EFFECT OF SALES INCENTIVES ON EMPLOYEE COMMITMENT IN THE REAL ESTATE INDUSTRY IN NAIROBI

BY

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DECLARATION

This research project is my original work and has not been submitted in any other University

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This project has been submitted with my approval as the University Supervisor

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DEDICATION

I dedicate this research work to my family. You are my rock.

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I would like to thank the Almighty God for providing me with the gift of life and good health as well as the resources to undertake this course.

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ABSTRACT

Studies on sales incentives and employee commitment have elicited extensive research. The importance of commitment to organizations and how to ensure that incentives contribute to desired behavior is now an important issue for organizations. The aim of the study was to investigate effects of sales incentives on employee commitment in real estate firms in Nairobi. The research design adopted was descriptive survey design. This consisted of employees of selected real estate firms based within Nairobi. The population of interest was 149 real estate firms that have been registered for business operations. The sample comprised of 10% from the target population hence sampled to 15. An average of four respondents from each of the 15 organizations were targeted which brought to a total of 60 respondents. The study made use of primary data that was collected using self-administered questionnaires containing open ended as well as closed questions. The data collected was analyzed using descriptive statistics. The collected data was analyzed using statistical package for social sciences based on the questionnaires. Results were presented in tables and charts. The study found that real estate firms had in place sales incentive policies that they used to motivate the employees to be more committed and perform outstandingly in the work place. The sales incentives came in various forms both monetary as well as non-monetary. The study found that the employees agreed that sales incentives affected their commitment to their respective organizations. This meant that they expected better Sales incentive policies from the employers before being committed to any organization. The research also concludes that employees working in real estate greatly value the sales incentives given to them which promotes their commitment levels toward the organization. The findings of this study can benefit leaders and managers in the organizations as well as policy makers in dealing with employee commitment and coming up with sales incentive practices. Institutions in the real estate industry have an increasingly competitive operating environment, so by revising their incentive policies it may lead to a positive influence on employee commitment; this will in turn improve retention and performance.

CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

The decision by an employee to stick with a certain organization is as a result of several factors. These include the cost associated with leaving the organization and also benefits gained for being a part of the organization. This implies that it is of great importance for business owners to maintain good relationship with employees in order to boost their commitment with the organization (Dugar, 2013). Sales incentives has significant impact on the increased employee commitment where it ensures that the employment relationship continues through creating foundations for high levels of commitment, and therefore, businesses are encouraged to come up with different types of incentive strategies which include promotions, bonus, profit sharing or gain sharing and employees stock ownership (Holtom, 2016). Employees' commitment is enhanced when there is an increase in the sales incentives which in turn increases their performance and at the same time reducing turnover. Commitment of employees can only happen when their desires are met by management of organizations. Therefore the level of employee commitment is positively associated with the level of sales incentives one gets (Saleem 2011).

This study was anchored on Social Exchange Theory and Expectancy theory. According to Westphal *et al.,* (2013), the basic idea of social exchange theory is the explanation of the notion that the choices made by people are motivated by a quest to maximize rewards got and at the same time minimize costs. The outlook of the social behavior is in terms of the pursuing rewards while avoiding punishment as well as other forms of costs. The emphasis of Social exchange theory is that choices are made by people so as to maximize on rewards while minimizing on costs. These rewards can be tangible in nature (money) or intangible (attention, status, affection) as long as they are perceived to possessing value or bringing satisfaction (Cook *et al.*, 2013). The occurrence of costs can either be in physical or emotional advantages opportunities that have been missed in order to gain rewards. The theory treats the exchange of benefits, which includes notably giving others something more valuable to them than is costly to the giver, and vice versa to be the underlying basis or open secret of human behavior thus a phenomenon permeating all social life (Leenders & Gabbay, 2013). The Expectancy Theory by Gibbon (1977), proposes that a person will decide to behave or act in a certain way because they are motivated to select a specific behavior over other behaviors due to what they expect the result of that selected behavior will be and the value placed on the reward to be received.

Kenya's real estate market is well diversified in terms of income, geography, and types. In terms of income, there is a clear segmentation of high, middle, and low income. Kenya is a diverse country from the long coast line having prime beach properties, to the highlands dotted with large and small scale farms and arid and semi-arid lands to the north with hidden reserves in the forms of mineral and oil resources. The main property types include retail, office, residential, Industrial and special properties mainly found in cities, towns and urban centers. The key drivers of the real estate market include demographics, income, availability, and cost of credit, government policy, advertising, price, and changing lifestyles. Regardless of the important role real estate industry in Kenya play on the country's economy and people, few studies have been conducted on this area, and almost none in the effect of sales incentives on employee commitment.

Therefore, this study will focus on advancing the available knowledge in the topic but with emphasis on the effects of sales incentives on employee commitment in the real estate industry. It will further assist the real estate industry managers and other stakeholders and policy makers in formulating appropriate mechanisms necessary to continuously monitor and evaluate the relevance and significance of sales incentives on employee in the real estate industry in Kenya.

1.1.1 Sales Incentives

Incentives can be considered to be any factor (financial or non-financial) which motivates an individual to take particular course of action, or maybe counted to be a reason for preferring one choice over the alternatives (Vroom, 1964). Collis and Rukstad (2008), defined, sales incentive to be way of compensating sales people. Under the supposed arrangements referred to as straight incentive, the sales people gets a percentage of the revenue brought in by the particular sales person that has been agreed upon (Collis and Rukstad, 2008). The utilization of the sales incentive arrangement by organizations is for the purpose of encouraging sales of their products as well as services. Be that as it may, a few businesses pay salesmen a straight pay. The most widely recognized type of sales remuneration other than in retail deals is to consolidate a fixed salary with incentives. The main advantage referred to for giving straight incentive is that it cause sales representatives to put more effort. Contentions by detractors center on the fact that sales people may be driven away because of the uncertainties encompassing such a type of compensation. Besides, their total reliance on incentives may lead them to grow bad business propensities. However, even detractors agree that incentives motivate and move individuals to invest more energy. As a result the greater part of organizations that utilize a sales force employs a combination of base pay and sales incentive to remunerate their sales representatives. (Chapman et al., 2010).

Mantrala *et al.*, (2010), argued that, the employees working in sales jobs are paid a base salary as well as a sales commission if they meet or exceed particular sales targets that have been set. The additional compensation that an employee is paid due to exceeding expectations is referred to as sales commission. Sales incentives are paid by managers so as to motivate the employee to make more sales and also to reward as well as recognize individuals that perform generally profitably. The use of sales incentives to remunerate salesmen and also to advance more offers of the item or the administration, has turned out to be a compelling approach (McKenzie, 2010). Businesses must outline a sales incentive plan that outlines the rewards of the practices as well as behaviors that the association desires to advance. Businesses for the most part pay salesmen a base compensation notwithstanding the sales commission. The base compensation recognizes the fact that a sales employee's time is not always spent doing direct selling.

1.1.2 Employee Commitment

Kelvin (2010), defined commitment to be a will to persist in a course of action and also reluctance to change plans, which is motivated by the sense of obligation to stick to the course. Individuals are simultaneously committed to multiple entities, such as economic entities, educational entities, family responsibilities, political and religious institutions (Kelvin, 2010). Porter et al (2012) additionally attests that employees likewise commit themselves to particular people, including their companions, children, guardians and kin, and in addition to their bosses, associates, administrators and clients. Commitment is manifested in unmistakable conduct. For instance, people often dedicate their time and vitality so as to satisfy work duties and also their commitments in family, individual, group and spiritual setting as well.

