

**REWARD MANAGEMENT STRATEGIES ON EMPLOYEE PERFORMANCE IN
SELECTED UNIVERSITIES IN NAKURU COUNTY, KENYA**

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**A Research Project Submitted to Graduate School in Partial Fulfillment of the
Requirements for the Award of the Degree of Masters of Human Resource Management of
Egerton University**

EGERTON UNIVERSITY

NOVEMBER, 2018

DEDICATION

I dedicate this project report to my family.

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DECLARATION AND APPROVAL

Declaration

This research project is my original work and has not been submitted or presented for examination in this or any other university.

Signed.....Date.....

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Approval

This research project has been submitted for examination with my approval as University Supervisor.

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ABSTRACT

Rewards play an important role in increasing employee job satisfaction resulting in improving organizational performance. Motivated employees are the cornerstone of any successful organization. The main objective of this study was to establish the effects of reward management strategies on employee performance in selected universities in Nakuru County. The specific objectives were: to determine the effect of financial rewards on employee performance, to determine the effect of non-financial rewards on employee performance and to determine the combined effect of financial and non-financial rewards on employee performance. Descriptive survey design was adopted in conducting this study, as it was suitable for collecting information that described an existing phenomenon. The target population was 620 lecturers in two universities in Kenya namely Egerton and Kabarak Universities, which comprised a sample of 242 lecturers. The study primarily used a questionnaire to gather data from the respondents. Data from the questionnaire were systematically analyzed according to the research objectives and hypotheses. All hypotheses were tested using regression statistics and the results of the findings established that there is a strong positive association between combined effect of financial and non-financial rewards on employees' performance. According to the findings of this study, financial and non-financial rewards motivate employees to better performance. Thus, employee performance will be high in Kenyan universities that adopt an integrated effort on both financial and non-financial reward measurements. The study recommends the following: First, lecturers' promotion should be done regularly on merit. Secondly, Universities establish a competitive retirement benefit scheme to its employees. Third, Universities should engage their lecturers on regular training programs.

TABLE OF CONTENTS

DEDICATION	i
COPYRIGHT	ii
DECLARATION AND APPROVAL	iii
ABSTRACT	iv
TABLE OF CONTENTS	v
LISTS OF TABLES	vii
LIST OF FIGURES	viii
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the Study	1
1.2 Statement of the Problem	7
1.3 Objectives of the Study	7
1.4 Research Hypotheses	8
1.5 Significance of the Study	8
1.6 Scope and Limitations of the Study	8
1.6.1 Scope of the Study	8
1.6.2 Limitations of the Study	9
1.7 Operational Definitions of Terms	10
CHAPTER TWO: LITERATURE REVIEW	13
2.1 Introduction	13
2.2 Theoretical Perspective	13
2.2.1 Herzberg's Two Factor Theory	13
2.3 Reward Strategies	14
2.4 Financial Rewards and Employee Performance	15
2.4.1 Promotion	15
2.4.3 Incentives	17
2.5 Non-Financial Rewards and Employee Performance	19
2.5.1 Training	19
2.5.2 Job Enrichment	22
2.5.3 Career Advancement	25
2.5.4 Working Environment	27
2.6 Conceptual framework	28
CHAPTER THREE	30
RESEARCH METHODOLOGY	30
3.1 Introduction	30
3.2 Research Design	30
3.3 Location of the Study	30
3.4 Target Population of Study	30
3.5 Sampling Procedure and Sample Size	31
3.6 Instrumentation	32
3.7 Data Collection Procedures	32
3.8 Validity and Reliability of the Research Instruments	33
3.9 Data Analysis	33

CHAPTER FOUR.....	36
RESULTS AND DISCUSSION	36
4.1 Introduction.....	36
4.2 Descriptive Analysis	36
4.2.1 Response Rate.....	36
Table 4.1 Demographic Attributes of the Respondents	37
4.3 Descriptive Analysis of Financial Rewards.....	38
4.3.1 Incentives and Work Performance of Respondents	38
Table 4.2: Elements of Incentives on Employees’ Performance of Respondents	39
4.4 Descriptive Analysis of Non-Financial Rewards.....	39
4.4.1 Promotion and Work Performance	39
Table 4.3: Elements of Promotional on Work Performance of Respondents	40
4.4.1 Training and Work Performance	41
Table 4.5: Elements of Training on Work Performance of Respondents	41
4.4.3 Job Enrichment and Work Performance	42
Table 4.6: Elements of Job Enrichment on Work Performance	43
4.3.4 Career Advancement and Employee Performance	43
Table 4.7: Career Advancement	44
4.3.4: Work Environment on Work Performance.....	44
Table 4.8: Work Environment on Work Performance of Respondents	45
4.2.9 Work Performance Measurement Indicators	45
Table 4.9: Elements of Publications on Work Performance of Respondents	46
Table 4.10: Elements of Teamwork on Work Performance of Respondents	47
Table 4.11: Elements of Supervision on Work Performance of Respondents.....	48
4.3 Hypotheses Testing.....	48
4.3.1 Correlation between Financial and Non-Financial Rewards and Employee Performance.....	49
Table 4.1: Association between Financial and Non-Financial Rewards and.....	49
Employee Performance Correlation Matrix	49
4.3.5 Effect of Financial and Non-Financial Reward Strategies on Employee Performance.....	50
Table 4.2: Multiple Regression between Financial and Non-Financial Rewards.....	51
CHAPTER FIVE	53
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.....	53
5.1 Introduction.....	53
5.2 Summary of the Findings.....	53
5.3 Conclusion	54
5.4.1 Recommendations.....	55
5.4.2 Recommendation for further research	56
REFERENCES	57
APPENDICES	77
APPENDIX I: LETTER TO RESPONDENTS.....	77
APPENDIX II: QUESTIONNAIRE.....	78

LISTS OF TABLES

Table 1: Target Population of Kabarak and Egerton Universities Lecturers	31
Table 2: Sample Distribution Matrix	32
Table 3: Summary of Data Analysis	35
Table 4.1 Demographic Attributes of the Respondents	37
Table 4.2: Elements of Incentives on Employees' Performance of Respondents	39
Table 4.3: Elements of Promotion on Work Performance of Respondents	40
Table 4.4: Elements of Training on Work Performance of Respondents	41
Table 4.5: Elements of Job Enrichment on Work Performance	43
Table 4.6: Career Advancement	44
Table 4.7: Work Environment on Work Performance of Respondents	45
Table 4.8: Elements of Publications on Work Performance of Respondents	46
Table 4.9: Elements of Teamwork on Work Performance of Respondents	47
Table 4.10: Elements of Supervision on Work Performance of Respondents	48
Table 4.11: Association between Financial and Non-Financial Rewards and	49
Table 4.12: Multiple Regression between Financial and Non-Financial Rewards	51

LIST OF FIGURES

Figure 2.1: Conceptual framework showing the relationship between motivation dimensions and work performance	28
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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Reward strategies are developed to make employees performance more effective. Employees work to fulfill their several needs. They do not only want money but also recognition and self-satisfaction. Valued employees are retained if they are properly rewarded.

In Kenya, there are two categories of universities, public and private universities. Public universities are owned and funded by the state. Private universities are owned by private individuals, organizations or are religious based. They are mainly funded through tuition fees from students and sponsors Tumwet, (2013). Egerton University is a public university while Kabarak University is a private university.

Universities are a center of higher education where lecturers play an important role in ensuring high quality of education by developing their students as global citizens for the outside corporate world. However, it is only possible when lecturers in universities are motivated enough to accomplish their goals effectively. Unfortunately, most of the research available is on students' motivation but little on motivating lecturers Martin, (2003).

Universities, whether public or private, are training grounds for students undertaking various comprehensive courses in order to translate theory into practice Adenike, (2011). The fundamental goal of these institutions is to provide manpower needs for both private and public sector for overall national development. The Kenyan public universities admit both privately sponsored students and those partly sponsored by the government through the Kenya Universities and Colleges Central Placement Service (KUCCPS). The major issue in public universities in Kenya is the rapid expansion amid declining funds which has seen universities experience challenges in terms of physical facilities, overcrowding and staff disillusioned due to several factors including inadequate and non-competitive salaries, and dissatisfaction with non monetary factors such as poor working conditions, heavy workload, institutional governance among others Tettey, (2006). These factors have led to the exodus of teaching staff to the private sector or abroad in search for better opportunities despite the fact that these institutions have invested heavily in training them.

Kenyan universities have experienced rapid expansion in terms of enrolment of regular and self-sponsored students over the last decade without corresponding increase in staff numbers. Due to social demand of university education and globalization, private universities (both local and international) have been established. Most universities in Kenya are under immense pressure to increase their enrolment in order to meet the human resource development targets. Also public universities have established privately funded programmes as a way of supplementing income due to reduced budgetary allocation by the government. All these clearly show that there is competition in the provision of university education among public universities themselves but also with private universities. Therefore, this means that there is increased regional and international competition for qualified university staff which leads to brain drain and loss of some of the most highly qualified academic staff GoK, (2006). This calls for motivation of lecturers so that they can be retained in Kenyan universities.

There are twenty two (22) accredited public universities in Kenya with nine (9) constituent colleges. This is in addition to seventeen (17) private chartered universities with five (5) constituent colleges. There are thirteen (13) institutions with letters of interim authority and one (1) registered private institution (Commission for University Education). These universities cater for the increasing number of students who enroll for higher education. All these universities need lecturers whose workload increases due to the demand of university education. Many secondary school graduates and working class look for opportunities to pursue university education. Motivation of academic staff (lecturers) is therefore a pertinent issue in universities to enhance their performance.

A good reward system that focuses on rewarding employees and their teams serves as a driving force for employees to have higher performance and hence end up accomplishing the organizational goals and objectives. The current era is highly competitive and universities are facing employee retention challenges. To overcome these restraints a strong and positive relationship and bonding should be created and maintained between employees and the universities. Human resources or employees are the most central parts so they need to be influenced and persuaded towards task fulfillments. For achieving prosperity, universities design different strategies to compete with their competitors and for increasing their performance.

Unless employees are encouraged to fulfill their tasks, universities cannot progress or achieve success. Reward strategies should be used by managers to increase effectual job management amongst employees in organizations Shadare & Hammed, (2009). An employee who is well rewarded is responsive of the definite goals and objectives he/she must achieve. Rutherford (1990) reported that provoked employees are constantly looking for improved practices to do work, so it is essential for organizations to reward their employees.

Reward strategies can either be financial or non-financial. Employees expect financial and non-financial rewards for their services and efforts. In the absence of equitable pay, training and development opportunities and recognition, employees get dissatisfied and do not perform to the standards Rynes *et al.* (2004). The dissatisfaction resulting from the unavailability of financial and non-financial rewards usually leads to employee turnover and poor performance. The benefits employees foresee for themselves and their families encourage them to give their best. Financial rewards are also known as intrinsic rewards and include pay/salaries/wages, bonuses, allowances, insurance, incentives, promotions and job security. Non-financial rewards, also known as extrinsic rewards include appreciation and recognition, meeting new challenges and caring attitude from the employer.

In Nigeria, interest in effective use of rewards to influence workers performance to motivate them began in the 1970s. So many people have carried out researches in this area, some of which are, Kayode (2003), Egwuridi (2008), Nwachukwu (2004), Olajide, A. (2000). The performance of workers has become important due to the increasing concern of human resources experts about the level of output obtained from workers due to poor remuneration. Adelabu (2005) found out in Nigeria that teachers are dissatisfied with their working environment and salary conditions. Teachers there feel that they have low salaries as compared to other professionals, poor working environment, no decision making authority and no opportunity to develop their career.

