NON-FINANCIAL REWARDS ON EMPLOYEE PERFORMANCE OF COMMERCIAL BANKS IN KENYA

By

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DECLARATION

This project is my own work and also has not been earlier presented in any other higher learning Institution for a degree.

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This project has been presented for assessment purposes with my sanction as the supervisor.

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School of Business
DEDICATION

Foremost I dedicate this work to my father Francis Kalonzya together with my mother Janet who instilled the significance of education to me at an early age and also to my husband, Kevin for his continued support and constantly pushing me to do and be better.
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# ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
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<tbody>
<tr>
<td>CBK:</td>
<td>Central Bank of Kenya</td>
</tr>
<tr>
<td>KBA:</td>
<td>Kenya Bankers Association</td>
</tr>
<tr>
<td>KCBs:</td>
<td>Kenyan Commercial Banks</td>
</tr>
<tr>
<td>UAE:</td>
<td>United Arab Emirates</td>
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<td>US:</td>
<td>United States</td>
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OPERATIONAL DEFINITION OF TERMS

**Non-financial rewards:** This is a system of reward that includes flexible work arrangement, career development, employee acknowledgement, role growth and promotion, which does not involve giving money directly to employees for the attainment of organizational set objectives and improvement of employee performance.

**Banking Sector:** Refers to the section of the economy devoted to the holding of financial assets for others, investing these assets as leverage to create more wealth.

**Employee Performance:** This is efficiency, work quality and ability to produce and give what is expected of an employee in an organization.

**Flexible work arrangement:** Regulate the time or workplace where work is done in a way that employees and employers can handle it.

**Career development:** Refers to a lifelong process of regulating learning and work.

**Employee Recognition:** Refers to acknowledgement of employees through appreciation, involvement in decision making and increase in responsibility for achieving organizational goals.

**Job promotion:** This is the appointment of an active, classified, and current worker to a higher position characterized by increase in responsibilities, ability, and skills, of facilities and change of positions.
ABSTRACT

For the last one-decade, commercial banks in Kenya have been registering increased profits. However, the increase in labor turnover and increased cost of staff replacement has led to Kenyan commercial banks aggressively competing for competent employees. Even though banks understand the logic of offering attractive financial rewards to their employees, they have not over the years put into consideration the use of non-financial rewards. This study therefore worked on investigating how performance of employees in commercial banks in Kenya is affected by non-financial rewards. Career development, employee promotion, flexible work arrangements and employee recognition were the non-financial rewards specifically targeted for the study and were used to establish the effect they have on performance of employees in commercial banks in Kenya. Commercial banks in Kenya were therefore used as the case study with three theories anchoring the study: Maslow’s needs hierarchy theory, the psychological contract theory and Vroom’s expectancy theory. Clerical, secretarial, managerial and supervisory staff of commercial banks in Kenya totaling to 30,903 were used as the target population with descriptive research design being used. The study employed primary data, which was obtained using semi-structured questionnaires. Content analysis was employed to analyze data gotten from qualitative data from questions that were open ended while SPSS and inferential statistics and descriptive statistics were employed to analyze the quantitative data. Moreover, frequency distributions, percentages, mean as well as standard deviation were used to form the descriptive statistics. Tables as well as graphs were then employed in presentation of the data. The correlation between the study variables was determined using both multiple regression analysis and correlation analysis. The study concluded that flexible work arrangement had a positive and significant influence on employee performance in commercial banks in Kenya. Findings also revealed that career development had a positive and significant influence on employee performance in commercial banks in Kenya. The study further concludes that employee recognition had a positive and significant influence on employee performance in commercial banks in Kenya. The study findings established that job promotion had a positive and significant influence on employee performance in commercial banks in Kenya. This study therefore recommended that the top management should ensure the training policy is followed to the latter to ensure that employees receive the necessary skills. Further, the top management of the organization should always ensure allocation of adequate funds to fully cater for scholarships. In addition, the top management should ensure each and every employee is given a chance to give views on matters affecting the organization.
CHAPTER ONE
INTRODUCTION

1.1 Background of the study

In modern corporate world, employees are regarded as valuable asset and vital resource for the business in any organization. From designing to executing strategies and rules, employees are the fundamental ingredient. The success of a business is primarily affected by the conduct of the employees in the firm regardless of whether they are dealing with the clients directly or not (Alalade & Oguntodu, 2015). Businesses that certainly understand the effect of their employees’ performance are able to influence employee productivity and output (Adjei, 2012). Properly governing employee performance helps an organization increase profits and continually meet set goals. One way of managing employees appropriately is by use of rewards.

When employees are recognized and well rewarded for their input into an organization, they feel valued which motivates them to work harder or achieve more. They feel that their wellbeing, self-development, and career development are taken care of by their employers (Vijay & Indradevi, 2015). In both the production and the service sectors, employees are considered to be the engines of their organizations while rewards act as their fuel. For any organization to achieve its set objectives they need the input of its workers that is the employees. Tsuma (2015) indicates that the wellbeing of an organization is defined by the employees’ desire to put into use their creativity, skills, and knowledge to enhance the organizations objectives and it is the company’s obligation to motivate and grow the positive attributes seen in the employees by putting in place effective reward systems.
1.1.1 Employee Performance

Research done by Opiyo, Ochieng and Owuor (2014) focused on productivity of the workers by looking at the total number of acceptable quality units produced by the employee within a given time frame. The research was targeting the banking sector and the performance of jobs in this sector. The business success is pegged on positive output of the employee. In business the most effective means of improving success is increasing employee’s performance in both the lower and senior levels of management. Improvement of this performance depends on both a well-functioning system and the use of effective human resource strategies which help in successful recruitment and maintenance of a motivated and committed workforce. The employee is evaluated using the criteria of evaluation which are the dimensions of evaluation. Waqas and Saleem (2014) note that there are various criteria that are required to accurately evaluate an employee job performance.

In the view of Harunavamwe and Kanengoni (2013), managers receive three different types of data or information regarding how well the employees are performing their designated roles. They are result based on trait-based information and behavior-based information. Mehta (2014) noted that information based on traits is used to identify employee subjective character such as creativity, initiative and attitude, behavior-based information looks at what is included in the job. Results are the outcomes of the employee and the result-based information looks at the accomplishment of the employee. Whereby the job measurement is obvious and easy, an approach that is result based should be used.

Despite of the fact that 60% of European firms still conduct annual employee performance review, 39% of the companies have shifted to quarterly and monthly reviews (Martin, 2017). This was in
comparison to employees’ performance in Asia Pacific where the goals of performance management were based on staff salary adjustment rather than development of each staff performance.

In Nigeria, Orishede (2011) indicates that commercial banks in Nigeria are characterized by low productivity, poor coordination, increase in labor turnover and inadequate manpower. In addition, Ogbeta (2015) reports that commercial banks in Nigeria were experiencing poor employee performance in terms of low morale, negative attitude to work as well as low productivity. In Tanzania, Ngowi (2014) indicates that in Stanbic Bank personnel are greatly not satisfied with the internal organizational surrounding which has resulted to slowing down of the firm’s performance as well as non-existent growth.