Further, as indicated by Abdulkadir et al., (2012), responsibility has both emotional and rational component, emotional part is when individuals generally experience and express positive emotions toward an entity or individual to whom they have made a dedication while rational component is uncovered when the vast majority intentionally choose to make commitments, at that point they attentively plan and complete the activities required to satisfy them. Further, he asserted that, since commitments require time investment and in addition mental as well as emotional energy, the vast majority make them with the expectation of response. That is, individuals assume that in return for their dedication, they will receive something of significant worth consequently, for example, favors, warmth, gift, consideration, merchandise, cash and property.

Employee commitment to an organization is a demonstration of employee satisfaction with the employers in terms of their expectations. When an employer meets the expectation of the employee the employee in turn provides commitment (Carr & Lopez, 2007). This is what makes work get done. Commitment comes if an employee has been provided with an enabling environment to be able to maximize of their full potential. This is where the employee gets value for their investment on the employee. The investment can be in terms of training to enhance the skills of the employee professionally and technically. This also provides an intrinsic kind of motivation that enhances the feeling of self-worth and the employees feel valued and psychologically become attached to the organization (Piercy, 2010).

1.1.3 Real Estate Industry in Kenya

According to Kioko (2014) real estate refers to all that consisting of land or buildings. This includes, natural resources for instance crops, minerals or water that may be obtained on the estate as well. The real estate business entails buying, selling, or renting land, buildings or housing. Historically, the industry market has been used as a vehicle towards economic development. Performance of real estate is triggered by growth in population as this determines demand (Kioko, 2014). The real estate industry in Kenya has been robust in the last few decades. The industry survived past the violence experienced in 2008 post-election period and also global economic downturn which ended up crippling many sectors like tourism and agriculture. The number of jobs created by the construction sector in 2010 is approximated to be about 82,000 in number. The high profit margins reading 20 to 30 percent recorded in the Kenyan market has been a cause of attraction especially for foreign investors. This as indicated by analyst Nathan Luesby in 2012 has not been experienced in the United States of America or even in European markets (Amatete, 2016).

Knight Frank's 2011 Prime International Residential Index (PIRI), whose business is to monitor the price changes happening across the world's top-end property markets, points out that the greatest global price increase was experienced in the Kenya's luxury real estate. The growth of value experienced in Nairobi's prime real estate was at 25% while at the Kenyan coast the value went up by 20%. This was a significant growth which outdid major cities like Miami (19.1%), London (12.1%), Moscow (9.8%), New York (3.1%), Shanghai (-3.4%) and Singapore (- 4.7%). On the other hand, The Hass Property Index (2013) has however shown that growth of prices may be unsustainable in the foreseeable future due to market saturation in the upper end of the market. The prices of land have hit an all-time high, especially in areas where major projects are being run. This is due to the anticipated growth of demand which is as a result of establishment of new amenities that is expected to transform sleepy rural villages into mega urban estates to be inhabited by middle and high income earners. Real estate industry in Kenya is very competitive and therefore having competitive advantage is key for survival (Anu, 2016).

As per Kenya Legal Notice No. 115, VAT Pension Act, of 2008, Low-income earners in the Kenyan population, include people that earn less than a monthly gross income of thirty five thousand shillings especially in reference to the housing context. The outstanding characteristics associated with this group: Informal employment with low income levels, crowded settlements with poor living conditions and no basic infrastructure and informal housing systems (Vuluku & Gachanja, 2014). A chellenge also exists in financing of the real estate projects at both the development stage as well as end-user finance. In Kenya, there are only two financial institutions that specialize in funding of real estate. These are the Savings and Loans(S&L) and Housing Finance Corporation of Kenya. On 1st January, 2010 there was a merger between Savings and Loans with its mother company, the Kenya Commercial Bank which now leaves the latter as the only standalone institution that finances real estate. The limited financing options in the real estate industry in Kenya has been characterized by fairly rigid financing options and relatively high interest rates. In the midst of these challenges it is prudent that a real estate firm develops competitive strategies in order to overcome the challenges and also achieve excellent performance (Peprah *et al*., 2015).

1.1.4 Real Estate Firms in Nairobi

In the last decade, real estate in Nairobi has grown tremendously due to burgeoning middle class with higher disposable incomes. According to the Knight Frank 2014 Prime International Residential Index (PIRI) the luxury estate in Kenya experienced the highest increase in price globally. Nairobi's prime real estate value grew by 25%, the highest in the country compared to other cities like Mombasa at 20%. These returns have attracted many investors to the industry resulting to an increase in the number of real estate firms setting up in Nairobi. These firms range from small local companies whose interest is managing existing properties, and large international companies who have chosen Nairobi as their base to venture into the Industry. Insurance and fund management companies have also set up subsidiaries that handle the real estate function of their portfolio (global property guide, 2014) Some of the real estate firms include Knight Frank, Hass Consult, Villacare, Cytton Investments, Ryden International, Home Africa, Buyrent Kenya among others.

In Africa, Nairobi being a large city is home to a huge number of expatriate communities because of the increase in the number of multinationals companies that have set up their continental headquarters. Knight Frank (2012) ranked the county of Nairobi's real estate sector to be one with the fastest growth rate in the world. This has made the city an ideal location for local and multinational real estate firms. Real estate player estimate that future demand in real estate investment will be driven by middle and low income earners. The government is also encouraging development of low cost hosing by offering tax incentive to developers.

1.2 Research Problem

Employee commitment is associated with a decreased intention to leave the employer. This means therefore that there is a high chance of retaining a committed employee. Commitment is achieved through a number of strategies such as an enhanced relationship between the employee and the employer. Employee commitment should be viewed as a business necessity. The Organizations that are finding it difficult to retain and replace employees who are will struggle with performance optimization. Davies (2008) pointed out that there is need for employees to conduct themselves according to the standards of the firm's desired brand. The success of this hinges on the ability of organizations to win the loyalty of employee to their brand as well as developing commitment to the organization. They also observe that developing an 'employer of choice' strategy can have far reaching benefits in terms of employee commitment and support for the brand.

Over time, there has been an overwhelming recognition by the business community on the effectiveness of incentive compensation award plans (Boone and Cummings, 2001). An increasing number of organizations are introducing incentive award compensation plans (Rocco, 2005). The plans are based on the premise that an incentive award program can play to be a motivation tool that is powerful to attract and retain top talent, which will lead to increase in productivity, and ultimately, achievement of corporate goals.

The major challenges faced by the real estate firms nowadays include recruitment of new employees, retaining them as well as those already there and are worth retaining and above all ensuring that they are adequately compensated so as get them to work in ways whereby organization's interests are promoted. The pressure is so real that these firms have gone to the extent of putting forth what is described as 'discretionary effort', which is refers to doing more than is expected of them. The incentive plan is one of the principal tools used to manage the firm’s workforce. These incentives sometimes work as they are intended to, but there are ways in which they can backfire, thereby causing contentious behaviors among employees, complaints about unfair pay distribution, or overwork and stress. Although these critical issues represent real problems for many businesses, little progress has been made in gathering evidence on how different incentive pay schemes performance-related pay, profit-related pay, and share ownership might affect employee commitment.

There have been various studies that have been done in in relation to the effects of sales incentives on employees’ commitment in the real estate industry in Kenya. Tumwet, Chepkilot and Kibet (2015) did a study on employee perception of incentive schemes: the case of unionnizable staff at Cooperative Bank of Kenya. The findings show that there is high awareness of staff on the incentive schemes in place, that indeed incentive schemes motivate employees to work harder and improve productivity. It has also emerged that although employees believe that performance evaluations are fairly done, incentives are not given according to individual performance.

Further Musula (2012) did a study on the relationship between performance based incentive pay and employee motivation in Barclays Bank of Kenya branches in Nairobi city. The findings indicated that the institution offered incentive pay that is performance based which impacted on employee commitment. Also, according to Atambo, Munene and Mayogi (2013) on his study about Employee perception of the link between performance and Incentive pay, case of selected employees in the Mobile Phone Industry.

