THE PERCEIVED RELATIONSHIP BETWEEN REWARD MANAGEMENT PRACTICES AND EMPLOYEE PERFORMANCE AT THE KENYA POST OFFICE SAVINGS BANK

BY

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NOVEMBER 2015
DECLARATION

STUDENT'S DECLARATION

I declare that this research project is my original work and has not been presented for
Examination or Academic purposes in any other University or College.

Signature ........................................ Date ......................................

STUDENT: JESEREM IRENE

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SUPERVISORS DECLARATION

I confirm that this project has been submitted for examination with my approval as the
university Supervisor.

Signature ........................................ Date ......................................

DR FLORENCE MUINDI

LECTURER,

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May the Almighty God bless you all
DEDICATION

This research project is dedicated to my husband Abraham Kucher and our Daughter Chantelle Jebet for all their love and support. May God keep you and bless you.
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ABSTRACT

Reward management practices have a direct relationship with employee performance as depicted by the expectancy and instrumentality theories. Postbank of Kenya is one of the oldest banks in Kenya and its growth has been stagnating despite of the competing banks growing year in year out, this, informed this study to find out whether employees rewards is part of the problem. The objective of the study was thus to determine the relationship between reward management practices and employee performance at the Kenya Post Office Savings Bank (Postbank). The study used a descriptive survey design; it targeted all the employees of Postbank head office. The study used primary data which was collected using structured questionnaires administered using the drop and pick method and some cases email. The study found out the Postbank selectively implemented reward management practices which subsequently led to poor performance amongst the employees. A recommendation was thus made to the bank to change their reward policies in order to align the reward management practices and to combine various strategies that would optimize employee performance with emphasis of the proportion to which each strategy is to be used as well as k study to explore the modalities of applying job/grade structure in the bank.
CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

Reward management practices have been found to be positively linked to employee performance as they help to maintain a positive motivational environment relevant in improving organizational performance Blunt & Jones (1992). If organizations reward ethical behavior and employee effort in a fair manner, chances are high that their workers will reciprocate by putting extra effort geared towards improving organizational performance. Springer & Osterman (2006) argues that a reward at par with the competitors would keep the employees satisfied but not motivated as this would be the bare minimum to keep the employees from seeking higher rewards by moving to the competitors. The argument is that rewards lower than that offered by the market would lower both employee satisfaction and motivation to work as employees would seek to move to the organizations that pay higher, he asserts that higher rewards would motivate the employees as they would feel more appreciated than their colleagues of the same qualification working in other firms and this high satisfaction would be translated to higher performance. Besides on organization paying higher rewards that other in an industry becomes an employer of choice thus there is high competition of prospective employees who would wish to be employed by the organization

The expectancy theory details the relationship between performance and expectations and is given in two dimensions. One dimension is the expectation of an employee of reward equal to the input on the organization and the other dimension is the expectation of the organization of an output by the employee equal to the reward
given, Porter and Lawler, (1973) This theory thus explains the delicate balance relationship between reward management and employee performance as seen where each depends on the other such that performance depends on reward while at the same time reward depends on performance. This thus becomes the basis on which reward management operates in using rewards to optimally influence employee performance. The theory is supported by instrumentality theory which states that employees work for specific instruments giving a range of instruments to be used as rewards ranging from monetary, recognition and promotion, (Berridge, 2001). Instrumentality theory thus forms the basis of reward management which entails selecting the best reward instrument to be used at any given time and the duration and schedule in which it is to be used as well as the complementing reward instruments coming up with a reward policy and strategy to optimize employee performance.

The study will be carried out at the Kenya Post Office Savings Bank (Postbank) which is a bank established by the Kenyan government in 1977 for its own savings, under the ministry of finance.

1.1.1 The Concept of Perception

Berelson and Steiner (1964) define perception as a complex process by which people select, organize and interpret sensory stimulation into meaningful and coherent picture of the world, while as stated by Brown (1998) refer to it as the process of receiving, selecting, acquiring, transforming and organizing information supplied by our senses. Smith et al (2007) defines perception as the process in which individuals arrange and interpret sensory impressions in order to make sense of their environment and stresses that it is important for a manager to realize that what employees perceive is often different from objective reality and people react not to reality but to what they
perceive as reality. Psychologists indicate that perception is a complex process involving the selection of stimuli to which to respond and the organization and interpretation of them according to patterns we already recognize (Beardwell et al. 2004). Daft (2000) defines perception as the process people use to make sense out of the environment by selecting, organizing and interpreting information from the environment. He contends that employee perception of any aspect of their employment will be a function of the intensity or repetitiveness of that aspect. The number of times that aspect gets highlighted and the intensity with which it happens indicates just how important that activity is taken. Wallace 1999; Guest (1999) contend that the commitment of employees to a certain cause or issue depends on their perception.

Perception is the attitude employees have towards policies concerned with pay, recognition, promotion and quality of working life, and the influence of the group with whom they identify (Armstrong, 2006). As Arnold et al., (1996) comment, research evidence has shown that people’s avowed feelings and beliefs about someone or something seemed only loosely related to how they behaved towards it and thus the study of employees’ perception is critical toward formulation and management of policies in an organization. Dash et al., (2008) report that the factors of recognition for performing well, chances of promotion, professional growth, compensation and incentive schemes, are perceived as motivating factors by many employees who will in turn feel satisfied. They point out that the development of systems of rewards, recognition and career opportunities as one of several critical tasks of management.
1.1.2 Reward Management

Reward is a term discussed as something that is given by an organization to an employee in response to the employee’s actions and is something which is desirable to the employee Agarwal (1998). According to McCormick and Tifflin (1979) rewards can either be intrinsic or extrinsic. Intrinsic rewards stem from rewards that are inherent in the job itself and which the individual enjoys as a result of successfully completing the task or altering his goals. Extrinsic rewards are those that are external to the task of job such as pay, work condition fringe benefits, security, promotion, work environment and work conditions. According to Armstrong (2012) rewards is that which recognizes a person’s contribution. People are rewarded financially for the job they are in (base pay) and often for the level of their performance, competence or skill contingent or variable pay) or for their serviced in the job (service related pay). They can also receive non-financial rewards such as recognition, praise or opportunity to develop or learn new skills or opportunity to develop or learn new skills.

Rewards management is concerned with formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value to the organization. It deals with the design, implementation and maintenance of reward processes and practices that are geared to the improvement of organizational team and individual performance. Armstrong (2007) Reward management is not just about financial rewards, pay and employee benefits. It’s equally concerned with non financial rewards such as recognition, learning and development and increased job responsibility. According to Nzuve (1999) reward management is about understanding individual’s motivating factors and determining the level of pay bonus and other rewards they receive. Roberts (2001) describes
reward management as the process of developing and implementing strategies, policies and systems which help the organization to achieve its objectives by obtaining and keeping the people it needs and by increasing their motivation and commitment.

The activity reward management is described encompassing not only development, maintenance, communication and evaluation of reward processes, but also concerned with the development of appropriate organizational cultures, underpinning core values and increasing commitment and motivation of employees thus improving their productivity. Beardwell and Claydon(2010). Richard (2006) argues that effective reward management with good reward packages help to attract and retain employees. Some employees give importance to specific rewards and other attach to different rewards. It is important for the managers to understand the needs, expectations and desires of employees and offer those rewards which leads to satisfaction of the employees. Reward management is fundamentally about people. It is stake holder oriented, integrated, strategic and evidenced based. Armstrong (2010)

**1.1.3 Reward Management Practices**

Reward management practice is one of the strategies used by human resource managers for attracting and retaining suitable employees as well as facilitating them to improve their performance Armstrong (2007) Reward strategy sets out what the organization intends to do in the longer term to develop and implement reward policies, practices and processes that will further the achievement of its business goals. The task of developing a strategic reward framework for organizations is usually challenging but necessary to survive in the competitive market place. The process however cannot be copied from the organization but needs to be designed,
developed and grown within the unique environment of the organization Wilson (2003). A well designed incentive program rewards measurable changes in behavior that contribute to clearly defined goals

Reward policy underpins reward practices. The policy defines the key elements of the total reward available for employees. The policy also defines the organizations orientation towards the labor market clearly stating how the organization wishes to benchmark itself versus the competition. Reward management policy is concerned with formulation and implementation of strategies that aim to reward staff fairly, equitably and consistently. The policy also defines the maintenance requirements necessary to ensure that reward management remains relevant and properly aligned to overall organization goals.

The reward system will consist of policies that will provide guidelines on approaches to manage rewards. Processes concerned with evaluating relative size of jobs (job evaluation) and assessing individual performance (performance management). Procedures operated in order to maintain the system and to ensure that it operates efficiently and provides value. According to Schuster and Zingheim (1992) reward Systems are critical parts of any organization's design. How well they fit with the rest of the systems in an organization has an important impact on how effective the organization is and on the quality of life that people experience in the organization. Over the past decade, some new reward systems practices have become popular in order to align reward systems with the important changes that are occurring in the way organizations are designed and managed. Michael Armstrong (2006). Job evaluation provides the basis for achieving equitable pay and is essential as a means of dealing with equal pay for work of equal value issues. Salary survey is a reward
management practice that employers use in order to determine the price of the benchmark jobs also based on a formal or informal survey of what comparable firms are paying for similar jobs. Grade/pay structure reward system is a reward practice which comes up with different pay schemes for different professions in the same organization. Grade structures are needed to provide a logically designed framework within which an organization’s pay policies can be implemented.