An employee's output greatly determines organization's performance. Enhancing employees' capabilities through career development programs like further studies, collaborating in research, seminars, workshops, conferences and team learning in organizations, employees' performance

improves. In universities lecturers' performance is measured through the extent to which they effectively teach allotted workloads, attendance of learned conferences, publication of books and journal articles, and furtherance of academic and professional qualifications Kiriri and Gathuthi, (2009).

When employees leave their jobs, it is often a sign that something is wrong. According to Zhou *et al* (2004), the costs of academic turnover, such as subsequent recruiting expenses, disruptions of course offerings, discontinuities in departmental and student planning, and loss of student graduate advisors, are borne at individual, departmental and institutional levels. Thus there is need to motivate academic staff which was the essence of this study. Pienaar *et al* (2008) note that academic turnover has several disadvantages such as costs related to decreased organizational loyalty, the loss of knowledge and experience regarding the institution and the decrease in time and cost in training novice academics.

According to Kipkebut (2010), the biggest challenge occasioned by expansion of student numbers in universities is staff shortage which has forced the universities to recruit from each other. The recruitment vendetta has come to be known as poaching with the most vulnerable lecturers being those who have not been promoted by their respective universities either because they did not meet the requirements for promotion or because there were no available positions in the establishment. The universities are guided by statutes and policies such as promotion and training policies, however the manner in which these policies are implemented has led to academic staff disillusionment.

Good working relationships with colleagues enhance productivity and efficiency. A working environment that is comfortable, relatively low in physical psychological stress, facilities and attainment of work goals will tend to increase employee performance. Academic staff requires office space, research and book support. Obwogi (2011) observed that some lecturers in Kenyan public universities did not have access to some of the basic teaching facilities like offices and desks. This brings a lot of stress among lecturers especially when they have to share with their colleagues. Working relationships employees engage in with their supervisors, peers and

subordinates should be conducive. How employees feel about the interaction and discussions that take place within the work environment can affect performance.

Training is a form of human capital investment, whether made by the individual or organization. It provides employees with specific skills and helps to correct deficiencies in their performances (Chew, 2005). By offering training opportunities, the academic staff feel that the universities have invested in them and there are growing opportunities within the organization and hence give meaning to their jobs. This leads to academic advancement which is the engine that keeps the universities true to their mandate as centres of ideas and innovation. Without training, intellectual capital can stagnate and the relevance of universities to society may diminish. Lecturers thrive on intellectual and collegial stimulation from their peers when they engage in intellectual activities and national and international research meetings Rosser, (2004).

Training leads to job enrichment as lecturers have more autonomy over their work. Job enrichment is the degree to which employees exercise power relative to their jobs. It increases their personal responsibility and the degree to which the job provides substantial freedom, independence and discretion to employees to schedule work and determine the procedures used in carrying it out Dockel, (2003). Job enrichment provides autonomy to lecturers so that they can decide work patterns, actively participate in major academic decision making, have work evaluated by professional peers and be relatively free of bureaucratic regulations and restrictions Daly *et al*, (2006).

Promotion tends to effect the long-term satisfaction of employees. This is done by elevating the employee to a higher stage and offering a title with increased accountability due to employee efforts, behavior and period serving a specific organization. This is vital for the main reason of redundancy and routine. In universities, lecturers are promoted as heads of departments, directors of institutions, principals of campus to name but a few. This gives them a sense of responsibility and they adhere to contribute all their efforts in order to gain the management's trust and acquire their delegation and responsibility. University management must however be seen to be fair and reasonable in promoting their employees.

Monetary strategies as a way of motivation go a long way towards ensuring employees feel appreciated, cared for and deemed worthwhile. These can be in the form of bonuses, paid insurance, or raising employee salaries. This can go a long way to help with employee motivation across the board. Motivation does not only encourage productive performance but also show employees how much the organization cares. The most vital impact of employee motivation is that of increased performance. Therefore, if employee motivation is increased, performance will be inevitable Ryan, (2011).

The performance of any organization is closely tied to the job performance of its employees. Employee performance depends on their level of motivation which stimulates them to come to work regularly, work diligently, and be flexible and willing to carry out the necessary tasks. In order to perform well, employees need the knowledge and skills that are required for the job. When these are backed by good motivation, performance will ultimately be at the optimal. Ability depends on education, experience and training. Employees must understand what they are required to do and have the motivation to do so. They need to work in an environment that allows them to carry out the task and the motivation to do their work. Without motivation even the most talented employee will not deliver Landy & Conte, (2010). The performance and quality of teaching depends on the quality and motivation of the lecturers.

Swasto (1996) said that lecturers are educators, researchers and disseminators of information. This means that performance is determined by the number of papers presented in seminars, articles written in scientific journals and books authored. In addition, lecturers need to have the ability to think logically and critically and master the principles and methods of research and be able to communicate the results of research. Thus, lecturers are responsible for developments in science, technology and social. Competence of university graduates is strongly influence by the lecturers' performance. Therefore, lecturers' performance should be improved through motivational strategies. They should be properly compensated if they are expected to improve productivity. Contribution of universities in creating quality human resources is significant. Lecturers are mandated with this task and thus should be motivated appropriately, Chintallo & Mahadeo, (2013).

1.2 Statement of the Problem

In the recent past, hardly a year passes without a threat of industrial action by employees in one corner of the globe. Universities in Kenya are not spared in the midst. Industrial disputes generally arise due to misunderstanding between labour or the representatives of the employees and the management and gives rise to more issues. Continuous strikes, sit-ins and lockouts disrupt the productivity in the organizations. Many institutions put first their interest and forget the employees who are the main contributors to the success of an organization. Organizations are social systems where human resources are the most important factors for effectiveness and efficiency. They cannot succeed without their employees' efforts and commitment.

Labour representative's advocate for their members on work related issues revolving on the rewards system in place. Reward strategies employed by many organizations fails to cover what actually employees seeks in their work place. For harmony to prevail in the work environment there should be an appropriate reward strategy that caters for the interest of both parties. Balancing the interest of employees and their employers is not an easy task. It requires a systematic approach to what actually affects performance of employees.

It is imperative to determine the reward strategy contribute to the employees' performance in order to avoid serial strikes. Njanja et al (2013) researched on reward practices and employee performance at Kenya Power and Lighting Company and found that cash bonuses had no significant effect on employee performance. On the other hand, Mutua (2011) examined Reward Management and Employee Performance in National Hospital Insurance Fund, Kenya and found out that rewards have a positive influence on employee performance in NHIF. This study sought to determine the effects of rewards strategy on the employees' performance.

1.3 Objectives of the Study

The general objective of the study were to assess the effects of motivational strategies on employees' performance in Kenyan public universities.

The specific objectives of the study were:

- (i) To determine the effect of financial rewards on employees' performance
- (ii) To determine the effect of non-financial rewards on employees' performance

(iii) To determine the combined effect of financial and non-financial rewards on employees' performance

1.4 Research Hypotheses

The following research hypotheses will guide the study:

H₀₁: There is no statistically significant effect of financial rewards on employee performance.

H₀₂: There is no statistically significant effect of non-financial rewards on employee performance.

H₀₃: There is no statistically significant combined effect of financial and non-financial rewards on employee performance.

1.5 Significance of the Study

This research will help to inform Universities Management about the motivational strategies that are required to enhance employee performance. It will help management and employees to realize their obligations and responsibilities towards the good performance of the universities.

The research will also inform policy makers to find ways to curb the present undesirable situation and to understand pertinent motivational issues in the universities. The study will add to existing literature on the implementation of motivational measures in the universities. It will also identify gaps for future research.

1.6 Scope and Limitations of the Study

1.6.1 Scope of the Study

The study was carried out between the year 2017 and 2018 in two universities in Kenya, namely Kabarak and Egerton universities. The study focused only on academic staff in the two universities. The study obtained information in relation to reward strategies and employee performance.

1.6.2 Limitations of the Study

The limitations of the study were as follows: firstly, self-reported measures were used to measure effects of financial and non-financial rewards on employee performance which depended on the respondents' emotional state and honesty at the time of the study. Secondly, the focus of this study were university lecturers of two universities in Kenya. The findings may not be generalized to all universities in Kenya because each university is unique in itself. In addition, other cadres were not taken into consideration so generalization of all employees could not be made. Also, an individual's values and beliefs may be influenced by social environment and cultural background and therefore the findings of the region's study could not be generalized to other regions.

1.7 Operational Definitions of Terms

Academic Staff – This refers to employees belonging or relating to a place of learning, especially a college or university Collins English Dictionary (2014). In this study, this refers to university employees who teach and do research.

Career Advancement – This refers to upward progression of one's career. An individual can advance by moving from an entry level job to a management position within the same field. In this study, it refers to employees developing skills and abilities for the next level or position. They do this by gaining skills that fill the gap between the current level and desired promotion.

Employee– This is a person who works for another person or for a company/organization for some form of payment. This can include wages, salary, commission and piece rates (Webster dictionary). In this study, this refers to the academic staff (lecturers) in Kenyan universities.

Employee Performance –This is the quality and quantity of an employee's output. It is the execution of an action, the result of employees' work Grafton *et al*, (2010). In this study it refers to the number of publications made by lecturers, the working relationship that exists among colleagues, their peers and supervisors and the academic advancement of lecturers.

Job Enrichment - Refers to redesigning jobs so that they are more challenging to the employee and have less repetitive work. It is horizontal job loading that increases the variety of tasks of a job Fielding, (2006). In this study job enrichment refers to the additional tasks lecturers are given like course coordinators, examination officers, student counselors, heads of departments, directors of institutions.

Incentives – These are rewards to employees over and above their salaries in recognition of their performance Barack & Smith, (1982). In this study, incentives refer to rewards awarded to employees for extra work done like marking extra scripts, teaching school-based students, supervision of students

Lecturer – Refers to a University member of staff whose terms and conditions of service lie in the job group of a professor, an associate professor, senior lecturer, lecturer or an assistant lecturer, who holds any teaching post which the Council, on the recommendation of the Senate, has recognized as a post having academic status in the University.

Motivation –Motivation has been defined as: *the psychological process that gives behaviour purpose and direction* Kreitner, (1995); *a predisposition to behave in a purposive manner to achieve specific, unmet needs* Buford, Bedeian, & Lindner, (1995). In this study, motivation refers to inducing, persuading, and stimulating employees to act in a manner which fulfills the objectives of public universities.

Promotion – The advancement of an employee within a company position or job tasks. It is the result of an employee's proactive pursuit of a higher ranking or as a reward by employers for good performance. It is also associated with a higher rate of pay or financial bonus Clothier & Spriegel, (2007). In this study promotion refers to how lecturers have progressed academically since employment.

Reward Management Strategies – These are the formulations and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value to the organization, in order to attract and retain top talent Armstrong, M. (2004). In this study, reward management strategies are the plans universities use to compensate lecturers.

Salary – This is a fixed regular payment on a monthly basis made by an employer to an employee. It is a form of periodic payment from an employer to an employee which may be specific in an employment contract. In this study, it refers monthly payment paid to employees by the universities they work for.

Training –This is a function of human resource management concerned with organizational activity aimed at bettering the performance of individuals and groups in organizational settings. It is the process of being conditioned or taught to do something; the process of learning and being conditioned Rusobya, (2012). In this study training refers to seminars, workshops and

conferences attended both nationally and internationally. It also refers to in-house training like computer skills, interpersonal skills and other skills that enhance performance.

Working Environment – This refers to the physical geographical location as well as the immediate surroundings of the workplace. In this study, working environment refers to the surrounding conditions in which employees operate. It is composed of physical conditions such as office temperature, equipment such as personal computers, office space in which university lecturers operate.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter contains a review of related literature in the area of study. These include theoretical framework, motivational strategies, namely monetary rewards, job enrichment, training and promotion.