In Kenya, Hepngetich and Bula (2015) measured the performance output of employees based on efficiency, overall productivity and teamwork and found that employee performance was low. Wambua and Kabare (2016) measured employee performance established on improvement in employee efficiency, increased number of assignments completed on time, customer net promoter score (NPS) reports indicating positive feedback about the employee’s services, productivity of the employees in terms of doing quality work has improved and employees’ attitude towards work.

1.1.2 Non-Financial Rewards

There is need to have motivated employees in private and also public institutions due to increasing demands of stakeholders, limited organizational resources, globalization, and the rapidly changing technology. In any organization, employees who are extremely stimulated are more effective, productive and are prepared to perform to achieve a company’s objectives (Orpen,
2011). Organizations are easily able to achieve and surpass set objectives when they have a set of highly inspired employees and this in addition gives them an edge over other organizations. Allen and Helms (2014) observed that the incentives can be grouped into intrinsic (non-financial rewards) and extrinsic (financial rewards). Bradler, Dur and Neckermann (2016) discovered that extrinsic rewards do not always work when it comes to inspiring employees and they may at times work on the reverse of what is expected and hence leading to employees being less motivated and hence organizations should focus more on non-monetary rewards. These non-pecuniary rewards can be achieved through work promotions, awards and recognition, flexible work arrangement, career advancement, adjustable work schedules, among others. However, this study will focus on four non-financial incentives: flexible work arrangement, career development and employee’s recognition and job promotion. Intrinsic rewards include the role intrinsic, intangible, and non-pecuniary rewards included in the position itself and may include roles and tasks both challenging and interesting, not forgetting career development opportunities offered to the employees (Laakso, 2012).

In Malaysia, Abdullah and Wan (2013) established that non-pecuniary incentives, role contentment significantly influenced job performance in a positive way particularly when among contented employees within the organization a variety of non-pecuniary incentives are implemented. In Pakistan (Karachi) Bari, Arif and Shoaib (2013) posit that a work culture that fosters open feedback, learning opportunities incorporated into a non-bureaucratic environment positively influence employee attitude, therefore performance in place of work. Yousaf, Latif, Aslam and Saddiqui (2014) argue that rewards that are categorized into two, that is, extrinsic and intrinsic rewards (non-monetary rewards). Training and development are one of the non-financial
rewards. Other non-monetary rewards entail promotions, recognitions and employee development plans which are vital to employee motivation hence their performance.

In Nigeria, Okwudili (2015) stipulated that non-pecuniary rewards as well as employee yields have positive relationship. In South Africa, Harunavamwe (2013) demonstrated that there was no correlation between financial rewards and motivation in any significant way. He also went ahead to show that between rewards and motivation at work there was a positive but weak association.

In Kenya, organizations have also been rewarding employees both financially and non-financially. Imbahale (2016) revealed that incentives and rewards offer employee autonomy and make them feel appreciated and recognized for their output and contributions. The rewards make the workplace pleasant to work in, frill benefits such as leave, that is, extra days off for well performing employees, among other additional benefits. Kathure (2014) notes that employees work and achievement of employee in setting goals can be largely influenced by career progress. Further, Kathure posit that sponsoring employee trainings to empower employees could to a great extent help in enhancing employee performance. Deficiency of training and skill growth initiatives almost in all cases results the management not being aware of the skill pool available to them and needed by the employees to perform. Conducive work atmosphere also plays an important role in uplifting morale hence productivity. Additionally, Ngatia (2015) notes giving employees more work and control of what they are in charge of, appreciation and acknowledgement for what they have done are form of reward and in general view enhances employee productivity. Overall, non-monetary incentives are believed to inspire workers this in turn helps builds loyalty and dedication to the organizations that they serve which helps in achievement of objectives and improved job performance. This results in employees being interested and creates a happy, healthy environment, leading to work contentment which benefits firms and the employees.
1.1.3 Performance of KCBs

In Kenya, Central Bank Act, Companies Act, Banking Act and other key banking policies put forth by the CBK govern the banking industry. The CBK has the mandate for creating and implementing monetary policies, fostering solvency, liquidity and correct functioning of financial systems. The banks are under KBA which performs as a lobby for interests of banking sector (CBK, 2017).

During the period that ended December 2017, 42 commercial banks as well as 1 Mortgage Company constituted Kenyan banking sector. However, Imperial Bank Limited as well as Chase Bank (K) were all under receivership and Charterhouse Bank was under statutory management. There has been improvement in performance of Kenyan commercial banks. For instance, the total net assets grew by 5.8 percent to KShs 3.7 trillion in December 2016 from KShs 3.5 trillion in similar period 2015. However, there was a 2.7 percent increase in loans that had been defaulted in proportion to loans that had been given out by the banks over the same period. The banking institutions staff levels lowered by 6.95 percent to 33695 within the similar duration and period. Support and Management staff grew while clerical, secretarial and supervisory employees reduced by 9.01 percent and 120.5 percent consequently thus causing an overall decrease in the staff levels (Central Bank of Kenya, 2016).

1.2 Statement of the Problem

The profit-making trend has been the underline of Commercial banks’ performance in Kenya. Over the years, specifically, over the last five financial years several banks have reported low employee productivity and a reduction in efficiency (Central Bank of Kenya, 2016). Between the year 2015 and 2016 the number of staff in commercial banks in Kenya reduced by 7.46 per cent from 36,212 to 33,695. In addition, the number of staff reduced by 9.03 per cent between 2016 and 2017 to 30,903. In regard to efficiency score, on average, circa 2016, one employee was found to be serving
1,223 clients while in 2017 an employee was serving about 1,554 customers (CBK, 2017). As indicated by Bank Supervision report (2018), employee efficiency score increased from 1,544 in 2017 to 1,733 in 2018. To put this into perspective, in 2018, one employee was serving 1,733 customers while a year earlier an employee was serving 1,544 customers. However, some commercial banks experienced a decrease in employee performance in terms of efficiency and productivity. For instance, in Kenya Commercial Bank, employee productivity score reduced from 87% in 2017 to 83% in 2018. Operation efficiency, which is related to the productivity of employees reduced from 51% in 2017 to 48.3% in 2018 (Kenya Commercial Bank, 2018).

Commercial banks are investing heavily in reward programs whose sole goal is enhancing flexible work environment, facilitating career advancement, employee recognition as well as enhancing job promotion. Despite the investment put into these incentives and rewards, only a few of the employees are able to justify and substantiate whether they are efficient (Armstrong, 2010). Banks understand this logic and will offer pay benefits that are attractive to employees. However, employee performance is also affected by other factors with Tsuma (2015) explaining that in the long run financial rewards alone do not boost productivity and hence do not improve performance remarkable. Furthermore, according to Glassdoor Inc (2016) employee reviews on the bank, most of them complain over the lack of career growth pointing to poor job enlargement strategies. In regard to job recognition, the manner in which the bank offers little to almost no form of job security is wanting.