1.1.4 Employee Performance

Performance can be said to be the effectiveness and efficiency to which employees of a given organization carry out their day to day duties in order to meet the management and customer expectations, (Pierce et al, 2004). It can also be said to be the level to which the employees apply their skills, knowledge and attitudes towards achieving the desired results and meeting the specified objectives,(Rehman, 2009). Bohnstedt & Larsen, (2008) points out that employee performance is often indirectly measured using aspects of employee behavior at work such as speed, courtesy, etiquette, precision, time management, consistency and influence on other employees. It is on this basis that Hashim (2000) suggests that the measure of employee performance is the determination of financial profitability and growth attributed to the individual employee as a contribution to the firm. This is supported by Berridge (2001) who argue that the common measures of organizational performance such as profit margin, return on assets, return on equity and return on sales can be attributed to each individual as a contribution. Performance has been defined by Hellriegel et al (2001) as the level of an individual’s work achievement after having exerted effort. Cummings and Schwab (2003) and Whetten and Cameron (2008) believe that performance is ultimately an individual phenomenon with environmental variables
influencing performance primarily through their effect on the individual determinants of performance ability and motivation.


1.1.5 The Kenya Post Office Savings Bank (Postbank)

The Kenya Post Office Savings Bank (Postbank) was established in 1910. Similar Savings services were offered across the East Africa region. When the East African Community broke up in 1977, the Kenya Government established its own savings bank. Postbank is primarily engaged in the mobilization of savings for national development and operates under the Kenya Post Office Savings Bank Act Cap 493B. In addition, the Bank offers local and international credit cards under the sponsorship of a commercial bank, Local and International Money Transfer Services (MTS), collections and disbursement services. Governance of the bank is vested in the Board of directors and the office of the Managing Director, supported by one Directorate and departments. The bank is wholly owned by the Government of Kenya and reports to the Ministry of Finance. The Government is represented at the board of directors by the Permanent Secretary, Treasury.
As a savings bank it offers twenty five products and services including savings accounts for businessmen salary payments, Youth and children savings account. It also offers money transfer services like money gram, M-pesa, Western Union and Yu cash transfers. Post bank also offers credit services through post bank visa card. Post bank has developed partnerships and strategic alliances with various organizations who have contributed to its achievements. These alliances have helped in promotions of savings and also bring additional commissions business e.g. water and electricity payment. It also offers agency banking for other banks like Chase and housing finance bank. Post bank partners include Agakhan agency for microfinance, alliance one tobacco, business initiatives and management assistance service, Citibank, commercial bank of Africa, Faulu Kenya Government of Kenya pension’s department higher education loans board, Kadet Limited, Kenya Power and Lightening Company, Kenya. Currently the bank has 97 branches across the country with a total employee population of 695, with 36 top level managers, 250 middle level managers and 409 lower level cadre employees (Human Resource department records, 2015)

1.2 Research Problem

The nature of an organization’s reward management system can have a major impact not only to employee productivity but also ability to retain high caliber staff. Rewards form the core intervention for employee productivity improvement. Rewards influence levels of employee satisfaction which directly influences the performance of the employee (Dessler, 2004). Rewards also contribute to development of high performance culture, one which to value norms and Human resource practices in the organization combine to create a climate manifested in a high performance work system (Armstrong 2010). Rewards focus the attention on values, behaviors required to achieve it. Reward system motivates employees to give their maximum efforts
towards assigned work including delivery of other result such as legal compliance, labour court, perceived fairness, towards employees and customer satisfaction. (Dixon, 1995, Murilis 1991) noted possible negative consequences of improperly administered rewards such as an environment of favouritism and rewarding undesirable outcomes.

Performance of any organization is primarily driven by the staff which in turn relies on reward management in the firm. The Kenya Post Office Savings Bank (Postbank) as a bank like any other commercial bank in the country is expected to compete favorably. But a closer look at the bank it has for a long time lagged behind the rest of the banks in terms of expansion, that is it has less branches compared to the rest that have existed for shorter period of time compared to post bank. Post bank is a parastatal under the civil service that has shown very little growth over the years. It is therefore expected that the employees of post bank should be more productive as their counter parts in other commercial banks in order to achieve growth but since the performance of any organization is driven by staff and this in turn relies on reward management in the firm, then it is for these reasons that it’s appropriate to study the nature of rewards offered to the staff by the Kenya Post Office Savings Bank and indeed if it influences productivity of the staff.

Several studies have been conducted on reward management and employee performance. Musenze et al (2013) investigated reward management and organizational performance, An empirical study of private universities in Uganda that was whose findings were that whilst both monetary and non-monetary rewards emerged as positive and significant predictors of Busoga university’s performance, the role of monetary rewards was immense as it showed strong influence on
performance. Bosire (2007) who investigated the role of reward management in organizational performance among Kenyan public corporations. His findings were that a proper reward system increased organizational performance in the public sector. Mochana (2004) analyzed the link between pay and performance among selected companies quoted in the Nairobi exchange. His findings were that the uniqueness of both monetary and non-monetary relationship suggested that employee perception organization reward culture can make them more committed to their work.

In summary all these studies have focused on reward management and organizational performance and their findings generally indicated that performance of an organization was directly influenced by its reward management system. However, no study to the knowledge of the researchers has been conducted on the relationship between reward management practices and productivity of the employees. In addition to that, where as several studies have been conducted on reward management and employee productivity in areas such as educational institutions, the public sector generally and in companies quoted in the Nairobi stock exchange, none of the studies has considered reward management and productivity of employees as its variables of study. All these studies simply highlight the forms of rewards given but this study will go ahead to find out how or in what ways the reward management practices influence individual employee productivity in Postbank Therefore this study aimed at addressing the knowledge gap of understanding the reward management practices in the Kenya Post Office Savings Bank in relation to the productivity of its staff.

1.3 Research Objective

To determine the relationship between reward management practices and employee performance at the Kenya Post Office Savings Bank (Postbank).
1.4 Value of the Study

The findings of the study would be of significance to the human resources management team at the Kenya Post Office Savings Bank since it will contribute towards establishment of the effects of the organizations reward system on employee performance and therefore change their reward management practices. This is because the findings of the study would enable them understand the factors surrounding reward management and specifically its effect on employee performance in the bank.

The study would be of value to the government of Kenya as a whole as it would create a clearer understanding of reward management on employee performance in the public sector and thus aid in their reward policy formulation and implementation.

The study would be used a source of information to researchers keen on improving their knowledge of employee performance and reward management through empirical investigation for scholars as it would form foundation for their future studies in related field. This will be from the empirical literature availed for review by the research report which will be in the library. The study gave suggestions for further studies which would guide the future scholars in selecting their topics for research.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter defines the foundations of the study by detailing the theoretical framework guiding the study before establishing the empirical foundation for the relationship between the two variables of the study that is reward management and employee performance.

2.2 Theoretical Foundation

This study was based on the expectancy theory of motivation by Victor Vroom (1964) and the instrumentality by Porter & Lawler (1968) where they concluded that an individual’s motivation to complete a task is affected by the reward they expect to receive for completing the task. However Porter and Lawler introduced additional aspects to the expectancy theory that is the intrinsic and extrinsic rewards.

2.2.1 The Expectancy Theory

The Expectancy Theory of Motivation described as a process theory. It provides an explanation of why individuals choose one behavioral option over others. The basic idea behind the theory is that people will be motivated because they believe that their decision will lead to their desired outcome (Redmond, 2009). The expectancy model states that people are motivated to work when they expect to achieve things they want from their jobs. A basic premise of the expectancy model is that employees are rational people. They think about what they have to do to be rewarded and how the rewards mean to them before they perform their jobs Hellriegel, et al (2001) Expectancy theory is based on the expectation that people bring with them to the
work situation, and the context and way in which these expectations are satisfied" (Marchington & Wilkinson 2005) The expectancy model was originated from the argument that the management of an organization has a responsibility to both motivate its employees through daily tasks, and to produce at its most effective level Vroom( 1964) In addition, expectancy theory implies that management need to demonstrate to employees that their effort will be recognized and rewarded, in both financial and non-financial (Marchington & Wilkinson 2005). The expectancy model holds that work motivation is determined by individual beliefs regarding effort-performance relationships and the desirability of various work outcomes associated with different performance levels Hellriegel, et a ( 2001) members of staff of an organization can enter into the work contract with a moderate level of expectancy, and an emotional connectedness to the reward they expect..Expectancy which can be described as the belief that higher or increased effort will yield better performance, can be explained by the thinking of "If I work harder, I will make something better”. Conditions that enhance expectancy include having the correct resources available, having the required skill set for the job at hand, and having the necessary support to get the job done correctly Stecher & Rosse ( 2007) management must establish schemes to reward the behavior it want" Shields (2007)

Porter & Lawler (1968) described instrumentality as person's belief that a given output will facilitate a given reward (outcome), It is the belief that if one does meet performance expectations, he or she will receive a greater reward. This reward may come in the form of a pay increase, promotion, recognition or sense of accomplishment. It is important to note that when it is perceived that valued rewards follow all levels of performance, then instrumentality is low Scholl (2002). A person will only perform at a certain level if they believe that the performance will lead to a
given expressed outcome. Porter & Lawler (1968) concluded that an individual’s motivation to complete a task is affected by the reward they expect to receive for completing the task they introduced additional aspects to the expectancy theory that is Intrinsic and Extrinsic Rewards Porter and Lawler categorized the reward as intrinsic and extrinsic Intrinsic rewards are the positive feelings that the individual experiences from completing the task e.g. satisfaction, sense of achievement. Extrinsic rewards are rewards emanating from outside the individual such as bonus, commission and pay increases. Porter and Lawler’s model suggested that an individual’s view regarding the attractiveness and fairness of the rewards will affect motivation thus improve their performance.

