FACTORS INFLUENCING REWARD AT SAFARICOM LIMITED.

BY

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (MBA), SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

NOVEMBER, 2013

DECLARATION

This project is my original work and has not been presented for any award at any university.

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Supervisors' Approval

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

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ACKNOWLEDGEMENT

I thank Almighty God for good health and resources.

Special thanks to my dear husband Caleb and my loving baby Rubby for their love and support towards my project. I also thank my Dad Mr. David Bange for his passion in education and seeing to it that I get to the highest levels in Education.

Secondly to my supervisor Dr. Stephen Nzuve whose guidance facilitated completion of this project.

Lastly, my appreciation goes to all the Managers of the Safaricom Limited Human Resource Department who were kind enough to give their company information pertaining this project.

DEDICATION

To my baby Clara Rubby, you are my gem.

ABSTRACT

Mobile phone firms in Kenya are grappling with retaining their employees. Studies show that employees who are more motivated and committed to their organization are less likely to quit. Rewards management strategies serve to create a motivated and committed workforce. Using the correct types of rewards can thus provide a necessary competitive advantage. However, an organizations reward system is affected by several factors and it is incumbent upon every organization to identify these factors that affects its reward system. The objective of the study was to establish factors influencing reward system at Safaricom (K) Ltd. The research design adopted was a case study. The study used primary data which were collected through the use of an interview guide and the data analyzed using content analysis. The study findings show that several factors affect the organizations reward system, namely, job design, affective commitment, motivation level, organizational culture, performance management, government and level of competition in the industry. Employees that are graded highly in the organization were found to be rewarded better than those in the lower scale. Empowerment of employees through giving a greater say in decisions that affect them came out as a source of employee commitment. Performance related compensation in the organization is in form of recognition, salary increments and bonuses. Employees are more motivated to perform when there is a reward linked to performance and there is likelihood to have high performers in the firm resulting from the motivation.

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LIST OF ABBREVIATIONS

CDI   -   Customer Delight Index

CEO   -   Chief Executive Officer

EBITDA   -   Earnings Before Interest, Taxes, Depreciation and Amortization

ETACS   -   Extended Total Access Communications System

EXCO   -   Executive Committee

GoK   -   Government of Kenya

GSM   -   Global System for Mobile Communications

HOD   -   Heads of Department

HR   -   Human Resource

HRBP   -   Human Resource Business Partner

PDR   -   Performance Development Review

TKL   -   Telkom Kenya Limited

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The people who make up an organization -human resources- are considered to be one of the most important resources of today's firms. People and how they are managed are becoming more important because many other sources of competitive success are less powerful than they used to (Dyer and Reeves, 1995). Traditional sources of success such as product and process technology, protected markets and economies of scale, can still provide competitive leverage but an organization's human resources are more vital for its sustainability. Subsequently, it has become commonplace to say that the management of human resources is and should be a partner in developing and implementing a company's strategy (Dessler, 2000). Society has now become knowledge-based where clearly human capital is considered a key resource and indispensable to the survival of businesses. Increasingly, organizations are competing for the best talent employees (Fox *et al.,* 2009). New paradigm companies recognize that an important element in business management practices is the need to successfully motivate and retain high talent employees who survive organizational restructuring, downsizing, consolidation, reorganizing or re-engineering initiatives (Storey, 2005). These trends have increased dramatically the degree of competition in virtually all industries. Companies in such an environment either become competitive high-performers or they vanish (Dessler, 2000).

Employees as a collective workforce are being exhorted to become more efficient, more quality oriented, more flexible and more innovative. This requirement of employees is intended to keep organizational costs down and to ensure its survival and to facilitate the

same, employees are being encouraged to change the way they work and to accept different ways of being organized and managed in order to gain competitive advantage (Heneman*et al.,* 2002). As a result of these transformations requirements of working practice, there is need for the employee to be satisfied with the work and all practices should be put in place that will encourage the employees to work towards the attainment of the organizational objective. The factors of recognition for performing well, chances of promotion, professional growth, compensation and incentive schemes, and rewards and gifts are perceived as motivating factors to employees (Dash *et al.,* 2008).

1.1.1 Concept of Rewards

A reward is defined as all of the monetary, non-monetary, and psychological payments that an organization provides for its employees (Bartol and Locke, 2000). A reward is presented after the occurrence of an action with the intent to cause the behaviour to occur again. This is done by associating positive meaning to the behaviour and it represents what the individuals want to obtain from work or what they perceive. A job reward has been found to be a strong determinant of job satisfaction and also rewards are significantly related to professionalism. According to Gerhart and Milkovich (1992) a compensation decision should incorporate both environmental and organizational factors, such as the organization's business and human resource strategy. Agency theory provides insight into what reward mix best aligns organizational and individual objectives. It outlines how the separation of organizational activities from ownership presents the problem of ensuring that owners' interests are aligned to those responsible for operating the business. Owners look to ensure that employees direct their work effort in line with the owners' interests. This can be achieved through adjusting the reward mix, in particular

the balance between fixed and variable rewards, to ensure that appropriate incentives are in place for the employee to act in the owners' interest.

Appropriate rewards and benefits need to be devised in an organization because this action will help in motivating employees and minimize turnover. Financially, the salaries must be fair according to employees' contribution and according to Togia *et al.,* (2004), one way of aligning the business' interest with those of the employee is introducing profit-sharing plans that create programs in which employees receive bonuses according to the company's profits. Towards this end, both employees and employer basically work for a common goal and mutual profit. This gives a great sense of ownership and an interesting financial advantage for the employees. Non-financial reward should also be provided to employees for their contributions. Such recognitions include, paid time off, employee of the month programs, access to training programs, company paid holidays to mention a few.

1.1.2 Factors Influencing Reward

Reward influences consist of contextual factors arising from the internal and external environment and conceptual factors relating to theories and beliefs about strategic management, total reward, human capital management, factors affecting pay levels, motivation engagement, commitment and psychological contract (Appeldorn, 2008).The extent to which an organization combines financial and non-financial rewards in its reward strategy reflects a clear value position. Overreliance on pay as a motivator is likely to be accompanied by other human resource policies which assume a scientific management perspective (e.g. no involvement in management decisions, minimum

employee control over the way in which jobs are performed). Recognition by the employer that non-financial rewards may play an important part in attracting, and more particularly retaining, employees suggests a view of humanity which recognizes that individuals require more for their efforts than monetary reward (Burke and Hutchins, 2007).

