

**THE PERCEIVED INFLUENCE OF PERFORMANCE BASED
REWARD SYSTEM ON EMPLOYEE MOTIVATION IN BARCLAYS
BANK OF KENYA HEAD OFFICE**

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DECLARATION

I hereby certify this research project as my original work and has not been presented for examination in any other institution of higher learning.

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This project has been submitted for examination with my approval as university supervisor.

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I take this opportunity to thank God for good health and for bringing me this far. I also want to extend special gratitude to my supervisor, for the great partnership we made. His guidance, encouragement and patience in reading, correcting, re-reading and refining this work is commendable.

DEDICATION

I dedicate this work to family for the sacrifice they made for me to complete this project. Their love, care, concern, support, encouragement and enthusiasm inspired me to achieve this goal.

ABSTRACT

Performance-based reward systems have a long history. In the last ten years, a number of countries have adopted pay-for-performance strategies to modify the traditional salary scales. The distinguishing feature of a performance-based scheme is that it rewards or sanctions employees based upon some form of performance evaluation. Individuals who are possessing extrinsic motivation will be motivated by the stimuli coming outside the individual and their motivation will be the sum of efforts made to motivate them in an organizational context in forms of rewards, promotion and pay increases. Intrinsic motivation is more powerful in the long run and deeper in meaning as it is integrated in the individual and not coming from the outside whereas the extrinsic motivation might have powerful and visible effects first but these are not lasting long as the stimuli is coming outside the individual. This study aimed at determining the perceived influence of performance based reward systems on employee motivation in Barclays Bank of Kenya head office. This was a descriptive survey. The population of the study was the staff of Barclays Bank of Kenya at the head office which has a population of 883 employees. The sample size was 88 employees which constitutes 10 percent of the population. Random sampling was used to select employees from the different departments. Primary data was collected using a questionnaire; the use of a questionnaire has been selected because it is structured and provides accurate information from the respondents. The data was analyzed using descriptive statistics such as mean, mode, median, standard deviation and frequency. This was then presented using graphs, pie charts and tables. This study established that the employees were not encouraged to use their own judgement when doing their job. Involving employees in decision making motivates them to work harder. This study therefore recommends that the management of organisations should

involve their employees in decision making and encourage them to use their own judgement when doing their job. The study also established that the employees were not praised for doing a good job. Recognition for good work done motivates an employee to work even harder. This study therefore recommends that organisations' management should ensure that their employees get monetary or non-monetary recognition for good work done.

TABLE OF CONTENT

DECLARATION	ii
ACKNOWLEDGEMENTS	iii
DEDICATION	iv
ABSTRACT	v
CHAPTER ONE: INTRODUCTION	1
1.1 Background to the study	1
1.1.1 Performance-based Reward System	3
1.1.2 Employee Motivation.....	4
1.1.3 The Influence of Performance Based Reward System and Employee Motivation.....	6
1.1.4 Barclays Bank of Kenya.	6
1.2 Research Problem	8
1.3 Objectives of the study	11
1.4 Value of the Study	11
CHAPTER TWO: LITERATURE REVIEW	12
2.1 Introduction.....	12
2.2 Reward System	12
2.2.1 Performance Based Reward System	15
2.3 Reward Allocation	17
2.4 Use of Rewards for Motivation	18
2.5 Motivation and Employee Performance	22
CHAPTER THREE: RESEARCH METHODOLOGY	25
3.1 Introduction.....	25

3.2 Research Design	25
3.3 Population of the Study.....	25
3.4 Sampling Design.....	25
3.5 Data Collection	26
3.6 Data Analysis and Presentation	26
CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION OF FINDINGS.....	27
4.1 Response rate	27
4.2 General information.....	27
4.2.1 Respondents department.....	27
4.2.2 Gender of the respondents	28
4.2.4 Respondents work experience	29
4.2.5 Respondent's position.....	30
4.3 Performance Based Reward System and Employee Motivation	31
4.3.1 Performance Measures.....	31
4.3.2 Reward Systems and Employee Motivation	34
CHAPTER FIVE: DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS	38
5.1 Introduction.....	38
5.2 Discussion of the findings.....	38
5.2.1 Performance Based Reward System and Employee Motivation	38
5.3 Conclusion	40
5.4 Recommendations.....	41
5.5 Suggestion for further research.....	42
REFERENCES.....	43
APPENDIX 1: QUESTIONNAIRE.....	51

CHAPTER ONE: INTRODUCTION

1.1 Background to the study

Reward system is an important tool that management can use to channel employee motivation in desired ways. In other words, reward systems seek to attract people to join the organization, to keep them coming to work, and motivate them to perform to high levels (Beer, 1984). The reward system consists of all organization components including people processes rules and decision making activities involved in the allocation of compensation and benefits to employees in exchange for their contribution to the organization. In order for an organization to meet its obligations to shareholders, employees and society, its top management must develop a relationship between the organization and employees that will fulfill the continually changing needs of both parties (Spector and Lawrence, 1984). At a minimum the organization expects employees to perform reliably the tasks assigned to them and at the standards set for them, and to follow the rules that have been established to govern the workplace. Management often expects more: that employees take initiative, supervise themselves, continue to learn new skills, and be responsive to business needs (Mills and Walton, 1984). At a minimum, employees expect their organization to provide fair pay, safe working conditions, and fair treatment. Like management, employees often expect more, depending on the strength of their needs for security, status, involvement, challenge, power, and responsibility. Just how ambitious the expectations of each party are, vary from organization to organization. For organizations to address these expectations an understanding of employee motivation is required (Beer, 1984).

With the constant changes occurring in the world today, especially with regards to technology and innovation, there is a need for companies to reassess the manner in which they communicate to both their employees and their customers. At the same time, there is also a need for these companies to organise the tasks at hand, design systems and processes, and re-evaluate and improve current management styles (Harmon, 2007). This is especially needed in areas where the competition is constantly increasing and consistently challenging.

According to (Dewhurst, 2010) there are other means to reward employees that do not just focus on financial compensation. Some of these include the praise that employees are able to acquire from their managers, the opportunity to take on important projects or tasks, and even leadership attention. The latter refers to the treatment of the employees by their managers in such a manner that the employees are also considered to be as leaders as well. These three motivators constantly appear on most research studies and are excellent means to encourage the employee to work harder and produce better performance results. This is largely due to the fact that the well-rewarded employee feels that he/she is being valued by the company that he/she is working for. They are also 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 honed and taken care of by their company. Thus, it is a constant and continuous challenge for companies to really work on understanding what factors contribute to improved satisfaction levels of their employees. (Markova and Ford, 2011) mentioned that the real success of companies originate from employees' willingness to use their creativity, abilities and know-how in favor of the company and it is organization's task to encourage and nourish these positive employee inputs by putting effective reward practices in place.

Aside from working on satisfying their customers, it is crucial that companies also work on identifying the motivators that boost the performance of their workforce, and in so doing, make appropriate and sufficient offers for their employees. According to (La Belle, 2005), different individuals have different perceptions of rewards. For instance, some individuals may consider cash as a sufficient and adequate reward for their efforts at work, while others may consider holidays and material incentives (such as a car) as more rewarding in exchange for their work. Others still, may consider a shift in the treatment that they get from their leaders to be a more rewarding experience. For instance, some employees consider being recognized by their leader as more rewarding than financial incentives.

