

**THE RELATIONSHIP BETWEEN PERFORMANCE BASED  
INCENTIVE PAY AND EMPLOYEE MOTIVATION IN BARCLAYS  
BANK OF KENYA BRANCHES IN NAIROBI CITY**

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## DECLARATION

This project is my original work and has not been presented for a degree in any other University.

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This project has been submitted for examination with our approval as University Supervisors.

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## ACKNOWLEDGEMENT

### DEDICATION

I dedicate this work to my family and all those who supported me in my study.

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I would like to thank God Almighty for His able guidance throughout my studies. My heartfelt appreciation also goes to my supervisor, Mr. Ochoro, for his invaluable professional advice and guidance throughout this project. I am very grateful to you sir.

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## ABSTRACT

Business organizations are facing significant challenges on internal and external work environment, so organizations cannot maintain institutional performance without providing incentives to their employees based on their efficient and effective work. Linking pay to performance is something employers increasingly seek to achieve. It is believed that remuneration strategy accounts for one of the greatest investments an organization makes. Although a fair wage is the cornerstone of the contractual and implied agreements between employees and employers, the underlying assumption is that money can directly influence behaviour. Many employees and managers believe that simply increasing what people are paid will make them more motivated, productive and loyal. The influence of remuneration strategy is an important ingredient in every organization and that employee performance is a critical issue for many businesses, because of the need to attract, motivate and retain the right talent pool for a business to succeed.

The objective of the study was to examine the relationship between performances based incentive pay and employee motivation in Barelays bank of Kenya branches within Nairobi City. This study adopted a descriptive survey design. This study targeted 50 managers in the branches in Nairobi City. Primary data was collected using a semi-structured questionnaire which had both open and close-ended questions. The questionnaire was administered through drop and pick method to avoid interruptions of the employees' busy schedule. Data collected was analyzed by both descriptive techniques like frequencies and measures of central tendency like mean and standard deviation for the quantitative data while content analysis used for qualitative data. The information was displayed by use of frequency tables and pie charts.

The study findings indicated that Barclay Bank offered performance based incentive pay. Pay influenced employee motivation of the bank to a great extent and the benefits were related to performance. Remuneration and health was motivation programme that they benefited most in the bank. The study recommends that organizations should motivate staff by offering small tokens of appreciation and acknowledgement, enhanced job security, new opportunities for promotions, better performance appraisals, development and use of new skills and competencies. It further recommends that the financial rewards need to be of a reasonably significant amount to be an effective motivator.

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background of the Study**

Business organizations are facing significant challenges on internal and external work environment, so organizations cannot maintain institutional performance without providing incentives to their employees based on their efficient and effective work. Linking pay to performance is something employers increasingly seek to achieve. Jobs with performance based pay attract workers of higher ability and induce workers to provide greater effort (Booth and Frank, 1999). In the public policy debate, it has been common to associate the introduction of performance based incentive pay with the aim of improving incentives and motivation among public employees (Brown and Heywood, 2002).

In recent years, there has been a discernable trend, particularly in the private sector, towards the linkage of rewards to employee performance in an attempt to enhance the achievement of organizational objectives (Mullins, 2005). Compensation is thus tied to performance. In many developed economies there has been a resurgence of interest in PRP, encouraged by governments (Perry, Engbers and Jun, 2009; Booth and Frank, 1999). This is consistent with the new view of organizations as a network of contracts linking incentives to performance (Dun-leavy and Hood, 1994). As Milkovich and Newman (1996) observe, compensation is viewed from different perspectives by society, employees and managers. Society considers compensation as a measure of equity or justice, hence the slogan, 'equal work for equal pay'. Employees consider compensation



as a return for services rendered. They see it as a reflection of their personal worth in terms of skills and abilities, as well as the education and training they have acquired. Managers, however, view compensation from two perspectives: as a major expense and as a possible influence on employee attitudes and behaviors through compensation-based motivational strategies. This potential to influence employees' work attitudes and behavior, and, subsequently, the productivity and effectiveness of the organization, is another reason why many people believe that pay decisions can become a source of competitive advantage (Milkovich, 1998).

It is believed that remuneration strategy accounts for one of the greatest investments an organization makes. Although a fair wage is the cornerstone of the contractual and implied agreements between employees and employers, the underlying assumption is that money can directly influence behaviour. Many employees and managers believe that simply increasing what people are paid will make them more motivated, productive and loyal. The influence of remuneration strategy is an important ingredient in every organization and that employee performance is a critical issue for many businesses, because of the need to attract, motivate and retain the right talent pool for a business to succeed (Cohen *et al.*, 1992).

The need to attract, motivate, develop and retain employees is critical to any organization's prosperity today in terms of creating an environment in which employees feel truly engaged connected to the organization's goals and objectives and satisfied with their jobs has never been more crucial. The essential element in payment strategy is to

ensure that employees retain a good performance level in the work environment as workers have to believe that the pay they earn is fair in relation to the work they do (Cohen et al. 1992). Furthermore, one of the strongest determinants of employee attitudes, motivation and behaviours is compensation (Wayne, 1992).

The practice of incentives is normally initiated by the Management in order to enhance employee commitment and it tends to treat workers as individuals with obligations meet at a given period in time. Management therefore feels that as they offer financial incentives to the employees, the employees in return will respond with working extra harder so as to deserve the incentives and in the process assist in furthering the longer term prospects of the organization by way of meeting set targets, improvement of skill and performance.

In Kenya this practice is popular in many organizations where incentives are used to motivate workers to produce more. A good example is with the sales representatives who may be paid commission for realized levels of sales. This therefore means the lower the production the lower the financial gain at the end of the task. This practice may however fail to motivate employees directly although it could be a useful means of recognizing performance or contribution. Incentives therefore may be a strategy of developing a high performance culture where employees continue to be more productive in anticipation of extra earning. It sends a message that is forward looking for it aims at motivating people to achieve their objectives and improve performance.

### **1.1.1 Performance Based Incentive (PBI) Pay**

Performance based employee incentive plans are those that structure the reward that is given to an employee based on their work performance. The rewards can take the form of bonuses, higher hourly pay rates, perks, paid days off, or gift certificates. The type of reward will depend on what motivates the business' employees. Business owners should understand that not every employee is motivated by the same reward, and as a result of this, employers will need to know their staff before they develop their performance based incentive plan. However, in most cases money is an effective reward (Eisla, 2006). To ensure that the performance based incentive plan is effective it will need to be structured so that the rewards earned because of performance are separated from the employee's regular pay.

Employees need to physically see the reward that they have earned. This may mean cutting a separate bonus check, or by delineating it on their pay check. It is also important that the bonuses are given in a public manner, and that the recipients are praised in front of the other workers (Jenkins, Mitra, Gupta, and Shaw, 1998). This helps to both reinforce the positive work behaviour in the recipient, and it helps to encourage the other employees to strive for the bonuses.

Finally, studies have shown that incentives that reward individual performance are more effective than group incentive plans (Eisla, 2006). PBI programs provide incentives to recipients when desired results are achieved. Performance indicators and targets are key to any PBI program and should be related as directly as possible to the objectives and

priorities of the program. Payments are tied to the recipient achieving pre-determined results and thus, changes in these Indicators have to be attributable to recipient actions. Performance incentives are designed to encourage behaviours that both increase demand for and use of services and improve the quality and availability of those services.

