

**AN INVESTIGATION ON THE EFFECT OF REMUNERATION
ON MOTIVATION AND PERFORMANCE OF EMPLOYEES**

A CASE STUDY OF NATION MEDIA GROUP

By

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Requirement of the Post Graduate Diploma in Human Resource
Management, Department of Extra Mural studies
University of Nairobi**

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DECLARATION

This project is my original work and has never been presented for higher diploma award in any other institution of higher, learning all the research work is a personal.

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ABSTRACT

The objective of the study was to identify the effect of remuneration on motivation and performance of employees a case of Nation Media Group.

Understanding what motivated employees and how they were motivated was the focus of many researchers following the publication of the Hawthorne Study results (Terpstra, 1979). Five major approaches that have led to our understanding of motivation are Maslow's need-hierarchy theory, Herzberg's two-factor theory, Vroom's expectancy theory, Adams' equity theory, and Skinner's reinforcement theory.

Qualitative research was applied in this study. This is ideal because it facilitates the identification of variables for the study. In this study, the variables were derived from the research objectives. The population of interest in this study was employees at the Nation Media Group. A sample size of 100 employees of the target population will be used in this research on cessation. The study collected data using a self administered questionnaire. Coded data was tabulated in Statistical Package for Social Science and Frequency tabulation was to capture the effect of remuneration on motivation and performance of employees.

From the data analysis finding, Forty one of the targeted 100 staff responded by returning the questionnaire.

Motivation has a great influence on the output of a business. Enterprises rely on the efficiency of the staff to make sure that services meet the demands of the customers. If employees lack motivation, their services to the customers are threatened. This indicates that employees are the most important of all the factors of production and if their motivation is low then there will be an influence on their effectiveness and efficiency.

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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

The term motivation has been derived from the word 'motive'. Motives may be defined as drives or impulses within an individual. It implies something within a person which prompts him into action. Motives are expression of a person's need or wants and hence they are personal or internal. Motives are needs start and maintain activity and determine the behaviour of an individual. Motives provide direction to human behaviour as they are directed towards certain conscious and sub conscious goals. Therefore motivation is the complex of forces inspiring a person at work to willingly use his capacities for the accomplishment of certain objectives. It is something that impacts a person into action and continues him in action with enthusiasm. According to Dale's Beach motivation is an inspiration process which implies the members of a team to pull their weight effectively to give their loyalty to the group to carry out properly the tasks.

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The foregoing definition points out the several characteristics of motivation.

Motivation is a psychosocial concept.

It is concerned with intrinsic forces operating within an individual which impel him to act or not to act in a particular way.

A motive is a personal and internal feeling.

Motivation is a dynamic and continuous process as it deals with human beings who are an ever changing entity modifying themselves every moment. Motivation is a complex and difficult function. Therefore a manager must understand and satisfy multiplicity of human needs, but needs are mental feelings which cannot be described and measured accurately.

Motivation process has been presented as a circular process; it starts with a feeling of an unsatisfied need that causes tension and an individual takes action to reduce this tension.

When the needs are satisfied, tension is removed and the person feels inspired to work in a particular direction. This in turn results in reevaluation of the situation and discovery of new needs. Motivation is different from satisfaction; motivation is the process of stimulating an individual or a group to take desired action. On the hand satisfaction implies contentment arising from the satisfaction of a need.

At the cognitive level, motivation is the product of anticipated values from a given course of action and the perceived probability that the action will lead to these values. Motivation has been described as a complex process. To understand or explain it, three approaches have been adopted; the content theory approach, Incentive theory approach and the process theory approach. From the content theory approach, two prominent theories are those of Maslows and Herzbergs

Maslows need hierarchy theory by Abraham H. Maslow an American psychologist has developed a theory of motivation on the basis of human needs. The theory positions man as perpetually wanting animals and his needs are never fully satisfied as soon as its place is satisfied, another one takes its place. This process continues from birth to the death of a person.

The Maslows need hierarchy involves the physiological needs i.e. Sex, sleep, clothing, shelter etc , Safety needs i.e. physical safety or protection against murder, fire, accident and economic security against unemployment, social needs i.e. the need to belong and to be accepted by others ego needs i.e. Need for self respect, self confidence, feeling of personal worth and independence and self actualization needs. This need lies at the top rank.

In some cases, improving worker's performance and morale can be a secondary objective for introducing Performance Related Pay. The real motivation can be to use PRP by the corporate organisations as an instrument to obtain political support for more funding or more flexibility over pay by the government. PRP may also be used as a way to have better control of the pay bill. The introduction of PRP strategies can indeed be a way to contain salary costs by reducing the incidence of automatic progression through salary levels. The

individualisation of pay may sometimes also be a way to circumvent the collective bargaining process, thus reducing the influence of trade unions and re-establishing managerial control.

Results of the recently completed survey on strategic human resources management¹ show that more than four-fifths of European countries have developed a performance appraisal system for employees. Two thirds of countries have a system that, at least in formal terms, links individual performance with organisational goals. In 80 % of cases, performance management systems are “somewhat linked” or “strongly linked” with pay. In countries where no reforms of the pay system have taken place, priority is often given to promotion policies, position re-classification and other non-pay instruments.

The first experience with pay for performance proceeds the 1980s-1990s periods. In Canada, for example, a formal system of merit increments for civil servants was first introduced in 1964. In France, the earliest version of the General Regulations for civil servants, enacted in 1946, specified that individual or collective bonuses could be granted periodically to civil servants in the recognition of exceptional performance. In Japan, there has been a provision for a “diligence allowance” for national public employees since the early 1950s. However, most of these plans (except in Canada) were ad hoc granting of rewards and did not allow financial rewards to be included in salaries – or in the calculation of pensions - on a longer term basis.

The introduction of PRP policies across the EC countries for example took place in the late 1970s and early 1980s. PRP schemes were introduced in the United States in 1979 for the Senior Executive Service and in 1981 for middle-level managers. Denmark, the Netherlands, New Zealand, Spain, Sweden and the United Kingdom, all adopted some form of performance-related pay policy in central government during the 1980s. Experimental policies were tried in the 1980s in selected agencies in Finland, Italy and the German postal service. A second wave of introduction of PRP schemes occurred in the late 1980s and early 1990s, with Australia, Finland, Ireland or Italy adopting PRP policies. A more recent wave took place in the late 1990s, with countries such as Germany, Korea,

¹ OECD, *Survey on Strategic Human Resources Management*, PUMA, HRM, 2002 (3)

Switzerland and Hungary adopting PRP policies. Norway also adopted performance-related pay elements for top level managers at the end of the 1990s.

It is likely that the use of performance-related pay will continue to spread in the public sectors of other countries. Yet, there has been very little evaluation of whether improvements actually occur and whether benefits justify costs in corporate organisations. Studies reveal a similar lack of evaluation of many private sector schemes. Despite this lack of evaluation, there seems to be widespread support both among elected officials and public sector managers themselves for the principle of linking pay to performance.

The extent of PRP application and its target group differs from country to country and organisation to organisation. Initially, PRP policies were essentially directed only at senior management and middle management levels. It is still the case in countries like Canada, Ireland, and Italy. Progressively PRP policies have tended to include all categories of public employees, even if policies are often more effectively applied for managerial staff.

The form of payment as a tool for employee motivation and performance varies considerably across countries and organisations. Two main types of systems can be identified (in many cases the two are combined in a single policy):

- Merit increments, which take the form of either a fixed or variable increase which is added to and can become a permanent part of the basic pay. Pay progression is therefore linked, wholly or in part, to individual performance rather than seniority.
- Bonuses, which are one-off payments which are not consolidated into basic pay. They may be expressed in either cash terms or a percentage of the basic pay. They can be distributed independently of the level of salary.

1.2 Problem Statement

In the right circumstances, incentives such as pay lead to enhanced motivation, effort, and performance. In the real world, however, incentives often have dysfunctional effects, and do not necessarily lead to improved motivation and performance. If the incentive system is

badly designed, or badly communicated to staff, it can have serious adverse effects that can lead to degradation in individual or collective performance.

