INFLUENCE OF REWARD MANAGEMENT ON UNIVERSITY EMPLOYEE PERFORMANCE: A CASE STUDY OF USIU-A

BY

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STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other university or institution other than the United States International University – Africa in Nairobi for academic credit.

Signed_________________________________ Date___________________

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This project has been presented for examination with our approval as the appointed supervisors.

Signed_________________________________ Date___________________

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ABSTRACT

The general objective of this study was to examine the effect of rewards management on employee performance at USIU-A. The study was guided by the following specific objectives; to examine how intrinsic rewards enhance employee performance at USIU-A, to examine how extrinsic rewards influence employee performance at USIU-A and to examine how the reward policies influence employee performance at USIU-A.

The study used descriptive survey design. The targeted population was USIU-A full time staff and faculty which was 424 as at the period of study between July and August 2018. Random sampling was employed to pick a sample of 80 respondents. Primary data was collected by use of a structured questionnaire arranged on the basis of the specific objectives. A pilot test was conducted with 10 respondents. The questionnaire was reviewed and circulated to the respondents. The data was analyzed using both descriptive and inferential techniques using SPSS. Data results were tabulated in tables and figures.

Study revealed that there is positive relationship between performance and intrinsic rewards. Most employees possess the skills required to perform their duties and their managers believe in their ability to handle their tasks. The employees are guided by their supervisors on required objectives and on achieving them they receive recognition. Their abilities are enhanced through training which has continued to motivate them to perform.

The findings revealed that extrinsic rewards highly influenced employees’ performance at USIU-A. The study revealed that majority of the employees received their salaries in time and is commensurate to their work. They also indicated that their performance would improve if their salaries were increased. The study established that both the physical attributes and the work environment at USIU-A contributed to their performance. The university leadership equally influenced their performance. Employees equally received constructive feedback from their supervisors in regards to their performance.

In regards to reward policy, most employees informed that USIU-A did not have or were not aware of a documented reward policy. They indicated that in case there was such a document, they access to it. However, they agreed that there is a systematic rewards process and were based on performance and achievement of USIU-A objectives. The study established that the jobs were grouped and guided by both work experience and
qualifications. However, employees were uncertain in regards to promotions being based on performance.

The study recommends that given that USIU-A is an international institution with more competitors should ensure all employees have access to the rewards policy document which should be relevant. Managers should also ensure that all activities are geared towards achieving organizational goals which should be rewarded by use of bonus and recognition.
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DEDICATION

I dedicate this work to the almighty God for his provision and the grace to complete. I likewise dedicate this research project to my late father, Evangelist Peter Kariuki who was my greatest source of inspiration who continually reminded me that education has no end.
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

For any organization to achieve its objectives it must ensure that its human capital is satisfied. Human capital is considered as the most important resource in any firm today and therefore, it is the responsibility of the management to consistently appreciate their employees (Kim & Holzer, 2016). When managed well, human capital ensures a firm gets competitive success. Any firm’s success or failure is determined by the efficiency of its resources including human capital. Such resources include material, financial, human and information resources. The human capital is most important since it determines how the other resources are utilized (Dyer & Reeves, 1995).

Employees will give their best when they trust and feel that their efforts are well rewarded by management (Aktar, Sachu, & Ali, 2012). In their study Aktar et al. established that employees’ performance is affected by many factors. These factors include working hours, development opportunities, job security, organizational policies and procedures, work relationships, training and development and rewards. In organizations committed employees are highly considered and are willing to build lasting relationships with employers.

Today’s organizations are operating in a very highly competitive environment which is ever-changing. Therefore for any firm to remain relevant and compete objectively, it has to respond to the changing demands of its customers. These customers include internal and external customers. Therefore, firms will endeavor to recruit and reward better than its competitors targeting better results (Anitha, 2013).

Over the years, rewards have been used to appreciate and recognize employees with an intention of enhancing even better performance. In a study conducted by Taylor (1911) on levels of motivation of employees who received piece-rate pay based on units produced and on hourly basis, he established that their full motivation was the pay received. He concluded that employees are therefore motivated to perform better and produce more units if they know monetary rewards are based on their levels of production or performance. This was later criticized by Mayo (1940) who argued that financial or
monetary rewards may not be enough to motivate or enough to inspire employees to perform. This is because after a period of time, they get bored as the tasks are done as a routine. Consequently, performance will reduce despite the fact that monetary rewards are availed (Prendergast, 1999).

In America and Europe reward systems started as early as 1950’s based on Skinner’s (1953) reinforcement theory that argues that employees’ performance will increase with increase in rewards. He concluded that employees who are well rewarded will increase performance that brought the rewards. Maslow’s theory on hierarchy of needs argues that employees’ performance is improved if their needs are met. The only way of meeting employee needs is through rewards.

Countries in the Asian continent have equally used rewards to enhance the performance of employees (Thomas, Au, & Ravlin, 2003). In a study in the hotel industry in Malaysia on employee performance, Ali and Ahmad (2009) established that there exists a positive relationship between rewards, performance and motivation.

African countries have used reward systems dating from the pre-colonial era. The rewards were not monetary as may have been in America and the European countries (Dewhurst, Guthridge, & Mohr, 2009). Dewhurst et al. (2009) concluded that the many studies on employee satisfaction showed that people with satisfactory salaries preferred non-financial motivators which are more effective in building long term work engagement.

In Kenya, there has been fast growth in the education sector guided by Kenya’s vision 2030 policy document. This has resulted to establishment of many universities. This growth cannot be compared to the quality of graduates released into the Kenyan market. According to Marwa (2014), higher education institutions are getting increase in demands from stakeholders. There has been a lot of financial instability among higher institutions causing a lot of instability. This financial instability has affected the reward schemes resulting to industrial strikes (Waswa & Katana, 2008).

Herzberg model which is concerned with people’s perceptions on how they are being treated compared to others applies to employee compensation. To deal with people equitably is to treat them fairly compared to other groups (Amstrong, 2006). Equity
involves feelings and participation which is usually based on comparison of with other group.

1.2 Statement of the Problem

Highly qualified faculty and staff in high education institutions continuous leave for greener pastures and better opportunities in both public and private sector. Those left behind usually underperform due to low motivation and inadequate rewards.

In the education sector and specifically universities, it is very important for organizations to stay focused on performance of employee and seek ways to improving it. While employees are assets in any organization, the importance of employees in educational institutions is more significant because the industry by nature is labor intensive. Most of the activities in learning institutions involves direct contact with its customers in this case the students. These poses challenges brought about by the development of new private universities and development of self-sponsored units in the public universities. The self-sponsored units are equivalent to private universities (Odhiambo, 2014). Odhiambo (2014) established that these changes have posed enrolment challenges to both public and private universities. However, Ogeto (2015) argued that the high enrolment in private and self-sponsored universities resulted to shortage of facilities as well as low quality services. This claim can be supported by the World Bank report (Kenya’s Achievement and Challenges) which criticized the education system in Kenya. The report claimed that Kenya failed to produce graduates with knowledge and skills that are should help achieve the vision 2030 (Wanzala, 2013). Among other factors, rewards could be a great contributor to the low quality graduates.

In some instances, statistics have suggested that an organization that retains its employees is stable since the turnover is low. However, it is important for a firm to identify the most crucial employees and ensure they do not leave the organization and remain motivated and eventually deliver. Monetary benefits such as incentives, perks, cash prize motivate the employees to a large extent and may influence them to stick to the organization. (Bruce & Pepitone, 1999). In their study Bruce and Pepitone (1999) sought to identify, what are the results of organization failing to reward its employee adequately. They tried to find out an efficient reward system motivates employees and whether this would lead to demotivation resulting to low productivity, absenteeism, conflicts and eventually
turnover. They established that most of the employees left those firms due to discontent in rewards. This therefore implies that ineffective rewards system has resulted to low employee performance. In some cases rewards may as well result to unexpected negative behaviors such as jealousy, envy, and discontent resulting to turnover. (Burns & Bush, 2010)

Rewarding both faculty and staff in universities to ensure they perform effectively has continued to be a challenge especially here in Kenya. This has been manifested by the numerous strikes held by public universities in Kenya, the most recent lasting for 76 days. Demand for better rewards has often led to standoffs between government, management and employees. These will eventually increase competition with other universities in the region and overseas leading to brain. Grievances expressed by many employees include inadequate compensation. This leads to the questions; what rewards are availed to university employees, are these rewards effective in changing their behavior towards work and are employees content with these rewards?

USIU-A is one of the oldest private universities in Kenya with a student population of over 6500 from over 70 nationalities. Its core mandate is to provide highly skilled students with a global perspective. With the new rules set by the ministry of education in Kenya, many universities are facing tough times due to reduced student enrolment affecting their revenues.

USIU-A has invested heavily in ultra-modern buildings with latest technologies to facilitate teaching and learning. However, despite having these facilities in place, employee’s performance is key in ensuring the university’s vision - which is to become a premier institution of academic excellence with a global perspective, is achieved. This therefore calls for the management to ensure that employees are not only well trained to take their tasks but they actually perform their tasks as mandated with no force. Rewards management policies must ensure that USIU-A does not lose their qualified work-force to their competitors due to poor pay.

Based on this background, the study sought to determine the effects of rewards management based on employee’s performance at USIU-A. This study sought to establish the extent to which rewards influence employee performance. Therefore, the findings of will facilitate formulation and implementation of an effective reward management that
will enhance employee performance. This will eventually translate to release of well-prepared graduates into the market through a motivated workforce.

1.3 General Objectives
The objective of the study was to investigate the influence of rewards management on employee performance at USIU-A.

1.4 Specific Objectives
1.4.1 To examine how intrinsic rewards enhance employee performance at USIU-A.
1.4.2 To examine how extrinsic rewards influence employee performance at USIU-A.
1.4.3 To examine how the reward policies influence employee performance at USIU-A.

1.5 Significance of the Study
1.5.1 USIU-A
The findings of this study are important to managers at USIU-A given that it provides guidance on ways of aligning reward management with employee performance. The study will help managers align themselves on employees’ expectations.

1.5.2 Ministry of Higher Education and other universities
The government of Kenya’s policy makers will benefit from this study by being a source of information that will help developing rewards policies and strategies in the higher education sector and eventually help achieve the Kenya vision 2030 through the quality of education offered.

1.5.3 Employees
This study highlighted employees’ perspective on reward management. The employees will understand how well to engage and approach their managers on reward issues. On the other hand, managers will equally ensure that employees remain motivated to remain competitive in the global market.

1.5.4 Other Universities
The study will provide useful information on how reward management can increase effective employee performance resulting to effective rewards paid to right workforce.
Given that universities are service providers they must ensure they provide top quality services to ensure student there is an increase in success rate of students is high through provision of quality of education and other supporting services is provided to the students

1.6 Scope of Study

This study was conducted in United States International University–Africa in Kenya. USIU-A is a private university which is accredited by both Kenya and America university accrediting bodies. The study targeted both faculty and staff who have worked in the institution for more than two years as at August July 2018. Both faculty and staff fall into different categories of management.

There was challenge encountered in reaching the entire targeted population given that some of the employees would be on leave, others would be off duty while some would be in attendance of meetings at the time of data collection. The researcher therefore requested for appointments with the respondents two days before delivering the questionnaire. Given that the study was conducted within the researcher’s workplace, this was managed and response was given.

The issue of rewards is sensitive in certain organizations and usually respondents fear the repercussion of releasing certain information. Given that the researcher works in the institution under study, respondents gave feedback objectively since they were confident that they would not be implicated in any way.

1.7 Definition of Terms

1.7.1 Employee Performance

Employee performance is defined as the successful completion of tasks, responsibilities or assignments by a selected employee or group of employees based on set performance objectives and indicators of efficiency and effective utilization of available resources (Dewhurst et al., 2009).
1.7.2 Intrinsic rewards

Intrinsic rewards are said to be intangible (Taylor, 2008). They are positive psychological rewarding work-related experiences and activities that individuals gain from their work and work environment (Thomas, 2009).

1.7.3 Extrinsic Reward

Extrinsic rewards are essentially tangible rewards presented by the management to the employees and may take the form of salary and wages, annual leave payment, vacation payment as well as annual bonuses (Siti-Nabiha, Thum, & Sardana, 2012).

1.7.4 Reward Policy

Reward policy is the guide that provides specific directions to organizations for designing and developing programs that will ensure they reward performances that supports achievement of objective goals (Armstrong, 2009).

1.8 Chapter Summary

This chapter presents the background of the study on effects of rewards on employee performance. The chapter provides the context of the study being USIU-A indicating the current situation in relation to performance and rewards. The chapter explored the general and specific objectives under study outlining the significance of this study. Definition of terms to be used has also been provided. Chapter two reviews literature on rewards and performance. Chapter three discusses the research methodology adopted for the study while chapter four focuses on the results and findings of the study. Chapter five provides summary, discussions, conclusions and recommendations of the study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter presents existing literature that is based on the specific objectives for this study. The chapter also discusses the previous scholarly work relevant to rewards and employee performance literature. It concentrates on literature and theories on the effects of intrinsic and extrinsic rewards on employee performance and other factors influencing employee performance. A chapter summary is given at the end.