The findings derived from the study showed that employees perceive that there is a link between their performance and incentive pay.

Therefore, there have been few studies in Kenya on sales incentives on frontline employees' commitment in the real estate industry. This provides an opportunity to fill the knowledge gap that has been presented. The study seeks to assess the effects of sales incentives on frontline employees' commitment in the real estate industry in Kenya. Therefore, the study was seeking to answer the question: What is the effect of sales incentives on employee commitment in the real estate industry in Kenya?

1.3 Research Objectives

The objective of this study was to establish the effect of sales incentives on employee commitment in the real estate industry in Nairobi.

1.4 Value of the Study

This study will contribute to theory where by the findings will provide a basis for reference when conducting similar or related research projects. It will be assistance especially the scholars to broaden the syllabus in respect to the objective of study hence provide a deeper comprehension on the effects of sales incentives on employees' commitment in the real estate industry in Kenya.

This research will make contributions in practice where by it will aid managers in formulating appropriate mechanisms necessary to continuously monitor and evaluate the relevance and significance of sales incentives to employees in the real estate industry in Kenya. The study will also provide useful information to, sales people who may be interested in learning how sales reward tools work and on ways to improve their contribution to the effectiveness of the sales effort.

To the policy makers, the findings are critical in employee sales incentive policies to enhance employee commitment to organizations. The policies will be used in government reforms involved in organizations' employee well-being in which government reviews their functions, structures and staffing with the aim of enhancing efficiency and productivity.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section covers the review of literature related to the study. This includes the theoretical foundation on sales incentives and employee commitment. Also, the elements of sales incentives, factors influencing employee commitment as well as link between incentives and employee commitment are covered.

2.2 Theoretical Foundation

The theoretical foundation provides an understanding of the concepts of incentives and organizational commitment and the linkage between the two concepts. The study is anchored on theories of expectancy and social exchange theory. The theories explain employee's behavior, attitudes and perceptions arising out of compensation and commitment. A linkage between compensation and commitment is derived from employee's behavior to various elements of compensation.

2.2.1 Social Exchange Theory

The social exchange theory as formulated by Blau (1964) states that employer and employee relationship requires both parties to have very specific expectations to how they should relate in terms of employment. This model of commitment as presented by Eisenberger et al., (1990) is anchored on the premise that employees enter organizations with certain desires and other expectations that at a given time they expect some fulfillment. It is, therefore, on this basis that the perception of facilitation of these ends, commitment to the organization is likely to increase. Both parties continuously evaluate needs throughout their engagement and as a result if the exchange is perceived to be fair and positive, there is a probability that the engagement will last longer.

Eisenberger et al., (1986) explains worker commitment regarding an association in the social exchange theory and states that "workers develop convictions concerning the degree to which the association esteems their commitments and thinks about their prosperity and along these lines allude to those worldwide beliefs as perceived spport from the organization. Embracing a social exchange structure, Eisenberger contends that such convictions impacts workers inferences concerning their dedication to the organization which thusly add to the workers' commitment regarding their companies. Feeling of obligation by the employees are supported by high levels of organizational support, whereby representatives not just feel that they should be focused on their organization, yet additionally feel a commitment to restore the businesses' dedication by participating in practices that help organizational objectives and targets. Representatives look for balance in their relationship with association by having states of mind and practices equivalent with the level of sense the organizations of duty regarding them as people. Existing writings has demonstrated that support from the organization is positively identified with honesty in performing work duties and to sense of duty regarding the organization, (Eisenberger et al., 1990). View of being valued and thought about by an association likewise improves the trust of workers that the organization will satisfy its exchange commitments of recognizing as well as compensating attitudes and behaviors that are desired of the employees

2.2.2 Expectancy Theory

Expectancy theory propounded by Vroom (1964) is a process theory which explains the mental working of an employee in interpretation and perception of organizational compensation leading to behaviors of commitment, motivation and effort increase. According to the theory, commitment policy is futuristic and influences expectancy behaviors and attitude towards a job. Vroom suggests that employees' work behavior is related to believe that their effort will result in achievement of outcomes that are of value to them. The theory is based on three expectancies; effort- performance expectancy (E-P), performance – outcome expectancy (P-O) and Valence (V).

The interplay of the three expectancies leads to interpretation of fulfillment or non-fulfillment of expectancies by the organization. E-P is the perception held by the employee that there exists a positive relationship that is significant between effort and performance with increased effort resulting to performance. P-E is the employee prediction that high performance will result to positive outcomes in the form of rewards or compensation. V refers to the value expectation of the employee towards the rewards. Employee will be diligent in his work where such efforts results to increased performance. Continuous effort will only be made where outcomes of reward are linked to effort and performance and are perceived to be of value. Employee behavior to work will be positively influenced when the rewards are predicted with a higher degree of continuity and such rewards are of presumed value to the employee.

2.3 Types of Sales Incentives

There exists numerous ways of how incentives that are awarded to employees are classified. The commonest classifications are discussed below.

2.3.1 Organizational Wide Incentives

These is defined as a system that compensates all the employees in the organization based on the overall performance of the organization annually. Teamwork is hence encouraged and interdepartmental conflicts is reduced due to the emphasis put on profit and productivity as compared to the other categories of incentives (Mathis et al, 1994).

Organizational objectives and the strategy influence sales incentive policy because they are aligned to organizational objectives. Avariet (2011) provides that organizations adopt strategic sales incentive practices as motivation tool which inspires the employees towards achievement of organizational objectives. Strategic fit created between sales incentive policy and organization objective have broad implications. The sales incentive policy is influenced by various changes arising out of strategy implementation and the changes in the industry (Martochio, 2009). Coetsee (2004) underscores the significance of linking incentives as a factor whose outcome is good performance, and goes ahead to explain that this giving deserving employees incentives will encourage hard work thus behavior is affected by motivating them.

2.3.2 Individual Incentives and Group Incentives

Milgrom and Roberts (1992) points out the incentive types that can be given to individual persons and those that fit to be awarded to groups. Some examples of Individual incentives include providing stock options for executive as well as giving commissions to agents in real estate agents. To discourage mediocre employees from wanting to join the organization as well as induce hard work to those already working for the organization, individual incentive pay is used. Kanungo and Mendonca (1992) identified several requirements that were crucial for implementation of individual incentives to be successful. These include the capability of employee to attain the performance levels desired and the perception of the employee on the reward value in relation to performance.

Clear ‘line of sight’ between the performance and the reward is said to exist when the latter condition is fulfilled. ‘Line of sight’ is described to be the point where the employee is able to see the translation of effort to higher performance which ultimately leads to rewards that are bigger (Zobal, 1999). Individual incentives are explained by Milgrom and Roberts (1992), and work situations that individual incentives work best. This includes situations where the employee is flexible in terms of speed and period of time as well as work output demanded. Productivity may however be undermined when individual sales incentives are used, where the work environment is in need for team cooperation so as to improve performance.

Group incentives are based on organizational objectives which is to satisfy the goals of the company. They are useful in situations where there is difficulty to link individual effort and outcome or where group effort is necessary (Applebaum et al, 1996). Examples of team/group incentives include Profit Sharing Plans, Employee Stock Ownership Plans and Gain Sharing Plans. Team/group incentives provide the management with ways of encouraging sense of collective responsibility whose aim is to facilitate achievement of better performance through team effort. This is due to the fact that change of the organizations way of work that introduces and also puts emphasis on teamwork among employees who had previously worked as individuals does not necessarily lead to a performance that is better(Zobal, 1998).

2.3.3Short-term Incentives and Long Term Incentives

Annual bonuses and performance based commissions are some of the examples of short term incentives. These are awarded in the period immediately preceding its award. It is an incentive program that is somehow based on performance and also a percentage of the fixed salary. Bernsmed (2009) maintain that the disadvantage that is manifested with these plans is that they sometimes encourage short sight thinking, and thus the need to have an incentive program that is long term as well, where there is consideration of long term goals before giving out the compensation.