In an organization, committed employees are regarded as being willing to build and maintain long-lasting relationships with their employer. Osterman (2000) posit that employees may be highly skeptical of the management initiatives and both actively and passively resist to the changes, resulting in unsuccessful change efforts, decrease in morale or productivity, and increases in turnover or subsequent organizational failures. Effective management teams need to recognize that positive employee attitudes are often vital to achieving organizational goals. When employees believe that they have the ability to participate in decisions, research suggests there will be a positive impact on the work environment (Lawler, 2008). Employee participation in decision making changes their perceptions and as a result leads to additional interactions with management and provides new opportunities for employees to develop trust in management. Involved employees may also be more likely to believe they can impact or initiate changes in the organization and to perceive the organization as adaptive to change.

1.1.3 Safaricom Limited

Safaricom is one of the leading integrated communications companies in Africa with over 17 million subscribers. It provides a comprehensive range of services under one roof: mobile and fixed voice as well as data services on a variety of platforms. Safaricom,

which started as a department of Kenya Posts & Telecommunications Corporation, the former monopoly operator, launched operations in 1993 based on an analogue ETACS network and was upgraded to GSM in 1996 (license awarded in 1999). Safaricom Limited was incorporated on 3 April 1997 under the Companies Act as a private limited liability company. It was converted into a public company with limited liability on 16 May 2002.

By virtue of the 60% shareholding held by the Government of Kenya (GoK), Safaricom was a state corporation within the meaning of the State Corporations Act (Chapter 446) Laws of Kenya, which defines a state corporation to include a company incorporated under the Companies Act which is owned or controlled by the Government or a state corporation. Until 20 December 2007, the GoK shares were held by Telkom Kenya Limited ("TKL"), which was a state corporation under the Act. Following the Offer and sale of 25% of the issued shares in Safaricom held by the GoK to the public in March 2008, the GoK ceased to have a controlling interest in Safaricom under the State Corporations Act and therefore the provisions of the State Corporations Act shall no longer apply to it.

1.2 Research Problem

One of the important assets to an organization is its employees since for firms to react appropriately in the face of competition and meet its objectives, the human resources asset play a vital role and their reaction and perceptions on the working environment will determine its success or failure. According to Church *et al.,* (2005), it is important to evaluate this human perception by assessing employee attitudes in the midst of the

changes. They argue that, there appears to be potential value in assessing employee perception to the organizational rewards in an effort to ascertain their thoughts, feelings, and attitudes about the overall working environment including the rewards. In addition, the never-ending problem of high attrition rate has seen most organizations offer a number of rewards with the idea of attracting and then motivating the employees to stay in the organization. "Of all the factors that will help create highly motivated and satisfied workers, the principal one appears to be effective performance is recognized and rewarded in terms that are meaningful to the individual, whether financial, psychological or both (Bear *et al.,* 2003, p.67). Apparently, a large number of employees say that what they earn is not as important as how much they are appreciated for the work they do and this perception will influence therefore there outcome.

The telecommunication industry in Kenya offers the same services thus creating intense competition among the companies and the only distinguishing factor remains to be its employees. The importance of the introduction of new products, the shrinking of the product life cycle and the necessity of sustaining some competitive advantage in the industry, require firms to have effective employees who will ensure that the products are rolled out throughout the country. However this can only be achieved through effective reward management. Safaricom limited since its inception has grown to become one of the biggest companies in the telecommunication industry. However, its market share is under threat from other competitors and this necessitates effective reward management decisions in order to ensure that employees' welfare is well taken care of in order to reduce the high staff turnover. This has been occasioned by the company's reward

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management decisions which do not take into considerations all the policies and practices that would ensure that all employees are rewarded fairly, equitably and consistently. Because of various issues affecting reward management decisions, this study intended to carry out the factors influencing reward at Safaricom Limited.

Recent studies that have been undertaken on factors influencing rewards include: Mutuku (2012) studied employee perception of competitiveness of performance based rewards in Kenya Electricity Generating Company Limited Kenya and established that the company was using performance based rewards in order to satisfy its employees with the work and encourage the employees to work towards the attainment of the organizational objective. The use of the rewards by the company changed their perception and as a result leads to additional interactions with management and provides new opportunities for employees to develop trust in management. Mutua (2011) who studied reward management and employee performance at the National Hospital Insurance Fund, Kenya. The findings were that the institution has a strategy for employee reward management spelt out in its strategic plan. The strategy aims at facilitating realization of Vision 2030 and complies with the public sector performance improvement strategy. The remuneration policies in the firm advocate for equal pay for equal work, non discrimination in rewards, internal and external equity in rewards, competitive reward structure, and performance based rewards. Echakara's (2011) research focused on the influence of reward strategies on employees' motivation and task performance in Kenya Commercial Bank, Kisumu Kenya established that reward strategies chosen by management influenced motivation and task performance of the staff. The telecommunication sector has witnessed high competition

which necessitates having an appropriate reward management system. From the studies provided, there are no studies that have been done on factors that influence reward. This study will therefore seek to determine the factors influencing reward at the Safaricom Limited and will be guided by the question; what factors influence reward at Safaricom Limited?

1.3 Research Objective

To determine the factors influencing reward at Safaricom Limited.

1.4 Value of the study

The study findings will benefit management and staff of Safaricom who will gain insight into how their institutions can effectively manage their rewards to be in line with their employees' perception. This study will offer an understanding on the importance of maintaining an effective reward system that will provide the desired results and competitive advantage in the present day competitive business environment. This will be also of value to the other telecommunication firms in the country since they will be able to understand what to do right to succeed and what if done wrong would bring the business down.

The understanding of the perception of employees towards the rewards policy of the organization will help policy makers – governments and other stakeholders – to design targeted policies and programs that will actively stimulate the growth and sustainability of the telecommunication firms in the country, as well as helping those policy makers to support, encourage, and promote the establishment of appropriate policies to guide the

firms. This study will also create a monograph which could be replicated in other sectors of the economy. It is hoped that the findings will be valuable to the academicians, who may find useful research gaps that may stimulate interest in further research in future. Recommendations will be made on possible areas of future studies.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter is concerned with the review of literature related to the study. An overview of theoretical foundation, rewards and the factors influencing reward will be discussed.

2.2 Theoretical Foundation

The relationship between employers and employees can be characterized by economic and social exchanges. The economic exchange is the formal contractual relationship that is created when the employee is hired (Whitener *et al.,* 2008). The employer usually offers a portfolio of pay and benefits in exchange for the employee's skills and effort. However, certain aspects of the employer-employee relationship go beyond a pure economic exchange; as long as both parties are mutually interdependent, repeated interaction generates a set of obligations for either party, resulting in benefits that are not always the result of an explicit contract.