2.1.1 Reward Management and Employee Performance

Reward management refers to the strategies, processes and policies that managers put in place to ensure people’s contribution in an organization is recognized or compensated by both financial and non-financial means (Amstrong, 2006). Many organizations use various forms of rewards to enhance employee performance. However, they unfortunately, are not able to distinguish which type of rewards is most effective in terms of performance. Rewards are defined as positive outcomes earned as a result of employee’s effort and these rewards are aligned to the organizational goals (study.com/academy). Employees who help achieve organizational goals are appreciated through rewards (Salah, 2016). Previous studies have shown that the more employees feel dissatisfied with financial rewards received, the higher the possibility of them leaving the organization (DeConinck & Stilwell, 2004)

Researchers have established that managers are divided on the issue of rewards but tend to agree that rewards influence employee performance (Salah, 2016). Recent Studies established that there is less relation between extrinsic rewards and performance. Study on extrinsic rewards such as bonuses, pay increase has indicated that these rewards affected innovativeness amongst employees and managers. Similar findings were reached by Durant et al. (2006) in their study on performance paradigm in which they explain that financial rewards are not the most motivating factors to performance instead they have demotivating effects on employees.
Although financial rewards generally appeal and are welcomed by employees, Nelson and Spitzer (2003) concluded that finances should not be used as a tool to motivate employees to improve performance. Appropriate, effective and timely reward increases employees and managers' motivation. Researches and experience regarding the theory of performance reinforcement have proved that effective and timely feedback can be regarded as a motivation to increase employees' productivity and spirit (Cook, 2008). Studies reveal that there is a significant relation among the current employees, compensation, information sharing, stress levels and job burnout in the workplace (Terluin, Rhenen, Schaufeli, & De Haan, 2004).

2.2 Rewards
A reward is defined as all of the monetary, non-monetary, and psychological payments that an employee gets from an organization (Bartol & Locke, 2000). Rewards are given after the occurrence of an action with the intention of a repeat of the behavior or action. This is done by associating positive meaning to the behavior or action and it represents what the individuals want to obtain from work or what they perceive (Musaazi, 1982). Rewards also influence the way we act on information that is relevant to our jobs and objectives. Recent research has shown that the fact that employees are aware of rewards does not necessarily cause them to increase their performance. Employers will receive back what they have rewarded employees for in terms of behavior. This means that it is not automatic what the employers assume they will receive back from employees as a result of rewards. Therefore, when employee’s behavior exceeds expectation, should be rewarded immediately to encourage continuity through motivation. (Locke, Shaw, Saari, & Latham, 1981)

Therefore a reward is presented after an action has occurred and is positively associated with the activity or behavior (Musaazi, 2002). Employee performance involves the activities related to a job and how best employees execute these activities. Not all activities result to performance. Therefore, there is need to ensure that all employees focus on the activities that result to performance. Activities and behaviors that have nothing to do with the organization’s goals and objectives do not result in increase of sales or profits and therefore are unlikely to contribute to the organization’s performance (Mwita, 2003) Therefore managers must ensure rewards enhance only encourage performance of activities related to the firm’s objective.
Non-monetary rewards are believed in one way or the other to affect job commitment either negatively or positively. Non-financial rewards tend to attract highly qualified and competent people who are likely to be highly committed to the achievement of organizational goals. According to (Armstrong, 2009) focusing on the role of non-financial rewards in enhancing employees’ commitment and performance on the job observed that total reward is more than throwing money to employee it is ideally rewarding.

Armstrong (2009) adds that creating a challenging and empowered work environment in which individuals are able to use their abilities to do meaningful jobs for which they are shown appreciation is likely to be a more certain way to enhance motivation, commitment and performance. Maicibi (2003) identified three main types of non-monetary rewards as the need for power, need for affiliation and need for achievement. If an organization is to make its employees committed on the job the need to give them power in form of promotions and too they should be accepted on the job through recognition, Musaazi (2002) observes that absence of effective reward strategy that considers the needs of employees and their aspirations demoralizes them leading to low job commitment.

### 2.3 Intrinsic Rewards and Employee Performance

Intrinsic rewards are rewards that are in-built within an employee, or within job itself, (Richard, Ryan & Deci 2010). Intrinsic rewards include employees’ ability, recognition, trust and achievement (Farooqui & Nagendra, 2014). Intrinsic rewards come from verbal rewards such as positive feedback and praise which lead to job satisfaction. Employees who are intrinsically motivated participate keenly on assignments for internal reasons mainly pure enjoyment and satisfaction.

An employee intrinsically motivated will become committed up to the degree to which that job entails tasks that will result to rewards to him while and employee extrinsically motivated will commit up to the level he gains or is awarded rewards for their work. The greatest asset that an employee can offer to any organization is their experience, ability to solve problems, intelligence and agility (Farndale, Van Ruiten, Kelliher, & Hope-Hailey, 2011).
2.3.1 Employee’s Ability

In a study conducted in Pakistan on the effect of intrinsic rewards on employee’s performance, Rukhmani, Ramesh and Jayakrishnan (2010) established that an employee’s ability is significantly related to their performance. The study further established that the employees’ performance appraisal score was evaluated against their belief that the employees had the ability or were capable to perform their assignments or duties. Employees, who indicated that they had confidence in their ability to perform, actually did well in the performance appraisal compared to their colleagues who did not have confidence in their ability.

In a study conducted by Possenriede and Plantenga (2011) in the hotel industry in the UK on effects of rewards on employee performance, established that there exists a significant relationship between employees’ ability and employee’s overall performance. Further, the study concluded that in hotels where managers had established mechanisms for improving employee’s ability, performance had increased significantly.

To a large extent, when supervisors fail to show confidence in the employee’s ability to perform it automatically follows that employees’ performance suffers (Tippet & Kluvers, 2010). Organizations that have established training and other capacity building programs exhibit a higher level of employees’ ability to perform and the resultant effect on overall organizational performance is positive (Rukhmani et al., 2010).

In a study seeking to identify the factors that influence employee motivation in AMREF Health Africa in Kenya, Njambi (2014) found that when an employee are confident with their ability to deliver at work, their performance is certain. On the other hand, when an employee lacks confidence in their ability to perform duties as articulated in their job description, their performance suffers. This is because employees emulate performance expectations from their managers. She suggests that organizations that seeking to enhance performance should first enhance employees’ abilities in skills, knowledge and experience.

2.3.2 Career Advancement Opportunities

This is a human resource function that prepares employees for better jobs and improved performance in their current position within the organization. In a study on training and
development of employees, (Tahir et al., 2014) inferred that employee training enhanced employee performance and effective production. Learning helped employees develop their skills and knowledge resulting to improved performance. It was noted that training can be said to be a source of self-confidence. Employees are able to perform under duress with guidance and coaching. This not only develops increased morale but creates loyalty (Bhat, 2014).

Human beings in any organization are an expensive resource and therefore firms should optimize their contribution to achieve their goals and objectives. To achieve this, employee need to remain motivated and one way would be through training and development (Hongoro & Normand, 2006). Training is important and helps a firm ensure that it has adequate supply of employees who are competent both technically and socially for all positions in the firm. Employee training done right and at the right time will pay off in a big way to increase productivity, knowledge and loyalty amongst its employees.

Lack of opportunity for advancement or growth can cause a high turnover rate in any organization. Even the most seasoned employee needs to be told what he or she is doing is right once in a while (Shamsuzzoha & Shumon, 2007). Lack of promotion opportunities may result in dissatisfaction in an employee’s mind leading to low morale or resignation. Applicants should receive a full explanation of jobs having no real future, before they are hired. If an organization does not have chances for promotion of their employees, they may quickly lose employees to their competitors. Promotion of staff is a motivator in the sense that an employee is satisfied when performing their duties reducing employee turnover (Cascio, 2002).

Commitment to the organization is reduced if there is a perception of under handed methods in staff promotion activities (Mosadeghrad, 2013). Similarly, (Al-Ahmadi, 2009) established that employees demonstrate greater levels of satisfaction and commitment if they are given ample opportunity for personal as well as professional growth which are clearly defined.

Studies conducted in Northern Ireland in 2000 to 2002 reported that firms that had evidence of skills gap were negatively affected in terms of productivity. They were equally unable to meet targets and had low quality products as a result of low skilled human capital. Skill gaps may not necessarily be as a result of external skills shortages
but may be due to firms being forced to hire inferior candidates with an intention of improving their abilities within the firm (Zayas-Ortiz, Rosario, Marquez, & Colón Gruñeiro, 2015).

In a study done by Boselie (2010) on high performance in the Dutch’s health sector, he established that individual employees to go an extra mile when they are provided an opportunity to develop themselves. Another study seeking to establish employee perception on work life balance in relation to personal development concluded that supported career development by use of flexible structures resulted to positive perceptions among employees leading to employee performance (Li & Yeo, 2011).

2.3.3 Recognition

Recognition can be defined as the ability to identify and acknowledge an individual, usually by a supervisor or a senior manager, for a positive behavior or action in the course of their work Rukhamani et al., (2010). It is important that managers identify and acknowledge their employees for their outstanding performance.

Some of the ways in which organizations can offer recognition to their employees’ include acknowledging the employee performance publicly, providing employees with a day off, and providing them with good office working space (Njambi, 2014). Recognition therefore is a significant motivator to performance since it not only enhances employee’s impetus to good performance, but also enhances employee management relationship (Hafiza, Shah, Jamsheed, & Zaman, 2011).

A study on effects of employees’ incentive on performance in Private Universities in Kenya focusing on Kabarak University found that the use of social recognition such as compliments results in enhanced performance. This is even more effective if done consistently and equitably (Tumwet, Chepkilot & Kibet, 2015).

2.4 Extrinsic Rewards and Employee Performance

Extrinsic rewards can be defined as employee compensations or rewards in form of fringe benefits, payments or other form of tangible benefits employees’ get from an organization for having achieved set objectives at a given period (Farooqui & Nagendra, 2014). Extrinsic rewards are essentially tangible rewards presented by the management to the
employees. They could be in various forms such as pay-rises, promotion, bonuses and respective benefits (Ndungu, 2017). Likewise, extrinsic rewards as external since other people namely the management have the ability to control the size and whether or not the rewards are to be granted (Thomas, 2009). External motivation therefore can be as a result of manager’s actions since they are in power to administer the tangible rewards. Managers can therefore manipulate the rewards to ensure they motivate the employees for desired results (Cooper & Schindler, 2003).

In most organizations, extrinsic rewards take the form of salary and wages, annual leave payment, vacation payment as well as annual bonuses (Siti-Nabiha, Thum, & Sardana, 2012). Additionally, Burton (2012) argues that extrinsic rewards are important since they play a critical role in motivating employees to performance. It is necessary that the reward systems be viewed as fair to and by all employees in terms of procedures, policies, and award mechanisms (Pratheepkanth, 2011) and (Lotta, 2012).

Employee compensation includes all forms of pay or reward going to employees arising from their employment. However, some employee benefits are mandated by corporate laws throughout the world. They include minimum wages, over time, sick leave with pay, workers compensation and disability which played a dominant role.

2.4.1 Salaries and Wages

Wages and salaries are defined as the monthly payments that organizations pay their employees for services rendered as stated in the engagement contract (Boselie, 2010). Salaries and wages are distinguishable. Salaries are payments or compensation to permanent employees, or long serving contractual employees, while wages are payments to casual or short term contractual employees (Pratheepkanth, 2011).

Equity and fairness at workplace has been heightened by salaries and wages however, Corby, White and Stanworth (2015) infer that they do not necessarily enhance performance on their own. This is supported by Pratheepkanth (2011) that salaries and wages can only enhance performance up to a certain point. Dobre (2013) equally agrees that salaries only enhance employee performance when they still have need security and financial stability. However, at the point when an employee feels financially stable and
secure, salaries or wages are no longer a factor that motivates or enhances their level of commitment or performance.

Boselie et al., (2015) argue that salaries and wages have the ability to place an organization at a competitive level if the level of salaries and wages offered by the organization are more competitive compared to what is being offered by other hostility sector firms. To attract and retain highly qualified employees who have the ability and skills to enhance organizational performance, it is necessary that firms offer competitive salary and wage packages (Naithani, 2010).

2.4.2 Paid Leave

Employee’s annual leave is essential to employees’ performance, and organizational performance. According to Naithani (2010), paid leave is determined by managers in the organization. In most cases, organizations define a set of rules and regulations on who qualifies for paid leave, and how the paid leave procedure should be implemented. Legally, organizations are required to grant their employees a minimum of 21 working days of paid annual leave, for a full year of work. However, it is at the discretion of each organization to determine the number of days above the minimum legal requirement that they will extend to their employees as a way of appreciating their performance and as a way of motivation the employees (Humberd, Ladge, & Harrington, 2015).