1.1.1 Performance-based Reward System

Performance-based reward systems have a long history. In the last ten years, a number of countries have adopted pay-for-performance strategies to modify the traditional salary scales. The distinguishing feature of a performance-based scheme is that it rewards or sanctions employees based upon some form of performance evaluation (Chamberlin, 2002). Distinctions in performance-based reward systems are found in the skills assessed and the rewards provided. Most individually-based programmes have used pecuniary rewards for high levels of performance, usually defined in terms of employee outcomes or skills and knowledge. More recently, some analysts have proposed that intrinsic rewards, such as seeing companies improve in performance, and increased feelings of well-being for the employee as well as the organization are better motivators. Other rewards include increased holiday time and professional development courses.

Many of the earlier programmes tended to focus on individual performance, in particular merit pay (Richardson, 1999), with recent debates more likely to consider group-based reward programmes, or knowledge and skill based rewards (Odden and Kelley, 2002). There are three main models of performance-based reward programmes that are commonly examined in the literature. The first model is 'merit-pay', which generally involves individual pecuniary awards based on performance (McCollum, 2001). The second model is 'knowledge and skill-based' compensation, which generally involves individual pecuniary rewards for acquired qualifications and demonstrated knowledge and skills (Odden, 2000). Knowledge and skill-based pay differs from merit-pay because it provides clear guidelines on what is being evaluated (Odden and Kelley, 2002). The knowledge and skills evaluated are, it is argued, linked to proficiency, meaning knowledge and skill-based pay increases employees' ability (Odden and Kelley, 2002). The third model is school-based compensation, which generally involves group-based pecuniary rewards, typically based on student performance (Odden and Kelley, 2002).

1.1.2 Employee Motivation

Motivating is the work managers perform to inspire, encourage and impel people to take action (Louis Allen, 1986). To motivate the employees, the employee must be reached to reach him there must be a completed understanding of the complexity his make-up (Louis Allen, 1986). Motivation efforts must be directed towards improving organization operations. To be effective, however they must also be designed to show benefits to the employee. In fact, motivation can best be accomplished when workers are able to merge their personal ambitions with those of the organization.

According to (Robin and DeCenzo, 1981) motivation is defined thus "the willingness to exert high level of effort to reach organizational goals, conditioned by the effort's ability to satisfy some individual need". Campbell and Pritchard (1976) in defines motivation as a set of independents and dependant relationships that explains the direction, amplitude and persistence of an individual's behavior holding constant the effects of aptitude, skills, understanding of a task and the constraints operating in the work environment. Schrader (1972) linked construction worker need to motivation and it was subsequently concluded by (Thomas, 1990) that there is evidence supporting the existence of a linkage between an employee's motivational level and their individual performance.

Scholars and practitioners care about cultivating, increasing, and maintaining work motivation. Motivation research has a long history of considering employee motives and needs (Alderfer, 1969). The majority of work on motives and needs in the 1990s falls into three areas: an examination of the job attributes that motivate individuals, research that examines need for achievement, and research on the Protestant work ethic. Employee performance is frequently described as a joint function of ability and motivation, and one of the primary tasks facing a manager is motivating employees to perform to the best of their ability (Moorhead & Griffin, 1998).

Pinder (1998) describes work motivation as the set of internal and external forces that initiate work related behaviour, and determine its form, direction, intensity, and duration. Work motivation is a middle range concept that deals only with events and phenomena related to people in a work context. The definition recognizes the influence of both environmental

forces (e.g., organizational reward systems, the nature of the work being performed) and forces inherent in the person (e.g., individual needs and motives) on work-related behaviour. An essential feature of the definition is that it views work motivation as an invisible, internal, hypothetical construct (Pinder, 1998).

1.1.3 The Influence of Performance Based Reward System and Employee Motivation

When certain specifiable conditions exist, reward systems have been demonstrated to motivate performance (Gerhart and Milkovich, 1990). Important rewards must be perceived to be tied in a timely fashion to effective performance. Vroom (1964), supported the assumption that workers tend to perform more effectively if their wages are related to performance which is not based on personal bias or prejudice, but on objective evaluation of an employees merit. Organizations get the kind of behavior that leads to the rewards their employees' value. This occurs because people have their own needs and mental maps of what the world is like. They use these maps to choose those behaviors that lead to outcomes that satisfy their needs (Lawler and Cohen, 1992). Therefore they are inherently neither motivated nor unmotivated to perform effectively; performance motivation depends on the situation, how it is perceived, and the needs of people.

1.1.4 Barclays Bank of Kenya.

Barclays has operated in Kenya for over 90 years. Financial Strength coupled with extensive local and international resources have positioned Barclays Bank of Kenya as a foremost provider of financial services. Barclays has established an extensive network of over 117

outlets with 231 ATMs spread across the country. The bank's financial performance over the years has built Confidence among the 48,000 shareholders, with a reputation of being one of the leading blue chip companies on the Nairobi Stock Exchange. The main sectors of the Kenyan economy are agriculture, manufacturing, tourism and financial services. Tea and Horticulture are the country's leading exports and tourism sector continues to play a key role in contributing towards foreign exchange earnings of the country (Barclays Survey Report, 2010).

Barclays recruits employees in different levels, from clerical to management employees. Each level has a different pay package based on the grade, duties and responsibilities. The grades range from B1 and B2 which are clerical level jobs and B3 to B7 which are management levels.

Barclays also has put in place performance based reward systems that are used to measure the input each employee has provided to the organization, as well as what are the benefits of the output. The performance is determined based on principles that have been put in place for each employee to follow or adhere to in order to be rewarded. The performance of the employee is then determined based on these principles, and then the rewards given to the employee will be based on the rating that the employee will be awarded at the end of a performance period. The principles that are used to determine the performance are: Winning together, Best people practice, Customer focus, Trusted and Pioneering. In return, the rewards that the employees are provided with include cash bonuses, promotions and salary increments (Barclays Personal Development Planning Report, 2011 p.g. 3-6).

1.2 Research Problem

Hertzberg (1987) described two kinds of motivation: intrinsic motivation which derives from the individual itself and one feels that he or she does not necessarily need external stimuli to obtain this motivation (e.g. money). The second type of motivation is extrinsic which results from the external factors of the individual such as getting money. Individuals who are possessing extrinsic motivation will be motivated by the stimuli coming outside the individual and their motivation will be the sum of efforts made to motivate them in an organizational context in forms of rewards, promotion, pay increases and punishment (Armstrong 2009.). Armstrong concluded that the intrinsic motivation is more powerful in the long run and deeper in meaning as it is integrated in the individual and not coming from the outside whereas the extrinsic motivation might have powerful and visible effects fast but these are not lasting long as the stimuli is coming outside the individual.

Research over the years has generally concluded that to be effective, employee reward incentive systems in behavioral performance management need to be aligned with overall strategy (Flynn, 1998). Once aligned, the evidence suggests that these incentive systems will contribute to employee performance and overall job satisfaction. (Delery, 1998). According to (La Belle, 2005), different individuals have different perceptions of rewards. For instance, some individuals may consider cash as a sufficient and adequate reward for their efforts at work, while others may consider holidays and material incentives (such as a car) as more rewarding in exchange for their work. Others still, may consider a shift in the treatment that they get from their leaders to be a more rewarding experience. For instance, some employees consider being recognized by their leader as more rewarding than financial incentives.

