

**THE RELATIONSHIP BETWEEN REWARD SYSTEM AND  
EMPLOYEE MOTIVATION IN CIVIL SERVICE EMPLOYEES IN  
KENYA GOVERNMENT MINISTRIES**

**BY**

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**A MANAGEMENT RESEARCH PROJECT SUBMITTED IN  
PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE  
AWARD OF THE DEGREE OF MASTERS OF BUSINESS  
ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF  
NAIROBI**

**SEPTEMBER, 2011**

## DECLARATION

### STUDENT'S DECLARATION

I declare that this project is my original work and has never been submitted for a degree in any other university or college for examination/academic purposes.

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### SUPERVISOR'S DECLARATION

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

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## **DEDICATION**

This study is dedicated to my mother Mrs. Hellen Njoroge, my brother Paul Njoroge, my brother John Karanja and my sister Benadatte Wairimu for their love, guidance and support to me. God bless you all.

## ACKNOWLEDGEMENTS

I take this opportunity to give thanks to the Almighty God for seeing me through the completion of this project.

The work of carrying out this investigation needed adequate preparation and therefore called for collective responsibility of many personalities. The production of this research document has been made possible by invaluable support of many people. While it is not possible to name all of them, recognition has been given to a few. I am greatly indebted to my supervisor for his professional guidance, advice and unlimited patience in reading through my drafts and suggesting workable alternatives, my profound appreciation to you.

Thank you all. May the Almighty God bless you abundantly.

## ABSTRACT

Rewarding good performance is a challenging task. Yet it is one which is necessary to support improvements in performance sought through the strategic management initiative. Rewards are intended to align employees with organizational strategy by providing incentives for employees to act in the firm's interest and perform well over time. To achieve desired goals, reward systems should be closely aligned to organizational strategies. Much of the research systems find its basis in the work of Maslow, who developed the needs-hierarchy theory. Other research has shown that the impact of rewards varies from individual to individual, and that some individuals respond more to extrinsic rewards, whilst others respond better to intrinsic rewards.

The purpose of the study is to establish the type of reward systems adopted in the Kenyan government ministries and to determine the relationship between reward system and civil service motivation in the government ministries. This was a descriptive survey. The target population of this study was 43 human resource management in the government Ministries. The research was conducted as census. The study used primary data collected using self administered questionnaires to carry out the study. Analysis was done quantitatively and qualitatively by use of descriptive statistics.

From the findings the study concludes that the ministries use non-monetary rewards, monetary rewards and performance contingent rewards. The study deduced that the ministries use better performance appraisals, training, enhanced job security, salary increment and promotion which are fairly applied to all employees. The study also concludes that rewards affect motivation of employee and hence the performance of the ministries and foster co-operation within a ministry hence improved performance. It also revealed that the ministries use social rewards, internal equity, individual equity and external equity all of which have a great effect on employee motivation. The study recommends that in order to enhance employees motivation, the ministries need to adopt the use of job-contingent rewards, person-contingent rewards, recognition from management, awards, fringe benefits and bonuses on the civil servants. The management should come up with a clear cut reward system that ensures that all employees are rewarded appropriately. This will go a long way in enhancing their motivation making them stick in the ministries and they will also be proud to tell others that they work for their organization.

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# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the Study

The success of any organization depends on the ability of managers to provide a motivating environment for its employees. Motivated employees are more productive, happier, and stay with the organization longer. By understanding employee needs, managers can understand what rewards to use to motivate them. Reward systems and recognition are consistently acknowledged by organizations and managers as an important element in motivating individual employees (Armstrong and Murlis, 2007). Rewards are also used as a bait to attract and retain skilled employees. Indeed it is very expensive to recruit in terms of cost and time involved. It is the interest of the Companies to ensure very low turnover if any for consistency in performance and confidence to the customers. Reward systems are one of the loudest and clearest ways leaders of an organization can send a message about what they consider important. A great deal of the way people behave is influenced by the way they are measured and rewarded (Kasser, 2002).

Traditionally most reward and recognition programmes were vague and often given in response to a manager's perception of when an employee performed exceptionally well (Attwood, 2006). There were usually no set standards by which exceptional performance could be measured, and it could have meant anything from having a good attitude, assisting another department, or being consistently punctual. In current organizational settings this is no longer the case, as organizations understand the great gains derived by linking rewards, job satisfaction, motivation and performance to their business strategy (Blyth, 2008).

To achieve desired goals, reward systems should be closely aligned to organizational strategies (Allen and Helms 2002). Many types of rewards and recognition have direct costs associated with them, such as cash bonuses and stock awards, and a wide variety of company-paid perks, like car allowances, paid parking, and gift certificates. Other types of rewards and recognition may be less tangible, but still very effective. These non-

monetary rewards include formal and informal acknowledgement, assignment of more enjoyable job duties, opportunities for training, and an increased role in decision-making (Perry, Mesch and Paarlberg, 2006).

### **1.1.1 Reward Systems**

Employee reward systems refer to programs set up by a company to reward performance and motivate employees on individual and/or group levels (Brown and Perkins, 2007). They are normally considered separate from salary but may be monetary in nature or otherwise have a cost to the company. Numerous rewards systems operate within organizations, often used as a key management tool that can contribute to a firm's effectiveness by influencing individual and group behavior (Childs and Suff, 2005). Compensation systems also deliver other objectives such as legal compliance, labour cost control, perceived fairness towards employees and the enhancement of employee performance to achieve high levels of productivity and customer satisfaction. The design of these systems may include pay for individual performance, pay for individual development, rewards based on the performance of small groups or teams and finally rewards based on division or organizational performance (Stajkovic and Luthans, 2003). The structure and allocation of rewards may affect the motivation of individual team members, and the inclusion of rewards is central to many models of work group effectiveness.

Just like other employees, public organizations employees are motivated by both intrinsic and extrinsic rewards. Therefore, for any reward system to be effective it must incorporate both sources of motivation especially given that all reward systems are designed to attract, retain and motivate workers. Traditional reward systems have been dominated by base payments determined by specific jobs, the need to maintain equity among employees, and the need to pay salaries and wages that are competitive in the marketplace. Under this system, individual employees were paid according to the skills they brought to the job and not encouraged or rewarded for flexibility, judgment or working with others. Some have argued that these reward sys

tems, based on traditional, bureaucratic models of organization have been overtaken by new organizational structures and work processes such as teamwork (Cameron and Pierce, 2000). These traditional reward systems are based on the principles of scientific management, which emphasize a functional division of labor, hierarchical differentiation in authority and direct standardization of work routines. Often, these types of reward system do not reward and reinforce the kinds of behaviors required by teamwork. As such, there may be an incongruency between traditional reward systems and the requirements of emerging forms of organizations (Lawler, 1992), such as the lean model (Kuo and Chen, 2004).

In contrast with such individual reward systems, team-based rewards comprise systems in which a portion of individual pay is contingent on measurable group performance. Individual-based rewards, on the other hand, include incentive plans such as individual performance-related pay. Arguments for adopting team-based rewards include supporting team-based structures, fostering co-operation among team members, promoting team productivity and overcoming limitations of larger group-based plans such as gain sharing (Diener and Biswas-Diener, 2002). Lachance (2000) suggests that one of the most important factors to consider in designing pay systems for teams and work groups is the degree of task interdependence. That is, to what extent they are pooled (members work generally independently but combine their output), sequential (members perform tasks in a predetermined serial order), or reciprocal (doing the task requires a high level of interaction). He maintains that pooled interdependence calls for pay based on individual productivity, whereas sequential interdependence lends itself to team bonuses as a percentage of base pay (because base pay can reflect the differences in skill levels involved in the process).

### **1.1.2 Employee Motivation**

Motivation has become critical to the success of all companies, large and small, regardless of industry (Barnard, 1998). The more effectively a firm manages its human resources, the more successful the firm is likely to be. Motivating staff is one of the greatest challenges facing managers in developing countries, especially in Kenya.

Although it is not possible directly to motivate others, it is nonetheless important to know how to influence what others are motivated to do, with the overall aim of having employees identify their own welfare with that of the organization.

Motivation is an employee's intrinsic enthusiasm about and drive to accomplish activities at work. Employee motivation describes an employee's intrinsic enthusiasm about and drive to accomplish work (Furnham, 2004). Employee motivation has become a critical issue for most public sector managers whose foremost function is to achieve high level employee performance and productivity. It's pertinent that public entities employ the most effective motivational techniques while considering that different motivational techniques work for different employees.