In Kenya, various research have been done on non-pecuniary incentives and employee performance. For example, Oburu and Atambo (2016) examined whether non-financial compensation influences employee performance of MFI in Kisii County. Besides the study being limited to Kisii County, microfinance institutions are managed by diverse legal frameworks as
compared to commercial banks. Gikuya (2014) examined on the same perceived relationship, however, his study was only limited to a marketing company where organizational structure, human resource needs as well as objectives and goals vary from those owned by commercial banks. The on-going research looks to examine influence of non-financial rewards on employee performance in Kenyan commercial banks.

1.3 Objective of the study

1.3.1 General Objective

The overall objective was to assess the influence of non-financial rewards on employee performance in KCBs.

1.3.2 Specific Objectives

i. To evaluate to what extent flexible work arrangement impacts employee performance in KCBs

ii. To determine how career development affects employee performance in KCBs

iii. To establish how employee recognition affects employee performance in KCBs

iv. To assess effect of job promotion on employee performance in KCBs

1.4 Research Questions

i. To what extent does flexible work arrangement influence performance of employees in KCBs?

ii. How does career development influence employee performance in KCBs?

iii. How does employee recognition influence employee performance in KCBs?
iv. How does job promotion influence employee performance in KCBs?

1.5 Justification of the Study

The management of KCBs, scholars, banking regulator and government policy formulators stand to benefit from this study. To management of Kenyan commercial banks, the on-going study outlines how they can use diverse non-financial rewards to improve employee performance. Specifically, the study shows how flexible work arrangement, career development, employee recognition and job promotion influence employees’ performance and how they can be employed to improve employee performance. Moreover, this information may be used to develop strategies based on these non-financial rewards to improve employee satisfaction and hence performance.

The good performance of commercial banks is a key contributor to any country’s national economy, and this is directly tied to employees’ performance. The discoveries of this investigation illuminate arrangement plan on the utilization of non-financial inspiration motivations in business banks in Kenya in order to improve worker execution. In addition, the results may be used to inform policy formulation in the reviewing or development of labor laws.

The on-going research significantly adds to body of knowledge on effect of non-financial rewards on employees performance in banking sector. Additionally, the findings also provide more knowledge that can be used by anyone looking to do more research on the non-financial motivation incentives and employee performance from its set perspective. The study also provides literature review on influence of non-financial rewards on employee performance. Currently, a small percentage of literature materials solely focus on exploring non-financial rewards. However, with this study, future scholars interested in exploring and expanding on the same topic may be at an advantage of finding an extra source for their literature review and reference.
1.6 Scope of the Study

The current study examined four non-financial motivation incentives: flexible work arrangement, career development, employee or staff recognition and job promotion. The study was done in all Kenyan commercial banks. Moreover, the researcher employed descriptive research design and targeted 30,903 staff of commercial banks in Nairobi who include management, supervisory, clerical as well as secretarial and also support staff. Moreover, the study utilized arbitrary testing to choose 394 individuals as samples. Primary data was employed and was obtained using semi-structured questionnaires. Moreover, data collection, analysis and report writing was done between October 2018 and November 2019.

1.7 Limitations

Some difficulties were anticipated during assembling of data. For instance, some of interviewees were no comfortable providing the necessary information because of their perception of the study and also for probable fear of victimization. The researcher, however, took time to win the respondents confidence by justifying the research and providing assurance that information they provided would be kept and used with confidentiality.

Additionally, the study used questionnaires. Questionnaires have low viability and therefore it is hard to find out if the respondents are sincere or not. More to this, data rely upon the respondents' capacity to recollect and consequently are liable to review predisposition. To direct this, practicality and dependability of the instrument was utilized to decide if what is demonstrated conforms to the set standards.
1.8 Organization of the Study

Chapters were used to arrange this proposal with the first one comprising of study’s background, problem statement, objectives comprising of specific and general objectives, questions to be researched, research study importance, the extent of the research and constraints of the research. Chapter two comprised analysis of the literature. Moreover, it emphasized on theoretical review, then empirical review, summary of research as well as literature gaps and the conceptual framework. Further, the third chapter dwelt on the strategy used to address the research problem, the group the research was based on, the sampling formulae used to get the target samples as well as sample size, the research tools used to obtain data procedure for analyzing it, as well as ethical considerations. The fourth one covered the findings of the research, interpretations of the findings as well as discussion of the findings. Chapter five encompassed the conclusion and summary of the research.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

The subsequent section endeavored to provide a review of related literature concerning influence of non-financial motivation incentives on employee performance. Moreover, the chapter started with theoretical review, then a review of empirical nature follows, literature epitome, discontinuities in this indignation and also the conceptual framework.

2.2 Theoretical Review

There have been several theories that have been brought forward that describe how reward on employee performance is essential tool. Theoretical background for this study comprised of the Maslow’s Needs Hierarchy theory, theory of Psychological Contract as well as Vroom’s Expectancy-theory.

2.2.1 Theory of Hierarchy of Needs

Maslow (1943) was of the idea that people become motivated by their desires to maintain or achieve different conditions on which their basic satisfactions rest and also by various intellectual desirers since most society members are often partially satisfied or unsatisfied by what they have. Maslow further explains that motivation is driven by five main basic needs; love, physiological, esteem, safety and self-actualization arranged in a predicable stair step manner (Peter, 2014). According to the ladder person psychological needs are met first, then the safe needs are met, followed by the others in the need’s hierarch ladder.

When considering an employee’s goal reward strategy to use, the multifarious needs of the employees must be put into consideration. If Maslow’s theory is considered, it can help the
organization achieve this goal (Shazia, Tayyaba & Bilqees, 2012). Maslow pointed out that human beings seek to be self-actualized and also pointed out that the human potential is in most cases unexplained and underestimated. Maslow noted that psychological needs are the most basic which included the needs for food, clothing, shelter, physical comfort among other needs. Psychological needs form the basis of life. The secure or safe needs is the second type of basic need, these needs seek to avoid danger, deprivation, or threat. Job and physical secure form part of his needs. Social needs which include desire for belonging, affection as well as social contact is the third need. The fourth level of need is the self-esteem need that includes the desire for respect, recognition, and appreciation. The self-actualization is the highest and the last need also termed as the growth need or humans full potential (Cheema, Shujaat & Alam, 2013).

The Maslow’s Needs Hierarchy theory is used to explain the effect of non-financial motivation incentives like job recognition and job promotion. The fourth level of needs is the self-esteem need that includes the desire for respect, recognition, and appreciation. Appreciation in organizations can occur in terms of job promotion. Job promotion and career development increases the self-esteem of employees and hence leads to motivation and improvement in productivity. In addition, employee recognition as indicated in the Maslow’s Needs Hierarchy theory leads to an improvement in self-esteem, thus increasing productivity and performance.