Gibson (1996) asserts that incentives can either be given in short-term or they can be deferred. This implies that the benefits can only be realized after the elapse of a defined period of time (Gibson, 1996). Examples include pension fund contributions and awarding of non-vested options. In the latter case of non- vested options, the employee can only vest the options after staying with the company for a specified period and options are lost if they decide to quit working for the company much earlier (Lazear, 1999). The main point of focus is that employee retention is encouraged by such non-vested options.

2.3.4 Financial Incentives and Non-Financial Incentives

Financial incentives comprise of bonuses, pay rises, commissions, and pensions (Slavin, 2003). Houston et al (1957) emphasized the importance of money as an incentive and says that in the form of pay or some remuneration it is the most obvious optimistic reward. Money provides energy that is wanted by most people because of its effectiveness in motivation. He claimed that lack of it can cause dissatisfaction and further states that incentives can sometimes be used to fill the gap of dissatisfaction and provide some motivation.

There are many non-monetary incentives which means that they do not incorporate cash whether immediate or future. Some examples of these incentives that are categorized as non-monetary include cars provided by the company, employee recognition, opportunities for training and development well as regular promotions. These promotions are however preceded with an increment in monetary reward due to the salary increase (Slavin, 2003). Jensen (1998), says that non-financial and indirect financial incentives scheme can offer employees extra pay according to individual or group performance targets and further advises that there are tax and national Insurance implications for most financial incentives and for non-financial benefits with an equivalent cash value.

2.4 Forms of Employee Commitment

Meyer & Allens (1997) model of commitment is used to conceptualize the commitment of employees in three dimensions. These include affective commitment, continuance commitment and normative commitment. They describe the ways employee commitment develops and the implications to the behavior of the employees.

2.4.1 Affective Commitment

The first dimension of employee commitment in the model is affective commitment. This represents how an individual's emotion is attached to the organization. According to this model, it is how an employee is attached emotionally as well as the need to identify with and also get involved in the organization. Employees who continue to work for an organization because they want are committed to the organization on an affective basis (Meyer & Allen, 1991). These employees stay with the organization because they view their personal employment relationship as congruent to the goals and values of the organization (Beck& Wilson, 2000). Commitment to an organization leads to the natural development of a relationship, or maybe a course of action over time and thus organizations are encouraged to actively work on developing levels of commitment among employees. Ehnert (2008) asserts that all sensitive and mindful employers objective is to retain a highly skilled and motivated workforce and project their positive image as equal opportunity and attractive entities. This is because they know that their success and competitiveness is directly linked to the quality of their workforce.

Employee's commitment is manifested in their devotion to the organization, job or any activity organized in the interest of the employees. Committed employees are identified in their beliefs, self-confidence, customer care and mind for consequences and concern for loyalty to the organization (Meyer & Allens 2007). Organizations expect employees to contribute and deliver to their success without coercion and therefore commitment is key to the survival of these organizations Affective commitment can be explained to be an attitude that is work related that encourages feelings that are positive towards the organization (Morrow, 1993). This involves generally job related characteristics, personal characteristics and work experiences that dictate the magnitude of commitment exhibited from different categories of employees.

2.4.2 Continuance Commitment

According to Bergman et al.,(2013) employees exhibiting continuance commitment examine the costs related benefits to leaving the organization and therefore stay put because they are tied to 'hang on the employers shoulders" for lack of choice simply because it is costly to lose their membership. (Meyer et al., 2002) further asserts that it is practical to have an assumption that the perceived need to remain with his or her organization will increase once an employee experiences restriction of options It is based on total advantages associated with organizational membership (Meyer *et al.*, 1990). Precisely, these advantages generally consist of favorable working environment such as competitive compensation and seniority benefits (Powell & Meyer, 2004). This reduces uncertainty through providing financial security and job stability. Furthermore, employees who experience continuance commitment have a lot to lose in leaving the organization, and therefore the perception of having to join another organization poses a potential threat to their survival.

High levels of continuance commitment display withdrawal cognitions that are low and also increased levels of role conflict and also role ambiguity (Meyer et.al, 2002). In a scenario like that, employees that are continually committed remain in a position that is quite uncomfortable due to them needing and or lacking alternatives. This situation should be regarded as lose-lose for both the employee and also the organization alike. Employees continue to work in a position only and at times may potentially contaminate the work group. It is as a result of these likely repercussions support the concept advanced by Meyer and Allen (1991) that organizational effectiveness depend on much more than a human capital that is just a stable.

2.4.3 Normative Commitment

Wiener (1992) observed that the obligation by employees to remain with the organization results from the socialization experiences and observation of other employees as role models. It is at times influenced by the employees' cultural background where behavior of collectivism than individualism is cultivated by families of these employees**.** Employees' commitment happens to be among those concepts that can be used in a number of different ways. In most cases, it is used to refer to point out an employee who has either high or low commitment levels. It is the individual's psychological attachment to the organization and plays a role predicting work variables like labor turnover, organizational behavior as well as performance on the job (Meyer &Allens 2007). It refers to the development of the social identity of employees in the context of employing organizations. When employing organizations are used by employees in defining identities then it means that there is a creation of strong bond thus enhanced commitment.

Employees reveal visible responsibility of staying with the organization (Lynne etal, 2002). They stay because they think they have an obligation to serve their employer, (Ahmadi & Avajian, 2011). Organizations that have normative commitment culture towards their employees such as willingness and loyalty will create psychological positive effects on employees' commitment and improves their performance. Consequently it is no doubt true that the forces which shape the obligations of a person in an organization is the same force that spur them to ensure that they meet organizational goals, even if it requires the employee to perform tasks that are not incorporated in their terms of service. These employees would go out of their way to engage in activities and organizational behaviors purely motivated by sense of responsibility and would benefit both the organization and the employee as well especially if the employee's efforts are ultimately recognized by the organization.

2.5 Sales Incentives and Employee Commitment

Studies on sales incentives and employee commitment have elicited intensified research. Importance of commitment to organizations and how to ensure that incentives contributes to desired behavior are now a central concern to Organizations. HR practitioners and academic researchers have embarked on cross sectional and case studies to investigate the lines between incentive policy and employee commitment. Anvari et al (2011) investigated the whether relationship exists between strategic compensation practices and affective commitment. The research was cross sectional carried out in universities of medical sciences in Malaysia. The objective of the study was to investigate the existing relationships between strategic compensation practices, psychological contract, and affective commitment. Four universities of medical science were sampled and descriptive statistics were applied in the data analysis. The research findings indicated that there existed a significant relationship between compensation policies of paying for performance, pay for purposes of knowledge and organizational commitment.

Chew et al (2008) researched on organizational commitment, human resource practices and how they affect employees' intention to stay. The research was cross sectional in well-established public and private organizations in Australia. The objectives of the research was to determine the effect of key human resource (HR) practices on permanent employee's organizational committee and intentions to stay. Delphi technique was used in interviewing the respondents while the hypothesis was tested using structural equation modeling. The study findings on compensation and commitment relationship were positive and significant.

Rizal et al (2014) investigated how compensation affected motivation, employee commitment to the organization and performance of employees at local revenue management organization in Indonesia. Data collected from respondents was analyzed using a structural equation model. The findings of the research were that compensation significantly effects employees' motivation and their commitment to the organization, but does not have significant effect on employee performance. Commitment was however found to have significant influence on employee performance.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

The chapter discussed the methodology employed in this research in order to achieve the study objective which is to find out the effect of sales incentives on employee commitment in real estate firms in Nairobi. The areas covered included research design, population of the study, methods used to collect data and data analysis.