Harrington et. al. (2015) argues that there is a great existence of a relationship between paid leave and employee performance. Employees usually feel honored by the firm they work for when they are paid during their annual leave. A study conducted by Akanbi (2010) in Nigeria revealed that only senior managers are entitled to leave payments. General employees were not paid any compensation over and above their annual salaries for the days they were on leave.

2.4.3 Allowances

Gupta (2014) infers that main employee allowance benefits include house allowance, travel allowance and any other special allowances given at a regular interval at a definite time by the employer. Some organizations provide house allowance in form of providing physical houses or paying rent/house allowance in form of cash in the salary. Allowances are given to retain the best talent in the organization and scales up depending on the
position of the employee in the organization. In addition, special allowances such as overtime, house allowances, phone allowances, meals, commissions and travel allowances are related to employee productivity.

2.4.4 Conducive Work Environment

A study conducted by Tripathi and Agrawal (2014) in South Africa found that organizations that had developed conducive work environment had higher performance in the tourism sector compared to those firms that had not. The study indicated that physical office space, provided employees the comfort needed to focus and execute work responsibilities. According to Tripathi and Agrawal (2014) conducive working environment contributes significantly to employee performance. The physical attributes of a work environment are just as important as the emotional attributes of a work environment. Employees normally develop attachment to their work environment since they spend most of their time at work (Hafiza et al., 2011).

In another study by Oscelik and Ferman (2007) on impact of the working environment on employee performance, indicated that employees with a good working environment were highly motivated to get to work compared to those who indicated that they did not like their work environment. As a result, the employees put in more effort as compared to employees who did not like their work place and who came in late and left work early (Eric, Papalexandris, Ioannou & Prastacos, 2010).

According to Siti-Nabiha et al., (2012), various factors influence the conditions of the work environment that employees are exposed to including air circulation, noise pollution, hygiene levels and office lighting. When the work environment is noisy or lacks adequate lighting, employees take longer to finish simple assignments they would have done quicker in better conditions. Managers should ensure that their employees have properly structured physical office environments, in addition to offering emotional support as a way of enhancing employee performance.

2.4.5 Employee and Managers Relations

Proper management and employee relations are key motivators of employees’ performance (Alemu, Yosef, Lemma & Beyene, 2011) argue that there exists a significant relationship between manager employee relations and employee performance. Alemu et
al., (2011) looked at how manager employee relationships influence employee performance. The study found that when employees have good relationships with their managers, or perceive to have good relationships with their managers, they performed well at work.

On the other hand, Daniels, Erickson, and Dalik (2001) argue that whether employees have a positive relationship with managers or not, does not determine the competency and performance levels of employees. They further suggest that manager employee relations just enhance the existing performance state. For example, if an employee is a good performer, good relations can enhance performance. However, if an employee is incompetent or unskilled, a good relationship with management will not elicit better performance from the employee.

2.4.6 Organizational Leadership

Organizational leadership is essential in influencing the actions and perceptions employees at work (Rukhmani et al., 2010). Effective leadership means that leaders are able to model performance objectives, vision and organizational mission for employees. When a leader paints a clear picture of where the organization is headed to and what the organization is supposed to achieve, employees find it easier to plug in, since they understand what is expected of them (Daniels et al., 2011). Employee performance is a reflection of the kind of leadership employees have.

Leaders who possess emotional intelligence have a higher level of employee performance. This was revealed in a study done by Richard et al., (2010) that indicated that organizations that have higher employee performance have leaders with higher emotional intelligence. This means that these leaders have the capability and skill that enables them to reach out to different employees at different levels, motivate them differently, and gain from them maximum output in terms of performance (Alemu et al., 2011).

Tripathi and Agrawal (2014) concluded that organizational leaders who offer individualized consideration to their employees often get higher levels of performance from them compared to leaders who do not give individualized consideration. To enhance performance, leaders should learn to offer words of praise and learn how to reward good
work, achievement and performance. Rukhani et al., (2010) argue that words of affirmation from a leader go a long way in encouraging employees towards enhanced performance. Therefore, while employee performance depends on many factors, the impact of effective leadership on employee’s performance cannot be overlooked.

2.5 Reward Policies and Employee Performance

In the past, both HR practitioners and researchers and scholars focused mainly on financial rewards. However, organizations continue to experience challenges in attracting and retaining talented employees due to changes in the internal and external environment such as budget constraints, age and strive for talents (McDonnell, 2011). As a result, managers are working at doing total reward analysis i.e. manage both intrinsic and extrinsic rewards. Rewards that have greater impact on performance receive more attention from mangers. Total reward management agrees that there is need to provide appropriate financial rewards to performing employees (Chiang & Birtch, 2011).

In a research by Kanfer and Ackerman (2004) they inferred that older employees tend not to be motivated by financial rewards but by their work-related knowledge which they are keen to share with other employees. In a research by Gomez-Mejia and Balkin (1992) refers to extrinsic rewards as physical benefits provided by the organization such as pay, salaries, bonus, fringe benefits, career opportunities and development. Gomez et al., (1992) further classifies intrinsic rewards as rewards that are part of the job itself. Greenberg and Baron (2003) explain that extrinsic rewards can be tangible such as incentives, promotions, allowances, job security.

On the contrary, Dailey and Roberts (1992) argue that there are three categories of rewards which attract employees – intrinsic, extrinsic and social rewards. Dailey et al indicates that social rewards arise from employee interaction with the job and other people e.g. supportive relationships with their mangers and co-workers. This argument is supported by Mottaz (1985) who defines social rewards as factors that are not related to tasks but are interpersonal relationships. They can be both tangible and intangible which evoke positive sense of well-being at work place as stated by Mottaz (1985).

Poor performance in many organizations is not necessary related to compensation structures or issues of the pay system but formation and implementation of the system. A
weak pay system directly or indirectly affects productivity. The role of developing a working human resource reward strategy for any firm is quite challenging. However, this is key in ensuring that the firm remains competitive in the market place. The process and results are usually different in given organizations and therefore what would work for one institution may not necessarily work for another. Therefore, the human resource managers must ensure they address the needs of each organization. Reward process must be tailored to fit the employees’ expectations and serve the objectives of the firm as well.

Reward systems are often implemented in organization as a management tool which contributes to the effectiveness of the firm. It influences employee behavior and equally motivates them to work (Lawler & Cohen, 1992). In a study done by Huselid, Jackson and Schuler (1997) established that there is a relationship between rewards, job satisfaction and motivation of employees. Employee performance is determined by the degree of which non-financial rewards availed are attractive. People therefore need non-financial rewards to ensure they are at their optimum working condition resulting to productivity. According to Armstrong (2000) reward strategy is the policy that provides specific directions to organizations for designing and developing programs that will ensure they reward performances that supports achievement of objective goals. It also provides direction on how an organization will design different reward programs. Armstrong (2006) view total rewards as combination of both financial and non-financial rewards availed to employees.

Reward policies are also seen as guidelines that are provided in ensuring employees are totally rewarded. When developing reward policies, managers seek to attract, retain and motivate best employees who will drive their agenda. Organizations can benefit on well and implemented reward strategies if they are well communicated to employees and they understand how they are linked to performance. In a study conducted by Ajila and Abiola (2004) revealed that reward package can influence on employee performance. Their findings concluded that reward systems help in increasing employee performance as well as enhance their knowledge and skills which eventually help achieve the organization objectives.

Allen and Kilmann (2001) established that reward practices play a vital role in enhancing performance and achieving organizational objectives. They inferred that rewards are
directly attached to performance. In a Study by Heng (2012) concluded that if a firm fails to reward its employees, it will lead to a decrease in performance due to demotivation. The study showed that an effective reward system is a good motivator and can lead to increase in productivity. On the contrary, employees who do not view the reward system as effective will be demotivated which will be evident in high absenteeism, turnovers, lateness and lack of commitment. Heng (2012) concluded that development and implementation of an effective reward system will result to a sustainable competitive advantage due to retention and motivation of competent employees.

2.5.1 Equal pay system

Equal pay system is a reward system said to be a reaction to job analysis and pay grade structures which are viewed by the low earning employees as demotivators. These low paid employees feel less valued as compared to other employees in the organization. The equal pay system proposes a flat rate pay for all employees (Bloom, 1999). This system has weaknesses in that, high skilled and experienced staffs feel inadequately rewarded since they have more than their colleagues but are paid the same. This reward system therefore goes against expectancy theory. In a study to establish the relationship between incentives and cheating at workplace Balasubramanian, Bennet and Pierce (2004) opined that employees could either choose to be honest or dishonest whether the chances of being detected or not. This therefore means that management of incentives should be well management as it may lead or not lead to dishonesty.

On the other hand Osibanjo, Adeniji, Falola and Heirsmac (2015) opined that allowances and bonuses awarded to more qualified and skilled employees will bridge the dissent gap. Therefore the system was found to have lots of weakness since every employee’s pay was put at par demotivating staff since there are no extra incentives for extra inputs. Sam, Theen and Heng (2012) on a study on the reward system in Malaysia insurance sector inferred that total reward system would work. They equally considered the needs of the generation Z which considered their specific individual needs as opposed to a general reward system (San, Theen & Heng, 2012)

2.5.2 Job analysis

Job analysis is a process in which information about a job is systematically collected and evaluated. The information or data about each job is broken down to specific duties and
job requirements are established. Ojiambo (2012) argues that a better way of determining employee rewards is to consider all aspects of the employees. Such aspects include academic qualification, work experiences, skills and levels of performance an employee is expected to achieve. This argument agrees with the equity theory in that the organization comes up with fair rewards for all the employees.

2.5.3 Job evaluations

Employees should know the relationship between their performance and the rewards given. Therefore, reward policy should be designed in a way that all goals and objectives are clearly stated so that employees’ efforts are geared towards achieving them. Therefore, job evaluations should act as a basis of achieving equitability in the firm. Grade structures should be provided to all employees and should be revised often to ensure their objectives are attained. Job evaluations analyzes the value of jobs (Armstrong, 2006).

2.5.4 Pay grade system

The main reason why people work is to get compensation. This could take various forms. Employees see compensation as a return for their investment. Armstrong (2006) describes pay structures and grades as tools which provide a framework to be used by managers to manage payments and rewards. They consist of comparable levels and job groups which are hierarchical in order (Armstrong, 2006).

Pay grade system provides different pay schemes for different professions within the same organization. Different professions earn different pay based on their job specifications. Employees within a given group earn uniform pay which is informed by decisions agreed by both management and employee representatives. The procedures used in making rewards decisions have a great impact on organization performance (Folger & Konovsky, 1989). Such a reward system gives employees a sense of fairness based on Herzberg’s theory (Apeyusu, 2012). However, Wekesa and Nyaroo (2013) argue that this system may cause friction within workplace. Some employees might view others as the cream in the organization which may lead to sabotages from the groups which might feel less valued or less favored by the system. These groups might tend to work up to the levels where they feel the rewards are worth (Wekesa & Nyaro, 2013).
2.5.5 Promotions

Promotions to the next job grade in many organizations, is done through a competitive interview process based on evidence of performance (Ndung’u & Kwasira, 2016). Promotions have been viewed as a strong source of motivation for employee performance. Mokaya, Musau, Wagoki and Karanja (2013) view grade structure system as an endless reward scheme since employees are able to foresee the next opportunity and seek to attain it.

2.5.6 Market rates

In market rate reward system, an organization analysis its industry and determines what other players are offering more so its main competitors and aligns its rewards based on the findings. An organization may decide to set its rewards at par with the main players in the industry or slightly higher to attract and retain the high skilled and experienced employees (Armstrong, 2009).

In the market reward analysis the firm examines what other players in industry are offering to ensure they are in-line or above them. Benchmarking on salaries is used as a base for salary proposals. Both formal and informal avenues assist firms to compare all reward aspects such as salary scales, vacations, insurance packages and leaves. Herderson (2016) states that employers use various avenues which to get this vital information

2.6 Performance

Employee performance is defined as the attainment of set standards in terms of accuracy, and completeness for a specific period, (Sultana, Irum, Ahmed, & Mehmood, 2012)). Equally Borman and Motowildo (1997) stated that task or job performance refers to activities that support organizational process either directly or indirectly in producing goods or services. Campbell (1990) defines performance as employees’ behaviors that results to performance. However, Campbell differentiates performance from outcomes in those outcomes results from personal performance although they are as a result of motivations or influences. Ramlall (2008) notes that individual performance is necessary for any organization to achieve its objective. This can be through employee’s creativity, innovation and commitment to the organization objectives. However, the influence of the
leader to their subordinates through clarification of the expected behaviors or actions is key (Griffin & Moorhead, 2011).