2.2.2 Vroom’s Expectancy Theory

Vroom (1964) is accredited with the coming up of the expectancy theory. The theory describes the process that a person undergoes so as to make a choice. The theory explains a person’s behavior in regard to the goals or outcomes one wants to achieve (Renko, Kroeck & Bullough, 2012). The individual then makes choices or looks at other alternatives that can lead to the outcome being
achieved. The outcome should motivate the person to work for the anticipated outcome; the outcome should be attractive (Pousa & Mathieu, 2010). These goals should also be achievable. This theory links effort and performance to outcome. Employee should believe that more effort leads to better performance and this leads to a greater compensation. The compensation should be something that motivates the employee meaning that a positive co-relationship should exist between the person’s effort in executing the task and the expected outcome (Alam, Saeed & Akter, 2013). The theory further points out that the more the person needs the intrinsic or extrinsic reward, the more motivated the person is to achieve the reward. The person has to have an emotional value association to the goal. This emotional value is termed as valence. In case the valence is positive, an employee would rather achieve the goal rather than not achieving it.

Expectancy is yet another variable which is borrowed from this theory. Expectancy is the person’s belief that he can achieve the goal at hand. Expectancy in an organization can be increased by training the employees such that they are confident in achieving the goal given. Instrumentality is the third variable in this theory which means the actions or means that are undertaken to achieve the outcome (Latukha, 2011). Just like the employee is motivated to perform the task, he must trust that once he/she achieves the task, he/she will get the reward. The employees personal outcome is the reward in this case steps taken by the employee will lead to the employee getting the reward. Instrumentality seeks for a relationship to be established between the reward and the performance. The non-financial reward given will be determined by the level of performance, the employee should also trust that the system will be fair in that the system will in an accurate manner determine the employee performance and provide the reward in accordance with this performance.

In this study, Vrooms Expectancy Theory is utilized in showing the impact of staff recognition, career advancement and job promotion on employee performance. According to this theory,
employees believe that any effort results to improved performance and that this will ultimately result in an expected outcome or rewards and their efforts being acknowledged. The reward must be something that the employee is working towards so that it creates valance. In relation to the current study, this theory can be deployed to describe how career advancement, job promotion as well as employee recognition can influence employee performance in that if an employee expects their effort to result achievement of set goals which results in improved performance then this will lead to them being recognized and promoted. In addition, employee recognition increases their motivation and productivity, which as a result improve organizational performance.

2.2.3 The Psychological Contract Theory

Psychological contract is a present-day research idea that was developed by scholar Denise Rousseau in 1985. The idea represents the common beliefs, informational obligations, and perceptions between and employee and the employer (Akbari & Maniei, 2017). The theory defines the comprehensive practicality of the task to be done while setting the dynamics for the relationships. This differs from the conventional written agreement which recognizes mutual obligations and responsibilities in general.

The Psychological Contract cites the relationship linking the workers and the employer more specifically looks at mutual expectations of outcomes and inputs (Malik, Danish & Munir, 2012). The Psychological contract is commonly seen from the point or sentiments of the employees, although a full acknowledgement required it to be well interpreted by both parties, that is the employer and the staff members (Alalade & Oguntodu, 2015). The psychological Contract dictates what the concerned parties will or will not do and how it will be done. When the group’s expectations parallel each other, productivity is likely to be good and fulfillment levels will be higher. As long as the loyalty and values persist, commitment and trust will be maintained. The
concept followed by the teams is the development of a personalized professional path that makes only equitable demands on the workers with enough support from the supervisors and other workers, for a state of remuneration that is evidently fair for an individual of that age, experience, and educational background. Job fulfillment and devotion will be increased if promotions and transfers follow an agreed upon causeway in a timely manner (Giese & Thiel, 2015).

Psychological Contract violation may take place if workers feel like their organization, or its agents, have not delivered on the perceived promises, or vice versa. Employers or employees who discover a violation are likely to react negatively (Harunayamwe & Kanengoni, 2013). Reactions may take the form of lowered loyalty, organizational citizenship behaviors and reduced commitment. Perceiving that an individual’s Psychological Contract has been violated may arise soon after the worker joins the organization or even after many years of fulfilling service (Harunayamwe & Kanengoni, 2013). The effect may be contained and localized, but if motivation is more predominantly affected, the performance of the organization may go down.

In relation to this study, employees’ performances are directly determining the competitive power of financial institutions in the fierce market and influence their long-term developments this is because the psychological contract significantly affects the attitude and behavior of each staff in a given firm (Latukha, 2011). This is often noticeable in case a financial institution adopts electronic systems such as e-banking which result to high staff turnover due to automation of most of organizational task. Hence, the financial institutions can emphasize on psychological contract such as job promotion, flexible work schedules and employee recognition so as to decrease the staff burn out and improve on the staff efficiency and effectiveness which ultimately result on improvement in organizational performance. According to this theory, in relation to this study, an employee believes that there is a mutual understanding between them and the employer that their
performance will be marched with recognition to help them stay relevant in changing times as employees gain more knowledge and hence improved performance.

2.3 Empirical Review

The below section was dedicated to an empirical critique of studies done on the effect of flexible work arrangement, career advancement, employee recognition and job promotion on employee performance.

2.3.1 Flexible work arrangement and Employee Performance

One of the most sought-after goals for attaining individual performance is flexible work arrangement, it is therefore critical to understand how it is a worthy tool for fostering employee performance that is outstanding (Abid & Barech, 2017). Employees have the freedom to plan around their own programs this enhances employee productivity while forming a good collaboration between employee and employer through flexible working hours (Stroup & Yoon, 2016). The current needs in modern lifestyles are compelling both genders to work to be able to meet obligations. This leads in effect to a situation where some form of work-life balance is sort with an aim to maintaining healthy family life thus flexible working arrangement are acceptable by employees of both genders (Turek & Perek-Bialas, 2013).

In USA, Chen (2015) using a multilevel model investigated relationship between flexible work plans and staff work outcomes. The researcher used this model to explore the impact these arrangements would have at the organizational level, specifically the effects on employee availability and actual utilization of the work plans on employee contentment and commitment to an organization. The study revealed that when flexible work arrangement was made available by an organization, employee availability of the new flexibility was positively correlated with their
satisfaction as well as commitment. Nonetheless, the actual usage of flexible work arrangement did not forecast contentment or commitment.

In Republic of Lithuania, Alvanauskaitė (2015) evaluated effect of adaptable work courses of action on worker commitment as well as hierarchical duty through the interceding job or work-family improvement. Furnished with information from 232 workers it was reasoned that the accessibility of adaptable time and spot relational words prompts higher representative commitment and responsibility to the association. The exact research additionally uncovered that attempt to-family enhancement full intervenes among strategic scheduling and duty while it mostly intercedes among flexplace and the two authoritative results. Conclusively then it found that when an organization has in effect flexible work hours for its employees it helps improve the health and personal life of employees and in turn increase employee performance and employee involvement in organization objectives.