Previous reports on PRP in European countries just like in Kenya show that there are recurring problems with the implementation of performance-related pay policies², notably a lack of discrimination and inflation in performance ratings, and a failure to establish a clear relationship between pay and performance. In many cases, PRP policies have been found to fail to satisfy key motivational requirements for effective performance pay. Overall, previous reports in the UK for example revealed widespread dissatisfaction with PRP schemes and raised important questions as to the impact of these schemes on the motivation and performance of managers.

A number of academicians have written on the weaknesses and shortcomings of performance-related pay systems³. Other experts tend to assert that performance pay systems have a positive impact on performance⁴. What is more consensual is the fact that despite the growing use of performance-related merit schemes, their true impact remains sadly under-researched⁵.

It seems from the available literature that both collective and individual PRP policies have risks. These risks include and are not limited to the following:

- Under an individual performance pay policy, resources and information are more likely to be hoarded than shared. Marsden and Richardson, (1992) reported that many workers said that merit produced a degree of staff jealousy and a decline in morale. Employees can see PRP as an entitlement, not as a reward. Instead of trying harder, low performers may rationalise their poor performance evaluations as merely a sign of incompetence or bias on the part of those conducting the

² OECD, *Private Pay for Public Work*, 1993 and OECD, *Performance Pay Schemes for Public Sector Managers, an evaluation of the impacts*, 1997.

³ See for instance Alfie Kohn, *Punished by rewards : the trouble with gold stars, incentive plans, A's, praise and other bribes*, 1993

⁴ See for instance Locke, E. and Latham, G., *A theory of goal setting and task performance*, 1990 or Milkovitch, H. and Wigdor, A., *Pay for Performance: Evaluating Performance Appraisal and Merit Pay*, 1991

⁵ Marsden, D. W. and Richardson, R., *The motivational effects of Performance-Related Pay in the Public Sector; A case study of the Inland Revenue*, 1992.

performance appraisals. On the other hand, high performers may sometimes endure negative social sanctions. Other possible side effects are the neglect of job aspects not covered in performance goals, or reporting of invalid data on performance.

- Group-based rewards can have dysfunctional effects as well. They can promote regression to the mean rather than outstanding contribution. Low performers may have little incentive to obtain training and thus raise their contribution. High performers may become vigilant police officers who pressure the low performers to try harder. As a result, low performers may feel tremendous pressure and scrutiny from other group members, which may further inhibit improvements in low performers' output.

Risks associated with PRP are often exacerbated in public sector organisations. Greater individualisation of pay raises the issue of what performance or productivity criteria can be applied to public sector operations, especially service delivery and policy advice functions, as a basis for more differentiated pay. When performance is difficult to measure on the basis of quantitative criteria, there is a risk that its measurement may be based only on subjective assessment, which lowers the credibility and the impact of the system.

In the public sector, the problem of PRP funding can also be very critical to its success. Depending on the budget situation of countries, the amount of performance pay can vary a lot depending on the years. The insecurity of PRP funds can severely damage their credibility in the longer term.

The inflation of ratings and rewards often tend to produce increases in personnel costs, even if there are formal payment ceilings set. Performance-related pay schemes are thus often more costly than expected.

Also, different surveys show that pay ranks low in employees' expressed preferences of work conditions in the public sector. Pay is not valued as much as many other work characteristics, such as expectations of job stability, recognition for one's achievements and respect and fair treatment from one's colleagues. At the managerial level, pay seems to be less valued than challenging job opportunities and a sense of accomplishment.

However, despite all these potential risks and adverse effects, there is a strong body of opinion that performance pay policy remains a sound idea, under certain conditions. When it is well designed and applied, PRP can potentially be a tool for improving performance and strategic management, and a lever for organisational change. The question is really under what conditions a PRP policy can be successful in terms of improving staff performance, and whether a system of pay for performance can be implemented. This research therefore seeks to fill in the gap regarding knowledge about performance related pay and whether it can be used by corporate organisations (The Nation Media group) in solving performance related issues among their employees.

1.3 Research Questions

The following are the research questions that this research will be addressing in order to achieve its stated objectives:

- (i) What is the relationship between the amount of money paid to an employee and his or her work output?
- (ii) What is the greatest motivation to employees in their workplace?
- (iii) Does Nation Media Group have a Pay,Related Performance scheme?
- (iv) If the scheme mentioned above exists, does it achieve its objective of increasing employee motivation and performance?
- (v) What is the attitude of employees towards Performance related Pay scheme?

1.4 Research Objectives

- To identify the amount of pay increases given to employees at the Nation Media group Company
- To identify the perception held by employees with regard to pay increment.
- To establish the perceived impact of the increment or the motivation of the beneficiary and employees

1.5 Importance of the Study/Justification

The study will contribute to Human resource management practise by providing an understanding on the relevance of performance related pay in boosting motivation and performance of workers.

To the researcher, this study is an academic requirement as a partial fulfilment of the requirement of Human resource management diploma. The study will also help in the improvement of researching skills by the researcher. The academic fraternity may also use the study for academic purposes specifically for reference.

The Nation Media Group Management staff may use the study in order for them to understand better as well as appreciate the role of pay on staff motivation and performance. Employees at the company could benefit from a fair pay system where effort is proportionately rewarded for in the event that NMG adopts recommendations of this study.

1.6 Research Scope

The scope of the study will be employees selected from different ranks at the safaricom company. The selection criterion is explained in the methodology section of chapter three. According to the company records, there are about 1000 employees of which a sample of only 100 respondents will be drawn for the study using stratified random sampling technique.

1.7 Definitions of Key Terms and Initials used

UK: United Kingdom

PRP: Performance Related Pay

Motivation: The forces that make an individual to make the necessary effort to achieve the stated goals or a force that energizes behaviour and gives direction to the workers.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

Many contemporary authors have defined the concept of motivation. Motivation has been defined as: the psychological process that gives behavior purpose and direction (Kreitner, 1995); a predisposition to behave in a purposive manner to achieve specific, unmet needs (Buford, Bedeian, & Lindner, 1995); an internal drive to satisfy an unsatisfied need (Higgins, 1994); and the will to achieve (Bedeian, 1993). In this research, motivation is operationally defined as the inner force that drives individuals to accomplish personal and organizational goals.

At one time, employees were considered just another input into the production of goods and services. What perhaps changed this way of thinking about employees was research, referred to as the Hawthorne Studies, conducted by Elton Mayo from 1924 to 1932 (Dickson, 1973). This study found employees are not motivated solely by money and employee behavior is linked to their attitudes (Dickson, 1973). The Hawthorne Studies began the human relations approach to management, whereby the needs and motivation of employees become the primary focus of managers (Bedeian, 1993).

Many methods of employee motivation have been developed. The study of work motivation has focused on the motivator (supervisor) as well as the motivatee (employee). Motivation theories are important to supervisors attempting to be effective leaders. Two primary approaches to motivation are content and process.

2.2 Motivation Theories

Understanding what motivated employees and how they were motivated was the focus of many researchers following the publication of the Hawthorne Study results (Terpstra, 1979). Five major approaches that have led to our understanding of motivation are Maslow's need-hierarchy theory, Herzberg's two-factor theory, Vroom's expectancy theory, Adams' equity theory, and Skinner's reinforcement theory.

The **content approach** to motivation focuses on the assumption that individuals are motivated by the desire to fulfill inner needs. Content theories focus on the needs that motivate people.

Maslow's Hierarchy of Needs identifies five levels of needs, which are best seen as a hierarchy with the most basic need emerging first and the most sophisticated need last. People move up the hierarchy one level at a time. Gratified needs lose their strength and the next level of needs is activated. As basic or lower-level needs are satisfied, higher-level needs become operative. A satisfied need is not a motivator. The most powerful employee need is the one that has not been satisfied. Abraham Maslow first presented the five-tier hierarchy in 1942 to a psychoanalytic society and published it in 1954 in *Motivation and Personality* (New York: Harper and Row).

