondents also pointed out the inconsistency of the application of other rewards such as career progression after qualification. From the study, the researcher found out that the major cause of staff turnover in KARI is the non-application of the motivating rewards which reflects an average motivating reward reinforces of only 28.7% as shown in the table 10 below:-

Table 10: The Application of Motivating Rewards in KARI.

| Reward System | Applicable Reward Schemes (%) |
|---|--------------------------------------|
| Recognition for seniority | 41.8 |
| Challenging responsibilities | 41.8 |
| Promotion on qualification | 32.8 |
| Promotion on performance | 29.1 |
| Seniority recognition | 27.3 |
| Consultative Decision making | 27.3 |
| Seniority Award | 23.6 |
| Loan Facility | 20.0 |
| Promotion on experience | 14.5 |
| Average Motivating Reward Reinforces | 28.7 |

Source: Field Data, 2005.

Other rewards found out from this study applied by KARI although not quite satisfying according to the research personnel staff are as follows:

1. Annual in-patient medical cover
2. Salary Advance
3. Support for scientific conference
4. Gender sensitivity in allocation of senior position especially at the Head office
5. Pension scheme
6. Research grants/awards
7. Transfer of services
8. Contact terms of service

9. Staff welfare
10. Scientific publication of research work
11. Task force
12. Fellowship
13. Annual salary increment
14. Per diem or night out and lunch allowance when out of duty station
15. Hardship allowance

The study established the rewards that the research personnel wished KARI management could implement so as to motivate them in their research work. They mentioned them as follows:

1. Full comprehensive medical insurance cover for self and family.
2. Proper sound and well defined terms of service
3. Promotion on merit
4. Institutional loan facility
5. Transport allowance
6. Housing mortgage
7. Car loan
8. Car allowances
9. Sabbatical leave
10. Competitive salary scale
11. Promotion on experience

12. Harmonized house allowance for all KARI employees
13. Risk allowances
14. Funeral assistance schemes
15. Annual appraisals
16. Exchange work visits programmes between KARI's scientists and those of other similar research institutions
17. Re-engineering courses to be offered and fully covered by the institution
18. Improved communication facilities such as Email/web access
19. Children education
20. Creation of job opportunities for promotion
21. Long service awards
22. Awards for scientific excellence
23. Attractive medical allowance
24. Tax exemption for imported cars
25. Travel grants
26. Travel insurance
27. Royalties for successful research work
28. Responsibility allowance
29. Telephone allowance
30. Annual meeting for researchers for brainstorming on institute's way forward research activities
31. Automatic fair training opportunities for all
32. Professional (non-practice) allowance

33. Non-interference of project funds by other parties i.e. better management of research funds.
34. Increase of hardship allowance to be a third of one's basic salary.
35. Recognition of some distinct cadres such as Farm Managers and Deputy Centre Directors
36. Home improvement loans
37. Entertainment allowance
38. Reasonable retirement/termination of service package
39. Institutional get together parties for staff
40. Update of office/Library equipment

4.2 Research personnel attitude towards current reward system used by KARI.

The research carried out ascertained that most of the Research Personnel in KARI have a negative attitude towards the current Reward System used by the institute. This conclusion was made after carrying out a test on the null hypothesis two as indicated on the table 11 below:-

Table 11: Hypothesis 2 Test: Testing the Employee Attitude Towards the Current Reward System.

| Variables | No. | Mean |
|---|--------------|-------------|
| Adequate Basic Salary | 55.00 | 1.93 |
| Adequate House Allowance | 55.00 | 1.84 |
| Adequate medical Allowance | 55.00 | 1.73 |
| Adequate Leave Allowance | 55.00 | 1.95 |
| Adequate Funeral Allowance | 55.00 | 1.80 |
| Merited Scholarship Award | 55.00 | 2.53 |
| Excellent Housing Facility | 55.00 | 2.27 |
| Excellent Loan Facility | 55.00 | 1.93 |
| Adequate Scientific Award | 54.00 | 2.44 |
| Guaranteed Career Progression | 55.00 | 2.73 |
| Desirable Seniority Payments | 55.00 | 2.24 |
| Adequate Seniority Recognition | 55.00 | 1.91 |
| Excellent Executive facilities | 55.00 | 1.85 |
| Guaranteed promotion on experience | 55.00 | 1.95 |
| Guaranteed Promotion on merit | 55.00 | 2.38 |
| Guaranteed Promotion after qualification | 55.00 | 2.96 |
| Guaranteed employment security | 55.00 | 2.98 |
| Guaranteed Decision Making involvement | 55.00 | 2.49 |
| Challenging tasks | 55.00 | 3.42 |
| Challenging Senior Staff | 55.00 | 3.45 |
| Room for team work | 55.00 | 3.36 |
| Recognition for good performance | 55.00 | 2.69 |
| Average of the nature of rewards variables | 54.95 | 2.40 |