In Ireland, Russell and McGinnity (2009) did a research on impact of flexible working arrangements on work–life conflict as well as work pressure. The examination tried to explore the link between four distinctive working plans: flexi-time, low maintenance hours, telecommuting as well as occupation offer and also two worker results work weight as well as work-life struggle. Information gathered from main national study of representatives in Ireland around 2003 was utilized for the investigation and it appeared in addition to other things that while both low maintenance and flexi-time tends to decrease work pressure and somewhat help with work-life balance, telecommuting has its own mitigated degrees of weight and may not help with work-life balance by any means. The study concluded that it is useful to differentiate which flexible work arrangement provides the best balance of pressure reduction and life balance.
In Pakistan, Abid and Barech (2017) performed a research on the impact of flexible working hours on employees’ performance. Moreover, the study targeted employees of telecommunication and call centers setups with sample size of 200 that was convenient. The aim of the research was to check the null hypothesis of there being a connection between improved work completion and achievements and work plans that were flexible. The study revealed that in Pakistan, even though there was some demand for flexibility in work, the upper management levels were not aware of the benefits. In addition, they established that flexibility in the delivery hours originates job satisfaction and improves the quality of life among employees.

Al-Rajudi (2012) examined the impact of flexible work arrangements on workers' productivity in ICT sector in Gaza. He utilized clear scientific methodology and applied five factors to address the level of adaptability via the types of adaptable work courses of action and sorts of work to examine effect of these factors on laborers' efficiency. In light of an example size of 196 representatives, the examination built up the immediate and positive effect adaptable work courses of action has on laborers' profitability.

In Kenya, Njiru (2013) assessed whether flexible work practices influences employee performance in public sector in Embu County. Moreover, descriptive survey design was adopted and also data obtained from 50 employees by use of structured questionnaires. Using both linear and also multiple regression analysis to attempt to establish a relationship among study variables it was deduced that compressed work hours have an influence on employee performance, contentment, and enhanced morale to a minority. Job sharing and flexi time influenced performance, contentment, morale while reducing absenteeism.

Mwebi (2015) further assessed the effects of fexetime on staff performance at Commercial Banks within Nairobi CBD. This research adopted the survey design with a study population of all 1074
commercial banks employees within Nairobi CBD from which a study sample of 291 participants from diverse strata including management as well as the support staff was chosen. A set of standardized questions with a fixed scheme was used to collect information and descriptive statistics implemented to sum up the information using SPSS. Inferential statistics was also employed to analyze data to examine the association between the study variables. This revealed that flexible working hours plan positively impacted the performance and productivity of workers.

2.3.2 Career development on Employee Performance

Career development can be said to be a continuous process of life at work life (Greenhaus, Callanan & Godshalk, 2010).

Employee development programs are a key strategic value add that an organization seeking to grow and upskill its work force should consider. The aim of these programs has been largely capacity and capability growth not just for the management but also for junior staff with the hope that efficiency, effectiveness, and morale of the employees is positively impacted (Kakui, 2016).

Competition and capitalism have driven companies to seek out skilled and competent employees that can assist companies to achieve the desired or intended result in terms of objective achievement. This as a result helps in providing and sustaining an advantage in terms of completion in any firm (Greenhaus et al., 2010). Daley (2012) notes that a person's vocation advancement is a lifetime that spans early childhood learning adventures to adulthood preference-based reading and transitions into old age as a person retires from work.

In Indonesia, Napitupulu et al. (2017) performed a research with the focus being on how employee performance is affected by career growth or advancement. Moreover, the researcher involved opinions from 250 civil servants in the Ministry of Finance of Indonesia. Structural analysis was
deployed during the study. The researcher established that career development has a positive direct impact on employee motivation and affective commitment. The findings revealed that career development has no direct influence on organizational performance.

In Nigeria, Dialoke and Adighije (2017) conducted a research on how career growth impacts employees’ production. Specifically, the researcher assessed the influence of career development on performance of employees. The researcher utilized survey research design where a target population consisting of all non-academic university staff numbering 2630 was considered and using Taro Yamane’s formula as study sample size was deduced to be 346. Moreover, simple random sampling was employed to sample respondents. Major finding from the research was able to show that the performance of workers was impacted positively by career advancement whilst career growth and advancement impacts motivation of non-academic university staff.

In Kenya, Oduma and Were (2014) examined influence of career advancement on employee performance in Kenyatta University. Additionally, the researcher employed descriptive research design. Moreover, the study targeted 4,874 employees of Kenyatta University employees; these being faculty and non-faculty members where sample of 487 employees was obtained using stratified random sampling. Moreover, the researcher collected primary data via questionnaires. Analysis of the obtained data from semi-structured questionnaires revealed that both these groups were impacted positively by training and this in turn led to improved performance of the workers at the institution. In addition, the performance of the faculty and non-faculty members at the university was impacted positively by career orientation, growth and mentoring.

Chepkosgey (2015) conducted a study in North Rift region of Kenya that attempted to access impact of training as well as career advancement on performance in KCB. The study employed
case study survey design with a census method utilized to obtain data from six bank branches. It was noted that employee skills development and career advancement impacted more on the performance of staff compared to the rest with the difference being 10.58 percent.

2.3.3 Employee Recognition and Employee Performance

Recognition should be acknowledgement of a good job done followed by appreciation. When appreciation follows acknowledgement, employees are motivated to perform better. Tampu (2015), points out that when good behavior is immediately recognized, then this encourages its repetition. The ranking of people in a community is referred to as status. In an organization, status involves the ranking of rights, duties, and positions. Status system when used in the formal organization structure motivates employees as most people view status as important. Thus, this choice of system ought to be in line with employees’ potentiality and aspiration in companies (Ngui, Elegwa & Gachunga, 2014).

The top crème of any company is hard to keep, and these are also harder to find and onboard. Successful companies that do manage to keep these top performers have developed programs that recognize, appreciate, and reward the work done by these employees. According to Muli (2014), these programs can be formally structuring to provide financial incentive or just verbal recognition through open public forums like company events. The principle behind why this works is defined by the principle of positive reinforcement which creates a psychological inclination from employees that the rewards are likely to be repeated thus creating the urge within them to outperform each other thereby improving performance and aiding with retention (Aktar, Sachu & Ali, 2012).
The reality is that many employers have dismissed these reward programs citing the fact that they have not measurable impact on profitability and have a high cost attached to them. Nevertheless, the study indicates that acknowledgment that varies from verbal appraisal and gifts that are not money related can be a cheaper remedy used to uplifting workers morale, decrease stress levels, increase the number of days present at work and summarily decrease staff turnover. Additionally, Abdullah and Wan (2013) indicates that the staff members are motivated through such plans and this leads to improved rates in terms of employee turnover this in turn helps employers benefit through high employee performance and lowered costs.