Level I - Physiological needs are the most basic human needs. They include food, water, and comfort. The organization helps to satisfy employees' physiological needs by a paycheck.

Level II - Safety needs are the desires for security and stability, to feel safe from harm. The organization helps to satisfy employees' safety needs by benefits.

Level III - Social needs are the desires for affiliation. They include friendship and belonging. The organization helps to satisfy employees' social needs through sports teams, parties, and celebrations. The supervisor can help fulfill social needs by showing direct care and concern for employees.

Level IV - Esteem needs are the desires for self-respect and respect or recognition from others. The organization helps to satisfy employees' esteem needs by matching the skills and abilities of the employee to the job. The supervisor can help fulfill esteem needs by showing workers that their work is appreciated.

Level V - Self-actualization needs are the desires for self-fulfillment and the realization of the individual's full potential. The supervisor can help fulfill self-actualization needs by assigning tasks that challenge employees' minds while drawing on their aptitude and training. The diagram below is an illustration of this theory:



Figure 1: Maslow's Hierarchy of Needs

Source: Frederick Herzberg (1923-).

Alderfer's ERG identified three categories of needs. The most important contribution of the ERG model is the addition of the frustration-regression hypothesis, which holds that when individuals are frustrated in meeting higher level needs, the next lower level needs reemerge.

Existence needs are the desires for material and physical well being. These needs are satisfied with food, water, air, shelter, working conditions, pay, and fringe benefits.

Relatedness needs are the desires to establish and maintain interpersonal relationships. These needs are satisfied with relationships with family, friends, supervisors, subordinates, and co-workers.

Growth needs are the desires to be creative, to make useful and productive contributions and to have opportunities for personal development.

McClelland's Learned Needs divides motivation into needs for power, affiliation, and achievement.

Achievement motivated people thrive on pursuing and attaining goals. They like to be able to control the situations in which they are involved. They take moderate risks. They like to get immediate feedback on how they have done. They tend to be preoccupied with a task-orientation towards the job to be done.

Power motivated individuals see almost every situation as an opportunity to seize control or dominate others. They love to influence others. They like to change situations whether or not it is needed. They are willing to assert themselves when a decision needs to be made. **Affiliation** motivated people are usually friendly and like to socialize with others. This may distract them from their performance requirements. They will usually respond to an appeal for cooperation.

Hertzberg's Two-Factor Theory describes needs in terms of satisfaction and dissatisfaction. Frederick Herzberg examined motivation in the light of job content and contest. (See *Work on the Nature of Man*, Crowell Publications, 1966.) Motivating employees is a two-step process. First provide hygiene and then motivators. One continuum ranges from no satisfaction to satisfaction. The other continuum ranges from dissatisfaction to no dissatisfaction.

Satisfaction comes from motivators that are intrinsic or job content, such as achievement, recognition, advancement, responsibility, the work itself, and growth possibilities. Herzberg uses the term **motivators** for job satisfiers since they involve job content and the satisfaction that results from them. Motivators are considered job turn-ons. They are necessary for substantial improvements in work performance and move the employee

beyond satisfaction to superior performance. Motivators correspond to Maslow's higher-level needs of esteem and self-actualization.

Dissatisfaction occurs when the following hygiene factors, extrinsic or job context, are not present on the job: pay, status, job security, working conditions, company policy, peer relations, and supervision. Herzberg uses the term **hygiene** for these factors because they are preventive in nature. They will not produce motivation, but they can prevent motivation from occurring. Hygiene factors can be considered job stay-ons because they encourage an employee to stay on a job. Once these factors are provided, they do not necessarily promote motivation; but their absence can create employee dissatisfaction. Hygiene factors correspond to Maslow's physiological, safety, and social needs in that they are extrinsic, or peripheral, to the job. They are present in the work environment of job context.

Motivation comes from the employee's feelings of accomplishment or job content rather than from the environmental factors or job context. Motivators encourage an employee to strive to do his or her best. Job enrichment can be used to meet higher-level needs. To enrich a job, a supervisor can introduce new or more difficult tasks, assign individuals specialized tasks that enable them to become experts, or grant additional authority to employees.

Maintenance (Hygiene) Needs

PHYSICAL

work layout, job demands, work rules, equipment, location, grounds, parking facilities, aesthetics, lunch facilities, rest rooms, temperature, ventilation, lighting, noise

SOCIAL

work groups, coffee groups, lunch groups, social groups, office parties, ride pools, outings, sports, professional groups, interest groups

STATUS

job classification, title, furnishings, location, privileges, relationships, company status

MOTIVATION NEEDS GROWTH, ACHIEVEMENT RESPONSIBILITY, RECOGNITION

delegation, access to information, freedom to act, atmosphere of approval

involvement, goal-setting, planning, problem solving, work simplification, performance appraisal

merit increases, discretionary awards, profit sharing

utilized aptitudes, work itself, inventions, publications

company growth, promotions, transfers and rotations, education, memberships

ECONOMIC

wages and salaries, automatic increases, profit sharing, social security, workmen's comp, unemployment comp, retirement, paid leave, insurance, tuition discounts

SECURITY

fairness, consistency, reassurance, friendliness, seniority rights, grievance procedure

ORIENTATION

job instruction, work rules, group meetings, shop talk, newspapers, bulletins, handbooks, letters, bulletin boards, grapevine