Motivation refers to forces that energize, direct and sustain a person's efforts (Kasser and Ahuvia, 2002). If employees have everything they need to perform well, they will be able to do the job, however, they must be willing and this is where the question of motivation enters the picture. Perspectives are willing to work hard if they see reasons to do so, and believe that their efforts will pay off. Motivation is inferred in terms of behavioural changes brought in by internal or external stimuli. In this case, those stimuli are deduced with respect to the knowledge work environment. Additionally, an individual's motivation may change based upon certain factors.

The motivation that attracts, retains, and engages younger employees, who are the potential source of newer and untapped knowledge (Zigon, 1998), is quite different from that of their predecessor generations. Thus, what motivates the new employees is quite different from what motivated the generation before them. Some of these differences have already been documented.

### **1.1.3 Relationship between Employee Motivation and Reward Systems**

Tying awards to performance targets can be especially powerful in the context of a team system. Recognizing teams for achieving specific targets or goals can do a great deal to energize employees and promote collaboration within the work unit. For example, if a work unit can win a quality award for lowering its overall error rate to 1 percent over a

given period of time, then employees will be likely to help each other find ways to get their collective rate down to that level (Lynch and Black, 1996). They may even identify some creative systematic ways to do so. This would work the same for any kind of measurable performance target. The award can serve as a focus for celebrating the achievement of a common goal.

According to Deeprouse (1994), effective reward system enhances employee motivation and increases employee productivity all of which contribute to improved organizational performance. Baron (1983) argues that there is a close relationship between motivation and job performance. Strategic success for the organization lies in focusing attention at all levels on key business activities, which can be achieved through effective performance management.

#### **1.1.4 Civil Service Employees in Kenya Government Ministries**

A civil servant or public servant is a person in the public sector employed for a government department or agency (Mathur 2007). The term explicitly excludes the armed services, although civilian officials will work at Defence Ministry headquarters. The term always includes the (sovereign) state's employees; whether regional, or sub-state, or even municipal employees are called civil servants varies from country to country. Civil servants are public employees hired to provide services to the public by state, county, and municipal governments. The legislature provides the methods by which civil servants are selected and regulations governing the civil service (Van, 1958).

Civil service employees, often called civil servants or public employees, work in a variety of fields such as teaching, sanitation, HEALTH CARE, management, and administration for the federal, state, or local government. The Civil Service of Kenya has 20 Job Groups ranging from A to V. A being the lowest cadre, and V being the highest cadre. There are 43 ministries in the Government, and the number of employees employed in these ministries is about 100,000. Legislatures establish basic prerequisites for employment such as compliance with minimal age and educational requirements and residency laws. Employees enjoy job security, promotion and educational opportunities,

comprehensive medical insurance coverage, and Pension and other benefits often not provided in comparable positions in private employment. Unlike workers in private employment, civil service employees may be prohibited from certain acts that would compromise their position as servants of the government and the general public (White, 1995).

Civil service positions are often associated with a bureaucracy, which is characterized by a hierarchical authority structure, task specialization, and extensive rules. Bureaucracies are often regarded in a negative light due to perceived unresponsiveness to the public's needs (Schiesl, 2003). Critics of the civil service system allege that since civil servants must be fired for cause, they lack the incentive to provide the same level of service that employees who can be fired at will possess. Therefore, they may function in a bureaucratic matter and resist challenges to perform outside the scope of their defined duties.

## **1.2 Statement of the Problem**

Rewards are an important component of any effective performance management system. Rewarding good performance is a challenging task. Yet it is one which is necessary to support improvements in performance sought through the strategic management initiative (Blyth, 2008). Rewards are intended to align employees with organizational strategy by providing incentives for employees to act in the firm's interest and perform well over time. It is important to establish a reward strategy which clearly articulates the aims of the various reward elements, integrates them in a coherent way and tells employees what they can expect to receive and why. To achieve desired goals, reward systems should be closely aligned to organizational strategies. Much of the research systems find its basis in the work of Maslow, who developed the needs-hierarchy theory. Other research has shown that the impact of rewards varies from individual to individual, and that some individuals respond more to extrinsic rewards (Delery, 1998), whilst others respond better to intrinsic rewards (Diener and Biswas-Diener, 2002). Since employees expect that as their jobs change, so will their rewards, designing a reward system in a dynamic environment presents a major challenge to organizations.

The challenge of motivating civil service employees has long been recognized as an integral part of managing public organizations. Public organizations are not as profit driven as private enterprises, and therefore prefer using bonuses as their key financial-based reward technique as opposed to commissions. The greatest challenge faced by public organizations managers is the lack of flexibility in the public administration to reward employee performance using financial-based rewards. This is particularly because public institutions often operate on tight budgetary allocations and lack proper financial-based reward structures. Public officers find it difficult to use job promotions to reward workers due to bureaucracy and cronyism that is inherent in public organizations. Additionally, managers and supervisors in public positions find it difficult to financially reward best performers due to public ethics Act and other existing legislations whose provisions restrict financial rewards. This has resulted to high employee turnover to the private sector where there are better rewards.

Locally, studies on reward and impacts on performance and employee motivation have also been conducted. These includes Munyite's (2007) did a survey of the extent to which firms listed in the NSE link reward to performance and found that all firms have performance based rewards while Makongo (2001) conducted an investigation into the quality of information obtained from mail survey using personal cash rewards and contributions to charity as a way of increasing mail survey response which was a case of University of Nairobi students and concluded that personal cash rewards increased mail survey response. None of these studies has ever centered its focus on the relationship between reward system and Kenyan civil service employee motivation. It is in this light that the researcher aims at filling the existing academic gap by carrying out a research to establish the relationship between reward system and employee motivation in civil service employees in Kenya. The study will seek to answer the following questions: what are the types of reward systems adopted in the Kenyan government ministries? and What is the relationship between reward system and civil service motivation in the government ministries?



### **1.3 Objectives of the Study**

- i. To establish the type of reward systems adopted in the Kenyan government ministries.
- ii. To determine the relationship between reward system and civil service motivation in the government ministries

### **1.4 Importance of the Study**

The government will make use of this study, as it will provide knowledge useful in formulation of policy and a regulatory framework on implementing reward systems especially the government ministries and other public parastatals. The study would be significant to the ministries, especially to the management team involved in the designing of reward systems. The public sector in general will also benefit from this research, as it will give insights to the impacts of reward on performance and job satisfaction amongst the staff of the commercial banks in Kenya.

The government can also use this research for comparative purposes e.g. government policy makers, since an understanding of the impact of reward on performance and job satisfaction will enable them come up with appropriate policies that encourage performance and hence national growth.

Researchers and scholars can use this information to add to their understanding on reward systems factors in Kenya institutions. The study would be of value to researchers as a basis for future empirical and conceptual research, which would be helpful in refining and validating findings especially when a significant number of experiences is collected and studied. The study will, moreover, provide foundation and material for further related research.

## CHAPTER TWO: LITERATURE REVIEW

### 2.1 Reward Systems

Reward systems consists of both incentive and recognition programs. Incentives refer to the financial inducements that organizations offer employees in exchange for contributing to sales figures, quality and customer service. It is important to note that incentives are distinct from pay and remuneration practices (i.e. salary or wages). In contrast, recognition refers to the identification of a job well done; hence representing a non-financial means of appreciating and acknowledging a sales associate's contributions to sales figures, quality and customer service (Brown, 2005).

Numerous rewards systems operate within organisations, often used as a key management tool that can contribute to a firm's effectiveness by influencing individual and group behaviour (Lawler and Cohen, 1992). Compensation systems also deliver other objectives such as legal compliance, labour cost control, perceived fairness towards employees and the enhancement of employee performance to achieve high levels of productivity and customer satisfaction. The design of these systems may include pay for individual performance, pay for individual development, rewards based on the performance of small groups or teams and finally rewards based on division or organisational performance. It is the rewards for team and individual performance surrounding improvement programmes which are of interest here.

Reward and recognition programmes come within the discussion on extrinsically motivated behaviour that occurs when an activity is rewarded by incentives not inherent in the task (Deci, 1971). Consistent with such theorizing, the results of several recent studies (Wright et al., 1993) suggest that individuals indeed reduce the amount of resources expended on pro-social behaviors (e.g. helping) in favor of in-role task-oriented behaviors when, as in the case of the equity-based group reward allocation, one's group-based payout is more contingent upon the successful completion of individual task objectives. Consequently, when comparing equity-based group reward allocation to:

mixed equality and equity-based reward allocation (i.e. half of the team reward allocated equally, and the other half allocated on the basis of individual contribution).

