EFFECTS OF REWARDS ON EMPLOYEE MOTIVATION IN KENYAN PRIVATE UNIVERSITIES: CASE STUDY OF KCA UNIVERSITY

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A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF MANAGEMENT AND LEADERSHIP IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP OF THE MANAGEMENT UNIVERSITY OF AFRICA

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DECLARATION

This proposal is my original work and has not been presented for a degree in any other University.

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……………………………  ……………………………
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This proposal has been submitted for examination with my approval as University Supervisor

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……………………………  ……………………………
Signature                     Date
DEDICATION

I dedicate this research project to my family members and friends who gave me unending support in carrying out this research.
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I wish to acknowledge all those who contributed to the continuation of this project. I would like to express my sincere gratitude first and foremost to the Almighty God for the strength and courage to do this much, for it is impossible without His grace.

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ABSTRACT
Job satisfaction and employee retention is derived from employee motivation. Employee motivation is derived from mainly the rewards employee is granted at the workplace in order to motivate them, which can be either monetary or non-monetary. With the harsh economic times and the decreasing power of money as a motivator, it has become necessary to look into various rewards that motivate employees effectively, those whose effect last more, and are valued by employees. The study aimed at establishing the effects of rewards on employee motivation at KCA University. The objectives of the study were; to determine how basic pay affects employees’ motivation at KCA University, to assess the effect of incentives on employee motivation at KCA University, to establish the role of non-monetary rewards on employee motivation and finally to examine how benefits affects employee motivation at KCA University. In attempting to achieve the objectives of the study, descriptive research design was adopted. The population of the study was the staff of KCA University at the main campus, which has a population of 883 employees. The sample size was 88 employees, which constitutes 10 percent of the population. Stratified random sampling was used to select employees from the different departments. Primary data was collected using a questionnaire; the use of a questionnaire has been selected because it is structured and provides accurate information from the respondents. Data was analyzed using SPSS and presented using graphs and tables for easy and clear understanding. Findings indicated that the basic salary increment was based on the market value position and were cross tabulated across gender. On competitive rewards and compensation; it was found that the rewards and compensations modes at KCA University are competitive enough. Recommendations were that management should frequently come up with modes of reward, execution and valuation of modes of rewards and enhance employee engagement.
CHAPTER ONE
INTRODUCTION

1.1 Background of the Study
In today’s financially stressed economy, many companies are strapped for money and cannot afford to give the increases or windfalls that staffs deserve as a motivation. However, hard times do not always imply that employees should not be rewarded for their endeavors and performance, so as to motivate them even do better. Many creative alternative forms of reward that do not entail money and which can also act as motivation still exist. Robinson & Gammon (2004) looks at money as a form of reward, which has been given too much prevalence, money play a very important role in our thinking about the causes of behavior. In many companies, very little time and effort is spent on non-monetary items as sources of motivation. It is the daily endeavors that influence employees to feel that their input is appreciated and that they are acknowledged for their own unique potentials. Such recognition may contribute to high morale in the work environment. Therefore, it is extremely important that managers develop reward and recognition programs that really motivate employees (Bruce, 2012).

Progressively, organizations both in public and private sector are appreciating that they have to establish a meaningful balance between the worker’s contribution to the institution and the organization’s rewards to the employee’s expectations. Establishing this balance is one of the main reasons of rewarding employees to make them more motivated. To realize and sustain a competitive advantage that is improved through organization performance, it is overbearing that organizations leverage human capital in a desired direction (Boxall & Purcell, 2003) and the significant means of achieving this is through the incentive power of rewards (Lawler, 2000). Accordingly, rewards have a big effect in the recruitment of employees, productivity, motivation, and workers’ turnover. The level of rewards should be of concern because the level of reparation will determine the lifestyle, self-esteem of the employee and the company value.

According to Armstrong, (2009) the most influential argument in favor of the reward system and employee motivation include creating a fun, challenging and empowered work environment in which individuals are able to use their capabilities to do significant jobs for which they are
shown appreciation is likely to be a certain way to enhance motivation and performance although creating such an environment may be hard and take more time than simply turning the reward lever. Institutions have invested a lot of resources in coming up with reward formulas that motivate their staff and as well improving their welfare, with minimal strain on their budget.

Non–financial reward as a means of employee motivation has been pegged from Maslow theory of motivation and Herzberg–Hygiene theory of motivation that focuses on motivation and behavior (Maslow, 2013). According to these theories, certain factors in the working environment and working conditions improve employees’ motivation at work. Not all rewards are equal and the rewards that you find motivating might not be enough to inspire another person to take action (Herzberg, 2005). Social, Physiological, and cognitive factors all can play a role in what premium you find motivating.

1.1.1 Remuneration
Remuneration or compensation is an important aspect affecting how and why people prefer to work at one organization over others. Employers must be reasonably competitive with numerous forms of remuneration to appeal and retain capable employees. Remuneration influences an employer’s ability to attract applicants, retain employees as well as ensure ideal levels of performance from employees in meeting the organization’s strategic objectives (Puwanenthiren, 2011).

The creative usage of remuneration styles can work to make the most of human resource productivity and contribute significantly to the attainment of human resource and organizational objectives. A remuneration package can strengthen an overall corporate objective of amplified productivity, focus on both individual and team effort and highlight both short and long term strategies (Kurb, 2002). An effective reward program in an institution addresses four objectives; Legal compliance with all relevant regulations and laws; Cost efficiency for the organization-employers must level compensation costs at all levels. This ensures organizational attractiveness and provides adequate rewards to employees for their knowledge, skills, abilities, and performance accomplishments (Armstrong, 2009).
Organization’s goals are met through individual employee’s effort. If an employee’s performance is enhanced, the organization will boost its performance. The evaluation of organizational and employee performance permits managers to check that strategic business objectives are valid, are being successfully communicated throughout the organization and are being achieved (Armstrong, 2009). The crucial elements of performance management include: the creation of a shared vision of the organization’s strategic goals, the creation of performance goals for each job, alignment of group and individual performance to business needs and linking of performance appraisal and employee development and rewards to motivate and reinforce anticipated behaviour.

1.1.2 Incentives

Internal incentive structure is one of the most important, but least scrutinized, factors affecting organizational behavior. This includes the management of human resources in general and compensation policies in particular (Medoff & Abraham, 1980). A comprehensive understanding of internal incentives is dire to developing a viable theory of the organization, since they largely determine how individuals behave in organizations (Baker, Jensen, & Murphy, 1988).

There are many common and key features of organizational incentive systems that economists have not considered extensively including pay systems that are largely independent of performance, the overpowering use of promotion-based incentive systems, egalitarian pay systems apparently motivated by horizontal equity considerations, the asymmetric effects of rewards and penalties, tenure and up-or-out promotion systems, survey-based and seniority-based pay systems, profit sharing, holiday bonuses, the generally rare observation of bonding and up-front entry fees for jobs, "efficiency wages", and the general reluctance of employers to fire, penalize, or give poor performance evaluations to employees (Medoff & Abraham, 1980).

Promotions are used as the primary incentive device in most organizations, including corporations, partnerships, and universities (Medoff & Abraham, 1980). The practical importance of promotion-based incentives, pooled with the virtual absence of pay-for-performance compensation policies, proposes that providing incentives through promotion opportunities must be feasible or more effective than providing incentives through transitory
financial bonuses (Baker, Jensen, & Murphy, 1988). This prediction is baffling because promotion-based incentive arrangements appear to have many disadvantages and few advantages compared to bonus-based incentive systems.