3.2 Research Design

This is the plan that the researcher used to get information that answered question of the research, whose basis is on the objectives of the research as well as research problem. The research design that was employed for this study was the descriptive research design. Kothari, (2004) explain a descriptive research design to be empirical whereby the researcher does not directly control the variables yet still it allows close association with the research variables thus interference is minimal. An important role is also played by the descriptive research design when it comes to explaining the characteristics of the population targeted, and making predictions that are meaningful (Mugenda & Mugenda, 2008). The goal of this study to determine what effect sales incentives had on employee commitment in the real estate industry in Nairobi. This most suitable research design was therefore the descriptive research design. Preference was also given to this research design due to the ability it had of minimizing biasness and at the same time maximizing on the reliability of the findings.

3.3 Population of the Study

In research, Population is used to refer to the absolute group of individuals or companies that the researcher wishes to base their investigation on (Sekaran and Bougie, 2010). It is defined on the basis of availability of elements; time allowed, physical boundaries and topic that interest the researcher. The study population comprised of all the registered real estate companies in Nairobi County, Kenya. Nairobi had 149 registered real estate companies as at 31st December2016 (Yellow Pages, 2017).

3.4 Sampling Design

The sample size was 15 firms in accordance with Mugenda and Mugenda (2003) postulation that a sample size falling between 10-30% of the population of the study is considered to be adequate for the purposes of generalization of findings to represent the entire population as long as the selection of the sample was conducted scientifically. The researcher applied simple random sampling technique to allow an equal chance of inclusion in the study to every member of the population. The researcher targeted an average of four sales executives from each organization, which resulted to 60 respondents.

3.5 Data Collection

The researcher collected primary data from the targeted respondents using a structured questionnaires. To keep up with data uniformity in responses as well as encourage participation, the questionnaires will be kept short and also uniformly structured for the respondent to give the degree of agreeing/dis-agreeing with the aspect in the question. The respondents will also have an option of choosing neutral position.

The researcher's preference of questionnaires in this study was because the respondents directly interacted with the variables of the study and clearly understood the variables. According to Mugenda and Mugenda (2012), questionnaires are used commonly to be able to obtain information that is detailed about a targeted population.

3.6 Data Analysis and Presentation

Checking of the filled questionnaires to ensure completeness was done before coding and entering the data in statistical package for social sciences (SPSS). Analysis of data was done by use of descriptive statistics such as mean, standard deviation, frequency distribution and percentages. The analysis was then presented in form of tables and graphs. The analysis was seeking to meet the research objectives. Relationship between sales incentives and commitment was established using correlation analysis.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The following chapter presents the analysis, the interpretation as well as discussion of research findings. The study objective was to find out the effect of sales incentive on employee commitment in the real estate industry in Nairobi. On single response questions, the study made use of frequencies (absolute and relative) whereas on questions that required multiple responses, the likert scale was utilized in data collection and also analyzing the data whereby a scale of 5 points was used mean and standard deviation computations. These were then presented in tables, graphs and charts as appropriate with explanations being given prose.

4.2 Response Rate

The targeted population was the 15 real estate companies registered for business in Nairobi County. 60 questionnaires were distributed to the respondents, they were all filled in and given back, indicating 100% rate of response. This is excellent as it will be sufficient to facilitate conclusion making for the study. Mugenda and Mugenda (1999), supposed that for reporting purposes, a response rate of 50% is adequate, while a rate of 60% is good. A rate of response ranging from 70% and above is excellent for reporting purposes. As per this assertion, the rate of response was excellent.

4.3 Demographic profile

The information provided by the respondents covering the demographic information include the gender, the age bracket, the respondents' highest level of education attained, the length of service in their present organizations as well as current position held in the organization.

4.3.1Gender of the Respondents

Table 4.1: Respondents Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	37	61.7	61.7	61.7
	female	23	38.3	38.3	100.0
	Total	60	100.0	100.0	

The results indicate the percentage of male respondents to be 61.7% while the remaining 38.3% to be female.

4.3.2 Age Bracket

The respondents were required to indicate where they fall in the age bracket and the results are presented in table 4.2.

Table 4.2: Age bracket of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	under 30 years	31	51.7	51.7	51.7
	31-40 years	21	35.0	35.0	86.7
	41-50 years	6	10.0	10.0	96.7
	41-50 years	2	3.3	3.3	100.0
	Total	60	100.0	100.0	

The results on the respondents age bracket indicate that the age of 35.0% of the respondents fall in the age bracket between 31 and 40 years, 10.0% of the respondents fell in the age bracket of 41 to 50 years, 51.7% of the respondents were less than 30 years while 3.3% of the respondents were over 50 years. These findings indicate that majority of the respondents were aged 30 years and below thus they still had many years to work. This means that they looked out to work for institutions which would ensure that their interest are met so as to be committed to the organization. This is in line with the argument of Kaldneberg, Becker and Zvonkovic (1995) who point out that alternative employment for ageing workers generally decrease, thus making the job that they hold currently more attractive. They posit that the older individuals may have more affective commitment to the organization due to the history they have with the organization than younger workers.

4.3.3 Highest Level of Education

The respondents were requested to indicate their highest level of education attained. The findings are as presented in table 4.3

Table 4.3: Level of Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	post graduate	22	36.7	36.7	36.7
	university	5	8.3	8.3	45.0
	tertiary	30	50.0	50.0	95.0
	secondary	3	5.0	5.0	100.0
	Total	60	100.0	100.0	

The results indicate that 8.3% of the respondents had attained university level, 36.7% of the respondents said that their highest level of education was post graduate level, 50% of the respondents had attained tertiary college level, while 5.0% had gone only up to secondary level . The results indicate that majority of the respondents had tertiary education and above an indication that they were qualified to give the information required for this study.

4.3.4 Length of Service with the Organization

The respondents were requested to indicate how long they have worked with the company. Their respondents are as presented in table 4.4

Table 4.4: Length of service with the organization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5 years and below	40	66.7	66.7	66.7
	5-10 years	15	25.0	25.0	91.7
	over 10 years	5	8.3	8.3	100.0
	Total	60	100.0	100.0	

The results indicate that 8.3% of the respondents have worked in the company for over 10 years, 25.0% of the respondents indicated that they have worked in the company for 5 to 10 years while 66.7% of employees indicated that they have worked in the organization for a period of less than 5 years. This findings indicate that respondents have worked in the organization for a while and therefore they understand the extent to which sales incentives influence employee commitment in the company.

4.3.5 Current Position in the company

The respondents were asked to indicate the current position which they hold in the company and the results are presented in table 4.5

Table 4.5: Current Position in the Company

	Frequency	Percent	Valid Percent	Cumulative Percent
top management	22	36.7	36.7	36.7
lower level	38	63.3	63.3	100.0
Total	60	100.0	100.0	

The results indicate that 63.3% of the respondents were from the lower level while 36.7% of the respondents‟ current position was top level. The results indicate that the results would give a clear picture of how sales incentives influence commitment in the company as the respondents are from different categories.

4.4 Sales incentives

The respondents were asked to indicate to what extent they agreed with statements regarding sales incentives influence on employee commitment. The responses as presented in table 4.6 below.