2.2.2 Reward Management Practices

Reward management practice is one of the strategies used by human resource managers for attracting and retaining suitable employees as well as facilitating them to improve their performance. An organization’s reward management practices are important because if managed effectively, they can improve performance. Some of these reward management practices include, reward strategy, reward policy, job evaluation, grade/pay structure, salary survey and total reward, Armstrong (2007).

Reward strategy is a reward management practice based on a set of coherent principles in support of the organisation’s objectives. This rises from the fact that a reward strategy is seen as the deliberate utilization of the pay system as an essential integrating mechanism through which the efforts of various subunits and individuals are directed toward the achievement of an organization’s strategic objectives. Reilly (2003). Brown (2001) Reward strategy determines the direction in which reward management innovations and developments should go to support the business
strategy, how they should be integrated, the priority that should be given to initiatives and the pace at which they should be implemented. Reward strategy is ultimately a way of thinking that can be applied to any reward issue arising in an organisation, to see how it can create value from it.’ Armstrong & Murlis (2007) Furthermore, reward strategy gives specific direction to how the company will design its individual reward programs Reward management is not just about financial rewards, pay and employee benefits. It’s equally concerned with non financial rewards such as recognition, learning and development and increased job responsibility, According to Nzuve (1999) reward strategy is about understanding individual’s motivating factors and determining the level of pay bonus and other rewards they receive.

Reward policy is the guideline and course of actions formulated for successful reward system with the greatest impact on the motivation and performance of individual employees. For reward system to be effectively administered, Byar and Rue (2005) suggest that the policies should clearly indicate; the minimum and maximum levels of pay considering-The worth of the job to the organisation, ability to pay, government regulations in the labour market, other market pressures. Shields (2007)General relationship among levels of pay between senior operating management and between operative employees and supervisors, the division of total reward into various portions, for instance base pay, Incentive programmes, benefit, Lastly, how much should go into pay increases for the next year and who should recommend how raised should be determined. Wilson (2003). A well designed incentive program rewards measurable changes in behavior that contribute to clearly defined goals. The challenges in developing such a program lies in determining what rewards are effective agents of change, what behaviors can be changed and the cost and benefits of eliciting change Hartman et al. (1994). Employees should be aware of the
relationship between how they perform and the reward they get. Organizations should apply performance management programs which assist in planning employee’s performance programs, monitor performance by effecting proper measuring tools. Reward should be used as a way of strengthening good behaviors among employees as well as performance. Hence reward should focus on reinforcing good behaviors. Employees could be awarded for working overtime, taking initiatives, reliability, exceptional attendance, and outstanding feedback and meeting deadlines, Armstrong & Murlis (2005)

Job Evaluation is of fundamental importance in reward management. It is a systematic process for defining the relative worth or size of jobs within an organization in order to establish internal relativities and provide the basis for designing an equitable grade structure and managing pay relativities Armstrong (2006). Job evaluation provides the basis for achieving equitable pay and is essential as a means of dealing with equal pay for work of equal value issues. In the 1990s and 1980s job evaluation fell into dispute because it was alleged to be bureaucratic, time consuming and irrelevant in a market economy where market rates dictate internal rates of pay and relativities. However as the e-reward 2003 survey of job evaluation showed, job evaluation is still practiced widely and its use is extending, not least because of the pressures to achieve equal pay.

Job evaluation can be analytical or non-analytical. According to Silverman and Reilly (2003) analytical job evaluation is the process of making decisions about the value or size of jobs, which are based on an analysis of the level at which various defined factors are present in a job in order to establish relative job value. The set of factors used in a scheme is called the factor plan, which defines all of the factors used and the
levels within each factor. The two main types of analytical job evaluation schemes are point factor schemes and analytical matching. On the other hand, non-analytical job evaluation compares whole jobs to place them in a grade or rank order. They are not analyzed by reference to their elements or factors. The main non-analytical schemes are: job classification; job ranking, paired comparison ranking, internal benchmarking, and market pricing. Job evaluation should be emphasized, it is best seen as a procedural aid to pay determination that has to be maintained, rather than as a one off system to be installed and then insulated from individual and group pressures. Wilson (2003) it provides a flexible, disciplined, participative device for the management of the fairness of pay under what are usually changing circumstances. Apeyusu (2012)

Grade/pay structure reward system is a reward management practice which comes up with different pay schemes for different professions in the same organization such as accountants, stewards, kitchen staff, drivers, security personnel, sales team and craftsmen earning different pay schemes which are uniform within the specific job specification, Ripley (2002). Apeyusu (2012) also argues that such a reward system gives employees a sense of fairness, employees as they feel accepted and appreciated in the organization. Wekesa & Nyaroo (2013) however argue that the reward system leads to some form of friction within employee circles leading to clubs of super employees and across department sabotages where a group of employees feel less valued than a more rewarded group and constantly engage in negligence of duty either to express displeasure or from a feeling that the group rewarded more should do more work thus they should do less work. Besides, grade structures are needed to provide a logically designed framework within which an organization’s pay policies can be implemented. Structures enable an organization to determine where jobs should be
placed in a hierarchy, to define pay levels and the scope for pay progression and provide the basis on which relativities can be managed, equal pay can be achieved and the processes of monitoring and controlling the implementation of pay practices can take place. A grade and pay structure is also a medium through which the organization can communicate the career and pay opportunities available to employees Armstrong & Murlis (2005). Sturman et al (2011) views a grade system as a system where groups of employees are put on hierarchical arrangement based on skills, experience and responsibility from which pay or reward boundaries are set.

Salary Survey is an analysis of the finding of what the others are paying so that one can correctly price their jobs in relation to their competitors Gary Dessler (2008). According to Herderson (2006) every employer conducts at least a telephone, newspaper or Internet salary survey. Employers use those surveys in order to determine the price of the benchmark jobs also based on a formal or informal survey of what comparable firms are paying for similar jobs. Survey also collects data on benefits, life insurance, sick leave and vacations to provide a basis for decisions regarding employee benefits. Salary survey can be formal or informal. Internet survey can be good for checking specific issues such as when a bank want to confirm the salary at which to advertise a newly opened teller’s job or if some banks are paying tellers an incentive Nicholas Wade (2003)

Total Reward is the term that has been adopted todescribe a reward strategy that brings additional components such as learning and development, together with aspects of the working environment, into the benefits package. Silverman and Reilly (2003) It goes beyond standard remuneration by embracing the company culture, and is aimed at giving all employees a voice in the operation, with the employer in return receiving
an engaged employee performance. Chen & Hsieh (2006) World at Work, a not for profit organization that provides education, conferences and research on global human resources issues defines total rewards as all of the tools available to the employer that may be used to attract, motivate and retain employees. Total rewards include everything the employee perceives to be of value resulting from the employment relationship. Most organizations use different types of rewards. The most common types include basic pay, Job design, incentives and benefits, development opportunities and performance based pay. According to Cox (2002) money is important because of the things it can buy and it also symbolizes an employee’s worth. Total reward has the potential to assist employers, in a very powerful way, and help them align both their HR and business strategies if we consider all the tools available that we can use to attract and retain, certain considerations come to mind, Adam Sorensen (2010) Zingheim and Schuster (2000) comment that the conception of “total rewards” can be categorized in to four components: convincing future, encouraging workplace, individual growth and “total pay”.

Silverman and Reilly (2003) explained the total rewards as the combination of basic salary, performance-based salary, benefits, and acknowledgment or feedback. Employees are in awe of the “total pay” that is devised around their task and needs. Several alternatives available are basic salary to reward the workers continuing value; performance based salary to highlighting the results; benefits to give safety from life and health vulnerabilities, in addition to vacation, identification and feedback. Consequently the companies that address individual’s need and preferences adequately in terms of total pay more likely to “attract and retain” key workers and by applying such methods organization anticipates enormous concentration to non-monetary aspects of rewards IDS, Hugh (2003) Advantage of a total reward package
is increased flexibility. Flexibility allows business’ to develop programs that cater to 
the needs of its employee by combining transactional and relational awards, allowing 
the reward package to meet the different emotional and motivational rewards of 
employees (World at Work, 2007). Improved recruitment and retention is another 
advantage. Highly skills employees are in demand and, companies must find ways to 
attract and retain high performers. A comprehensive rewards package highlights the 
organization’s commitment by showing the total value of the reward package. This 
commitment provides a competitive advantage to prospective employees as well as 
those employees contemplating leaving the organization (World at Work, 2007).

Total rewards help reduce labour costs and the cost of turnover by promoting 
employee engagement. Total reward could be used to manage and motivate people by 
thoroughly understanding the relative significance placed on the various aspects of the 
reward proposition and applied the well designed total reward strategy effectively. 
According to Armstrong & Stephens, (2006) total reward is seen as the combination 
of both the financial and non financial rewards made available to the employees. It 
includes all type of rewards, direct and indirect, as well as intrinsic and extrinsic. 
Each aspect of rewards is being linked together as an integrated and rational whole. 
Chen & Hsieh (2006) have shown the trend of reward method is changing from a 
simplex to a multiplex context due to the rapidly changing environment.