### **1.1.2 Employee motivation**

Motivation is the activation or inducement of goal-oriented behavior such as job performance and the classical reinforcement theory which focuses on the relationship between a target behavior such as work performance and its consequences such as pay forms the basis of incentive pay to motivate employees. Employee satisfaction has always been a central problem for managers and companies as it has various impacts on productivity, it affects how willing employees are performing their duties, how much effort they will extend, and how well they perform it. Human motivation to work can be categorised into two distinct types: *intrinsic* motivation, the intrinsic value of the work of the individual (such as interest value) and *extrinsic* motivation, the desire to gain some outcome apart from the work itself (Amabile, 1993). Employee satisfaction also covers its intrinsic and extrinsic values that are reflected from the job. Intrinsic values include recognition, increased responsibility, advancement, good interpersonal relationship and extrinsic values include salary and bonuses. Intrinsic motivators can be independent to extrinsic motivators as these persons are satisfied in the way they are rewarded.

Employee motivation is a key to the overall effectiveness of an organization. Jones and George (2007) define motivation as psychological forces that determine the direction of a

person's behavior in an organization, a person's level of effort and a person's level of persistence. The authors consider direction of behavior, efforts and persistence as key components towards motivation. The behavior that a person chooses is direction of behavior. Effort measures how hard an employee works. Persistence occurs when an employee continues in the face of difficulties, instead of giving up.

### **1.1.3 The Barclays Bank of Kenya branches in Nairobi City**

Barclays Bank of Kenya is one of the largest banks in East Africa, with an estimated asset base in excess of US\$2.22 billion (KES.180.9 billion), as of September 2011. At that time, Barclays Bank of Kenya was the second largest bank in Kenya, by assets, behind Kenya Commercial Bank Group with assets valued at US\$3.34 billion (KES:273.9 billion). The institution serves the banking needs of large and small business customers as well as individuals ([www.group.barclays.com](http://www.group.barclays.com), accessed 18/08/2012). Within Nairobi city, Barclays Bank of Kenya has 50 branches as attached in appendix II.

The Barclays management believes that it has good relationships with its employees. BBK has a channel, which serves as a forum for grievances, pay and benefit negotiations and other industrial relations matters. The employees in the grade of clerks and sub-staffs are unionized. The Management has a cordial relationship with this union and has aligned the service conditions and compensation structure of the unionized officers. The financial services industry in Kenya is undergoing unprecedented change and regulation is gaining momentum. Moreover, changing customer needs and rapid advances in technology are continually redefining the lines of innovation and competition, thereby providing the

Bank with new challenges and opportunities ([www.group.barclays.com](http://www.group.barclays.com), accessed 18/08/2012).

To meet these challenges, the bank has relied extensively on its human capital, which comprises some of the best talent in the industry. They continue to attract the best graduates from the best colleges. They dedicate significant amount of senior management time to ensure that employees remain highly motivated and perceive the organization as a place where opportunities abound, innovation is fuelled, teamwork is valued and success is rewarded. Employee compensation is clearly tied to performance and the involvement of all employees in the overall performance and profitability through profit sharing incentive schemes based on the financial results is encouraged. Benefits available to the bank's employees include performance incentives, private healthcare and flexible working. The bank also offers up to 30 days' holiday a year, depending on where an employee is based. Remuneration: As well as a competitive, industry-benchmarked salary, many employees benefit from a discretionary annual performance incentive. The amount individuals receive depends on their own performance as well as that of the organization. Not everyone can work standard office hours five days a week. That's why the organization tries to help employees achieve a work/life balance through flexible working practices. These include part-time working arrangements and the opportunity to take a career break.

## 1.2 Statement of the problem

According to Cole (2002) the success of any organization in providing better products and services, quality and enhanced customer satisfaction can only be achieved if only an organization has the right resources and which must be in good condition. Therefore for human resource to perform better, it must be well motivated to be able to offer quality service to its customers and providers of finances. Managers and other professionals around the world have expressed concern over the impact of performance based incentive pay systems on employee performance motivation and by extension the attainment of organizational goals.

In order to motivate its staff, Barclay Bank of Kenya has developed various performance based packages. Some of these include community investment where the bank's matched payroll giving scheme offers employees a tax-efficient way of donating to their favorite charities, with donations taken from pre-tax pay; Health scheme where the Bank offers a raft of health and wellbeing benefits. Many employees qualify for a medical expenses scheme, offering the comfort of access to private healthcare treatment; Discounts where employees in certain parts of the world benefit from uniquely a range of Barclays products and services offered to employees on preferential terms: the Barclays Buy-A-Car scheme capitalizes on the organization's buying power to get valuable discounts on Mercedes, Toyota and Renault vehicles for colleagues among others have been used to motivate employees. (<http://group.barclays.com/about-barclays/careers/rewards-and-benefits>, accessed 24/08/2012).

A number of research and studies have been pursued associating performance based incentive pays and employee motivation. Locally, Kiarie (2004) carried out a survey of performance based compensation schemes in companies listed at the NSE; Atieno (2010) investigated the relationship between individual characteristics to employee motivation and job satisfaction at CCK while Njoroge (2011) examined the relationship between reward systems and employee motivation in civil service employees in Kenya government ministries. These studies focused on the reward system and how it influences employee motivation and performance in various companies and the Kenyan public sector. However, these studies did not discuss performance based incentive pay per se vis-a-vis employee motivation in the case of a multinational company like Barclays Bank. It is therefore on this backdrop that this study aimed at examining the relationship between performances based incentive pay and employee motivation at Barclays Bank of Kenya.

### **1.3 Research Objective**

To examine the relationship between performances based incentive pay and employee motivation in Barclays Bank of Kenya branches within Nairobi City.

### **1.4 Value of the study**

The Barclays Bank of Kenya Management would be enlightened on the benefits of fairly offering incentives to their workers. That is employees/workers should be treated equally when it comes to pay-of-performance and help meet the organization goals.



This project would help Barclays improve its employees' productivity. It would also help as a retention tool since motivated employees are bound to continue with their current employer.

The study would benefit academician and researchers who may want to conduct future studies related to this study. To such, this study would serve as source of important literature to their studies besides suggesting areas of further research



## CHAPTER TWO: LITERATURE REVIEW

### 2.1 Performance-based Incentive Pay

Performance-based pay (PBP) is a compensation scheme that links employee performance with pay. It can be defined as a system of remuneration in which an individual's increase in salary is solely or mainly dependent on his/her appraisal or merit rating (Swabe, 1989). Armstrong (2005) defines it more comprehensively as the process of providing a financial reward to an individual which is linked directly to individual, group or organizational performance. But Schuler (1998) maintains that PBP is not limited to financial rewards, and that non-financial rewards, such as recognition, can also constitute pay for performance. The basic reasons for PBP are performance enhancement for competitive advantage and equity (Milkovich and Newman, 1996). In this regard, Beardwell and Holden (1995) identify several specific reasons for which managers may introduce PBP. These include: help in recruitment and selection; facilitate change in organizational culture; weaken trade union power; increased role of the line manager; greater financial control and value for money; ability to reward and recognize performance; and encouragement to flexibility. PBP can be divided into two main categories: merit pay and incentive pay. Schuler submits that merit pay relates compensation to management's assessment of the individual employee's performance; the increment earned (PBP) and the total becomes the employee's new basic pay. Incentive pay, on the other hand, relates compensation more to performance criteria, such as return on investment, volume of goods produced or sold, earning or share. While

essentially one type of merit pay exists, there are a wide variety of incentive pay plans. Beardwell and Holden (1995) have broadly categorized incentive pay systems into three: individual bonus schemes; collective bonus schemes; and collective bonus schemes based on profit generated. The focus in this study is on incentive pay, the effect of which is reviewed next.