Source: Field Data, 2005.

From the table above, the highest score is 5 for “Strongly Agree” and the lowest score is 1 for “Strongly Disagree” (Ref.Appendix1V). From this test, it is possible to establish the employees’ attitude by using the grand mean variable which in this case is 2.4, tending towards disagreement on Reward System. From the results of the test of Hypothesis II, the null hypothesis is confirmed. The general conclusion drawn from this is that the Research Personnel at KARI have a negative attitude towards the rewarding system applied by the institute.

4.2.0 Attitudes of Research Personnel towards salary reward

From the study, the researcher established that most Research Personnel in KARI do not find the current salary award adequate especially in consideration to their level of academic qualifications. The study revealed that 92.7% of the research personnel indicated that the salary award is inadequate whereas only 7.3% are satisfied with the current salary award. Table 4.5 gives a summary of the research personnel attitudes towards the current salary award given their level of academic qualifications.

Table 12: Cross Tabulation of Academic Qualification Against the Adequacy of the Current Salary Award

| | | Academic Qualification | | | | |
|--------------------------------------|----------|------------------------|--------|-----|-------|-------|
| | Response | Bachelor | Master | PhD | Total | |
| | | | | | No. | % |
| Adequacy of the current salary award | No | 11 | 28 | 12 | 51 | 92.7 |
| | Yes | 2 | 2 | - | 4 | 7.3 |
| | Total | 13 | 30 | 12 | 55 | 100.0 |

Source: Field Data, 2005

From table 4.5 above, it can be concluded that nearly all the research personnel in KARI are dissatisfied with the institute's current salary award. The following are views extracted based on the respondents' attitudes on the Reward System at KARI (Ref. appendix II question 25). The researcher tallied the most frequent views that can be treated to represent the general and fair view of the state of Reward System at KARI;

1. There is a lot of bias in rewarding people as indicated through recycling of retired staff through contracts instead of promoting those who are qualified for the vacant posts.

2. Research awards frequency is too low (once every two years) and is pegged on KARI conferences only.
3. KARI's scheme of service is pathetic on its own and in comparison to other similar institutes, hence very disincentive to employees who are committed to achieving KARI's mission.
4. KARI's rewarding system is marred with nepotism because information on available opportunities is not availed to all staff.
5. Rewards should not be on specific projects- it should cut across the board for fair funding of all research projects.
6. Senior Research Officers should be recognized especially at the centres where there is a lot of insubordination of staff because of nepotism.
7. The institute should distinguish itself as an independent prime agricultural research body or a parastatal with capacity to attract funding, retain qualified personnel and be dynamic in its reward system.
8. The reward system used by KARI should be different from that of the civil service because of its challenging work in research.
9. With current working conditions and terms of service, KARI will be training scientist who will move out leaving gaps in the institute and hence affecting the core business of the institute, which is research.
10. Scientific evaluation process is erratic and not fair. The lack of scheme of service for scientist in rewarding as upward mobility is too slow as people stay in the same job group for too long.
11. The reward system is inadequate to ensure retention of research personnel. This often leads to brain drain from the institute.
12. KARI should live up to its name of being a leading agricultural research institution in the country. It should offer corporate treatments to its employees

just like other corporate research institutions such as KEMRI and many other good ones. At its worst KARI should be like a local government/public University, after all most senior staff in our local universities are former KARI employees, developed up to their current status by KARI.