**THE
JOB**

Figure 2: Herzberg's Two factor Theory

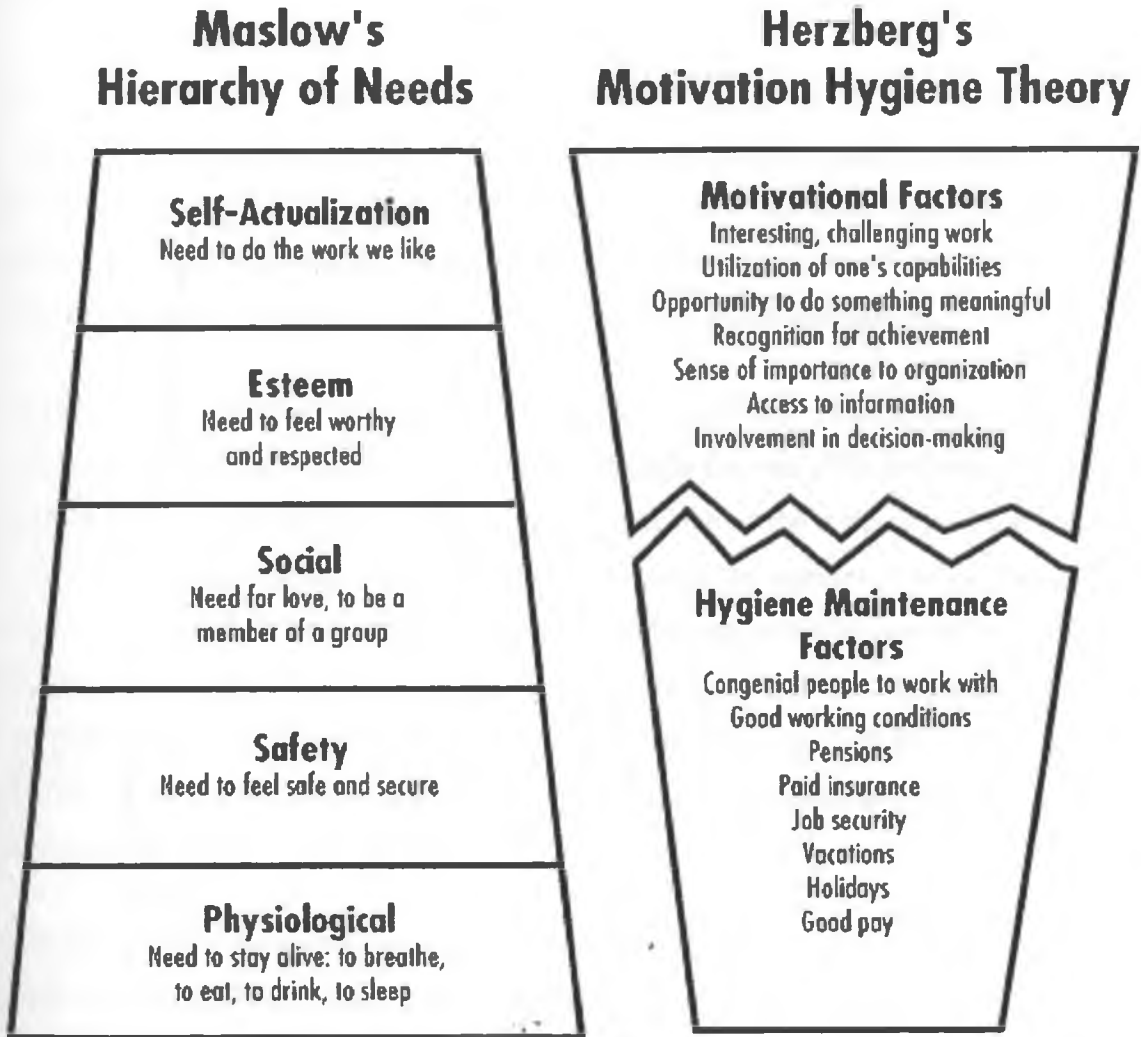


Figure 3: Vroom's Expectancy Model

The process approach emphasizes how and why people choose certain behaviors in order to meet their personal goals. Process theories focus on external influences or behaviors that people choose to meet their needs. External influences are often readily accessible to supervisors.

Vroom's Expectancy Model

This model suggests that people choose among alternative behaviors because they anticipate that particular behaviors will lead to one or more desired outcomes and that other behaviors will lead to undesirable outcomes. Expectancy is the belief that effort will lead to

first-order outcomes, any work-related behavior that is the direct result of the effort an employee expends on a job.

Equity is the perception of fairness involved in rewards given. A fair or equitable situation is one in which people with similar inputs experience similar outcomes. Employees will compare their rewards with the rewards received by others for their efforts. If employees perceive that an inequity exists, they are likely to withhold some of their contributions, either consciously or unconsciously, to bring a situation into better balance.

For example, if someone thinks he or she is not getting enough pay (output) for his or her work (input), he or she will try to get that pay increased or reduce the amount of work he or she is doing. On the other hand, when a worker thinks he or she is being paid too much for the work he or she is doing, he or she tends to increase the amount of work. Not only do workers compare their own inputs and outputs; they compare their input/output ratio with the input/output ratio of other workers. If one work team believes they are doing more work than a similar team for the same pay, their sense of fairness will be violated and they will tend to reduce the amount of work they are doing. It is a normal human inclination to want things to be fair.

Bowditch and Buono note (see Bowditch, James L. and Anthony F. Buono, *A Primer on Organizational Behavior*, 4th, John Wiley & Sons, 1997) that while equity theory was originally concerned with differences in pay, it may be applied to other forms of tangible and intangible rewards in the workplace. That is, if any input is not balanced with some fair output, the motivation process will be difficult. Supervisors must manage the perception of fairness in the mind of each employee. If subordinates think they are not being treated fairly, it is difficult to motivate them.

Equity Theory

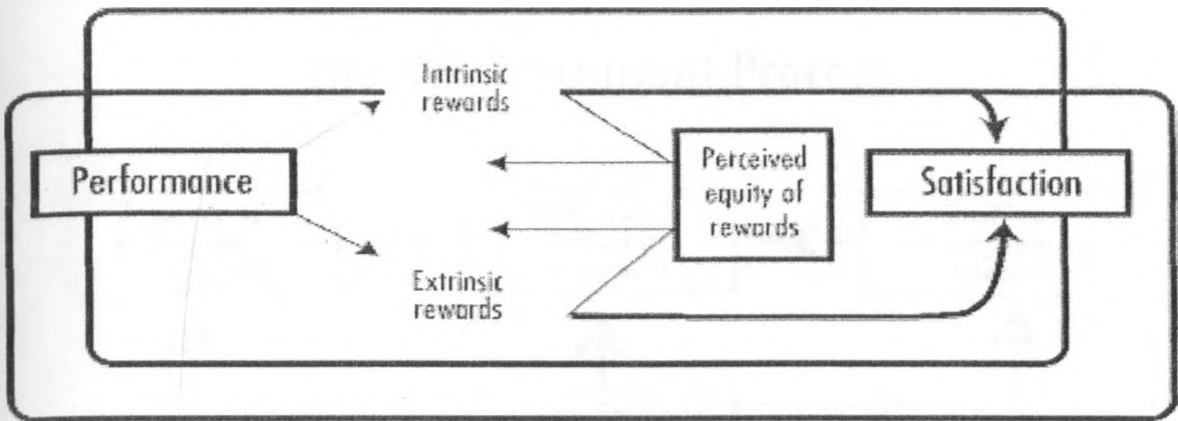


Figure 4: Equity Theory

Reinforcement involves four types of consequences. Positive reinforcement creates a pleasant consequence by using rewards to increase the likelihood that a behavior will be repeated. Negative reinforcement occurs when a person engages in behavior to avoid unpleasant consequences or to escape from existing unpleasant consequences. Punishment is an attempt to discourage a target behavior by the application of negative outcomes whenever it is possible. Extinction is the absence of any reinforcement, either positive or negative, following the occurrence of a target behavior. Employees have questions about their jobs. Can I do what management is asking me to do? If I do the job, will I be rewarded? Will the reward I receive be satisfactory to me?

Reinforcement is based primarily on the work of B.F. Skinner, a psychologist, who experimented with the theories of operant conditioning. Skinner's work shows that many behaviors can be controlled through the use of rewards. In fact, a person might be influenced to change his or her behavior by giving him or her rewards.

Employees who do an exceptionally good job on a particular project should be rewarded for that performance. It will motivate them to try to do an exceptional job on their next project. Employees must associate the reward with the behavior. In other words, the employee must know for what specifically he or she is being rewarded! The reward should come as quickly as possible after the behavior. The reward can be almost anything, but it must be something desired by the employee. Some of the most powerful rewards are

symbolic; things that cost very little but mean a lot to the people who get them. Examples of symbolic rewards are things like plaques or certificates.

The Reinforcement Process

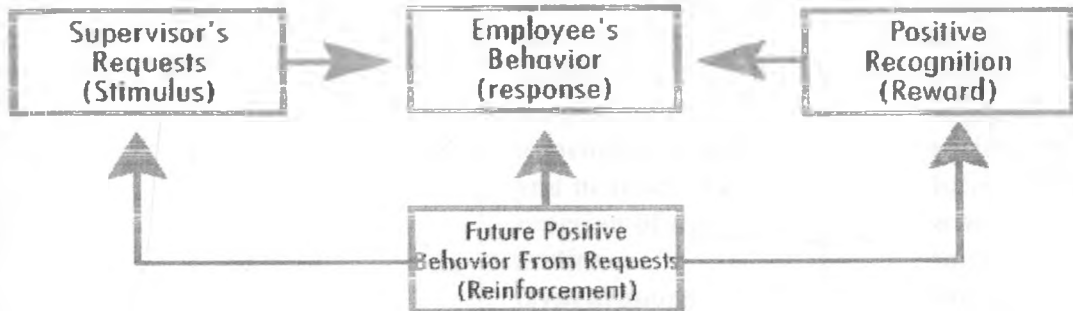


Figure 5: The Reinforcement Process

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Compensation: Extrinsic vs. intrinsic pay

The table below illustrates the different types of reward encountered by employees at work