Table 4.6: Sales incentives perceptions

	Mean	Std. Deviation
• The company sales incentive system fosters effective relationship between workers	3.7333	1.00620
• The company uses sales incentives to motivate and encourage workers	3.6333	1.20685
• There is fairness and equity in the organization in sales incentive practices	3.4833	1.08130
• Sales incentives paid encourage employees to stay with the organization	3.4333	1.04746
• The sales incentive offered to employees are commensurate with the amount of work done	3.3167	1.20016

• I feel appreciated through the sales incentives offered	3.2833	1.16578
• I am satisfied with the sales incentive that the company offers	3.2333	1.54445
• The sales incentives offered by the company are comparable with what the market offers	3.0500	1.25448
OVERALL MEAN SCORE	3.3958	1.1883

From the table above, most employees indicated that the sales incentive system fostered effective relationship among employees as supported by the mean of 3.73. The mean of 3.63 indicated that the majority of employees agreed that the organization used sales incentives to motivate and encourage workers and that there was fairness and equity in administering this practices as evidenced by a mean of 3.48. Mean of 3.31 indicate that most respondents felt that the sales incentives that was being given by their respective organizations was commensurate with the amount of work done and that it encouraged them to stay with the firm as indicated by the mean of 3.43. In terms of comparing the sales incentive given with the prevailing market offers, the respondents felt that the organization was on the right track as indicated by a mean of 3.05, which most agreed that they were satisfied and also felt appreciated, as shown by the means of 3.23 and also 3.28 respectively.

The respondents were asked to indicate if increase in sales incentives would motivate them and make them be more committed to the organization. 96.7% of the respondents agreed that they would be more committed if the sales incentives were increased with the remaining 3.3 percent being negative which is indicated in table 4.7 below.

Table 4.7: Sales incentives and commitment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	58	96.7	96.7	96.7
	no	2	3.3	3.3	100.0
	Total	60	100.0	100.0	

4.5 Levels of Organizational Commitment

The research objective was to determine the effects of sales incentives on employee commitment in the real estate industry in Nairobi. The levels of commitment were structured in three types namely; Affective commitment, Continuance commitment and normative commitment. In order to achieve these objectives, the respondents were asked questions regarding commitment in a 5 point likert scale where a mean score of 1-1.9 indicated strongly agree, 2-2.9 agree, 3-3.9 Moderately agree, 4 - 4.5 disgree, 4.6 - 5 strongly disagree.

4.5.1 Affective Commitment

Affective commitment refers to the situation where the employees are attached emotionally to the organization. The findings are as summarized in the table 4.8

Table 4.8: Affective Commitment

	Mean	Std. Deviation
• I feel obligated to work for the company	1.3000	.53043
• I will feel guilty if I left this company	2.4333	1.85369
• I will appreciate if I work for this organization until retirement	2.6000	1.38025
• I don't feel that I am emotionally attached to this company	2.9500	.64899
• I feel that challenges facing this company are also my challenges	2.0333	1.07304
OVERALL MEAN SCORE	2.2633	1.0973

The above findings indicate that employees feel obligated to work for their organizations with a mean score of 1.30 and would like to work until retirement as expressed by a mean score of 2.6. However, some employees don't necessarily feel that the challenges facing the organization are theirs as shown by the mean of 2.03 and some would not feel guilty if they left their organizations and don't feel emotionally attached to the company as shown by the mean of 2.43 and 2.95 respectively. The average mean score was 2.2633, and this reveals that the level of affective commitment among employees is high.

4.5.2 Continuance Commitment

Continuance commitment relates to employees examination of the loyalty and benefits accrued with their organization and weigh the benefits of leaving that organization. The findings are as summarized in the table 4.9.

Table 4.9: Continuance Commitment

	Mean	Std. Deviation
• The incentive pay I receive from my organization is adequate and I would suffer high financial loss if I leave the organization	2.9333	1.03934
• The incentives I receive in my organization would be difficult to get from another employer	3.0167	1.14228
• My career growth and development would suffer in case of leaving my current organization due to loss of training programs	2.8667	.94719
• Fairness and transparency in incentive policy makes me stay longer with an organization	1.7833	.76117
• Recognition for effort and performance is a big consideration for my stay in the organization.	1.5000	.53678
OVERALL MEAN SCORE	2.422	.885

The findings indicate that employees agreed that they are loyal to the organization because they consider the incentives received from the organization is adequate and that they would suffer financial loss if they left with a mean score of 2.93. However, some staff disagreed it would be difficult to receive similar levels of incentives from different employer with a mean of 3.016. They agreed that fairness and transparency contributed to their stay with the organization so is recognition for effort and performance as indicated by means of 1.78 and 1.5 respectively. The respondents indicated a moderate response when asked whether their careers would suffer due to loss of training programs if they left the organizations, which is shown by the mean of 2.86. The average mean was 2.422 which is an indication that Continuance commitment is moderate. The findings above imply that employees stay loyal because they invest a lot in an organization.

4.5.3 Normative Commitment

Normative commitment involves employees socialization experiences in the organization and is influenced by their background and therefore involves employees' social identity with the employing organization**.** The findings are as summarized in the table 4.10.

Table 4.10: Normative Commitment

	N	Mean	Std. Deviation
• I feel that I owe this organization because of what it has done for me.	60	1.9500	1.12634
• If I got another offer for a better job elsewhere I would not feel it was right to leave the company.	60	2.4833	1.35911
• I continue to work for this company because I believe loyalty is important and therefore feel a sense of moral obligation to remain	60	1.9500	1.24090
• I do not believe that a person must always be loyal to his or her organization	60	3.5667	.92730
• The organization deserves my loyalty because of its treatment towards me.	60	1.9333	.88042
OVERALL MEAN SCORE		2.376	1.1068

The above findings indicate that some employees agreed that they felt that they owe the organization some level of commitment because of what it has done to them and the organization deserves their loyalty because of its treatment towards them with a mean score of 1.95 and 1.93 respectively. However, some employees indicated that the reasons they continue to work in the firms that they are currently in is because of their belief in the importance of loyalty thus they feel a sense of moral obligation to stick with the organization as indicated by a mean score of 1.95. The respondents also tended to disagree that in case they were offered a better job elsewhere they would not take it but stay with the organization because they felt it was not right to leave the organization they are working for as shown by a mean score of 2.4 while others further disagreed with the idea that a person must always be loyal to his/her organization with a mean of 3.56. The overall mean was 2.376, an indication that normative commitment among the employees in their organizations is moderate.

The above findings imply that some employees agree that they owe the organizations for what they have gained from working with it. They further acknowledged that their employers deserves loyalty because of its treatment towards them. Employees further agreed they would leave if they got another job elsewhere and expressed that they do not believe that a person must always be loyal to his/her organization.

4.6 Regression Analysis

Table 4.11: Model Summery

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.894[a]	.799	.768	.66499

79.9% variation in employee commitment is therefore significantly explained by variation in sales incentives. The regression equation has established that holding all the independent variables constant, other factors influencing commitment will be 20.1%. The findings of this study show that they concur with Eisenberger (1998)) who asserted that incentive policies affect the levels of employee commitment which in turn positively affects their work performance.

Table 4.12 ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.467	1	12.467	44.752	.000[b]
	Residual	16.158	58	.279		
	Total	28.625	59			

a. Dependent Variable: commitment
b. Predictors: (Constant),Sales incentives

ANOVA was used in establishing how significant the model of regression was where by an f-significance value of p being less than 0.05 was established (p=0.000 <0.05). The model is statistically significant in the prediction of how sales incentives affect employee commitment. The indication of this is that the likelihood or probability of the regression model giving a wrong direction is less than 0.05. This give the model a confidence level of above 95% hence high reliability of the said results. In using the F-test statistic, the sample F value had a value of 34.4, this implies that the model is significant statistically since 34.4 >11.96. According to Cooper and Schindler (2006) this model can be used for purposes of estimation.

Table 4.13 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.901	.241		16.176	.000
	Sales incentives	-.456	.068	-.660	-6.690	.000

a. Dependent Variable: commitment b. Independent Variable: Sales incentives

The regression analysis applied was to enable the researcher to find out the existing relationship between sales incentives and employee commitment in real estate firms in Nairobi. The simple linear regression equation that was adopted for this study to help establish the relationship between variables is $Y = \beta 0 + \beta x + \varepsilon$; where Y= Employee commitment, $\beta 0$=the constant of regression, x = sales incentive and β= the regression of coefficients and ε = error term.