Collins and Smith (1999) discusses that a company may have more employees that its competitor yet the output in terms of productivity be less. He also highlights that a firm might be paying higher than its competitors but have disgruntled employees resulting to low output. Therefore increasing employee motivation to ensure performance is key. Productivity and performance studies and surveys have indicated that employee motivation and satisfaction increases output. Therefore managers need to be innovative in achieving both motivation and satisfaction. Progressive and innovative managers can achieve performance by use of different management techniques that are not restricted to pay incentives (Pratheepkanth, 2011).

In performance, employee behavior and activities can be classified in two dimensions; task performance and contextual performance (Kahya, 2009). Contextual performance as individual efforts that are not related to the employees’ main function but are important as they promote work social and psychological environment which affects performance (Werner, 2000). Task performance on the other hand is defined as the effectiveness with which employees perform activities that contribute to the organization’s strategy (Borman & Motowidlo, 1997).

Task performance refers to employee’s behaviors and activities that are related to transforming raw materials and services to finished jobs or services. These behaviors and activities are specific and are related to their tasks. On the other hand, contextual performance concerns aspects of an individual’s performance which maintains and enhances an organization’s social network and the psychological climate that supports technical tasks (Kahya, 2009).

A workforce that is satisfied with their job and their organizational environment including pay will be more committed unlike those that are not (Samad, 2007). The importance of commitment cannot be overlooked because it is a key factor influencing employee turnover, employee’s performance, and productivity. A committed workforce is usually a contributor towards enhancing organizational productivity (Deeprose, 1994).
There are several variables that influence or determine performance. They include personal qualifications, training and development, working experiences. When employees have high qualifications and are well trained, it is expected that they will perform better than if they were not. On the other hand, work experience is equally an asset that an organization can anchor on. Based on the number of years an employee has worked it is expected that performance should be comparative all other factors held constant.

Factors such as salary, promotion, training, welfare, fringe benefits etc encourage or motivate employees to give their best performance (Jones, 2010). The manager’s style of leadership is a key factor on employee performance. Employee behaviors have to certain degree resulted from the leadership style of their supervisors. The working environment is also considered as an influencer to performance. Hazardous environments have posed great threats to performance. Employees with proper working gadgets and working in a safe, clean environment are certain about their safety hence are able to perform unlike if this was not the situation. However, the greatest determinant of performance is the compensation package (Griffin & Neal, 2000).

Absence of compensation would result to low levels or no performance. The compensation could either be financial or non-financial (Gomez-Mejia, Tosi & Hinkin 1987). Proper working tools, equipment and working materials enhance performance. Support from colleagues, job security, loyalty awards, and retirement packages, have contributed greatly to productivity.

Effective employees use their knowledge and skills to do their jobs in the correct way. However, quality of human resources management is a critical influence on the performance of the institution (Nwachukwu, Chladkova, Zufan & Olatunji, 2017). All the activities performed by employees in an organization regardless of their departments are interrelated and affect the overall performance of the organization. It is important therefore, that all section heads understand that the ineffectiveness of employees under their supervision adversely affects the performance (Hee, Cheng, Liew & Loke, 2014).

Markova and Ford (2011) established that real organization success arises from employees’ willingness to use their ability and creativity in favor of the company. Lotta (2012) similarly inferred that motivated employees are more efficient and productive and are equally willing to work towards organizational goals.
2.6.1 Productivity
Tahir, Yousafzai, Jan and Hashim (2014) inferred that the measure of employee performance may be based on financial profits accrued by the firm attribute directly to individual employee. Berridge (2001) supports this argument indicating that a firm’s performance is seen in its profit margins, returns on both equity and assets and return on sales which is attributed to individual employee contribution. However, for service industries such as USIU-A employee performance can be seen on service delivery to its customers which is essentially perceptual.

2.6.2 Teamwork
In an every organization, teamwork is a great component for its growth. Individual effort is important but team efforts help organization achieve greater results. Organizations that reward group success encourage teamwork and create unity and conducive work environment (Wood, Holman & Stride, 2006).

2.6.3 Goal setting
Setting goals in any organization provides for direction and motivation at the same time building confidence amongst employees (Locke, Shaw, Saari & Latham, 1981). An employee who has specific goals such as completing reports on time have a clear work pattern. Goal setting improves performance in that employees have specific challenging tasks scheduled for a given period of time. Their time usage and abilities are enhanced resulting to performance. Goal setting enhances progress reporting and therefore rewarding of successes or achievements for performing individuals become easy for managers.

2.6.4 Work habits
Work habits are behavior patterns that are acquired at workplace. (Ohly, Sonnentag & Pluntke, 2006) When work habits are followed regularly till they become involuntary. Assessing staff work habits, managers should focus on time management – meeting of deadlines, arrival and departure from workplace and reliability in terms of time management. This will guide in understanding which responsibilities should be assigned to which employees. Consistent time management patterns will guide when conducting performance evaluation (Ofstad, Tobolova, Nayum & Klöckner, 2017).
Work habits are deeply rooted in an individual. This means motivating people who already have wrong attitudes towards work might not be easy. However, managers must use both psychological and economic factors to ensure performance from all employees. Once managers establish the right factors that motivate different employees they must use them although this may be through trial-and-error method. However, the guiding factor being to get productivity from all employees (Wood, Holman & Stride, 2006).

2.7 Chapter Summary

The chapter reviewed literature that explains both the dependent and independent variables. Literature on the dependent variable – employee performance was reviewed to establish what other researchers established and the knowledge gaps existing. Researchers’ view on the independent variables was studied. Literature was reviewed focusing on the reward policies and rewards. The next chapter discusses the research methodology followed in this study. These include research design, the target population, sampling design, sampling techniques, how the sample size was derived, data collection methods used, research procedure followed and how the data was analyzed.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

The focus of this chapter is the research methodology used in this study. The methodology entails research design, the population under study, sampling design and the data collection methods. This chapter also presents research procedures adopted by the study, as well as the data analysis methods used.

3.2 Research Design

Research design is the blueprint or the map that shows how the research data was collected, measured, and analyzed (Cooper & Schindler, 2014). Since research resources are limited, it is therefore important to have a research design to ensure these scarce resources are well utilized efficiently without wastage.

This research used descriptive survey design. Descriptive survey design is defined as a research design which enables the researcher to collect data without changing or manipulating the study subject or the environment (Cox & Hassard, 2005). The researcher described the findings from the study using statistical methods like frequencies, mean, regression and mode. These methods guided the researcher in making decisions on adoption of the study design. The descriptive survey design was appropriate because the main interest was to explore the relationship of rewards management and employee performance and describe how the factors support matters under investigation.

3.3 Population and Sampling Design

3.3.1 Population

Saunders, Lewis and Thornhill (2012) define a research population as the total collection of subject or elements about which a researcher wishes to make inference and draw conclusions. According to the USIU staff register, the total number of both staff and faculty was 424 as at July 2018. The target population was made up of senior managers, middle level and lower level employees. The population constitute of both faculty and staff from different divisions in the university. The divisions comprise of; ICT, Finance, Academic and Students Affairs, Office of the Vice Chancellor, University Advancement,
Legal and Administration. Unlike all other divisions, the Academic and Students Affairs comprise both staff and faculty.

3.3.2 Sampling Design

Cox and Hassard (2010) define sampling design as the roadmap that guides how sampling for a study will be conducted. In this study, sample design included sample frame, sample technique and sample size.

3.3.3 Sample Frame

A sample frame represents the comprehensive list of study subjects from which the research draws the sample size (Cooper & Schindler, 2014). For a sample frame to be valid, it has to contain holistic representation of the entire population. This study adopted a sample frame of all full time employees at USIU-A as at July 2018 as provided by the human resources office.

3.3.4 Sampling Technique

This study adopted simple random sampling techniques. Simple random sampling is defined as a sampling that is done randomly within a study population so as to give every member equal opportunity of being sampled (Saunders et al., 2012). This study used simple sampling since the employee population is homogeneous. Simple random sampling subjected on each division or group to ensure that each employee within the strata has an equal chance of being sampled.

3.3.5 Sample Size

Sample size refers to a subset of the target population (Saunders & Lewis, 2012). A sample examines a portion of the target population. It is also defined as a basic unit within a population that can be used to represent the entire population (Cooper & Schindler, 2014).

The proportion has to be selected carefully so as to represent that population. A sample can be used to derive inferences about the population under research. However, an appropriate sample size must be used. A sample size is the specific number of units of observation that the researcher intends to gather or collect information from (Cooper & Schindler, 2014).
The main purpose of using a sample is to reduce time and expenses by allowing the researcher to estimate information about the whole population from a representative sample. The larger the sample size, the more accurate the results.

The study adopted Denscombe (2007) sample size formula to determine the sample sizes as follows:

\[ n = \frac{N}{1 + N(e^2)} \]

Whereby:

- \( n \) = sample size
- \( N \) = total population
- \( 1 \) = Constant
- \( e^2 \) = estimated standard error equal to 10% for 90% confidence level

\[ n = \frac{424}{1+424(0.10)} = 80.9 \]

Therefore the sample size will be 81.

3.4 Data Collection Method

Data collection is the systematic gathering of data using a specified scientific process (Cooper & Schindler, 2014). Data collection methods refer to both primary and secondary ways in which information is obtained (Sekaran & Bougie, 2013). Primary data refers to information obtained first-hand by the researcher on the variables of interest for the specific purpose of the study while secondary data refers to information gathered from existing sources (Dawson, 2002).

Questionnaires are a common instrument for data collection as they allow for anonymity of the respondents (Cozby & Bates, 2012). Saunders, Lewis, and Thornhill (2009) note that a questionnaire is a research tool containing structured questions upon which data or information is collected. This study used a structured questionnaire to collect primary data. The study questionnaire was divided into five sections. Section I consists of demographic questions; Section II has questions on institutional information; Section III contains questions on intrinsic rewards, section IV on Extrinsic rewards and performance
while section V will focus on the dependent variable; employee performance. A Likert Scale of five levels (strongly disagree, disagree, neutral, agree and strongly agree) was adopted.

3.5 Research Procedures

The research process for this study began by seeking permission from USIU-A research office and the Human Resources. After the permission is granted, the questionnaire was piloted using 10 questionnaires. The piloting was conducted using employees not taking part in the study. The purpose of the piloting was to test for validity and reliability of the research tool. Feedback from the questionnaire was used to adjust the questionnaire for effectiveness. The findings from the pilot were subjected to a Cronbach Alpha to determine reliability of the findings. Reliable studies have to have a Cronbach Alpha value above 0.6 (Cox & Hassard, 2010).

The findings showed that if Intrinsic reward variable was removed from the questionnaire, the instrument would improve since it would have a coefficient of 0.845, but if Extrinsic reward variable was removed, then the questionnaire would be weakened since the Cronbach Alpha would be 0.788, if Reward Policies variable was removed, then the questionnaire would be weakened since the Cronbach Alpha would be 0.785. The findings also show that if Employee Performance variable was removed from the questionnaire, the instrument would improve since it would have a coefficient of 0.942 as shown on the table below.

<table>
<thead>
<tr>
<th>Scale</th>
<th>Cronbach's Alpha</th>
<th>Number of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intrinsic reward and employee Performance</td>
<td>0.845</td>
<td>8</td>
</tr>
<tr>
<td>Extrinsic reward and employee Performance</td>
<td>0.788</td>
<td>16</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>.942</td>
<td>9</td>
</tr>
<tr>
<td>Reward Policies</td>
<td>.785</td>
<td>18</td>
</tr>
</tbody>
</table>

The researcher physically delivered the revised one to respondents, and collected fully filled questionnaires within a period of four to eight days. Some of the respondents were able to complete and return the questionnaires within two hours while some required follow-up and constant reminders.
3.6 Data Analysis Methods

Cox and Hassard (2010) define data analysis method as the process through which a researcher summarizes raw data in a way that makes sense and meaning. In other words, data analysis methods are a way of giving meaning to research data. The statistical Package for Social Sciences (SPSS) version 21 was used to analyze data for descriptive and inferential statistics. Descriptive data was analyzed for percentages and frequencies, while inferential statistics will analyze for correlations, and regressions. A normality test was conducted to test for normal distribution of the dependent variable. For descriptive analysis the researcher analyzed the data and used mean and standard deviation.

The model used is;

\[ Y = \beta_0 + \beta_1 + \beta_2 + \varepsilon \]

Where;

- \( Y \) = Employee performance
- \( \beta_0 \) = Intrinsic rewards
- \( \beta_1 \) = Extrinsic rewards
- \( \beta_2 \) = Reward policies
- \( \varepsilon \) = Error term

The analysis of the data will be presented using tables and figures.

3.7 Chapter Summary

This chapter has presented the study sampling design sampling technique adopted and the sample size. This chapter has also highlighted how data was collected, analyzed and presented. A pilot study was conducted to enhance reliability and validity of research questionnaire. Both descriptive and inferential statistics were used to analyze the data. Chapter four presents result and findings of this study based on the specific objectives.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the results established from the data analysis done. This includes results relating to the demography and specific research objectives aimed at establishing the factors affecting employee performance at USIU-Africa.