The adoption of total reward system is believed to help in retaining the best worker 
and ensure the organization stay in a best positioned for future success. Total 
Rewards, are the end product of a reward system and consists of, 
direct/extrinsic/transactional rewards e.g. Base pay, benefits packages in line with 
pay’s) indirect/intrinsic/relational Armstrong & Murlis (2005) Rewards e.g.
Opportunities for career advancement, upgrading of skills etc. Total rewards typically encompass not only traditional quantifiable elements like salary, variable pay benefits but also intangible non-cash elements like scope to achieve and exercise responsibility among other, Thompson (2002). Since organizations & HR practitioners have to accommodate and address the diverse needs of employees in organizations and the diverse ways in which individuals are motivated to work thus the importance of total reward.

2.3 Reward Management Practices and Employee Performance

In many organizations, reward management has been seen to be a vital instrument in employee performance (Guest, 2002). A well rewarded employee feels that they are valued by the company. Such employees are encouraged to work harder and better if they are aware that their wellbeing is taken seriously by their employers, and that their career and self development are also being honed and taken care of by their company. Employees are the engine of organization vehicles while reward is the fuel. No organization can achieve its stated objectives without its employees. Akerele, (2001) blamed the productivity of many employees on several factors; employer’s failure to provide adequate compensation for hard work. Markova and Ford (2011) mentions that the real success of companies originate from employees’ willingness to use their creativity, abilities and know-how in favour of the company and it is organization’s task to encourage and nourish these positive employee inputs by putting effective reward practices in place. Low Scholl, (2002). A person will only perform at a certain level if they believe that the performance will lead to a given expressed outcome. Instrumentality can be described as the thought that if an individual performs well, then a valued outcome will come to that individual. This well explained by the instrumentality theory. Reward has therefore been seen to be a vital instrument in
employee performance. This is because a well rewarded employee feels valued by the company. The employee is thus encouraged to work harder and better if they are aware that their well-being is taken seriously by their employers, and that their career and self-development are also being taken care of by their company thus increasing employee performance, Condly et al., (2005)

The importance of rewarded employees is very significant towards employee performance among many companies Lotta, (2012). Well rewarded employees are more productive, more efficient and more willing to work towards organizational goals than the employees who are experiencing low levels of rewards Hunter et al (2010). Entwistle (2007) is of the view that if an employee performs successfully, it leads to organizational rewards and as a result motivational factor of employees lies in their performance. The highly motivated employees serve as the competitive advantage for any company because their performance leads an organization to well accomplishment of its goals Rizwan and Ali (2010). Employees who are effective and efficient are likely to be limited if they are not given appropriate rewards to Perform. Mendonca, (2002) looks at reward and compensation system that is based on the expectancy theory, which suggests that employees are more likely to be encouraged to perform when they perceive there is a strong link between their performance and the reward they receive. Guest, (2002) is of the opinion that reward is one of the keys that motivate employees to perform as expected.

Reward management schemes are all designed to enhance company performance by aligning the interests of employees with the financial performance of their companies Chin-Ju (2010). Huselid (2005) looks at reward as a system (profit sharing) that contributes to performance by linking the interests of employees to those of the team
and the organization, thereby enhancing effort and performance. La Motta (2005) is of the view that performance at job is the result of ability and courage. Entwistle (2007) assert that if an employee performs successfully, it leads to organizational rewards and as a result motivational factor of employees lies in their performance. Freedman (2008) explains that when effective rewards and recognition are implemented within an organization, favorable working environment is produced which motivates employees to excel in their performance. Employees take recognition as their feelings of value and appreciation and as a result it boosts up morale of employee which ultimately increases productivity of organizations. Rewards play a vital role in determining the significant performance in job and it is positively associated with the process of motivation Rizwan and Ali, (2010). Mehmood (2013) explains how rewards play a very big role in increasing employee performance and change the behavior of dissatisfied employees. A good reward system helps to improve organizational performance and also fulfills other objectives such as labour cost control, perceived fairness towards employees, legal compliance and enhancement of employee performance to achieve high level of productivity and customer satisfaction Maire & Nick (2002).

Finally, a market rate reward system is where an organization does an industry analysis to determine what the other players within the industry and more specifically its competitors gives as a reward to its employees in order to determine how to reward it employees. Such an organization in most cases sets its reward either at par with its competitors or above its competitors, Condly et al (2005). Osterman (2006) argues that a reward at par with the competitors would keep the employees satisfied but not motivated as this would be the bare minimum to keep the employees from seeking higher rewards by moving to the competitors. The argument is that rewards lower
than that offered by the market would lower both employee satisfaction and motivation to work as employees would seek to move to the organizations that pay higher. Rehman (2009) asserts that higher rewards would motivate the employees as they would feel more appreciated than their colleagues of the same qualification working in other firms and this high satisfaction would be translated to higher performance. Besides on organization paying higher rewards that other in an industry becomes an employer of choice thus there is high competition of prospective employees who would wish to be employed by the organization. This puts pressure on the existing employees Cherotich (2012) A growing linkage between pay practice and training and development initiatives through the design and implementation of skills and competency based pay processes which reward the acquisition and use of new skills and behaviors have significantly led to increased performance among employees. Hugh (2003) In addition, development of integrated performance management systems with the emphasis on coaching development, motivation and recognition through the identification of opportunities to succeed which are guided by clear reward policies which create fairness enhances employee performance in the organization. Freedman (2008)
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 that was used by the researcher was is descriptive survey design. According to Cooper and Schindler (2000), a descriptive research design is concerned with finding out the; who, what, where, when and how much. Furthermore, a research design is structured, has investigative questions and part of formal studies. The design was appropriate because the main interest is to explore the viable relationship and describe how the factors support matters under investigation.

3.3 Target Population

The population of study consisted of all the employees of Postbank head office. As at June 2015, there were 36 top level managers, 250 middle level managers and 409 lower level cadre employees (Human Resource department records, 2015)

3.4 Sampling Design

The researcher used stratified sampling because of ease of classifying the population into strata’s. The sample comprised of 10% from each strata of the target population. According to (Mugenda and Mugenda, 1999) a sample of 10% is considered representative. In each strata, respondents will be selected randomly. This approach was considered appropriate since it ensured that a representative sample is gotten.
### Table 3.1: Sample size

<table>
<thead>
<tr>
<th>Category</th>
<th>Population</th>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top management cadre</td>
<td>36</td>
<td>4</td>
</tr>
<tr>
<td>Middle level cadre</td>
<td>250</td>
<td>25</td>
</tr>
<tr>
<td>Lower level cadre</td>
<td>409</td>
<td>41</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>695</strong></td>
<td><strong>70</strong></td>
</tr>
</tbody>
</table>


### 3.5 Data Collection

Data was collected through self-administered questionnaires containing both open ended and closed questions. The questionnaire had three sections with section A covering demographic profile, section B Reward Management practices C Employee performance. The questionnaires were distributed through ‘drop and pick’ method and in some cases by email. Follow-ups was made to ensure that questionnaires were collected on time and assistance to the respondents having difficulty in completing the questionnaires was offered.

### 3.6 Data Analysis

The questionnaires were edited for accuracy, consistency and completeness after the data was collected. Data was data was cleaned up, before the final analysis to eliminate discrepancies and thereafter, classified on the basis of similarity and then tabulated. The responses were then be coded into numerical form to facilitate statistical analysis. The Data analytical tool that was used is statistical package for social sciences (SPSS) based on the questionnaire. The Collected data was analyzed using descriptive statistics tools such as the mean and standard deviation and presented using tables and graphs.
CHAPTER FOUR
DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction
The research objective was to determine the relationship between reward management practices and employee performance at the Kenya Post Office Savings Bank (Postbank). This chapter presents the analysis, findings and discussion. The findings were presented in percentages and frequency distributions, mean and standard deviations.

4.2 Response Rate
A total of 70 questionnaires were issued out and only 61 were returned. This represented a response rate of 87%. This response rate was adequate for data analysis and conforms to Mugenda and Mugenda (2003) stipulation that a response rate of 70% and over was adequate.

4.3 Demographic Profile
The demographic information considered in the study was employee cadre, respondents’ gender, respondents’ highest level of education, respondents’ age bracket and the duration working in the bank.

4.3.1 Employee Category
The respondents were requested to indicate their cadre as shown in Figure 4.1. This was important for the study in order to ensure that the results represent all the cadres in the bank.
The results on the employees’ cadre indicate that 62% of the respondents said that they are in the lower level cadre commonly referred as union is able in the bank, whereas 33% of the respondents said that they are in the Middle level management category while 5% of the respondents said that they are in the senior management category. The results show that the respondents are from the different categories and therefore the results represent views of the different categories.