Bradler, Dur, Neckermann and Non (2014) assessed employee recognition and performance. This was an experimental study and At least 400 students were enlisted for work for three hours. Contributors performed their tasks individually on a data entry assignment in groups of eight people. The unmentioned provision of recognition (which was a thank you card) was given randomly after two hours of work. The results revealed that provision of rewards to all the participants in a group increased performance marginally. Surprisingly, a scarce reward methodology that only recognized the best performers in a category resulted to an increased performance. The study was conducted among students hired for a three-hour job and hence their findings would be different from those of real staff in commercial banks.

In Pakistan, Shazia, Tayyaba and Bilqees (2012) analyzed the impacts of recognition-based gifts on the workers effectiveness and dedication. The identified place for this research was Karachi. The researchers selected specimen consisting of a hundred staff members was agreed upon. The research indicated generally a promising relationship between the management recognition and workers’ morale building and achievements. The research summarized that morale arising from recognition is not hierarchy level specific. Rather it reveals positive impacts all throughout the
hierarchy. It indicates that workers, regardless of their level up the job ladder require their input and performance recognized by their employers or seniors. Apart from being limited to the specific region of Pakistan, the dependent variable was employees’ efficiency and effectiveness, which is different from employee performance.

In Bangladesh, Alam, Saeed and Akter (2013) assessed the correlation between employee recognition and contribution in the service sector. The study plan has been an illustrated study by the use of readily made questionnaires. The observations revealed that staff members who achieve recognition have a greater morale, confidence, a motivation to try out latest work-related tasks and challenges, are more innovative and have higher confidence levels.

Having been done in Bangladesh, the results may not be generally applicable in Kenya. To add to this, the dependent variable was employee contribution in service industry, which is in no way similar from staff performance.

In Kenya, Muchai and Mwangi (2014) researched impact of acknowledgement on job achievements in Nakuru Water and Sanitation Company Ltd. The research employed an illustrative study plan. The targeted audience composed of 49 staff members of Nakuru Water and Sanitation Company. The observation revealed that acknowledgement of workers is the main staff interaction thus personnel acknowledgement is vital in morale building and interaction. The research was restricted to Nakuru Water and Sanitation Services Company Ltd, whose organizational structure is different from banks.

2.3.4 Job Promotion and Employee Performance

Promotion is an employee move in the organization to a certain position in which the employee prestige as well as responsibilities are enlarged. Promotion affects employee behaviors and
encourages them to use their abilities positively so that they can move ahead (Pearce, 2011). Promotion encourages improved work performance; it is also used as a reward for good or of other approved behavior in a firm. If hard work is rewarded by a promotion, then employees are likely to work harder. However, if the best job in the firm is often given to outsiders, then the employees will likely be less motivated towards working to achieve such jobs (Pearce, 2011). Through promotion firms are able to equate employees with the necessary ability, skill or knowledge to successfully perform tasks with preference of the workforce to use the knowledge they have learnt (Njanja et al., 2013). A positive correlation exists between advancement opportunities and high level of job satisfaction. A promotion system that is efficient can increase employees’ morale and increase firm efficiency.

According to Kreitner (2004), promotion should aim at recognizing the best talent in the firm such employees should be promoted to senior positions and promotion should also provide career advancement opportunities to employees according to the available opportunities and the employees abilities. Most employees evaluate themselves at a high level and feel that their work should be recognized.

Promotion is used for rewarding good performance, recognizes worker capabilities and also used in firms as a staff development mechanism (Pousa & Mathieu, 2010). It enables retention of employees as a laid down succession plan that is clear for the workforce, motivates them and encourages better performance and a long-term commitment to work for the organization. Employees who work for firms that use the promotion strategy also feel that they have job security. Satisfaction is also another benefit of promotion which leads to more loyal employees. When it comes to assessment of an employee’s production in order give a reward or commendation, a working disclosure strategy must be put in place to evaluate what the employee who has not
qualified for the appraisal is lacking and the measures that can be out in place to ensure they too become high performers (Wekesa & Nyaroo, 2013).

Staff appraisals positively impact the morale and interaction on employees. Consideration of each staff member for a possible promotion should be the strategy used in any organization in order to maintain employee morale in job performance. The employer should know various employees’ achievements as well as interests and provide skills building programs in various areas to assist employees move up (Mehta, 2014). Training and growth options should also be accessible to all staff members so as to raise the employees’ intrigues and importance and also urge them to take more liking to their work. Promotion also assists workers to grow themselves academically and also gain new expertise. When devoted, hardworking and trustworthy employees are appraised by promotions, it helps them know that their efforts do not go unrecognized (Waqas & Saleem, 2014).

In Dar es salaam City Council, Peter (2014) investigated the effects of promotions to employee performance. Case study plan was agreed upon for the research. The research observations indicated that DCC staff members were conscious of appraisal processes though there was the need for the HR department to communicate the plan better to the employees. Additionally, the findings indicated that promotion has effects to employee and company performance as it motivates, encourages good performance, improve relations as well as higher remunerations. The observations revealed there were effects for non-compliance to promotion strategies which impact personal achievements and organization, for instance poor relations, human resource turnover, decreased performance and accumulated promotions. The study was performed in Dar es salaam city council, being a public institution and therefore these conclusions cannot be explicitly used in private sector and more so commercial companies like banks.
According to Sitati, Were and Waititu (2016) when there are more chances of job promotion or when one feels hopeful of an appraisal, employee retention goes up. Nevertheless, for it to have an impact on staff retention, it must be associated together with an increased remuneration as well as allowances. Additionally, job promotion is a type of staff recognition therefore, they are interconnected. Job promotion also yields rise to changed positions, comes with more responsibilities and a high staff capability. The research having been carried out in hotel industry; the observations cannot be applied to commercial banking institutions. Additionally, the dependable variable was staff retention which is not the same as employee performance.

2.4 Summary of the Literature and Research Gaps

Maslow’s hierarchy theory of needs, The Psychological Contract as well as the Expectancy theory were the theories reviewed in this research, that focus on employee motivation and performance. In the Maslow’s needs hierarchy theory, there are five basic desires which are a source of motivation these needs are arranged in stair-step manner, they are physiological, security, love, esteem as well as self-actualization. Key to on-going study is the physiological, safety and security need (job security), esteem (recognition) as well as self-awareness need (career development). According to Vroom Expectancy Theory, staff should trust that more effort lead to better performance and better performance is rewarded by a higher reward. In addition, the psychological contract shows the connection between the employer and the staff members and is specific to both parties’ expectations regarding outcomes and inputs.