4.2 Response Rate

The research issued a total of 81 questionnaires and a total of 75 were filled and returned giving a response rate of 93%. This was sufficient for the study as indicated in table 4.1

Table 4.2: Response Rate

<table>
<thead>
<tr>
<th>Questionnaires</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filled and collected</td>
<td>75</td>
<td>93</td>
</tr>
<tr>
<td>Non Responded</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>81</td>
<td>100</td>
</tr>
</tbody>
</table>

4.3 Demographic Information

4.3.1 Respondents Gender

Analysis of the respondents’ gender revealed that male represented 48% with female were the majority representing 55%. As indicated in Figure 4.1, this implies that there was a balance between genders in the response rate, thus impartiality in regard to gender.

![Figure 4.1: Respondents Gender](image)

Figure 4.1: Respondents Gender
4.3.2 Respondents Age

An analysis of respondents age revealed that respondents aged between 26-34 years were the majority and accounted for 64%, on the other hand, those aged 35-45 years represented 19% of the total, this was followed closely by those aged 46-55 years who represented 11%, respondents aged above between 18-25 years had a 5% representation while those aged 56 and Above had a 1% representation as shown in Figure 4.2. This implied that all ages were represented therefore the results captured views of the diverse age groups at USIU-Africa.

![Figure 4.2: Respondents Age](image)

4.3.3 Education Levels

The researcher sought to seek the education background of the respondents. An analysis of the respondent’s education levels revealed that 63% had a bachelors degree and 16% had advanced to a masters level. At the same time PhD Holders represented 12% of the general respondents while college diploma holders were 5%, in addition those with High school certificates were 4% as shown in Figure 4.3

![Figure 4.3: Education Levels](image)
4.3.4 Management Level

The researcher sought to find out the designation of the respondents in the organizations. A review of the management levels indicated that respondents in the general employee level had a 77% representation, while middle level managers followed at 13% and the senior level managers were represented at 9% as shown in Figure 4.4

![Figure 4.4: Management Level](image)

<table>
<thead>
<tr>
<th>Level</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>general</td>
<td>58</td>
<td>77</td>
</tr>
<tr>
<td>Mid level</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>Senior</td>
<td>7</td>
<td>9</td>
</tr>
</tbody>
</table>

4.3.5 Number of Years Worked at the Organization

The researcher sought to find out how long respondents have worked in the organization. The study reviewed respondents work experience at USIU-Africa in years and the results show that Majority accounting for 44% have 1-3 years’ experience, at the same time respondents with 4-5 years’ experience accounted for 35% while those with 5-10 years represented 17% of the total respondents. The findings also show that respondents with over 10 years’ experience represented 3%, while those with less than a years’ experience was 1% as shown in Figure 4.5

![Figure 4.5: Number of Years Worked at the Organization](image)

<table>
<thead>
<tr>
<th>Experience</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>1-3 Years</td>
<td>33</td>
<td>44</td>
</tr>
<tr>
<td>4-5 Years</td>
<td>26</td>
<td>35</td>
</tr>
<tr>
<td>5-10 Years</td>
<td>13</td>
<td>17</td>
</tr>
<tr>
<td>&gt;10</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>
4.3.6 Reward System

The researcher sought to find out if there was a reward system at USIU-Africa and the results show that Majority accounting for 87% indicated that there exist a reward system at the institution, and only 13% denied as shown in Figure 4.6

![Figure 4.6: Reward System](image)

4.3.7 Department Worked for in the Institution

A review of the data on the department worked for, the findings indicated that Operations staff had the highest representations at 33%, ICT department followed with a 25% representation. The findings also show that Academics and students affairs had a 20% representation, this was followed by Finance and administration who had 12% representation while legal affairs had 9% representation as shown in Figure 4.7

![Figure 4.7: Department Worked for in the Institution](image)
4.4 Effects of Intrinsic Rewards on Employee Performance

The study sought to analyze the effects of intrinsic rewards on employee performance, to achieve this objective respondents were asked a set of questions to indicate to what extent they agree or disagreed with statement. Using a five point Likert scale where 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agree.

4.4.1 Descriptive Statistics of Intrinsic Rewards

It was agreed that the employed possess the technical skills required to perform their duties (m=4.49, sd=.578). Most respondents also acknowledged that the management believes in their ability to perform (m=4.07, sd=.741). In addition respondents indicated that management believes in their ability to enhances performance at work (m=4.31, sd=.657). The respondents also indicated that they trust the management has in them enhances their performance (m=3.81, sd=1.111), and they receive recognition for their work (m=4.08, sd=.749). In addition, recognition by managers enhances their performance (m=3.64, sd=.690). The findings also show that respondents have clearly stated goals and objectives required to achieve (m=4.43, sd=.738). The study also show that achievement of the set goals are a source of motivation to improve performance (m=3.92, sd=.673).

Table 4.3: Descriptive Statistics of Intrinsic Rewards

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>You receive salary as payment for your work on time</td>
<td>75</td>
<td>4.47</td>
<td>.528</td>
</tr>
<tr>
<td>The salary paid is commensurate to the work done</td>
<td>75</td>
<td>4.04</td>
<td>.725</td>
</tr>
<tr>
<td>You understand the link between your performance and your salary</td>
<td>75</td>
<td>4.03</td>
<td>.805</td>
</tr>
<tr>
<td>Your performance would go up if your salary was increased</td>
<td>75</td>
<td>4.05</td>
<td>.695</td>
</tr>
<tr>
<td>You would recommend that management use high salaries as a way enhancing employee performance</td>
<td>75</td>
<td>4.07</td>
<td>.859</td>
</tr>
<tr>
<td>You receive an annual bonus based on your performance</td>
<td>75</td>
<td>3.32</td>
<td>1.221</td>
</tr>
<tr>
<td>The anticipation of the bonus enhances your performance</td>
<td>75</td>
<td>3.04</td>
<td>.877</td>
</tr>
<tr>
<td>I am paid travelling allowance during your annual leave</td>
<td>75</td>
<td>4.12</td>
<td>1.013</td>
</tr>
<tr>
<td>University leadership influences how I perform my work</td>
<td>75</td>
<td>3.55</td>
<td>1.017</td>
</tr>
<tr>
<td>I enjoy the work environment in which I work in</td>
<td>75</td>
<td>4.21</td>
<td>.722</td>
</tr>
<tr>
<td>I appreciate the physical attributes of my work environment</td>
<td>75</td>
<td>3.97</td>
<td>.915</td>
</tr>
<tr>
<td>I receive constructive feedback from my supervisor</td>
<td>75</td>
<td>3.45</td>
<td>1.044</td>
</tr>
</tbody>
</table>
4.5 Effects of Extrinsic Rewards on Employee Performance

The study sought to analyze the effects of extrinsic rewards on employee performance, to achieve this objective, respondents were asked a set of questions to indicate to what extent they agree or disagreed with statement. Using a five point Likert scale where 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agree.

4.5.1 Descriptive Statistics of Extrinsic Rewards

It was established that respondents receive salary as payment for their work on time (m=4.47, sd=.528). Majority agreed that the salary paid is commensurate to the work done (m=4.04, sd=.725). It was also established that a majority understand the link between their performance and their salary (m=4.03, sd=.805). They also indicated that their performance would go up if their salary was increased (m=4.05, sd=.695).

Table 4.4: Descriptive Statistics of Extrinsic Rewards

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>You receive salary as payment for your work on time</td>
<td>75</td>
<td>4.47</td>
<td>.528</td>
</tr>
<tr>
<td>The salary paid is commensurate to the work done</td>
<td>75</td>
<td>4.04</td>
<td>.725</td>
</tr>
<tr>
<td>You understand the link between your performance and your salary</td>
<td>75</td>
<td>4.03</td>
<td>.805</td>
</tr>
<tr>
<td>Your performance would go up if your salary was increased</td>
<td>75</td>
<td>4.05</td>
<td>.695</td>
</tr>
<tr>
<td>You would recommend that management use high salaries as a way enhancing employee performance</td>
<td>75</td>
<td>4.07</td>
<td>.859</td>
</tr>
<tr>
<td>You receive an annual bonus based on your performance</td>
<td>75</td>
<td>3.32</td>
<td>1.221</td>
</tr>
<tr>
<td>The anticipation of the bonus enhances your performance</td>
<td>75</td>
<td>3.04</td>
<td>.877</td>
</tr>
<tr>
<td>I am paid travelling allowance during your annual leave</td>
<td>75</td>
<td>4.12</td>
<td>1.013</td>
</tr>
<tr>
<td>University leadership influences how I perform my work</td>
<td>75</td>
<td>3.55</td>
<td>1.017</td>
</tr>
<tr>
<td>I enjoy the work environment in which I work in</td>
<td>75</td>
<td>4.21</td>
<td>.722</td>
</tr>
<tr>
<td>I appreciate the physical attributes of my work environment</td>
<td>75</td>
<td>3.97</td>
<td>.915</td>
</tr>
<tr>
<td>I receive constructive feedback from my supervisor</td>
<td>75</td>
<td>3.45</td>
<td>1.044</td>
</tr>
</tbody>
</table>
The findings also indicated that a majority would recommend that management use high salaries as a way enhancing employee performance (m=4.07, sd=.859). They also enjoy the work environment in which they work in (m=4.21, sd=.722). Respondents also indicated that they appreciate the physical attributes of their work environment (m=3.97, sd=.915). It was also established that majority are paid travelling allowance during your annual leave (m=4.12, sd=1.013), and the university leadership influences how they perform their work (m=3.55, sd=1.017).

There was however uncertainty on whether respondents receive an annual bonus based on their performance (m=3.32, sd=1.221), or the anticipation of the bonus enhances their performance (m=3.04, sd=.877). Respondents were also uncertain on whether they receive constructive feedback from their supervisor (m=3.45, sd=1.044).

4.6 Effects of Reward Policy on Employee Performance

The study sought to analyze the effects of reward policy on employee performance, to achieve this objective, respondents were asked a set of questions to indicate to what extent they agree or disagreed with statement. Using a five point Likert scale where 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agree.

4.6.1 Descriptive Statistics of Reward Policy

Most respondents disagreed that USIU-A has a documented reward policy which they have access to (m=2.92, sd=1.070), they also strongly disagreed that USIU-A pays overtime (m=1.92, sd=912). However agreed that the reward of employees at USIU-A is systematic (m=4.15, sd=1.111). It was also established that payment of employees depends on their performance (m=3.91, sd=1.305) and employees are rewarded based on achievement of organizational objectives (m=3.95, sd=1.276). Majority also indicated that each strategic objective has a reward for being met (m=3.81, sd=.954). In addition, employees holding similar positions earn similar rewards (m=4.15, sd=1.041), at the same time there are special allowances for certain responsibilities (m=3.65, sd=1.289), in addition, USIU pays special allowances when need arises such as mileage, night-out and airtime (m=4.22, sd=.959). It was established that employees in the same department earn the same range of pay (m=4.11, sd=1.158). Findings indicated that employees are spread into job groups guided by qualifications and work experience (m=3.72, sd=.994). Study also show that USIU-A provides additional benefits other than salaries (m=4.24,
sd=.566), and USIU-A has more incentives to its employees than other universities (m=4.10, sd=1.208). Majority also indicated that the supervisor provides guidance and support in the course of duty (m=4.03, sd=1.162) and the company leadership has strategic goals and objectives (m=3.80, sd=.959), in addition, the management communicates goals and objectives to all employees (m=4.23, sd=.924).

Results also indicated uncertainty in regard to USIU rewards being based on series of achievements (m=3.45, sd=.714) or promotion to the next job group being based on performance (m=3.47, sd=.920).