### 4.3.2 Length of service with the bank

The respondents were requested to indicate the length of service with the bank. Length of service with the bank was important in order to determine the respondents’ level of understanding of internal information pertinent to the bank. The results are presented in Table 4.1.
Table 4.1: Length of service with the bank

<table>
<thead>
<tr>
<th>Years</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 2 Years</td>
<td>4</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>2-4 Years</td>
<td>8</td>
<td>13%</td>
<td>20%</td>
</tr>
<tr>
<td>5-7 Years</td>
<td>22</td>
<td>36%</td>
<td>56%</td>
</tr>
<tr>
<td>7 Years and above</td>
<td>27</td>
<td>44%</td>
<td>100%</td>
</tr>
<tr>
<td>Total</td>
<td>61</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

The results show that 44% of the respondents have worked in the bank for a period of over 7 years, 36% of the respondents indicated that they have worked in the bank for a period of 5 to 7 years, 13% of the respondents said that they have worked in the bank for a period of 2 to 4 years, while 7% of the respondents indicated that they have worked in the bank for less than 2 years. The results indicate that 80% of the respondents have worked in the bank for more than 5 years and therefore they understand the influence of reward management practices on employee performance.

4.3.3 Respondents’ Education Level

The respondents were requested to indicate the highest level of education. The level of education was important in order to show if reward management can impact on the different level of employees in the organization. The results are presented in Figure 4.2.
Table 4.2 results on the level of education show that 61% of the respondents have attained bachelors’ level as their highest level of education, 18% of the respondents said that masters’ degree was their highest level of education, 20% of the respondents indicated that certificate/diploma level was their highest level of education while only one respondent indicating that he has a PHD which is 2% of the total sample population. The results indicate that the respondents had adequate level of education to understand the concept in the study.

4.3.4 Gender of the Respondents

The respondents were requested to indicate the gender of the respondents in order to ensure that the study was representative. The results are presented in Figure 4.3.
The results show that 61% of the respondents were male while 39% were female. The respondents were made up of more male than female. This is generally reflects the male–female gender components in the bank. Although the study was drawn from employment levels that favored male, the representation was fairer to accommodate the female gender a sign to show there was no biasness.

4.3.5 Age of Respondents

The respondents were asked to indicate their age bracket and the results are presented in Table 4.2.

<table>
<thead>
<tr>
<th>Years</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 20 Years</td>
<td>0</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>20-30 Years</td>
<td>8</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>31-40 Years</td>
<td>29</td>
<td>48%</td>
<td>61%</td>
</tr>
<tr>
<td>41-50 Years</td>
<td>21</td>
<td>34%</td>
<td>95%</td>
</tr>
<tr>
<td>Over 50 Years</td>
<td>3</td>
<td>5%</td>
<td>100%</td>
</tr>
<tr>
<td>Total</td>
<td>61</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>
The results on the respondents age bracket indicate that 48% of the respondents age bracket was between 31 and 40 years, 34% of the respondents indicated that their age bracket was 41 to 50 years, 13% of the respondents said that their age was less than 30 years while 5% of the respondents were over 50 years. There is no employee in the bank who is less than 20 years of age. The results indicate that 95% of the employees are below 50 years of age and they still have many years to retirement thus they need to work in institutions that would ensure that their interest is taken care off. All age groups are well represented in the study.

4.4 Reward Management Practices

Reward management is of great importance not only the organization but to also an individual employee in the organization. This is so because the organization will get the best from the employee because of high level of motivation and on the other hand the employee will be guaranteed that his future is secured. The respondents were requested to indicate the career reward management practices that have been undertaken in Kenya Post Office Savings Bank (POSTBANK) in a five point Likert scale. The range was ‘Strongly Disagree (1)’ to ‘Strongly Agree’ (5). The scores of strongly disagree have been taken to represent a variable which had mean score of 0 to 2.5 on the continuous Likert scale; (0 ≤ S.E <2.4). The scores of ‘moderate’ have been taken to represent a variable with a mean score of 2.5 to 3.4 on the continuous Likert scale: (2.5 ≤ M.E. <3.4) and the score of both agree and strongly have been taken to represent a variable which had a mean score of 3.5 to 5.0 on a continuous Likert scale; (3.5 ≤ L.E. <5.0). A standard deviation of >0.9 implies a there is significant difference on the impact of the variable among respondents.
4.4.1 Reward Strategy

Reward strategy is very important in ensuring that the employees are aware of what the organization plans for him or her in the near future and also makes them know that their contribution is acknowledged. It is as a result of these that the respondents were requested to indicate the how strongly they agree or disagree on whether the bank has adopted the reward strategy.

Table 4.3: Reward Strategy

<table>
<thead>
<tr>
<th>Reward Strategy</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a reward strategy in place which spells out the long term plans of the organization to develop and implement reward policies, practices and processes</td>
<td>2.2951</td>
<td>0.8749</td>
</tr>
<tr>
<td>There has been introduction of new grade and pay structure in the bank</td>
<td>2.2131</td>
<td>0.7707</td>
</tr>
<tr>
<td>Communication programmes designed to inform every one of the reward policies and practices of the organization;</td>
<td>2.3115</td>
<td>0.8597</td>
</tr>
<tr>
<td>The bank has introduced a formal recognition scheme for the employees</td>
<td>3.0328</td>
<td>1.1157</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>2.4631</strong></td>
<td><strong>0.9052</strong></td>
</tr>
</tbody>
</table>

From the findings in table 4.3 above, shows that the bank doesn’t have a proper reward strategy that spells out long term plans of the organization and doesn’t implement reward policies, practices and processes (M = 2.2951, SD = 0.8749). The bank is yet to introduce new grade and pay structure (M = 2.2131, SD = 0.7707. The bank employees are not aware of the reward policies and practices (M = 2.3115, SD = 0.8597). The bank however has a formal recognition scheme for the employees thought the feedback from the employees is divergent (M = 3.0328, SD = 1.1157). The first three aspects of the reward strategy (There is a reward strategy in place which spells out the long term plans of the organization to develop and implement
reward policies, practices and processes. There has been introduction of new grade and pay structure in the bank and Communication programmes designed to inform every one of the reward policies and practices of the organization) have a mean of <2.4 indicating that the respondents either disagreed or strongly disagreed with the aspects. The aspects also have insignificant standard deviations of <.9. The aspect of bank having a recognition scheme for the employees had a mean of 2.5-3.4 indicating the respondents moderately agreed with the aspect. The aspect also had a significant standard deviation of >.9. Therefore, this implies that the bank didn’t utilize the reward strategy as a reward management practice towards improving on employee performance.

4.4.2 Reward Policy

Reward policy guides the organization to ensure that employees on the same level are remunerated equally and guide the organization on scope of improving on rewards. It also set with an objective of achieving transparency. The reason why the study was carried out was to find out the extent to which the bank implements the policy. The results are presented in Table.
Table 4.4: Reward Policy

<table>
<thead>
<tr>
<th>Reward Policy</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organization has a reward policy in place that aims at achieving equal pay</td>
<td>2.3115</td>
<td>0.8597</td>
</tr>
<tr>
<td>The reward policy outlines the scope for the use of contingent rewards related to performance, competence, contribution or skill</td>
<td>2.3607</td>
<td>0.8458</td>
</tr>
<tr>
<td>The policy seeks to achieve transparency through the publication of information on reward structures and processes to employees</td>
<td>2.3607</td>
<td>0.8458</td>
</tr>
<tr>
<td>The reward policy of the organization has been made available to all employees for transparency purposes</td>
<td>2.2623</td>
<td>0.7221</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>2.3238</strong></td>
<td><strong>0.8183</strong></td>
</tr>
</tbody>
</table>

The results in table 4.4 above indicate that the bank doesn’t have adequate reward policy in place aiming to achieve equal pay (M = 2.3115, SD = 0.8597) and that the policy doesn’t outline the scope for the use of contingent rewards related to performance, competence, contribution or skill (M = 2.3607, SD = 0.8458). The respondents also didn’t agree to the fact there is a reward policy seeking to achieve transparency through the publication of information on rewards structures and process to employees (M = 2.3607, SD = 0.8458) and that the said rewards policy hasn’t been communicated to employees (M = 2.2623, SD = 0.7221). The analysis implies that Postbank has not adopted the reward policy as a reward management practice (Average mean 2.3238, Average standard deviation 0.8183). All the aspects had a mean of <2.4 indicating that the respondents either disagreed or strongly disagreed with the aspects. The aspects also had insignificant standard deviations of <.9. The findings imply that the bank has no reward policy in place for the employees.
4.4.3 Job Evaluation

Job Evaluation is of fundamental importance in reward management. It is a systematic process for defining the relative worth or size of jobs within an organization in order to establish internal relativities and provide the basis for designing an equitable grade structure and managing pay relativities. It is as a result of these that the respondents were requested to indicate the extent agreement on the existence of job evaluation in the bank.