Two theories have as a result come up to explain the appropriate reward system namely the utilitarianism and romanticism. Utilitarianism emphasizes extrinsic incentives such as monetary compensation to motivate the innovative behaviour of employees, while romanticism views rewards as self-motivated psychological behaviour that is typically sparked by intrinsic spiritual rewards (Hennessey and Amabile, 1998). Utilitarianism provides the foundation for early behaviorist's arguments that suggest that people's behaviours are drivable and changeable and that extrinsic rewards can bring expected behaviours and performance. Extrinsic rewards and resource investment have been seen

as necessary to satisfy employee, especially in formalized tasks. According to Whitener *et al.,* (2008) reveal that performance-linked salary increases and monetary rewards positively influence employee satisfaction. Long-term incentive plans (stock options), team-based rewards (profit-sharing plans), and security benefits are also empirically shown to have a positive effect on employee creativity (Laursen and Foss, 2003).

Malhotra *et al.,*(2007) posit that a person's beliefs, attitudes and perception about his behaviour prophesied rewards or punishment that pursue his action, while according to the cognitive theory actions only get strengthened when the expectations change about what one does and what he receives in terms of rewards.Vroom debates that certain behaviour is determined to be initiated only if the expectations and the consequences related to that event occurred. Porter and Lawler(2008) followed vroom's ideas and further contended that people often determine efforts in work by judging the value of reward and the relationship between their effort and expected reward (Chiang, 2005). Azasu (2009) suggested the "Principal-agency theory"in which mostly people are opportunist and always motivated through monetary rewards, while socioeconomic theorist argue that people are neither inclined towards monetary reward nor have they homogeneous approach, they might be fascinated by the cocktail of monetary and non monetary rewards that can be the potent to enhance their motivation and commitment.

2.3 Reward

Rewards management decisions appears and develops in the context of managing transformation; it acknowledges and redounds upon what the members have contributed to the organization, it's a specific action scheme of a company strategic objective and

values outlook conversion. To some extent, modern rewards management breaks through the categories of "Money" and substance, which indicates that indirect income and some non-monetary compensation have been playing parts of increasing importance in Reward Structure Design. Organizational reward systems play a critical role in enhancing employee satisfaction as the primary aim of the reward system is to enhance extrinsic motivation by satisfying an individual employee's needs indirectly through means of pay and bonuses (Anthony and Govindarajan, 2007). Hackman and Oldman (2005) observe that in addition to salary and incentives, satisfaction with the job requires satisfaction with different aspects of the work, including variety in the skills and activities required to carry out the tasks, and autonomy in performing work. This is because work itself might provide opportunities for creativity and task variety, allowing employees to increase their knowledge and change in responsibility.

Armstrong (2002) points out that an organizations reward strategy capture a financial reward such as base pay and benefits which at all times should remain slightly above the median for the location and benefits are more generous than its rivals. The reward strategy should also capture employee career development which should encourage everyone to develop as to a greater capacity using on-the-job training and course training. Despite of an organization having an effective reward strategy, Perrin (2009) provides evidence to demonstrate that organizations are having problems in implementing their reward strategies due to a number of reasons. He pointed out that the major reason for unsuccessful reward system include ineffective communication, lack of support system systems such as market data, poor performance management, the system not matching

with organizational needs and a lack of management skills and support. Thus organizations should redesign their reward systems so as to avoid the same pitfalls.

2.4 Factors influencing rewards

La Belle (2005) posit that different individuals have different perceptions of rewards and believes that such factors are the main driving force of satisfaction and that they help boost the employee to work harder and better, due to the motivation that comes along with it. Put simply, motivators are able to increase internal happiness (intrinsic rewards). On the other hand, hygiene factors are only able to boost external happiness (extrinsic rewards). If there are missing factors (whether they may be hygiene factors or motivation factors), it is possible for the employee to be dissatisfied and not to be able to perform to their level best. If all the hygiene factors are present and even when there are more than enough of hygiene factors present, then it is possible that the employee would still not be motivated. Thus, in order for managers to successfully motivate their employees, there is a need for them to determine the appropriate and the sufficient motivation factors to apply. According to Babakus et al. (2003) the perceptions that employees have with regards to their reward climate influences their attitudes towards their employees. In addition, the commitment of managers towards their organization is also shown by how the manager rewards his/her employees. Rewards is a key function in human resource management systems in modern enterprises, as it plays an important role in attracting, retaining and motivating employees and is influenced by job design, affective commitment, performance management, communication, organizational culture and motivation.

2.4.1 Job design

There is an established body of knowledge supporting the idea that certain jobs and goal setting can enhance performance. Adler (1991) found that systems in which employees reported higher perceptions of skill variety, task significance, autonomy, and feedback reported higher levels of satisfaction and internal work motivation. In their study, Arce (2002) found that the reward from outside activities is affected by the performance on inside activity and the relation between job characteristics and job satisfaction, furthermore, the relation was stronger for employees with the need to grow. According to Morrison et al. (2005), job designs that provide for high levels of employee control also provide increased opportunities for the development and exercise of skill. In addition, meditational influence of perceived skill utilization on job control and job satisfaction has been observed. They further concluded that perceived work demands, job control and social support through job design leads to high productivity. This means that the level of job satisfaction is determined by a combination of jobs, work and personal characteristics and rotating managers to different jobs adds the benefit of task variety, resulting in increased performance of employees.

The job characteristic has to be considered in designing a job design since they contribute to certain psychological states and that the strength of employees' need for growth has an important moderating effect. The core job characteristics that need to be considered by an organization in coming up with a job design include employee skill variety, where this refers to the extent to which the job requires the employee to draw from a number of different skills and abilities as well as upon a range of job knowledge. The job design

should have an individual significance that makes employees' proud employees to tell their relatives, friends and neighbors what they do and where they work (Bassey, 2002).

2.4.2 Rewards and affective commitment

An organizations reward system is intended to be a source of motivation. However, different organization will adopt different reward system that will be suitable to its operations and that will result in the realization of its objectives. There is no universally acceptable one though.

Organizational commitment can be categorized into normative, continuance and affective commitment. Normative commitment refers to employees' perceived obligation to stay with an organization whilst employees with continuance commitment choose to stay with an organization because they have no choice (Malhotra *et al*., 2007). In contrast, affective commitment is conceptualized as an emotional attachment and loyalty displayed towards the organization as a result of rewards obtained. Affective commitment is the commitment dimension which has been found to be most strongly related to positive occupational and organizational outcomes such as job satisfaction, motivation and employee retention (Buitendach and De Witte, 2005).