1.1.3 Non-monetary Rewards
Arnolds and Venter (2007) indicated that frontline employees and blue collar workers rate recognition as their best rewards hence relying only on money can cause problems because people are motivated by diverse rewards. According to Bagraim, Cunnington, Portgieter, & Viedge, (2007), some employees have financial objectives, others have personal objectives, and others have professional objectives. The same incentives cannot work for every employee.

As a result, there are discussions, fallacies and empirically unsupported sentiments on whether management should always consider monetary rewards to be the best choice for motivating lower level employees and neglect non-monetary rewards. Therefore, it is not astonishing that money alone is less an effective motivator or lower level employees than when it is used in together with non-financial reinforcements. Bates (2006) noted that, lower level employees are hard to motivate because, they neither enjoy their jobs nor feel good about themselves they lack motivation and organizations do not want to invest much in them. Hellriegel (2004) stated, customarily motivating these people have focused on providing more flexible work schedules and filling these jobs with teenagers and retirees with less financial needs but all the same statistics indicated dissatisfaction among the lower level employees. It is therefore important to investigate whether lower level employees are motivated by rewards both monetary and non-monetary and if so which are the best rewards for them.

1.1.4 Benefits
Employee benefits normally refer to health life insurance, retirement benefits, vacation, life insurance, as well as employee stock ownership plans (Gagné & Deci, 2005). Benefits can be thought of as being tangible or intangible. Tangible benefits are more direct while intangible benefits are less direct, for example, appreciation from a boss, likelihood for promotion as well as nice office (Baker, Jensen, & Murphy, 1988). Benefits are progressively becoming expensive for businesses to provide to employees, so the range and options of benefits are changing quickly.
to include, for example, flexible benefit plans (Baker, Jensen, & Murphy, 1988). People sometimes refer to fringe benefits, usually talking about tangible benefits, but sometimes denoting both kinds of benefits.

1.1.5 Employee Motivation
Many modern authors have defined motivation as the psychological process that aims to give effort purpose and direction. (Pasaribu, 2015) argues that it is predisposition to behave in a purposive manner to achieve specific, unmet needs and an internal drive to satisfy an unsatisfied needs and the will to achieve. Dessler (2009) defines motivation as the force that energizes, directs, and sustains behavior. It is the process of boosting the morale of employees to encourage them to willingly give their best in accomplishing assigned tasks (Scheffler et al, 2000). Employee motivation is pointer to achieving exemplary results. Motivation is that desire or feeling within an individual that prompts him to deliver.

An individual's motivation is greatly influenced by social, biological, emotional and intellectual, factors. As such, understanding human motivation is a complex matter, not easily defined, intrinsic driving force that can also be influenced by external factors. Every employee has activities, events, people, and goals in his or her life that he or she finds motivating. Employee motivation is attached on the motivation theory concerned with what determines objective directed behavior. Rothwell & Stavros, (2009) Views the process of motivation as being initiated by someone recognizing an unsatisfied need, a goal is then established which, it is thought will satisfy the need, and a course of action is taken to reach the goal and satisfy the need.

Employee motivation can take place in two ways: Intrinsic motivation: Described as the process of motivation by the work itself so far as it satisfies people’s wants or at least leads them to expect their goals will be achieved. Tamimi & Sebastianelli (2009) views this motivation to being derived from the content of the job. Intrinsic motivation is generated in that people seek the type of work that satisfies them, but management can enhance this process through their values as well as employee development, empowerment, and job design practices and policies. The factors that affect intrinsic motivation include the scope to use, responsibility, skills and abilities, challenging work and opportunities for advancement.
Extrinsic motivation: This kind of motivation as being derived from what is done by the management to and for employees to motivate them Armstrong (2006). It arises when the higher management provides rewards to employees at work such as promotion, increased pay, and recognition. Extrinsic motivation has an immediate and powerful outcome on employees but does not last for long compared to intrinsic motivation. Dessler (2009) holds the view that employers have to figure out how to inspire employee motivation at work, and to create a work environment in which an employee is motivated about work. This involves both extrinsically and intrinsically satisfying encouraging factors.

Employees are motivated by money - at least for a period of time, however the motivational power of money often wears off as employees simply get used to their current level of compensation Grant, (2008). Many studies have confirmed that as long as employees are paid competitively, money is not the main factor that leads to job selection or performance. Ultimately, most people are motivated more by the work they do and the environment in which they work than by the money they earn. Njeri, (2014) argues that the compensation and rewards system offered to employees should include both monetary and non-monetary ideas, and thus the need to identify those non-financial reward that greatly motivate employees in today’s cash strapped economy, and in a society where has money is no longer a motivator for employees.

The Hawthorne Studies began the human relations approach to management, where by the needs and perception of employees became the primary focus of the managers(Githens, 2015). Employees contribute highly to the success of the organization but they can also lead to the failure or being overtaken by competitors. Perception on rewards is a complex concept that the managers have to face and deal with reasonably, in that not all rewards are suited to all situations. That is why managers need understand the motivational underpinnings before devising any pay system as rewards are psychological and they influence effort and behavior(Gagné & Deci, 2005). American psychological Association (2005) demonstrated that people want more from work than just money and peoples’ perception to rewards goes a long way in motivating.
While managers anticipated that, arguably the most important motivational facet of work for people would be money, personal time, and workers cited attention from the supervisor as the best driving force to perform. Employees desire to be valued for an assignment well done by those they hold in esteem and in addition, people want to be treated like adult human beings by dealing with their psychology. Higgins (2004) defines motivation as an internal drive to satisfy an unsatisfied need. Individuals join organizations with different needs, which may be psychological, social, esteem, security, ego or self-actualization.

According to Maslow, employees have five levels of needs (McLeod, 2007) which have been mentioned above. Maslow argued that the lower level of needs had to be satisfied first before the next higher-level need (also known as a stepladder) and this would motivate employees and give them a positive perception towards their job. This theory also goes ahead to state that after satisfying a certain need, it ceases to motivate the individual. That is, once an employee gets financial security, money ceases to be a source of motivation and they start looking for other means of motivation that money cannot provide. Caution should be taken especially when devising an incentive pay for highly motivated employees lest you inadvertently demean and detract them from their desire to do the job out of a sense of responsibility and not in exchange for reward (Malik & Nadeem, 2011).

Monetary incentives increase negative effect and in turn increase in negative perception directly affects motivation to work (Stone, 2011). Monetary incentives might cause people to set goals that they otherwise would not set, leading to higher demand for effort that can be strenuous to an employee. A few theories predict that monetary incentives may lead to decreased effort and performance for example the Cognitive Evaluation Theory (Gagné & Deci, 2015), by focusing attention on the external reward related to a task, intrinsic motivation is decreased and thus decrease In effort input and task performance. Skinner theory simply states that employees’ behavior that leads to positive outcome will be repeated and behavior that leads to negative outcomes will not be repeated (Bailey et al, 2018).
1.1.6 Brief History of KCA University

KCA University dates back to 1989, with the establishment of the institution as Kenya College of Accountancy by the Institute of Certified Public Accountants of Kenya (ICPAK); the main aim being to improve the standards of accountancy and financial management training. The college was established after a study led by Chart Foulks Lynch CIPFA services of the UK in 1987/88. The study disclosed that the Kenyan economy demanded additional four hundred qualified Accountants annually. The output of well-trained accountants from the training institutions was less than one hundred.