The regression equation has established that holding the independent variable constant, other factors influencing employee commitment will be 3.901 ($p = 0.00 < 0.05$). The findings also established that there exists a significant relationship between employee commitment and sales incentives given which is indicated in the table above. Judging from the results above, the variable is a good predictor of employee commitment

4.6 Discussion of findings

The study found out that employees are committed to serving in the organization for long periods provided the sales incentives offered to them are fair and meet their expectations. This conforms to the study by Myers et al; (1991) who found out that affectively committed employees continue to serve the organization with a high level of devotion and acceptance. It further concurs with the findings of Kanter (1998) on commitment based on the benefits associated and perceived cost of leaving an organization.

The study further established that employees in the real estate expect the employers to appreciate their contribution towards their input by engaging into behaviors that support the goals and objectives of the organization. This ranges from individual recognition and team work, provision of training opportunities and career development plans and promotion for employees who have acquired requisite skills in order to improve their morale. This is in line with a research carried out by Eisenberger (1998) who argued that organizational support through such provisions creates a sense of belonging and contributes to employees' inferences towards their organization and is positively related to conscientiousness in performance of their job and creates a sense of being valued by the organization.

Real estate sales employees further revealed that they are aware of the need to be loyal to their employer but went ahead to indicate that they may not necessarily have to be loyal at all times depending on how the employer treats them and serve their employer with dedication towards success. They are also aware that the management does not treat all employees equally and at times no consultation is made before making major decisions that affect their stay in the organization. This is consistent with the findings of Enhert (2008) who asserted that all mindful and sensitive employers' objective is to nurture and retain a committed workforce and project a positive organizational image because they are aware that the success of any organization is directly linked to the quality and commitment of their workforce.

Morrow (1993) indicated in his study that commitment is manifested in devotion to the organization, job or any activity identified with the organization besides customer care and mind for consequences and concern for loyalty. This is therefore to confirm from this findings that majority of employees sampled expressed their dissatisfaction and neutrality on loyalty to serving in their organizations especially those who felt that they were not being adequately compensated in regards to sales incentives.

The findings of this study confirm that employees in the real estate firms in Nairobi consider sales incentives to be of very much importance to the extent that it affects their levels of commitment to an organization. This is in tandem with a study carried out by Landale (1999) on employee remuneration and asserted that these make positive contributions to organizational commitment as they feel that they are being valued by the organization. The findings further support the arguments of Ogivile (1986) on rewards and employee commitment because if the employees perceive the employer is not properly compensating, there is a likelihood of impacting on their commitment.

CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary of findings, conclusion drawn from the results of analysis of findings and also recommendations of the study based on the objective of the research which was to establish how sales incentives affect employee commitment in the real estate industry in Nairobi. Suggestions for further studies were also presented.

5.2 Summary of Findings

The study examined the effect of sales incentives packages on employees' commitment in real estate firms. Testing of the variables in the study was done and the result was that a strong relationship was found to exist between the said variables, given that the data was analyzed empirically using the standard deviation. The findings showed that great amount of value was placed on the various types sales incentives that they received from their employers. This meant that failure of this incentives to meet the employee's expectations lead to an expression of displeasure from the employees to the management. Failure of the management to properly handle the issue can result to poor performance, worker absenteeism, frequent late reporting to work and ultimately high turnover of employees.

It is important therefore for organization to look and research on practices that bring satisfaction to their employees so that their commitment can be earned. This will ensure that the working environment is safe guarded and is peaceful as well as promote a working relationship that is harmonious within the work premised. The implication of this is that improvement of the various sales incentive packages unearthed in this study will facilitate better working attitude of employees in the real estate firms. The analysis indicated that the proposed and tested hypotheses are positive and that there can be a boost in the morale of the employees through the designing of a framework of sales incentive which ensures that the employees' expectation are met. This is because for an organization to be able to attract and most importantly retain good employees, it will depend on the sales incentives it is prepared to offer. Poor sales incentives can be frustrating to employees which will result to them engaging the management in constant strife thus leading to a decrease in their commitment towards the organization.

The various types of sales incentives for example employee promotion, better pay, fringe benefits as well as other social incentives stand as being an essential factor which motivate the employees to be committed to their work thus productivity is increased. It is therefore recommended that firms strive put more effort in improving their packages in regards to monetary and nonmonetary sales incentives that they offer employees so as to be able to get the best of their services. The management should as well intensify their efforts in ensuring awarding the dues of employees is done without any delay. It is unmistakably clear from this research that there is a significant influence of the sales incentive structure to work attitude. The implication is that when the sales incentive structure is more preferable by the employees, then the work attitude will be more positive thus the higher their commitment will be towards the organization.

5.3 Conclusion

The study concludes that sales incentives offered by real estate firms acts a motivation to employees and encourage them to perform effectively and efficiently. Conclusions are drawn from this study that employee sales incentives package matters a lot to employees and therefore should be of concern for both the employers and employees. The study also concludes that a lot of value is placed on sales incentives given to employees working as sales people in the real estate thus it promoted employee commitment levels. It is therefore concluded that employees place great value on the different sales incentives given to them by their employers. Hence, failure to give this rewards to employees, they tend to express displeasure through being non-committal to their respective organizations.

These study findings also concluded that employees who received satisfactory sale incentives were committed to their organizations and this infers that those who did not were not committed to their organizations thus would leave any time they got better terms elsewhere. Organizational commitment is given provisionally and is transferable and cannot be taken for granted by an employer. It is short lived and cannot be relied upon to survive changes in policy. Human resources policies do not have uniform effects so attention has to be given on individual needs. Therefore the way sales incentives policies are implemented has a major impact on employee commitment and organizational performance in the long run.

5.4 Recommendations

The recommendations resulting from the findings of the study is since employee commitment is influenced by the sales incentives offered, It would be in the interest of organizations to provide better sales incentive terms to their employees so as achieve a positive impact on commitment. From the study it was also found that better sales incentive terms for employees at the work place was rated at 4.23 in terms of influencing commitment. It would be important for managers and policy makers to note and ensure employees are provided with reasonable terms in regards to sales incentives.

Real estate organization, continues to operate in an increasingly competitive environment, as a result of the study we have noted that sales incentives do have a positive effect on employee commitment. The decision makers at the organizations may use these findings to review their sales incentive system and lay emphasis on what influences employee commitment positively.

5.5 Limitations of the study

In the course of the research the researcher experienced some limitations. First, there is a limitation in measurement of variables of sales incentives and employee commitment. This is because it is solely based on the respondents' perceptions as well as attitudes. Therefore, there might be a possibility of errors in the data set.

There are also more incentives than were under research in this particular study, other researchers are encouraged to look at them as there is a possibility their findings may be different. This study was specific to real estate firms in Nairobi, other regions were not included, and hence the results cannot be generalized due to difference in geographical as well as economical setting.

5.6 Suggestions for Further Research

The study has looked at the influence of sales incentives on employee commitment in real estate firms in Nairobi so as to be able to gain an understanding on what importance exists in trying to maintain a reward system that is effective. One that will be able to provide desired results and ensure competitive advantage within the competitive business environment existing today. The industry however is comprised of various firms which are located in other regions of Kenya that differ in management as well as settings. This warrants the need for another study which would cover all other regions in Kenya and hence pave way for new policies. The study therefore recommends another study be done with an aim to investigate the effects of sales incentives on employee commitment in real estate industry in other regions.

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APPENDICES

Appendix I: QUESTIONNAIRE

Please give answers in the spaces provided and tick (√) in the box that matches your response to the questions where applicable.