**Table 4.5: Descriptive Statistics of Reward Policy**

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>USIU-A has a documented reward policy which I have access to</td>
<td>74</td>
<td>2.92</td>
<td>1.070</td>
</tr>
<tr>
<td>The reward of employees at USIU-A is systematic</td>
<td>75</td>
<td>4.15</td>
<td>1.111</td>
</tr>
<tr>
<td>Payment of employees depends on their performance</td>
<td>75</td>
<td>3.91</td>
<td>1.305</td>
</tr>
<tr>
<td>Employees are rewarded based on achievement of organizational objectives</td>
<td>75</td>
<td>3.95</td>
<td>1.276</td>
</tr>
<tr>
<td>USIU rewards are based on series of achievements</td>
<td>75</td>
<td>3.45</td>
<td>.714</td>
</tr>
<tr>
<td>Each strategic objective has a reward for being met</td>
<td>75</td>
<td>3.81</td>
<td>.954</td>
</tr>
<tr>
<td>Employees in the same department earn the same range of pay</td>
<td>75</td>
<td>4.11</td>
<td>1.158</td>
</tr>
<tr>
<td>Employees holding similar positions earn similar rewards</td>
<td>75</td>
<td>4.15</td>
<td>1.041</td>
</tr>
<tr>
<td>There are special allowances for certain responsibilities</td>
<td>75</td>
<td>3.65</td>
<td>1.289</td>
</tr>
<tr>
<td>USIU-A pays overtime</td>
<td>75</td>
<td>1.92</td>
<td>.912</td>
</tr>
<tr>
<td>USIU pays special allowances when need arises such as mileage, night-out and airtime</td>
<td>75</td>
<td>4.22</td>
<td>.959</td>
</tr>
<tr>
<td>Employees are spread into job groups guided by qualifications and work experience.</td>
<td>75</td>
<td>3.72</td>
<td>.994</td>
</tr>
<tr>
<td>Promotion to the next job group is based on performance</td>
<td>75</td>
<td>3.47</td>
<td>.920</td>
</tr>
<tr>
<td>USIU-A provides additional benefits other than salaries</td>
<td>75</td>
<td>4.24</td>
<td>.566</td>
</tr>
<tr>
<td>USIU-A has more incentives to its employees than other universities</td>
<td>75</td>
<td>4.10</td>
<td>1.208</td>
</tr>
<tr>
<td>Your supervisor provides guidance and support in your course of duty</td>
<td>75</td>
<td>4.03</td>
<td>1.162</td>
</tr>
<tr>
<td>The company leadership has strategic goals and objectives</td>
<td>75</td>
<td>3.80</td>
<td>.959</td>
</tr>
<tr>
<td>The management communicates goals and objectives to all employees</td>
<td>75</td>
<td>4.23</td>
<td>.924</td>
</tr>
</tbody>
</table>
4.7 Employee Performance

The study sought to analyze the dependent variable (employee performance), to achieve this objective, respondents were asked a set of questions to indicate to what extent they agree or disagreed with statement. Using a five point Likert scale where 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agree.

4.7.1 Descriptive Statistics of Employee Performance

It was agreed that USIU-A employees serve with needed speed ($m=4.15, sd=.982$) and the employees at USIU-A are sensitive to customer requirements ($m=4.35, sd=.979$). The study also revealed that USIU-A employees have team work spirit ($m=3.59, sd=1.015$). The study revealed that USIU-A employees serve with a human face ($m=4.23, sd=.924$) and they maintain high professionalism ($m=4.00, sd=1.090$), respond adequately to challenges faced by customers ($m=3.80, sd=1.053$). They are also keen in meeting deadlines with very minimal mistakes ($m=3.87, sd=1.070$) and also keen on keeping time for both reporting to duty and attendance to meetings ($m=4.05, sd=.884$). There was however uncertainty USIU-A employees meet targets ($m=3.48, sd=1.083$).

Table 4.6: Descriptive Statistics of Employee Performance

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>USIU-A employees serve with needed speed</td>
<td>75</td>
<td>4.15</td>
<td>.982</td>
</tr>
<tr>
<td>Employees at USIU-A are sensitive to customer requirements</td>
<td>75</td>
<td>4.35</td>
<td>.979</td>
</tr>
<tr>
<td>USIU-A employees have team work spirit</td>
<td>75</td>
<td>3.59</td>
<td>1.015</td>
</tr>
<tr>
<td>USIU-A employees meet targets</td>
<td>75</td>
<td>3.48</td>
<td>1.083</td>
</tr>
<tr>
<td>USIU-A employees serve with a human face</td>
<td>75</td>
<td>4.23</td>
<td>.924</td>
</tr>
<tr>
<td>USIU-A employees maintain high professionalism</td>
<td>75</td>
<td>4.00</td>
<td>1.090</td>
</tr>
<tr>
<td>USIU-A employees respond adequately to challenges faced by customers</td>
<td>75</td>
<td>3.80</td>
<td>1.053</td>
</tr>
<tr>
<td>USIU-A employees are keen in meeting deadlines with very minimal mistakes</td>
<td>75</td>
<td>3.87</td>
<td>1.070</td>
</tr>
<tr>
<td>USIU-A employees are keen on keeping time for both reporting to duty and attendance to meetings</td>
<td>75</td>
<td>4.05</td>
<td>.884</td>
</tr>
</tbody>
</table>
4.7.2 Normality Test

A test was done to establish the normality of variables of employee performance. The Kolmogorov-Smirnov (KS) and Shapiro-Wilk (SW) values were established as shown in table 4.6. The SK and SW values for all the variables were significant (P<0.05) this implies that the variables were not normally distributed.

Table 4.7: Normality Test

<table>
<thead>
<tr>
<th>EP46</th>
<th>Kolmogorov-Smirnova</th>
<th>Shapiro-Wilk</th>
<th>Kolmogorov-Smirnova</th>
<th>Shapiro-Wilk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Statistic</td>
<td>df</td>
<td>Sig.</td>
<td>Statistic</td>
</tr>
<tr>
<td>EP46</td>
<td>.275</td>
<td>75</td>
<td>.000</td>
<td>.872</td>
</tr>
<tr>
<td>EP47</td>
<td>.228</td>
<td>75</td>
<td>.000</td>
<td>.874</td>
</tr>
<tr>
<td>EP48</td>
<td>.265</td>
<td>75</td>
<td>.000</td>
<td>.858</td>
</tr>
<tr>
<td>EP49</td>
<td>.251</td>
<td>75</td>
<td>.000</td>
<td>.851</td>
</tr>
<tr>
<td>EP50</td>
<td>.324</td>
<td>75</td>
<td>.000</td>
<td>.827</td>
</tr>
<tr>
<td>EP51</td>
<td>.201</td>
<td>75</td>
<td>.000</td>
<td>.839</td>
</tr>
<tr>
<td>EP52</td>
<td>.298</td>
<td>75</td>
<td>.000</td>
<td>.821</td>
</tr>
<tr>
<td>EP53</td>
<td>.220</td>
<td>75</td>
<td>.000</td>
<td>.845</td>
</tr>
<tr>
<td>EP54</td>
<td>.280</td>
<td>75</td>
<td>.000</td>
<td>.861</td>
</tr>
</tbody>
</table>

a. Lilliefors Significance Correction

EP46  USIU-A employees serve with needed speed
EP47  Employees at USIU-A are sensitive to customer requirements
EP48  USIU-A employees have team work spirit
EP49  USIU-A employees meet targets
EP50  USIU-A employees serve with a human face
EP51  USIU-A employees maintain high professionalism
EP52  USIU-A employees respond adequately to challenges faced by customers
EP53  USIU-A employees are keen in meeting deadlines with very minimal mistakes
EP54  USIU-A employees are keen on keeping time for both reporting to duty and attendance to meetings
4.7.3 Correlation Analysis

A Pearson correlation was done to establish the relationship between employee performance and other factors and the findings revealed that there was a positive relationship between employee performance and intrinsic rewards ($r=0.698$, $p<0.01$), extrinsic reward ($r=0.676$, $p<0.01$), and reward policy ($r=0.151$, $p>0.05$). Therefore it was concluded that intrinsic and extrinsic rewards positively and significantly influenced employee performance at USIU-Africa as shown in Table 4.7.

Table 4.8: Correlation Analysis of Employee Performance Factors

<table>
<thead>
<tr>
<th></th>
<th>performance</th>
<th>intrinsic</th>
<th>extrinsic</th>
<th>reward policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>performance</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.698**</td>
<td>.676**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.195</td>
</tr>
<tr>
<td>intrinsic</td>
<td>Pearson Correlation</td>
<td>.698**</td>
<td>1</td>
<td>.638**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.108</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>75</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>extrinsic</td>
<td>Pearson Correlation</td>
<td>.676**</td>
<td>.638**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.079</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>75</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>reward policy</td>
<td>Pearson Correlation</td>
<td>.151</td>
<td>.187</td>
<td>.204</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.195</td>
<td>.108</td>
<td>.079</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>75</td>
<td>75</td>
<td>75</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

4.8.1 Regression Analysis of Employee Performance and Intrinsic Rewards

The research analyzed the relationship between the dependent variable (employee performance) against intrinsic rewards. The results showed that adjusted $R^2$ value was 0.480 hence 48% of the variation in employee performance was explained by the variations in intrinsic rewards as illustrated in Table 4.6.
Table 4.9: Model Summary of Employee Performance and Intrinsic Rewards

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Sig. F</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.698</td>
<td>.487</td>
<td>.480</td>
<td>.29977</td>
<td>0.000</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Predictors: (Constant), intrinsic rewards

4.8.1.1 Anova of Employee Performance and Intrinsic Rewards

ANOVA analysis results of the regression between employee performance and intrinsic reward was performed at 95% confidence level, the F critical was 69.430 and the P value was (0.000) therefore below 0.05 this implied that it was a statistically significant and can be used to assess the association between employee performance and intrinsic rewards as illustrated in Table 4.8

The F calculated at 5% level of significance
F= Ms regression/ Ms residual
6.239/.090=63.322

F value in a test (69.430) is larger than the F calculated (63.322) we can therefore conclude that there is a significant relationship between intrinsic reward and employee performance as shown in Table 4.9

Table 4.10: ANOVA of Employee Performance and Intrinsic Rewards

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>6.239</td>
<td>1</td>
<td>6.239</td>
<td>69.430</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>6.560</td>
<td>73</td>
<td>.090</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>12.799</td>
<td>74</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: performance
b. Predictors: (Constant), intrinsic
4.8.1.2 Coefficients of Employee Performance and Intrinsic Rewards

The regression equation illustrated in Table 4.8 established that intrinsic rewards had a positive significant influence on employee performance since its precision level was less than the threshold of <0.05. The variables had coefficients of (0.000). This therefore concludes that the variables have a positive influence on employee commitment.

\[ Y = \beta_0 + \beta_1 X_1 + \varepsilon \]

\[ Y = 0.479 + 0.863X_1 + .29977 \]

Where:

\( Y \) is the dependent variable (employee performance)

\( \beta_0 \) is the regression constant;

\( \beta_1 \) coefficients of independent variables;

\( X_1 \) is intrinsic, and \( \varepsilon \) is the error term.

Table 4.11: Coefficient of Employee Performance and Intrinsic Rewards

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.479</td>
</tr>
<tr>
<td></td>
<td>intrinsic</td>
<td>.863</td>
</tr>
</tbody>
</table>

4.8.2 Regression Analysis of Employee Performance and Extrinsic Rewards

The research analyzed the relationship between the dependent variable (employee performance) against extrinsic rewards. The results showed that adjusted \( R^2 \) value was 0.450 hence 45% of the variation in employee performance was explained by the variations in extrinsic rewards as illustrated in Table 4.11
Table 4.12: Model Summary of Extrinsic Rewards

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Sig. F Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.676</td>
<td>.457</td>
<td>.450</td>
<td>.30856</td>
<td>0.000</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), extrinsic

4.8.2.1 Anova of Employee Performance and Extrinsic Rewards

ANOVA analysis results of the regression between employee performance and extrinsic reward was performed at 95% confidence level, the F critical was 61.435 and the P value was (0.000) therefore below 0.05 this implied that it was a statistically significant and can be used to assess the association between employee performance and extrinsic rewards as illustrated in Table 4.12.

The F calculated at 5% level of significance

\[ F = \frac{M_s \text{ Regression}}{M_s \text{ Residual}} \]

\[ 5.849/.095=61.568 \]

F value in a test (61.435) is less than the F calculated (61.568) we can therefore conclude that there is a no significant relationship between extrinsic reward and employee performance as shown in Table 4.12.

Table 4.13: ANOVA of Employee Performance and extrinsic Rewards

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>5.849</td>
<td>1</td>
<td>5.849</td>
<td>61.435</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>6.950</td>
<td>73</td>
<td>.095</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>12.799</td>
<td>74</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: performance

b. Predictors: (Constant), extrinsic
4.8.2.2 Coefficients of Employee Performance and Extrinsic Rewards

The regression equation illustrated in Table 4.13 established that extrinsic rewards had a positive significant influence on employee performance since its precision level was less than the threshold of <0.05. The variables had coefficients of (0.000). This therefore concludes that the variables have a positive influence on employee commitment.

\[ Y = \beta_0 + \beta_1 X_1 + \epsilon \]

\[ Y = 0.451 + 0.883X_1 + .30856 \]

Where:

Y is the dependent variable (employee performance)

\( \beta_0 \) is the regression constant;

\( \beta_1 \) coefficients of independent variables;

\( X_1 \) is extrinsic, and \( \epsilon \) is the error term.