The only dependable way to keep people focused on strategic objectives and achieving them throughout the organization to reward individuals who achieve targets and deny rewards to those who do not. For strategy implementers, doing a good job means achieving the agreed on performance targets. Any other standard undermines implementation of the strategic plan and condones diversion of time and energy into activities that do not matter. Pressure to achieve the target and performance should be unrelenting (Peters and Austin, 1985).

Barrick and Ryan, (2003) have outlined some important guidelines to observe in designing rewards and incentives. These are: The performance pay off must be a major, not minor, piece of the total compensation package; incentives that amount to 20% or more of the total compensation are big attention getters and are capable of driving individuals' efforts. The incentive plan should extend to all managers and workers, not just being restricted to top management.

The system must be administered with scrupulous care and fairness; if performance standards are set unrealistically higher, or if individual performance evaluations are not accurate, dissatisfaction with the system will overcome any positive benefits (Lawler and Cohen, 1992). The incentives must be tightly linked to achieving only those performance targets spelled out in the strategic plan as performance indicators based on factors not indicated in the strategic plan may send the wrong signals about the system.

## **2.2 Types of Reward Systems**

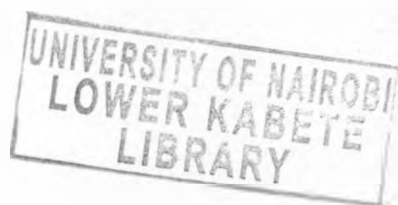
Drawing on Hickman and Oldham's (1980) Job Characteristics Model (JCM), the motivation of sales associates is influenced by the extent to which they experience work as meaningful, their identification with the organization's values and their satisfaction with the rewards they receive. This study focuses on the third aspect of the JCM model – rewards. This is because rewards are the most common human resource management

practice used to acknowledge and compensate sales associates for good performance (Brown, 2005).

It has been well demonstrated that different types (financial/non-financial) and targets (individual/group) of rewards encompass different outcome utility, informative content and mechanisms for regulating behaviors. In a meta-analysis, Stajkovic and Luthans (1997) demonstrated that different types of rewards have different effects on employee behavior and performance. While the effects of reward contingencies on performance has been identified (rewards increase in-role performance at the expense of extra-role performance), its effects on the extent to which sales associates will engage in in-role and the different types of extra-role behaviors (directed at customers, the organization and co-workers) is still ambiguous.

It is worth noting at this stage the distinction between formal and informal rewards. Based on reward systems that informants currently experience, this paper defines formal reward programs as those that are officially sanctioned by Head Office. Examples of formal reward programs include pay-for performance incentives and employee of the month awards. In contrast, informal reward programs are those designed and spontaneously presented by individual store managers. In addition to tangible rewards, they may also include recognition in the form of verbal compliments, praise and expressed appreciation for a job well done. While many practitioners acknowledge the motivational effects of both formal and informal rewards (Brown, 2005), the aforementioned studies focused solely on the effectiveness of formal reward programs, namely pay-for-performance structures and opportunities for promotion.

The structure and allocation of rewards may affect the motivation of individual team members, and the inclusion of rewards is central to many models of work group effectiveness (Hackman, 1990). However, the impact of rewards on group effectiveness is unclear, and the models provide little guidance regarding the specific type of rewards that maximize particular outcomes in work groups.



As DeMatteo et al. (1998) comment in their extensive review of team-based rewards, there is little research on specific guidance for designing rewards in team-based environments. Much of the existing research was conducted in laboratories under artificial conditions and only a fraction of studies have examined intact work groups in natural settings. Even without this information, organisations have continued to practice team-based incentives, (Delery, 1998).

Traditional reward systems have been dominated by base payments determined by specific jobs, the need to maintain equity among employees, and the need to pay salaries and wages that are competitive in the marketplace. Under this system, individual employees were paid according to the skills they brought to the job and not encouraged or rewarded for flexibility, judgement or working with others. Some have argued that these reward systems, based on traditional, bureaucratic models of organisation have been overtaken by new organisational structures and work processes such as teamwork (Milgrom and Roberts, 1992). These traditional reward systems are based on the principles of scientific management, which emphasize a functional division of labour, hierarchical differentiation in authority and direct standardisation of work routines (Avlonitis and Panagopoulos, 2007). Often, these types of reward system do not reward and reinforce the kinds of behaviours required by teamwork. As such, there may be incongruency between traditional reward systems and the requirements of emerging forms of organisations (Lawler, 1990), such as the lean model (Tjosvold, 1986).

In contrast with such individual reward systems, team-based rewards comprise systems in which a portion of individual pay is contingent on measurable group performance. Individual-based rewards, on the other hand, include incentive plans such as individual performance-related pay. Arguments for adopting team-based rewards include supporting team-based structures, fostering co-operation among team members (Tjosvold, 1986), promoting team productivity and overcoming limitations of larger group-based plans such as gain sharing (DeMatteo et al., 1998).

There are differing views as to how team pay should be configured, with many suggesting that the application of individually-based reward systems may not necessarily support team-based approaches to work organisation (Zigon, 1998). Keller, (1999) suggests that one of the most important factors to consider in designing pay systems for teams and work groups is the degree of task interdependence. That is, to what extent they are pooled (members work generally independently but combine their output), sequential (members perform tasks in a predetermined serial order), or reciprocal (doing the task requires a high level of interaction). He maintains that pooled interdependence calls for pay based on individual productivity, whereas sequential interdependence lends itself to team bonuses as a percentage of base pay (because base pay can reflect the differences in skill levels involved in the process).

The paucity of examples of team-based pay may be related to the difficulties of operating such schemes in practice. Disadvantages of team-based reward systems are often explained in relation to theories of motivation. These include the difficulty that individual employees may have in seeing how their effort is translated into group performance on which rewards are based. There has also been criticism of the ability of teams to foster co-operation, with no effect being found for the type of reward system (individual, group or both) on co-operation, mutual assistance or job satisfaction (Wageman, 1996). Team-based rewards may also foster competition between teams, encouraging teams to focus on their own performance at the expense of other teams' performance (Mohrman et al., 1992). This may lead to a reluctance to share information or assist other teams. This is especially problematic when the teams' work is highly integrated with that of others (Gupta and Govingarajan, 1986; Lawler and Cohen, 1992), as in the case of problem-solving and continuous improvement initiatives.

Social rewards occur through the satisfaction of our need for belonging, affiliation, and relatedness (Robinson and Rousseau, 1994). While social rewards may be considered as one type of extrinsic rewards, the emphasis of team-based projects in six sigma may make social rewards a salient and desirable outcome for participants (Lawson, 2003).

Involvement in a six sigma project team can be a source of social rewards by providing increased opportunities for employees to interact with coworkers on the job, and to work together toward shared goals and outcomes. We, therefore, chose to examine social rewards as a separate category from extrinsic rewards.

Intrinsic rewards are those that an individual receives internally as a result of their involvement in activities that enhance feelings of self competence, growth, satisfaction, responsibility and autonomy. Intrinsic rewards most frequently associated with six sigma include the development and use of new skills and competencies, increased levels of responsibility, discretion, and control over work, and the feelings of satisfaction that accompany these changes (McCunn, 1993). The need for employees to perceive the link between intrinsic rewards and their participation in six sigma cannot be understated.

According to Shani and Docherty (2003), employees must value the opportunities to acquire new knowledge and skills, as well as the autonomy to use them; otherwise they may interpret the personal consequences of the program as nothing more than work intensification. Thus, the results of the current study will provide important insight into the meaning employees attach to all categories of six sigma rewards. Employee benefit is essential for the development of corporate industrial relations. According to (Armstrong, 1994) two-factor theory (motivation and hygiene), an employee benefit programme was a necessary and sufficient working condition. The hygiene factor will affect employees' work-motivation and thus productivity.

### **2.3 Employee Motivation**

Melham (2003) postulates that motivating employees in an effective manner requires more than an employee recognition program that only places a spotlight on the top performers. Companies need to understand how essential it is that an employee recognition program be relevant to both the business and every member of its sales force. A holistic strategy combines employee recognition program with the incentive plan design. A meaningful employee suggestions program, timely recognition and the right employee incentive gift can drive commitment and help your company succeed.