2.2 Theoretical Perspective

The study was guided by Herzberg's two factor theory.

2.2.1 Herzberg's Two Factor Theory

Herzberg's theory of motivation (1959) was used in this study. According to Staw (1976) Herzberg was one of the first persons who distinguished between intrinsic and extrinsic motivation. This distinction could clarify and therefore help motivate employees.

Psychologist Frederick Herzberg (1966) investigated the question "what do people want from their jobs?" Through this question Herzberg identified the factors that lead to extreme satisfaction (motivators) and extreme dissatisfaction (hygiene). Factors leading to satisfaction such as achievement, recognition, responsibility, the work itself, advancement and growth are also called intrinsic factors, whereas those leading to dissatisfaction, when not present, such as company policy and administration, supervision, interpersonal relations, and working conditions are called extrinsic factors. Herzberg argued that there are two distinct human needs portrayed, namely physiological needs that can be fulfilled by money, for example, to purchase food and shelter, and the psychological need to achieve and grow, and this need is fulfilled by activities that cause one to grow.

Herzberg divided these factors into two major categories namely hygiene factors (dissatisfiers) and motivators (satisfiers). Under the hygiene factors he stated factors such as working conditions, company policies and administrative practices, salary and benefits, supervision, status, job security, co-workers and personal life while the motivators include factors such as recognition, achievement, advancement, growth, responsibility and job challenge. One set of needs is associated with what a person does while the other is concerned with the situation in

which it is done. The motivators have the ability to create an effective motivation in individuals in order to be able to perform and exert considerable effort while the dissatisfiers describe the work environment but do not have much effect in creating positive job attitudes. The hygiene factors are dissatisfiers because they form the environment in which man is persistently trying to adjust while the motivators create motivation because they are the tasks available to facilitate the achievement of growth. Herzberg argues that hygiene factors must be initially observed in the job before motivators can be used to stimulate the job and the resultant feeling of motivation to be achieved. This implies that one cannot use motivators until all the hygiene factors have been fulfilled. Hygiene's theory spells out unique and distinct issues which people need in their work to enable them feel motivated to perform well. Motivating factors can, when present, lead to satisfaction and hygiene factors can, when not present, lead to dissatisfaction, but the two factors cannot be treated as opposites from each other. Herzberg defines motivation in the workplace as performing a work related action because one wants to.

Financial and non financial reward strategies can either promote employee performance or work against the desired motivation. Herzberg's two factor theory explains how financial and non financial reward strategies as hygiene and motivator factors effect on employee performance. This study was aimed at testing both Hygienic as well as motivating factors to establish if employees are motivated or not in their jobs at Egerton University as well as Kabarak University in Kenya.

2.3 Reward Strategies

Organisational rewards are deemed important aspects within the workplace Aslam, Ghaffar, Talha & Mushtaq, (2015). Rewards have been defined as the financial, non-financial and psychological benefits that an organisation provides to workers in return for their contributions and efforts Bratton & Gold, (2003); Haider, Aamir, Hamid & Hashim, (2015). Over the years, there has been a gradual shift in the nature of rewards towards encompassing more than just basic pay. As such, rewards may be intrinsic (internal to an individual), extrinsic (external to an individual), monetary (financial), non-monetary (nonfinancial) and direct (compensation for work conducted) or indirect (additional benefits) and may be used for a multitude of reasons and

purposes. For example, rewards are often used to enhance motivation or performance (Aktar, Hamukwaya & Yazdanifard, 2014).

Organizations provide rewards to their personnel in order to try to motivate their performance and encourage their loyalty and retention. According to Luthans, Fred (2008), organizational rewards take a number of different forms including money (salary, bonuses, and incentive pay), recognition and benefits. Despite the tendency in the recent years to downgrade the importance of pay as an organizational reward, there is ample evidence that money can be positively reinforcing for most people, and, if the pay system is designed properly to fit the strategies, can have a positive impact on individual, team and organization.

Researchers have been exploring the relationship between reward and performance Sarin & Mahajan (2001); Lee and Wong, (2006). They are questioning whether the reward strategy applied has positive or negative effects on an organizational performance either financially or non-financially. Performance measurement is one of the strategic management components which evaluate the results of resources utilization, as well as improvement in the organization performance. Non-financial measures on key business process such as product quality, customer relationship management Roger, (1996) and employee-oriented measures Christina and Gursoy, (2009) are indirect leading factors of financial performance. The working paper by Hughes, Simpson, and Padmore (2007) shows there are inherent limitations in using only financial ratio analysis to assess small and medium sized company performance.

2.4 Financial Rewards and Employee Performance

2.4.1 Promotion

Promotion refers to the advancement in gaining higher positions Doeringer & Piore, (1971). According to Okumbe (1999) promotion refers to the advancement of a worker to a better job in terms of more skill, responsibilities, status and remuneration. Promotions should be used by the educational management to place the most competent and productive worker on each job. Doeringer and Piore (1971) said that in order to develop skills and abilities specific to the company, it is significant from an organizational perspective to retain employees for a long

period of time and promote them in accordance to abilities. Decenzo and Robins (2002) in their definition occupied by a person during the course of a lifetime state that every employee has once been or will be promoted. However, this is a narrow view of looking at promotion because, although promotion looks at upward movement along the career curve, there are cases when individuals occupy positions less favorable than their previous jobs and it does not follow then that their performance will be enhanced.

Empirical studies reveal that around 75% are filled by promotions from within the organization Jain *et al*, (2007). According to labour economists, internal labour markets are favoured because managers typically have better information about an employee's ability, motivation and performance Pierce *et al*, (2012). Internal candidates may also have developed specific skills not readily available in the external market Ahmad & Shahzad, (2011).

Jacoby (1984) and Morishima (1986), indicated that promotion opportunities increase the level of individual performance and organizational commitment among workers in their career advancement, influences the workers' behaviours and attitudes such as motivation and organizational commitment, particularly in the case of stable employment. In upholding the views of Jacoby (1984) and Morishima (1986), Pigors and Myers (1989), submitted that, not only seniority of long service or experience that deserves promotion but promotions should be a reward to encourage those employees who make a successful effort to increase their knowledge or skill. They continue to say that in a case where the promotion criteria for promotion is not clearly defined, management needs records of performance appraisal, if it is fairly to administer a promotion policy based upon employee competence. If employee promotion is effected on merit it can have a positive impact on employee performance in their jobs.

However, the prospect of promotion could be seen by a newly appointed employee as an attractive prospect, but his expectancy of gaining promotion could be low, if he perceives that promotion is attained primarily on length of service. In such a situation, performance does not lead to rewards, so effort in that direction is not seen as worthwhile Aamodt, (2007).

The goals of higher education are to provide in-depth knowledge, seek academic development, educate students, as well as to meet the national demands for high educated human resource. The study of motivational strategies leading to employee performance among lecturers is inevitable since the understanding of the factors involved in motivation is vital in the happiness of the workers Okpara *et al*, (2005). This influences the mental and physical well-being of lecturers in their work as well as the quality of their teaching which is important in the attraction of quality students and the quality of the lecturers' research and academic development. Understanding whether lecturers are motivated towards their work can lead to improvements and innovations in their teaching. It can also help the universities to retain the potential academics, lower absenteeism and turnover rate as well as attracting new competitive staff to the universities and meeting national demands.

Wan *et al*, (2012) argue that employees that perceived promotion decisions as fair are more likely to be committed to the organization, experience career satisfaction, perform better and subsequently have a lower intention to leave the organization. Many lecturers will consider leaving the institutions where they work if they do not have equal promotion opportunities as offered by other universities, particularly young lecturers who are looking for more work experiences from various institutions before deciding to remain with a particular institution. Studies conducted by Khalid *et al*, (2011) indicate that lecturers in private institutions were more satisfied with their promotional opportunities than lecturers of public universities.

2.4.3 Incentives

Incentives are a form of rewards that organizations use to reward employees for exemplary performance. They include honorarium, medical allowance, insurance, bonus, commuting allowance that employees are awarded on top of their salaries. If they have performed higher or exceed their set targets, this hence makes them eligible Finkle, (2011). The amount of cash is determined by how high the employee has over exceeded the set targets or they can also be based on ranks or job groups. In the case of universities, lecturers who exceed their allocated teaching hours are paid extra cash to motivate them. Lecturers who exceed a certain number of scripts are also paid extra cash that serves as a bonus. Organizations use cash bonuses to reward their employees' performance during the year under appraisal. But there is also the unspoken expectation that these bonuses will be a factor in motivating employees' performance in the next

year as well. Employees who receive a large bonus will likely want to get it next year too. On the other hand, employees who receive a miserly bonus and it reflects how the company assessed their performance, might consider improving next year Finkle, (2011).

Incentives like bonuses are based on individual performance, but they do not increase employees' base pay and therefore are not permanent Sturman & Short, (2000). Bonus pay also has been widely used in organizations to motivate employees' performance (Joseph & Kalwani, (1998); Sturman & Short, (2000), and a number of surveys reported that the popularity of bonus pay is increasing Sturman & Short, (2000). Bonus pay is attractive from the company's point of view because the one-time cash reward links pay to performance Lawler, (1981); Lowery, Petty, & Thompson, (1996) but does not increase fixed labor costs Kahn & Sherer, (1990); Sturman & Short, (2000).

In their study of the effect of cash bonuses on employee performance in the Kenya Power and Lighting Company Ltd, Njanja et al. (2013) found that although the majority of staff surveyed had a perception that cash bonuses motivate performance, the study concluded that these cash bonuses had no effect on employee performance. Those who had received a bonus and those who had not, perceived it to affect their performance the same; hence it did not have a significant effect on performance.

Jackson and Mathis (2004) mentioned that employee incentives such as health insurance, vacation pay or retirement pension are important indirect financial rewards. The incentives given by the employer are not only a mechanism to improve the employees' performance, but it also helps to attract applicants in the recruitment process. Amah et al., (2013) mentioned in their incentives research that piece rates, commissions, tips, bonuses, stock options and others, offered by employers, including health, life and dental insurance, retirement plans, maternity leave or child care provision could give a big impact towards the performance and commitment of the employees. They also add that offering these incentives may promote greater work effort from the employees. Incentives have always been seen as an employee reward and it can create a sense of ongoing employer appreciation. They, however, are not just to serve the employee but also benefit the management in a long term Amah, (2010).

Incentives improve business profits, increase employee responsibility, results in equitable treatment of employees and enhance their quality of work life. Compensation and incentives have been identified as the glue that holds many employees in place in their organizations Odunlade, (2012). Sahoo and Mishra, (2012) suggest that employee incentives can be a source of competitive advantage. Employee incentives motivate their important decision when it comes to job delivery and performance Cascio, (2003). High employee performance followed by high monetary reward will make future high performance more likely Odunlade, (2012).

Deeproose (2014) stated that while the presence of money may not be a very good motivator, the absence of it is a strong de-motivator. In addition, financial rewards are significant not only in terms of their instrument value as a medium of exchange, but also a highly tangible means of recognizing an individual's worth, improving self-esteem, and symbolizing status and achievement Armstrong, (1996). It is necessary to find out if lecturers in Kenyan universities are motivated by financial incentives.