4.3 Effects of the reward system used in KARI on the staff turnover.

Hypothesis 3 was tested to find out the relationship between the nature of the reward system and the staff turnover of the research cadre in KARI (Ref Appendix IV). Table 4.6 below shows the comparison between the average reward system variables and the staff turnover over a period of 5 years.

Table 13: Hypothesis 3 Test: Testing the Relationship Between the Reward Schemes and Staff Turnover in the last 5 years.

| | No. | Mean |
|---|------------|-------------|
| Average of the nature of reward variables | 55.0 | 2.4 |
| Staff turnover over 5 years | 55.0 | 4.7 |

Source: Field Data, 2005.

The test used for the table above was the mean of the variables – the average of the Reward System and staff turnover. From the table above, it is possible to compare the average reward variables and staff turnover over a period of 5 years. From the results summarized on table 13 above, it is important to note that the average of the reward schemes is tending towards disagreement (2.4), whereas that of the staff turnover is tending towards “Strongly Agree” (4.7). With this, it is easy to compare the reward variables and staff turnover in KARI. The results indicate that the nature of the Reward Schemes applied by the institute that tends towards disagreement (Negative) has led to staff turnover that tends towards strong agreement. We therefore reject the null hypothesis three on this basis and make the conclusion that

because of the poor Reward System (average mean 2.4) which tends towards 2 for disagreement and the high staff turnover (average mean being 4.7) tending towards 5 for strongly agree, one of the major cause of staff turnover of Research Personnel in KARI in the last five years has been as a result of poor rewarding system in the institute.

CHAPTER 5: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter discusses and summarizes the findings of the research carried out based on the objectives of the study. It includes the researcher's recommendations based on the findings from the study and gives suggestions for further research to be carried out on this study. It is very important for all organizations to regularly assess their rewards system to be able to have a basis for the development and motivational programs that match the needs of their employees.

5.1 Summary of the Major Findings

Among the major findings established from the research and based on the objectives and test of the hypotheses include the following:

1. Motivating reward schemes in the human resource department at KARI are given smaller attention. This is confirmed by the research results as indicated on table 9 where the researcher found out that the financial rewards carry a bigger percentage in terms of application compared to the non-financial ones.
2. Reward Schemes that are applied by KARI do not contribute significantly to motivation of the research personnel staff. Most of the research personnel expressed their negativity towards the rewarding system of the institute. From table 11, the average mean is 2.4 tending towards 2 and which according to the Likert scale in the questionnaire stands for "Disagree".
3. There is a very strong relationship between the KARI's reward system and the research personnel staff turnover. This is attributed to the poor application the motivating rewards, which in turn is contributing a lot to most researchers leaving the institute for other organizations with better and attractive rewards. From table 13, the average response from the respondents was disagreement on the adequacy of the reward system (2.4 tending towards 2 for Disagree) whereas

they confirmed that there is high staff turnover (4.7 tending towards 5 for Strongly Agree).

5.2 Conclusions and Recommendations

The above major findings leads us to make a general conclusion that the reward schemes in KARI are all not applied and those that are applied are not attractive enough to retain the research personnel in the institute, hence the high staff turnover of this cadre to other organizations. Because of this, the following recommendations are made on KARI rewarding system:

1. KARI's human resource department need to work out and overhaul its Rewarding System and put them in practice by applying the motivating rewards.
2. KARI's Reward Schemes should not only be applied as it is, but should be made to contribute significantly to the staff's motivation to eliminate the negative attitude the research personnel have towards the institute's Rewarding System.
3. KARI's Rewarding System should be credible and should not only depend on a few individuals for implementation. The institute should come up with a unified and harmonized rewarding package that should be applied to all the staff across the board.
4. KARI management needs to recognize the importance of its Research Personnel and their major contribution to the core business of the organization. A successful way of recognizing them is by coming up with an attractive Rewarding System that will retain them in the institute.
5. KARI should come up with its own Rewarding package and stop relying on the civil service terms, but instead formulate its own rewarding scheme that is equivalent or even better than that of other similar research institutions in the country.