The key Human Resource aims at the University are recruitment, retention and development of the very best academic staff and high quality administrative staff to support its corporate vision of being a World Class Business University of Choice and the leading University for practicing professionals. The University recognizes that whilst its academic and research staff have a key role in delivering its overall strategic aims, non-academic staff at all levels aim to provide appropriate level of support to enable academic staff concentrate on their core functions.

The HR strategy reflects the University present thinking on how it should address its priorities in the light of the changing dynamic global environment that it operates in. It aligns Human Resources strategic plans with the direction and priorities of the University.

1.2 Statement of the Problem

In the recent past, barely a week goes without a threat of strikes by employees in one corner of the world. An industrial strike is caused by mutiny employees who disturb industrial harmony and peace.

The specific problem of KCA University the employees are demotivated in terms of rewarding the best performers, levels of employees at a given department and the qualified employees. It is noted that most employees are affected for example, employee working in the same cadre and same job description but they are not earning the same amount or even when it comes to promotion you find the lesser qualified employee is above the high qualified employee.
Consequently, KCA university has witnessed poor performance, high absenteeism rates, rise of ghost workers as a result of boredom and routine duties in the workplace, frequent job turnover, go slows in the workplace, and much more occurrences in the organization that can be avoided. This study therefore, is seeking to establish the role of remuneration on employee motivation in KCA University.

1.3 Objectives of the Study
This study was guided by both general objective and specific objectives.

1.3.1 General Objective
The general objective of this study is to establish the extent to which rewards affect employee motivation at KCA University.

1.3.2 Specific Objectives
The study was guided by the following specific objectives;

i. To determine how basic pay affects employee motivation at KCA University
ii. To assess the effect of incentives on employee motivation at KCA University
iii. To establish the role of non-monetary rewards on employee motivation at KCA University
iv. To examine how benefits affect employee motivation at KCA University

1.4 Research Questions

i. How does basic pay affect employee motivation at KCA University?
ii. To what extent do incentives affect employee motivation at KCA University?
iii. What is the role of non-monetary rewards on employee motivation in KCA University?
iv. How do benefits affect employee motivation at KCA University?

1.5 Justification of the Study
Rewarding of employees has proved to be one major driving force for employees. Effective rewarding of employees by considering their physical as well as psychological needs is essential
to make employees know they are an asset to the organization. This study sought to clarify employee’s perception on the reward they receive and to know what motivate them to perform better and feel valued by the organization. The findings of this study was of benefit to the management of KCA University as it brought out the likely causes of demotivation amongst employees and employees’ perception towards rewards and the type of motivation that would act as a driving force for them to perform.

The apprehension of the relationship between employee motivation and non-financial rewards and were useful to human resource rewards and benefit employees. The study findings were also useful when determining the most applicable choice of reward program to provide to employees even with minimal finances to do so, but nevertheless create considerable employee motivation.

The study findings also will help management of other organizations to solve the ever growing challenge of motivating employees on a cash strapped budget, as well as provide ways to best motivate employees in the era where the use of money or financial rewards as a means to motivate employees is slowly diminishing. The study provided intuition on challenges that may be faced in the pursuit to motivate employees and the strategies they can use avoid them, and thus help management of other institutions know how best to inspire their employees.

The study contributed towards the literature on non-financial rewards and employee motivation. It is hoped that the findings will be useful to academicians, who may find handy research gaps in this area that may trigger interest in further research in future. Recommendations were made on possible areas of future study.

1.6 Scope of the Study
The focus of the study was to collect data from the respondents with a view of determining the effects of rewards on employee motivation in service delivery organizations. The study was carried out at KCA University, main campus located in Nairobi along Thika superhighway and it was limited to the relationship between employee rewards and employee motivation. The target population of the study was both faculty and non-faculty staff. The study was conducted from May 2018 to September 2018.
CHAPTER TWO
LITERATURE REVIEW

2.0 Introduction
This chapter seeks to review relevant literatures with respect to reward and employee motivation. This also describes the theoretical background, related concepts that depict the variable, empirical review and conceptualization of the study variables.

2.1 Theoretical Literature
2.1.1 Maslow’s Hierarchy of Needs
This theory was developed by Abraham Maslow in 1943 of which is the anchors the basic pay and the basis of the study. “Maslow’s Hierarchy of needs”. Maslow argued that human beings have an internal wants pushing them on towards fulfillment and individual superiority. Maslow came up with the perspective that there are five different stages of needs and once we happen to fulfill a need at one stage or level of the order it has an influence on our way of behaving. At such stage our behavior tends to decline, we now put forward a more powerful effect on our behavior or the want at the next level up the hierarchy.

Firstly, persons are motivated by non-physical needs, this non-physical need forms the basic need for survival and this may include clothing, food, warmth, and shelter. When people are hungry, don’t have clothing or shelter, there are more motivated to satisfy these needs because they become the major impact on their behavior. But on the other hand when individuals don’t have an inadequacy in those basic needs, their needs seem to move to the second level where it is equally seen as the higher order of needs. The second stage is seen as the security needs: This need tends to be the most important need to people at this stage. This is demonstrated in the safety of employees’ family and health. The third stage of needs was the social needs. When feeling safe and secured at work; workers will now put job relations as their main focus that is trying to build up a good relationship, intimacy and love. As we keep going up the ladder we will have self-esteem needs: This fourth level of needs presents the recognition to be valued and accepted by others. The highest or last level of Maslow’s need is self-actualization needs: Self-actualization was to develop into more and more what one is to become all that one is competent of becoming(Srivastava, 2005).
2.1.2 Herzberg’s Two Factor Theory

The Herzberg’s motivation-hygiene theory and dual-factor theory (The two Factor Theory) states that there are certain circumstances in the working environment that causes job satisfaction, while a separate set of circumstances cause dissatisfaction. It was developed by Frederick Herzberg, a psychologist, who theorized that job fulfillment and job displeasure act independently of each other (Saiyadain, 2009).

The Two-Factor Theory divides job satisfaction and motivation into two groups of factors known as the hygiene factors and motivation factor. According to Frederick Herzberg, “the motivating factors are the six ‘job content’ factors that include achievement, recognition, work itself, responsibility, advancement, and possibility of growth. Hygiene factors are the ‘job context’ factors, which include company policy, supervision, relationship with supervision, work conditions, relationship with peers, salary, personal life, relationship with subordinates, status, and job security” (Ruthankoon, 2003). Basically the theory distinguishes the factors between extrinsic motivators and intrinsic motivators. The intrinsic motivators, define things that the people literally do in their work; their achievements and responsibilities. These factors are the ones that can greatly contribute a great deal to the measure of job satisfaction an employee feels at work. The job factors, on the other hand, are the extrinsic elements that someone as an employee does not possess much control over; they relate more to the environment in which people work than to the nature of the work itself (Schermherhorn, 2003).