According to (Maund, 2001), employees see a poorly conducted appraisal interview as being worse than not having an interview at all. Ideally, the record of the interview should be written on a special performance appraisal form that is signed by the manager, the employee and often a senior manager. It is good practice to allow the employee to see the completed form and add any comment (s). In Barclays, one method used to get feedback from colleagues of the appraisees is the 360 degrees feedback system and performance appraisal is done quarterly as part of the performance development process.

Barclays Bank of Kenya works with targets which are given to each and every business unit. This ensures that all departments are involved in the overall goals and objectives of the organization. These targets are cascaded down to all departments within the organization. They are then distributed among the staff and used to appraise each staff on half yearly basis with quarterly reviews being carried out. At the end of each year, an end-of-year review is carried out and a consistency check performed for the year under review. Staff ability to achieve their target(s) is taken through the consistency check for the four quarters of the year and used to determine what each individual staff gets in terms of end-of-year bonus, selection for interview for promotions, and salary increments such that, falling short of some ratings makes one ineligible to such benefits. Getting ratings of A or B gives one the chance to have these rewards or benefits while getting ratings of C, D or any other rate leaves one completely out of these rewards (Barclays Employment Agreements Global Standard, June 2010 p.g 2-9).

Locally, studies on reward, performance and employee motivation have been conducted. These include (Musomba, 1993) who looked at the different motivational factors that affect

performance, a case study of the Kenya Railways Corporation. The main focus for the study was the Kenya railways corporation and the study concluded that motivation of employees is at different levels in that those in higher grade are more motivated than those in the lower grades. Kiilu (2008) studied on employee motivation at the Kenya Polytechnic University College and the findings of the study indicate that employees are only motivated when monetary rewards are provided to the employees.

A study conducted by (Sterlington, 2009) looked at employee performance appraisal, rewards and recognition in the banking industry. The research was conducted on the various rewards system that are in place .The research however does not give the influence that the rewards have on employee motivation. The findings of study indicated that the reward systems were perceived to be biased and line managers were not well equipped to rate and reward the employees based on their performance. The study recommended that the line managers need to effectively communicate to the employees and the top management need to follow up on the ratings and how they are awarded. Biasness needs also to be eradicated from the process.

Kihara (2009) researched on factors influencing staff motivation in the Teachers' Service Commission of Kenya. The study only looked at the factors that motivate the employees. No comparison was done as to whether the performance of the employee was a factor of motivation.

Mogeni (2011) researched on the effect of employee empowerment on motivation at Kenya Literature Bureau and the study concluded that employees are well motivated when they are empowered to make decision in their day to day roles.

To the researcher no local studies have sought to investigate the influence of performance based reward system on the employee motivation amongst employees of Barclays Bank of Kenya. and hence it's against this backdrop in the research that this study sought to fill the existing research gap by conducting the study.

1.3 Objectives of the study

To determine the perceived influence of performance based reward systems on employee motivation in Barclays Bank of Kenya head office.

1.4 Value of the Study

The study would be significant to Barclays Bank of Kenya, especially to the management teams involved in the designing of reward systems. This study would help them to ensure that they put in place a reward system that will be fair and just to all employees in all levels within the organization.

The findings of this study would provide information and advice on the possible opportunities that research institutions can use to develop reward systems. The study would be of value to academicians and future researchers as a basis for future empirical and conceptual research.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents review of literature related to reward systems and performance related rewards. The chapter is structured into the theoretical and empirical literature review. The conceptual framework is also outlined.

2.2 Reward System

There is a substantial body of theoretical literature that links organizational strategy, human resource (HR) practices, and performance (Lawler and Cohen, 1992). This literature typically suggests that human resource practices should be selected which complement and support an organizational strategy. More specifically, the reward system should be aligned to motivate employee performance that is consistent with the firm's strategy, attract and retain employees with the knowledge, skills and abilities required to realize the firm's strategic goals, and create a supportive culture and structure (Nadler and Tushman, 1988).

Furthermore, the literature argues that alignment of the reward system with organizational strategy helps to determine organizational effectiveness. A review of the literature which links organizational strategy and human resource practices by (Becker and Gerhart, 1996) suggests that the human resource system can be a unique source of competitive advantage, especially when its components have a high degree of internal and external fit. Another review by Gomez-Mejia and Balkin (1992) contends that the old model of compensation (with pay structures based on job analyses, descriptions, specifications, and classifications) is no longer effective in today's business environment. They conclude that modern

organizations must align their reward system practices with their organizational strategy in order to achieve higher levels of performance at both the individual and organizational level. At this point, the literature has remained mostly at the conceptual level in discussing the link between organizational strategy, the reward system and firm performance. These propositions have remained largely untested and there is a recognized need for empirical work in this area (Waldman, 1994).

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 (Burack and Smith, 1977). 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. 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 behaviours. 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. 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.

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, 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, judgment 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 incongruence between traditional reward systems and the requirements of emerging forms of organisations (Lawler, 1990), such as the lean model (Tjosvold, 1986).

2.2.1 Performance Based Reward System

In view of increased customer expectations, the banking sector has had to explore options for improving service quality to address customers' expectations (Beer and Cannon, 2004). Banks have devoted more time to developing performance management approaches including the measurement and evaluation of employees' performance (Ghobadian and

Ashworth, 1994). There was a general belief that rewards can help motivate employees to improve performance, which would then help organisations address customers' expectations. Barrett and Turberville (2001) suggest that rewarding employees on the basis of performance was critical to banking sector reform, being a way to facilitate change in individual behaviour and work activity to achieve greater responsiveness of staff to banking service users. Some banks, for instance in Australia, have introduced the idea of performance-related pay within its banking sector as early as 1983 (Barrett and Turberville, 2001) and thus linking rewards with performance in the banking sector is not new.

The importance of rewards influencing employee performance is demonstrated by the abundance of research in this area, in both the public and private sectors. For example, a number of researchers investigated the effect of rewards on employees' performance (Deci and Ryan, 1997), mainly to determine the efficacy of rewards in influencing the level of employees' performance. Kohn (1993) strongly argued against the use of rewards in influencing employees' performance, as he believed that rewards only had short-term effects. Other researchers examined employees' attitudes to rewards (Griffeth, and Balkin) with a view to establishing employees' perceptions of the rewards' effect on their motivation. Marsden and Richardson's (1994) research in this area found little perceived effect of rewards on employee performance. Despite differing views about the effect of rewards on employee performance and service outcomes there was a widespread adoption of pay-for-performance schemes such as performance based/related pay, employee share schemes, and others (Beer and Cannon, 2004) within both the private and public sectors. Many banking sector organisations have adopted performance related

pay schemes.

2.3 Reward Allocation

Schaufeli (2002) stresses on the importance of rewards in order to combat burnout, which is typically experienced by most employees on the job. Individuals, who experience burnout in their work, typically do not feel fulfilled. They also tend to have negative outlooks, and they also approach the tasks at hand with less vigor and dedication.