### **2.1.1 Performance based incentive pay systems.**

The basic purpose of a performance based incentive (PBI) system is to motivate the employees to work more effectively and efficiently in order to attain the organizational goals (Eisla, 2006). Success of any service organization depends upon how strong that organization is in managing its employees and retaining them over the period of time, i.e. how well the employees are motivated. Highly motivated employees translate to high organizational productivity (Eisla, 2006). It is therefore clear that to attain high profitability the bank should strive to have great customer satisfaction which can only be achieved with a highly motivated workforce. The PBI scheme aims to reward top performers fairly. Performance pay, commission, bonus or profit share are some of the terms used to describe the variety of schemes used to compensate bank staff as an alternative form of remuneration. In most Kenyan Banks, the concept has trickled down from senior management and is now used in branches to encourage, as well as emphasize, the sales-based culture.

As performance based incentive schemes encourage deliberate behaviors, the foundation of a reward system is an understanding of the organization's key objectives.

Remuneration can drive the entire organization, so employees and managers must understand the desired outcomes, particularly what behaviors are acceptable to achieve those outcomes. Strategic planning should be intrinsically linked to remuneration systems, so that changes are captured within pay-for-performance systems (Eisla, 2006). A key element of PBI schemes is the way they are communicated. A recent report contended about 89 per cent of companies that explained their goals and payouts to employees were successful in helping improve their business results. The point is that you cannot over-communicate what you are trying to achieve. Employees want to know details of the plan, any changes to the plan, external factors that might affect the organization's performance, and why internal changes are being made.

#### **2.1.1.1 Types of performance based incentives schemes**

Performance-based incentives pay is a great way to encourage motivation among employees. The compensation variations come in many forms, and each form will present a variety of benefits and challenges, depending on the structure of the company. Therefore, it may take some experimenting to determine which form of performance-based incentive pay works most effectively for your business. The following are some of the most common types of performance-based pay plans: performance bonuses; gain sharing; profit sharing and skills-based rewards.

Financial rewards need to be of a reasonably significant amount to be an effective motivator (Huselid, 1995). Non-financial rewards could be more cost-effective, yet still provide a powerful motivation and managerial tool. In short, among non-financial

incentive schemes: Rewards can be team-based or individual. Team-based rewards generally take the form of team dinners or team outings.

Individual rewards vary, and often the individual can choose. Options at BBK include petrol vouchers, movie tickets, CD vouchers, and wine. Some organizations recognized people by awarding certificates or by publishing details of their achievements in internal publications. Staff benefits such as subsidized lending or wardrobe allowances are also considered non-financial rewards by both the bank and the employees. Most Kenyan banks use non-financial rewards as part of an overall scheme designed to recognize and promote desired behaviors.

All types of performance-based compensation plans are an effective way to foster a motivational work environment (Dorgan, 1994). Employees who do not feel as if their hard work is appreciated are unlikely to remain loyal to their company or continue providing exceptional service. In contrast, however, if employees feel that they are compensated for their contributions and productivity, they will be more likely to continue those habits that help to improve your company.

## **2.2 Employee Motivation**

Motivation refers to forces that energize, direct and sustain a person's efforts (Bateman and Zeithaml, 1990). If employees have everything they need to perform well, they will be able to do the job, however, they must be willing and this is where the question of motivation enters the picture. Perspectives are willing to work hard if they see reasons to

do so, and believe that their efforts will pay off (Jones and George, 2007). Motivation theorists agree that humans are motivated by the desire to satisfy their various needs. There is wide difference of opinion, however, concerning what these needs are and their relative importance. The various theories of motivation altogether provide a firm theoretical basis for the study of the use of extrinsic rewards for motivating employees to higher levels of performance for the attainment of corporate goals (Schuler, 1998). As Perry, Engbers and Jun (2009) posit, support for Performance Based Pay is theoretically grounded in expectancy theory (Pearce and Perry 1983). Individuals are constantly predicting likely future outcomes and create expectations about future events. If things seem reasonably likely and attractive and they know how to get there individuals effort depends on their characteristics and role to make the difference, then this will motivate us to act to make this particular act come true.

Expectancy theory suggests that motivation is based on how much we want something and how likely we think we are to get it. The formal framework of expectancy theory was developed by (Vroom, 1964). This framework states basically that motivation plus effort leads to performance, which then leads to outcomes. According to this theory, three conditions must be met for individuals to exhibit motivated behaviour: Effort-to-performance expectancy must be greater than zero; performance-to-outcome expectancy must also be greater than zero; and the sum of the valances for all relevant outcomes must be greater than zero. Effort-to-performance expectancy is the individual's perception of the probability that effort will lead to high performance. This expectancy ranges from 0 to 1, with 1 being a strong belief that effort will lead to high performance.

Performance-to-outcome expectancy is the individual's perception that performance will lead to a specific outcome. This expectancy ranges from 0 to 1. A high performance-to-outcome expectancy would be 1 or close to it. Outcomes are consequences of behavior. An individual may experience a variety of outcomes in an organizational setting. Each outcome has an associated valence, which is an index of how much an individual desires a particular outcome. An outcome that an individual wants has a positive valence. An outcome that the individual does not want has a negative valence. When the individual is indifferent to the outcome, the valence is zero. Porter and Lawler extended the basic expectancy model by suggesting that high performance may cause high satisfaction. When performance results in various extrinsic and intrinsic rewards, the individual evaluates the equity of these various rewards relative to the effort expended and the level of performance attained. The individual is satisfied if the rewards relative to the effort expended and the level of performance attained. The individual is satisfied if the rewards are felt to be fair.

Nadler and Lawler suggest how managers can apply the basic ideas of expectancy theory. Managers should first determine the outcomes each employee is likely to want. Then they should decide what kinds and levels of performance are needed to meet organizational goals, making sure that the desired levels of performance are attainable. Managers then need to ensure that desired outcomes and desired performance are linked. Finally, the rewards need to be large enough, and the total system needs to be equitable. Motivation is not always the same since these changes as our moods do. As it happens in our daily routine occasionally it's on the higher part or vice versa. There are times when

motivation disappears for days and we have to reevaluate our ways. Motivation is a tricky. Its presence or its absence depends solely on us and let's face it. Being well paid, feeling appreciated and being re-assured about your career prospects, one didn't need any further encouragement to work long hours, leave for a business trip with 1 hour's notice or turn up in the workshop/office/hangar on Sundays.

It is important for organizations subunits and individuals to be committed to implementing strategy and accomplishing strategic objectives. Thompson and Strickland (1992) argue that the strategy implementer's challenge is to design a reward structure that motivates people to do the things it takes to make the strategy work successfully. Companies typically try to solidify original wide commitment through motivation, incentives and rewards for good performance. The range of options includes all the standard reward – punishment techniques, salary raises, bonuses, stock options, fringe benefits, promotions, fear of being sidelined, praise, recognition and job control, autonomy, attractive geographic assignment opportunities for personal satisfaction, etc. But rewards have to be used creatively and tightly linked to the factors necessary for good strategy execution.

### **2.2.1 Employee Motivational Practices**

Successful motivational implementers are good at inspiring employees to do their best. They are skilled at getting employees to buy into the strategy and commit to making it work. They work at devising supportive motivational approaches and using them effectively. Part of a motivational implementation's job is to devise motivational



techniques that build wholehearted commitment and winning attitudes among employees (Thompson and Strickland, 1992).

If a motivation implementer's use of rewards and punishment induces too much tension, anxiety and job insecurity, the results can be counterproductive. Yet, the implementers should not completely eliminate tension, pressure for performance and anxiety from the implementation process (Sampson, 1973). High performing organizations need a cadre of ambitious people who relish on the opportunity to succeed, desire for challenge, thrive in performance oriented environment and find competition and pressure useful to satisfy their drive for recognition, accomplishment and self satisfaction. There has to be some meaningful incentive and career consequences associated with implementation or few people will attach much significance to the strategies.