The literature above shows mixed observations on impacts of flexible work arrangement, career development on employee performance. While some studies show a positive relationship between the two variables, other studies show no significant association. In addition, the study found that
flexible work arrangement measured in terms of task importance, task recognition and expertise variety had an influence on employee productivity. In relation to employee recognition, if good work done is appreciated, this gesture motivates other employees to work at the same level or to do better. When a good behavior is immediately rewarded, it is likely to be repeated. In line with recognition of employees, the possibility of a promotion in a firm influences employee behavior and also encourages employees to use their abilities to achieve greater feats in their careers.

There are diverse researches that have been done on employee performance and rewards in various sectors both globally and locally. Globally, Waqas and Saleem (2014) did a research regarding the impact of monetary remuneration as well as non-monetary gifts/rewards on staff engagement as well as firm performance, in the United and Kingdom and Mehta (2014) assessed whether monetary rewards impact employee performance as well as job fulfillment in the insurance sector of Pakistan. However, Kenya is different from this country due to economic, legal, and political differences between nations, the observations may not apply to it.

In Kisumu, Kenya, a research on impact of job redesign on staff performance in commercial banks was conducted by Opiyo, Ochieng and Owuor (2014). Nevertheless, the independent variable was job design which differs from non-financial rewards. Additionally, the research was restricted to Kisumu County hence, its observations cannot be applied to other parts of Kenya.

2.5 Conceptual Framework

This is referred to as a wide range of ideas, thoughts and strategies that are derived from different areas of expertise and then implemented to build a pitch. Independent variables in this study were flexible work arrangement, career development, job promotion as well as employee recognition. Dependent variable was employee productivity in commercial banks in Kenya.
**Independent Variables**

- Flexible work arrangement
  - Shift work
  - Flexi time
  - Part time

- Career development
  - Training design
  - Scholarships
  - Training policy

- Employee recognition
  - Appreciation
  - Involvement in decision making
  - Increase in responsibility

- Job Promotion
  - Increase in responsibilities
  - Change of facilities
  - Change of positions

**Dependent Variable**

- Employee Performance
  - Productivity
  - Efficiency
  - Quality of work

---

Figure 2.1: Conceptual Framework
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter endeavored to cover various processes as well as procedures to be employed in the identification and selection of data for analysis. It detailed the various design for the research, the group of individuals the research used, the design for choosing from the targeted group and the sample size, methods of collecting data, analyzing it, ways in which the data was presented as well as issues pertaining morals and morality.

3.2 Research Design

As deduced by Russell (2013) an experiment that seeks to investigate the attitude of people, their attitude and conceptions regarding an issue requires the use of a descriptive based research design. This allows the data to be collected without distorting or manipulating the set variables whose aim is to provide a solution to the main issues being investigated. A plan referring to a methodology group illustrating variables was used to gather data based on answered questions and interpreted to depict and describe the research findings.

3.3 Target Population

Based on Greener (2008) description of a target population and its subsets, this study targeted clerical, secretarial, supervisory, and managerial staff of Kenyan commercial banks. The number of these staff approximately covered the 30,903 employed and contractual staff of commercial banks within Nairobi, Kenya.
Table 3.1: Targeted Population

<table>
<thead>
<tr>
<th>Staff Categories</th>
<th>Targeted Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>10,298</td>
</tr>
<tr>
<td>Supervisory</td>
<td>6,189</td>
</tr>
<tr>
<td>Clerical and Secretarial</td>
<td>12,850</td>
</tr>
<tr>
<td>Support Staff</td>
<td>1,840</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>31,177</strong></td>
</tr>
</tbody>
</table>

Source CBK (2017)

3.4 Sampling and Sample Size

It represents selected individuals whose responses and observations are used to represent the greater population while a sampling technique basically defines the process of selecting the sample.

3.4.1 Sample Size

The key requirement in determining the size of a sample is that it must be representative of a population (Kothari, 2012). According to Creswell (2014) the chosen sample size must be able to provide enough data, good data that represents the population being studied. Moreover, the data collected must be easy to analyze and should not pose any challenges in interpretation. Slovin (1960) formula is what was employed to determine chosen sample. Moreover, the formula is described below in detail.

\[ n = \frac{N}{1 + Ne^2} \]

Whereby:

- \( n \) = sample numbers
- \( N \) = targeted population
- \( E \) = error margin (0.05)
\[ n = \frac{30,903}{1 + (30,903 \times 0.05^2)} \]

\[ n = 394 \]

Table 3. 2: Sample Size

<table>
<thead>
<tr>
<th>Staff Categories</th>
<th>Targeted Population</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>10,298</td>
<td>131</td>
</tr>
<tr>
<td>Supervisory</td>
<td>6,188</td>
<td>78</td>
</tr>
<tr>
<td>Clerical and Secretarial</td>
<td>12,840</td>
<td>162</td>
</tr>
<tr>
<td>Support Staff</td>
<td>1,830</td>
<td>23</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30,903</strong></td>
<td><strong>394</strong></td>
</tr>
</tbody>
</table>

Source CBK (2017)

3.4.2 Sampling Procedure

The picking of the example size from the objective populace was guided by the utilization of separated irregular testing by way of stratified random sampling. This is defined as the practice whereby the selected individuals known as population are divided into smaller units which define a stratum (Russell, 2013). The strata are founded on participants with similar matching characteristics as elaborated in stratified random sampling. The study employed the 4 qualifications in each of the commercial banks. An irregular example from each recognized layer is removed in a size equivalent to the layer's greatness in contrast with the populace, when assembled these sub-units make an arbitrary example (Bhattacherjee, 2012). To represent the whole audience for which the research is aimed, random sampling in this survey was used to obtain a specimen of populous. Its focal points include limited example choice predisposition and discovering sections of the crowd are not finished or understated.
3.5 Data Collection Tools

In academic research there are normally two principal ways of gathering data: Primary or secondary data. Primary data refers to firsthand and unprocessed. It can be quantitative or qualitative; Quantitative data being derived from observation guides focus groups and interviews while qualitative data collected from questionnaires (Bryman, 2013). This research employed primary data, gathered through questionnaires that were semi-structured. These were used to gather the information from the four categories in the commercial banks. To encourage the respondents to provide in depth and honest responses without holding back open-ended questions which are unstructured were employed. Moreover, closed ended questions which are structured were used as they are time and costs saving while also enabling simpler analysis since mostly are in immediate usable form. Another advantage being that a questionnaire offers anonymity (Sahu, 2013).

Structuring of the questionnaire was in six questions. The primary section covered the geographic data for the respondents. The second to fifth sections obtained data from four independent variables (flexible work arrangement, career advancement, job promotion as well as employee recognition). Data on dependent variable was obtained from the sixth section (Employee Performance).

3.6 Data Collection Procedures

A data gathering letter was acquired from Kenyatta University, as wells as a study permit from NACOSTI. A draft of a letter of request for collection of data and transmittal letter to each respondent individually were presented. The questionnaires were then distributed to the various respondents by the researcher using a DOPU method which is only applicable where respondents are not capable of attend to questionnaire on the spot because of perceived challenges.
As expressed by Greener (2008) using the Drop-off/Pick –up (DOPU) style culminates to considerably high feedback rates. Additionally, follow-ups were done every day to check respondents’ progress in completing questionnaires.