Underlying the cognitive choice perspective on motivation (Milgrom and Roberts, 1992) is the notion that, because team members' personal resources are limited, reward allocation procedures are likely to have a direct effect on the direction of members' individual attention and effort. Simply put, according to this perspective, individuals direct cognitive and attentional resources towards those behaviors perceived to be associated with the highest degree of subjective expected utility or more positive product utility functions. Within the rubric of cognitive choice, a number of motivation theories suggest that team members will attribute a greater degree of utility to pro-social behaviors under conditions of equality-based (as opposed to equity-based) reward allocation, and thus, that members will be more likely to accede to colleagues' requests for assistance under conditions of equality-based allocation relative to equity-based allocation.

In particular, since the instrumentality of one's assistance is often beyond an individual's direct control, consistent with both expectancy (Vroom, 1964) and informativeness (Milgrom and Roberts, 1992) notions, members of outcome-interdependent teams are likely to attribute a greater degree of uncertainty to the net benefit of expending resources on helping others

relative to that associated with resources directed towards their own individual goal accomplishment. Consequently, while time and effort expended on helping others accomplish their team-related tasks may increase the overall size of the bonus to be divided among all members of the team, whether team members view such assistance as likely to enhance their own personal utility is likely to be influenced by how such a team-based bonus is allocated. If that bonus is allocated on the basis of equality principles, personal rewards are less likely to be adversely affected by lower levels of direct, personal task accomplishment, thus resulting in a more positive product utility function for helping. If, however, that bonus is allocated on the basis of equity principles, the uncertainty surrounding the instrumentality of such assistance, combined with the fact that resources allocated to helping others cannot be expended on individual goal accomplishment, is likely to generate a more negative product utility function. In this case, it is likely that the cognitive resources will be directed away from helping others and redirected towards one's own personal task accomplishment.

2.4 Use of Rewards for Motivation

According to (Adams, 1965), when it comes to research studies regarding reward allocation, there are three common allocation rules. These include: equity and equality and need (Deutsch, 1975). (Chen, 1995) also considers that seniority has to be a fourth allocation and this factor should serve as a principle of importance. (Kanfer, 1990) states that employees are constantly involved in a social exchange process wherein they contribute efforts in exchange for rewards. They also compare the effort or contribution that they put in towards accomplishing a certain task and acquiring rewards in exchange for the former. Deutsch (1975) considers the concept of equality to refer to the rewards that employees receive regardless of the amount of contribution that they provide towards their company. In

addition, members of an organisation should also receive rewards that are in accordance with their personal need. For instance, employees who have more children may need more holidays to spend time with their family, or more benefits, such as health insurance and discounts or free education for their children. Finally, the concept of seniority refers to the company's ability to allocate specific rewards for older members of the organisation, who have proved their value by being loyal to the company that they work for. Research studies in the past have mostly shown that when it comes to 'individualistic cultures' allocations that are 'equity-based' prevail. On the other hand, when it comes to 'collectivistic cultures' reward allocations that are based on the principle of equality are the ones that rely on equality rewards. Nigeria is a country that is characteristic of being 'collectivistic' when it comes to their culture. According to (Babakus 2003), the perceptions that employees have with regards to their reward climate influences their attitudes towards the organization. In addition, the commitment of managers towards their organisation is also shown by how the manager rewards his/her employees. Gouldner (1960) mentions the norm of reciprocity, which focuses on the ability of organisation to accommodate the needs of their employees, and reward them for their efforts. In exchange for the rewards provided to them, employees should reciprocate by increasing their commitment towards their organisation and their work, in addition to increasing their 'socioemotional bonds' with their company and their colleagues.

According to Nelson & Spitzer (2002) although cash rewards are welcomed by employees, managers should never use this as a tool to motivate their employees to improve their performance levels. Should this happen, there is a chance that the essence of the reward would be forgotten. In a study conducted by (Bowen, 2000), the researcher warns that

employees who are given favorable treatment are more likely to feel indebted to the party providing such a treatment, and these employees therefore reciprocate such treatment. According to Shore & Shore (1995), employees who are able to experience and receive recognition for their work are also able to have a better perception of their work, their workplace and the people they work for. Thus, there is a need for the employer to really make an effort in showing the employee that his/her wellbeing is of concern to the organization and the management and that the contribution of the employee towards the organization is highly valued. This idea is further reiterated by Buchanan (1974) who adds that the recognition of contributions towards the organization has a positive relationship towards increasing the commitment of the employee towards the organization and its objectives.

Skinner (1969) makes a point that offering rewards in exchange for hard work, especially in service industries such as banks and other establishments in the hospitality sector, is very important when it comes to influencing the perceptions of employees. Through rewards, they are able to also shape their perceptions on how they value certain concepts. Based on the operant conditioning theory established by Skinner, behaviours that are rewarded have a high tendency to be repeated. Such behaviours are also capable of being reinforced and employees tend to exhibit such desirable behaviours more frequently. According to Kessler & Purcell (1992), financial rewards provided to employees individually have a tendency to improve culture that focuses on boosting the quality of performance. On the other hand, according to Chiang & Birch (2009), rewards that are non-financial in nature, such as the provision of an increase in holidays, and increases in family benefits, contribute towards the employee

managers should be aware of 'nonrewards.' Such rewards should be utilized sparingly, and should not be used all the time. They are also described to be passive, and they do not necessarily lead to positive behaviours in the long term. Furthermore, managers should make certain that when all applicable satisfiers are satisfied, they need to determine the factors unique to every employee that motivates him/her. It has been suggested by (Bruce & Pepitone, 1998) that the best way for a manager to do this would be to simply ask the employee on what he/she expects and what he/she wants with regards to the job at hand, and all the conditions concerned. It is the responsibility of the managers to ask their employees whether they would feel a higher level of satisfaction from their job if they are tasked with bigger responsibilities. On the other hand, managers can also ask their employees on whether they would be more motivated to work harder through offers of promotions. According to Nelson & Spitzer (2002) one of the best ways for managers to determine the top hygiene and motivating factors that boost work performance among employees, would be through a trial and error method. In other words, if a factor implemented does not work, then the manager can simply look for another method instead.

Blau (1964) established the 'social exchange theory' which has been applied in various organizations in order to understand how both the organization and the managers play an important role in creating desirable feelings of 'obligation' among employees, thereby increasing their devotion towards performance development. Based on this theory as established by Blau, it is said that employees who feel that they are treated favorably by their superiors and their colleagues are more likely to feel a higher sense of obligation which in turn, leads to positive feelings of obligation and favorable treatment. In other words,

perceiving his/her workplace as a 'supporting and caring' organization. Johnson et al. (1986) contends that by providing employees with as much rewards as possible (in proportion to their work efforts), employees are able to function more efficiently. They are also less likely to make mistakes in their work, and managers are also able to successfully boost the morale of their employees. This idea is further supported by (Eccles, 1991) who stresses that when employees are able to see that their company really values and rewards certain service behaviours, then the employees would also want to embrace or welcome such values, and they would be able to exhibit desirable behaviours based on such perceptions and the promise of rewards. On the other hand, when the employee sees that their service efforts are not rewarded, then they may change their orientations completely, and their desirable behaviours may discontinue and cease to exist. A study conducted by Hinkin & Schriesheim (2004) concluded that there exists a positive relationship between the rewards provided by the management of a company, and the job satisfaction felt by the workers, and the effectiveness of the work produced. Removing rewards that are 'specific to particular organizational performance' may give way towards a reduction in the effectiveness of the employee with regards to his/her work, job dissatisfaction and 'a lack of role clarity.'