Understanding what motivates employees is one of the key challenges for managers. Although it is not possible directly to motivate others, it is nonetheless important to know how to influence what others are motivated to do, with the overall aim of having employees identify their own welfare with that of the organisation (Bruce and Pepitone, 1999,)

Motivation has been defined as the psychological process that gives behaviour purpose and direction (Gary, 1990) predisposition to behave in a purposive manner to achieve specific, unmet needs an internal drive to satisfy an unsatisfied need and the will to achieve (Ulrich, 1996). Essentially, there is a gap between an individual's actual state and some desired state and there is often a need to reduce this gap. Motivation is, in effect, a means to reduce and manipulate this gap. It is inducing others in a specific way towards goals specifically stated by the motivator. Naturally, these goals as also known as the motivation system must conform to the culture and beliefs of the people involved and society. The motivational system must be tailored to the societal context. Motivated employees help organizations survive and are more productive. To be effective, managers need to understand what motivates employees within the context of the roles they perform. Of all the functions a manager performs, motivating employees is arguably the most complex. This is due, in part, to the fact that what motivates employees changes constantly (Vardi & Wiener, 1996). For example, research suggests that as employees' income increases, money becomes less of a motivator (Locke 1997). Also, as employees get older, interesting work becomes more of a motivator.

According to Locke (1997), motivation is determined by goal directedness, human volition or free will, and perceived needs and desires, sustaining the actions of individuals in relation to themselves and to their environment. Although this definition appears to be comprehensive, it is put forward here for critique amid other competing definitions found in the literature. The performance of any organization, whether public, private or non-profit making depends on the status of the employees more than anything else. Motivated workers are more productive and provide better customer service which



may translate to higher profits and customer satisfaction, for profit making and non profit making organizations respectively.

If an organization successfully keeps the staff it has, the cost of recruiting and training new staff is reduced. Keeping staff motivated should therefore be among the top objectives of every organization. The advantage of motivation is job satisfaction and good quality work to the employee and the employer respectively. In today's increasingly competitive business world a highly-motivated workforce is vital for any organization seeking to achieve the best results. The concept of motivation overlaps with the concept of morale, meaning the extent to which the employee feels positive or negative about his or her work (Gary, 2004). The level of motivation varies between individuals and within individuals at different times and in different situations (Robbins, 2005).

Managers often complain that their employees are no longer motivated to work. However, it is often the managers and organizational practices that are the problem, not the employees. When there is a lack of motivation, the problem usually lies in one of the following areas: poor selection; unclear goals; an inadequate performance-appraisal system; unsatisfactory reward systems; or the manager's inability to communicate the appraisal and reward systems to the employees properly (Robbins, 2003). A lack of motivation occurs when the employees see a weakness in one of three relationships. The first of these is the relationship between the employees' effort and their performance. Managers must make sure that the employees believe that if they exert maximum effort in performing their jobs, it will be recognized in their performance appraisal.

However, in most cases, the employees do not believe that their efforts will be recognized. If this is the case, it could lead to a lack of motivation (Robbins, 2003). Secondly, the relationship between the employees' performance and organisational rewards is important. Managers must make sure that the employees believe that if they get a performance appraisal, it will lead to organisational rewards. Many employees see this relationship as weak because the organisation does not give rewards just on their performance, so there is a lack of motivation (Atkinson, 1964).

The third important relationship is the one between the rewards received and the rewards desired. As such the managers must know whether the rewards the employees receive are the ones they desire. Some employees might want a promotion but instead get a pay rise, or vice versa. Sometimes the managers assume that all employees want the same reward and so fail to notice the motivational effects of individualizing rewards. If this is the case, employees' motivation is likely to suffer (Robbins, 2003). Thus to keep employees motivated, managers must strengthen these three relationships. If any or all of these three relationships are weak, the employees' efforts are likely to suffer. When these relationships are strong, the employees tend to be motivated, so the company is likely to gain competitive advantages through human resources (Robbins, 2003). Motivation needs to be long lasting and reinforced by rewards and praise.

Motivation needs to be maintained by managers to ensure a high level of performance and productivity, and to create a working environment where employees will have positive attitudes, commitment toward their work and, most importantly, the belief that they are not only valued but of crucial interest to the company Janssen, (de Jonge and Bakker, 1999 )

## **2.4 Levels of Employee Motivation**

Employee motivation can be quite a challenge. The decision on how committed an employee will be towards the organization, division or team, depends entirely on the individual. Therefore, the first step to employee motivation is to engage with each individual. Many leaders make the mistake of applying a single motivational strategy to all employees. The fact of the matter is that different things might motivate different employees. So how do you find the right formula for each employee? The Loyalty Institute at AON Consulting did extensive research on employee commitment. They came up with five drivers of employee motivation, also known as the performance pyramid. It works a lot like Marslow's Hierarchy of Needs where the first level of motivational needs first need be satisfied, before a need arise in the next level. It wasn't intended that way. It just happened to work out like that. The performance pyramid can provide some wonderful guidance to know what to look for when you engage with your

employees. The five levels of employee motivation are; Safety and Security, Rewards, Affiliation, Growth and Work/Life Harmony.( Mocke, 2011)

## **2.5 Relationship Between Reward System and Employee Motivation**

Past research has demonstrated the positive motivational effects reward programs have on employee performance (Stajkovic and Luthans, 1997). However, few studies have made the distinction between in-role and extra-role performance. Those that have, found that although reward programs have a motivational effect on employees in terms of encouraging improvements in in-role performance, it may do so at the expense of extra-role performance (Wright et al., 1993). This finding may be explained by taking a resource allocation perspective. Extra-role behaviours are difficult to specify. As such, rewards are usually associated with prescribed behaviour (i.e. in-role behaviour). As there are limits to the resources an individual has (e.g. time, effort and energy), he/she tends to focus his/her limited resources to improve in-role performance in order to obtain the rewards. This is done at the expense of behaviours that are not associated with rewards (i.e. extra-role behaviour) (Deckop et al., 1999).

By drawing on the research that is available, it can be argued that such programmes do send a message to employees that knowledge sharing is valued. However, even so, people are not in universal agreement that such programmes provide the desired results. Denning (2001) warns that while the establishment of rewards for individual knowledge sharing activities can signal the importance of knowledge sharing, it also runs the risk of creating expectations of rewards for behaviour that should be part of the normal way of conducting business in the organisation.

The major motivational shortcoming of group incentives is the difficulty employees may have in seeing how their efforts are translated into group performance measures on which rewards are based. Also, team-based rewards may potentially result in a loss of motivation because of feelings of inequity due to a perceived free-riding of other team members and the use of an equality principle when allocating rewards rather than an equity-based principle (Milkovich and Wigdor, 1991). Bishop (1987) suggested that pay

is directly related with productivity and reward system depends upon the size of an organization.

Other studies have questioned the ability of team rewards to foster co-operation within teams. Wageman (1996, p. 145) found that the level of task independence among group members was positively related to co-operation, helping, job satisfaction and the quality of group process, while the type of reward system – individual rewards, group rewards or both – exerted no independent effects on these criteria. Team rewards may also foster competition between teams and this may mean that teams move into a competitive, rather than a co-operative relationship with other teams with whom they have to interact (Lawler and Cohen, 1992, p. 6).

De Waal (2004) also investigated whether different types of rewards and recognition have different effects. To assess this possibility they analysed studies that used either verbal or tangible rewards. Verbal rewards involved giving participants praise or positive feedback for their work while tangible rewards involved giving money, tickets to a theatre, certificates or other similar rewards. De Waal concluded that praising people for their work leads to greater task interest and performance and that tangible reward also enhance motivation when they are offered to people for completing work or for attaining or exceeding specified performance standards. In summarizing the results from the experimental literature they examined, De Waal noted that rewards increase performance and interest when they are: Made contingent on quality or performance or are given for meeting clear standards of performance; Made contingent on challenging activities; Given for mastering each component of a complex skill; and Delivered for high effort and activity (Dean and Snell, 1993).

The authors concluded that rewards are not inherently bad or good for people. They can have negative effects, but these effects are circumscribed and can be easily prevented. In the workplace, careful arrangement of rewards can enhance employees' interest and performance and this is likely to occur when rewards are closely tied to the attainment of performance standards and to the personal accomplishment of challenging tasks. Their

research also suggested that when rewards are linked to specific standards of performance, people are more contented and productive employees (Bourne, 2002).

All writers agree that incentive programmes have the hoped for positive outcome and some go as far as indicating that they can undermine productivity and performance (Drucker, 1977). When an employer offers a reward for performance, these writers suggested that employees begin to perform the task for the external reward rather than for intrinsic reasons. Because of this, perceptions of self-determination are said to decrease and motivation and quality of performance decline. In recent years this view has gained popularity (Dean and Snell, 1993).