5.3 Future Research

The researcher conducted research on the Rewarding System and Retention of Research Personnel in KARI. The study mainly concentrated on finding out the nature, status and application of the Motivating Rewards Schemes in KARI. The study also established the attitudes of the research personnel towards the current rewards applied by the institute and the effects of these rewards on KARI's research personnel staff turnover. To come up with a more comprehensive Rewarding System in KARI, there is need to carry out further research in other areas related to the study such as:

- (i) Designing an effective reward system in KARI that will retain the Research Personnel
- (ii) To establish causes of staff turnover in KARI other than the poor rewarding system.
- (iii) Comparative studies: Rewarding System in a Private Research institution as compared to those of Public Research institution.

The study carried out concentrated mainly on establishing the Rewarding System in place at KARI, determining the Research personnel attitudes towards these rewards and establishing the relationship between the Rewarding System in KARI and staff turn over. Carrying out further research on the above recommended topics will help to come up with an attractive Rewarding System that will retain the Research Personnel, hence solving the problem of the staff turn over that has affected the institute for a long period of time.

REFERENCES:

- Appleby, R.C. (1994). Modern Business Administration. (6th Edition) Prentice Hall. London.
- Argawal, N.C. (1998). Rewards Systems: Emerging Trends and Issues. Canadian Psychology, Vol. 39, pp. 60-70.
- Armstrong, M. (2003). A Handbook of Human Resources Management practice. (9th Edition), Kogan Page. London.
- Armstrong, M. (1996). Employee Reward System. In: Introduction to Human Resource Management by Pinnington, A & Edwards, T. (2000). Oxford University Press Inc. New York.
- Belcher, D.W. (1974). Compensation Administration. Eaglewood Cliffs. New Jersey.
- Bevan, B.R. (1997). Keeping the Best: A Practical guide to retaining key employees. Institute for Employment Studies, Brighton.
- Bohlander, G.W. (2000). Management Human Resources. Scott Snell and Arthur Sherman.
- Borg, R.W. & Gall, P.G. (1996). Educational Research. An Introduction. Longman Publishers Ltd. New York.
- Branham, F. L. (2005). The Standard Newspaper, Wednesday, February 10th. pp. 5.
- Brown, D. (2001). Reward Strategies: From intent to impact. CIPD. London.
- Bulinda, G.O. (2003). Effects of non-financial compensation strategies on managers in Kenya: A case study of the pyrethrum Board of Kenya. Unpublished MBA thesis, Egerton university, Nakuru.
- Capelli, P. (2000). A Market-driven Approach to Retaining Talent. Harvard Business review, Jan – Feb, pp. 103 –11.
- Carrel, M.R. & Kuzmits, F.E. (1986). Personnel: Human Resources Management. Merril Publishing Co. Columbus Ohio.

- Chang, E. (2003). Composite Effects of Extrinsic Motivation on Work Effort: Case of Korean employees. Published thesis, Michigan State University, U.S.A.
- Cole, G.A. (2000). Organisational Behaviour. Ash ford colour press, New York.
- Dessler, G. (1994). Human Resources Management. Eaglewood Cliffs: Prentice-Hall. New Jersey.
- Eisenberger, R. (2001). Contributions to Perceived Organizational Support and Employee Retention. Published thesis, University of Delaware, U.S.A.
- Gullet, C.R. (1975). Organizations: They and Behaviour. McGraw-Hill, Inc. Singapore.
- Internal Revenue Service (2000). Management Development. Employee Development Bulletin, Nov, pp. 8-12.
- Kathuri, N.J. & Pals, D.A. (1993). Introduction to Educational Research. Egerton Education Book Series. Nakuru.
- Kenya Agricultural Research Institute. (2004). Annual Report. KARI Headquarters. Nairobi.
- Kimathi, J.M. (2002). Employee's Attitude Towards Promotion on Merit. A case study of Kenya College of Communication Technology. Unpublished MBA thesis, University of Nairobi, Nairobi.
- Kothari, C.R. (2003). Research Methodology: Methods and techniques. (2nd edition) Wishwa Prakashan. New Delhi.
- Mak, B.L. & Sockel, H. (1999). A Confirmatory Factor Analysis of IS Employee Motivation and Retention. A published thesis, University of Hong Kong, Pokfulan. Hong Kong.
- Milman, A. (2003). Hourly employee retention in small and medium attractions: The central Florida example. Published thesis, University of Central Florida, Orlando.