2.5 Motivation and Employee Performance

According to (Melham, 2003) 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). Past research has demonstrated the positive motivational effects reward programs have on employee performance (Locke, 1980). 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, 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) (Wright, 1993).

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).

Other studies have questioned the ability of team rewards to foster co-operation within teams. Hackman and Wageman, (1995) 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). Barnard (1998) offers a strategy that includes employee feedback on the system as a means of dealing with the issue. This includes measuring employee satisfaction with the system, gaining team members' input into its design, and ensuring that there is a method to document performance and reward both individuals and the team.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents research methodology that was adopted in carrying out the study. It covers the following aspects: research design, population of the study, sample and sampling method, instrument used for collecting data, procedure for collecting, analyzing and presenting data.

3.2 Research Design

This was a descriptive survey. The descriptive study design enabled the researcher to find out the perceived influence of performance based reward practices on employee motivation and retention amongst staff of Barclays Bank of Kenya of head office.

3.3 Population of the Study

The population of the study was the staff of Barclays Bank of Kenya at the head office which has a population of 883 employees (Barclays Payroll, July 2012).

3.4 Sampling Design

The sample size was 88 employees which constituted 10 percent of the population. Random sampling was used to select employees from the different departments. All the departments had equal chances of being included in the sample with a random selection of individuals from each of the department.

3.5 Data Collection

Primary data was collected using a questionnaire; the use of a questionnaire was selected because it is structured and provided accurate information from the respondents. The type of questionnaire that was used for this study was semi structured questionnaire. The aim of the questionnaire was to provide simple and easily understood questions which would not take more than 10 minutes to answer. The questionnaire had close-ended questions that were used to collect the data. It consisted of two parts: Part one collected personal and general information, while part two of the questionnaire was used to capture the organizations practice and level of employee motivation based on the reward system in place. The questionnaire was administered through drop and pick to the staff sampled from the departments within the head office.

3.6 Data Analysis and Presentation

The data was analyzed using descriptive statistics such as mean, mode, median, standard deviation and frequency. This was then presented using graphs, pie charts and tables.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION OF FINDINGS

4.1 Response rate

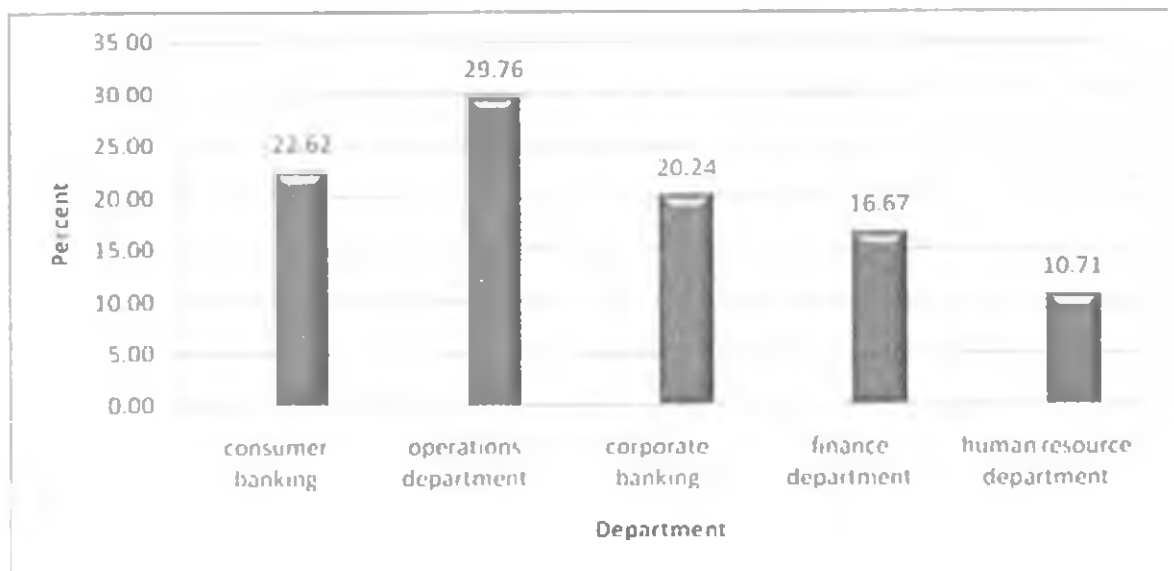
This research study had a sample size of 88 respondents. Out of these, the responses obtained were 84. This represents a 95.45% response rate. According to (Babbie, 2002) any response rate of 50% and above is adequate for analysis thus 95.45% is even better.

4.2 General information

4.2.1 Respondents department

The researcher requested the respondent to indicate the departments in which they were working. The results are shown in figure 4.1.

Figure 4. 1: Respondents Department



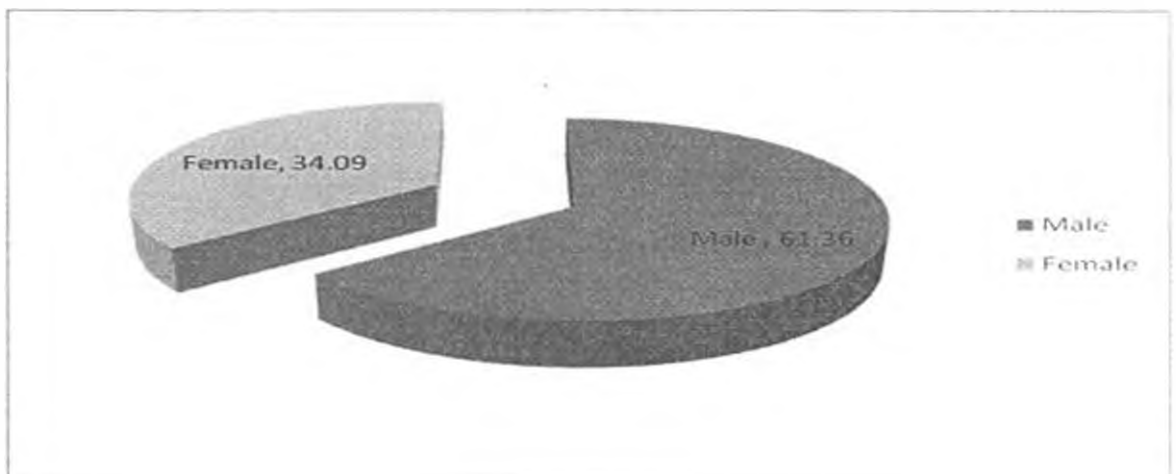
Source: (Author, 2012)

According to the findings, 29.76% of the respondents had been working in the operations department, 22.62% of the respondents had been working in the consumer banking department, 20.24% indicated that they had been working in the corporate banking department, 16.67% indicated that they had been working in the finance department and 10.71% indicated that they had been working in the human resource department. This clearly shows that majority of the respondents had been working in the operations department.