Philpott and Sheppard, (1992) has noted that rewards that bind an employee to an organisation have more to do with the way an employee is treated than any particular pay scheme. She suggests that while people may come to work for the pay, but they stay at work for many other reasons. Managers need to acknowledge and manage those other rewarding conditions as part of an overall strategic approach to rewards. Using the term recognition as the broader term Lachance further noted that the primary reason recognition works is that fundamentally it is a way to show managers are paying attention and that the power of just noticing cannot be overestimated. Paying attention does not simply mean handing out money and a simple thank you goes a long way. A big part of motivating people is giving direction and purpose to what they do. By recognising accomplishments when they occur can keep enthusiasm going. It is especially important when a big project is getting underway and the overall goal is a long way off. Stopping to celebrate the milestones, however informally, keeps people working towards a goal.

Other researchers are working in areas that are more closely aligned to knowledge work and knowledge sharing. For example, it has been shown that when rewards are given for creative thinking and performance, people do show generalized creativity in other tasks (Coates, 1994). Also, (Drucker, 1977) noted that although work has changed, compensation programmes have not. The current compensation systems do not reward the core competencies of the intelligent career – knowing why, knowing how, and knowing whom but are still based on the industrial economy from which they evolved.

Knowing why refers to a person's work values - careers are now defined more by the employee and not the employer and what I want for myself is important – higher salaries and promotion are not the only medium of exchange and if these are not valued for themselves by employees they will not be motivated to pursue them.

Knowing how relates to the actual medium of exchange in the knowledge economy, knowledge itself. Old skills such as following orders or knowing and applying policies have been replaced by the skills of the knowing how competency of the intelligent career – research skills, strategic thinking skills and skills of personal leadership. Knowing whom refers to the relationship-building competency that is the set of relationships to which a person contributes and from which they learn (Armstrong and Baron 1998).

As Lawler (2003) also reported that the treatment with employees basically determines that whether organization Will prosper or not. Organizations are under constant pressure to enhance and improve their performance and are realizing that relationship exists between organizational Performance and employee reward.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Research Design**

Research design refers to the way the study was designed, that is, the method used to carry out a research. This was a descriptive survey aimed at establishing the relationship between reward system and employee motivation in civil service employees in Kenya. According to Cooper and Schindler (2003), a descriptive study is concerned with finding out the what, where and how of a phenomenon. Descriptive research design was chosen because it enabled the researcher to generalise the findings to a larger population. This study therefore was able to generalise the findings to the public sector in Kenya.

### **3.2 Target Population**

According to Ngechu (2004), a population is a well defined or set of people, services, elements, events, group of things or households that are being investigated. The target population of this study was the 43 human resource management in the government Ministries.

The research was conducted as census. A census is the study which includes all members/events/elements/groups of the population. The research examined all the 43 HR managers. The study used census survey sampling since the target population is not large. Statistically, in order for generalization to take place, a sample of at least 30 elements (respondents) must exist (Cooper and Schindler, 2003).

### **3.3 Data Collection**

The study used primary data collected using self administered questionnaires to carry out the study. The questionnaires included structured and unstructured questions and were administered through drop and pick method to respondents. The questionnaire had two sections. The first section sought for demographic information of the respondents while the second part collected data on the effect of reward system on employee motivation.

### **3.5 Data Analysis**

Data collected was purely quantitative in nature. The descriptive statistical tools helped the researcher to describe the data and determine the extent used. Analysis was done quantitatively and qualitatively by use of descriptive statistics. This included frequency distribution, tables, percentages, mean mode, median etc. Data analysis used SPSS and Microsoft excel. Tables were used to summarize responses for further analysis and facilitated comparison. This generated quantitative reports through tabulations, percentages, and measure of central tendency. Cooper and Schindler (2003) notes that the use of percentages is important for two reasons; first they simplify data by reducing all the numbers to range between 0 and 100. Second, they translate the data into standard form with a base of 100 for relative comparisons. The information was presented by use of bar charts, tables and pie charts.



## **CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION OF RESULTS**

### **4.1 Introduction**

This chapter presents analysis and findings of the study as set out in the research methodology. The results were presented on the relationship between reward system and employee motivation in civil service employees in Kenya government ministries. The data was gathered exclusively through questionnaires. The questionnaires were designed in line with the specific objectives of the study. The questionnaire was used to collect quantitative data. To enhance the quality of data obtained, Likert type questions were included whereby respondents indicated the extent to which the variables were practiced in a five point Likert scale.

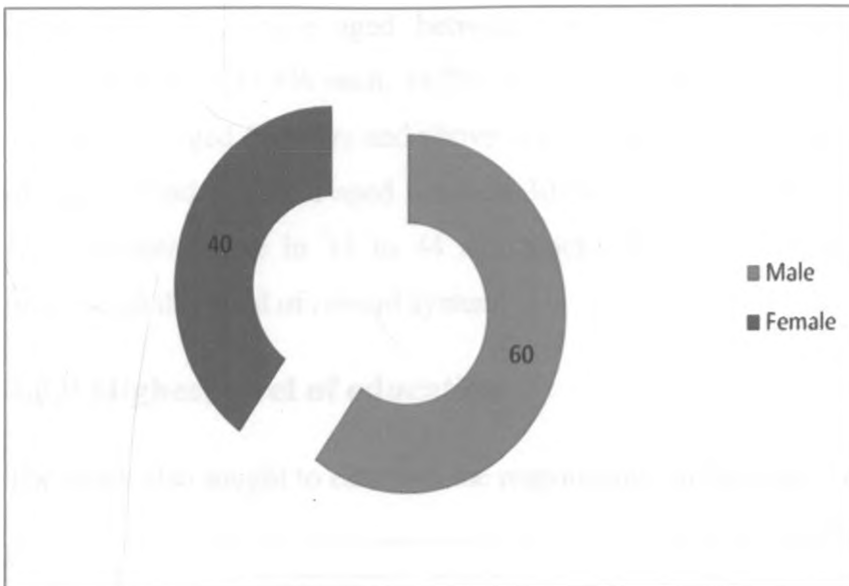
The study targeted a total of 43 human resource management in the government Ministries out of which 35 responded and returned their questionnaires contributing to 81.3% response rate. This response rate was excellent and representative and conforms to Mugenda and Mugenda (1999) stipulation that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. This commendable response rate was made a reality after the researcher made personal calls and visits to remind the respondent to fill-in and return the questionnaires.

### **4.2 Demographic Information**

This section seeks to find information about gender, age, education level and number of years in management of HR managers.

#### **4.2.1 Gender of the respondents**

This section sought information on gender age. The respondents were able to state their age.



**Figure 4.1: Gender of the respondents**

From figure 4.1 showed that majority (60%) of the respondents were male while 40% of the respondents were female. This showed that the majority of respondents were male however, the requirement of one third of gender was met.

#### 4.2.2 Age bracket of the respondents

The respondents were asked to indicate their age bracket.

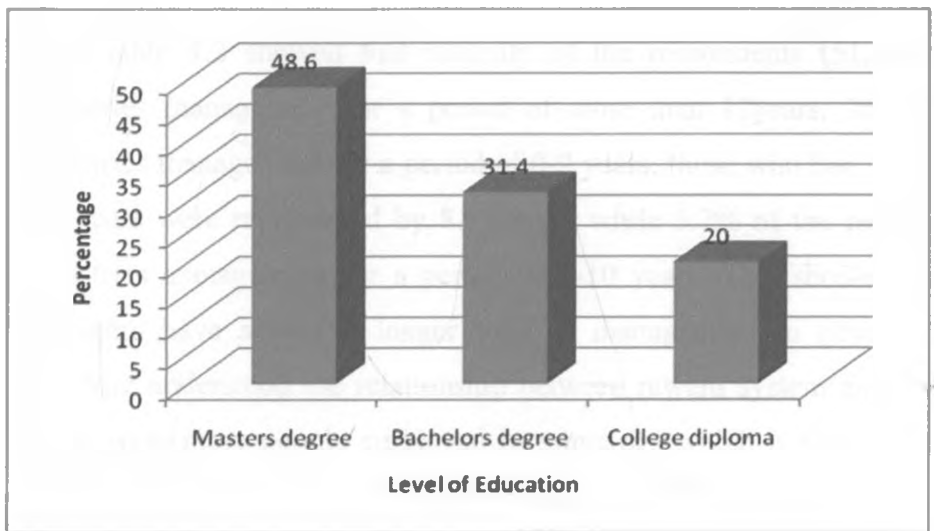
**Table 4.1: Age bracket of the respondents**

Age	Frequency	Percent
25-29	5	14.3
30-34	1	2.9
35-39	11	31.4
40-44	11	31.4
45-49	3	8.6
50 and above	4	11.4
Total	35	100.0

From table 4.1, those aged between 35-39 years and between 40-44 years were represented by a 31.4% each, 14.3% of the respondents were aged between 25-29 years, 11.4% were aged 50 years and above, 8.6% were aged between 45-49 years while 2.9% of the respondents were aged between 30-34 years. This showed that more than half of HR managers were in 35 to 44 age bracket hence qualifying them to be mature to understand this field of reward system.