Herzberg identifies these factors as the sources for job dissatisfaction. “Hertzberg reasoned that because the factors causing satisfaction are different from those causing dissatisfaction, the two feelings cannot simply be treated as opposites of one another. The opposite of satisfaction is not dissatisfaction, but rather, no satisfaction. Similarly, the opposite of dissatisfaction is no dissatisfaction. While at first glance this distinction between the two opposites may sound like a play on words. Herzberg argued that there are two distinct human needs portrayed” (Adams, 1963). Therefore, the basic premise of the Two-Factor Theory is that if an employer or manager is trying to increase job satisfaction and ultimately job performance for an employee or coworker, they need to address those factors that affect one’s job satisfaction. The most direct
approach is to work on the intrinsic, job content factors (Schermerhorn, Hunt, & Osborn, 2003).

2.1.3 Fifty-Fifty Theory
The theory was developed by John Adair as a motivational component that could influence organization performance. From his perception fifty percent of motivation comes from the environment and the remaining fifty percent comes from within a person and mainly from people around us. This rule is not used to state the exact proportions, but it tries to describe that, fifty percent of our motivation comes from within us and fifty percent from an external influence, that is to say, from our environment, particularly from the people around us. These observations are more indicative rather than mathematical; they may differ from person to person. Within these overriding external factors the quality of the leadership and nature present is essentially important. Hence the tough linkage between motivation and leadership becomes crucial to determine employee’s motivation. The theory does have the benefit of jogging the leaders’ memory that they have an important role to play for the success or non-performance in the motivation of employees at work. Fortunately, or unfortunately not every card is in their hands, for they are handling people who are self-motivating in various degree. These are the provocations that confront the HRM to spur employee motivation with the work environment (John, 2007).

2.1.4 Adams Equity theory
This theory was developed by behavioral psychologist, John S. Adams in the late 1960s, and majorly concerned with defining and measuring the relational satisfaction of employees (Kaur, Aggarwal, & Khaitan, 2014). Adams argued that employees attempt to maintain a balance in what they give to an institution against what they receive as a reward, and base fulfillment with their own stability on perceptions of the equivalent balance in colleagues.

The 'inputs' that an employee gives to an institution, can be broken down too many standards including loyalty, time, tolerance, enthusiasm, effort, flexibility, skill, personal sacrifice, and trust in superiors. Results include 'hard' factors, such as job security, salary, and employee benefits, but extend to less tangible facet such as sense of achievement, praise and reputation.
Equity theory is depending on the principle that individuals' motivations and actions are guided by honesty and that inconsistency in this equitable in the workplace will spur them to try and redress it. According to Adam (1963), employees who perceive inequity will seek to reduce it, either by distorting inputs and/or outcomes in their own minds, directly altering inputs and/or outcomes, or leaving the organization.

2.1.5 Expectancy Theory by Vroom
According to the Expectancy Theory, Stephan Robbins says that the ability of a tendency to act in a certain manner depends on the ability of an expectation that the effort will be followed by a given result and on the attractiveness of that result to the individual.

2.2 Empirical Literature Review
2.2.1 Basic Pay and Employee Motivation
Basic pay is a salary paid to workers on either hourly, daily, weekly, or monthly basis according to their job structure Rahim or Daud (2013). Basic pay is not directly linked to performance but it can have an effect on performance. For this reason, basic pay becomes an endowment, to be paid in future years even if a firm decline (Lowery, Beadles, Petty, Amsler, & Thompson, 2002). Devoe, Lee, and Pfeffer (2010) suggested that how workers are paid affects how they use their time because they see time as money. Time and pay are traded against each other whereby workers provide their time to firms in exchange for money (Devoe et al., 2010).

Even if pay preference and structure is paramount to workers, management does not always give it full attention and consideration during the process of making pay policy. Brown (2001). Ali and Ahmed (2009) stated that workers can be demotivated if they believe their pay structure is not portioned fairly. In recent times, labour protest has intensified due to dissatisfaction of workers with pay and methods used to determine pay (Brown, 2001). Expectancy theory gave guidance as to why this has happened.

Paying employees suitably is important as it affects productivity by increasing workers’ motivation, and lowering rates of staff turnover and absenteeism. While workers’ motivation will be impacted by a broader issue than compensation, an adequate measure of pay is a necessary
state in retaining and attracting good employees. Most organizations are led by Awards that set least remuneration levels for employees within those organizations. Additionally, there is a governmental minimum wage, which is the legally accepted minimum that can be paid to any employee.

Extrinsic motivation as the positive emotional state that employees get from the reward accompanying offers. Pepe (2010) a company may offer a reward in the form of pay, bonuses, and promotion (Ismail & El Nakkache, 2014). The fact that motivation is utilized regularly shows its importance in achieving higher productivity among workers (Adelakun, 2014). Anyim, Chidi, and Badejo (2012) argued that it may be virtually impossible to establish a perfect solution that will optimally promote motivation and elevate work performance all the time; however, they suggested that adequate pay may be the factor that will have the most significant impact on workers ‘motivation. Anyim et al. (2012) suggestion is supported by Adelakun (2014), whose study revealed that most workers are motivated by financial incentives no matter how engaged are they. Harunavamwe and Kanengoni (2013) argued that pay is a significant motivational factor amongst low-level workers. This postulation has been viewed as more theoretical than practical (Harunavamwe & Kanengoni, 2013). It is clear that money is indeed the major factor in workers ‘motivation (Gupta & Shaw, 2014; Adelakun, 2014; Anyimetal, 2012).

Karaskakovska (2012) argued the point and brought gender into the equation. In his study he found that women placed work environment higher that money as a motivator, while men ranked money higher than work environment. In his study of motivation, Vaskova (2006) also found that men value pay more than anything as a motivator and women placed more value on respect full treatment by supervisors, interpersonal relationship at the work place and good working environment.

2.2.2 Incentive and Employee Motivation

Workplace motivation strategies are commonly adopted by organizations to improve profitability by increasing motivation and productivity, reducing absenteeism and turnover, and to retain talented and skilled employees (Armstrong, 2006). Typical motivation techniques such as incentives, rewards and recognition are often used complementarily to motivate employees.
The main difference between incentive and reward is that while an incentive is defined as something that triggers a particular course of action, a reward is given following a desired behavior to increase the probability that the behavior will be repeated. In other words, when an incentive is offered for meeting specific goals, the employee is likely to expend more energy and effort into the job, and thereafter the incentive will be given to the employee as a reward when the goal is met but it all stems from an incentive. By and large, organizations use rewards as incentives to stimulate desired behavior. Recognition, on the other hand, is to show appreciation for the employee’s efforts and positive contributions, and at the same time reinforce and encourage similar future behavior (Bruce, 2012). Recognition takes place only after the behavior has occurred and it may be offered in conjunction with the reward. On the whole, both incentives and recognition are useful mechanisms to induce positive attitude and motivate employees. For the purpose of this study, the concept of incentives, rewards and recognition was studied under the category of “incentives”.

There are three categories of incentives: tangible non-monetary incentives, monetary incentives, and intangible non-monetary incentives. Monetary incentives refer to financial rewards given to employees in terms of bonuses, stock options, insurances, paid leave etc. (Arnolds & Venter, 2007). Tangible non-monetary incentives involve the indirect payment of money in the form of tangible rewards such as gift cards, watches, garments, plaques/trophies, electronic appliances, decorative items, vacation trips etc. and services such as bus service, club privileges, meal treats, celebration parties, internet services etc. Intangible non-monetary incentives include the use social rewards and task-related rewards. Social-related rewards concern the organization’s social practices such as employees being courteous and respectful to one another, managers recognizing employees for their hard work etc. (Bates, 2006).