4.2.2 Gender of the respondents

The researcher also requested the respondents to indicate their gender. The results are shown in figure 4.2 below.

Figure 4. 2: Gender of the Respondents



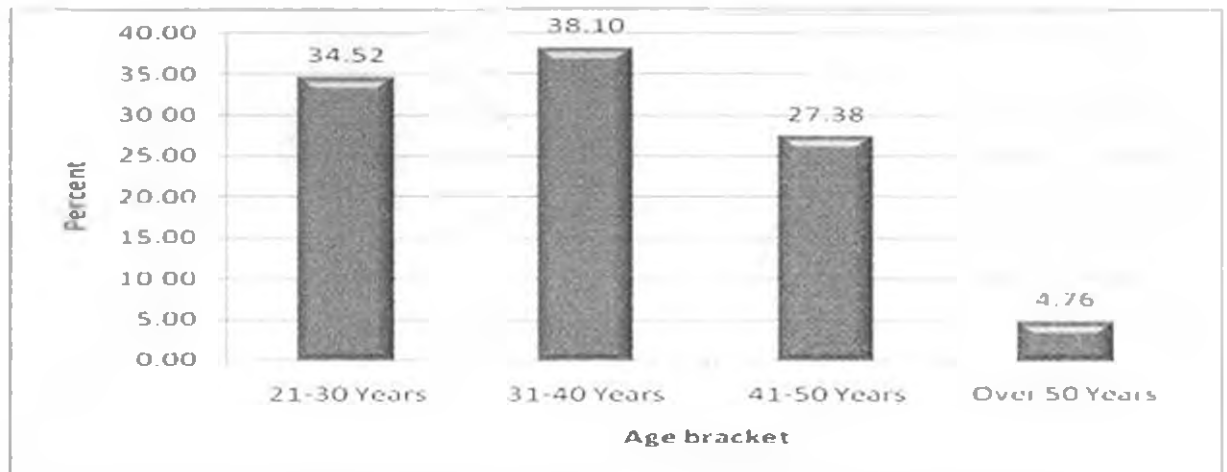
Source: (Author, 2012)

According to the findings, 65.91% of the respondents indicated that they were male and 34.09% indicated that they were female. This clearly shows that majority of the respondents were male.

4.2.3 Age Bracket of the Respondents

The researcher further requested the respondents to indicate their age bracket. The results are shown in figure 4.3 below

Figure 4. 3: Age Bracket of the Respondents



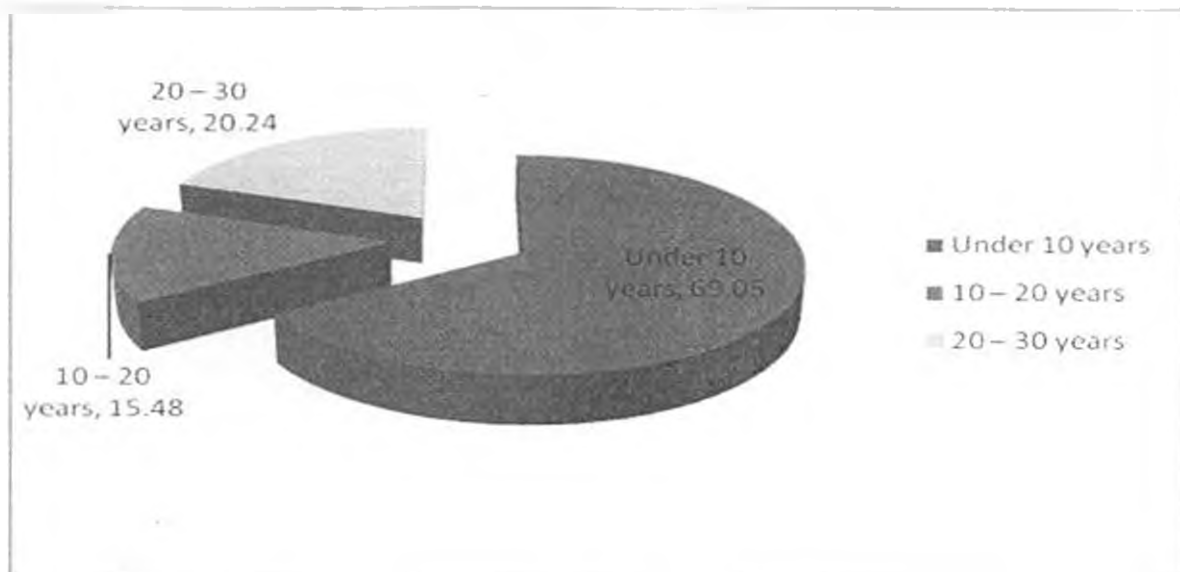
Source: (Author, 2012)

From the findings, 38.10% of the respondents indicated that they were aged between 31 and 40 years, 34.52% were aged between 21 and 30 years, 27.38% were aged between 41 and 50 years and 4.76% were aged between over 50 years. From these findings we can deduce that most of the respondents were aged between 31 and 40 years.

4.2.4 Respondents work experience

In an effort to determine the respondents work experience, the researcher requested the respondents to indicate the duration of time they had been working in their bank.

Figure 4. 4: Respondents work experience



Source: (Author, 2012)

As indicated in figure 4.4. Above. 69.05% of the respondents indicated that they had been working in their banks for less than 10 years. 20.24% indicated that they had been working in their organization for between 20 and 30 years and 15.48% indicated that they had been working in their organization for between 10 and 20 years. From these findings, we can deduce that majority of the respondents had a less than 10 years work experience.

4.2.5 Respondent's position

The respondents also requested the respondents to indicate their positions in their organization. The results are shown in figure 4.5 below.

Figure 4. 5: Respondents Position



Source: (Author, 2012)

According to the findings 53.57 of the respondents indicated that they were working as management staff. 32.14% were working as supervisory staff and 19.05% were working as clerical staff. These findings clearly show that majority of the respondents were working as management staff.

4.3 Performance Based Reward System and Employee Motivation

The researcher requested the respondents to indicate their level of agreement with the stated facets of job. The results are as shown below.

4.3.1 Performance Measures

The respondents provided information on their level of understanding on the performance measures that are in place. The results are shown in table 4.3 below.

Table 4. 3: Performance Measures

	Mean	Std Deviation
I am aware of the performance appraisal process	4.02	0.892
I believe that the performance appraisal policy is in place	3.98	0.726
The performance appraisal policies are applied fairly across the organization	4.06	0.767
I am given the chance to try my own methods of doing the job	3.76	0.729
I believe the performance appraisal process, plans and objectives are clearly defined	3.45	0.827
I am involved in setting my own targets	3.87	0.921
I am given reasonable deadlines to achieve my set targets	3.98	0.562
The performance of an employee is effectively reviewed	4.09	0.627
I understand the performance system used for awarding employees	4.05	0.734
The performance system has been effectively implemented	4.06	0.672
The performance of an employee is fairly determined	4.12	0.739

Source: (Author, 2012)

A five point Likert scale was used to interpret the respondent's responses. According to the scale, those factors which were strongly disagreed awarded 1 while those which were strongly agreed were awarded 5. Within the continuum are 2 for disagree, 3 for neutral and 4 for strongly agree. Mean (weighted average) and standard deviation were used to analyze the data.