**Table 4.14: Coefficient of Employee Performance and Intrinsic Rewards**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.451</td>
<td>.447</td>
</tr>
<tr>
<td>extrinsic</td>
<td>.883</td>
<td>.113</td>
</tr>
</tbody>
</table>

4.8.3 Regression Analysis for Employee Performance Factors

The researcher transformed variables for employee performance factors by computing means of the study variable into three main categories listed as: intrinsic, extrinsic and reward policy. These variables were used to carry out the regression analysis, and the results were as follows: Table 4.14 shows the results of the regression model summary for intrinsic, extrinsic and reward policy (independent variables), and the dependent variable which was employee performance. The adjusted R square value for the model showed
that 56% of the variance in the model (employee performance) can be explained by intrinsic rewards, extrinsic rewards and reward policy

**Table 4.15: Regression Analysis for Employee Performance Factors**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Sig. F Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.760a</td>
<td>.577</td>
<td>.560</td>
<td>.27602</td>
<td>0.000</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), reward policy, intrinsic, extrinsic

### 4.8.3.1 Anova of Employee Performance Factors

ANOVA analysis results of the regression between employee performance and intrinsic, extrinsic and reward policy was performed at 95% confidence level, the F critical was 32.333 and the P value was (0.000) therefore below 0.05 this implied that it was a statistically significant and can be used to assess the association between employee performance and intrinsic, extrinsic and reward policy as illustrated in Table 4.15.

The F calculated at 5% level of significance

\[
F = \frac{Ms\ regression}{Ms\ residual}
\]

\[
2.463/.076=32.408
\]

F value in a test (32.333) is less than the F calculated (32.408) we can therefore conclude that there is a no significant relationship between intrinsic rewards, extrinsic reward, rewards policy and employee performance as shown in Table 4.15.

**Table 4.16: Anova of Employee Performance Factors**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>7.390</td>
<td>3</td>
<td>2.463</td>
<td>32.333</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>5.409</td>
<td>71</td>
<td>.076</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>12.799</td>
<td>74</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: performance

b. Predictors: (Constant), reward policy, intrinsic, extrinsic
4.8.3.2 Coefficients of Employee Performance Factors

Table 4.16 shows the regression coefficients for the model and it predicts the relationship between the variables (reward policy, intrinsic rewards and extrinsic rewards) and employee commitment. The regression coefficient indicates that intrinsic rewards had a positive significant influence on employee performance since their precision levels were less than the threshold of <0.05. The table also shows that extrinsic reward also had a positive and significant influence on employee performance since its precision level was lower than the threshold of <0.05. The table also indicated that reward policy had a negative but insignificant influence on employee performance since its precision level was higher than the threshold of <0.05. The three variables had coefficients of: intrinsic reward (0.000), extrinsic reward (0.000), and reward policy (0.870). This therefore concludes that intrinsic reward and extrinsic reward had positive influence on performance. On the other hand, Reward policy had an insignificant influence on employee performance.

Table 4.17: Coefficients of Employee Performance Factors

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>-.260</td>
<td>.496</td>
<td>-.525</td>
<td>.601</td>
</tr>
<tr>
<td>intrinsic</td>
<td>.558</td>
<td>.124</td>
<td>.451</td>
<td>.000</td>
</tr>
<tr>
<td>extrinsic</td>
<td>.510</td>
<td>.132</td>
<td>.391</td>
<td>.000</td>
</tr>
<tr>
<td>reward policy</td>
<td>-.016</td>
<td>.097</td>
<td>-.013</td>
<td>.165</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.870</td>
</tr>
</tbody>
</table>
4.9 Chapter Summary

The chapter presents the results and findings achieved from the data collected with the aim of analyzing influence of rewards management on employee performance at USIU-A. The first section presents the demography data, in the subsequent section the data is presented in line with the specific objectives of the study which sought to determine the effect of intrinsic reward, extrinsic rewards and reward policy on employee performance. The descriptive data is presented in the form of mean and standard deviation. In addition, inferential statistics have been used to present the existing relationships between the various study variables. Chapter five presents the discussions, conclusions and findings of the study all guided by the specific objectives of this study.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

Chapter five provides a discussion of the results and their relation to the literature review provided in Chapter two. From the analysis and data collected, the following discussions, conclusions and recommendations were made. The responses are based on the specific objectives of the study which sought to examine how intrinsic rewards, extrinsic rewards and reward policies influence employee performance at USIU-A.

5.2 Summary

This study was to investigate the influence of rewards management on employee performance at USIU-A. This research study was guided by three specific objectives which sought to examine how intrinsic rewards, extrinsic rewards and reward policies influence employee performance at USIU-A.

This research used descriptive survey design and the target population was made up of 424 senior managers, middle level and lower level employees at USIU. This study adopted a simple random sampling technique. Simple random sampling was subjected on each division or group to ensure that each employee within the strata has an equal chance of being sampled, and a sample size of 81 respondents was arrived at. The statistical Package for Social Sciences (SPSS) version 21 was used to analyze data for descriptive and inferential statistics. Descriptive data was analyzed for mean and standard deviation, while inferential statistics was done using correlations, and regressions, the findings were presented in tables and figures.

The research analyzed the relationship between the dependent variable (employee performance) against intrinsic rewards. The results showed that adjusted $R^2$ value was 0.480 hence 48% of the variation in employee performance was explained by the variations in intrinsic rewards. ANOVA analysis results of the regression between employee performance and intrinsic reward was performed at 95% confidence level, the F critical was 69.430 and the P value was (0.000) therefore below 0.05 this implied that it was a statistically significant and can be used to assess the association between employee
performance and intrinsic rewards. The regression equation illustrated that intrinsic rewards had a positive significant influence on employee performance since its precision level was less than the threshold of <0.05. The variables had coefficients of (0.000). This therefore concludes that the variables have a positive influence on employee commitment.

The research analyzed the relationship between the dependent variable (employee performance) against extrinsic rewards. The results showed that adjusted R$^2$ value was 0.450 hence 45% of the variation in employee performance was explained by the variations in extrinsic rewards. ANOVA analysis results of the regression between employee performance and extrinsic reward was performed at 95% confidence level, the F critical was 61.435 and the P value was (0.000) therefore below 0.05 this implied that it was a statistically significant and can be used to assess the association between employee performance and extrinsic rewards. The regression equation established that extrinsic rewards had a positive significant influence on employee performance since its precision level was less than the threshold of <0.05. The variables had coefficients of (0.000). This therefore concludes that the variables have a positive influence on employee commitment.

ANOVA analysis results of the regression between employee performance and intrinsic, extrinsic and reward policy was performed at 95% confidence level, the F critical was 32.333 and the P value was (0.000) therefore below 0.05 this implied that it was a statistically significant and can be used to assess the association between employee performance and intrinsic, extrinsic and reward policy as illustrated. It was established that reward policy had a negative but insignificant influence on employee performance. This means that it did not meet the threshold since the p value was greater than 0.05.

5.3 Discussions

5.3.1 Effects of Intrinsic Rewards on Employee Performance

It was agreed that the employees possess the technical skills required to perform their duties. Rukhman, Ramesh and Jayakrishnan (2010) established that an employee’s ability is significantly related to their performance. The study further established that the employees’ performance appraisal score was evaluated against their belief that the employees had the ability or were capable to perform their assignments or duties. Employees, who indicated that they had confidence in their ability to perform, actually
did well in the performance appraisal compared to their colleagues who did not have confidence in their ability.

It was established that respondents acknowledged that the management believes in their ability to perform. Same sentiments have been expressed by Possenriede and Plantenga (2011) in their study done in the hotel industry in the UK on effects of rewards on employee performance, established that there exists a significant relationship between employees’ ability and employee’s overall performance. Further, the study concluded that in hotels where managers had established mechanisms for improving employee’s ability, performance had increased significantly.

The study also established that management believes in the employee’s ability to enhance performance at work. When employees exhibit such positivity towards management they are able to perform well. To a large extent, when supervisors fail to show confidence in the employee’s ability to perform it automatically follows that employees’ performance suffers (Tippet & Kluvers, 2010). Managers therefore, have the ability to improve or diminish employees’ ability to perform. Organizations that have established training and other capacity building programs exhibit a higher level of employees’ ability to perform and the resultant effect on overall organizational performance is positive (Rukhmani et al., 2010).

The respondents also indicated that they trust the management has in them enhances their performance. This echoes the results established by Njambi (2014) when she sought to identify the factors that influence employee motivation in AMREF Health Africa in Kenya. Njambi revealed that when an employee is confident with their ability perform deliver at work, their performance is certain. On the other hand, when an employee lacks confidence in their ability to perform duties as articulated in their job description, their performance suffers. This is because employees emulate performance expectations from their managers. She suggests that organizations that seeking to enhance performance should first enhance employees’ abilities in skills, knowledge and experience.

The findings indicated that employees receive recognition for their work and as such, enhanced their performance. Some of the ways in which organizations can offer recognition to their employees’ include acknowledging the employee performance publicly, providing employees with a day off, and providing them with good office
working space (Njambi, 2014). Recognition therefore is a significant motivator to performance since it not only enhances employee’s impetus to good performance, but also enhances employee management relationship (Hafiza, Shah, Jamsheed & Zaman, 2011). Tumwet (2011) in a study on effects of employees’ incentive on performance in Private Universities in Kenya focusing on Kabarak University found that the use of social recognition such as compliments results in enhanced performance. This is even more effective if done consistently and equitably.

5.3.2 Effects of Extrinsic Rewards on Employee Performance

The study established that respondents receive salary as payment for their work on time. This is a very critical factor when it comes to employee motivation. Boselie et al., (2015) argue that salaries and wages have the ability to place an organization at a competitive level if the level of salaries and wages offered by the organization are more competitive compared to what is being offered by other hostility sector firms. To attract and retain highly qualified employees who have the ability and skills to enhance organizational performance, it is necessary that firms offer competitive salary and wage packages (Naithani, 2010).

It was established that performance would go up if their salary was increased. Others researchers have disputed that salaries is not a motivator 100%, such include Corby, White and Stanworth (2015) who argue that while salaries and wages are used to enhance equity and fairness in compensation of their employees, they are not strong enough as factors to enhance employee motivation towards enhanced performance. Pratheepkanth (2011) upheld that salaries and wages could only enhance performance up to a certain point. This was equally supported by Dobre (2013) that security and financial stability were factors that equally affected performance. Employees who were financially stable and secure are more committed hence productivity.

The study established that respondents enjoy the work environment in which they work; this has the capability of influencing employee performance. Similar sentiments have been expressed in past studies. For instance Tripathi and Agrawal (2014) study conducted in South Africa found that organizations that had developed conducive work environment had higher performance in the tourism sector compared to those firms that had not. The study indicated that physical office space, provided employees the comfort needed to
focus and execute work responsibilities. According to Tripathi and Agrawal (2014) conducive working environment contributes significantly to employee performance. The physical attributes of a work environment are just as important as the emotional attributes of a work environment. Employees normally develop attachment to their work environment since they spend most of their time at work (Hafiza et al., 2011).

In another study conducted by Ozcelik and Ferman (2010) on impact of the working environment on employee performance, indicated that employees with a good working environment were highly motivated to get to work compared to those who indicated that they did not like their work environment. As a result, the employees put in more effort as compared to employees who did not like their work place and who came in late and left work early (Soderquist, et al., Eric, Papalexandris, Ioannou & Prastacos 2010).

It was also established that majority are paid travelling allowance during their annual leave. Harrington and Ladge, (2011) suggest the existence of a relationship between paid leave and employee performance. Employees usually feel honored by the firm they work for when they are paid during their annual leave. A study conducted by Akanbi (2010) in Nigeria revealed that only senior managers are entitled to leave payments. General employees were not paid any compensation over and above their annual salaries for the days they were on leave.

The study revealed that university leadership influences how they perform their work. Organizational leadership is essential in influencing the actions and perceptions employees at work (Rukhmani et al., 2010). Effective leadership means that leaders are able to model performance objectives, vision and organizational mission for employees. When a leader paints a clear picture of where the organization is supposed to go and what the organization is supposed to achieve, employees find it easier to plug in, since they understand what is expected of them (Daniels et al., 2011). Employee performance is a reflection of the kind of leadership employees have.

Leaders who possess emotional intelligence have a higher level of employee performance. This was revealed in a study done by Richard et al., (2010) that indicated that organizations that have higher employee performance have leaders with higher emotional intelligence. This means that these leaders have the capability and skill that enables them to reach out to different employees at different levels, motivate them
differently, and gain from them maximum output in terms of performance (Alemu et al., 2011).

Tripathi and Agrawal (2014) concluded that organizational leaders who offer individualized consideration to their employees often get higher levels of performance from them compared to leaders who do not give individualized consideration. To enhance performance, leaders should learn to offer words of praise and learn how to reward good work, achievement and performance. Rukhmani et al., (2010) argue that words of affirmation from a leader go a long way in encouraging employees towards enhanced performance. Therefore, while employee performance depends on many factors, the impact of effective leadership on employee’s performance cannot be overlooked.

5.3.3 Effect of Reward Policies on Employee Performance

Most respondents disagreed that USIU-A has a documented reward policy which they have access to. Reward policies are seen as guidelines that are provided in ensuring employees are totally rewarded. When developing reward policies, managers seek to attract, retain and motivate best employees who will drive their agenda. Allen and Kilmann (2001), established that reward practices play a vital role in enhancing performance and achieving organizational objectives. They inferred that rewards are directly attached to performance. Study by Heng (2012) concluded that if a firm fails to reward its employees, it will lead to a decrease in performance due to demotivation. The study showed that an effective reward system is a good motivator and can lead to increase in productivity. On the contrary, employees who do not view the reward system as effective will be demotivated which will be evident in high absenteeisms, turnovers, lateness and lack of commitment. Heng, (2012), concluded that development and implementation of an effective reward system will result to a sustainable competitive advantage due to retention and motivation of competent employees.