2.2.3 Non-Monetary Rewards and Employee Motivation

A reward is defined as all of the monetary, non-monetary, and psychological payments that an organization provides for its employees (Bartol and Locke, 2000). A reward is presented after the occurrence of an action with the intent to cause the behavior to occur again. This is done by associating positive meaning to the behavior and it represents what the individuals want to obtain from work or what they perceive. A job reward has been found to be a strong determinant of job
satisfaction and also rewards are significantly related to professionalism. Non-financial rewards are the non-monetary gains that influence people through non-material rewards like; giving more responsibility, promotion, praise and recognition in public (Musaazi, 2002). Maicibi (2007) in his definition of the same includes indirect financial rewards arising from work itself, such as; achievement and autonomy. Such 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) talking on the role of non-financial rewards in enhancing employees” commitment and performance on the job observed that “essentially the notion of total reward says that there is more to rewarding people than throwing money at them”. Non-financial rewards can make workers more comfortable on the job. It encourages them to contribute extra effort by developing a deal that addresses a broad of issues.

Creating a fanfare, 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 Armstrong (2009). There are three main types of non-monetary rewards that is, the need for power, need for affiliation and need for achievement Maicibi (2003). 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.

**2.2.4 Benefits and Employee Motivation**

Benefits are defined as the allowances that employees get in addition to their pay Zhang, Farh, and Wang (2011). Fringe benefits can be in the form of housing, company cursor transport, and food allowances in company cafeterias to name a few (Gunkel, Lusk, &Wolff, 2009). According to Zhang et al. (2011), fringe benefits can influence workers’ motivation and drive workers’ productivity. However, in contrast to this view, Markovits, Davis, Fay, and van Dick (2010)
argued that motivation is more likely to be driven by psychological contract and intrinsic rewards. Muehlbacher, Kodydek, and Zhang (2012) argued that benefits, especially monetary benefits, were not an important motivator for educated and skilled employees but a significant motivator for general workers who have a lower level of education and do labour intensive work.

2.3 Summary and Research Gaps
The organizations also should emphasize on work life balance, and should provide options to employees, like flextime, and day care center for their children etc. They must be encouraged to participate in decision making and they need to get challenging tasks. The employees would appreciate these initiatives. It is important to link pay to performance as it is an effective motivator when people know what they are going to get in return for certain efforts or achievements, and when they feel that what they may get is worth having. While there has been many researches done on rewards and employee performance, very little has been researched on the effects of rewards on employee motivation.

2.4 Conceptual Framework

![Conceptual Framework Diagram]

Figure 2.1: Conceptual Framework
CHAPTER THREE
RESEARCH METHODOLOGY

3.0 Introduction
This section presents the methodology that was used to carry out the study. It covers the following areas: research design, target population and sample frame, samples and sampling procedure, instrumentation, data collection and data analysis techniques.

3.1 Research Design
Research design is a plan, structure and strategy of investigation to obtain answers to research questions and control variance (Ogula, 2005). This study used descriptive research design since the aim of a descriptive research is to determine what something is and this study investigated on the factors relating to employee reward and employee motivation. Mugenda and Mugenda (2003) pointed out that descriptive studies are usually the best methods for collecting information that demonstrate relationships and describe the world as it exists. Descriptive research design was employed in this study because it gives an opportunity to integrate both the qualitative and quantitative methods of data collection.

3.2 Target Population
According to Banerjee and Chaudhury (2010), a target population is an entire group about which some information is required to be ascertained. In selecting a population for study, the research question or purpose of the study suggested a suitable definition of the population to be studied, in terms of location and restriction to a particular age group, sex or occupation. The target population for this study was 883 staff of KCA university main campus. This is presented in table 3.1

Table 3.1: Target Population

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative staff</td>
<td>583</td>
<td>58</td>
</tr>
<tr>
<td>Teaching staff</td>
<td>300</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>883</td>
<td>88</td>
</tr>
</tbody>
</table>
3.3 Samples and Sampling Procedure

A sample is a group of people or things that is chosen out of a larger number and is asked questions or tested in order to get information about the larger group. Ogula (2005) stated that sampling is a process of selecting a number of individuals for a study in such a way that the individuals selected represent the large group from which they will be elected. Sampling procedure is a way of selecting sample members from a population. Simple random sampling was used in this study. This is because selecting subjects completely at random from such a large population yielded a sample that represent the group being studied and even small samples exhibit low sampling error when simple random sampling is performed correctly. According to Mugenda and Mugenda (2003), a sample size of 10-30% is a good representation of the target population. A sample of 10% of the 883 staff in KCA university main campus. This translates into 88 respondents. This is shown in table 3.2.

Table 3.2: Sample Size

<table>
<thead>
<tr>
<th>Population</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative</td>
<td>583</td>
<td>10</td>
<td>58</td>
</tr>
<tr>
<td>Teaching staff</td>
<td>300</td>
<td>10</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>883</td>
<td></td>
<td>88</td>
</tr>
</tbody>
</table>

3.4 Data Collection Instrumentation

Instrumentation refers to the tools or means by which investigators attempts to measure variables or items of interest in the data collection process (Salkind, 2010). It is related not only to instrument design, selection, construction, and assessment, but also to the conditions under which the designated instruments are administered. An instrument is the device used by investigators for collecting data. Questionnaires were employed in this study. The choice of questionnaires is because, with them, large amounts of information can be collected from a large number of people in a short period of time and in a relatively cost effective way.

3.5 Pilot Study

A pilot study is a preliminary trial of research which is essential to the development of an extensive training programme (Kothari, 2010). Ten participants were used in the pilot study.
According to Mugenda and Mugenda (2003), a sample size of 10-30% is a good representation of the target population.

### 3.5.1 Validity of Research Instruments

Validity is the extent to which a test measures what it claims to measure. It is vital for a test to be valid in order for the results to be accurately applied and interpreted. Validity is not determined by a single statistic but by a body of research that demonstrates the relationship between the test and the behavior it is intended to measure (Wagner et al. 2015).

A panel of experts from KCA University research department and research supervisor examined the instruments, assessed them on basis of their judgment and review them in order to determine the content validity of the research instruments. To achieve external validity which is concerned with real life applications that have significance beyond the limits of the experiment, the research constructed a reasonably similar control group. Replication was also put in mind when designing the study to ensure external validity Kothari (2010).

### 3.5.2 Reliability Test

Reliability is the consistency of a measure. A test is considered reliable if the study can get the same result repeatedly and an accurate representation of the total population. A research instrument is considered to be reliable if the results of the study can be reproduced under a similar methodology and will not fail to perform within specified limits in a given time while working in a stated environment (Wagner et al, 2015).

The reliability of the instruments was established through piloting method. The draft copy piloted to offer constructive criticism to it as a first draft. A final draft was drawn after incorporating all suggestions made by the individuals involved. Cronbach’s Alpha used for testing the reliability of the questionnaire responses where the critical point for Cronbach’s Alpha was 0.7 indicating that the instruments were deemed reliable and stable for results.

### 3.6 Data Collection Procedure

This study used both primary and secondary data. In this study, questionnaires were preliminary data collection technique providing primary data and empirical analysis of this study. The
respondents’ perceptions on the study variables were obtained from self-administrated questionnaires conducted with staff of KCA University. The questionnaires were closed-ended. Secondary data sources were also used to supplement the data received from questionnaires.