2.5 Non-Financial Rewards and Employee Performance

2.5.1 Training

Employee training plays a vital role in improving performance as well as increasing productivity. This in turn leads to placing organizations in the better positions to face competition and stay at the top. This therefore implies an existence of a significant difference between the organizations that train their employees and organizations that do not. Existing literature presents evidence of an existence of obvious effects of training and development on employee performance. Some studies have proceeded by looking at performance in terms of employee performance in particular Purcell *et al*, (2000) while others have extended to a general outlook of organizational performance Guest (1997); Swart *et al*. (2005). In one way or another, the two are related in the sense that employee performance is a function of organizational performance since employee performance influences general organizational performance. In relation to the above, Wright & Geroy (2001) note that employee competencies change through effective training programs. It therefore not only improves the overall performance of the employees to effectively perform

their current jobs but also enhances the knowledge, skills and attitude of the workers necessary for the future job, thus contributing to superior organizational performance.

Training has been proved to generate performance improvement related benefits for the employee as well as for the organization by positively influencing employee performance through the development of employee knowledge, skills, ability, competencies and behavior Appiah (2013); Harrison (2000); Guest (1997). According to Swart *et al*, (2005), bridging the performance gap refers to implementing a relevant training intervention for the sake of developing particular skills and abilities of the employees and enhancing employee performance. He further elaborates the concept by stating that training facilitates organization to recognize that its workers are not performing well and thus their knowledge, skills and attitudes needs to be molded according to the firm's needs. It is always so that employees possess a certain amount of knowledge related to different jobs. However, it is important to note that this is not enough and employees need to constantly adapt to new requirements of job performance. In other words, organizations need to have continuous policies of training and retraining of employees and thus not to wait for occurrences of skill and performance gaps. According to Wright & Geroy (2001), employee competencies change through effective training programs. It not only improves the overall performance of the employees to effectively perform the current job but also enhance the knowledge, skills and attitude of the workers necessary for the future job, thus contributing to superior organizational performance. Through training the employee competencies are developed and enable them to implement the job related work efficiently, and achieve firm objectives in a competitive manner. Further still, dissatisfaction complaints, absenteeism and turnover can be greatly reduced when employees are so well trained that can experience the direct satisfaction associated with the sense of achievement and knowledge that they are developing their inherent capabilities Pigors & Myers, (1989).

Employees can be taught to become more motivated showing them how to deconstruct tasks and challenges, and how to feel less intimidated by their job roles. Demonstrating to them how to cope in the workplace can lead directly to improved motivation Daniel, (2001). The managers may decide to sponsor employees for further training at the expense of the company. This can work as a way of motivating and retaining qualified employees.

Universities organize training programs for their employees, whose major goal is to enable the lecturers improve teaching methods and enhance their performance. Buckley & Caple (2000) in a comprehensive definition, looked at training as a planned and system skills or attitude through learning experience, to achieve effective performance in an activity or range of activities observes that training focuses. Employees are developed through planned learning, the key competencies that enable them to perform their current jobs. Training in a work situation enables employees to acquire abilities to better perform their jobs and given tasks. Lecturers need constant training both on the job and off-the job in order to understand new changes taking place within their learning and teaching environment. This is because the efficiency of any institution depends on how well its members are trained and through training, more skills would be acquired and lecturers themselves would become great resources to the universities. Akuezulo, 2000, Bramley, (1991).

Training, if carried out effectively can lead to improvement in the performance of employees and it can either be on short or long term basis. Short term training encompasses a wide variety of programs such as seminars, workshops, conferences, symposiums, continuing education, personal enrichment courses, attachments, and college diploma or certificate programs varying from one to six months. Ambetsa (2006) found out that short term training contributes to individual's personal development, increases their productivity and income participation work. Birungi (2002), in his study on approaches of academic staff development and the perceived performance of lecturers at Uganda, says that training contributes to improved performance of lecturers who undertake them. Likewise, a study undertaken by Greenwald *et al*, (1997) found out that student achievement goes up more for every \$500 spent on increased teacher professional training than for spending the same amount on raising teacher salaries. Carl (1990) through in-service training as staff development component, strongly advocates that lecturers are enabled to make desirable change in their teaching Secondly, that peer observations may be a more powerful training activity than trainer-provided coaching.

2.5.2 Job Enrichment

According to Koontz & Weihrich (1990), job enrichment is the attempt to build into jobs a higher sense of challenge and achievement. A job may be enriched in variety, by giving workers more freedom in deciding about such things as work methods, sequence, and pace or the acceptance or rejection of materials; giving workers a feeling of personal responsibility for their tasks; taking steps to make sure that workers can see how their tasks contribute to a finished product and the welfare of an enterprise; involving workers in the analysis and change of physical aspects of their work environment, such as layout of the office or plant temperature, lighting and cleanliness. According to Herzberg (1959) workers get motivated when they are responsible for their jobs. He proposed that managers can give their employees more authority to their job and offer them direct and individual feedback in order to motivate and help employees to connect to their work.

Job enrichment is one of the methods of employees' empowerment. It adds new resources of satisfaction to a job which increases responsibility, independence and control Uduji, (2013). Job enrichment creates changes in job dimensions, job physical conditions and fundamental tasks in order to increase job satisfaction of an individual who takes the responsibility of performing its tasks Raza & Nawaz (2011). Studies have shown that increasing job enrichment and its dimensions in employees reinforces and boosts their job motivation and therefore leads to performance Siu *et al*, (2010)

Job enrichment provides an employee with more tasks to do as a part of their job, as well as the responsibility and authority needed to complete those additional tasks. What works particularly well to increase motivation is when job enrichment includes additional tasks that match the skills, knowledge and abilities the employee already has. Job enrichment makes the employees feel that the organization actually owns them and thus improve their performance. Employees' performance can be enhanced by increasing their satisfaction level and satisfaction level can be enhanced by enriching their jobs in the organization Saleem *et al*, (2012).

Raza & Nawaz (2011) in a study of the "impact of job enrichment on employees' performance: evidence from public sector of Pakistan", discovered job enrichment to be a strong predictor of

job performance. Employers normally expect that people with higher levels of job enrichment will have higher levels of work performance thus leading to good work life and reduction in stress Cote & Heslin, (2003). If employees are highly motivated their performance will be high and they will be more likely to be committed to the organization Warsi *et al*, (2009).

Job enrichment necessitates the practices that apportion greater responsibility for arranging, organizing, and designing work to the employees Behson *et al*, (2000) who actually produce product. Job enrichment develops jobs vertically and increases the variety of tasks in a job Robbins & Judge, (2011). Therefore, job enrichment gives room for the employee to have greater control over their work. Rentsch & Steel (1998) asserted that the variety of tasks in an enriched job makes an employee to accomplish a given activity with increased sense of autonomy, individuality and responsibility Kamal *et al*, (2008); and feedback should be given to allow employees to assess and evaluate the level of completion which is the end result of the task itself Armstrong, (2010). Where jobs have been enriched, employee satisfaction tends to increase with a decrease in labour turnover and absenteeism Saavedra & Kwun, (2000).

Job enrichment and performance, have been examined in many studies, and have shown to positively influence organizational success. A study conducted by Bhuian *et al*, (1996) revealed that job enrichment influences positively organizational commitment and work performance. In job enrichment, workers derive pleasure and fulfillment in their position with a greater variety of skills Kamal *et al*, (2008) and tasks that require self-sufficiency Behson *et al*, (2000). Job enrichment, according to Leach & Wall (2004) is a design of job that increases the volume of employees' autonomy, control, skill varieties and responsibility which invariably helps to reduce rigidity, tediousness, lack of creativity and employees dissatisfaction. This results to empowering employees which is an effective technique on the increase of employees' productivity and efficiency He *et al*, (2010).

Organizations need energetic, active, enthusiastic, eager and motivated employees Baker & Leiter, (2010). Using employees' potential abilities is a great merit for any organization. In Individual efficiency, the organization uses a collection of individual's potential, aptitudes, talents and abilities to progress. It brings about individual growth and alignment and uniformity

with the organization by actualizing potential powers and sources and tremendous talents for development and improvement Bennet & Bennet, (2005). Therefore, the requirement for achieving organizations' goals and objectives is effective management of employees by helping them to strengthen their self-confidence and overcome their feeling of helplessness and incapability and giving them motivation to perform their tasks. In empowering, more autonomy, independence, freedom of action and responsibility to make decisions are given to employees Gagne & Deci, (2005).

Frederick Herzberg in the 1950s developed and sees job enrichment as 'vertical loading' of a job Davoudi, (2013). This means that an enriched job should provide a range of tasks to be done with adequate feedback mechanism, encouragement and communication. This implies that workers can sense job dissatisfaction when they realize their jobs lack necessary challenge(s), lack of adequate recognition, respect, creativity and other motivators, repetitive procedures, or a highly bureaucratic and over-controlled authority structure. Mione (2004) sees Job enrichment as a managerial activity intended to provide employees with the necessary resourcing strategies to facilitate skill development opportunities. Dessler (2005) concluded that enriching job brings about internal work motivation and not just more work for them to do. Hence, Job enrichment serves as a roadmap to job fulfillment by improving the level of employees' responsibility, acknowledgement, creativity, autonomy and control of the job to be performed in the organization. Job enrichment is a motivational need given to an employee to increase the opportunity to optimally and effectively utilize his talents, abilities, and capacities towards the realization of organizational objectives. When tasks are routine, monotonous, repetitive and unrewarding with an over controlled authority structure, workers tend to be highly dissatisfied, bored and demotivated. Job enrichment in organizational development has contributed in reducing these de-motivating factors by giving employees the right of decision making Derek & Laura, (2000), and control over their task in order to promote healthier performance to the workplace Garman *et al*, (2003). A comprehensive understanding of why job enrichment is important for motivating workers to perform their tasks enthusiastically and relieve boredom will enable management in the public universities to adopt strategic techniques that will help employees to focus more on job depth in order to gain more control over their duties.

Job enrichment seeks to improve performance by broadening the scope of the employee's performance and giving more opportunities for individual success and growth. Specialized and knowledgeable human resource is among the merits of an organization and is the most important competitive advantage and the rarest resource in today's knowledge-oriented economy Sahoo Khess, (2010).

The psychological pressure that is imposed on an individual due to job dissatisfaction can make them vulnerable, open and prone to diseases such as heart attack Almalki *et al*, (2012). Lecturers' positive perception from work environment is related to the increase in their recruitment and retention and their decrease in burnout Hess *et al*, (2010). At organizational level, job satisfaction has positive impacts on lecturers' retention, decrease in absenteeism, promoting productivity and efficiency and improving performance (Jerkovic-Cosic *et al*, (2012).

There are several studies about successful programs of job enrichment which show that job enrichment is an effective means for qualitative improvement of employees' work experience and their proficiency and efficiency at the time of working. Teaching profession is very important as the students are the future workers of a nation. Empowering lecturers and increasing their authorities and decision-making roles can increase their job satisfaction and boost their performance, which will eventually lead to the promotion of the quality of universities. Lecturers' lack of interest to their job both reduces work quality and leads to irreversible damage to students Weinberg *et al*, (2012). It is therefore necessary to study how job enrichment may lead to lecturers' performance in universities in Kenya in order to provide a valuable guideline for decision-makers.

2.5.3 Career Advancement

Career development programmes are important in ensuring continuous updating and upgrading of employees' knowledge, skills, attitudes and competence. According to Lee & Bruvold (2003), investing in the development of the careers of employees is central in the maintenance and development of skills, knowledge and abilities of both individual employees and the organization as a whole.

Public Universities can support lecturers career development initiatives through supportive leadership, creation of opportunities for organizational learning, funding career development programmes, offering incentives to those undertaking career development such as promotion upon completion, allowing such employees to be on study leave and organizing forums such as seminars, workshops and conferences for them to disseminate new knowledge and innovations Crawshaw, (2006); Tan, (2008); Park, (2010); Kuo, (2006). Promotion, when based on increased competence, goes a long way in motivating employees to undertake career development programmes.