- Mullins, L.J. (1999). Management and Organizations Behaviour. (5th Edition), Prentice Hall, London.
- Mullins, L.J. (2005). Management and Organizations Behaviour. (7th Edition), Prentice Hall, London.
- Murlis, S.H. & Watson, S. (2001). Creating Employee Engagement; Transforming the Employment deal, benefits and compensation international. pp. 8-14.
- Nassiuma, D.K. (2000). Survey sampling: Theory and methods. University of Nairobi. Nairobi.
- O'Neal, S. (1998). The Philosophy of Total Rewards. ACA journal, 7 (3) pp. 18-23.
- Pfeffer, G. (1998). The Human Equation. Harvard Business School Press. Boston.
- Pinnington, A. & Edwards, T. (2000). Introduction to Human Resource Management. Oxford University Press Inc. New York.
- Quin M.D. (1983). Planning with People in Mind. Havard Business Review – Nov-Dec, pp 97-105.
- Singh, K.D. & Nzuve, S.M. (1992). Introduction to Manpower Management. Veena Export Ltd. New Delhi.

APPENDICES

APPENDIX I: Sample letter to the Respondents.

T.C. Morogo,
C/o KARI, NPBR- Njoro,
P.o. Private Bag, NJORO
11th July, 2005

Dr/Mr/Mrs/Ms.....,
C/O KARI,.....Centre,
Nakuru.

Dear Respondent,

Re: MBA Research Project

I am your colleague in KARI and a student at Egerton University pursuing a Master of Business Administration (MBA) degree specializing in Human Resource Management. I am currently carrying out a research project on **“Reward System and Retention of Research Personnel: The Case of KARI in Nakuru District”**.

The purpose of this questionnaire is to gather information from the research scientists regarding the effectiveness of the institute’s rewarding system in retention of the research personnel in KARI. You have been selected as one of the respondents to assist the researcher get the necessary data required in the study.

You are hereby assured that the information you will give will be treated with a lot of confidence and will strictly be used for academic purposes only.

Thank you for your co-operation.

T.C. Morogo,
Researcher, Egerton University.

APPENDIX II: Sample of the Research Questionnaire used.

SECTION A

1. Highest university (degree) qualifications: 1. **Bachelor** () 2. **Masters** ()
3. **PhD** ()
2. Years of service in KARI _____ 3. Gender: Male () Female ()
4. Date: ___/___/2005

SECTION B

Check all and tick (✓) for the reward schemes applied by KARI, and (X) for those not applied by KARI.

1. Monthly Salary
2. Monthly House Allowance
3. Monthly Medical Allowance
4. Annual Leave Allowance
5. Medical/Funeral Assistance Schemes
6. Training Scholarships
7. Housing Facility
8. Institute's Loan Facility
9. Scientific Conferences Awards
10. Career progression rewards after qualification
11. Payment for seniority
12. Recognition for seniority
13. Executive treatment in things like office space and furnishings
14. Opportunities for promotion on experience
15. Opportunities for promotion on merit
16. Opportunities for promotion on performance

17. Security on employment
18. Chance for participative and consultative decision making on matters pertaining to job
19. Challenging tasks of the job with intellectual interest and professional prestige
20. Challenging colleagues to work with
21. Room for teamwork provided
22. Recognition for good performance by the management
23. Name other rewards applied by KARI but not listed above.
- | | |
|----|-----|
| 1. | 6. |
| 2. | 7. |
| 3. | 8. |
| 4. | 9. |
| 5. | 10. |

24. Name other rewards you wish KARI could apply to motivate you in your research work.

- | | |
|----|----|
| 1. | 4. |
| 2. | 5. |
| 3. | 6. |

SECTION C

What are your views on the following reward schemes offered by the institute?

(Please tick (1) Strongly Disagree (2) Disagree (3) Neither Agree nor Disagree (4) Agree (5) Strongly Agree).