3.7 Data Analysis Techniques
Data analysis is the collection and organization of data so that a researcher can come to a conclusion. According to Kothari 2010, data analysis allows one to answer questions, solve problems, and derive important information. This study used both quantitative and qualitative data analysis techniques. In quantitative data analysis, data tabulation was used which involves frequency and percent distribution. Frequency distribution involved organizing tabulation of the number of individuals in each category and percent distribution involved displaying the proportion of participants who were represented in each category. Qualitative data analysis was used to provide explanations, understanding and interpretation of the raw data collected.

3.8 Ethical Considerations
Ethics in research concerns the suitability of the researcher’s behavior in relation to the rights of those who becomes the subject of their work or are affected by it. Mugenda&Mugenda (2003). The research proposal was being submitted to the University for Approval. The questionnaires were being accompanied by a signed introductory letter to introduce the researcher and a brief explanation of the purpose of the study. Before carrying out the study, the researcher sought the consent of the participants and explained to them the purpose and confidentiality of the information they provided. The information provided was treated with utmost confidentiality and was used for academic purposes only. All materials that were used in the study, the list of such sources and authors of such material were fully acknowledged. The confidentiality and integrity of the research was maintained before, during and after the research process.

3.9 Chapter Summary
This chapter has presented the design of the study used to achieve the objective of the study, the target population, their respective sampling techniques as well as sample frame and size. The study has also exhaustively discussed the various instruments to be used during data collection, their validity and reliability to the study and type of data collected. As a way of adhering to
research ethics, the study has summed up the chapter by looking at the ethical consideration before, during and after the research.
CHAPTER FOUR
RESEARCH FINDINGS AND DISCUSSIONS

4.0 Introduction
This chapter presents research findings and discussions of the study. It covers the following areas: presentation of research findings, limitations of the study and chapter summary.

4.1 Presentation of Research Findings
4.1.1 Response Rate
The study used questionnaires as the primary data collection tool. The sample size of the study was 88 respondents comprising of employees of KCA University. Table 4.1 gives a summary of the information.

<table>
<thead>
<tr>
<th>Strata</th>
<th>Sample Size</th>
<th>Respondents</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative staff</td>
<td>58</td>
<td>35</td>
<td>60</td>
</tr>
<tr>
<td>Teaching staff</td>
<td>30</td>
<td>19</td>
<td>63</td>
</tr>
<tr>
<td>Total</td>
<td>88</td>
<td>54</td>
<td>61</td>
</tr>
</tbody>
</table>

Table 4.1 Response Rate

Table 4.1 depicts a response rate of 61%. This response rate was good enough and representative of the population and conforms to Mugenda and Mugenda (199 stipulations that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and above is excellent.

4.1.2 Background Information
The study examined the respondents with respect to their age, gender and experience in the public sector since it was important to consider the above demographic characteristics of respondents to see whether they have any implications on responses given. Table 4.2 give the summary of the respondents’ distribution by gender.

Table 4.2: Distribution of Respondents by Gender
In the gender category, out of the 54 participants, majority (37) (69%) were male. This implies that the job market is still dominated by male. A study by Wakwabubi (2014) on the influence of gender mainstreaming strategy on performance of public sector found that male dominance is still felt in strategic offices and positions. The findings of this study are in line with these findings.

### 4.1.3 Respondents Age

The study sought to establish the age of the respondents. The findings were presented in the table 4.3.

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25</td>
<td>3</td>
<td>5.6</td>
</tr>
<tr>
<td>26-35</td>
<td>27</td>
<td>50.0</td>
</tr>
<tr>
<td>36-45</td>
<td>14</td>
<td>25.9</td>
</tr>
<tr>
<td>46-55</td>
<td>8</td>
<td>14.8</td>
</tr>
<tr>
<td>56 and above</td>
<td>2</td>
<td>3.7</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>100.0</td>
</tr>
</tbody>
</table>

From the study findings, 5.6% (3) of the respondents were between 18 and 25 years, majority (50.0%) of the respondents were aged between 26-35 years, 25.9% of the respondents were between 36-45 years, 14.8% of the respondents were between 46-55 years while as 3.7% of the respondents were 56 and above years old. This distribution was found to be fair in terms of both genders participating in the study. As shown above majority of the respondents were within the age bracket of 26-35 years. This forms a constituency of workforce that is perceived to be defining their career choices in their youthful peak, having young families and therefore employee reward becomes a critical factor that affects their motivation as well as determining what organization to work for.
4.1.4 Respondents per Department and Years of Service

Table 4.4: Respondents per department and years of service at KCA University

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondents Department</td>
<td>5.25</td>
<td>2.364</td>
</tr>
<tr>
<td>Years of service</td>
<td>1.88</td>
<td>.575</td>
</tr>
</tbody>
</table>

A descriptive statistic on the means and standard deviations of the respondents’ years of service and distribution of the workforce based on the departments revealed that the mean years of service taking the staff who participated in this study was 1.88 with a standard deviation of .575. This demonstrated that most of the staff who participated in the study had worked for less than 2 and half years. However, the distribution as per department was on average with a mean of 5.25 out of the 10 departments at KCA University. In terms of responses it can be that the distribution was equitable based on the descriptive statistics analyzed. This also pointed to the fact that study had fair representation for each of the department of the organization.

4.1.5 Working at KCA University as First Job

The study sought to establish whether respondents worked at KCA University as first job.

Table 4.5: Working at KCA University as first job

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>20</td>
<td>37%</td>
</tr>
<tr>
<td>No</td>
<td>34</td>
<td>63%</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>100%</td>
</tr>
</tbody>
</table>

From the data findings majority (63%) of the respondents were not working at KCA university as a first job while as 37% of the respondents were working at KCA university as first job. These findings show that the respondents had started working in different organizations then joined KCA University later on in search of greener pastures.
4.1.6 Reward Program Adopted in the KCA University

The study sought to establish reward programmes most preferred by employees at KCA University. The findings were as shown in Table 4.7 below:

Table 4.6: Remuneration Program adopted

<table>
<thead>
<tr>
<th>Remuneration Program adopted</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Salary</td>
<td>16</td>
<td>29.6%</td>
</tr>
<tr>
<td>Incentives</td>
<td>6</td>
<td>11.1%</td>
</tr>
<tr>
<td>Non-monetary rewards</td>
<td>4</td>
<td>7.4%</td>
</tr>
<tr>
<td>A combination of all the three options above</td>
<td>28</td>
<td>51.9%</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>100%</td>
</tr>
</tbody>
</table>

From the findings of the study, a majority of the respondents preferred a combination of basic salary, incentive and non-monetary rewards as supported by 51.9%. Basic salary alone was supported by 29.6%, incentives was supported by 11.1% while non-monetary rewards was supported by 7.4%. The preferred mode of remuneration was a combination of basic salary, incentive and non-monetary rewards. These findings are consistent with the argument of Balkin and Griffeth (1993) who asserted that a good compensation program should be designed to achieve three overall objectives by assisting in the attraction and hiring of the most qualified professionals available in the market and direct employee efforts toward achieving the company’s strategic objectives such as business development, profitability, safety and work quality. Appropriate rewards ensures that staff are motivated to work and be part of an organization (Kurb, 2002).