An employee output greatly determines an organization's performance. According to Dessler (2005), employee performance can be defined as the extent to which the employee is contributing to the strategic aims of the organization. It is expected that with enhancement of employees' capabilities through various career development programmes such as undertaking further studies, participating in research, seminars, workshops, conferences and team learning in organizations, employees performance will improve. For this to be ascertained, employee performance ought to be measured. Measures of employee performance differ with one's profession and workplace whereby measures of employee performance in the banking sector will differ from those used in the education sector Kiriri and Gathuthi, (2009). In the university set up, university academic staff's performance can be measured through the extent to which they effectively teach allocated workloads, attendance of learned conferences, publication of books and journal articles and furtherance of academic and professional qualifications Kiriri and Gathuthi, (2009). Scholars such as Kamoche, Nyambegera and Mulinge (2004) argue that failure by organizations to systematically invest in training and development of its employees hurts industrial development and impedes improvement in labour productivity. There is therefore need for organizations to play a major role in supporting employees' career development programmes to ensure reciprocal good performance from employees.

The lack of career advancement opportunities affects motivation and performance. If employees are offered opportunities for developing their careers by adapting skills, technologies and competencies essential for performance improvement and promotion, they will feel valued and motivated. The provision of opportunities for learning and growth of the organizations can

motivate the employees Armstrong, (2001). Universities pay more attention on developing their employees and enhancing their motivational aspects like self-esteem and self-actualization. Equal opportunities for career advancement can increase the motivation of employees.

2.5.4 Working Environment

The quality of work place environment impacts on employees' performance and subsequently influences the organization competitiveness. Employees are always contented when they feel their immediate environment, both physical and emotional, is in tandem with their obligations Farh, (2012).

A better workplace environment leads to increased employee commitment and productivity. It boosts the employee motivation and improves productivity. A work environment where employees feel that they have reasons for doing work and get pleasure from doing their job motivates them. In working conditions where employees are not provided with adequate resources, tools, training, software and supplies lead to demotivation and lesser productivity. The inefficient working conditions which include comfort issues like poor ventilation, seating, lighting and noise can cause anxiety and decrease output Huges, (2007). The workplace with lack of privacy and communication barriers reduces motivation and performance.

A healthy workplace which is made by using ergonomic furniture and accessories, lighting and functional design will diminish distress and improve performance. Lack of praise, recognition and promotions in the workplace environment affect the motivation of employees. The presence of troublesome and negative employees also influences the employees' relationship with the rest of the colleagues in a negative way. As a result, absenteeism rate increases and employees are less likely to continue with the jobs Roeleolofsen, (2002). Relationship with coworkers, equal opportunities for promotions, responsibility and autonomy are components of working environment which can affect motivation and performance. Management should improve working conditions in order to improve performance and motivate the employees.

Chandrasekar (2011) examined that the workplace environment impacts on employee morale, productivity and job performance both positively and negatively. If the work place environment

is not liked by the employees, they get demotivated and their performance is affected. Poorly designed work timings, unsuitable authorities or duties, lack of appreciation, and lack of personal decision making opportunity leads to demotivation. People working in such environment are not motivated they feel stressed and it impacts negatively on their job performance.

Employees will and are always contented when they feel their immediate environment; both physical sensations and emotional states are in tandem with their obligations Farh, (2012) and how well employees connect with their organization’s immediate workplace environment, influences to a great extent their error rate levels, efficiency and innovativeness, collaboration with other employees, absenteeism and, ultimately their retention Leblebici, (2012).

2.6 Conceptual framework

The conceptual framework contains the independent variable (Financial and Non financial rewards), the dependent variable (employee performance) and the moderating variable.

Independent Variable (Reward Strategies)

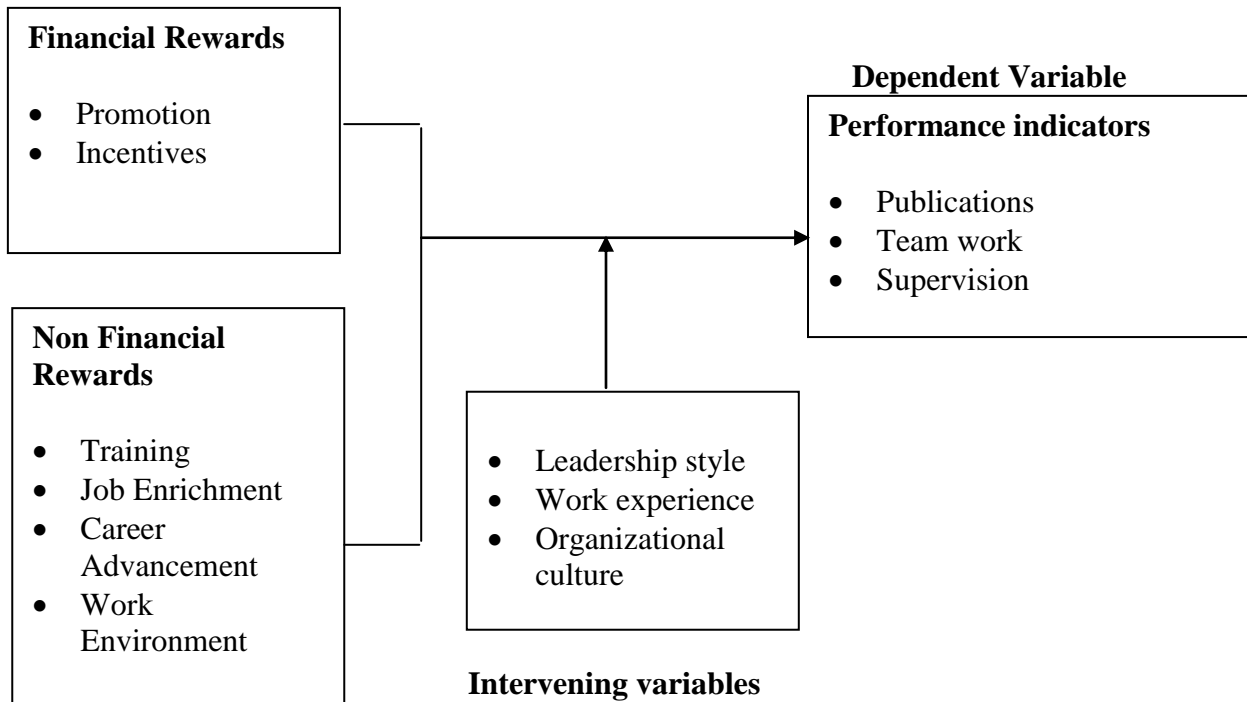


Figure 1: The relationship between motivation dimensions and work performance

Source: Researcher’s own conceptualization

Figure 1 shows the relationship between the independent and dependent variables. Motivation dimensions, the independent variable, are concerned with the processes that enhance employee performance and include financial and non-financial motivational strategies. These strategies may affect how employees perform their work. The employee performance which is the dependent variable is the result of employees accomplishing their tasks and this is evidenced by publications the lecturers have made, better working relationships with colleagues and management and supervision of students. The dependent variable may be affected by other variables not directly associated with motivational strategies such as leadership style, work experience and organizational culture. Leadership style, work experience and organizational culture may affect team building and ethical values that align with the organization's objectives.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methods and procedures that were used in the collection and analysis of data pertaining to this study. The research design, location of the study, study population, sample size and sampling procedures, research instruments, data collection techniques and procedure, pre-testing and data analysis techniques have been described.

3.2 Research Design

A research design is the plan and structure of the investigation so conceived as to obtain answers to research questions Cooper & Schindler, (2003). Kombo & Tromp (2006) perceive research design as ‘glue’ that holds all the elements of research together. The study adopted a correlational research design. It is a method of collecting information by interviewing or administering a questionnaire to a sample of individuals Orodho, (2003). This method is appropriate to gather first hand data from the respondents and measure the variables. This method is advantageous to the researcher due to its flexibility and can use either qualitative or quantitative data giving the researcher greater options in selecting instruments for data gathering Nassiuma & Mwangi, (2004).

3.3 Location of the Study

The study was carried out in Nakuru county where Egerton and Kabarak universities are located. This location was purposively selected so that the researcher could study both private and public universities which are represented by Egerton and Kabarak universities.

3.4 Target Population of Study

According to Kasomo (2006), population is a group of individuals, items or objects that have at least one characteristic in common and from which samples are drawn. Sekeran (2003) defines population as a total collection of elements about which references are made and refer to all possible cases which are of interest for a study. Mugenda & Mugenda (2003) refer to the above as a target population and further assert that a researcher should narrow down the target

population to an accessible population which is a representation of the target population. The target population of the study consisted of lecturers of Kabarak and Egerton Universities. The university lecturers are Masters and Doctor of Philosophy (PhD) degree holders. They are the most important staff in the universities since they deal directly with the students who are the universities' core customers. For the lecturers to grow professionally they must publish academic papers in peer refereed journals. They must also attend academic seminars, workshops and conferences to gain knowledge that will enable them to publish more papers. There are 94 lecturers in Kabarak University and 526 lecturers in Egerton University as shown in the figure below:

Table 1: Target Population of Kabarak and Egerton Universities Lecturers

University	Accessible Population	Full Prof.	Assoc. Prof.	Snr. Lec	Lec	Asst. Lec
Kabarak University	94	–	5	12	45	32
Egerton University	526	33	60	71	232	130
Total	620	33	70	83	277	162

Source: Human Resource Departments for Egerton University and Kabarak University, 2016

3.5 Sampling Procedure and Sample Size

The study used purposive sampling to select two universities in Kenya. A sample size for the study was determined using Israel (1992) formula. The sample of the respondents comprised of academic staff (lecturers) in the universities selected. The study used proportionate stratified sampling technique which is characterized by the advantage of every element in the population being known and had an equal chance of being selected as a subject in this study.

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

where: n is the desired sample size

N is the population size

e is level of precision

Table 2: Sample Distribution Matrix

University	Accessible Population	Full Prof.	Assoc. Prof.	Snr. Lec	Lec	Asst. Lec	Sample size
Kabarak University	94	–	2	5	17	12	36
Egerton University	526	14	23	28	90	51	206
Total	620	14	25	33	107	63	242

Source: Human Resource Departments for Egerton University and Kabarak University, 2016

3.6 Instrumentation

The study used questionnaires to gather data from the respondents containing close-ended questions for quick response. The questionnaires contained two sections. Section A was used to obtain demographic information about the respondents while section B contained questions related to the specific objectives. A five level Likert scale was used with responses ranging from strongly disagree (1), disagree (2), neutral (3), agree (4) and strongly agree (5) to measure both independent and dependent variables.

3.7 Data Collection Procedures

An introductory letter was obtained from the Dean, Faculty of Commerce. Each institution's office was visited for familiarization purposes before the instruments were administered. Permission was sought from the institution's management to conduct the research by informing the institutions the purpose of the study to avoid any suspicion and increase their confidence in giving information. The questionnaires were administered by the researcher and prior to data collection the respondents were informed of the purpose of the study and assured of confidentiality of information provided therein. This promoted free and honest participation in the study by providing a conducive atmosphere to all the respondents by the researcher to enable them open up and answer the questions asked truthfully.

3.8 Validity and Reliability of the Research Instruments

3.8.1 Validity of the Research Instruments

Content validity of the research instruments was established during discussions and deliberations with peers, supervisors and their colleagues in the Faculty of Commerce, Egerton University. The experts were consulted to provide guidance on the content of the instruments which ensured that all the research objectives were addressed by the questions sought by the instruments. The manner of construction was checked to ensure that the questions were not misinterpreted and only relevant information was obtained. The findings from the pilot study were used to improve on the instruments thus enhancing their validity. The improvements to the tools suggested by the experts were incorporated in the document and proceeded to the field to collect data.