According to the researcher those factors with a mean close to less than 2.5 were disagreed while those with a mean of more than 2.5 were rated as agreed. On the same note the higher the standard deviation the higher the level of dispersion among the respondents. From the findings, the respondents agreed with a mean of 4.12 and a standard deviation of 0.739 that the performance of an employee in their organisation is fairly determined. The respondents also agreed with a mean of 4.11 and a standard deviation of 0.927 that they were fairly compensated for the amount of work they did. In addition, the respondents agreed with a mean of 4.09 and a standard deviation of 0.627 that the performance of an employee was effectively reviewed in their organisation. Further, the respondents agreed with a mean of 4.06 and a standard deviation of 0.767 that they get a feeling of accomplishment from the job and the work that they did. The study also established that the performance system had been effectively implemented as shown by a mean of 4.06 and a standard deviation of 0.672. The respondents agreed with a mean of 4.06 and a standard deviation of 0.767 that the performance appraisal policies were applied fairly across the organization. The respondents further agreed with a mean of 4.05 and a standard deviation of 0.734 that they understood the performance system used for awarding employees. The respondents also agreed with a mean of 4.02 and a standard deviation of 0.892 that they were aware of the performance appraisal process. The respondents believed that the performance appraisal policy was in place. This is shown by a mean of 3.98 and a standard deviation of 0.726. The respondents further agreed with a mean of 3.45 and a standard deviation of 0.827 that they believed the performance appraisal process, plans and objectives were clearly defined.

The organisation was giving the respondents reasonable deadlines to achieve their set targets. This was shown by a mean of 3.98 and a standard deviation of 0.562. The respondents also

agreed with a mean of 3.98 and a standard deviation of 0.627 that they were given a chance to do different things from time to time which in turn builds their motivation. Further, the respondents agreed with a mean of 3.87 and a standard deviation of 0.921 that they were involved in setting their own targets. The respondents also agreed with a mean of 3.76 and a standard deviation of 0.729 that they were given the chance to try their own methods of doing the job. Further, the respondents also agreed with a mean of 3.76 and a standard deviation of 0.827 that they believed they were given the chance to do something that makes use of their abilities.

4.3.2 Reward Systems and Employee Motivation

The study collected data on the reward systems in place and the level of employee motivation based on the rewards. This is shown table 4.4 below.

	Mean	Std Deviation
I understand the performance system used for awarding employees	4.05	0.734
The performance system has been effectively implemented	4.06	0.672
The performance of an employee is fairly determined	4.12	0.739
I am fairly compensated for the amount of work I do	4.11	0.927
The compensation I get motivates me to work harder	4.03	0.827
I am given a chance to do different things from time to time which in turn builds my motivation	3.98	0.627
I believe that the rewards an employees is awarded are effectively managed	3.56	0.726

I get praised for doing a good job	2.09	0.826
I get a feeling of accomplishment from the job and the work that I do	4.06	0.767
I am encouraged by the way my job provides for steady employment	3.45	0.783
I am motivated by the chances for advancement on the job	2.11	0.793
I believe I am given the chance to do something that makes use of my abilities	3.76	0.827
I am encouraged by the way my line manager handles his/her workers.	2.98	0.825
I am encouraged to use my own judgement when doing my job	2.34	0.827
I am motivated by the training the organization offers the employees to improve on their performance	2.78	0.856
I am motivated by the incentives used to reward employees for their performance	3.54	0.783
My work is interesting, challenging and meaningful thus increases my motivation to work	3.12	0.743
My motivation will be born once I believe my effort will lead to expected performance and the reward given for this performance satisfies my personal goals	3.67	0.865
I am motivated by the level of commitment by the organization to grow the careers of employees	3.21	0.863
The organization has ensured that motivating employees remains a	2.23	0.736

key factor		
I believe the performance based reward system has achieved its objective of motivating employees	2.09	0.837
I consider my employer to be the best employer as they take employee motivation as their number one priority	2.11	0.936

The study established that the respondents motivation would be born once they believed their effort would lead to expected performance and the reward given for this performance satisfies their personal goals as shown by a mean 3.67 and a standard deviation of 0.865. The respondents also agreed with a mean of 3.56 and a standard deviation of 0.726 that they believed that the rewards an employee was awarded were effectively managed. The respondents further, the respondents agreed with a mean of 4.02 and a standard deviation of 0.827 that the compensation they get motivates them to work harder. Further, the respondents agreed with a mean of 3.54 and a standard deviation of 0.783 that they were motivated by the incentives used to reward employees for their performance. The respondents further agreed with a mean of 3.45 and standard deviation of 0.783 that they were encouraged by the way their job provides for steady employment. In addition, the respondents agreed with a mean of 3.21 and a standard deviation of 0.863 that they were motivated by the level of commitment by the organization to grow the careers of employees.

The respondents also indicated with a mean of 3.12 and a standard deviation of 0.743 that their work is interesting, challenging and meaningful thus increases their motivation to work. Further, the respondents agreed with a mean of 2.98 and a standard deviation of 0.825 that

they were encouraged by the way their line manager handles their workers. Further, the respondents agreed with a mean of 2.78 and a standard deviation of 0.856 that they were motivated by the training the organization offers the employees to improve on their performance.

However, the respondents disagreed with the statement that they were encouraged to use their own judgement when doing their job as shown by a mean of 2.34 and a standard deviation of 0.827. In addition, the respondents disagreed with the statement that they got praised for doing a good job as shown by a mean of 2.09 and a standard deviation of 0.826. The respondents also disagreed with the statement that the organization had ensured that motivating employees remains a key factor. This is shown by a mean of 2.23 and a standard deviation of 0.736. The respondents also disagreed with the statement that they were motivated by the chances for advancement on the job as shown by a mean of 2.11 and a standard deviation of 0.793. Further, the respondents disagreed with the statement that they considered their employer to be the best employer as they take employee motivation as their number one priority as shown by a mean of 2.11 and a standard deviation of 0.936. Finally, the respondents disagreed with the statement they that believed the performance based reward system had achieved its objective of motivating employees as shown by a mean of 2.09 and a standard deviation of 0.837.

The discussions from the findings indicate that the employees were fairly satisfied with the performance based reward system that is in place.

CHAPTER FIVE: DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the discussion of key data findings, conclusion drawn from the findings highlighted and recommendation made there-to. The conclusions and recommendations drawn were focused on addressing the objectives which was to determine the perceived influence of performance based reward systems on employee motivation in Barclays Bank of Kenya head office.

5.2 Discussion of the findings

The respondents in this study were working in the operations department, finance department, human resource department and corporate department and retail banking. In addition, most of the respondents were male aged between 31 and 40 years. Most of the respondents had a working experience of less than 10 years. Further, majority of the respondents were working as management staff.