4.1.7 Reasons for Joining KCA University

The study sought to establish the various reasons for the respondents joining the company. The findings were as shown in the Table 4.7 below:
Table 4.7: Respondents Experience and Reasons for Quitting Previous Job

<table>
<thead>
<tr>
<th>Reasons</th>
<th>F</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Salary and Bonuses</td>
<td>17</td>
<td>50%</td>
</tr>
<tr>
<td>Lack of Learning, Training opportunities and personal growth</td>
<td>15</td>
<td>44%</td>
</tr>
<tr>
<td>Lack of recognition of performance</td>
<td>9</td>
<td>26%</td>
</tr>
<tr>
<td>Lack of promotion</td>
<td>9</td>
<td>26%</td>
</tr>
<tr>
<td>Lack of job security</td>
<td>11</td>
<td>32%</td>
</tr>
<tr>
<td>Lack of flexible work schedule</td>
<td>5</td>
<td>15%</td>
</tr>
<tr>
<td>Unattractive company policies</td>
<td>7</td>
<td>21%</td>
</tr>
</tbody>
</table>

As shown in the Table 4.7, a majority 50% of the respondents quit their previous jobs to join KCA university because of low salaries and bonuses in their previous jobs followed by 44% who indicated that their previous job opportunities did not offer them training opportunities and personal growth, 26% each indicated that they were not offered recognition for their performance and lacked promotion prospects, 32% indicated lack of job security, 15% indicated lack of flexible work schedules while 21% indicated unattractive company policies. These findings show that the respondents left their previous employers for several reasons when joining KCA University. Some of the reason given in regard to what attracts most of the staff to work for KCA university included: opportunity for growth professionally, attractive company policy, good salary package, training opportunities, diversifying carrier, personal growth, Job security based on the contract. Stone (2007) argued that employees set expectations about rewards and compensation to be received, if certain levels of performance are achieved. These expectations determine goals or levels of performance for the future. If they attain the set goals and the organization does not reciprocate to reward them with what they expected, employees will start looking for ways to exit an organization. To retain and attract good talented employees in an organization is not an easy thing (Kurb, 2002).

4.1.8 Motivational Aspects

Respondents were asked to reveal which specific rewards/ incentives related modes might have an impact on their motivation in their current positions. The sentiments of the respondents were
found to be falling within four categories as more than 25% of the respondents believe that base salary, base salary increases, and benefits and perquisites have a “very high” impact on their motivation and short-term incentives or bonuses. Some also indicated that the impact of intangible rewards on employee engagement motivates them with regard to work environment. Work-life balance was also mentioned given the nature of the job or quality of work and career development opportunities. Others included: support from the supervisors, coaching and support and quality leadership within the organization. These findings are consistent with those of Schaufeli, Salanova, Gonzalez-Roma and Bakker (2002) who stressed on the importance of rewards in order to combat burnout experienced by most employees on the job. They argued that individuals, who experience burnouts in their work do not feel fulfilled, hence are less motivated to work.

4.1.9 Competitive Rewards and Compensation

Competitive reward and compensation modes are important for creating a competitive advantage based on improved performance. A cumulative percent of 70% agreed that the rewards and compensations modes at KCA University are competitive enough with 20% strongly agreeing. However, 10% were for the contrary opinion that this is not the case. Given that majority of the respondents constituting 63% had worked in other organization, a comparison of the means through ANOVA indicated that the mean squares were 1.235 at a significant level of 0.398. However, in terms of preference given the years of service at the organization, the table 4.18 below summarizes each category of respondent’s opinions.

Table 4.8: Competitive Reward and Compensation program at KCA University

<table>
<thead>
<tr>
<th>Years of service</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Day-1Year</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>2-4years</td>
<td>4</td>
<td>8</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>5years and above</td>
<td>5</td>
<td>3</td>
<td>5</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>14</td>
<td>9</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>
As shown in table 4.8 can be deduced that majority of the employees who have worked for at least 2 years were in agreement with the fact that rewards and compensation programmes at KCA University are compensative enough. This constituted 24 (57%) of the responding population.

4.1.10 Suggestion for Improving Motivation

Respondents further suggested more recommendations that could be considered by the management to improve performance. These included: enhancement of training and development, developing an objective performance appraisal system, institutionalizing performance based pay, encouraging more team building modes, increasing remuneration package and allowances and reviewing salary and grading structure, investing on educational for career development, reviewing the policy on remuneration, promotion policy to be based on merit and promoting performing employees, reviewing job descriptions, encouraging more team building activities.

4.2 Limitations of the Study

This study was limited as a case study of KCA University which is a private university in Kenya. The narrowed geographical coverage of focus is necessitated with the need to conduct effective and efficient study. This limitation was delimited by the fact that Nairobi office is itself a focal point of operation and administration of KCA University. However, the sampling strategy ensured that all the staff in various departments were represented. The other limitation to the study identified was the willingness and cooperation of staff members to provide the relevant information in time. The researcher made contacts with the organization by, visiting KCA University offices, sending email letters and making telephone communications in this respect.

4.3 Chapter Summary

Chapter four has presented the findings of the study in the order of objectives and the questionnaire. It covered demographic statistics where it presented the description of the respondents in this study, the rewards programs adopted at the KCA University, employee motivation in relation to reward at KCA and suggestions for improving motivation. The chapter then proceeded to present the limitations of the study.
CHAPTER FIVE
SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.0 Introduction
This chapter presents the summary, recommendations and conclusion of the study. It covers the following areas; summary of the findings, recommendations, and conclusion of the study.

5.1 Summary of Findings
On the effect of basic pay on motivation, the findings indicated that 29.6% (16) of the respondents’ preferred basic salary compared to 51.9% of the respondents who preferred a companion of basic salary, incentives and non-monetary rewards. This shows that basic salary has a significantly high effect on motivation. These findings agree with those of Balkin and Griffen (1993) With regard to incentives on employees’ motivation the finding indicated that 11.1% of the respondents preferred incentives compared to 7.4% of the respondents who preferred non-monetary rewards of which from the findings was rated with very low percentage. This findings agrees with those of Bruce (2012)

The effect of non- monetary rewards on employee motivation, the findings showed that 7.4% of the respondents noted that even though non-monetary rewards is a motivator but it has to be accompanied by the basic salary and incentives the findings agrees with those of Musaazi, (2002)

Finally the effects of benefits on employee motivation, the findings indicated that the respondents (employees) preferred: flexible pension, health insurance, holiday and vacations, house allowance, transport or commuter allowance and education. The findings agree with (Gunkel, Lusk, and Wolff, 2009) .Summary of the findings was cross tabulated across all gender.

The sentiments of the respondents were found to be falling within four categories as more than 25% of the respondents believe that base salary, base salary increases, and benefits and perquisites have a “very high” impact on their motivation and short-term incentives or bonuses. Some also indicated that the impact of intangible rewards on employee engagement motivates
them with regard to work environment. Work-life balance was also mentioned given the nature of the job or quality of work and career development opportunities. Others included: support from the supervisors, coaching and support and quality leadership within the organization.

On competitive rewards and compensation, a cumulative percent of 70% agreed that the rewards and compensations modes at KCA University are competitive enough with 20% strongly agreeing. However, 10% were for the contrary opinion that this is not the case. Given that majority of the respondents constituting 63% had worked in other organization, a comparison of the means through ANOVA indicated that the mean squares were 1.235 at a significant level of 0.398.