3.8.2 Reliability of the Research Instrument

According to Porter (2010), the reliability of research instrument concerns the extent to which the instrument yields the same result on repeated trials. The researcher measured the reliability of the instruments to determine its consistency in testing what it is intended to measure. This was done through pilot testing which ensured that the items in the questionnaire were understood, simple, sufficient and precise. The instruments were pilot-tested at Jomo Kenyatta University of Science and Technology Main Campus. The reliability of the instrument were calculated using Cronbach's Alpha coefficient method to test internal consistency as it involved a single administration of the instrument that yielded greater internal consistency. Reliability coefficient of 0.7 and above was accepted (Fraenkel & Wallen, 2000).

3.9 Data Analysis

Data obtained will be processed with the aid of the Statistical Package for Social Science (SPSS), version 21 a computer program for windows. Correlation analysis will be used to test the relationship among the variables. Descriptive statistics such as frequencies, Percentages and standard deviation will be generated to explain various attributes of the respondents under study. Inferential statistics such as Pearson's product moment correlation (r) and multiple regression analysis will be used to ascertain effect of variables.

The following model was used to measure the effects.

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

Where Y = Dependent variable (Employee Performance)

a = Constant

β_1 . Is R coefficient between financial reward and work performance

β_2 – Is Regression coefficient between non-financial rewards and work performance

ε = error term not captured by the model

X_1 - Financial Rewards

X_2 - Non-Financial Rewards

Table 3: Summary of Data Analysis

Hypotheses	Independent Variables	Dependent Variables	Method of Analysis
There is no statistically significant effect of financial rewards on employee performance	Financial rewards	Employee Performance	Pearson Product Correlation Analysis
There is no statistically significant effect of non-financial reward on employee performance	Non-financial rewards	Employee Performance	Pearson Product Correlation Analysis
There is statistically significant effect of combined financial and no-financial rewards on employee performance	Combined financial and non-financial rewards	Employee Performance	Multiple Regression Analysis

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

This chapter covers the data analysis, presentation and discussion of the data collected on effect of financial and non-financial reward strategies on employee performance in Kenyan universities: a case of Egerton and Kabarak universities. The data analyzed included data on: Respondents' demographic characteristics; effect of financial rewards on employees' performance, effect of non-financial rewards on employees' performance and the combined effect of financial and non-financial rewards on employees' performance. In this study, data was analyzed using descriptive and inferential statistics. Descriptive statistics include frequencies, percentages, means and standard deviation while inferential statistics include correlation, multiple regression and summarized in form of tables.

4.2 Descriptive Analysis

Descriptive analysis was used to analyze demographic characteristics of the respondents which included gender, work experience, level of education and job title of the employees.

4.2.1 Response Rate

According to the findings, out of the 242 questionnaires distributed to the respondents, a total of 171 questionnaires were returned, which realized a response rate of 70% considered significant to answer the set objectives. Mugenda & Mugenda (2003) reported that 50% response is adequate, 60% good and above 70% rates are very good. Descriptive statistics, that is, frequencies and percentages, were used to analyze the data as presented in Table 4.1.

Table 4.1 Demographic Attributes of the Respondents

Respondents' Demographic attributes		Frequency	Percent
Gender	Male	100	58
	Female	71	42
Age Bracket	< 30 years	0	0
	31 – 35 years	2	1
	36 – 40 years	14	8
	41 – 45 years	47	28
	46 – 50 years	66	38
	51 – 55 years	8	5
	56 – 60 years	26	15
	61 – 65 years	8	5
Work Experience	66 > years	0	0
	< 6 years	1	.6
	6 – 10 years	9	5
	11 – 15 years	20	12
Work Experience	16 – 20 years	54	32
	21 – 25 years	61	36
	> 26 years	26	15
Level of Education	Masters	133	78
	Ph.D	38	22
Job Title	Assistant Lecturer	41	24
	Lecturer	78	46
	Senior Lecturer	26	15
	Associate Professor	14	8
	Professor	12	7

Source: Field data (2016)

Based on the results on Table 4.1, the study established that majority of employees in Egerton and Kabarak Universities, Kenya were male (58%) compared to 48% who were female. Majority of the employees (38%) had age bracket of 46 – 50 years, no employees were below 30 years and over 65 years, 1% were 31 – 35 years, 28% were 41 – 45 years, 5% were 51 – 55 years, 15% were 56 – 60 years and 5% were 61 – 65 years. In terms of work experience, majority of employees (36%) had worked between 21 – 25 years, 6% had worked for less than 6 years, 5% had worked for 6 – 10 years, 12% had worked for 11 – 15 years, 32% had worked for 16 – 20 years and 15% had worked for over 26 years. The study established that majority of the employees were Masters' degree holders (78%) while 22% PhD degree holders. In terms of job title, majority of employees were lecturers (46%), 24% were assistant lecturers, 15% were senior lecturers, 8% were associate professors and 7% were professors.

4.3 Descriptive Analysis of Financial Rewards

The study focused on financial reward components namely, salary and incentives. The discussion on each of these variables is given below.

4.3.1 Incentives and Work Performance of Respondents

The following elements of incentives were analyzed in this section: employees are rewarded on exemplary performance, employees are rewarded for exceeding allocated teaching hours, cash bonuses motivate employees to perform better, employees are provided with attractive medical allowance, retirement benefits offered to employees are competitive and insurance benefits offered by universities are attractive. The mean was analyzed based on the respondents' choices scaled between strongly agree and strongly disagree as indicated in Table 4.4.

Table 4.2: Elements of Incentives on Employees' Performance of Respondents

Elements of Incentives	N	Min	Max	Mean	Std. Dev.
Employees are rewarded on exemplary performance	171	1	5	3	1.0
Employees are rewarded for exceeding allocated teaching hours	171	1	5	4	1.0
Cash bonuses motivate employees to perform better	171	2	5	4	1.0
Employees are provided with attractive medical allowance	171	1	5	3	1.3
Retirement benefits offered to employees are Competitive	171	1	4	4	3.1
Insurance benefits offered by the university are attractive	171	1	5	3	1.1

Source: Field Data (2016)

Based on Likert Scale used in the study, and as indicated in Table 4.4, a mean of 4 represented agreed and a mean of 3 represented neutral. According to the findings, respondents in the study agreed that they were rewarded for exceeding allocated teaching hours, cash bonuses motivate them to perform better and that retirement benefits offered to them are competitive (mean response of 4). The respondents were neutral that they were rewarded for exemplary performance, they were neutral that they were provided with attractive medical allowance and that insurance benefits offered by the universities were attractive (mean response of 3).

4.4 Descriptive Analysis of Non-Financial Rewards

The study focused on non-financial reward components namely, promotion, job enrichment, training, career advancement and work environment. The discussion on each of these variables is given below.

4.4.1 Promotion and Work Performance

The following elements of promotion were analyzed in this section: academic promotion in the university in the near future, administrative promotion in the university in the near future,

qualifications match with current academic position, promotion is done regularly, promotion is done on merit and promotion is normally given based on the number of years worked. The mean was analyzed on the respondents' choices scaled between strongly agree and strongly disagree as indicated in Table 4.3.

Table 4.3: Elements of Promotional on Work Performance of Respondents

Elements of Promotion	N	Min	Max	Mean	Std. Dev.
I hope to get an academic promotion in this University in the near future	171	1	5	5	1.0
I hope to get an administrative promotion in this University in the near future	171	1	5	4	1.0
My qualifications match with my current academic Position	171	2	5	4	1.0
Promotion of employees is done regularly	171	1	5	3	1.0
Promotion is done on merit	171	1	5	3	1.0
Promotions are normally given based on the years worked	171	1	5	3	1.0

Source: Field Data (2016)

According to Likert Scale used in the study and as indicated in Table 4.3, a mean of 3 represented neutral, a mean of 4 represented agree and a mean of 5 represented strongly agree. The respondents were neutral that promotion of employees is done regularly, promotion is done on merit and that promotions are normally given based on the years worked (mean response of 3). The respondents agreed that they hoped to get administrative promotions in the near future and that their qualifications matched with their current academic positions (mean response of 4). On the other hand, the respondents strongly agreed that they hoped to get academic promotions in the near future (mean response of 5).

4.4.1 Training and Work Performance

The following elements of training on work performance were analyzed in this section: employees are offered the training they need to help them on their job, university provides a variety of training opportunities for employees, university invests in employees through training and development, employees have skills they need to do their job, employees are allowed to take initiative to assess their skills and seek appropriate training, employees are offered further training opportunities, university conducts extensive training programs for its employees, employees have training opportunities to learn and grow and training programs have improved employees' decision making skills. The mean was analyzed based on the respondents' choices scaled between strongly agree and strongly disagree as indicated in Table 4.5.

Table 4.4: Elements of Training on Work Performance of Respondents

Elements of Training	N	Min	Max	Mean	Std. Dev.
Employees are offered the training they need to help them on their job	171	1	5	3	1.2
University provides a variety of training opportunities for employees	171	1	5	3	1.1
University invests in employees through training and Development	171	1	5	3	1.0
University supports efforts by employees to obtain training on new skills	171	1	5	3	1.2
Employees have skills they need to do their job	171	1	5	3	1.2
Employees are allowed to take initiative to assess their skills and seek appropriate training	171	2	5	4	0.4
Employees are offered further training opportunities	171	2	4	3	1.0
University conducts extensive training programs for Its employees	171	2	4	4	3.2
Employees have training opportunities to learn and grow	171	1	5	3	1.0
Training programs have improved decision making Skills	171	1	5	3	1.0

Source: Field Data (2016)

Based on the results on Table 4.5, a mean of 4 represented agreed and a mean of 3 represented neutral. According to the findings, respondents in the study agreed that employees are allowed to take initiative to assess their skills and seek appropriate training and that universities conduct extensive training programs for their employees (response mean of 4). However, the respondents were neutral as to whether employees are offered the training they need to help them on their job, universities provide a variety of training opportunities for employees, universities invest in the employees through training and development, employees are offered further training opportunities, employees have training opportunities to learn and grow and that training programs have improved employees' decision making skills (response mean of 3).

4.4.3 Job Enrichment and Work Performance

The following elements of training on work performance were analyzed in this section: employees have a variety of skills, employees have task identity, there is job independence, employees get feedback from their job background, employees are given additional responsibilities, I am granted autonomy at my work, more responsibility motivates me to higher performance, I am motivated by interesting work, responsibility over my job encourages me to perform better and employees get feedback from their job background. The mean was analyzed based on the respondents' choices scaled between strongly agree and strongly disagree as indicated in Table 4.6.

Table 4.5: Elements of Job Enrichment on Work Performance

Elements of Job Enrichment	N	Min	Max	Mean	Std. Dev.
Employees have a variety of skills	171	2	5	4	1.0
Employees have task identify	171	3	5	4	0.2
There is job independence	171	1	5	3	1.0
Employees get feedback from their job background	171	2	5	3	1.0
Employees are given additional responsibilities	171	3	5	4	0.3
I am granted autonomy at my work	171	1	5	4	1.3
More responsibility motivates me to higher performance	171	2	5	3	1.0
I am motivated by interesting work	171	1	5	4	1.0
Responsibility over my job encourages me to perform Better	171	2	5	4	1.0
Employees get feedback from their job background	171	1	4	3	1.0

Source: Field Data (2016)

Based on the results on Table 4.6, a mean of 4 represented agreed and a mean of 3 represented neutral. According to the findings, respondents in the study agreed that employees have a variety of skills, they have task identify, they are given additional responsibilities, they are granted autonomy at their work, they are motivated by interesting work and that responsibility over their job encourages them to perform better (mean response of 4). However, they were neutral as to whether there was job independence, whether they get feedback from their job background, whether more responsibility motivates them to higher performance and if they get feedback from their job background (mean response of 3).