Barrick and Ryan (2003) argue that the conventional view is that a manager's plan for strategy implementation should incorporate more positive than negative motivational elements because when co-operation is positively enlisted and rewarded, people tend to respond with more enthusiasm and effort. However, how much of which incentives to use depends on how hard the strategy implementation task will be. A manager has to do more than just talk to everyone about how important strategy implementation is to the organization's future. Talk, no matter how inspiring, seldom commands peoples best efforts for long. To get employees sustained, energetic commitment, management always has to be resourceful in designing and using incentives. The more a manager understands what motivates subordinates, and the more he relies on motivation incentives as a tool for

implementing strategy, the greater will be the employees' commitment to carrying out the plans (Barrick and Ryan, 2003).

Job enrichment is an attempt to motivate employees by giving them the opportunity to use the range of their abilities. It is an idea that was developed by Frederick Herzberg (1950). It can be contrasted to job enlargement which simply increases the number of tasks without changing the challenges. As such job enrichment has been described as 'vertical loading' of a job, while job enlargement is 'horizontal loading'. The central focus of job enrichment is giving people more control over their work (lack of control is a key cause of stress, and therefore of unhappiness.)

People should be given the opportunity to use a variety of skills, and perform different kinds of work. The most common way to do this is through job rotation. Move workers through a variety of jobs that allow them to see different parts of the organization learn different skills and acquire different experiences. This can be very motivating, especially for people in jobs that are very repetitive or that focus on only one or two skills. Combined work activities provide a more challenging and complex work assignment. This can significantly increase "task identity" because people see a job through from start to finish. This allows workers to use a wide variety of skills, which can make the work seem more meaningful and important.

In response to increasingly dynamic and turbulent environments, organizations have formulated strategies that have included the adoption of non-traditional organizational structures (Handy, 1989). Consequently, dramatic changes in the career patterns of

employees' at all organizational levels, particularly managerial, have occurred (Latack and Dozier, 1986; Lawler, 1994) leading to increased employee motivation. Career development activities that are directed at strengthening career resilience result in a more flexible and adaptable employee, traits that are important for the present employer and for the individual who must eventually consider career change always leads to employee motivation.

### **2.2.2 Factors that influence employee motivation**

Cognition is one factor that influences employee motivation. Improved understanding of the cognitive-emotive interface in the thinking and emotion systems of the human brain has led to explanatory models of human motivation and performance. A certain part of the brain, the prefrontal cortex (PFC), has been found to be involved in the integration of behaviour, thinking, and emotions (Goldberg, 2001). As the richest network of neural pathways of any brain structure, the PFC serves as the point of contact for both external environmental stimuli and internal state information from the limbic (emotion) system of the human brain (Goldberg, 2001). This area of the cortex has an impact on different types of memory and attention levels, toward initiating appropriate behaviour and cognitive decision-making processes. A related area of the brain, the anterior cingulate cortex (ACC), communicates with the PFC. The ACC facilitates executive attention and cognitive flexibility, stimulating higher level thinking associated with creativity, more complex problem-solving, and improved emotional self-control (Goldberg, 2001).

Employee motivation is also influenced by the affect. Recent works in affective neuroscience, social cognitive, social psychological and organizational behavioural literature suggest that affect and personality are important mediating factors in the study of human motivation, cognition, and human performance (Moody, 2003). Affect is the outward, observable manifestation of an individual's emotional feelings and is the outward reflection of internal mood states and dispositional traits. Affect has been measured and reported as varying levels of positive, negative, and neutral feelings (Lucas and Diener, 2003) found that engagement in positive "approach" behaviours parallels the experience of positive feelings, and that motivational inhibition or "withdrawal" behaviour is linked to negative feelings (Gray, 1990) In general, positive affect (PA) is reflected in acute emotional states of positivity, and in periodic moods and long-term dispositions embodying feelings such as happiness, joy, excitement, and energy (Lucas and Diener, 2003). Negative affect (NA) encompasses those feelings, moods, or dispositions reflecting sadness, anxiety, fear, and anger (Lucas and Diener, 2003).

Increased self-awareness and self-reflection support a more healthy integration and behavioral self-regulation of these motivational states and traits at work, in turn supporting optimal thinking and problem-solving on behalf of patients in the nurses' care. Perhaps assisting nurses to become more self-reflective, that is, to be more self-aware and to self-observe their affect and mood, would empower nurses to achieve a mindful balance of emotions and affect in order to promote optimal clinical reasoning and problem-solving while functioning within complex health care work environments.

Self-Determination Theory (SDT) is a theory of human motivation and personality that suggests people who think about their actions reflectively and subsequently engage in those actions with a full sense of choice, are self-determining personality types (Deci and Ryan, 1985). Motivation on the polar opposites of this theoretical continuum extends from a motivation (choosing not to act) to fully extrinsic motivation (acting principally from external sources and perceptions). The motivated individual feels a lack of intent, lack of valuing, and lack of perceived control, generating feelings of incompetence at work. The extrinsically motivated individual responds principally to external perceptions of reward and punishment and ego involvement, leading to feelings of material, but not intrinsic, reward at work. At the centre of this continuum is the intrinsically motivated individual who manifests "authentic" motivation. This type of motivation is most desirable in relation to well-being and is based upon motive congruence and synthesis with one's self and one's interests, enjoyment, satisfaction, and life purpose (Ryan and Deci, 2000). According to theorists Ryan and Deci (2000), the human motivation to act stems from our basic psychological needs for autonomy, interpersonal relatedness, and competence in social contexts.

Self-esteem is the degree to which individuals value themselves – it is the composite of feelings of self-worth accumulated over time (Thomas, 2004). Self-esteem is determined by both internal messages and external appraisals of the individual by others. Research has shown that the self-esteem of females is typically lower than that of males. Thus, in a predominantly female profession, it is particularly important to be cognizant of the

impact of self-esteem upon motivation at work. Psychologists generally agree that all behaviours are motivated and that people have reasons for behaving in a certain manner. In other words, all human behaviour is designed to achieve certain goals and objectives. This goal- directed behaviour revolves around the desire of each individual to satisfy his other personal needs. An unsatisfied need triggers a chain of events leading to actions. The need causes tension (physical or psychological) within the individual, and this leads him or her to engage in some kind of behaviour in an attempt to satisfy the need and, thereby, reduce the tension. Understanding this relationship between motivation and behaviour is the starting point for understanding the conditions for stimulating action on the part of employees at all levels (Locke, 1997).

### **2.3 Relationship between performance-based incentives pay and Employee Motivation**

The only dependable way to keep people focused on strategic objectives and achieving them throughout the organization is to reward individuals who achieve targets and deny rewards to those who do not. For motivational implementers, doing a good job means achieving the agreed on performance targets. Any other standard undermines implementation of the strategic plan and condones diversion of time and energy into activities that do not matter. Pressure to achieve the target and performance should be unrelenting (Peters and Austin, 1985). But with pressure to perform must come with it some ample rewards. Without a pay off, the system breaks down and the strategy implementer is left with unworkable options.

Locke, Feren, McCaleb, Shaw, and Denny. (1980) Meta analysis of productivity-enhancing interventions in actual work settings found that introduction of individual pay incentives increased productivity by an average of 30%. In contrast, job enrichment produced productivity increases ranging from 9–17%, while employee participation programs increased productivity by less than 1%, on average.

Stajkovic and Luthans. (1997) in their Meta-analysis found that incentive systems yielded productivity 1.36 standard deviations higher than in comparable groups without incentives in manufacturing firms (comparable figure in service firms was .42). Similar effect sizes were found for feedback and social rewards. Further, Jenkins, Mitra, Gupta, and Shaw. (1998) meta-analysis of relationships between financial incentives and performance quantity and quality. Found an average correlation of .32 between incentives and quantity of production, but no reliable relationship between incentives and product quality.