5.2 Conclusion
The purpose of the study was to examine the effects of rewards on employee motivation. From the findings it was concluded that basic pay, incentives, non-monetary rewards and benefits have an effect on motivation. When these approaches to motivation are addressed fairly and equitably will enable the employees to be more productive, no strikes, low absenteeism rate and job turn over.

5.3 Recommendations
In regard to basic pay, it is recommended that the management should affect annual pay rise these should be guided by salary surveys, cost of living or standards of living inflation. Also there need to engage employees in regular pay reviews.

Although the study indicated there a reward system in place, policies implementation and valuation of rewards modes is dire in enhancing employee motivation. Even though management and supervisors are involved in coming up with modes of reward, execution and valuation of modes of rewards more frequently than employees, their involvement should be frequent and they should enhance employee engagement.

Effects of incentives assessment in every organization is an important component of the management vis-à-vis employee motivation. The study recommends that several ways of improving incentives. They included aspects like: involvement, institutionalizing regular performance based reward system, enhancement of training and development, developing an
objective appraisal system, performance based reward system, investing on education for career development among others. It is imperative that the organization could factor in these recommendations on areas of possible focus to boost employee motivation at KCA University.

To examine how benefits and non-monetary rewards affects employee motivation in KCA university, it is imperative for the organization to start thinking in terms of total rewards and not just intrinsic rewards as most of the findings were directed towards extrinsic rewards. This would involve developing employee engagement resources that are directed towards work environment or organization climate, work life balance and the nature of the job and quality of the work, and career opportunities to create a motivated work force even if the organization has not had the ability to increase the basic pay as indicated by respondents.

The study recommended that KCA University should examine on how other private universities how they treat their employees when it comes to benefits, i.e. what they do best to make sure they are able to retain their employees.

Finally KCA University as an employer should embrace exchange programmes with other employers where employees are involved, these will enable the organization to borrow what other employers are doing in terms of benefits to their employees.
REFERENCES


KCA University
P. O. Box 56808 - 00200,
NAIROBI, KENYA

Dear Sir/Madam,

RE: REQUEST TO CONDUCT A STUDY

I am a student at Management University of Africa pursuing a Bachelor of Management and Leadership. In Partial fulfillment of my academic requirements, am researching on the topic EFFECTS OF REWARDS ON EMPLOYEE MOTIVATION IN KENYAN PRIVATE UNIVERSITIES: CASE STUDY OF KCA UNIVERSITY. I will appreciate if you would help me achieve this goal in my studies by answering the attached questionnaire.

As an assurance, any information you give will be used only for the purpose of this research and confidentiality of such information will be strictly observed.

A copy of the final document would be availed to you upon request and your cooperation in this study will highly be appreciated.

Thank you

Mmene Edward Omedi
APPENDIX II: QUESTIONNAIRE

EFFECTS OF REWARDS ON EMPLOYEE MOTIVATION IN KENYAN PRIVATE SECTOR (A CASE STUDY OF KCA UNIVERSITY)

Please answer the following questions in the best way possible.

SECTION A: BACKGROUND INFORMATION

Answer the following questions by ticking where necessary

1. Personal Information (Optional)
   i. Gender         Male (  )   Female (  )
   ii. Age Brackets in Years
       18-25 (  )   26-35 (  )
       36-45 (  )   46-55 (  )
       55 and above (  )
   iii. Department________________________________
   iv. How long have you worked for KCA UNIVERSITY?
       Below 1 year (  )   2-4 years (  )   5 years (  )
   v. Is working at KCA UNIVERSITY your first job? Yes (  )    No (  )
   vi. If No, which of the following could be the reason (s) for leaving your previous job (s)? (Tick as many options as apply)
       1. Low Salary & Bonuses (  )
       2. Lack of Learning/Training opportunities and Personal Growth (  )
       3. Lack of Recognition of Performance (  )
       4. Lack of Promotion (  )
       5. Lack of Job Security (  )
       6. Lack of flexible work schedule (  )
       7. Unattractive Company Policy and Administration (  )
       8. Other please specify ______________________
   vii. What attracted you to KCA UNIVERSITY? Please specify____________________

2. What remuneration program is applicable in KCA UNIVERSITY?
   Basic Salary (  )
   Bonus (  )
Fringe Benefits (e.g. House allowance ( ), commuter allowance ( ), medical cover etc.)

( )

Combination of the three ( )

3. Do you normally achieve your set and agreed targets? Yes ( ) No ( )

If yes explain ……………………………………………………………………………………………………………………

4. How would you rate your performance in terms of productivity?

Excellent ( ) Good ( ) Satisfactory ( ) Fair ( ) Poor ( )

5. How is basic salary increase determined for employees at KCA UNIVERSITY?

1. Market value of the position ( )
2. Individual performance ( )
3. Skill or competency acquisition ( )
4. Years of service ( )
5. Education/certifications ( )

6. Other ( Please specify) _________________________________

6. Which of the following employee performance rating system is identical with the practice at KCA UNIVERSITY?

1. Rating system with a performance score that is tied to salary increases ( )
2. Rating system with a performance score that is not tied to salary increases ( )
3. Assessment of performance with no performance score ( )
4. We don’t assess performance ( )

7. Which of the following remunerations plans do you prefer and value most?

Short term Incentive plan ( )
Long term incentive plan ( )
A combination of the two ( )

8. Which of the following short term incentive plans do you prefer and value most?

1. Annual Company Bonus plan ( )
2. Monthly Company Bonus plan ( )
3. A Combination ( )

9. Which of the following Long term incentive plans do you value and prefer most?

1. A solid retirement plan where employer match employee contributions ( )
2. Provision of stock option plans for employees who have been with the company for five (5) years ( )

10. Which one of the following benefits do you value most?
   1. Flexible Pension Benefit ( )
   2. Health Insurance Benefit ( )
   3. Holiday/Vacation Benefit ( )
   4. Housing Benefit ( )
   5. Transportation Benefits ( )
   6. Education benefits ( )

Using the key below, kindly indicate in the spaces provided the appropriate measure that matches with your sentiments (SA – strongly agree; A- agree; D – disagree and SD – strongly disagree)

13. Reward and Compensation policy of employees at KCA UNIVERSITY ensures equal treatment
   SA ___ A ___ D ___ SD ___ Don’t Know ___

14. The remuneration program at KCA UNIVERSITY is communicated to all employees.
   SA ___ A ___ D ___ SD ___ Don’t Know ___

15. Reward and Compensation program at KCA UNIVERSITY is competitive.
   SA ___ A ___ D ___ SD ___ Don’t Know ___

16. Reward and Compensation program at KCA UNIVERSITY is tied to performance
   SA ___ A ___ D ___ SD ___ Don’t Know ___

17. Reward and Compensation program at KCA UNIVERSITY is regularly reviewed
   SA ___ A ___ D ___ SD ___ Don’t Know ___

18. Would you recommend a reward and compensation policy based on individual performance?
   SA ___ A ___ D ___ SD ___ Don’t Know ___

19. There is consistency in application of remuneration policies at KCA UNIVERSITY
   SA ___ A ___ D ___ SD ___ Don’t Know ___
20. What do you suggest should be done by management to improve the performance of KCA UNIVERSITY?