The study established that employees holding similar positions earn similar rewards. Equal pay system is a reward system said to be a reaction to job analysis and pay grade structures which are viewed by the low earning employees as demotivators. These low paid employees feel less valued as compared to other employees in the organization. The equal pay system proposes a flat rate pay for all employees (Bloom, 1999). This system has weaknesses in that, high skilled and experienced staffs feel inadequately rewarded
since they have more than their colleagues but are paid the same. This reward system therefore goes against expectancy theory (Pierce et al, 2004). On the other hand Phillip (2004) opined that allowances and bonuses awarded to more qualified and skilled employees will bridge the dissent gap. This system has lots of weakness since putting every employee’s pay at par demotivates staff since there are no extra incentives for extra inputs, (Theen & Heng, 2012).

It was established that employees in the same department earn the same range of pay. Pay grade system is a reward practice that provides different pay schemes for different professions within the same organization. Different professions earn different pay based on their job specifications. Employees within a given group earn uniform pay (Ripley, 2002). Such a reward system gives employees a sense of fairness based on Herzberg’s theory (Apeyusu, 2012). However, Wekesa and Nyaroo (2013) argue that this system may cause friction within workplace. Some employees might view others as the cream in the organization which may lead to sabotages from the groups which might feel less valued or less favored by the system. These groups might tend to work up to the levels where they feel the rewards are worth.

The findings indicated that employees are spread into job groups guided by qualifications and work experience. The application of Job analysis allows for a systematically collection and evaluation of data about a job and breaking down the job to specific duties and job requirements are established. Ojiambo (2012) argues that a better way of determining employee rewards is to consider all aspects of the employees. Such aspects include academic qualification, work experiences, skills and levels of performance an employee is expected to achieve. This argument agrees with the equity theory in that the organization comes up with fair rewards for all the employees

This study also shows that USIU-A provides additional benefits other than salaries to its employees. Previous studies have indicated that reward systems influence the qualifications of the people that an organization attracts and retains and consequently the level of employee motivation and performance (Dineen & Williamson, 2012; Dineen & Williamson 2012). However, rewards have resulted to discontent, discouragement and reduced performance. When an employees’ input is not proportional with the output in this case the rewards, they tend to lower their level of effort (Mahoney & Kulik, 2001).
Non-monetary rewards are believed in one way or the other to affect job commitment either negatively or positively. Non-financial rewards tend to attract highly qualified and competent people who are likely to be highly committed to the achievement of organizational goals. According to Armstrong (2009) focusing on the role of non-financial rewards in enhancing employees’ commitment and performance on the job observed that total reward is more than throwing money to employee it is ideally rewarding.

5.4 Conclusions

5.4.1 Effects of Intrinsic Rewards on Employee Performance

Employees at USIU Africa possess the technical skills required to perform their duties. USIU-A management believes in its employee’s ability to perform and their ability to enhance performance at work. Respondents also receive recognition for their work as a result thus managers enhance their performance. Within the various departments there are clearly stated goals and objectives that employees are required to achieve. When employees achieve the set goals it acts as a motivation for them to improve performance.

5.4.2 Effects of Extrinsic Rewards on Employee Performance

As an employer USIU Africa pays employee salary for their work on time and salary paid is commensurate to the work done. The employees understand the link between their performance and their salary and if the majority agrees that performance would go up if their salary was increased. Management use high salaries as a way enhancing employee performance and the work environment is conducive and travel allowances are paid whenever they are due.

5.4.3 Effect of Reward Policies on Employee Performance

There is lack of awareness of a documented reward policy although the reward of system applied is systematic and payment of employees depends on their performance. Employees are rewarded when strategic objective are met. To ensure impartiality, employees holding similar positions earn similar rewards, at the same time there are special allowances for certain responsibilities. Employees are spread into job groups guided by qualifications and work experience and to retain employees, USIU offers benefits other than salaries compared to other universities. Supervisor provides guidance
5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.2 Effects of Intrinsic Rewards on Employee Performance

Intrinsic rewards have acted as motivating factors among employees in many organizations. It is therefore vital for USIU Africa to continuously appreciate their employees work, reward them for being a vital part of the organization. This will result into employees efficiently doing their job and remain loyal to their organization. It is also vital to regularly improve the reward management system and performance appraisal techniques and this is viable by incorporating vital human resource management approaches. The institution should thrive to set goals that aid in guiding and motivating the employees to improve performance.

5.5.3 Effects of Extrinsic Rewards on Employee Performance

Employees need to be empowered more in order to be able to appreciate the physical attributes of the work environment. There is a need to set up policies with regard to paid leave and bonuses as a way of motivating, as uncertainty influence employee performance. Supervisors should also be trained on the benefits of giving constructive feedback to their juniors. As an international institution, there is a need for USIU to implement an extrinsic rewards mechanisms by investing more in salaries and wages, this could act as an indicator that the management is committed towards offering reward hence lead to increased employees motivation towards performance.

5.5.4 Effect of Reward Policies on Employee Performance

USIU needs to establish a criterion for recognizing good performance and this should be clearly communicated to ensure the whole process of reward strategy is considered to be fair by all employees. This will act as a guideline to offer employees with the necessary information of the behaviors and actions acceptable in the organization to achieve an award. To minimize resistance it is vital to ensure that USIU involves the employees in identifying the reward strategies that are appropriate to their personal needs. This can be
better done through involvement of the staff council and directors, as well as utilization of open forums to discuss such pertinent issues.

5.6 Recommendation for Further Research
The study focused on influence of rewards management on employee performance at USIU-A. It is therefore important that a similar study should be carried out in other private universities so as to be able to generalize these findings. It is also necessary for USIU Africa to undertake a study to analyze the negative effects of the reward strategies at the firm. Such results can be able to alert the management on any vices that may arise as a result of implementation of a reward strategy.
REFERENCES


Appendix I: Cover letter

TO WHOM IT MAY CONCERN

20\textsuperscript{th} July 2018

Dear Sir/Madam,

REF: PERMISSION TO CONDUCT RESEARCH – SUSAN DEBORAH NYAMBURA
STUDENT ID NO. 633919

The bearer of this letter is a student of United States International University (USIU) –Africa pursuing a Masters of Business Administration (MBA).

As part of the program, the student is required to undertake research project on "Influence of Reward Management on University Employee Performance: A Case Study of USIU-A" which requires her to collect data.

Please note that information provided will be treated with utmost confidentiality and will only be used for academic purposes.

Kindly assist the student get the appropriate data and should you have any queries contact the undersigned.

[Signature]

Prof. Amos Njuguna,
Dean – School of Graduate Studies, Research and Extension
Tel: 739 116 442
Email: arunjuguna@usiu.ac.ke
Appendix II: Data Collection Introduction Letter

Susan Deborah Nyambura
P. O. BOX 73078 – 00200
Nairobi

24th July 2018

Dear Sir/Madam,

**RE: RESEARCH STUDY**

I am pleased to inform you that I am a student at United States International University-Africa pursuing a Masters degree in business Administration. As partial fulfillment for my degree, I am conducting a research on “Influence of Rewards Management on University Employees a Study of USIU-A.

You have been identified as a potential respondent and therefore feel free to participate in this research. Please note that any information provided will be treated with confidentiality and will not be used for any other purpose other than for this project. Your assistance will be highly appreciated. I look forward to your prompt response

Yours faithfully

Susan Deborah Nyambura

I.D No. 633919
Appendix II: Questionnaire

SECTION 1: Demographics

1. What is your gender?
   (    ) male                        (    ) Female

2. What is your age range?
   (    ) 18-25                       (    ) 26-34                       (    ) 35-45
   (    ) 46-55                       (    ) 56 and above

3. What is your highest level of education?
   (    ) high school
   (    ) college
   (    ) bachelors
   (    ) masters
   (    ) others (specify) ______________________________

4. What is your employment level?
   (    ) Senior manager
   (    ) mid-level manager
   (    ) general employee

5. How long have you been working with USIU-A?
   (    ) under one year
   (    ) 1-3 years
   (    ) 4-5 years
   (    ) 5-10 years
   (    ) 10+ years

SECTION 2: Institutional Questions

6. Does USIU-A give rewards to its employees
   (    ) Yes                        (    ) No

7. What department do you work for within USIU-A?
   (    ) Academic and Students’ Affairs
   (    ) Legal affairs
   (    ) ICT
   (    ) Operations
   (    ) Finance and Administration
SECTION 3: Intrinsic rewards and employee performance.
Kindly indicate your level of agreement with the following statements where: 5 = strongly agree, 4 = agree, 3 = somehow agree, 2 = disagree while 1 = strongly disagree.

<table>
<thead>
<tr>
<th>Statements</th>
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<tr>
<td>8. You possess the technical skills required to perform your duties</td>
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<td>9. The management believes in your ability to perform</td>
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<tr>
<td>10. The management belief’s in your ability enhances your performance at work</td>
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<td>11. The trust the management has in you enhances your performance</td>
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<td>12. You receive recognition for your work</td>
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<td>13. Recognition by managers enhances your performance</td>
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<td>14. You have clearly stated goals and objectives required to achieve</td>
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<td>15. The achievement of the set goals are a source of motivation to improve performance</td>
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</table>

SECTION 4: Extrinsic rewards and employee performance.
Kindly indicate your level of agreement with the following statements where: 5 = strongly agree, 4 = agree, 3 = somehow agree, 2 = disagree while 1 = strongly disagree.

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<tr>
<td>16. You receive salary as payment for your work on time</td>
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<td>17. The salary paid is commensurate to the work done</td>
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<td>18. You understand the link between your performance and your salary</td>
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<td>19. Your performance would go up if your salary was increased</td>
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<td>20. You would recommend that management use high salaries as a way enhancing employee performance</td>
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<td>21. You receive an annual bonus based on your performance</td>
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<td>22. The anticipation of the bonus enhances your performance</td>
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<tr>
<td>23. I am paid travelling allowance during your annual leave</td>
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<td>24. University leadership influences how I perform my work</td>
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<td>25. I enjoy the work environment in which I work in</td>
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<tr>
<td>26. I appreciate the physical attributes of my work environment</td>
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<tr>
<td>27. I receive constructive feedback from my supervisor</td>
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</table>
SECTION 5: Reward policies influence on employee performance.

Kindly indicate your level of agreement with the following statements about Reward Policies at USIU-A where: 5 = strongly agree, 4 = agree, 3 = somehow agree, 2 = disagree while 1 = strongly disagree.

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<tbody>
<tr>
<td>28. USIU-A has a documented reward policy which I have access to</td>
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<td>29. The reward of employees at USIU-A is systematic</td>
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<td>30. Payment of employees depends on their performance</td>
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<td>31. Employees are rewarded based on achievement of organizational objectives</td>
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<td>32. USIU rewards are based on series of achievements</td>
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<td>33. Each strategic objective has a reward for being met</td>
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<td>34. Employees in the same department earn the same range of pay</td>
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<td>35. Employees holding similar positions earn similar rewards</td>
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<td>36. There are special allowances for certain responsibilities</td>
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<td>37. USIU-A pays overtime</td>
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<td>38. USIU pays special allowances when need arises such as mileage, night-out and airtime</td>
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<td>39. Employees are spread into job groups guided by qualifications and work experience.</td>
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<td>40. Promotion to the next job group is based on performance</td>
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<td>41. USIU-A provides additional benefits other than salaries</td>
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<td>42. USIU-A has more incentives to its employees than other universities</td>
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<td>43. Your supervisor provides guidance and support in your course of duty</td>
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<td>44. The company leadership has strategic goals and objectives</td>
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<td>45. The management communicates goals and objectives to all employees</td>
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SECTION 6: Employee performance.

Kindly indicate your level of agreement with the following statements about employees at USIU-A where: 5 = strongly agree, 4 = agree, 3 = somehow agree, 2 = disagree while 1 = strongly disagree.

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<tbody>
<tr>
<td>46. USIU-A employees serve with needed speed</td>
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<td>47. Employees at USIU-A are sensitive to customer requirements</td>
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<td>48. USIU-A employees have team work spirit</td>
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<td>49. USIU-A employees meet targets</td>
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<td>50. USIU-A employees serve with a human face</td>
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<td>51. USIU-A employees maintain high professionalism</td>
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<td>52. USIU-A employees respond adequately to challenges faced by customers</td>
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<td>53. USIU-A employees are keen in meeting deadlines with very minimal mistakes</td>
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<td>54. USIU-A employees are keen on keeping time for both reporting to duty and attendance to meetings</td>
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Thank you for your participation.