Table 4.5: Job Evaluation

<table>
<thead>
<tr>
<th>Job Evaluation</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organization conducts job evaluation from time to time</td>
<td>2.4426</td>
<td>0.9839</td>
</tr>
<tr>
<td>The organization uses a ranking system when determining the overall value of jobs.</td>
<td>2.4754</td>
<td>0.9852</td>
</tr>
<tr>
<td>The organization uses job evaluation to determine the internal relativities of jobs</td>
<td>2.3607</td>
<td>0.7689</td>
</tr>
<tr>
<td>The organization uses the results of a job evaluation exercise to design an equitable pay structure</td>
<td>2.6122</td>
<td>0.9035</td>
</tr>
<tr>
<td>Average</td>
<td>2.4727</td>
<td>0.8854</td>
</tr>
</tbody>
</table>

From the results in Table 4.5 above the bank doesn’t not conduct job evaluation from time to time (M = 2.4426, SD = 0.9839) and that it doesn’t use the ranking system when determining the overall value of jobs (M = 2.4754, SD = 0.9852). The respondents further brought out the fact that the bank doesn’t use job evaluation to determine the internal relativities of jobs (M = 2.3607, SD = 0.7689). It was however interesting to note the somehow the minimal job evaluation that is being done is used to design an equitable pay (M = 2.6122, SD = 0.9035), though the feedback is not a strongly agreed. In overall job evaluation hasn’t been used as reward management.
tool in the bank (Average M = 2.4727, Average SD = 0.8854). Three aspects of job evaluation (the organization conducts job evaluation from time to time, the organization uses a ranking system when determining the overall value of jobs, the organization uses the results of a job evaluation exercise to design an equitable pay structure) had a mean <2.5 indicating the respondents either disagreed or strongly disagreed with the aspects. The aspects also had significant standard deviations of >0.9. The organization uses job evaluation to determine the internal relativities of jobs had a mean <2.5 indicating that the respondents either disagreed or strongly disagreed with the aspect. It also had an insignificant standard deviation of <0.9. The findings imply that the bank didn’t conduct job evaluation from time to time, the bank didn’t use job evaluation to determine the internal relativities of jobs and the bank did not use a ranking system when determining the overall value of jobs. Despite to those aspects, the findings imply that the bank used the results of the job evaluation exercise to design an equitable pay structure moderately.

4.4.4 Grade/Pay Structure

Grade/pay structure reward system is a reward management practice which comes up with different pay schemes for different professions in the same organization. This study sought to find out if the bank has a Grade/pay structure and questions on the same were presented and results from the respondents summarized below.
Table 4.6: Grade/Pay Structure

<table>
<thead>
<tr>
<th>Grade/Pay Structure</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a grade and pay structure in the organization that is available to all</td>
<td>3.5410</td>
<td>1.1815</td>
</tr>
<tr>
<td>employees for transparency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The organization uses job evaluation to generate the internal work hierarchy so</td>
<td>3.5082</td>
<td>1.2755</td>
</tr>
<tr>
<td>as to that pay is awarded fairly</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The pay structures in the organization allows for pay progression within pay</td>
<td>3.7213</td>
<td>1.0422</td>
</tr>
<tr>
<td>brackets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The organization uses salary survey reports to ensure the pay structures are</td>
<td>3.1311</td>
<td>1.1801</td>
</tr>
<tr>
<td>competitive externally</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3.4754</td>
<td>1.1698</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From Table 4.6 above it can be concluded the bank uses salary surveys to ensure pay structures are competitive (M = 3.1311, SD = 1.1698) and the pay structures set allows for pay progression within the pay brackets (M = 3.7213, SD = 1.0422). The study further shows that Postbank have made the structure available to all employees for transparency with respondents agreeing to this with a mean of (M = 3.5410, SD = 1.1815). Respondents were also in agreement that job the bank uses evaluation to generate the internal work hierarchy so as to that pay is awarded fairly (M = 3.5082, SD = 1.2755). Three aspects (there is a grade and pay structure in the organization that is available to all employees for transparency, the organization uses job evaluation to generate the internal work hierarchy so as to that pay is awarded fairly, the pay structures in the organization allows for pay progression within pay brackets) had a mean of >3.5 indicating that the respondents either agreed or strongly agreed with the aspects. The organization uses salary survey reports to ensure the pay structures are competitive externally had a mean of 2.5-3.4 indicating that the respondents moderately agreed. However as much as the respondents are in
agreement that the Grade/pay structure exists there was divergent views as the
standard deviation was >0.9. The analysis implies that there is a pay structure in the
bank that is available to all employees for transparency, the bank uses job evaluation
to generate the internal work hierarchy so as to award the pay fairly and the pay
structures in the bank allows for pay progression within the pay brackets. The bank
also uses salary survey reports to ensure the pay structures are competitive externally
to a moderate extent. It can therefore be inferred that the bank effectively use
grade/pay structure as a reward management practice.

4.4.5 Salary Survey

Salary survey is a reward management practice that employers use in order to
determine the price of the benchmark jobs also based on a formal or informal survey
of what comparable firms are paying for similar jobs. The study was aimed finding
out if salary survey has been adopted by the bank. Feedback was collected from the
respondents and results summarized below.

Table 4.7: Salary Survey

<table>
<thead>
<tr>
<th>Salary Survey</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organization conducts market analysis or salary surveys to ensure salary levels are competitive</td>
<td>2.4918</td>
<td>0.8612</td>
</tr>
<tr>
<td>The organization uses the salary surveys conducted to determine pay levels for specific job categories</td>
<td>2.4754</td>
<td>0.8417</td>
</tr>
<tr>
<td>The organization uses the salary survey results as benchmarking information for comparing salaries and benefits with other banks</td>
<td>2.6066</td>
<td>0.7950</td>
</tr>
<tr>
<td>Average</td>
<td>2.5246</td>
<td>0.8327</td>
</tr>
</tbody>
</table>
From Table 4.7 above show that respondents disagreed to that fact that the bank conducts market analysis or salary surveys to ensure salary levels are competitive (M = 2.4918, SD = 0.8612) and to the fact the salary survey is used to determine the pay levels for specific job categories (M = 2.4754, SD = 0.8417). The two aspects had a mean <2.5 and an insignificant standard deviations of <.9. The respondents moderately agreed to the fact that the bank used salary survey results as benchmarking for comparing salaries and benefits with other banks (Mean 2.6066, standard deviation 0.7950). The mean was >2.5 and had all the aspects had an insignificant standard deviation of <0.9. The analysis implies that the bank didn’t conduct market analysis or salary surveys to ensure salary levels were competitive as well as the bank didn’t use salary surveys to determine the pay levels for specific job categories. The banks also used salary survey results as benchmarking for comparing salaries and benefits with other banks to a moderate extent. Generally the feedback from the respondents show that salary survey was moderately used (Average M = 2.5246, SD = 0.8327). From the study it can be inferred that the bank has adopted some of the components of salary survey as a reward management practice

4.4.6 Total Reward

Total rewards are all the tools available to the employer that may be used to attract, motivate and retain employees. Total rewards include everything the employee perceives to be of value resulting from the employment relationship. The respondents were requested to indicate whether the tools are available in the bank. The results are presented in Table 4.8
From Table 4.8 shows that the respondents agree that the bank pay given is enough and appropriate, (M = 2.6885, SD = 0.7584), the bank gives staff annual financial bonus based on individual performance (M = 4.1639, SD = 0.8904) and that the employees are guaranteed of their pension pay (M = 4.5246, SD = 0.9514). The respondents also agreed that the bank recognizes high achievers and excellent performers (M = 4.1639, SD = 0.8904) and that the employees are allowed to participate in decision making process (M = 3.0000, SD = 1.0864). The overall response show that total reward has been adopted (Average M 3.4857, Average SD. 0.9147). Three aspects of total reward (employees are given enough and appropriate salary, employees are sponsored in professional courses like ACCA, CPA, CIPS, CIMA among others, the company allows its staff to participate in decision making process in the company and some employees are sponsored for further studies like masters) had a mean of 2.5-3.4 indicating that the respondents agreed to a moderate
extent. Four aspects (The Company gives staff annual financial bonus based on individual performance, employees are assured of their pension pay, employees are privileged to access loans through the company arrangements, the company recognizes high achievers and excellent performers of the company) had a mean of >3.5 indicating that the respondents agreed with the aspects. Study findings imply that employees are given enough and appropriate salary, employees are sponsored in professional courses, the bank allows its staff to participate in decision making process and some employees are sponsored for further studies like masters; all to a moderate extent. The analysis implies that Postbank gave staff annual financial bonuses based on individual performance, employees were assured of their pension pay, employees were privileged to access loans through the company arrangements and the bank recognized high achievers and excellent performers of the company. Therefore it can be concluded that the bank is effectively using total reward as a reward management practice

4.5 Employee Performance

Performance can be said to be the effectiveness and efficiency to which employees of a given organization carry out their day to day duties in order to meet the management and customer expectations. The study was aimed examining the relationship between reward management practices and employee performance. From the study of reward management practices above Postbank have adopted the reward management practices and this section is to examine its impact on employee performance. Various indicators of employee performance were tested under the study and the following are their means and standard deviations. Results are presented in Table 4.9
Table 4.9: Employee Performance

<table>
<thead>
<tr>
<th>Employee Performance</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serve diligently</td>
<td>2.4918</td>
<td>0.8420</td>
</tr>
<tr>
<td>Serve with the needed speed</td>
<td>2.5902</td>
<td>0.7762</td>
</tr>
<tr>
<td>Are sensitive to customer requirements</td>
<td>2.5574</td>
<td>0.8967</td>
</tr>
<tr>
<td>Are understanding</td>
<td>2.4754</td>
<td>0.8417</td>
</tr>
<tr>
<td>Serve with fairness and justice</td>
<td>2.3115</td>
<td>0.8597</td>
</tr>
<tr>
<td>Have team work</td>
<td>2.6393</td>
<td>1.0563</td>
</tr>
<tr>
<td>Meet the desired targets</td>
<td>2.2951</td>
<td>0.8749</td>
</tr>
<tr>
<td>Serve with a human face</td>
<td>2.5902</td>
<td>0.7762</td>
</tr>
<tr>
<td>Respond adequately to challenges faced by customers</td>
<td>2.4754</td>
<td>0.8417</td>
</tr>
<tr>
<td>Maintain high professionalism</td>
<td>2.4098</td>
<td>0.8940</td>
</tr>
<tr>
<td>Maintain decorum and etiquette at all times</td>
<td>2.4590</td>
<td>0.9157</td>
</tr>
</tbody>
</table>