1. The amount of monthly basic salary awarded by the institute is adequate, as I desire

- | | | | | |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|

2. The amount of monthly house allowance awarded by the institute is adequate,
as I desire

1 2 3 4 5

3. The amount of monthly medical allowance awarded by the institute is adequate,
as I desire

1 2 3 4 5

4. The amount of annual leave allowance awarded by the institute is adequate,
as I desire

1 2 3 4 5

5. The amount of medical/Funeral assistance awarded by the institute is adequate,
as I desire

1 2 3 4 5

6. The institute's training scholarships are offered on merit to deserving cases

1 2 3 4 5

7. The institute's housing facility is excellent

1 2 3 4 5

8. The institute's loan facility is excellent

1 2 3 4 5

9. The Scientific conferences awards are adequate, as I desire

1 2 3 4 5

10. The institute's award for career progression after qualification is guaranteed

1 2 3 4 5

11. The amount of payment awarded for seniority by the institute is desirable

1 2 3 4 5

12. The institute's recognition for seniority is adequate

1 2 3 4 5

13. Research personnel get executive treatment in things like office space
and furnishings

1 2 3 4 5

14. The institute guarantees promotion opportunities on experience

1 2 3 4 5

15. The institute guarantees promotion opportunities on merit

1 2 3 4 5

16. The institute guarantees promotion opportunities after qualification

1 2 3 4 5

17. The institute guarantees security on employment

1 2 3 4 5

18. The institute gives the research personnel a chance to participate and be consulted

on decision making matters pertaining to their job

1 2 3 4 5

19. The job has challenging tasks with intellectual interest and professional prestige

1 2 3 4 5

20. There are challenging colleagues to work with in the institute

1 2 3 4 5

21. The management provides room for teamwork

1 2 3 4 5

22. There is recognition for good performance in the institute

1 2 3 4 5

23. Do you consider your current monthly salary adequate and in line with your level of qualifications?

Yes

No

24. If your answer to the above question is no, what level of pay would you consider to be adequately rewarding given your level of qualifications?

Kshs. 50,000 - 100,000 Kshs. 100,000 - 150,000 Kshs. 150,000 - 200,000

Kshs. 200,000 - 250,000 Kshs. 250,000 - 300,000 Above Kshs. 300,000

25. Any other comments or views on reward system used by KARI:

APPENDIX III: Descriptive Statistics of the Rewards Variables

| Variables | No | Min | Max | Mean |
|---------------------------------|-----------|------------|------------|-------------|
| Adequate Basic Salary | 55.00 | 1.00 | 5.00 | 1.93 |
| Adequate House Allowance | 55.00 | 1.00 | 5.00 | 1.84 |
| Adequate Medical Allowance | 55.00 | 1.00 | 5.00 | 1.73 |
| Adequate Leave Allowance | 55.00 | 1.00 | 5.00 | 1.95 |
| Adequate Funeral Allowance | 55.00 | 1.00 | 4.00 | 1.80 |
| Merited Scholarship Award | 55.00 | 1.00 | 5.00 | 2.53 |
| Excellent Housing Facility | 55.00 | 1.00 | 5.00 | 2.27 |
| Excellent Loan Facility | 55.00 | 1.00 | 5.00 | 1.93 |
| Adequate Scientific Award | 55.00 | 1.00 | 4.00 | 2.44 |
| Guaranteed Career Progression | 55.00 | 1.00 | 5.00 | 2.73 |
| Desirable seniority payments | 55.00 | 1.00 | 5.00 | 2.24 |
| Adequate Seniority Recognition | 55.00 | 1.00 | 5.00 | 1.91 |
| Excellent Executive facilities | 55.00 | 1.00 | 5.00 | 1.85 |
| Promotion on Experience | 55.00 | 1.00 | 5.00 | 1.95 |
| Guaranteed promotion on merit | 55.00 | 1.00 | 5.00 | 2.38 |
| Promotion after Qualification | 55.00 | 1.00 | 5.00 | 2.96 |
| Guaranteed Employment Security | 55.00 | 1.00 | 5.00 | 2.98 |
| Involvement in Decision Making | 55.00 | 1.00 | 5.00 | 2.49 |
| Challenging Tasks | 55.00 | 1.00 | 5.00 | 3.42 |
| Challenging Senior Staff | 55.00 | 1.00 | 5.00 | 3.45 |
| Room for Team Work | 55.00 | 1.00 | 5.00 | 3.36 |
| Recognition of Good Performance | 55.00 | 1.00 | 5.00 | 2.69 |