More people than are willing to admit, lives revolve around their paycheck as its after-tax amount determines the quality of life they will have. Statistics shows that by attracting and retaining employees through higher wages, organizations actually reduce costs through decreased turnover, lower absenteeism rates and increased productivity and profitability. Therefore, by offering a competitive base salary will make an organization more attractive to the more qualified employees. Some employees will come with more experience and education than others, salary is competency based. Salary will increase yearly depending on performance appraisal of individual and department (Britton, 1997).

The purpose of a well-defined incentive plan is to send clear messages about what is important to organizational success. It must also motivate employees to engage in ongoing improvement activities, and provide them with a stake in the business. It is truly an exceptional vehicle for continually communicating how the company is doing with respect to strategy execution and financial performance.

Incentive plans are designed to show appreciation in a way that salary pay, no matter how large, does not convey. An incentive plan that is well-designed can pull employees together and motivates them to move in the direction management wants them to perform. Incentive programs can improve the quality of decisions made by individuals and thus enhance their performance. A study of 84 subjects by Stone and Ziebart (1995) suggested that performance based incentives led to changes in information processing behavior and improvements in decision making. Information processing was enhanced by closer examination of alternatives, more liberal use of time in making selections and employment of decision-making strategies which lead to more accurate choices



## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Research design**

This study adopted a descriptive survey design. A descriptive survey design was chosen since the study targeted all the employees of Barclays Bank of Kenya branches in Nairobi region.

A survey research attempted to collect data from members of a population and describes existing phenomena by asking individuals about the phenomenon. Descriptive research design was selected because the respondents will be required to describe the situation the way it had been at Barclays Bank of Kenya limited branches in Nairobi region. This saved the researcher time as the respondents summarize the information on the subject.

### **3.2 Population**

This study targeted all managers at Barclays Bank of Kenya Limited. As at 31<sup>st</sup> December 2011, there were 415 managers at the Bank. Because of the homogeneity of the respondents, the study concentrated on the 50 managers in the branches in Nairobi City. The target population of this study was all the managers of the Nairobi city based branches.

### **3.3 Data Collection**

Primary data was used in this study. Primary data was collected using a semi-structured questionnaire. The researcher administered a questionnaire to each respondent of the

population via email. The questionnaire had both open and close-ended questions. The open-ended questions provided additional information that was not captured in the close-ended questions. The questionnaire was carefully designed and tested with a few members of the population for further improvements. This was done in order to enhance its validity and accuracy of data to be collected for the study. The questionnaire was administered through drop and pick method to avoid interruptions of the employees' busy schedule. Where possible, the questionnaires were administered through email.

### **3.4 Data Analysis**

Data collected was analyzed by both descriptive techniques like frequencies and measures of central tendency like mean and standard deviation for the quantitative data. Content analysis used for qualitative data and be presented through frequency tables, percentages, means and standard deviations. The information was displayed by use of frequency tables and pie charts.

The study also made use of inferential statistics such as Pearson Product Moment Correlation coefficient to establish the influence of performance based incentive pay on employee motivation. Correlation is a measure of the degree of association between two or more variables that have been obtained from the same group of subjects. (Oso, 2009). The study further used coefficient of determination to establish the relationship between the independent variable: performance based incentive pay and the dependent variable: employee motivation.

## CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS

### 4.1 Response Rate

The study targeted a sample of 50 Managers of BBK in all Branches within Nairobi City. Out of 50 respondents, 34 respondents filled in and returned the questionnaire by giving a response of 68%. This commendable response rate was made a reality after the researcher made personal visits to remind the respondent to fill-in and return the questionnaires. This response rate was excellent and representative and conforms to Mugenda and Mugenda (1999) stipulation that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent.

**Table 4. 1: Response Rate**

Response	Frequency	Percent
Responses	34	68
Non-responses	16	32
Total	50	100

### 4.2 Demographic Information

#### 4.2.1 Gender of the Respondents

The study sought to establish the gender of the respondents in the organization. From the research findings, it was established that male respondents were the most with 65% followed by female at 35% as illustrated in the figure 4.1 below.

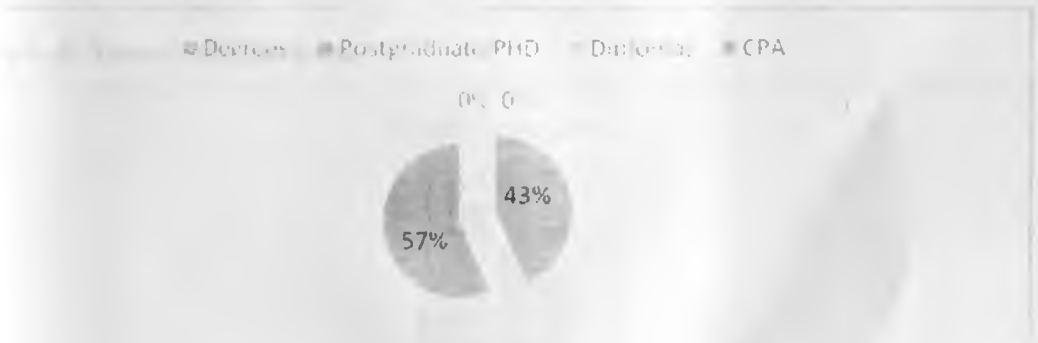
**Figure 4. 1: Gender of the repondents**



**4.2.2 Level of Education**

The study further sought to establish the respondent’s highest level of education. From the findings, (43%) of the respondents had bachelor’s degrees, 57% had masters degrees and PHD while 0% recorded for both diploma level and CPA certificates as shown in figure 4.2 below. Most of those who had masters degrees and PHDs continued learning part time while on job.

**Figure 4. 2: Level of education**

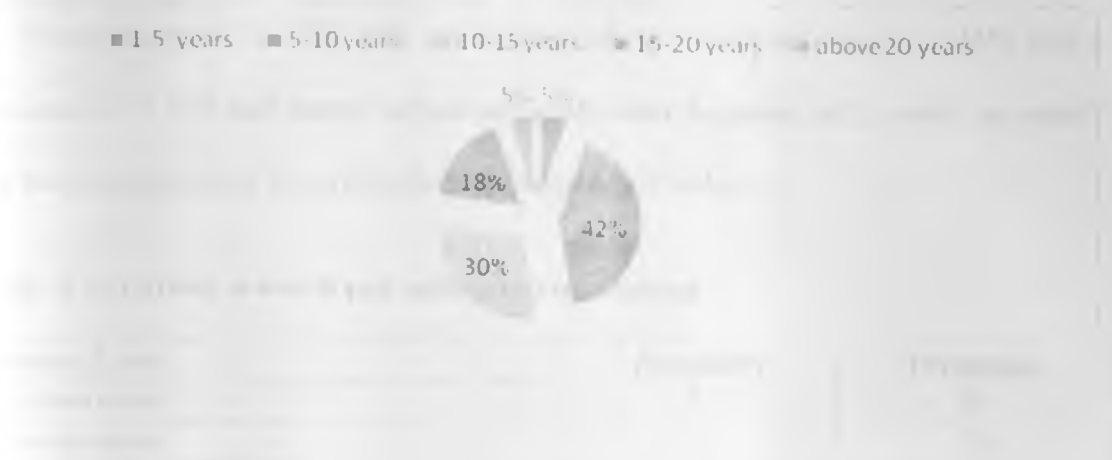


**4.2.3 Years with the Bank**

The study sought to establish the number of years that one had served the bank. According to the findings, 42% of the respondents had served for 5-10 years followed

closely by 10-15 years at 30% and then 18% for those aged between 15-20 years, while 5% for 1-5 years and above 20years each respectively as shown in the figure 4.3 below.

**Figure 4. 3: Years with the bank**



### 4.3 Performance Based Incentive Pay and Employee Motivation

#### 4.3.1 Incentive Pay

On incentive pay, most of the respondents were in agreement that the Bank offered them at 94% whereas 6% disagreed that they were offered as shown in the figure 4.4 below.