**Average** | **2.4814** | **0.8705**

Table 4.9 shows that the respondents moderately agreed that the employees have team work (M = 2.6393, SD = 1.0563), serve with human face (M = 2.5902, SD = 0.7762), serve with needed speed (M = 2.5902, SD = 0.7762) and are sensitive to customer requirements (M = 2.5574, SD = 0.8967). From the feedback from respondents employees are not understanding (M = 2.4754, SD = 0.8417), employees don’t serve diligently (M = 2.4918, SD = 0.8420), employees don’t respond adequately to challenges faced by customers (M = 2.4754, SD = 0.8417), don’t maintain high professionalism (M = 2.4098, SD = 0.8940), don’t maintain decorum and etiquette at all times (M = 2.4590, SD = 0.9157) and that employees don’t serve with fairness and justice (M = 2.3115, SD = 0.8597). The analysis indicates that the employees perform well with special focus service with needed speed, sensitivity to customer requirement, have team work and serve with human face. However performance in
very low in regard to serving diligently, understanding customers, serving with fairness and justice, meeting desired targets, responding adequately to challenges faced by customers, maintaining high professionalism and maintains decorum and etiquette at all time. It can be inferred that the employee performance has been affected by the lack of proper use of reward management practices.

4.6 Inferential Analysis

4.6.1 Multiple Regression

Table 4.10: Multiple regression

<table>
<thead>
<tr>
<th>Model Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Reward Strategy, Reward Policy, Job Evaluation, Grade/Pay Structure, Salary Survey, Total Reward

The study carried out a multiple regression to know the relationship between reward management practices and employee performance of Post Bank. The results as indicated in table 4.10 show that r coefficient was 0.894 implying there was a strong positive correlation between reward management practices and employee performance, and 88.5% of performance can be explained by reward management.
4.6.2 Correlation

Table 4.11: Correlation

<table>
<thead>
<tr>
<th>Item</th>
<th>Multiple R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Standard Error</th>
<th>Significance F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reward Strategy</td>
<td>0.676</td>
<td>0.457</td>
<td>0.276</td>
<td>8.905</td>
<td>0.210</td>
</tr>
<tr>
<td>Reward Policy</td>
<td>0.665</td>
<td>0.446</td>
<td>0.257</td>
<td>9.023</td>
<td>0.220</td>
</tr>
<tr>
<td>Job Evaluation</td>
<td>0.980</td>
<td>0.960</td>
<td>0.947</td>
<td>2.415</td>
<td>0.003</td>
</tr>
<tr>
<td>Grade/Pay structure</td>
<td>0.639</td>
<td>0.408</td>
<td>0.210</td>
<td>9.300</td>
<td>0.246</td>
</tr>
<tr>
<td>Salary Survey</td>
<td>0.976</td>
<td>0.952</td>
<td>0.936</td>
<td>2.656</td>
<td>0.005</td>
</tr>
<tr>
<td>Total Reward</td>
<td>0.993</td>
<td>0.986</td>
<td>0.982</td>
<td>1.419</td>
<td>0.001</td>
</tr>
<tr>
<td>Reward Management Practices</td>
<td>0.894</td>
<td>0.799</td>
<td>0.732</td>
<td>5.418</td>
<td>0.041</td>
</tr>
</tbody>
</table>

Results from Table 5.1 indicate the individual correlations of the reward management practices against employee performance. The Pearson correlation coefficient test resulted to the tabled results. All the independent variables had a positive correlation coefficient against the dependent variable. Reward strategy (.676), reward policy (.665), job evaluation (.979), grade/pay structure (.638), salary survey (.975) and total reward (.993) had a positive and significant relationship with employee performance. All the variables had a p-value of less than 0.05 indicating they were statistically significant. Therefore we can conclude that there is a positive relationship between reward management practices and employee performance in Post Bank.

4.7 Discussion

The objective of the study was to determine the relationship between reward management practices and employee performance at the Kenya Post Office Savings Bank (Postbank) and the findings of the study are as discussed below.

The study shows that there are two items that the bank has concentrated on in their reward management that is Grade/Pay Structure which is showing a relatively low
correlation with employee performance and total reward which is a relatively high correlation with employee performance. The same assertion was made by Phillips and Fox (2003) who indicated that for employee performance to be optimum, the reward management practices must be blended in line with the magnitude of their effect on employee performance thus practices with the highest effect on employee performance should be given higher priority for the performance to be optimum. This clearly coincided with the findings on employee performance which is still not optimum in the bank due to the order of priorities given to the reward management practices. This therefore implies as much as Grade/pay structure is in place it has not helped the bank to optimize employee performance. The Total reward seems to be influencing the performance of the employees.

The finding of the study show that the bank have weak documentation of reward policy which is and is not effectively used as a reward management practice, whereas there is a positive correlation between reward policy and employee performance is in line with the study by Chen & Hsieh (2006) who also found a high correlation between reward policy and employee performance across different industries in India. This implies that the relationship is universal across industries and across different geographical settings. Despite of the non-existence of proper reward policy the correlation between reward policy and employee performance in the bank is a positive indication that it can be used to turn around employee performance.

It can also be seen that true to the argument advanced by Amos et al (2004) that reward strategy has a high correlation to employee performance, the study found that strategic reward moderate correlation to employee performance. The study however found out that the bank didn’t utilize the reward strategy as a reward management practice.
The study found out that the bank has job groups in place and bank has adopted some of the components of salary survey which is being used to determine pay levels for specific job categories and also for benchmarking with the industry. The study also found out that there is positive correlation with employee performance. This is in line with study carried out by Ojiambo (2012) who drew the illustration from the civil service and advanced that spreading of employees into job groups and that have wide differences in reward, as well as having similar rewards for employees in the same departments and those in the same job group was good for employee performance.

The study also shows the bank used the results of the job evaluation exercise to design an equitable pay structure moderately and this has a high correlation to employee performance. The bank conducts job evaluation from time to time and uses the results of a job evaluation exercise to design an equitable pay structure. This was advanced as a response to Bloom’s (1999) criticism of equal pay policy as a factor that would discourage performance by more skilled or experienced employees their increased productivity would not be seen to result into increased reward. This then led Pierce et al (2004) to advance for contingent pay which will give the incremental reward for special kinds of jobs and increased skills and experience.

The analysis indicates that the employees perform well with special focus service with needed speed, sensitivity to customer requirement, have team work and serve with human face. However performance in very low in regard to serving diligently, understanding customers, serving with fairness and justice, meeting desired targets, responding adequately to challenges faced by customers, maintaining high professionalism and maintains decorum and etiquette at all time. It can be inferred
that the employee performance has been affected by the lack of proper use of reward
management practices. These are the spectrums given by Bohnstedt & Larsen (2008)
as measures of employee performance.

Both inferential analyses used that is multiple regression and correlation show that
there is a positive relationship with the reward management practices that were being
tested and the employee performance. These results are in line with the theory
advanced by Porter and Lawler, (1973) that the expectation of the organization of an
output by the employee equal to the reward given. This theory thus explains the
delicate balance relationship between reward management and employee performance
as seen where each depends on the other such that performance depends on reward
while at the same time reward depends on performance. This theory is supported
Ahmad et al, (2010) who concluded that reward management practices have a direct
relationship with employee performance.
CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter deals with the summary of the findings as indicated in chapter four and providing an exploratory discussion of the findings in relation to the literature review. This is followed by recommendations and suggestions for further study.

5.2 Summary of the Findings

The respondents used in the study were of the required designations, had sufficient academic qualifications and had served in the bank long enough to have sufficient information relating to the banks reward management practices as well as the employee performance in the bank. The responses given were thus sufficient and study valid.

The study sought to determine the relationship between reward management practices and employee performance of Post Bank. The study first sought the existence of the reward management practices in the bank. The study used a five-point Likert Scale to identify the practices. Below is a summary of the objective. The bank was found not utilizing the reward strategy as a reward management practice. The study also found out that most of the aspects tested under reward policy were not utilized.

Another practice tested under the study was job evaluation and the findings implied that the bank didn’t conduct job evaluation from time to time, the bank didn’t use job evaluation to determine the internal relativities of jobs and the bank did not use a ranking system when determining the overall value of jobs. Despite to those aspects,
the findings also found out that the bank used the results of the job evaluation exercise to design an equitable pay structure moderately.

On testing the grade/pay structure aspects, the findings found out that there was a pay structure in the bank that is available to all employees for transparency, the bank used job evaluation to generate the internal work hierarchy so as to award the pay fairly and the pay structures in the bank allows for pay progression within the pay brackets. The bank also used salary survey reports to ensure the pay structures are competitive externally to a moderate extent. It can therefore be inferred that the bank effectively used grade/pay structure as a reward management practice.