5.2.1 Performance Based Reward System and Employee Motivation

This study established that the performance of the employees in Barclays Bank of Kenya head office was fairly determined ($M=4.12$, $SD=0.739$). The study also found that the employees at Barclays Bank of Kenya head office were fairly compensated for the amount of work they did ($M=4.11$, $SD=0.927$), the performance of an employee was effectively

reviewed ($M=4.09$, $SD=0.627$) and the employees got a feeling of accomplishment from the job and the work that they did ($M=4.06$, $SD=0.767$).

The study also established that the performance system had been effectively implemented ($M=4.06$, $SD=0.672$) and the performance appraisal policies were applied fairly across the organization ($M=4.06$, $SD=0.767$). The employees understood the performance system used for awarding employees ($M=4.05$, $SD=0.734$) and were aware of the performance appraisal process ($M=4.02$, $SD=0.892$). The compensation the employees got motivated them to work harder ($M=4.02$, $SD=0.827$) and the performance appraisal policy was in place ($M=3.98$, $SD=0.726$).

It was revealed in this study that the organisation was giving the employees reasonable deadlines to achieve their set targets ($M=3.98$, $SD=0.562$), they were given a chance to do different things from time to time which in turn builds their motivation ($M=3.98$, $SD=0.627$), they were involved in setting their own targets ($M=3.87$, $SD=0.921$), they were given the chance to try their own methods of doing the job ($M=3.76$, $SD=0.729$) and they believed they were given the chance to do something that makes use of their abilities ($M=3.76$, $SD=0.827$).

The study also established that the employees motivation would be born once they believed their effort would lead to expected performance and the reward given for this performance satisfies their personal goals ($M=3.67$, $SD=0.865$). The employees in Barclays bank Headquarters believed that the rewards an employee was awarded were effectively managed ($M=3.56$, $SD=0.726$), they believed the performance appraisal process, plans and objectives were clearly defined ($M=3.45$, $SD=0.827$) and they were motivated by the incentives used to reward employees for their performance ($M=3.54$, $SD=0.783$).

The employees were encouraged by the way their job provides for steady employment (M=3.45, SD=0.783) and they were motivated by the level of commitment by the organization to grow the careers of employees (M=3.21, SD=0.863). The study also revealed that the employees work was interesting, challenging and meaningful thus increasing their motivation to work (M=3.12, SD=0.743), they were encouraged by the way their line manager handles their workers (M=2.98, SD=0.825) and they were motivated by the training the organization offers the employees to improve on their performance (M=2.78, SD=0.856)

However, the study established that the employees were not encouraged to use their own judgement when doing their job (M=2.34, SD=0.827). In addition, the employees were not praised for doing a good job (M=2.09, SD=0.826). The study also found that the organization had not ensured that motivating employees remains a key factor (M=2.23, SD=0.736). Further, the study found that the employees were not motivated by the chances for advancement on the job (M=2.11, SD=0.793). In addition, the study found that the employees were not considering their employer to be the best employer as they take employee motivation as their number one priority (M=2.11, SD=0.936). Finally, the study found that the employees believed the performance based reward system had achieved its objective of motivating employees (M=2.09, SD=0.837).

5.3 Conclusion

This study concludes that performance based reward systems influences employee motivation in Barclays Bank Head Office. The study also concludes that the employees at Barclays Bank of Kenya head office were fairly compensated for the amount of work they did. The performance of an employee was effectively reviewed and the employees got a

feeling of accomplishment from the job and the work that they did. In addition, the study concludes that the performance system had been effectively implemented and the performance appraisal policies were applied fairly across the organization. Further, the employees understood the performance system used for awarding employees and were aware of the performance appraisal process. The compensation the employees got motivated them to work harder. It was revealed in this study that the organisation was giving the employees reasonable deadlines to achieve their set targets. In addition, the employees were given a chance to do different things from time to time which in turn builds their motivation.

The study also concludes that the employees were not encouraged to use their own judgement when doing their job. In addition, the employees were not praised for doing a good job. The study also found that the organization had not ensured that motivating employees remains a key factor. Further, the study found that the employees were not motivated by the chances for advancement on the job. In addition, the study concludes that the employees were not considering their employer to be the best employer as they take employee motivation as their number one priority. Finally, the study concludes that the employees believed the performance based reward system had achieved its objective of motivating employees.

5.4 Recommendations

This study established that the employees were not encouraged to use their own judgement when doing their job. Involving employees in decision making motivates them to work harder. This study therefore recommends that the management of organisations should

involve their employees in decision making and encourage them to use their own judgement when doing their job.

The study also established that the employees were not praised for doing a good job. Recognition for good work done motivates an employee to work even harder. This study therefore recommends that organisations' management should ensure that their employees get monetary or non-monetary recognition for good work done.

The study also found that the employees were not considering their employer to be the best employer as they take employee motivation as their number one priority. This study therefore recommends that the management of the organisation should ensure a good relationship with employees. To enhance their relationship, the management can hold consistent meetings or dinners with the employees.

Further, the study established that the employees did not believe that the performance based reward system had achieved its objective of motivating employees. This study therefore recommends that the organisation management

5.5 Suggestion for further research

From the study and related conclusions, the researcher recommends further research in the area of the effects of monetary incentives on employees' motivation. The study also recommends further studies in the area of the effects of non-monetary incentives on employees' motivation.

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PART TWO: PERCEIVED INFLUENCE OF PERFORMANCE BASED REWARD SYSTEM ON EMPLOYEE MOTIVATION

Rate your levels of satisfaction to the following facets of your job. Use the following scale:

5 = Strongly Agree

4 = Agree

3 = Neither agree nor disagree

2 = Disagree

1 = Strongly disagree

		5	4	3	2	1
1	I am aware of the performance appraisal process					
2	I believe that the performance appraisal policy is in place					
3	The performance appraisal policies are applied fairly across the organization					
4	I am given the chance to try my own methods of doing the job					
5	I believe the performance appraisal process, plans and objectives are clearly defined					
6	I am involved in setting my own targets					
7	I am given reasonable deadlines to achieve my set targets					
8	The performance of an employee is effectively reviewed					
9	I understand the performance system used for awarding employees					
10	The performance system has been effectively implemented					

11	The performance of an employee is fairly determined				
12	I am fairly compensated for the amount of work I do				
13	The compensation I get motivates me to work harder				
14	I am given a chance to do different things from time to time which in turn builds my motivation				
15	I believe that the rewards an employees is awarded are effectively managed				
16	I get praised for doing a good job				
17	I get a feeling of accomplishment from the job and the work that I do				
18	I am encouraged by the way my job provides for steady employment				
19	I am motivated by the chances for advancement on the job				
20	I believe I am given the chance to do something that makes use of my abilities				
21	I am encouraged by the way my line manager handles his/her workers.				
22	I am encouraged to use my own judgement when doing my job				
23	I am motivated by the training the organization offers the employees to improve on their performance				
24	I am motivated by the incentives used to reward employees for their performance				
25	My work is interesting, challenging and meaningful thus increases my motivation to work				
26	My motivation will be born once I believe my effort will lead to expected performance and the reward				

	given for this performance satisfies my personal goals					
27	I am motivated by the level of commitment by the organization to grow the careers of employees					
28	The organization has ensured that motivating employees remains a key factor					
29	I believe the performance based reward system has achieved its objective of motivating employees					
30	I consider my employer to be the best employer as they take employee motivation as their number one priority					