4.3.4 Career Advancement and Employee Performance

The following elements of career advancement on work performance were analyzed in this section: opportunities are available for employees to further their studies, employees are given leave to further their studies, there are clear guidelines on academic advancement, I will be motivated if I get career advancement, employees are given tuition waiver to further their studies and university recommends career advancement equitably. The mean was analyzed based on the

respondents' choices scaled between strongly agree (5) and strongly disagree (1) as indicated in Table 4.7.

Table 4.6: Career Advancement

Elements of Career Advancement	N	Min	Max	Mean	Std. Dev.
Opportunities are available for employees to further their studies	171	1	5	3	1.4
Employees are given leave to further their studies	171	1	5	4	1.0
There are clear guidelines on academic advancement	171	2	5	4	1.0
I will be motivated if I get career advancement	171	1	5	4	1.0
Employees are given tuition waiver to further their studies	171	2	5	4	1.0
University recommends career advancement equitably	171	2	5	3	1.0

Source: Field Data (2016)

Based on the Likert Scale used in the study, and as indicated in Table 4.6, a mean of 4 represented agree and a mean of 3 represented neutral. According to the findings, respondents in the study agreed that employees are given leave to further their studies, there are clear guidelines on academic advancement, employees are motivated if they get career advancement and that employees are given tuition waiver to further their studies (mean response of 4). The respondents were neutral whether opportunities are available to further their studies and if universities recommend career advancement equitably (mean response of 3)

4.3.4: Work Environment on Work Performance

The following elements of work environment on work performance were analyzed in this section: I have the necessary resources for performing my work, I have enough space in my office, I get pleasure from doing my job, I use ergonomic furniture, there is enough ventilation in my office, I have good relationship with my colleagues, I receive recognition for my work, my work timings are well designed and I work in a calm atmosphere. The mean was analyzed based on the respondents' choices scaled between strongly agree and strongly disagree as indicated in table 4.8.

Table 4.7: Work Environment on Work Performance of Respondents

Elements of Work Environment	N	Min	Max	Mean	Std. Dev.
I have the necessary resources for performing my work	171	2	5	5	0.4
I have enough space in my office	171	2	4	4	0.4
I get pleasure from doing my job	171	1	5	2	1.0
I use ergonomic furniture	171	2	5	4	1.0
There is enough ventilation in my office	171	1	5	4	1.0
I have good relationship with my colleagues	171	1	5	3	1.5
I receive recognition for my work	171	1	5	3	1.0
My work timings are well designed	171	2	5	5	1.0
I work in a calm atmosphere	171	2	5	4	1.0

Source: Field Data (2016)

Based on the Likert Scale used in the study, and as indicated in Table 4.8, a mean of 4 represented agreed, a mean of 5 represented strongly agreed, a mean of 2 represented disagreed and a mean of 3 represented neutral. According to the findings, respondents in the study agreed that they have enough space in their offices, they use ergonomic furniture, there is enough ventilation in their offices and that they work in calm atmosphere (mean response of 4). The respondents were neutral as to whether they have good relationship with their colleagues and whether they receive recognition for their work (mean response of 3). They, however, disagreed that they get pleasure from doing their jobs (mean response of 2). They strongly agreed that they have the necessary resources for performing their work (mean response of 5).

4.2.9 Work Performance Measurement Indicators

This section analyzed the following different indicators of work performance: publications, team work and supervision.

Table 4.8: Elements of Publications on Work Performance of Respondents

Elements of Work Environment	N	Min	Max	Mean	Std. Dev.
Employees publish articles in local peer-reviewed and accredited scientific journals	171	2	5	4	1.0
Employees publish their own books	171	2	5	4	0.4
Employees present papers in conferences	171	3	5	4	0.4
Employees write research reports	171	2	5	4	0.4
Research funds are available for employees	171	2	5	4	1.0

Source: Field Data (2016)

Based on the results on Table 4.9, a mean of 4 represented agree. According to the findings, respondents in the study agreed that employees in Kenyan universities publish articles in local peer-reviewed and accredited scientific journals, that they publish their own books, present papers in conferences, write research reports and that research funds are available to them (mean response of 4).

Table 4.9: Elements of Teamwork on Work Performance of Respondents

Elements of Teamwork	N	Min	Max	Mean	Std. Dev.
Employees have teamwork	171	1	5	3	1.3
Work environment is conducive	171	1	4	3	1.0
Employees have adequate office space	171	1	4	3	1.1
Employees can express themselves freely	171	1	5	3	1.3
There is smooth flow of information in the workplace	171	2	5	2	1.0
My working relationship between my associates and colleagues have improved	171	2	5	3	1.0
There are positive attitudes among colleagues	171	2	5	3	1.0
There are events that encourage informal interaction between management and colleagues	171	1	5	3	1.3
Employees have healthy relationships that lead to high performance	171	2	5	4	1.2
Gaining respect from others motivates me	171	3	5	4	1.0

Source: Field Data (2016)

The results in Table 4.10 are based on Likert Scale used in the study where a mean of 3 represented neutral, a mean of 2 represented disagreed and a mean of 4 represented agreed. The findings indicate that the respondents disagreed that there was smooth flow of information in the workplace (mean response of 2). The respondents were neutral as the following aspects of teamwork: employees have teamwork, work environment is conducive, if they had adequate office space, if they could express themselves freely, the working relationship between associates and colleagues had improved, there were positive attitudes among colleagues and there were events that encouraged informal interaction between management and colleagues (mean response

of 3). The respondents however agreed that employees have healthy relationships that lead to high performance and gaining respect from others motivated them (mean response of 4).

Table 4.10: Elements of Supervision on Work Performance of Respondents

Elements of Supervision	N	Min	Max	Mean	Std. Dev.
Employees are allocated students for supervision	171	3	5	4	0.4
Employees are rewarded for supervising students	171	2	4	3	1.0
Employees supervise students' daily activities	171	1	5	3	1.4
Employees help students in daily assessments	171	1	5	3	1.0
Employees inspire students' cognitive learning process	171	2	5	4	1.0
Employees have regular meetings with students	171	3	5	4	0.5
There is supportive relationship between employees and students	171	2	5	4	0.4

Source: Field Data (2016)

The results in Table 4.11 are based on Likert Scale used in the study where a mean of 4 represented agreed and a mean of 3 represented neutral. The findings indicate that the respondents agreed that they were allocated students for supervision, that they inspired students' cognitive learning process, they had regular meetings with students and that there was supportive relationship between employees and students (mean response of 4). The respondents were neutral if they were rewarded for supervising students, if they supervised students' daily activities and if they helped students' in daily assessments (mean response of 3).

4.3 Hypotheses Testing

The researcher used inferential statistics in testing the hypotheses which included Correlation and Multiple Regression analysis. Pearson product correlation was used to establish whether

there existed significant relationships between financial and financial rewards and work performance of university employees.

4.3.1 Correlation between Financial and Non-Financial Rewards and Employee Performance

The study established the association between financial and non-financial rewards measurements and employee performance. A mean comprising of salary, promotional pay and incentives was obtained (financial rewards) and correlated with employee performance. Similarly, non-financial rewards mean was obtained which included training, job enrichment, career advancement and work environment and correlated with employee performance as shown in Table 4.14

Table 4.11: Association between Financial and Non-Financial Rewards and Employee Performance Correlation Matrix

		Financial rewards	Non financial rewards	Performance indicators
Financial rewards	Pearson	1	.568**	.812**
	Correlation			
	Sig. (2-tailed)		.000	.000
	N	171	171	171
Non-financial rewards	Pearson	.568**	1	.656**
	Correlation			
	Sig. (2-tailed)	.000		.000
	N	171	171	171
Performance indicators	Pearson	.812**	.656**	1
	Correlation			
	Sig. (2-tailed)	.000	.000	
	N	171	171	171

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Field Data 2016)

Based on Table 4.14, the results revealed that there was a strong statistically significant positive relationship of ($r = 0.812$, $p < 0.05$) between financial rewards and employee performance measurement. Consequently, the H_{01} which stated that there is no statistically significant

relationship between financial rewards and performance of university employees was rejected and the alternative hypothesis which states that there is statistically significant relationship between financial rewards and performance of Kenyan university employees is accepted. This suggests that employee performance will be high in Kenyan universities that adopted financial rewards. This is in agreement with studies conducted by Agarwal (2010) who stated that money is still the most crucial motivating factor for employees and that it makes them perform well in the company. He agrees that non-monetary rewards motivate but, after a certain point in an individual's career, money has the greater significance.

Based on Table 4.14, the results revealed that there was a strong statistically significant positive relationship of ($r = 0.656$, $p < 0.05$) between non-financial rewards and employee performance measurement. Consequently, the H_{02} which stated that there is no statistically significant relationship between non-financial rewards and performance of university employees was rejected and the alternative hypothesis which states that there is statistically significant relationship between non-financial rewards and performance of Kenyan university employees is accepted. This suggests that employee performance will be high in Kenyan universities that adopted non-financial rewards. This is in agreement with studies done by Bohlander and Snell (2004) who found out that money is influential for fulfilling employees' non-monetary needs such as authority, rank and belongingness with preferred grounds. That people who have more money are more powerful in society as compared to those who have lesser money.

4.3.5 Effect of Financial and Non-Financial Reward Strategies on Employee Performance

The study determined the effect between both financial and non-financial reward strategies on employee performance by computing a mean for each of the independent variable and regressing against a dependent variable mean. The results of multiple regression is as shown in Table 15.

Table 4.12: Multiple Regression between Financial and Non-Financial Rewards

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.846 ^a	.715	.712	4.31757

a. Predictors: (Constant), Non-Financial rewards, Financial rewards

ANOVA^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	7870.225	2	3935.113	211.096	.000 ^b
1	Residual	3131.751	168	18.641		
	Total	11001.977	170			

a. Dependent Variable: Performance indicators

b. Predictors: (Constant), Non-Financial Rewards, Financial Rewards

Coefficients^a						
Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Beta		
	(Constant)	4.625	4.878		.948	.344
1	Financial rewards	.633	.049	.648	12.955	.000
	Non-financial rewards	.276	.048	.289	5.774	.000

a. Dependent Variable: performance indicators

$$Y = 4.625 + 0.633X_1 + 0.276X_2 + 4.878$$

From Table 4.2, multiple correlation coefficient of 0.846 exist. This implies that there is a strong association between observed employee performance and those predicted by the model. The results indicate a coefficient of determination of 0.715 ($R^2 = 0.715$). This suggests that 71.5 percent of the total variation in employee performance is explained by reward strategies and 28.5 is explained by other factors.

ANOVA table provides an F-test for the null hypothesis that none of the explanatory variables are related to employee performance ($R^2 = 0$). We can clearly reject this null hypothesis

($F(2,168) = 211.096, P < 0.001$) and so conclude that at least one of financial or non-financial rewards is related to employee performance.

Table 4.2 shows that multiple regression coefficient of 0.648 ($r = 0.648, P < 0.05$) exists between financial rewards and employee performance. This indicates that there is a strong positive relationship between financial and non-financial rewards on employee performance. A unit increase on financial rewards leads to 0.648 units increase in employee performance.

In addition, the multiple regression coefficient of 0.289 ($r = 0.289, P < 0.05$) exists between non-financial rewards and employee performance. This indicates that there is a weak positive relationship between financial and non-financial rewards on employee performance. A unit increase on non-financial rewards leads to 0.289 units increase in employee performance.