**Figure 4. 4: Years with the bank**



### 4.3.2 Extend to which pay influences Motivation

The respondents were required to describe the extent at which pay influenced motivation. From the findings, pay influenced to 'very great extent' at 50% with a frequency of 17. To 'Moderate extent' at 29% with a frequency of 10. To 'Great extent' at 15% with a frequency of 5. To 'Little extent' influenced at 6% with frequency of 2, while 'no extent' had no influence rate at all as described in the table 4.2 below.

**Table 4. 2: Extend to which pay influenced motivation**

<b>Influence Level</b>	<b>Frequency</b>	<b>Percentage</b>
Very great extent	17	50
Moderate extent	10	29
Great Extent	5	15
Little extent	2	6
No extent	0	0
<b>Total</b>	<b>34</b>	<b>100</b>

### 4.3.3 Incentive Benefited from

The respondents were further required to state the programme that they benefited most in the bank. In response, remuneration was chosen by majority at 41% at a frequency of 14 followed closely by Health at 38% at a frequency of 13. Community Investment Programme was at 6% with frequency of 2. Discount at 3% frequency of 1 with while 0% for none as shown in the figure below.

**Table 4. 3: Incentive benefited from**

<b>Benefited incentive</b>	<b>Frequency</b>	<b>Percentage</b>
Remuneration	11	41
Health	13	38
Barclay Buy A Car	4	12
Community Investment	2	6
Discount	1	3
None	0	0
<b>Total</b>	<b>34</b>	<b>100</b>

#### **4.3.4 The Incentive Given as Related To Performance**

The study aimed at establishing the extent to which incentive given had helped improve performance. According to the findings, most respondents described the level of influence of 'very great extent' at 59% at a frequency of 20, followed by 'Moderate extent' at 24%. 'Great extent' had 15%, little extent at 3% while 'no Extent' was at 0% as described in the following figure.

**Table 4. 4: Incentive given to performance**

<b>Influence Level</b>	<b>Frequency</b>	<b>Percentage</b>
Very great extent	20	59
Moderate extent	8	24
Great Extent	5	15
Little extent	1	3
No extent	0	0
<b>Total</b>	<b>34</b>	<b>100</b>

Source: (Research Data, 2012)

#### **4.3.5 Statements on Performance Based Incentive Pay and Employee Motivation**

The study further sought to establish the agreement level on the performance based incentive and employee motivation where 5= strongly agree; 4= agree; 3= neutral; 2 disagree and 1= strongly disagree. From the findings, respondents strongly agreed that the basic purpose of a performance based incentive (PBI) system is to motivate the employees to work more effectively and efficiently in order to attain the organizational goals at a mean of 4.762 with a standard deviation of 0.4674. They strongly agreed that highly motivated employees translate to high organizational productivity at a mean of 4.819 with a standard deviation of 0.291. It was agreed that to attain high profitability the bank should strive to have great customer satisfaction which can only be achieved with a highly motivated workforce at a mean of 4.127 with a standard deviation of 0.506. They were neutral to the fact that the PBI scheme aims to reward top performers fairly at a mean of 2.982 with a standard deviation of 0.911. Respondents agreed that performance based incentive schemes encourage deliberate behaviors at a mean of 3.997 with a standard deviation of 0.101. It was also agreed that financial rewards need to be of a reasonably significant amount to be an effective motivator at a mean of 4.431 with a standard deviation of 0.305. It was neutrally agreed that non-financial rewards could be more cost-effective, yet still provide a powerful motivation 3.198 with a standard deviation of 0.574. Finally it was strongly agreed that employees who do not feel as if their hard work is appreciated are unlikely to remain loyal to their company or continue providing exceptional service at a mean of 4.692 with a standard deviation of 0.345.



**Table 4. 5: Performance Based Incentive Pay and Employee Motivation Statements**

Statement	Mean	Std. deviation
The basic purpose of a performance based incentive (PBI) system is to motivate the employees to work more effectively and efficiently in order to attain the organizational goals	4.762	0.4674
Highly motivated employees translate to high organizational productivity	4.819	0.291
To attain high profitability the bank should strive to have great customer satisfaction which can only be achieved with a highly motivated workforce	4.127	0.506
The PBI scheme aims to reward top performers fairly	2.982	0.911
Performance based incentive schemes encourage deliberate behaviors	3.997	0.101
Financial rewards need to be of a reasonably significant amount to be an effective motivator	4.431	0.305
Non-financial rewards could be more cost-effective, yet still provide a powerful motivation	3.198	0.574
Employees who do not feel as if their hard work is appreciated are unlikely to remain loyal to their company or continue providing exceptional service	4.692	0.345

#### **4.3.6 Performance Incentives That Motivate**

The study further sought to establish the performance based incentives that motivates the most given a choice between financial services and non financial services. It was highly agreed with 79% that financial services motivated the most while a nonfinancial incentive was at 21% as illustrated in the figure 4.5 below.



**Figure 4. 5: Performance Incentives That Motivate**



### 4.3.7 Extent at Which the Incentives Motivate

In order to establish the extent at which the above incentives motivate employees to performance, given scale of 1-5 where, 5=to a very great extent; 4= to a great extent; 3= to a moderate extent; 2= to a little extent and 1= to no Extent, the respondents were asked to indicate on their level of agreement. From the findings, recognition from management was agreed moderately at a mean of 3.432 with a standard deviation of 0.256. Small tokens of appreciation and acknowledgement were agreed to a very great extent at a mean of 4.659 with a standard deviation of 0.578. An incentive of movie tickets were agreed to a little extent at a mean of 1.684 with a standard deviation of 0.104. Enhanced job security was agreed to a great extent at a mean of 4.965 with a standard deviation of 0.578. New opportunities for promotions were also agreed to a great extent at a mean of 4.768 with a standard deviation of 0.593. A better performance appraisal was agreed to a very great extent at a mean of 4.564 with a standard deviation of 0.193. Development and



use of new skills and competencies was agreed to a great extent too at a mean of 4.594 with a standard deviation of 0.785. Respondents agreed to a great extent Increased levels of responsibility at a mean of 4.398 with a standard deviation of 0.876 and finally discretion and control over work at a mean of 3.912 with a standard deviation of 0.583. These findings are illustrated in the table 4.6 below.

**Table 4. 6: Extent at Which the Incentives Motivate**

Incentive	Mean	Std. deviation
Recognition from management	3.432	0.256
Small tokens of appreciation and acknowledgement	4.659	0.578
Movie tickets	1.684	0.104
Enhanced job security	4.965	0.693
New opportunities for promotions	4.768	0.593
Better performance appraisals	4.564	0.193
Development and use of new skills and competencies	4.594	0.785
Increased levels of responsibility	4.398	0.876
Discretion and control over work	3.912	0.583

#### 4.4 Discussion of Findings

The Bank offered employees incentive pay which motivated employees to a very great extent. The incentive pay offered to the employees included cash benefits in terms of bonus pay at the end of the period and overtime pay paid on a monthly basis. These findings are in agreement with those of Huselid (1995) who argued that financial rewards need to be of a reasonably significant amount to be an effective motivator. In addition, the Bank provided its employees with non financial benefits including Non-financial.

These were in the form of time off duty and better working environment. According to the argument by Schuler (1998), non financial rewards could be more cost-effective, yet still provide a powerful motivation and managerial tool. Team-based rewards at the Bank generally took the form of team dinners or team outings.

From the study findings, the study established that basic purpose of a performance based incentive (PBI) system was to motivate the employees to work more effectively and efficiently in order to attain the organizational goals. These findings are in line with Barrick and Ryan (2003), who argued that high performing organizations need a cadre of ambitious people who relish on the opportunity to succeed, desire for challenge, thrive in performance oriented environment and find competition and pressure useful to satisfy their drive for recognition, accomplishment and self satisfaction. There had to be some meaningful incentive and career consequences associated with implementation or few people will attach much significance to the strategies.