### 4.2.3 Highest level of education

The study also sought to establish the respondents' highest level of education.



**Figure 4.2: Highest level of education**

From figure 4.2, 48.6% of the respondents had a masters degree, 31.4% had a bachelors degree while 20% of the respondents had a college diploma as their highest education level. This depicted that most of the HR managers had Masters' and therefore they were able to understand this issue of reward system.

### 4.2.4 Years in management

The respondents were asked to state the duration that they served at the ministries management.

**Table 4.2: Years that the respondents have been in management**

Years of service	Frequency	Percent
0-2	9	25.7
3-5	3	8.6
6-8	3	8.6
9-10	2	5.7
More than 12	18	51.4
Total	35	100.0

From table 4.2 showed that majority of the respondents (51.4%) had served at the ministries management for a period of more than 12years, 25.7% had served at the ministries management for a period of 0-2 years, those who had served for 3-5 years and 6-8 years were represented by 8.6% each while 5.7% of the respondents served at the ministries management for a period of 9-10 years. This showed that most of the HR managers have served a longer time in management in government ministries and therefore understood the relationship between reward system and employee motivation. There were more people employed in ministries which is shown by 25.7 percent, who were replacing those leaving through natural attrition.

### **4.3 Reward Systems**

This section seeks to find the extent to which ministries used various methods and types of rewards.

To enhance the quality of data obtained Likert type questions were used whereby respondents indicated the extent to which the variables were practiced in a five point Likert scale. Where 1 equals to very low extent, 2 equals to low extent, 3 equals to moderate extent, 4 equals to great extent and 5 equals to very great extent. For analysis purpose a score of weighted average and standard deviation were used to analyze the

data. On the same note the higher the standard deviation the higher the level of dispersion among the respondents.

Very Low Extent    Low Extent    Moderate Extent    Great Extent    Very Great Extent  
 [ 0 to 1.4 ]            [ 1.5 to 2.4 ]    [ 2.5 to 3.4 ]            [ 3.5 to 4.4 ]    [ above 4.5 ]

### 4.3.1 Ministries Use of Various Methods of Rewards

The respondents were also requested to indicate the extent to which ministries used various methods and types of Rewards.

**Table 4.3: Extent that the ministries use various methods of Rewards**

	Mean	Std. Deviation
non-monetary rewards (tickets, restaurant coupons, certificates, thanks from the bosses, flexible schedules, a day off, newspapers, seminars, and free lunches).	4.4571	1.31379
Monetary rewards(incremental credits, trips paid for by the company, allowances and meal allowances, services such as cell phone or paid cable)	4.2286	1.08697
Performance contingent rewards (reward for A quality work)	4.1714	1.04278
Job-contingent rewards	3.3143	.93215
Person-contingent rewards	3.1429	.91210

Table 4.3 revealed that majority of the respondents reported that to great extent, ministries used non-monetary rewards (tickets, restaurant coupons, certificates, thanks from bosses, flexible schedules, a day off, newspapers, seminars and free lunch) as shown by a mean score of 4.4571, monetary rewards (bonus, trips paid for by the company, allowances and meal allowances, services such as cell phone or paid cable) as shown by a mean score of 4.2286 and performance contingent rewards (reward for a quality work) as shown by a mean score of 4.1714. The respondents stated that the

reward used to a moderate extent included job-contingent rewards and person-contingent rewards as shown by a mean score of 3.3143 and 3.1429 respectively. This shows that the rewards used to a great extent included non-monetary rewards, monetary rewards and performance contingent rewards, while job contingent and person-contingent were moderately used.

An analysis of standard deviation showed there was no consensus on reward of non-monetary with a standard deviation of 1.31379 and also on monetary with a standard deviation of 1.08697. This could be attributed to the fact that these ministries were engaged in big projects. However there was consensus on performance contingent rewards, job contingent and person contingent reward which had a standard deviation of 1.04278, .93215 and .91210 respectively. This could be attributed to the fact that the ministries were strict in awarding rewards.

#### 4.3.2 Types of Rewards are used in the Ministries

The study also required the respondents to indicate the extent that various types of rewards are used in the ministries. Likert scale was used where 1 equals to very low extent, 2 equals to low extent, 3 equals to moderate extent, 4 equals to great extent and 5 equals to very great extent. For analysis purpose a score of weighted average and standard deviation were used to analyze the data

**Table 4.4: Extent that various types of rewards are used in the ministries**

	Mean	Std. Deviation
Better performance appraisals.	4.6714	.87735
Training	4.6429	1.02736
Enhanced job security	4.5286	1.19030
Salary increment	4.2429	1.21129

Promotion	4.0143	1.07297
Recognition from management	3.4714	1.04278
Recognition	3.4429	.97446
Awards	3.3857	1.17251
Fringe benefits	2.8143	.81787
Incremental Credit	2.7	.77460

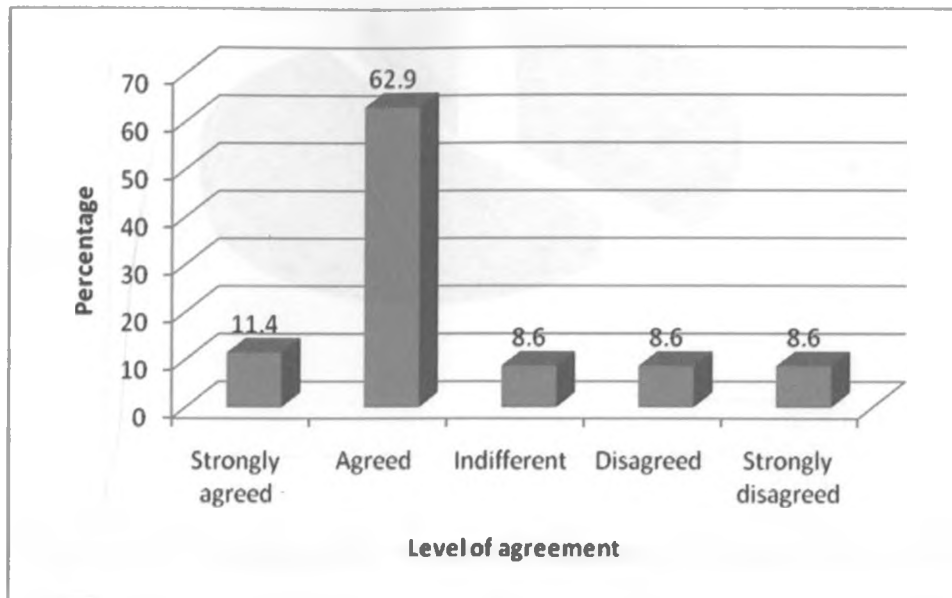
Table 4.4 showed that majority of the respondents reported that to a very great extent, the ministries used better performance appraisals, training, and enhanced job security as shown by a mean score of 4.6714, 4.6429, and 4.5286 respectively; salary increment and promotion are used to a great extent as shown by a mean score of 4.2429 and 4.0143 respectively while the rewards used in the ministries to a moderate extent include recognition from management as shown by a mean score of 3.4714, recognition as shown by a mean score of 3.4429, awards as shown by a mean score of 3.3857, fringe benefits as shown by a mean score of 2.8143 and incremental credit as shown by a mean score of 2.7. This shows that to a very great extent, the ministries use better performance appraisals, training and enhanced job security and fringe benefits and incremental credit and recognition are not common rewards.

An analysis of standard deviation shows there was no consensus on enhanced job security, salary increment and awards shown by a standard deviation of 1.19030, 1.21129 and 1.17251 respectively. This could be attributed to the fact that ministries were rewarding employees using different government circulars. However, there was consensus on better performance appraisal, training and promotion as shown by .87735, 1.02736 and 1.07297 respectively. This could be attributed to the fact that ministries were using the same circulars to award government employees.