Motivation Type	Tasks/Activity	Motive	Examples
Type I Extrinsic	Affectively or physically Neutral/Negative	Extrinsic pay/promotion, etc. Source: Instrumental-	<ul style="list-style-type: none"> • Doing unpleasant work for pay • Working overtime for more pay
Type II Intrinsic Outcome	Affectively or physically Neutral/Negative	Positive Task or Social Feedback @conclusion of activity leading to positive affect/satisfaction (asynchronous feedback) Sources: Self Concept External; Self Concept Internal, Goal Identification	<ul style="list-style-type: none"> • Performing undesirable task for the expectation of recognition • Practicing long and hard (which you hate) so that you will win at an athletic event • Doing laundry so your family

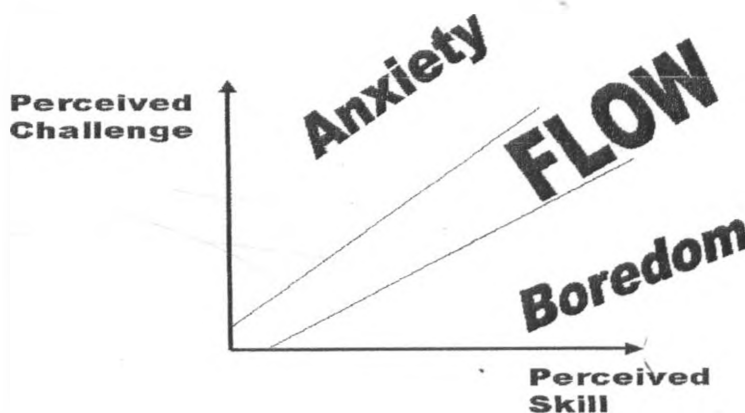
			has clean clothes
Type III Intrinsic Process	Affectively or physically Positive	Continued Positive Affective State Sources: Intrinsic Process Positive feedback is occurs during the activity (e.g., you can see your score improving in golf, you hear/see the reaction of the audience (synchronous feedback))	<ul style="list-style-type: none"> • Working on a project in which you can see improvement as you work • Being engaged in a social interaction where the individuals are making you feel good by validating your skills, accepting you, or affirming your status
Type IIIA Combination	Affectively or physically Positive	Extrinsic pay/promotion, etc. Source: Instrumental-	
Type IIIB Combination	Affectively or physically Positive	Positive Task or Social Feedback @conclusion of activity leading to positive affect/satisfaction (asynchronous feedback) Sources: SCE; SCI, GI	
Type IIIC Combination	Affectively or physically Positive	Extrinsic pay/promotion, etc. AND Positive Task or Social Feedback @conclusion of activity leading to positive affect/satisfaction (asynchronous	

Table 1: Rewards

The fundamental difference between Type II and Type III is that in Type II one is performing a intrinsically neutral or negative task because of the expectation (cognitive) that he/she will receive validating feedback at some future time, or the expectation of some future benefit, while in Type III motivation the feedback is immediate creating a positive affective state (which in itself is sustaining). Therefore, Type III Motivation is Affective in nature, while Type I and Type II motivation are more cognitive in nature.

Conditions that Create a Continued Positive Affective State:

Motivating Tasks. What makes tasks motivating in themselves? The Flow Model explains one aspect of what makes tasks intrinsically motivating. It is really a function of self concept internal motivation. According to Milaly (1991), when skills match challenge, the individual's valued skills (central to identity) are validated in the process of the activity (synchronous feedback). Milaly believed that some degree of autonomy and Feedback (Knowledge of Results) are also necessary for Flow to occur.



Source: Csikszentmihalyi, Milaly (1991). *Flow: The Psychology of Optimal Experience*.

Motivating Social Interactions.

Following the premise that intrinsic motivation is the result of a Continuing Positive Affect State, social interactions create a positive effect within the individual. Milaly (1991) suggested that positive effect in a social interaction is the direct result of validating/affirming feedback occurring through the interaction. The feedback may be **direct** (e.g., "*You're one of my best students.*") or indirectly inferred from the behavior of others (e.g, others continually disagree with you, discount your ideas, or ignore you in conversations). This involves the assignment of meaning to the actions of others). Social feedback may either be:

- Signal acceptance in group or liking by individual(s)
- Affirm one's skills, competencies or general worth.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research design, population and sampling design, the data collection method, the research procedures and data analysis methods that will be used in the course of the research. This section will also indicate the research tools that was used to collect data, the data collection procedure and the data analysis.

3.2 Research Design

According to Cooper and Schindler (2001), a research that is concerned with finding out who, what, where or how much, is descriptive. In addition, they further indicate that a descriptive study is used when one needs to determine characteristics associated with a subject population. This study was aimed at establishing the role of remuneration on employee motivation and performance at Nation Media Group. Cooper and Schindler (2001), further assert that in contrast to an exploratory study which is unstructured, a descriptive study is typically structured with clearly stated objectives. These studies further estimated the proportions of a population that have these characteristics.

Qualitative research was applied in this study. This is ideal because it facilitates the identification of variables for the study. In this study, the variables were derived from the research objectives. In addition, qualitative research allows the collection of detailed information from respondents Yoo et al (2000), Eda et al (2005). This study was aimed at establishing the factors that affect the adoption of Pall Mall cigarettes in Kenya. In order to fully understand how reward plays a role in employee motivation and performance, it is

critical that the study establishes some other characteristics of the respondents like their sex since may alter how the employees view pay in the work place.

3.3 Population and Sampling Design

3.3.0 Population

The population of interest in this study was employees at the Nation Media Group. The respondents of the questionnaire exhibited the above characteristic. (Nation Media Group employees only).

3.3.1 Sample Design and Sample size

3.3.2 Sampling frame

The sampling frame was permanent employees of Nation Media Group. The targets were both male and female adult employees. It is important that the respondents are targeted based on the locations where it is easy to locate them. Hence, this study focused on the Nation Media centre. This is due to the location's easy accessibility

3.3.3 Sampling technique

The target respondents were selected using a simple random sampling technique. Copper et al (2001) assert that a simple random sampling technique is used when the characteristics of the individuals are not very variant and also provide own members of the population an equal chance of being selected. The individuals from the chosen population shared similar characteristics like same employer and similar reward and motivation schemes. Copper et al (2001), assert that the basic idea of sampling is that by selecting some of the elements in a population, we may draw conclusions about the entire population. They identify that there are several advantages of sampling as opposed to a census. These are lower costs, greater accuracy in results, greater speed of data collection and the availability of population

elements is higher. Based on the above assertions, this study used the simple random sampling technique.

Copper et al (2001) further assert that the ultimate test to a sample design is how well it represents the characteristics of the population it purports to represent. The sample must be valid. The validity of a sample depends on two considerations: accuracy and precision. The simple random sampling design was aimed at ensuring high accuracy and precision.

3.3.4 Sample Size

A sample size of 100 employees of the target population was used in this research on cessation. Just like any other descriptive studies that have been conducted before, this research may experience errors. These are non-observation and observation errors. The errors that may occur from the respondents are non-response errors and response bias. There may also be administrative errors and data processing errors.

3.4 Data Collection Method

The study collected data using a self administered questionnaire. In this proposal, the questionnaire had 2 distinct parts: The first part was used to collect background information about the employees. The second part was main questionnaire which was used to determine the role played by remuneration on motivation and performance of workers at the Nation Media Group. These questionnaires were left with the respondents for a period of one week before collection.

The questionnaire had closed ended questions measured on a 5. Likert scale where 1 = strongly disagree, 2 = disagree, 3= neutral, 4= agree and 5= strongly agree. Each question allowed the respondents to check “not applicable” if necessary. There were numerous open- ended questions that seek further explanations from the respondents.

3.5 Research Procedures

A pretest of the questionnaire was conducted to assess the content validity of measurement skills. Content validity can be evaluated by a panel of persons, sometimes experts who judge whether a scale logically appears to reflect accurately what it purports to measure, Douglas et al (1999) as quoted by Jun et al (2004). In this case an academician (the supervisor) evaluated the questionnaire for content validity. In addition, five prospective respondents were pretest the format and ease of administration of the questionnaire. This ensured the format, flow and duration of response is appropriate. After both pretest exercises on content and format, adjustments were made to the final questionnaire and a hard copy of the questionnaire was issued and collected from the respondents.