From the findings, the study established that highly motivated employees translate to high organizational productivity. To attain high profitability the bank should strive to have great customer satisfaction which can only be achieved with a highly motivated workforce. These findings are consistent with those of Eisla (2006) who said that highly motivated employees translate to high organizational productivity. It is therefore clear that to attain high profitability the bank should strive to have great customer satisfaction which can only be achieved with a highly motivated workforce. The PBI scheme aims to reward top performers fairly. Performance pay, commission, bonus or profit share are

some of the terms used to describe the variety of schemes used to compensate bank staff as an alternative form of remuneration. From the study findings, performance based incentive schemes encouraged deliberate behaviors among employees to produce more for the benefit of the Bank. In addition, financial rewards need to be of a reasonably significant amount to be an effective motivator. Non-financial rewards could be more cost-effective, yet still provide a powerful motivation. Employees who do not feel as if their hard work is appreciated are unlikely to remain loyal to their company or continue providing exceptional service

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Summary of the Findings**

It was agreed by 94% of respondents that Barclay Bank offered performance based incentive pay. On the pay influences, 50% of the respondents agreed to a very great extent that pay influenced motivation. These findings agree with Eisla, (2006) who stated that the basic purpose of a performance based incentive (PBI) system is to motivate the employees to work more effectively and efficiently in order to attain the organizational goals.

On the type of incentive benefited from, most respondents chose remuneration at 41% and health 38%. The extent to which these benefits were related to performance was agreed to a very large extent of 59%.

On performance based incentive pay and employee motivation, the study found that the strongest agreement was at a mean of 4.819 that stated that highly motivated employees translated to high organizational productivity. This was followed by a mean of 4.762 on the fact that the basic purpose of a performance based incentive (PBI) system is to motivate the employees to work more effectively and efficiently in order to attain the organizational goals. Employees who do not feel as if their hard work is appreciated are unlikely to remain loyal to their company or continue providing exceptional service was strongly agreed at a mean of 4.692

On the extent at which the incentive motivates, the respondents were asked to indicate on their level of agreement. From the findings, to a very great extent the enhanced job security was at a mean of 4.965 followed by new opportunities for promotions at a mean of 4.768. Small tokens of appreciation and acknowledgement had a mean of 4.659 while development and use of new skills and competencies had 4.594.

## **5.2 Conclusions**

From the findings, the basic purpose of a performance based incentive (PBI) system is to motivate the employees to work more effectively and efficiently in order to attain the organizational goals. That a highly motivated employee translates to high organizational productivity. In addition, small tokens of appreciation and acknowledgement, enhanced job security, new opportunities for promotions, better performance appraisals, development and use of new skills and competencies motivates employees to a great extent.

## **5.3 Recommendations**

From the findings and conclusions, the study recommends that organizations should motivate staff by offering small tokens of appreciation and acknowledgement, enhanced job security, new opportunities for promotions, better performance appraisals, development and use of new skills and competencies. It further recommends that the financial rewards need to be of a reasonably significant amount to be an effective motivator.

#### **5.4 Limitations of the Study**

The respondents were reluctant in giving information fearing that the information asked would be used to intimidate them or paint a negative image about them or the company. The researcher handled this problem by carrying an introduction letter from the University and assured the respondents that the information they gave would be treated with confidentiality and was used purely for academic purposes.

The study faced both time and financial limitations. The duration that the study was to be conducted was limited hence exhaustive and extremely comprehensive research could not be carried on perceived factors affecting employee motivation in Barelays Bank Kenya. The researcher, however, minimized these by conducting the survey at the institution's headquarter since it was where strategies are made and rolled out to other office that operate on the blue print.

#### **5.5 Area for Further Research**

The study recommends that a similar study to be done on perceived factors affecting employee retention at all commercial banks in Kenya for the purposes of benchmarking. This would allow for generalization of study findings on perceived factors affecting employee retention in banks.

#### **5.6 Implications on Policy, Theory and Practice**

Employees of BBK should benefit from the study as it would enable them appreciate the factors affecting their motivation, and also appreciate the incentives offered to them by their employer. The BBK Management should be enlightened on the benefits of fairly



offering incentives to their workers hence employees should be treated equally when it comes to pay-of-performance and help meet the organization goals. In addition, it should help management to appreciate motivation as a productive and retention tool.

This proposed research should help Barclays improve its employees' productivity. It should also help as a retention tool since motivated employees are bound to continue with their current employer.

The study should generate information that would be used by various HR consultants who have interest in motivation of workers in order to improve productivity.

The study should benefit academician and researchers who may want to conduct future studies related to this study. To such, this study should serve as source of important literature to their studies besides suggesting areas of further research

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## APPENDICES

### Appendix 1: Questionnaire

#### THE RELATIONSHIP BETWEEN PERFORMANCE BASED INCENTIVE PAY AND EMPLOYEE MOTIVATION AT BARCLAYS BANK OF KENYA

##### PART A: DEMOGRAPHIC DATA

1. Branch of Barclays bank you work in.....

2. What is your gender? (Please tick)

Male  Female

3. What is your department? .....

4. What is your highest level of education?

Diploma  CPA

Degree  Postgraduate/PhD

5. How many years have you worked with Barclays Bank?

1 – 5  5 – 10  10- 15

15 – 20  above 20 years

##### PART B: PERFORMANCE BASED INCENTIVE PAY AND EMPLOYEE MOTIVATION AT BARCLAYS BANK OF KENYA

6. Does Barclay Bank offer you any performance based incentive pay?

Yes  No

7. To what extent does the pay influence your motivation as an employee of the bank?

To a very great extent  To a great extent

To a moderate extent  To a little extent

To no Extent [ ]

8. Which performance incentive program at Barclays have you benefited from?

Remuneration [ ] Community investment [ ]

Health [ ] Discounts [ ]

Barclays Buy-A-Car scheme [ ] None [ ]

9. To what extent does the incentive given related to your performance?

To a very great extent [ ] To a great extent [ ]

To a moderate extent [ ] To a little extent [ ]

To no Extent [ ]

To what extent do you agree with the following statements about performance based incentive pay and employee motivation? Use a likert scale of 1-5 where 5= strongly agree; 4= agree; 3= neutral; 2 disagree and 1= strongly disagree.

Statement	5	4	3	2	1
The basic purpose of a performance based incentive (PBI) system is to motivate the employees to work more effectively and efficiently in order to attain the organizational goals					
Highly motivated employees translate to high organizational productivity					
To attain high profitability the bank should strive to have great customer satisfaction which can only be achieved with a highly motivated workforce					
The PBI scheme aims to reward top performers fairly					
Performance based incentive schemes encourage deliberate behaviors					
Financial rewards need to be of a reasonably significant amount to be an effective motivator					
Non-financial rewards could be more cost-effective, yet still provide a powerful motivation					



Employees who do not feel as if their hard work is appreciated are unlikely to remain loyal to their company or continue providing exceptional service					
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10. Which of the performance based incentives motivate you more of this two?