Looking on the salary survey as a reward practice that was also tested under the study, findings reveal that the bank didn’t conduct market analysis or salary surveys to ensure salary levels were competitive as well as the bank didn’t use salary surveys to determine the pay levels for specific job categories. The banks also used salary survey results as benchmarking for comparing salaries and benefits with other banks to a moderate extent. From the study it can be inferred that the bank has moderately adopted some of the components of salary survey as a reward management practice.

Another reward management practice in use is total reward although not all the total reward tools are used adequately. The bank has ensured that its employees are paid appropriate salary, assured of pension, annual performance based bonus are given and are privileged to access loans through the bank arrangements. The bank involves its employees in decision making and recognizes high achievers and excellent performers. The total reward tool which the bank has however neglected is employee sponsorship for professional courses and further studies. The partial implementation of the tool might not bring desired results. Therefore it can be concluded that the bank
is effectively using total reward as a reward management practice as it scored more than 3.4 on the Likert scale.

The study also went ahead to give the order of priority given by the bank on the reward management practices basing on the rate to which each practice is applied. It found out that implies that the bank use total reward, grade/pay structure, salary survey, job evaluation, reward strategy and reward policy in that order of priority.

The analysis on employee performance indicated that the employees perform well with special focus working as a team, service with the needed speed, service with a human face and being sensitive to customer requirements. It is however also seen that the employees do not serve diligently, are not understanding, don’t respond adequately to challenges faced by customers, do not maintain decorum and etiquette at all time, don’t maintain high professionalism, don’t serve with fairness and justice and don’t meet the desired targets. This shows that the employee performance is really low as only three indicators of performance were seen to pass the test. When correlated with the reward management practices in place it can be inferred that the lack or partial implementation of the same has led to such dismal performance of the employees in the bank. The reward management practices were found to have a positive relationship with employee performance in Post Bank.

The inferential analysis carried out show that all management practices that there under test show correlations ranging from low, moderate to high meaning that there were positive correlations. Despite that fact that bank was partially adopting some of these practices, there was positive correlation meaning that if the bank fully adopts that practices it can realize improved employee performance
5.3 Conclusion

Partial implementation or lack of reward management is hereby seen to have affected on employee performance negatively. It can be concluded that reward management to have a high effect on employee performance such that the more efficiently an organization manages it rewards, the better the employees will perform. However, this should not be used in isolation as some reward management practices may not be financially viable on the long term if not complemented with other human resource practices such as job enrichment, organizational restructuring and job redesign. Reward management practices were found to have a positive correlation with employee performance in post Bank with a r-coefficient of .894.

5.4 Recommendations

The bank should adjust their reward policy to ensure that the job grade and pay is clearly spelt out showing the remuneration for each grade. The reward policy should have been communicated to staff and made it available to them anytime for transparency as lack of the same leads to lack of motivation among the employees. The bank should also embrace salary surveys as it will guide them in setting salaries which are competitive and guide them in coming up with job groups. The job groups should be arranged in a hierarchal structure form the lowest to the highest job group and rewards pegged on the job groups. Employees should also have their job groups indicated on their letters and pay slips to make them understand the differences in their rewards. This would ensure the employees are keen on promotion to the next job group to attain higher reward. If this is then pegged on performance, the employee performance will improve. The change in practice should also involve the reorganization their use of reward strategy to have rewards for meeting each strategic
objective as well as cumulative rewards for meeting a series of objectives. This would therefore encourage the employees to perform better in a unified direction in order to meet the strategic objectives.

5. 5 Recommendations for Further Study

Based on the research findings the following studies are recommended to be conducted.

A study needs to be conducted to establish the combination of various strategies that would optimize employee performance especially the proportion to which the techniques are to be used. This is because the study has realized that optimal employee performance depends on systematic and harmonized use of a number of techniques such as reward management, on the job training as well as other HR practices related to employee performance. Such a study should thus come up with the desirable mix of all the techniques for optimum employee performance.

Secondly a study needs to be carried out on employee attrition in the banking industry. With an objective of finding out where the employees are going to and what are some of the reasons why they are leaving the industry. Finally, a study should also be conducted to determine the effect of reward management on other aspects of employee behavior such as organizational commitment.
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APPENDIX 1

QUESTIONNAIRE

Instructions
In each question, Please tick or mark with x the number in the provided options which you think is the rightful answer in your own opinion.

SECTION A: RESPONDENTS’ BIO DATA

In which category do you fall?
1. Top Manager ( )
2. Middle ( )
3. Lower ( )

For how long have you been working in this company?
1. Less than 2 years ( )
2. 2-4 years ( )
3. 5-7 years ( )
4. 7 years and above ( )

Education level
1. Diploma ( )
2. Bachelors ( )
3. Masters degree ( )
4. PhD ( )
5. Others specify……………………

Gender of respondent
1. Male ( )
2. Female ( )
Age of respondents
1. Below 20 years ( )
2. 20-30 ( )
3. 31-40 ( )
4. 41-50 ( )
5. over 50years

SECTION B: REWARD MANAGEMENT PRACTICES

REWARD STRATEGY

For each the following questions please tick the number of your choice

KEY

1. Strongly Disagree (SD)
2. Disagree (D)
3. Not sure (NS)
4. Agree (A)
5. Strongly Agree (SA)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reward Strategy</td>
<td>SD</td>
</tr>
<tr>
<td>1 There is a reward strategy in place which spells out the long term plans</td>
<td>D</td>
</tr>
<tr>
<td>of the organization to develop and implement reward policies, practices</td>
<td>NS</td>
</tr>
<tr>
<td>and processes</td>
<td>A</td>
</tr>
<tr>
<td>2 There has been introduction of new grade and pay structure in the bank</td>
<td>SA</td>
</tr>
<tr>
<td>3 Communication programmes designed to inform everyone of the reward</td>
<td></td>
</tr>
<tr>
<td>policies and practices of the organization;</td>
<td></td>
</tr>
<tr>
<td>4 The bank has introduced a formal recognition scheme for the employees</td>
<td></td>
</tr>
<tr>
<td><strong>Reward Policy</strong></td>
<td></td>
</tr>
<tr>
<td>---------------------------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>1</td>
<td>The organization has a reward policy in place that aims at achieving equal pay</td>
</tr>
<tr>
<td>2</td>
<td>The reward policy outlines the scope for the use of contingent rewards related to performance, competence, contribution or skill</td>
</tr>
<tr>
<td>3</td>
<td>The policy seeks to achieve transparency through the publication of information on reward structures and processes to employees</td>
</tr>
<tr>
<td>4</td>
<td>The reward policy of the organization has been made available to all employees for transparency purposes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Job Evaluation</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The organization conducts job evaluation from time to time</td>
</tr>
<tr>
<td>2</td>
<td>The organization uses a ranking system when determining the overall value of jobs.</td>
</tr>
<tr>
<td>3</td>
<td>The organization uses job evaluation to determine the internal relativities of jobs</td>
</tr>
<tr>
<td>4</td>
<td>The organization uses the results of a job evaluation exercise to design an equitable pay structure</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Grade/Pay Structure</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>There is a grade and pay structure in the organization that is available to all employees for transparency</td>
</tr>
<tr>
<td>2</td>
<td>The organization uses job evaluation to generate the internal work hierarchy so as to that pay is awarded fairly</td>
</tr>
<tr>
<td>3</td>
<td>The pay structures in the organization allows for pay progression within pay brackets</td>
</tr>
<tr>
<td>4</td>
<td>The organization uses salary survey reports to ensure the pay structures are competitive externally</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Salary Survey</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The organization conducts market analysis or salary surveys to ensure salary levels are competitive</td>
</tr>
<tr>
<td>2</td>
<td>The organization uses the salary surveys conducted to determine pay levels for specific job categories</td>
</tr>
<tr>
<td>3</td>
<td>The organization uses the salary survey results as benchmarking information for comparing salaries and benefits with other banks</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Total Reward</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Employees are given enough and appropriate salary</td>
</tr>
<tr>
<td>2</td>
<td>The company gives staff annual financial bonus based on individual performance</td>
</tr>
<tr>
<td>3</td>
<td>Employees are assured of their pension pay</td>
</tr>
</tbody>
</table>
SECTION C: EMPLOYEE PERFORMANCE

For the following questions please tick the number of your choice

KEY

1. Strongly Disagree (SD)
2. Disagree (D)
3. Not sure (NS)
4. Agree (A)
5. Strongly Agree (SA)

Give your view on the following statement about employees in your bank?

<table>
<thead>
<tr>
<th>Statement</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees in my organization;</td>
<td></td>
</tr>
<tr>
<td>1. Serve diligently</td>
<td></td>
</tr>
<tr>
<td>Serve with the needed speed</td>
<td></td>
</tr>
<tr>
<td>3. Are sensitive to customer requirements</td>
<td></td>
</tr>
<tr>
<td>4. Are understanding</td>
<td></td>
</tr>
<tr>
<td>5. Serve with fairness and justice</td>
<td></td>
</tr>
<tr>
<td>6. Have team work</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>7.</td>
<td>Meet the desired targets</td>
</tr>
<tr>
<td>8.</td>
<td>Serve with a human face</td>
</tr>
<tr>
<td>9.</td>
<td>Respond adequately to challenges faced by customers</td>
</tr>
<tr>
<td>10.</td>
<td>Maintain high professionalism</td>
</tr>
<tr>
<td>11.</td>
<td>Maintain decorum and etiquette at all times</td>
</tr>
</tbody>
</table>