3.6 Data Analysis

The researcher edited the collected data centrally, Coppers and Schindler (2000) in their paper Business Research Methods document assert that editing is done in order to detect errors and omissions, ensure data accuracy, uniformly entered, complete, consistent with intent of the question and other information in the survey and arranged to simplify coding and tabulation. Alpha numeric data coding was carried out to assign numbers and other symbols to the questions, which Coopers and Schindler (2000) explain is done in order to group the respondents to a limited number of classes or categories that- facilitated efficient analysis.

Coded data was be tabulated in Statistical Package for Social Science (SPSS version 11.0). Frequency distribution was to capture the effect of remuneration on motivation and performance of employees.

3.7 The Research questionnaire

The questionnaire seek to obtain information that was used to understand the role played by remuneration in enhancing motivation and improving performance of employees at Nation Media Group. You are invited to participate and answer the questions as honestly as possible. The information you provide will only be used for the purpose of this research and will be kept confidential, therefore don't write your name in this paper. Please note that there are no correct or wrong answers to these questions, but only what is appropriate to you.

CHAPTER FOUR

4.0 DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter presents analysis and findings of the research. Findings in this chapter have tried to fulfil the objectives of this study. The analysis in this chapter will be divided into four categories in relation to the sample populations in chapter three.

4.2 Gender

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In this category, the main focus was to investigate the gender of the respondents.

Table 2: Gender

Gender	Frequency	Percent
MALE	28	68.3
FEMALE	13	31.7
Total	41	100.0

Source Author (2007)

Form the table above it is evident that 68.3% of the respondents were male while 31.7% were female.

4.3 Department

In this category, the main focus was to show which department the staff belonged to.

Table 3: Department

Department	Frequency	Percent
HUMAN RESOURCE	8	19.5
FINANCE	7	17.1
ADMINISTRATION	3	7.3
EDITING	2	4.9
MARKETING	4	9.8
ADVERTISING	13	31.7
GRAPHIC	3	7.3
OTHERS	1	2.4
Total	41	100.0

Source Author (2007)

It is evident from the table above that 19.5% of the respondents are from the human resource department, 17.1% are from the finance department, 7.3% are from the administration, 4.9% are from the editing department, 9.8% are from the marketing department, 31.7% are from the advertising department, 7.3% are from the graphic department while 2.4% are from other department.

4.4 Level of Education

The respondents were requested to indicate what level of education they have achieved.

Table 4: Level of Education

Education Level	Frequency	Percent
MASTERS DEGREE	7	17.1
POSTGRADUATE DIPLOMA	4	9.8
BACHELORS DEGREE	29	70.7
OTHER	1	2.4
Total	41	100.0

Source Author (2007)

The table above indicate that 17.1% of the respondents a have master degree, 70.7% have bachelors degree, 9.8% have postgraduate diploma while others at 2.4% have other form of qualification.

4.5 Aims of the Organization

The participants indicated the aims of the organization. These suggestions were tallied and percentages used to analyze the data. Results are presented in below

Table 5: Aim of the Organization

Aim of the Organisation	Frequency	Percent
Dispensation information to the people of Kenya	10	24.4
News production & dissemination	7	17.1
Publishing newspapers, mass media communication	7	17.1
Ensure that the financial transactions of the N.M.G are recorded and presented in a fair manner that reflects the activities of the company	11	24.9
To inform, educate, entertain without fear or favour	6	14.7
Total	41	100.0

Source author (2007)

The main aim of the Nation Media Group is dispensation information to the people of Kenya by 24.4%, news production and dissemination by 17.1%, publishing newspapers, mass media communication by 17.1%, ensure that the financial transactions of the N.M.G are recorded and presented in a fair manner that reflects the activities of the company by 24.9% and to inform, educate, entertain without fear or favor by 14.7%.

4.6 Work Related Problem

The respondents were requested to indicate if they have experienced any kind of work related problem.

Table 6: Work Related Problem

Response Rate	Frequency	Percent
YES	29	70.7
NO	9	22.0
No response	3	7.3
Total	41	100.0

Source Author (2007)

From the above table it is evident that 70.7% of the respondents have certain kind of work related problem, 22% have no working related problem while there was no response from 7.3% of the respondents.

4.7 Some Work Related experiences by Nation Media Group Staff

An open-ended question was put to the participants to report some of the work related experiences by the Nation Media Group staff. Table below shows the results.

Table 7: Work Related Experience

Related work experience	Frequency	Percent
A lot of bureaucracies and lack of cooperation among workers	5	12.2
Lack of modern equipment	5	12.2
Delayed decision making, career development, low pay	7	17.1
unrealistic targets, absence of effective motivational tools	7	17.1
Long working hours, being inconsiderate	11	24.9
unpopular products, lack of motivation/incentives to enhance productivity	6	14.7
Total	41	100.0

Some of related work experiences of the Nation media Groups were sampled as a lot of bureaucracies and lack of cooperation among workers by 12.2%, lack of modern equipment by 12.2%, delayed decision making, career development and low pay by 17.1% unrealistic target, absence of effective motivational tools by 17.1%, long working hours, being inconsiderate by 24.9% and unpopular products, lack of motivation/incentives to enhance productivity by 14.7%.

4.8 Understanding of Motivation

The respondents were requested to indicate either their understanding of what motivation is all about.

Table 8: Understanding of Motivation

	Frequency	Percent
IMPROVING JOB SATISFACTION AMONG EMPLOYEES	7	17.1
MAKING STAFF WORK WITH MORALE TO ACHIEVE SET OBJECTIVES	31	75.6
SEVERAL	3	7.3
Total	41	100.0

Source Author (2007)

The research findings showed that their understanding on motivation was that it improves job satisfaction among employees by 17.1%, making staff work with morale to achieve set objectives by 75.6% and several other understanding by 7.3%.

4.9 Effect of Motivation on Productivity

The perceptions of participants regarding retrenchment were interesting because they could influence the performance of the survivors, hence influence the success of the retrenchment exercise. Results on how the participants perceived retrenchment (the meaning of retrenchment) appear in Table 4.8. The results are presented in terms of frequencies.

Table 9: Motivation Affect Productivity

Response Rate	Frequency	Percent
YES	41	100.0
No	0	0.0
Total	41	100.0

Source Author (2007)The research findings indicate that the all the respondents agree that motivation has an impact on the productivity of the staff.

4.10 Motivating factors

The purpose was to find out the most motivating factor by the employee of NMG

Table 10: Most Motivating Factor

Factor	Frequency	Percent
PAY/REWARD	10	24.4
SEVERAL OF THE ABOVE	10	24.4
GOOD WORKING CONDITIONS	9	22.0
GOOD LEADERSHIP	4	9.8
INCENTIVES	2	4.9
OBJECTIVE APPRAISALS & SCHEMES	2	4.9
ON JOB TRAINING	2	4.9
PROMOTIONS	2	4.9
Total	41	100.0

Source Author (2007)

It is evident from the table above that pay/reward and a combination of several factors at 24.4% are some of the factors affecting motivation at the nation media group. good working condition as a factor by 22.0%,good leadership by 9.8%,incentives by 4.9%, objective appraisals & schemes by 4.9,on job training by 4.9% while promotion by 4.9%.

4.11 Security of work

The aim was to investigate if the Nation Media Group staffs are secure working with the organization.

Table 11: Feeling Secure with the Organization

	Frequency	Percent
YES	27	65.9
NO	14	34.1
Total	41	100.0

Source Author (2007)

The findings indicate that majority of the staff are secure working for the organization by 65.9% while those insecure by 14%.

4.12 Reason for be Secure

The purpose was to find out the some of the reason as to why they Nation Media Group feel secure.