Part I: Demographic Characteristics of Respondents

1. Gender: Male ( ) Female ( )

2. What is your age bracket? (Tick as applicable)

a) Under 30 years ( )

b) 31 – 40 years ( )

c) 41 – 50 years ( )

d) Over 50 years ( )

3. What is your highest level of education qualification?

a) Post graduate level ( )

b) University ( )

c) Tertiary College ( )

d) Secondary ( )

4. Length of working service with the company?

a) Less than five years ( )

b) 5-10 years ( )

c) Over 10 years ( )

5. Which of the following describes your current position in the bank?

a) Top level management ( )

b) Lower level ( )

Part II: Sales Incentives

6. What types of sales incentives does your organization award employees? Give examples…………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………………………

7. To what extent do you agree with the following statements regarding sales incentives influencing employees' commitment in the company? Use 1 – Strongly Disagree, 2 – Disagree, 3 – Moderate extent, 4 – Agree and 5 – Strongly Agree.

	1	2	3	4	5
I am satisfied with the sales incentive that the company offers					
There is fairness and equity in the organization in sales incentive practices					
I feel appreciated through the sales incentives offered.					
The sales incentives offered by the company are comparable with what the market offers					
The company uses sales incentives to motivate and encourage workers					
The company sales incentives system fosters effective relationship between workers					
The sales incentives offered to employees are commensurate with the amount of work done					
Sales incentives paid encourage employees to stay in the company					

Part III: Employee Commitment

8. Please indicate to what extent you agree with each of the following statements on scale of Strongly Agree (1), Agree (2), Neutral (3), Disagree (4) and Strongly Disagree (5). Please mark an (x) in the category that fits you.

Affective Commitment	1	2	3	4	5
I feel obligated to work for the company.					
I will feel guilty if I left this company					
I will appreciate if I work for this organization until retirement					
I don't feel emotionally attached to this company					
I feel that challenges facing this company are also my challenges.					
Normative Commitment					
I feel that I owe this organization because of what it has done for me.					
If I got another offer for a better job elsewhere I would not feel it was right to leave the company.					
One of the major reasons I continue to work for this company is that I believe loyalty is important and therefore feel a sense of moral obligation to remain					
I do not believe that a person must always be loyal to his or her organization					
The organization deserves my loyalty because of its treatment towards me.					

Continuance Commitment	1	2	3	4	5
The incentive pay I receive from my organization is adequate and I would suffer high financial loss if I leave the organization					
The incentives I receive in my organization would be difficult to get from another employer					
My career growth and development would suffer in case of leaving my current organization due to loss of training programs					
Fairness and transparency in incentive policy makes me stay longer with an organization					
Recognition for effort and performance is a big consideration for my stay in the organization.					

9. Would you be more committed to your organization if they increased the sales incentives? Yes ( ) No ( )

Thank You for Your Participation

Appendix II: List of Real Estate firms registered in Nairobi County

1. Acorn Properties Ltd
2. Active Homes
3. Add Property Consultants
4. Afriland Agencies
5. Alliance Realtors Ltd
6. Ark Consultants Ltd
7. Arkpoint Properties Ltd
8. Axis Real Estate
9. Barloworld Logistics (Kenya) Ltd
10. Beryt Properties Investments Ltd
11. Betterdayz Estates
12. Bluehills Real Estate Ltd
13. British American Asset Managers
14. Canaan Properties Ltd
15. Capital City Limited
16. CB Richard Ellis Ltd
17. Chapter Consultants Ltd
18. Colburns Holdings Ltd
19. Coral Property Consultants Ltd
20. Cornerstone International Ltd
21. Country Homes and Properties
22. Cretum Proprties
23. Crown Homes Management
24. Crystal Valuers Limited
25. Daykio Plantations Limited
26. Diversity Property Ltd
27. Double K Information Agents
28. Dream Properties
29. Dunhill Consulting Ltd
30. Eackelberg & Co. Ltd
31. East Gate Apartments Limited
32. Eastwood Consulting Limited
33. Easy Properties Ltd (K)
34. Ebony Estates Limited
35. Economic Housing Group
36. Elegant Investments Ltd
37. Elgeyo Gardens Limited
38. ENA Properties Ltd
39. Etion Property Consultants
40. Exotic homes Properties
41. Fairway Realtors and Precision Valuers
42. Frank Valuers & Properties Management Ltd
43. FriYads Real Estate
44. Gampr Investments Ltd
45. Gimco Limited
46. Greenspan Housing
47. Guardian Properties Ltd
48. Hajar Services Limited
49. Halifax Estate Agency Ltd.
50. HassConsult
51. Heri Properties Ltd

52. Heritage Property Consultants
53. Hewton Limited
54. Home Afrika Ltd
55. Homelands Holdings Ltd
56. Homes and lifestyles
57. Housing Finance
58. Jacent Properties Limited
59. JamiaValuers & Estate Agent Management
60. Jeankins Investments Ltd
61. Jimly Properties Ltd
62. Jogoo Road Properties
63. Josekinyaga Enterprises Ltd
64. Joskinyagat Ltd
65. Josmarg Agencies
66. Kali Security Co Ltd
67. Karen Link Ltd
68. Karengata Property Managers
69. Kenya Prime Properties Ltd
70. Kenya Property Point
71. Kilifi Konnection
72. Kimly Properties Ltd
73. Kiragu & Mwangi Limited
74. Kitengela Properties Limited
75. Knight Frank Limited
76. Konaken Investment Ltd
77. Kusyombunguo Lukenya
78. Land & Homes
79. Landmark Realtors Ltd
80. Langata Link Estate Agents
81. Langata Link Ltd
82. Lantana Homes
83. Legend Management Ltd
84. Legend Valuers& Estate Agents
85. Liberty Real Estate Ltd
86. Lloyd Masika Limited
87. Lowanjo Properties Ltd
88. Lynex Holdings
89. Maestro Properties Ltd
90. Mamuka Valuers (M) Ltd
91. Mark Properties Ltd.
92. Market Power Limited
93. Masterways Properties Ltd
94. Menga Management Ltd
95. Mentor Group Ltd
96. Merlik Agencies
97. Metrocosmo Ltd
98. Milligan International Ltd
99. Mombasa Beach Apartments
100. Monako Investment Ltd
101. Mudas Properties Services Ltd
102. Muigai Commercial Agencies Ltd.
103. Myspace Properties (K) Ltd.
104. N W Realite Ltd
105. Nairobi Homes Ltd
106. Nairobi Real Estates
107. Neema Management Ltd
108. Neptune Shelters Ltd

109. Ngumo Properties Ltd

110. Nile Real Appraisee Ltd

111. Norkan Investments Ltd

112. Oldman Properties Ltd

113. Oloip Properties

114. Opus Property Ltd

115. Ounga Commercial Agencies

116. Palace Projects Limited

117. Paradise Properties Ltd

118. Paragan Property Ltd

119. Perscale Properties Ltd

120. Pinnacle Properties Ltd

121. Property Ins Ltd.

122. Property Investment Network

123. Property Point Ltd

124. Property zote.com

125. Raju Estate Agency Limited (REAL)

126. Rank Global Ltd

127. Real Appraisal Ltd

128. Realken International Ltd

129. Regent Management Ltd

130. Ryden International Ltd

131. Savannah Consulting Ltd

132. SEB Estate Ltd

133. Silverrock Properties Ltd

134. Sortmaster Properties Ltd

135. Sundown Valuers & Realters Ltd

136. Suraya Property Group Limited

137. Terestam Properties Management Ltd

138. Town House Agencies

139. Tuco Properties Ltd

140. Tysons Limited

141. Tysons Ltd

142. Urban Bliss Realstore

143. Urban Properties Consultants & Development Ltd.

144. Valentine First Venture(K) Ltd

145. Value Build Management Ltd

146. Vera Property Ltd

147. VillaCare Kenya

148. Wakama Estate Agency Ltd

149. Wesco Property Consultations Ltd

Source: (Yellow Pages, 2016)