### **4.3.3 Whether reward systems are fairly applied to all employees**

The study also wanted to establish the respondents' extent of agreement that the reward systems were fairly applied to all employees.

**Figure 4.3: Level of agreement that the reward systems were fairly applied to all employees**



According to Figure 4.3, majority of the respondents (62.9%) agreed that the reward systems are fairly applied to all employees 11.4% strongly agreed with this while those who either strongly disagreed, were indifferent or disagreed with this were represented by 8.6% each. This shows that the reward systems were fairly applied to all employees.

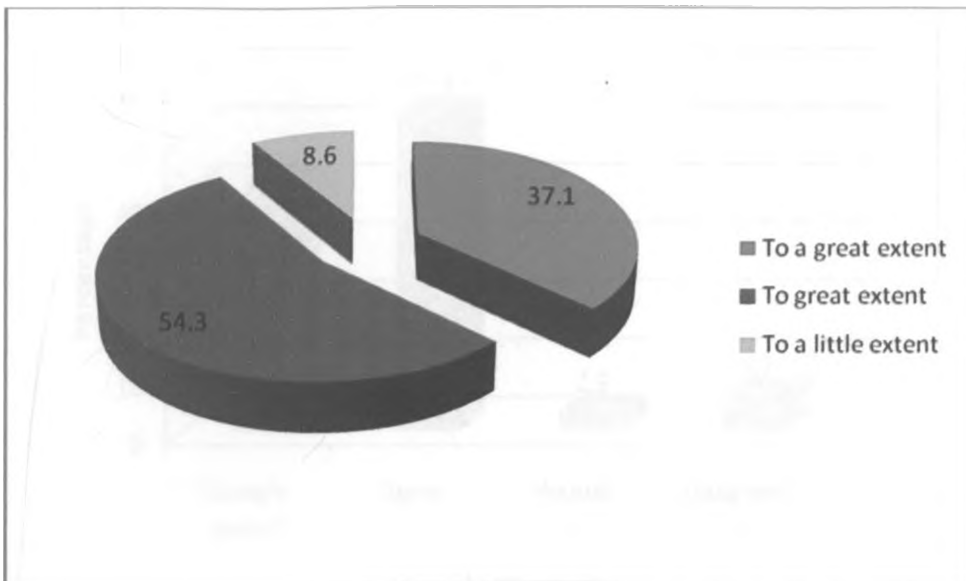
#### **4.4 Effect of Reward Systems on Motivation**

This section seeks to find out to what extent the reward affect motivation, whether rewards foster cooperation, whether also ministries employ various types of reward and also establish the respondent's extent of agreement with statement about the job and ministry relation to reward.

##### **4.4.1 Extent that reward affect motivation**

The study also inquired to know on the extent reward affect motivation of employee and hence the performance of the ministry.



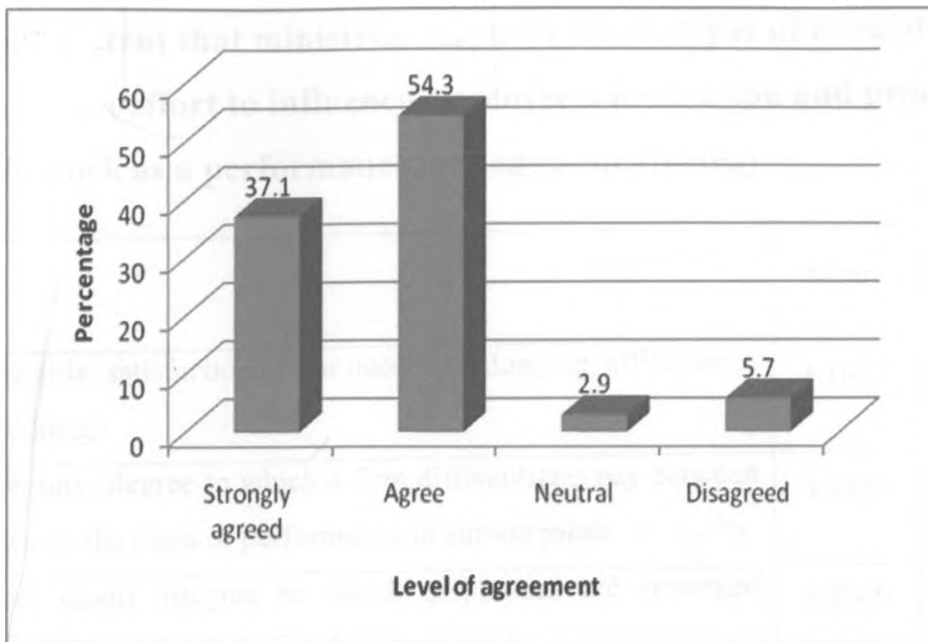


**Figure 4.4: Extent that reward affect motivation of employee and hence the performance of the ministry**

From figure 4.4, the majority (54.3%) of respondents indicated that reward affect motivation of employee and hence the performance of the ministry to a great extent, 37.1% said to great extent while 8.6% of the respondents said reward affect motivation of employee and hence the performance of the ministry to a little extent. This shows that reward affect motivation of employee and hence the performance of the ministry to a great extent.

#### **4.4.2 Whether rewards foster co-operation**

The study further sought to establish the respondents' level of agreement that rewards foster co-operation within ministries hence improved performance.



**Figure 4.5: Level of agreement that rewards foster co-operation within an organization hence improved performance**

From figure 4.5, majority of the respondents (54.3%) were in agreement that rewards foster co-operation within ministries hence improved performance, 37.1% strongly agreed with this, 5.7% disagreed while a small proportion of the respondents (2.9%) were neutral on this fact. This showed that rewards foster co-operation within ministries hence improved performance.

#### **4.4.3 Extent that ministries employ various types of reward**

The study also sought to establish the extent that the ministries employ various types of reward (Equity) as an effort to influence employee's motivation and produce valuable work as a performance management strategy. Likert scale was used where 1 equals to very low extent, 2 equals to low extent, 3 equals to moderate extent, 4 equals to great extent and 5 equals to very great extent. For analysis purpose a score of weight average and standard deviation were used to analyze the data.

**Table 4.5: Extent that ministries employ various types of reward (Equity) as an effort to influence employee’s motivation and produce valuable work as a performance management strategy**

Equity	Mean	Std. Deviation
Social rewards (satisfaction of our need for belonging, affiliation, and relatedness)	4.1683	.75815
Internal equity (degree to which a firm differentiates pay between employees on the basis of performance in similar jobs)	4.0254	.78537
Individual equity (degree to which employees are rewarded proportionately to their individual performance)	3.9969	.77242
External equity (degree to which a firm pays employees the rate that they would find in the labour market)	3.6888	.90098

Table 4.5 showed that majority of the respondents reported that to a great extent the ministries used social rewards as shown by a mean score of 4.1683, internal equity as shown by a mean score of 4.0254, individual equity as shown by a mean score of 3.9969 and external equity as shown by a mean score of 3.6888. This depicts that to a great extent, the ministries used social rewards, internal equity, individual equity and external equity. Mean of mean of 3.9698 shows that ministries use individual equity to a great extent.

An analysis of standard deviation showed that there was consensus on social rewards, internal equity, individual equity and external equity shown by a standard deviation of .75815, .78537, .77242 and .90098 respectively. This could be attributed to the fact that ministries use the same circulars to rewards employees.

#### **4.4.4 Job and ministry in relation to reward**

The study wanted to establish the respondents’ extent of agreement with statements about the job and ministry in relation to reward. Likert scale was used where 1 equals to

strongly disagree, 2 equals to disagree, 3 equals to neutral, 4 equals to agree and 5 equals to strongly agree. For analysis purpose a score of weighted average and standard deviation were used to analyze the data

**Table 4.6: Level of agreement with statements about the job and ministry in relation to reward**

	Mean	Std. Deviation
It would take very little to change my present circumstances to cause me to leave the ministry.	4.6714	1.30802
I am happy with the way rewards are administered by the management.	4.6143	.88688
My biggest frustration on the job is inequality of the reward system	4.5286	1.63214
I am extremely glad that I chose this ministry to work for over others	4.3571	1.13611
I could just as well be working for a different ministry as long as the type of work was similar	3.9571	1.08310
This ministry really inspires the very best in me in terms of job performance.	3.8143	.78108
I am proud to tell others that I work for this ministry	3.2143	.95090
My colleagues are always discussing their frustration and dissatisfaction with their job.	3.2000	1.62336

Table 4.6 showed that, majority of the respondents strongly agreed that it would take very little to change their present circumstances to cause them to leave the ministry as shown by a mean score of 4.6714, they are happy with the way rewards are administered by the management as shown by a mean score of 4.6143 and their biggest frustration on the job is inequality of the reward system as shown by a mean score of 4.5286. The respondents

were in agreement that they were extremely glad that they chose their ministries to work for over others as shown by a mean score of 4.3571, they could just as well be working for a different ministry as long as the type of work was similar as shown by a mean score of 3.9571 and that their organization really inspires the very best in them in terms of job performance as shown by a mean score of 3.8143. The respondents were however neutral on the fact that they are proud to tell others that they work for their ministries as shown by a mean score of 3.2143 and the fact that their colleagues are always discussing their frustration and dissatisfaction with their job as shown by a mean score of 3.2000. The mean of mean of 4.045 means that employees could just as well be working for a different ministry as long as the type of work was similar.