In many organizations, there's growing commitment gap – a widening split between the expectations of employers and what employees are prepared to do. The most common reason for this, is failure of management in some way or another. Properly managed employees can be motivated to achieve excellence in any area of business. Pickard (2003) observes that increasing business competitiveness demands that organizations have to

offer the best quality products or services for the best price. This requires that organizations develop and harness the talents and commitment of all their employees. Getting the best out of people and attempting to improve job satisfaction demand a spirit of teamwork and cooperation, and allowing people a greater say in decisions that affect them at work. In order to improve business performance, managers will need to relinquish close control in favor of greater empowerment of employees. Genuine commitment requires not just recognition or understanding of what the organization expects but an emotional and behavioral response from staff.

Generally, positive relationships have been found between affective commitment and rewards (Malhotra *et al.*, 2007). Malhotra *et al.* (2007) explain this relationship in terms of an act of reciprocity, according to which employees enter organizations with the expectation of being given the right platform to use their skills and to satisfy their needs and desires. The study further shows that when an organization fulfils employees' monetary and non-monetary expectations, their affective commitment increases. Whilst Kuvaas (2006) found that pay and bonuses contribute to employees' affective commitment, Malhotra *et al.* (2007) established that intrinsic non-monetary rewards are more powerful predictors of affective commitment than monetary rewards. Coetsee (2004) underscores the significance of linking rewards, which are terms the outcomes to good performance and explains that this giving of compensation to deserving employees will encourage the employee to work harder and hence influence their behaviour by motivating them. Furthermore, social rewards, help employees develop trust and interest in pursuing organizational goals (Burke, 2002). Adeyemo and Aremu (1999), found that

employees who perceived their supervisor as supportive were more affectively committed to their employer. Burke (2002) argues that when supervisors are committed to their subordinates and engage in behaviours that support organizational objectives, employees experience emotional gratification and are more likely to respond by developing trust and modeling their supervisor's behaviours.

2.4.3 Level of Motivation

Motivation is the internal state that encourages people to perform certain activities. Motivation is often used for defining individuals working traditionally (Pervin, 2005). Workers' motivation for organizational tasks and align their goals with the organization goals have particular importance. The entire success of an organization is based on how an organization keeps its employees motivated and in what way they evaluate the performance of their employees' for job compensation. According to Babakus *et al.,* (2003), the perceptions that employees have with regards to their reward climate influences their attitude towards their employees. In addition, the commitment of managers towards their organization is also shown by how the manager rewards his/her employees. Delaney and Huselid (2006) mention the norm of reciprocity, which focuses on the ability of organization to accommodate the needsof their employees, and reward them for their effort. In exchange for the rewards provided to them, employees should reciprocate by increasing their commitment towards their organization and their work.

The effectiveness of skilled employees is likely to be limited if they are not motivated to perform. One of the means that organizations can use to enhance employee motivation and performance is to provide performance- related compensation (Delaney and Huselid,

2006). A reward and compensation system is based on the expectancy theory, which suggests that employees are more likely to be motivated to perform when they perceive that there is a strong link between their performance and the reward they receive (Mendonca, 2002). In other words, the compensation system (profit sharing) contributes to performance by linking the interest of employees to those of the team and the organization, thereby enhancing their effort and performance (Kling, 2005). According to Shore and Shore (2005), employees who are able to experience and receive recognition for their work are also able to have a better perception of their work, their workplace and the people they work for. Thus, there is a need for the employer to really make an effort in showing the employee that his/her wellbeing is of concern to the organization and the management and that the contribution of the employee towards the organization is highly valued.

2.4.4 Organizational Culture

Culture is the most perceptible cognizant or incognizant reflection of one's beliefs, customs and values. Culture provides a platform to rectify employee's preferences regarding rewards (Chiang and Birtch, 2007). According to Hofstede (2004) culture is the collective encoding of mindsets that enable them to distinguish themselves from one group to another. Organizational Culture includes all the components of work experience whether it relates to organization's ethics or the intangible commitments like working conditions, flexibility, employee's competence, and autonomy. Employees tend to join or leave the organizations by evaluating its culture (Kroeber and Kluckhohn, 2002). The interpretation of capital, length of vacation and rank varies across different countries; similarly a contrast effect is evident in terms of rewards (tangible/intangible) across

cultures. Hofstede's (2004) model is demonstrated an insight in a prognostic and specific way and it can be used in designing and transferring of effective practices of reward (Chiang, 2005). Subsequently, when nations share parallel score on national cultural measurement then it is assumed that management practices can easily be transferred.

Chiang (2005) contends that it is really biased to support the argument that feminine cultures give significance to material rewards. Though the convergence perspective argues that culture pressure is reduced now because of the globalization. Easterby-Smith *et al.,* (1995) found in their research that although, convergence is considered a "hard"human resource policies that is evident mostly in manpower planning but continuous divergence is regarded as ''soft'' tool used in culturally sensitive areas, that is, linked with rewards and motivation. Organizational culture helps in nurturing and dissemination of core values. Implementation of new strategy will be concerned with adjustments in the structure, employees, systems and style of doing things in order to accommodate the perceived needs of the strategy (Pearce and Robison, 2007). Culture can be inferred from what people may do and think within an organization setting. It involves the learning and transmitting of knowledge, beliefs and patterns of behaviour over time. This means organizational culture is fairly stable and does not change fast. It sets the tone for the company and establishes rules on how people should behave. The top managers create a climate for the organizations and their values influence the direction of the firm.

Reward systems are one feature of organizations that contribute to their overall culture. Depending on how reward systems are developed, administered, and managed, they can

cause the culture of an organization to vary quite widely (Lawler, 1995). Reward management has the ability to shape culture precisely because of their important influence on communication, motivation, satisfaction, and membership. The behaviors they cause to occur become the dominant patterns of behavior in the organization and lead to perceptions and beliefs about what an organization stands for, believes in, and values. Perhaps the most obvious tie between pay system practice and culture concerns the practice of performance-based pay. The absence/presence of this policy can have a dramatic impact on the culture of an organization because it so clearly communicates to organization members what the norms are in the organization about performance. Many other features of the reward systems also influence culture. For example, having relatively high pay levels can produce a culture in which people feel they are an elite group working for a top-flight company. Finally, having employees participate in pay decisions can produce a participative culture in which employees are generally involved in business decisions and as a result are committed to the organization and its success.

2.4.5 Performance Management

Mathias and Jackson (2006) indicate that performance management involves a process of identifying, measuring, communicating, developing and rewarding employees' performance. The performance management activity must be aligned with the overall organization's business strategy. The purpose for conducting this review is to nurture the talent of the employee so that they reach their full potential in their job. The result of this evaluation is then used to build the weak areas of an employee through identifying their training needs. Performance review is at the core of reward management as it provides insight for the reward system, succession plans and staff development. It helps evaluate

competences of the workforce and provides feedback to the employee, which is important to retention. However, because of its sentimental element, it is probably the most apprehensive facet of the reward management process. The results of an evaluation system can either be positive or negative leading to the staff member receiving rewards or losing out altogether - intrinsic or extrinsic rewards, DuBrin (2005).