APPENDIX IV: Research Personnel Attitudes Towards Applied Rewards Schemes in KARI (Statistical Presentation).

| Variables | SD | D | NAD | A | SA | TOTAL |
|--|-----------|----------|------------|----------|-----------|--------------|
| Adequate Basic salary | 28 | 20 | 5 | 1 | 1 | 55 |
| Adequate Housing allowance | 22 | 26 | 5 | 1 | 1 | 55 |
| Adequate Medical allowance | 31 | 17 | 5 | 1 | 1 | 55 |
| Adequate leave allowance | 24 | 17 | 9 | 3 | 2 | 55 |
| Adequate funeral allowance | 26 | 16 | 11 | 2 | 0 | 55 |
| Merited scholarship award | 16 | 15 | 11 | 5 | 8 | 55 |
| Excellent House facility | 18 | 11 | 21 | 3 | 2 | 55 |
| Excellent loan facility | 25 | 16 | 9 | 3 | 2 | 55 |
| Adequate scientific award | 11 | 18 | 15 | 10 | 1 | 55 |
| Guaranteed career progression | 12 | 15 | 9 | 14 | 5 | 55 |
| Desirable seniority payments | 17 | 18 | 12 | 6 | 2 | 55 |
| Adequate seniority recognition | 26 | 15 | 5 | 4 | 5 | 55 |
| Excellent Executive facilities | 24 | 21 | 6 | 2 | 2 | 55 |
| Guaranteed promotion on experience | 19 | 27 | 3 | 5 | 1 | 55 |
| Guaranteed promotion on merit | 12 | 17 | 21 | 3 | 2 | 55 |
| Guaranteed promotion after qualification | 7 | 8 | 22 | 16 | 2 | 55 |
| Guaranteed employment security | 14 | 14 | 17 | 5 | 5 | 55 |
| Guaranteed decision making involvement | 13 | 13 | 19 | 9 | 1 | 55 |
| Challenging tasks | 6 | 6 | 9 | 27 | 7 | 55 |
| Challenging senior staff | 3 | 9 | 9 | 28 | 6 | 55 |
| Room for teamwork | 4 | 11 | 11 | 19 | 10 | 55 |
| Recognition for good performance | 10 | 13 | 18 | 12 | 2 | 55 |

**APPENDIX V: Testing Research Personnel Attitudes Towards Applied
Rewards Schemes in KARI (Percentage Presentation).**

| Variables | SD | D | NAD | A | SA | TOTAL % |
|--|-----------|----------|------------|----------|-----------|--------------------|
| Adequate basic salary | 51.0 | 36.0 | 9.0 | 2.0 | 2.0 | 100 |
| Adequate housing allowance | 40.0 | 47.0 | 9.0 | 2.0 | 2.0 | 100 |
| Adequate medical allowance | 56.0 | 31.0 | 9.0 | 2.0 | 2.0 | 100 |
| Adequate leave allowance | 43.6 | 30.9 | 16.4 | 5.5 | 3.6 | 100 |
| Adequate funeral allowance | 47.3 | 29.1 | 20.0 | 3.6 | 0.0 | 100 |
| Merited scholarship award | 29.1 | 27.3 | 20.0 | 9.1 | 14.5 | 100 |
| Excellent house facility | 32.7 | 20.0 | 38.2 | 5.5 | 3.6 | 100 |
| Excellent loan facility | 45.5 | 29.1 | 16.4 | 5.5 | 3.6 | 100 |
| Adequate scientific award | 20.0 | 32.7 | 27.3 | 18.2 | 1.8 | 100 |
| Guaranteed career progression | 21.8 | 27.3 | 16.4 | 25.5 | 9.1 | 100 |
| Desirable seniority payments | 30.9 | 32.7 | 21.8 | 10.9 | 3.6 | 100 |
| Adequate seniority recognition | 47.3 | 27.3 | 9.1 | 7.3 | 9.1 | 100 |
| Excellent Executive facilities | 43.6 | 38.2 | 10.9 | 3.6 | 3.6 | 100 |
| Guaranteed promotion on experience | 34.5 | 49.1 | 5.5 | 9.1 | 1.8 | 100 |
| Guaranteed promotion on merit | 21.8 | 30.9 | 38.2 | 5.5 | 3.6 | 100 |
| Guaranteed promotion after qualification | 12.7 | 14.5 | 40.0 | 29.1 | 3.6 | 100 |
| Guaranteed employment security | 25.5 | 25.5 | 30.9 | 9.1 | 9.1 | 100 |
| Guaranteed decision making involvement | 23.6 | 23.6 | 34.5 | 16.4 | 1.8 | 100 |
| Challenging tasks | 10.9 | 10.9 | 16.4 | 49.1 | 12.7 | 100 |
| Challenging senior staff | 5.5 | 16.4 | 16.4 | 50.9 | 10.9 | 100 |
| Room for teamwork | 7.3 | 20.0 | 20.0 | 34.5 | 18.2 | 100 |
| Recognition for good performance | 18.2 | 23.6 | 32.7 | 21.8 | 3.6 | 100 |