An analysis of standard deviation shows there was no consensus on matters like my present circumstances to cause me to leave the ministry; on issues like the job is inequality of the reward system, and matters on frustration and dissatisfaction with their job, as shown by a standard deviation of 1.30802, 1.63214 and 1.62336 respectively meant that different rewards were not awarded equally by ministries because of different circulars used by the government. However, on matters like am happy with the way rewards are administered by the management, the ministry inspires the very best in me in terms of job performance and am proud to tell others that I work for this ministry, which were shown by a standard deviation of .88688, .78108 and .95090 respectively meant that rewards were awarded equally among employees of government ministries.

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

### **5.1 Introduction**

This chapter presents the summary of findings, discussion, conclusion drawn from the findings and recommendation made. The conclusions and recommendations drawn focus on the purpose of the study.

The objectives of the study were to establish the type of reward systems adopted in the Kenyan government ministries and to determine the relationship between reward system and civil service motivation in the government ministries.

### **5.2 Summary of Findings**

The respondents were HR Managers who provided the findings. From the data analysis it was found out that majority of respondents were male however the a third gender rule was met. On age, it showed that half of HR managers were mature people who were able to articulate the issues of reward. About the level of education most of the HR managers had Masters' thus putting them in a better situation of understanding issues that affect reward management. Years of management was also discussed and it showed that most HR managers had served in ministries at managerial level for over twelve years putting them in better position to know what reward system is all about. Also more people were employed which was represented by twenty five point seven per cent indicating that these people were replacing those people who were leaving through natural attrition.

The results of reward system showed that the rewards used to a great extent included non-monetary rewards, monetary rewards and performance contingent rewards, while job contingent and person contingent were moderately used. On the analysis of standard deviation on reward system showed there was no consensus on reward of non-monetary and also monetary because the ministries were engaged in big projects. There was consensus on performance contingent rewards, job contingent and person contingent due to the fact that ministries were restrict in rewarding rewards.

The results of analysis on the extent that various types of rewards are used in ministries, it showed that to a great extent, the ministries used better performance appraisals, training and enhanced job security. However, fringe benefits and incremental credit and recognition are not common reward. The results that whether reward systems are fairly applied to all employees, it showed that rewards were fairly distributed to all employees, and that made them to work harder in their respective area of work.

On effect of reward systems on motivation it was found out that reward affect motivation of employee and hence the performance of the ministry to a great extent. The more the employees were motivated the more the organizational goals were achieved. On whether rewards foster cooperation in ministries it showed that rewards foster cooperation within ministries hence improved performance. The rewards enabled the employees to work well with other ministries bringing in the idea of shared knowledge of working together.

The results of analysis on the extent that ministries employ various rewards, it was depicted that to a great extent, the ministries use social rewards, internal equity, individual equity and external equity. These rewards enable employees to work hard in their respective departments because they are assured of rewards after they perform to the expectation of the ministry.

The results of analysis on job and ministry in relation to reward it was agreed that employees could as well be working for a different ministry as long as the type of work was similar. Employees were of the opinion that if rewards were the same in other ministries they could work in other ministries.

### **5.3 Conclusion**

From the findings the study concludes that the ministries use non-monetary rewards, monetary rewards and performance contingent rewards. The study deduced that the ministries use better performance appraisals, training, enhanced job security, salary increment and promotion which are fairly applied to all employees.

The study also concludes that rewards affect motivation of employee and hence the performance of the ministries and foster co-operation within a ministry hence improved performance. It also revealed that the ministries use social rewards, internal equity, individual equity and external equity all of which have a great effect on employee motivation. Finally, it concludes that the civil servants are happy with the way rewards are administered by the management and the civil servants were extremely glad that they chose their ministry to work for over others.

#### **5.4 Recommendations**

The study recommends that in order to enhance employees motivation, the ministries need to adopt the use of job-contingent rewards, person-contingent rewards, recognition from management, awards, fringe benefits and bonuses on the civil servants. Since the study deduced that the civil servants biggest frustration on the job is inequality of the reward system, the management should come up with a clear cut reward system that ensures that all employees are rewarded appropriately. This will go a long way in enhancing their motivation making them stick in the ministries and they will also be proud to tell others that they work for their organization.

#### **5.5 Recommendations for Further Studies**

The study has investigated the relationship between reward system and employee motivation in civil service employees in Kenya government ministries. The study therefore recommends that further research should be done on the relationship between reward system and employee motivation in private organizations. This is because the private and public sectors have different strategic approach and thus allowing for comparison.



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**PART B: REWARD SYSTEMS**

5) To what extent does your ministry use the following types of Rewards?

Use of a scale of 1 to 5 where 1 = very low extent and 5 = very great extent.

Type	Very low extent	Low extent	Moderate extent	Great extent	Very great extent
Monetary (Incremental credit, trips paid for by the company, allowances, meal allowances, services such as cell phone credit cards or paid cable)					
non-monetary rewards (tickets, restaurant coupons, certificates, thanks from the bosses, flexible schedules, a day off, newspapers, seminars, and free lunches).					
Performance contingent rewards (reward for A quality work)					
Job-contingent rewards					
Person-contingent rewards					
Any other class, please specify					



6) Indicate with a tick, the extent that the following type of rewards are used in your ministry.

Use of a scale of 1 to 5 where 1 = very low extent and 5 = very great extent.

	Very low extent	Low extent	Moderate extent	Great extent	Very great extent
Salary increment					
Promotion					
Training					
Recognition					
Incremental credit					
Fringe benefits					
Awards					
Recognition from management					
Enhanced job security					
Better performance appraisals.					
Others (please specify)					

7) In your opinion do you think the reward systems above are fairly applied to all employees?

Strongly Disagree    Agree    Indifferent    Disagree    Strongly Agree

[ ] 5      [ ] 4      [ ] 3      [ ] 2      [ ] 1

## EFFECT OF REWARD SYSTEMS ON MOTIVATION

8) To what extent does reward affect motivation of employee and hence the performance of the ministry?

To a very great extent [ ]

To great extent [ ]

To a moderate extent [ ]

To a little extent [ ]

To no extent [ ]

9) Rewards foster co-operation within an organization hence improved performance.

To what extent do you agree with this statement?

Strongly agree [ ]

Agree [ ]

Neutral [ ]

Disagree [ ]

Strongly disagree [ ]

10) To what extent does your organization employ the following types of reward (Equity) as an effort to influence employee's motivation and produce valuable work as a performance management strategy?

Use of a scale of 1 to 5 where 1 = very low extent and 5 = very great extent.

Equity	Very low extent	Low extent	Moderate extent	Great extent	Very great extent
External equity (degree to which a firm pays employees the rate that they would find in the labour market)					
Internal equity (degree to which a firm differentiates pay between employees on the basis of performance in similar jobs)					
Individual equity (degree to which employees are rewarded proportionately to their individual performance)					
Social rewards (satisfaction of our need for belonging, affiliation, and relatedness)					

11) The following are statements about the job and ministry you work for. Please indicate your level of agreement

Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
I am proud to tell others that I work for this ministry					
I could just as well be working for a different organization as long as the type of work was similar					
This ministry really inspires the very best in me in terms of job performance.					
It would take very little to change my present circumstances to cause me to leave the ministry.					
I am extremely glad that I chose this ministry to work for over others					
I am happy with the way rewards are administered by the management.					
My biggest frustration on the job is inequality of the reward system					
My colleagues are always discussing their frustration and dissatisfaction with their job.					

**END OF QUESTIONNAIRE**

*Thank you!*