In this regard, the reward system should be equitable and transparent if it is going to promote retention of employees. To achieve this, performance standards must be outlined by management and staff members must commit in writing to achieving these standards. These standards define the acceptable or expected limits of performance. The manager and the employee should then commit to adopting these standards as laid down goals or targets (Mathis and Jackson, 2006). Most organizations that have placed talent management in the centre of their strategic human resources strategy also practice talent reviews which are very beneficial to managerial staff. For any work to be evaluated, it must be communicated through clear job descriptions. In talent reviews, potential and performance of an employee are assessed. The human resource leaders, line managers and talented employees will evaluate whether there is sufficient staff and tools to support the goals and objectives of the organization. Technical know-how, skills and competencies and team spirit are evaluated in these reviews. Where gaps are noticed, the managers should design a mentoring programme where upcoming managers can be built (Brewster *et al.,* 2010).

2.4.6 The Government

The Government can determine the minimum standards and pay for all employees, promote improved competitiveness, enhances workplace democracy and provides greater "fairness" in the employment relationship. However, at the same time the government needs to avoid excessive labour market regulation, since this would increase unemployment. Its promotion of labour market flexibility will not be based on reducing employment standards or competing on low wages. Flexibility will be combined with improving, by active labour market policies, the employability of employees by their acquisition of new skills (Babakus et al. 2003). They argue that minimum labour standards (e.g. a national minimum wage) prevent competition based on lowering employment costs. They debar employers from competing on the basis of a wage reduction strategy. Instead, they provide incentives for employers to seek competitive advantage by improving the quality of the inputs they employ, e.g. introducing new technology, improving labour utilization and enhancing the skills of the workforce.

Employee participation in management decision making is believed to increase employees' commitment to their employer. This, in turn, is said to improve their co-operation with their employer and acceptance of all decisions including the pay structure existing in the organization. The provision of minimum standards for employee participation in company decision making is thus crucial in fostering co-operative employer-employee relationships which is seen as necessary for competitive success (TUC, 2007). The Government's intention to give employees the right to representation

and recognition is a central plank in its programme to establish workplace partnerships and lessen the industrial unrest.

2.4.7 Trade Unions

Trade unions also play an important role in determining the amount of rewards paid to employees. The workplace, partnership requires employers and unions to work together to achieve common goals (e.g. enterprise survival). Partnership recognizes that although employers and employees have different constituencies and, at times different interests, common goals are achieved by making common cause (TUC, 2007). Workplace partnership involves obligations for employers, employees and unions, and the Labour Government considers employers' obligations to their workforce need to be underpinned by the provision of minimum standards to all employees. Partnership involves employers value to their workforce by paying them well, ensuring they receive training and providing job security. On the part of employees, it requires accepting change and ensuring businesses satisfy their customers. The Government firmly believes that the employer can only become more competitive on the basis of partnership in which labour market flexibility is coupled with job security and the provision of minimum standards of protection for all employees.

2.4.8 Level of competition

The level of competition in the market will also determine the level of employee rewards. In many organizations, there's growing commitment gap – a widening split between the expectations of employers and what workers are prepared to do. The most common reason for this is a failure of management in some way or another since properly managed employees can be motivated to achieve excellence in any area of business.

Pickard (2003) observes that increasing business competitiveness demands that organizations have to offer the best quality products or services for the best price. This requires that organizations develop and harness the talents and commitment of all their employees by employing an effective reward system. Getting the best out of people and attempting to improve job satisfaction, demand a spirit of teamwork and cooperation, and allowing people a greater say in decisions that affect them at work, such as pay. In order to improve business performance, managers will need to relinquish close control in favor of greater empowerment of employees. Genuine commitment requires not just recognition or understanding of what the organization expects but an emotional and behavioral response from staff.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The chapter describes the proposed research design, the target population, data collection instruments and the techniques for data analysis.

3.2 Research Design

The research design will be a case study. A case study is an in-depth investigation of an individual, institution or phenomenon. Case studies allow a researcher to collect in-depth information, more depth than in cross-sectional studies with the intention of understanding situations or phenomenon. It also helps to reveal the multiplicity of factors, which have interacted to produce the unique character of the entity that is subject of study.

The study will be used to determine the factors influencing reward at Safaricom Limited. The reason for this choice is based on the knowledge that case studies are the most appropriate for examining the processes by which events unfold, as well as exploring causal relationships and also they provide a holistic understanding of the phenomena.

3.3 Data Collection

The study will use primary data which will be collected using an interview guide. An interview guide is a set of questions that the interviewer asks when interviewing. The respondents to be interviewed will be the Senior Manager Talent and acquisition in charge of recruitment and selection process, the Senior Manager Reward and Recognition heading performance and reward, the Principal Reward Officer- Compensation and the Senior Benefits Officer. These are considered to be key informants for this research. Key

informants are the main source of information that can assist in comprehending the context of an organization, or elaborating particular issues or problems.

3.6 Data Analysis

The data obtained from the interview guide will be analyzed using content analysis. Content analysis is the systematic qualitative description of the composition of the objects or materials of the study (Hsieh and Shannon, 2005). It involves observation and detailed description of objects, items or things that comprise the object of study. Content analysis, as a class of methods at the intersection of the qualitative and quantitative traditions, is used for rigorous exploration of many important but difficult-to-study issues of interest to management researchers. This approach is more appropriate for the study because it allows for deep, sense, detailed accounts in changing conditions. Thus the qualitative method is suitable for this research because this research will be conducted within the environment where the implementation initiatives occurred.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The research objective was to establish factors influencing reward at Safaricom Limited. This chapter presents the analysis and discussion of findings with regard to the objective of the study.

4.2 Demographic Data

This section of the interview guide sought to establish the respondents' academic achievement and working experience which is necessary to assess their capacity to understand and answer the questions appropriately in the interview guide.

The respondents comprised the middle and the top managers of Safaricom (K) Ltd. In total, the researcher interviewed 6 respondents out of the 7 that had been intended to be interviewed. One of the respondents was not available during the interview period; the researcher was informed that the targeted respondent had left the organization. Despite a new employee having been recruited to hold the position, the researcher felt that the respondent had not worked long enough in the organization to provide adequate information for the attainment of the organizations objectives. As a result, the response rate was around 86%. The respondents comprised staff in the Human Resource Department in the Reward and Recognition section, Talent and Acquisition Section and Compensation and Benefits Section. Under each section a senior and junior officer was interviewed.