Table 12: Reasons for be Secure

Reason	Frequency	Percent
No response	14	34.1
SEVERAL OF THE ABOVE	12	29.3
GOOD TERMS & CONDITIONS OF EMPLOYMENT	7	17.1
QUALITY WORKING ENVIRONMENT	5	12.2
EMPLOYEE RECOGNITION	1	2.4
FLEXIBLE WORKING	1	2.4
BASIC PAY	1	2.4
Total	41	100.0

Source Author (2007)

According to most of the respondents, 29.3 % of them indicated that a combination of several factors was reason for them to feel secure.17.1% felt good term of condition of employment was a reason, quality of work environment was a factor they felt was a reason by 12.2%, 2.4% felt employee recognition was a factor, flexibility working by 2.4% while 2.45 felt basic pay was a reason. No response was 34.1%.

4.13 Reason for Insecurity

The purpose was to find out the some of the reason as to why they Nation Media Group feel secure.

Table 13: Reasons for Feeling Insecure

Reason	Frequency	Percent
SEXUAL HARASSMENT	1	2.4
NO EQUAL OPPORTUNITIES	1	2.4
POOR WORKING ENVIRONMENT	12	29.3
LACK OF INCENTIVES	4	9.8
POOR LEADERSHIP	2	4.9
LACK OF BASIC PAY	2	4.9
SEVERAL Reason	3	7.3
No Response	15	36.6
Total	41	100.0

Source Author (2007)

There are various reasons as to why staffs feel insecure in their originations and this insecurity is caused by sexual harassment by 2.4%, No equal opportunity by 2.4%, poor working environment by 29.3% lack of incentives by 9.8%, poor leadership by 4.9%, lack of basic pay by 4.9% other reasons no mention by 7.3% since these is a sensitive area the non response was 36.6%.

4.14 Remuneration

The participants were asked to report on their understanding of remuneration

Table 14: Remuneration

	Frequency	Percent
APPRECIATION OF PERFORMANCE	22	53.7
MOTIVATION OF PEOPLE	6	14.6
MONETORY REWARDS	10	24.4
SEVERAL	3	7.3
Total	41	100.0

Source Author (2007)

The sample indicated that remuneration is appreciation of performance by a majority of 53.7%, remuneration as motivation of people by 14.6%, remuneration by is money reward by 24.45 and other understanding as 7.3%.

4.15 Reward Policy

The purpose was to find out the awareness of remuneration and reward policy in the organization

Table 15: Reward Policy

Response Rate	Frequency	Percent
YES	20	48.8
NO	20	48.7
No Response	1	2.4
Total	41	100.0

Source Author (2007)

The table above indicates that 48.8% of the respondents are ware of the remuneration and reward policy in the organization, 46.3% is not aware of the reward policy while one of the respondents did not respond.

4.16 Importance of the policy

The respondents where to indicate if they are aware of the remuneration policy and their importance

Table 16: The Importance of the Remuneration Policy

	Frequency	Percent
SUPPORT BUSINESS GOALS	4	9.8
MAINTAIN MARKET COMPETITIVENESS	3	7.3
RECRUIT & RETAIN HIGH PERFORMANCE	3	7.3

REWARD MAIN PERFORMANCE	2	4.9
MANAGE PAY COSTS	3	7.3
SEVERAL	5	12.2
No Response	21	51.2
Total	41	100.0

Source Author (2007)

It can be conclude from the table above that the importance of remuneration policy are to support business goals by 9.8%,maintain market competitiveness by 7.3%, recruit and retain high performance by 7.3%,reward main performance by 4.9%, manage pay costs by 7.3% while other importance at 12.2%. No response by 51.2%.

4. 17 Compensation Guidelines

The purpose was to find out if there are any clear guidelines followed by the organization when compensating employees

Table 17: Clear Compensation Guidelines

	Frequency	Percent
YES	22	53.7
NO	12	29.3
DONT KNOW	2	4.9
No Response	5	12.2
Total	41	100.0

Source Author (2007)

It can be conclude from the table above that when Most of the staff are aware of clear compensation schemes offered by the organization by 53.7%,29.3% are not aware of the compensation schemes, 4.9% don't know if they exists and 12.2% did not respond

4.18 Poor Remuneration against Work Performance

The purpose was to find out, the extent to which poor remuneration of employees reduces their work performance.

Table 18: Remuneration against Work Performance

Extent	Frequency	Percent
STRONGLY DISAGREE	23	56.1
STRONGLY AGREE	9	22.0
AGREE	9	22.0
Total	41	100.0

Source Author (2007)

Of all the respondents targeted 56.1% indicate that they strongly disagree that poor remuneration is factor that affect the work performance of the staff, 22% strongly agreed while 22% agreed that remuneration is a factor that affect work performance of the nation media group.

4.19 Preferred Element for Remuneration in Financial Reward

The purpose was to find out what type of elements the sample prefers to be part of your remuneration by the company i.e. in financial reward.

Table 19: Preferred Element for Remuneration in Financial Reward

Element	Least Important		Important		Most important	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Salary	2	4.9	10	24.4	25	61.0
Yearly bonus	7	17.1	14	34.1	20	48.8

Profit sharing	7	17.1	17	41.5	17	41.5
Leave with pay	6	14.6	13	31.7	22	53.7

Source Author (2007)

It can be conclude from the table above that 4.9% of the sample considered salary as the least important element that they prefer to be part of their remuneration, 24.4% as important and 61.0 as the most important element in their remuneration.

Yearly bonus was considered least important by 17.1%, important by 34.1% and most important by 48.8% as an element they prefer to be part of the remuneration.

Profit sharing was considered least important by 17.1%, important by 41.5% and most important element they preferred to be part of the remuneration.

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Leave with pay was considered least important by 14.6%, important by 31.7% and most important by 53.7as an element they preferred to part of the remuneration.

4.20 Preferred Element for Remuneration in Non Financial Rewards

The purpose was to find out what type of elements the sample prefers to be part of your remuneration by the company i.e. in non financial reward.

Table 20: Proffered Element for Remuneration in Non Financial Reward

ELEMENT	LEAST IMPORTANT		IMPORTANT		MOST IMPORTANT	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Appraisal	5	12.2	16	39.0	20	48.8
Praise and prestige	17	51.5	14	34.1	10	24.4

Quality of work life	12	29.3	29	70.7	-	-
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Source Author (2007)

The above table shows that 12.2% of the sample indicated that appraisal as the least important element, 39.0% as important and 48.8% as the most important element prefer as a part of remuneration in terms on non financial reward.

Praise and prestige was considered least important element by 51.1%, important by 34.1%, most important by 24.4% as part of remuneration in terms of non financial reward.

Quality of work life was considered least important element by 29.3%, important by majority at 70.7%.

4.21 Pay Increases Motivation

The purpose was to find out the extent to which pay increases motivation. **Table 21: Pay Increase Motivation**

	Frequency	Percent
STRONGLY AGREE	6	14.6
DISAGGREE	2	4.9
NEITHER	4	9.8
AGREE	7	17.1
STRONGLY AGREE	22	53.7
Total	41	100.0

Source Author (2007)

It can be conclude from the table above that 14.6% of sample strongly agree that pay increases motivation of staff, 4.9% disagree, 9.8% agree, 17.1% strongly agree that pay increases motivation.

CHAPTER FIVE

5.0 SUMMARY AND RECOMMENDATION

5.1 Introductions

This chapter provides a summary of the findings, conclusions and recommendations into the effect of remuneration on motivation and performance of employees: a case of nation Media Group.

5.2 Summary of the Findings

The purpose of this study was to investigate the effect of remuneration on motivation and performance of employees: A case of Nation Media Group.

The findings indicate that majority of the staff at the Nation Media group considered pay/reward, good leadership, good working condition, incentives as factors affecting motivation. The research findings indicate that all the respondents agreed that motivation had an impact on the productivity of the staff.