APPENDIX VI: Testing the Relationship Between the Nature of the Reward Schemes and the Staff Turnover

| Variables | No | Min | Max | Mean |
|--|-----------|------------|------------|-------------|
| Adequate Basic Salary | 55.00 | 1.00 | 5.00 | 1.93 |
| Adequate House Allowance | 55.00 | 1.00 | 5.00 | 1.84 |
| Adequate Medical Allowance | 55.00 | 1.00 | 5.00 | 1.73 |
| Adequate Leave Allowance | 55.00 | 1.00 | 5.00 | 1.95 |
| Adequate Funeral Allowance | 55.00 | 1.00 | 4.00 | 1.80 |
| Merited Scholarship award | 55.00 | 1.00 | 5.00 | 2.53 |
| Excellent Housing facility | 55.00 | 1.00 | 5.00 | 2.27 |
| Excellent Loan facility | 55.00 | 1.00 | 5.00 | 1.93 |
| Adequate Scientific award | 55.00 | 1.00 | 4.00 | 2.44 |
| Guaranteed career progression | 55.00 | 1.00 | 5.00 | 2.73 |
| Desirable seniority payments | 55.00 | 1.00 | 5.00 | 2.24 |
| Adequate seniority recognition | 55.00 | 1.00 | 5.00 | 1.91 |
| Excellent Executive facilities | 55.00 | 1.00 | 5.00 | 1.85 |
| Guaranteed promotion on experience | 55.00 | 1.00 | 5.00 | 1.95 |
| Guaranteed promotion on merit | 55.00 | 1.00 | 5.00 | 2.38 |
| Guaranteed promotion after qualification | 55.00 | 1.00 | 5.00 | 2.96 |
| Guaranteed employment security | 55.00 | 1.00 | 5.00 | 2.98 |
| Guaranteed Decision making involvement | 55.00 | 1.00 | 5.00 | 2.49 |
| Challenging Tasks | 55.00 | 1.00 | 5.00 | 3.42 |
| Challenging senior staff | 55.00 | 1.00 | 5.00 | 3.45 |
| Room for team work | 55.00 | 1.00 | 5.00 | 3.36 |
| Recognition of good performance | 55.00 | 1.00 | 5.00 | 2.69 |
| Staff turn over 5 years | 55.00 | 1.00 | 5.00 | 4.69 |

APPENDIX VII: Cross Tabulation of Preferred Salary by University Qualifications.

| Preferred monthly salary (kshs). | University Qualification | | | | |
|-------------------------------------|--------------------------|--------|-----|-------|--------|
| | Bachelor | Master | PhD | Total | |
| | | | | N | % |
| 50,000 - 100,000 | 3 | 5 | 0 | 8 | 14.50 |
| 100,000 - 150,000 | 7 | 15 | 0 | 22 | 40.00 |
| 150,000 - 200,000 | 3 | 8 | 5 | 16 | 29.15 |
| 200,000 - 250,000 | 0 | 1 | 2 | 3 | 5.45 |
| Above 300,000 | 0 | 0 | 3 | 3 | 5.45 |
| Total | | | | 55 | 100.00 |

APPENDIX VIII: KARI Organizational Structure