All the respondents interviewed had worked in their respective positions for at least 3 years and cumulatively had a work experience of 96 years within Safaricom and other telecommunication firms both within and outside the country. Academically, the respondents had all attained university education with 3 of them having undertaken a master's degree in their respective fields. In addition, 2 of the interviewees had risen through the ranks in the organization to occupy their present management position with over 25 years of employment experience. With their solid academic and work life background in the affairs of the organization, the respondents were found to be knowledgeable on the subject matter of the research and thus capable to help in the realization of the research objective.

4.3 Reward System at Safaricom

This section of the interview guide sought to establish the workings of the firms reward system. On the question of how the firms reward system operated, the respondents pointed that recognition and reward process is done quarterly and is applicable to all permanent and pensionable staff of Safaricom Limited except for Divisional chief officers as they will be involved in the final nomination and selection of candidates for the award. The organization appreciated that with the dynamism in the telecommunication industry in the country, there was need for a more frequent review to be undertaken so that the reward system incorporates any changes that have been undertaken more recently. On being asked whether the frequency of the analysis is adequate, the respondents answered to the affirmative and considered to keep its employee reward adequate to face the challenges of the sector.

An organization reward system should be tailored in such a way that it is able to attract, retain and motivate employees. When the same question was posed to the respondents on whether the current reward system at Safaricom is considered adequate to meet the above objectives, the respondents observed that indeed the current reward system attracts and retains its work force. They noted that Safaricom's reward policy is to formally recognize and reward employees who are innovative and also outstanding in their various roles and capacities in keeping with the company's strategy to attract, motivate and retain talent in the organization. They gave examples of the employees who took part in the innovation of products such M-Pesa and its applications, interfaces with the various banks in the strategic alliances process in mobile banking such CBA on M-Shwari and Equity bank M-Kesho. These groups of employees have been rewarded financially as well as non-monetary gains such as holidays and houses.

An organization's reward design system should be balanced and comprehensive in nature. It is expected that a comprehensive reward system considers adequate financial and non-financial systems as well as ensuring that it is balanced so that some cadres of employees are not demotivated from the adopted reward system. The interviewees pointed that Safaricom had balanced and comprehensive reward structure and that the recognition policy has two elements: informal which is termed as on the spot award; day to day recognition which is complimented by the line manager. Formal which is individual and team based award. Formal recognition goes through the process of nomination, selection and approval, recognition, communication and publication. Safaricom has endeavored to have the recognition system to move down to the smallest

unit of performance such as daily operations of employees and this is aimed at encouraging the staff and realize the most benefit of the employees.

4.4 Factors Affecting Rewards

This section of the interview guide sought to establish the factors affecting Safaricoms' reward system. On being asked what factors affect the organizations reward system, the respondents identified several factors. These factors include job design, affective commitment, motivation level, organizational culture, performance management, government and level of competition. However, trade unions were not recognized to influence their reward as they are currently not part of any.

4.4.1 Job design

The variety of job responsibilities in an organization's job design was found to affect the employee grading system. It was noted that those employees that are graded highly in the organization were found to be rewarded better than those in the lower scale. This therefore means that the job design of the firm tends influence the level of rewards given to staff. The nature of work done by an employee has different significance to the overall performance of the organization. From this background, the respondents pointed that the significance of an employee's job will also affect the performance and therefore the rewards to be awarded to the employee. Those employees whose jobs are considered critical were noted to be rewarded much higher than the other cadres of employees.

The ability at which a particular job can be defined effectively in terms of its specifics was also identified to be a factor that will influence the reward level of the employee. It was pointed by the respondents that once an employee is aware of their task they will

have an objective of performing the task as required hence that will in turn affect the reward. There is need therefore, for a firm to define in detail what each employee is expected to perform and hence their performance will be based on the same work which in turn affects the reward level. The level of challenges present in an employees work in the job design will at the same time lead to varying compensation level.

4.4.2 Affective Commitment

The level of employees commitment is affected by among others satisfaction level of the staff. It is therefore imperative that the organization should come up with a reward system that will increase the employee commitment. On the question of how affective commitment affects the reward system at Safaricom, the respondents observed that in July each year, line managers will review their staff on the talent matrix and submit the nominated names to Human Resources Division. The talent management process will be reviewed bi-annually between HR and chief officers and the respective HODs and /or direct reports. On annual basis the talent management updates will be discussed as an agenda item at the EXCO meetings by all chief officers and CEO.

Empowerment of employees through giving a greater say in decisions that affect them also came out as a source of commitment to the employees at Safaricom. Employee empowerment was found to be generated from different sources and towards the same, the researcher sought to establish how empowerment affects employee commitment and eventually on their rewards. Towards the same, the respondents pointed that Safaricom has introduced a chat platform with the CEO which is dabbed "SEMA NA BOB" and "SIRI NA BOB". These two chat platform enable employees to communicate directly to

the CEO on matters and issues they feel should be looked into in relation to their work and management. This was to some extent empowered the employees.

4.4.3 Motivation Level

The reward system of an organization affects the employee motivation level. As a result, the researcher sought to find how the level of motivation prevalent in the organization affected the reward system at Safaricom. The respondents pointed that Safaricom job evaluation policy is to ensure that the organization has a formal process of evaluating and grading all its positions based on the position's relative worth and the complexity of the role. Its objective is to maintain internal equity in matters of remuneration among positions in the company. The company job evaluation process is done after every 2-3 years or when a new post is being created or reviewed.

Reward and grading will be determined by the rating you get on the positions overall evaluation. This was observed to affect the motivation level of the staff and therefore the grading and the rewards associated with it are meant to motivate the employees. On the question of whether the company provides performance related compensation, all the respondents answered to the affirmative. It was pointed that the performance related compensation at Safaricom is in form of recognition, salary increments and bonuses. They noted that employees are more motivated to perform when there is a reward linked to performance and therefore there is likely to have high performers resulting from the motivation. To motivate the employees on the day-to-day activities, the respondents noted that Safaricom has informal reward that is on the spot which is done on a day to day basis mostly through line managers. Formal reward, which is individual or team

based recognition, they noted that it has been possible to increase the employee motivation index through employment of various rewards.

4.4.4 Performance Management

Employee performance management is another parameter that affects the level of rewards adopted in an organization. On the questions of whether the alignment of performance management activity affects the reward management decisions at Safaricom, the respondents noted that indeed the organization considers the performance management as critical factor that affects its reward system. Final performance is used to determine the salary review and other incentives in line with reward policy and performance of the company as a whole. The annual bonus is a discretional payment determined principally by the company's achievement of business targets measured for the purposes of bonus. It includes service revenue, free cash flow, EBITDA and competitive performance which takes cognizance of the Customer Delight Index (CDI). Determination and payment of salary review and bonus is also guided by approved budgets and market analysis.