This is in agreement with a study done by Lawler (2003) which established that rewards play a vital role in determining the significant performance in job and that it is positively associated with the process of motivation and work performance. It is also supported by other studies such as Danish & Usman (2010) which concluded that there is a statistically direct significant and positive relationship between rewards and motivation. That if rewards being offered to employees were to be altered, then there would be a corresponding change in motivation and work performance. According to the findings of this study, financial and non-financial rewards motivate employees to better performance. Thus, employee performance will be high in Kenyan universities that adopted combined financial and non-financial reward strategies.

The results of the study can be interpreted that when there is 1% in financial rewards, employee performance will increase by 0.633%. That when there is 1% increase in non-financial rewards, employee performance will increase by 0.276%. The multiple regression model indicates that the combined effect of financial and non-financial reward strategies in Kenyan universities influence employee performance in those universities.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary of the research findings, conclusions, implications and recommendations of the study. The chapter also discusses implications of the study to university management in implementing financial and non-financial reward strategies on employee performance; limitations of the study and directions for further research.

5.2 Summary of the Findings

This study examined the reward strategies on employee's performance in Kenya Universities. The demographic attributes shows that majority of the respondents were male and aged between 46 – 50 years. In addition, majority of them had work experience with masters' degrees. In addition, few of them had PhD degrees. The study established further that majority of them were lecturers followed by assistant lecturers, senior lecturers and a few of them were associate professors and professors. The results indicated that universities maintain competitive pay and benefits package. However, respondents neither agree nor disagree whether pay matches job performance; incentives influence performance and rewarding after job well done. Majority of these respondents hope to be given administrative promotions in the near future, and their positions match their academic qualifications. Further, they strongly agree that they are likely to get academic promotions.

The results indicated that majority of the respondents are rewarded for exceeding allocated teaching hours, motivated with cash bonuses and they have competitive retirement benefits. Moreover, they agreed that they are allowed to take initiative to assess their skills and seek appropriate training. Also, universities conduct extensive training programs. Majority have a variety of skills, task identity, and perform additional responsibilities. They are granted autonomy at their work and motivated by interesting work. In addition, they are given leave and tuition waiver to further their studies with clear guidelines on academic advancement. Their responses indicated that they are given necessary resources like ergonomic furniture and enough

ventilation in offices for performing their work. They publish articles in local peer-reviewed and accredited scientific journals, publish books, present papers in conferences, and write research reports since research funds are available. Further, employees have teamwork, work environment is conducive, working relationship between associates and colleagues had improved and there were informal events that triggered interactions between management and colleagues. Also, majority of the respondents agreed that they are allocated students for supervision, thus inspiring cognitive learning process.

The study was guided by three objectives namely, to determine the effect of financial rewards, non-financial rewards and combined effect on employees' performance. Correlation analysis was performed to test the study hypotheses. The first hypothesis was there is no statistically significant effect of financial rewards on employees' performance. The results indicated that there was strong statistical positive relationship between financial rewards and employee performance. Therefore, the null hypothesis was rejected and alternate hypothesis was accepted. The second hypothesis was there is no statistically significant effect of non-financial rewards on employees' performance. The results indicated that there was a strong positive statistical positive relationship between non-financial rewards and employees' performance. In addition, the third hypothesis tested the combined effect of both financial and non-financial rewards on employee performance. Null hypothesis was rejected and the alternate accepted. The regression results indicated that financial and non-financial rewards account for 71.5% of the total variation in employee performance. Financial rewards is a strong predictor of employee performance.

5.3 Conclusion

The broad objective of this study was to assess the effects of reward strategies on employees' performance in Kenyan universities. The specific objectives of the study were: determine the effect of financial rewards on employees' performance; the effect of non-financial rewards on employees' performance; and determine the combined effect of financial and non-financial rewards on employees' performance. The findings of the study led to the following conclusions:

The study established a link between financial rewards measurements and employee performance. The findings confirm that financial rewards have an implication on employee performance. Money is still the most crucial motivating factor for employees and that it makes them perform well in the company hence higher levels of financial rewards have higher levels of employee performance. Rynes *et al.*, (2004), Hafiza *et al.* (2011), Khan *et al.* (2010) & Prasetya and Kato (2011) concur with study results that financial rewards has direct and positive relation with employee performance.

The study also established that there is an association between non-financial rewards measurements and employee performance except on work environment that showed a weak negative insignificant relationship of a small proportion. This is because most lecturers report to work when they have lessons unless if they need to do some academic advising or consultation and therefore work environment does not affect employee performance. Rainey (2001) argues that non-financial rewards influence the motivation to a greater extent after the pay exceeds a certain level.

Finally, the study established that the association between financial and non-financial rewards measurements and employee performance. The results indicated that there is positive significant association between financial and non-financial rewards. The results concur with Lawler (2003) & Yousaf, Latif, Aslam and Saddiqui (2014) that rewards plays a vital role in determining the significance performance in the job and that it is positively associated with the process of motivation.

5.4.1 Recommendations

The findings of the current study that was conducted to assess the effects of reward strategies on employees' performance in selected Kenyan universities revealed that financial and non-financial rewards influence employee performance in Kenyan universities.

The study revealed that financial rewards play an important role in employee performance. The study recommends that the universities embrace on financial rewards to boost employees' performance. First, lecturers' promotion should be done regularly. Secondly, they should be

promoted on merit. Lastly, years of service worked. In academic position, the universities should maintain matching qualifications with academic positions. The study established that lecturers are rewarded for teaching more hours exceeding the normal load. The study recommends that cash bonuses be given to such employees. In addition, universities establish a competitive retirement benefit scheme to its employees.

The universities should engage their lecturers on regular training programs. This will allow them to take initiative to assess their skills and competencies. An extensive training program should be adopted by the universities so that it equips the lecturers with the necessary skills. Sponsorship programs and tuition waivers should be maintained to those who wish to further their studies. Communication process should be improved to ensure that there is a smooth flow of information in the workplace.

5.4.2 Recommendation for further research

The study can be replicated in other public and private organizations other than universities, in order to verify the findings of the research.

Further research can also focus on carrying out a comparative study in private and public organizations such as NGOs, hospitals.

Future studies may consider inclusion of other variables which may influence the relationship between financial and non- financial rewards either as moderating or mediating variables.

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APPENDICES

APPENDIX I: LETTER TO RESPONDENTS

Mary W. Kathombe.
Egerton University,
P. O. Box 536,
EGERTON.

Dear Sir/Madam,

I am a post graduate student at Egerton University pursuing a Master of Business and Administration. I am carrying out a study on **“Reward Management Strategies on Employee Performance in Selected Kenyan Universities”**. I kindly request you to fill the questionnaire honestly. The information sought is strictly for academic purpose and confidentiality of the respondents is guaranteed. Thank you for availing time to contribute to this research.

Yours truly,

Mary Kathombe

CH11/00117/09

APPENDIX II: QUESTIONNAIRE

SECTION A - BIO - DATA

Please tick the appropriate box

1. What is your age bracket? Please tick.

Less than 30 31 – 35 36 – 40 41 – 45 46 – 50
51 – 55 56 – 60 61 – 65 66 >

2. Gender

Male Female

3. Work Experience

1 – 5 years 6 – 10 years 11 – 15 years 16 – 20 years
21 – 25 years Over 26 years

4. Level of education

PhD Masters

5. Kindly indicate your job title

Assistant Lecturer

Lecturer

Senior Lecturer

Associate Professor

Professor

SECTION B – FINANCIAL AND NON FINANCIAL REWARDS

The following statements describe “**Financial and Non-Financial rewards**” on employee performance. Please indicate the extent to which you agree with the following statements by ticking appropriate box. Please read the items carefully before choosing your honest option. The scale provided is 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree.

No	Parameters	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	Financial Rewards	1	2	3	4	5
(a)	Promotion	1	2	3	4	5
(i)	I hope to get an academic promotion in this university in the near future					
(ii)	I hope to get an administrative promotion in this university in the near future					
(iii)	My qualifications match with my current academic position					
(iv)	Promotion of employees is done regularly					
(v)	Promotion is done on merit					
(vi)	Promotions are normally given based on the number of years worked					
(b)	Incentives	1	2	3	4	5
(i)	Employees are rewarded for exemplary performance					
(ii)	Employees are rewarded for exceeding allocated teaching hours					
(iii)	Cash bonuses motivate employees to perform better					
(iv)	Employees are provided with attractive medical allowance					
(v)	Retirement benefits offered to employees are competitive					
(vi)	Insurance benefits offered by the University is attractive					

2.	Non-Financial Rewards	1	2	3	4	5
(a)	Training					
(i)	Employees are offered the training they need to help them on their job					
(ii)	The University provides a variety of training opportunities for employees					
a)	The University invests in employees through training and development					
b)	The University supports efforts by employees to obtain training on new skills					
c)	Employees have the skills they need to do their job					
d)	Employees are allowed to take initiative to assess their skills and seek appropriate training					
e)	Employees are offered further training opportunities.					
f)	The University conducts extensive training programs for its employees.					
g)	Employees have training opportunities to learn and grow					
h)	Training programs have improved my decision-making skills					
(b)	Job Enrichment	1	2	3	4	5
(i)	Employees have a variety of skills					
(ii)	Employees have task identity					
(iii)	There is job independence					
(iv)	Employees get feedback from their job background					
(v)	Employees are given additional responsibilities					
(vi)	I am granted autonomy at my work					
(vii)	More responsibility motivates me to higher performance					
(viii)	I am motivated by interesting work					
(ix)	Responsibility over my job encourages me to perform better					
(iv)	Employees get feedback from their job background					

(c)	Career Advancement	1	2	3	4	5
(i)	Opportunities are available for employees to further their studies					
(ii)	Employees are given leave to further their studies					
(iii)	There are clear guidelines on academic advancement					
(iv)	I will be more motivated if I get career advancement					
(v)	Employees are given tuition waiver to further their studies					
(vi)	The University recommends career advancement equitably					
(d)	Work Environment	1	2	3	4	5
(i)	I have necessary resources for performing my work					
(ii)	I have enough space in my office					
(iii)	I get pleasure from doing my job					
(iv)	I use ergonomic furniture					
(v)	There is enough ventilation in my office					
(vi)	I have good relationship with my colleagues					
(vii)	I receive recognition for my work					
(viii)	My work timings are well designed					
(ix)	I work in a calm atmosphere					

SECTION C - PERFORMANCE

In your opinion indicate whether you agree or disagree on the statement based on your performance. The scale provided is 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree.

No	Parameters	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Publications	1	2	3	4	5
(i)	Employees publish articles in local peer-reviewed and accredited scientific journals.					
(ii)	Employees publish their own books					
iii)	Employees present papers in conferences					
iv)	Employees write research reports					
(v)	Research funds are available for employees					
2	Team work	1	2	3	4	5
a)	Employees have team work					
b)	Work environment is conducive					
c)	Employees have adequate office space					
d)	Employees can express themselves freely					
e)	There is a smooth flow of information in the workplace					
f)	My working relationship between my associates and colleagues in other departments have improved					
g)	There are positive attitudes among colleagues					
h)	There are events that encourage informal interaction between management and employees					
i)	Employees have healthy relationships that lead to high performance					
j)	Gaining respect from others motivates me					
3	Supervision	1	2	3	4	5
(i)	Employees are allocated students for supervision					
(ii)	Employees are rewarded for supervising students					
(iii)	Employees supervise students' daily activities					
(iv)	Employees help students in daily assessments					
(v)	Employees inspire students' cognitive learning process					
(vi)	Employees have regular meetings with students					
(vii)	There is a supportive relationship between employees and students					

Thank you