Financial incentives    |    Non Financial incentives    |    |

11. To what extent do these incentives motivate you? Use a likert scale of 1-5 where, 5= To a very great extent; 4= to a great extent; 3= to a moderate extent; 2= to a little extent and 1= to no Extent

Incentive	5	4	3	2	1
Recognition from management					
Small tokens of appreciation and acknowledgement					
Movie tickets					
Enhanced job security					
New opportunities for promotions					
Better performance appraisals					
Development and use of new skills and competencies					
Increased levels of responsibility					
Discretion and control over work					

Appendix II: Barclays Bank of Kenya Branches in Nairobi region

<p><b>ABC Premier Life Branch</b>  <b>Code:</b> 073  <b>Address:</b> 14403 00800 Nairobi  <b>Tel:</b> (020) 4446641/ 2  <b>Type:</b> Premier Life</p>	<p><b>Avon Centre Branch</b>  <b>Code:</b> 079  <b>Address:</b> 18799 00500 Nairobi  <b>Tel:</b> (020) 551051-6  <b>Type:</b> Standard</p>	<p><b>Bunyala Rd Branch</b>  <b>Code:</b> 084  <b>Address:</b> 72058 00200 Nairobi  <b>Tel:</b> (020) 2714200  <b>Type:</b> Standard</p>
<p><b>Buru Buru Branch</b>  <b>Code:</b> 028  <b>Address:</b> 775 00515 Nairobi  <b>Tel:</b> (020) 3592955/6  <b>Type:</b> Standard</p>	<p><b>Development House Branch</b>  <b>Code:</b> 047  <b>Address:</b> 44285 00100 Nairobi  <b>Tel:</b> (020) 2211930/310629  <b>Type:</b> Standard</p>	<p><b>Eastleigh 6th Street Branch</b>  <b>Address:</b> 6821-00610 Nairobi  <b>Tel:</b> (020) 6765272/ 6768297  <b>Type:</b> Standard</p>
<p><b>Eastleigh Branch</b>  <b>Code:</b> 014  <b>Address:</b> 1371 00610 Nairobi  <b>Tel:</b> (020)6766544/6766546/6766 547/6766552  <b>Type:</b> Standard</p>	<p><b>Enterprise Premier Life Branch</b>  <b>Code:</b> 070  <b>Address:</b> 18060 00500 Nairobi  <b>Tel:</b> (020) 530700/901  <b>Type:</b> Premier Life</p>	<p><b>Enterprise Rd Branch</b>  <b>Code:</b> 070  <b>Address:</b> 18060 00500 Nairobi  <b>Tel:</b> (020) 4990000, 6530700/1  <b>Type:</b> Standard</p>
<p><b>Enterprise Rd Corporate Branch</b>  <b>Code:</b> 070  <b>Address:</b> 18060 00500 Nairobi  <b>Tel:</b> (020) 530700/1  <b>Type:</b> Corporate Bz Cnt</p>	<p><b>Gikomba Branch</b>  <b>Code:</b> 033  <b>Address:</b> 8175 00300 Nairobi  <b>Tel:</b> (020) 6765978/81, 6765631  <b>Type:</b> Standard</p>	<p><b>Haile Selassie Branch</b>  <b>Code:</b> 082  <b>Address:</b> 20415 00200 Nairobi  <b>Tel:</b> (020) 2221806/ 2215895  <b>Type:</b> Standard</p>
<p><b>Harambee Premier Life Branch</b>  <b>Code:</b> 094  <b>Address:</b> 72700 00200 Nairobi  <b>Tel:</b> (020) 316162, 311426  <b>Type:</b> Premier Life</p>	<p><b>Hurlingham Branch</b>  <b>Code:</b> 045  <b>Address:</b> 34974 00100 Nairobi  <b>Tel:</b> (020) 2710114/ 2722148/ 2710167  <b>Type:</b> Standard</p>	<p><b>Hurlingham Premier Life Branch</b>  <b>Code:</b> 045  <b>Address:</b> 34974 00100 Nairobi  <b>Tel:</b> (020) 2710114/ 2710167  <b>Type:</b> Premier Life</p>
<p><b>JKIA Branch</b>  <b>Code:</b> 070  <b>Address:</b> 19011 00501 Nairobi  <b>Tel:</b> (020) 822395  <b>Type:</b> Standard</p>	<p><b>Karen Branch</b>  <b>Code:</b> 065  <b>Address:</b> 24180 00502 Nairobi  <b>Tel:</b> (020) 3882932, 3882162  <b>Type:</b> Standard</p>	<p><b>Karen Premier Life Branch</b>  <b>Code:</b> 065  <b>Address:</b> 24180 00502 Nairobi  <b>Tel:</b> (020) 3882932,</p>

		3882162 <b>Type: Premier Life</b>
<b>Kariobangi, Nbi Branch</b> <b>Code: 093</b> <b>Address: 310 00618 Nairobi</b> <b>Tel: (020)3592953/4</b> <b>Type: Standard</b>	<b>Kawangware Branch</b> <b>Code: 034</b> <b>Tel: (020) 3512663/4</b> <b>Type: Standard</b>	<b>Lavington Branch</b> <b>Code: 049</b> <b>Address: 25081 00603 Nairobi</b> <b>Tel: (020) 4348873/6/5</b> <b>Type: Standard</b>
<b>Market Branch</b> <b>Code: 094</b> <b>Address: 30018 00100 Nairobi</b> <b>Tel: (020)2768000 2857000</b> <b>Type: Standard</b>	<b>Moi Avenue Nairobi Branch</b> <b>Code: 075</b> <b>Address: 30116 00100 Nairobi</b> <b>Tel: (020) 2252244/ 2210557</b> <b>Type: Standard</b>	<b>Moi Avenue Premier Life Nairobi Branch</b> <b>Code: 075</b> <b>Address: 30116 00100 Nairobi</b> <b>Tel: (020) 2252244/ 2210577</b> <b>Type: Premier Life</b>
<b>Muthaiga Branch</b> <b>Code: 055</b> <b>Address: 39990 00623 Nairobi</b> <b>Tel: (020)4041501/02, 4040624</b> <b>Type: Standard</b>	<b>Muthaiga Premier Corner</b> <b>Code: 055</b> <b>Address: 63419 00619 Nairobi</b> <b>Tel: (020) 3744049</b> <b>Type: Premier</b>	<b>Nairobi South C Branch</b> <b>Code: 010</b> <b>Address: 26460 00504 Nairobi</b> <b>Tel: (020)3556235/3556 247</b> <b>Type: Standard</b>
<b>Nairobi University Branch</b> <b>Code: 083</b> <b>Tel: (020)2124929/30</b> <b>Type: Standard</b>	<b>Nairobi West Branch</b> <b>Code: 086</b> <b>Address: 27518 00506 Nairobi</b> <b>Tel: (020)3556233/ 3556238</b> <b>Type: Standard</b>	<b>Nakumatt Embakasi Branch</b> <b>Tel: (020) 820146</b> <b>Type: Standard</b>
<b>Nakumatt Westgate Branch</b> <b>Code: 061</b> <b>Address: 14820 00623 Nairobi</b> <b>Tel: (020) 3604000</b>  <b>Type: Standard</b>	<b>Pangani Branch</b> <b>Code: 089</b> <b>Address: 31044 00600 Nairobi</b> <b>Tel: (020)3556245/3556246</b> <b>Type: Standard</b>	<b>Parklands Branch</b> <b>Code: 087</b> <b>Address: 38350 00623 Nairobi</b> <b>Tel: (020)3749571/2</b> <b>Type: Standard</b>
<b>Plaza Business Center Corporate Branch</b> <b>Code: 077</b> <b>Address: 30120 00100 Nairobi</b> <b>Tel: (020)2241270</b> <b>Type: Corporate Bz Cnt</b>	<b>Premier Flagship Centre</b> <b>Address: 46661 00100 Nairobi</b> <b>Tel: (020) 4209000</b> <b>Type: Premier</b>	<b>Plaza Premier Centre</b> <b>Code: 077</b> <b>Address: 46661 00100 Nairobi</b> <b>Tel: (020) 2241270</b> <b>Type: Premier</b>
<b>Plaza Business Center Premier</b>	<b>Queensway Hse Branch</b>	<b>Queensway Premier</b>