The respondents pointed that performance management cycle is aligned to the company's financial year. All managers are required to conduct half year performance review with their members of staff to ensure performance feedback is continuous and consistent. Annual performance development reviews objective setting and learning requirement activities of the performance management process commence at the beginning of each financial year i.e. 1st April in each year and will be finalized by the 31st of May each year. At the end of this period, each employee will have a final performance rating for

the previous financial year together with objectives and training development requirement for the new financial year as well as the appropriate rewards necessary to achieve optimum outputs from the employee. The performance measures take different forms and include pre-set objectives, managers Index and engagement Index.

The performance measurement is incorporated in the organizations reward management decision. The respondents pointed that once the final ratings have been signed off, the HRBP(Human Resource Business Partner) forward the signed off calibration templates to the Talent and Resourcing team who will prepare reports and analysis against the expected distribution curve for each division. The final analysis and reports is then shared with the reward team who calculate the bonus and increment for each member of staff against approved reward guidelines for each financial year. The reward section within HR will prepare a schedule for line managers to facilitate communication to their members of staff concerning reward decisions and final PD (Performance Development reviews) rating, bonus and increment for each member of staff.

4.4.5 Level of Competition

The telecommunication industry has experienced changes and more so in mobile telephony in Kenya. The technical competence that is required has resulted in increased competition for the scarce talent in the market. The respondents acknowledged that the level of competition has influenced Safaricoms reward system. They observed that good and exceptional performance is recognized and aligned to the company reward and recognition policies. They pointed that the learning and development department has put

in place programs to ensure that good and exceptional performers are coached, mentored, trained and developed to prepare them for leadership and more challenging roles.

On the question of whether the organization has a policy of rewarding and retaining employees with unique skills, the respondents observed that indeed the company as far as possible, attracts, identifies, rewards, develops and nurtures talent required for present and future business needs. In addition, they noted that the HR policy is to mentor existing staff such that talented and skilled staffs are available to fill vacancies resulting from exits and separations. Talent assessment is based on high performance, high potential against holistic future facing definition of skills and competencies required in the business. Identification of individuals with highest leadership potential and critical skill across the organization is made early in their career.

4.4.6 Organizational Culture

On the question of whether culture shapes reward management decisions in the company, the respondents identified that the Safaricom Culture of Speed, Simplicity and Trust indeed influenced reward decisions in the sense of making it happen to transform lives. In terms of speed it was noted that Safaricom drive speed to market and relentlessly prioritize and pursue the outcomes that matter to the business; Simplicity to make thing simple for their customers, partners and colleagues; and Trust to be reliable and transparent to deal with in order to deliver for others and for others to trust and do likewise. The Safaricom Way Model that shapes the culture of Safaricom is meant for its customers, colleagues and stakeholder and it is pegged to reward management under

performance as a key performance indicator that is measured under overall performance both individually and team based.

4.4.7 The Government

The respondents identified that the government influenced reward through taxes that are levied on the business and this in turn is influenced on the employee's net pay. Government intervention was found to enhance the reward system in the organization and also improve labour utilization through pension and other benefits that employees are accorded, entitlement to leave days, hours of work and regulation of remuneration standards.

4.5 Discussion

These results highlight that all types of rewards are relevant in building a motivated and committed workforce. The findings also show that an organizations reward management system contains the organization's policies, processes and practices for rewarding its employees in accordance with their contribution, abilities and artifice. It was also found that an organizations reward philosophy, strategies and policies, should include the form of processes, practices, structures and procedures which will provide appropriate types and levels of pay, benefits and other forms of reward. This position was likewise pointed out by Armstrong, (2003).

Job design was identified to influence the reward level of the employee. In view of the researcher, the firm needed to define what each employee is expected to perform as the

job design equally led to varying compensation levels. The introduction of chat platform with the CEO made the employees feel more affiliated to the company and empowered, this resulted in affective commitment towards the company as there was a sense of satisfaction from most staff in relation to work and management.

Bonus, recognition and salary increament as a form of compensation motivated employees to perform hence it was noted that employees performed more when reward is linked to performance. In level of competition the researcher found that good and exceptional performers are coached, mentored, trained and developed to prepare them for more challenging roles and ensured its reward policy rewards and retains unique skills and talent.

It was found that culture indeed shapes the reward management decision in the company. The Safaricom way model was identified to make employees cultured to work with speed, simplicity and trust to meet the company objective by being incorporated in the company's reward system.

The findings of the study also showed that if an organizations reward distribution system is not well handled, then it can undermine individuals' performances. Employee performance is what an employee does or does not do. Performance of employees could include: quantity of output, quality of output, timeliness of output, presence at work, cooperativeness (Gungor, 2011). It was found that rewards management is a key strategy used to create a motivated and committed workforce. This finding is similar to that of Ramlall (2004) who observed that employees who are motivated and committed to the

organization are less likely to quit. He further posited that favourable perceptions of rewards, in turn, have been linked to positive human resource outcomes such as employee job satisfaction, work motivation, affective commitment, high levels of performance and organizational effectiveness. The influence of effective rewards management on employees' affective commitment, motivation and subsequent high organizational performance was clearly reflected in practice examples in the organization.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 SUMMARY

The results centered on establishing the factors influencing rewards at Safaricom Limited. The study findings show that several factors affect the organizations reward system, namely, job design, affective commitment, motivation level, organizational culture, performance management, government and level of competition in the industry. Employees that are graded highly in the organization were found to be rewarded better that those in the lower scale. Hence an organization job design tends to influence the level of rewards given to staff. Due to the nature of work done by an employee being different, it also affects the overall performance of the organization. There is need therefore for a firm to define in detail what each employee is expected to perform on the basis of the rewards expected.

Empowerment of employees through giving a greater say in decisions that affect them came out as a source of employee commitment. Employee empowerment was found to be generated from different sources. Furthermore, it was found that the organizations job evaluation policy is to ensure that the organization has a formal process of evaluating and grading all its positions based on the position's relative worth and the complexity of the role. Its objective is to maintain internal equity in matters of remuneration among positions in the company. The company job evaluation process is done after every 2-3 years or when a new post is being created or reviewed.

Performance related compensation in the organization is in form of recognition, salary increments and bonuses. They noted that employees are more motivated to perform when there is a reward linked to performance and therefore there is likelihood to have high performers resulting from the motivation. To motivate the employees on the day-to-day activities, the organization has informal reward that is on the spot which is done on a day to day basis mostly through line managers.