The findings shows that there are some of related work experiences in the organization such as; a lot of bureaucracies and lack of cooperation among workers, lack of modern equipment, delayed decision making, career development and low pay, unrealistic target, absence of effective motivational tools, long working hours, being inconsiderate and unpopular products, lack of motivation/incentives to enhance productivity.

The findings shows that staff understand remunerations is the appreciation of performance and that majority of them are aware of the remuneration and reward policy in the organization. The findings shows that majority strongly disagree that poor remuneration is factor that affect the work performance of the staff while a small percent strongly agreed.

The findings show that salary was considered as the least important element that they prefer to be part of their remuneration while majority considered it the most important factor. Yearly bonus was considered least important and most important by the majority as an element they prefer to be part of the remuneration. For profit sharing the findings considered the least important and leave with pay was considered most important element they preferred to part of the remuneration.

For the non financial reward the findings shows that appraisal as somehow important element followed by praise and prestige as the least important element while quality of work life was considered the most important element by the majority.

Finally the findings shows that the respondents agree that pay increases motivation of staff

5.3 Conclusions

People have different needs, establish different goals to satisfy them and take different actions to achieve those goals. Motivating other people is therefore about getting them to move in the direction you want them in order to achieve the desired results, (Armstrong, 2005).

The importance of financial rewards at the workplace cannot be underestimated. If the salary and fringe benefits are right, an organisation will attract quality employees. However, if the above is not properly formulated, the business will be unable to attract the right people and even risk losing the employees it has. Employees NMG are not well paid and therefore they are not motivated to work better. If employees are paid well they will work harder as a result of their increased levels of motivation.

Employers should also recognise their employees as part of the business by involving and enabling them to participate in decision making. This is something that is not happening at NMG indicating a poor management style that has greatly affected staff morale and performance. The importance of management style in employee motivation was highlighted by Walton (1985) who indicated that improved performance would result if the management moved away from the traditional control oriented approach to workforce management which relies upon establishing order, exercising control and achieving efficiency in the application of the workforce

In addition, employers should buy employees the necessary equipment to ensure that they carry out their duties effectively. However, the NMG employees lack equipment to carry out their duties. Lack of equipment hinders performance of duties and also puts at risk the safety of workers. If the safety of workers is ensured and employees have all the necessary equipment, they will identify with the enterprise and therefore feel motivated.

Motivation has a great influence on the output of a business. Enterprises rely on the efficiency of the staff to make sure that services meet the demands of the customers. If employees lack motivation, their services to the customers are threatened. This indicates that employees are the most important of all the factors of production and if their motivation is low then there will be an influence on their effectiveness and efficiency. In short, management at the NMG should put in mind staff morale in the day to day running of the business.

All staff should be informed and be aware of all the remuneration packages that the organization offers. Salary should be revised once per year to discourage the staff from leaving the organization. The organization should emphasize and put in place non financial rewards more than financial reward such as quality of work life.

5.4 Limitations of the Study

Care must be taken to generalize the results of this study as there were some limitations. First this study included only at the Nation Media Group. The sample here therefore may not be representative of all employees, hence limiting the general applicability of the findings of the study.

5.5 Recommendation

To the Managers and Owners of organization

It is also important to note that many of the issues highlighted can be minimally influenced by workers and it is the primary responsibility of owners and managers to tackle them. The

managers should therefore formulate financial rewards that are adequate to the staff. The managers and owners should involve staff in decision making in addition to offering equipment to the workers to enable them perform their duties effectively and efficiently. The provision of equipment will also ensure a safe working environment. Furthermore, training should be offered regularly, to all employees and should be relevant to the employees.

5.6 Further study

The current research was exploratory in nature, with the primary object of establishing the effect of remuneration on motivation and performance of employees a case of the nation Media Group. This study did not take into account small companies. With regard to any further studies, it is recommended that the relationship should be established with a larger sample particularly in all sector or service. The study should be extended to small companies in Kenya because they also face the same problems.

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Appendix 1

Letter of introduction

Re: To Whom It May Concern

I am a student at the University of Nairobi, pursuing Postgraduate Diploma in Human Resource Management. As partial fulfilment of the requirements for the award of a Postgraduate Diploma, I am carrying out a research entitled **“An investigation of the effect of remuneration on motivation and performance of employees. A case study of nation media Group”**.

You have been selected to be part of this study and I kindly request you to assist me in filling the attached questionnaire.

The information you give will be purely used for the purpose of this research and will be treated with strictest confidence. In no way will your name appear in the final report.

A copy of the final report will be made available to you upon request. Your assistance and co-operation will be highly appreciated.

Mr. Jacob Kibet Murey

Signature

Appendix 2

Questionnaire

PART ONE: Background

Please use a tick or an X on the selected choices and an explanation in the spaces provided.

(1) Sex

Male

Female

(2) Department

- HR Department
- Financial Department
- Administration Department
- Editing Department
- Marketing Department
- Advertising Department
- Graphic Department
- Others

(3) Level of Education

- Masters Degree
- Post Graduate Diploma
- Bachelor
- Diploma
- Certificate
- Others

3. (ii) If your answer is others, specify.....

.....

.....

PART TWO

(4) What is the primary aim of your organization (N. M G)?

.....
.....

(5) Do you face any work related problems?

Yes

No

If yes in Q5 above, list the problems encountered

.....
.....

(6) What do you understand by the term motivation? (Tick below)

- Making employees work hard ()
- Improving job satisfaction among employees ()
- Coming to work early and leaving very late ()
- Making staff work with morale to achieve set objectives ()

(7) Would you say motivation affects performance /productivity?

Yes

No

(8) Which is the most motivating factor to you as an employee of NMG?
(Tick below)

- Pay/ reward ()
- On job training ()
- Promotions ()
- Good working conditions ()
- Work leave ()
- Good leadership ()
- Objective appraisals& schemes ()
- Incentives ()
- Good work colleagues ()

(9) Do you feel secure working with this organization?

Yes

No

(10) If yes, what are the motivations? (Tick below)

- Occupational pension schemes ()
- Quality working environment ()
- Employee recognition ()
- Good terms and condition and contract of employment ()
- Flexible working ()
- Basic pay ()
- Equal opportunities ()

(11) If no in (10) above, what are main reasons? (Tick below)

- Sexual harassment ()
- No equal opportunities ()
- Poor working environment reward systems ()
- Lack of incentives ()
- Poor leadership ()
- Lack of basic pay ()

(12) In your opinion, what do you understand by remuneration or reward?

- Appreciation of performance ()
- Motivation of people ()
- Anything that is intended to attract a workers attention to work ()
- Monetary rewards ()

(13) (i) Are you aware of a remuneration and reward policy in the organization?

Yes

No

(ii) If yes in (13, i) above, of what importance is this policy to the organization? (Tick Below)

- Support business goals ()
- Maintain market competitiveness ()
- Ensure internal equity ()
- Recruit and retain high performance ()
- Reward main performance ()
- Manage pay costs ()
- Limit pay to the market ()

(14) Are there any clear guidelines followed by the organization when compensating employees?

(1) Yes

(2) No

PART THREE

(15) To what extent do you agree with this statement "Poor remuneration of employees reduces their work performance"

I strongly disagree	1
I disagree	2
Neutral	3
Agree	4
Strongly agree	5

(16) What type of elements would you prefer to be part of your remuneration by your company?

(a) Financial reward

ELEMENT	LEAST IMPORTANT	IMPORTANT	MOST IMPORTANT
Salary			
Yearly bonus			
Profit sharing			
Leave with pay			

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(b) Non financial reward

ELEMENT	LEAST IMPORTANT	IMPORTANT	MOST IMPORTANT
Appraisal			
Praise and prestige			
Quality of work life			

(17) To what extent do you agree with this statement 'pay increases, increases the motivation and performance of employees'

I strongly disagree	1
I disagree	2
Neutral	3
Agree	4
Strongly agree	5