The organizations performance measurement is incorporated in its reward management decision. The respondents pointed that once the final ratings have been signed off , the HRBP(Human Resource Business Partner) forward the signed off calibration templates to the Talent and Resourcing team who prepare reports and analysis against the expected distribution curve for each division. The final analysis and reports is then shared with the reward team who calculate the bonus and increment for each member of staff against approved reward guidelines for each financial year. It was also found that the organization has a policy of rewarding and retaining employees with unique skills. Talent assessment is based on high performance, high potential against holistic future facing definition of skills and competencies required in the business. Identification of individuals with highest leadership potential and critical skill across the organization is made early in their career.

5.2 Conclusion

Employee reward system is an important mechanism that can be used by a company to motivate its employees to offer their services to their utmost capabilities and at the same time increase their commitment to the organization. The reward system should not only be considered to be competitive by the employer but also from the employee point of

view. The outcome of employees' effort will be influenced by both factors within the working environment conditions as well as factors outside the work place such as employees' family. In this regard, the reward compensation system needs to be varied such that it will affect, and/or motivate both the staff and their next of kin.

An organizations reward system should also commensurate with the effort that each individual staff offer as well as be at par with other firms of the same standard that operate in an economy. In this regard, it is imperative that an organization identifies factors that will influence its reward system and be able to capitalize on them to ensure that its reward system is tailored to achieve its intended objectives. The appropriate reward system that will help the organization achieve its objectives should also be determined. This can be achieved if frequent surveys are conducted to establish how competitive the organizations reward system is. This survey should be undertaken from both employees point of view as well as from external stakeholders to give their views on the level of competitiveness. It can also be concluded that an organizations compensation system should not only be financial but also non financial since the study showed that employees appreciate non financial rewards in equal measure to the financial rewards. The study found out that the competitiveness of the company was achieved through the adoption of rewards system that result in a world class working environment that motivates and propels the employees to work better and stay on.

5.3 Recommendation

5.3.1 Recommendation on Policy Implications

The study found that an organizations reward system is influenced by various factors. The management of an organization should, therefore, identify what factors influence its reward system and from the same develop appropriate strategies that will seek to eliminate the negative impact and at the same time capitalize on the positive effects; since from the adoption of appropriate rewards system the objectives can be attained.

The study established that the company has adopted various rewards systems in order to motivate its employees. It is recommended that other companies should follow the trend which has been set by the company as these would create a positive employee attitude which is vital in achieving organizational goals.

Most powerful message to employees is delivered through rewards, for example, recognize superior outcomes or merely reflect the minimum requirements. Appraisal schemes based on direct financial rewards of bonus, often send the wrong messages to employees' quantity rather than quality. Human Resource policy-makers need therefore, to frame such policies in appropriate ways to reflect desired organizational outcomes.

5.3.2 Recommendations for further research

The study confined itself to Safaricom Limited. This research therefore should be replicated in other mobile phone companies and the results be compared so as to establish whether there is consistency among the companies on factors influencing reward system in their organizations. In addition, a study on the relationship between employee reward

system and organizational performance can be undertaken to establish the role of employee reward system on the financial performance of a firm.

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APPENDIX I: INTRODUCTION LETTER

UNIVERSITY OF NAIROBI

SCHOOL OF BUSINESS

MBA PROGRAMME

Telephone: 020-2059162 Telegrams: "Varsity", Nairobi Telex: 22095 Varsity	P.O. Box 30197 Nairobi, Kenya

DATE. 27/9/13

TO WHOM IT MAY CONCERN

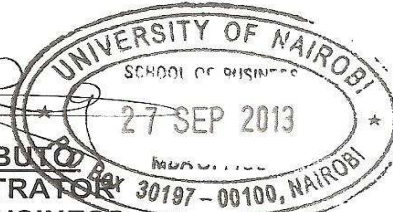The bearer of this letter ... ESTHER MORAA BANGE

Registration No. D61/61439/2010

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS

APPENDIX II: INTERVIEW GUIDE

The interview guide will seek to achieve the following objectives;

1. Establish the factors influencing reward at the Safaricom Limited.

Section A: Demographic Data

1. Name of the respondent(optional)

2. For how long have you worked in the company?

3. What is the highest level of education you have achieved?

Section B: Rewards

4. How is the rewards policy of the company?

5. Do the rewards being used by the company attract, retain and motivate employees?

6. Is the design and application of reward strategy in the company balanced and comprehensive?

Section C: Factors affecting Rewards

   A) Job Design

7. How does variety of job responsibilities influence rewards in the company?

8. Are there adequate periodic changes in duties in the company?

9. How does the significance of employee job (the extent to which employee job adds value to the entire organization) influence rewards in the company?

10. Does the ability to identify where job begins and ends (how well defined your tasks are) influence rewards?

11. Does the challenges and tasks that make up employee job influence rewards?

B) Rewards and affective commitment

12. How does rewards and affective commitment affect the company's reward management decision?

13. Does the company develop and harness the talents and commitment of all their employees?

14. Has the company empowered its employees through relinquishing close control, a spirit of teamwork and cooperation, and allowing people a greater say in decisions that affect them at work?

15. Do the rewards being given to employees encourage the employee to work harder and therefore affect their behaviour by motivating them?

16. Do the perceptions that employees have with regards to their reward climate influences their attitude towards their employer?

C) Motivation

17. How does keeping its employees motivated and evaluating the performance of employees for job compensation affect the organization?

18. Does the company provide performance related compensation to enhance employee motivation and performance?

19. How does employee perceived strong link between their performance and the reward they receive affect their motivation to perform?

20. Does the company recognize employees for their work in order to have a better perception of their work, their workplace and the people they work for?

21. Does the reward distribution system lead to increased employees' satisfaction in the company?

D) Organizational Culture

22. How does the development, administration and management of rewards causes the culture of an organization to vary quite widely?

23. Does having employees participate in pay decisions affect their commitment to the organization and reward management?

24. How does culture shapes reward management decisions in the company?

25. How does the existence of performance-based pay affect the culture of the company and thus reward management?

E) Performance Management

26. How does the alignment of performance management activity with the overall organization's business strategy affects reward management decision?

27. How does the company undertake performance review?

28. Does the company incorporate performance management in reward management decision so as to achieve managed performance framed as service quality, service delivery and cost reduction?

F) The Government

29. Does the government influence the reward policy of the firm? Please elaborate.

30. Does the government intervention influence enhance the reward system in the organization and also improve labour utilization? Please explain

G) Trade unions

31. How do the trade unions influence the reward system in the organization?

32. Has the organizations reward system been enhanced through collaboration with the trade unions?

33. What level of engagement does the trade unions and Safaricom come together in negotiating the reward systems?

H) Level of competition

34. How does the level of competition for competent employees in the organization influence the reward system?

35. Does the organization have a policy of rewarding and retaining employees with unique skills? Please elaborate.