3.6.1 Pilot Testing

Pilot testing is used to validate whether the research tools being used are valid and reliable. The test ensures that operational standards described in the University manuals and research guidelines are followed. It allows identification of any weaknesses and inadequacies within the instrument of research and this assists in making amendments before the actual study is carried out. The test was done using a tenth of the sample respondents (39 individuals from Kenya Commercial Bank, Moi Avenue branch). Russell (2013) advises that for the pilot testing about a tenth of the sample size for the study be used and this group deduced through simple random sampling.

3.6.2 Research Instrument Validity

As explained by Creswel (2014) when the obtained outcomes from the procedures under observation are similar to what is being investigated this is known as validity. Validity can be divided into two parts, facial and content validity. Facial Validity is the process which a question or inquiry is misinterpreted. Pretesting is a correct way of increasing the likelihood of face validity, conversely, content validity, which is also known as logical validity. In this research, content authenticity was enriched through obtaining the views of specialists who are related to this study and have expertise, including supervisors.

3.6.3 Research Instrument Reliability

Internal consistency of the respondents was utilized to quantify the unwavering quality of instruments utilized in the undertaking research. This is undeniably guided by Cronbach's Alpha.
This sets the cutoff points to be somewhere in the range of 0 and 1 where 1 shows the most elevated and 0 shows the least dependability. Cronbach's Alpha estimation of 0.7 is usually adequate and means great dependability. This was utilized as the dependability benchmark.

### 3.7 Presentation & Analysis

The procedure of data analysis consists of putting together the gathered data, setting in systematic manner and arranging the primary components in a process that the end results can be effectively and easily relayed (Cooper & Schindler, 2006). The data collection instruments provided qualitative and quantitative data.

Questions that were closed ended provided the research with quantitative data which was handled by use of illustrative insights, inferential insights and also by using factual programming, SPSS session 22. Content analysis was employed to analyze the data from open ended questions and results then presented in a form of narrative.

Descriptive statistics consisted of frequency administration, percentages, standard deviation and mean. Content gathered was then presented in a tabular and graphical manner. The relationship between the variables was ascertained using two analysis known as multiple regression and correlation analysis. With a trust level of 95% being used

Multivariate regression analysis was utilized to decide the weight of correlation between dependent variable and four independent variables. Moreover, regression equation in on-going study was.

\[
Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon
\]
Whereby $Y = \text{Employee performance}$

$X_1 = \text{Flexible work arrangement}$

$X_2 = \text{Career development}$

$X_3 = \text{Job promotion}$

$X_4 = \text{Employee recognition}$

$\epsilon = \text{Error Term}$

$B_0 = \text{Constant Term}$

$B_1, B_2, B_3 B_4 = \text{Beta Co-efficient}$

### 3.8 Ethical Considerations

Ethical consideration was taken into account to prevent loss of authenticity in the research. To start, objectives from author researchers were granted in an attempt to prevent plagiarism. Persons who were not willing to take part in the research for any reasons were not coerced to do so. The study respected the respondents’ privacy and all data was regarded and held in confidence. To bolster anonymity, respondents were not required or obligated to give their true identities unless given willingly. The study also acquired a letter from Kenyatta University that eased the collection of data and permit allowing research from NACOSTI.
CHAPTER FOUR
RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction
Focus on this section was examining the data, explaining the information, then presenting the discovery of the study with regard to general as well as specific study objectives. Moreover, the major aim of conducting the research was to evaluate effect of non-financial rewards on employee performance in KCBs. Moreover, specific objectives were to evaluate influence of flexible work arrangement, career advancement, employee recognition and job promotion on employee performance in commercial banks in Kenya. The results were given in tables as well as figures (pie diagrams as well as graphs).

4.2 Response Rate
The management staff, supervisory staff, clerical as well as secretarial staff and also support staff formed part of the 394 people that were the size of the sample. The researcher disseminated 394 questionnaires during the process of data collection and 350 of the participants were able to completely fill as well as return the research tools to the researcher. Therefore, response rate was 88.9%. As stated by the statements of Kothari (2009) a response rate is considered as sufficient for data analysis as well as reporting if it is above 50 percent whereas a response rate is classified excellent if it is above 70 percent. Hence, the study’s response rate was within limits that are acceptable for making deductions and also educated proposals.

4.3 Respondents’ Popular & Common Information
Respondents’ broad-ranging information of participants consisted of gender, age bracket, academic and scholastic level and number of years within the organization as well as level of management in the organization. The findings were given in figures (pie chart as well as graphs).
4.3.1 Respondents’ Gender
The staffs working in commercial bank were called upon to state whether they were male or female. Findings were manifested and highlighted in as shown on the pie chart below. As shown by the results 66.6% of the staffs working in commercial bank were male whereas 33.4% were female. Moreover, this denotes that most of the staffs at commercial bank were male.

![Pie Chart: Respondents’ Gender]

Figure 4.1: Respondents’ Gender
Source: Research Data (2020)

4.3.2 Respondents’ Age bracket
As part of demographic information, participants were required to specify their age. Findings were as depicted in Figure 4.2. Results indicate that 33.1% of the staffs specified that they were had 36 and 40 years of age, 20.6% of the respondents specified 31-35 years, 14.3% specified up to 25 years. Further, 14% of the participants specified they were aged between 26 years and 30 years, 12% were above 50 years of age while 6% indicated 41-45 years. This means that large numbers of the staffs were aged between 36 and 40 years.
4.3.3 Highest education level

Staffs working in commercial bank were further requested to specify their highest education level. Results obtained were shown in the bar graph below indicated as Figure 4.3. Based on the information gathered 34.6% of the staffs working at commercial bank had undergraduate degree as their highest academic level, 30.6% indicated masters’ degree, 17.7% indicated diploma level, 12% specified PhD level while 5.1% indicated certificate level. This implies that most of the participants own undergraduate degree.

Figure 4. 2: Age of the Respondents’
4.3.4 Period of Time Working within the Organization

The staffs working at commercial bank were further requested to specify the duration of time they had worked within the organization. Moreover, findings were shown in Figure 4.4. Results indicated that 34.3% of respondents indicated for less than 5 years, 23.1% indicated 6-11 years, 15.4% specified 18-23 years. Further, 10% of the participants had worked in the organization for 24-29 years, 9.1% indicated 12-17 years while 8% had worked for more than 30 years.
4.3.5 Level of Management in the Organization

The participants were further requested to specify which department they worked for in the institution. Results were depicted in Table 4.1. From the findings, 18.0% (63) of the staffs’ specified relationship banking as their work department, 17.1% (60) indicated Finance, 13.4% (47) customer service, 12.6% (44) indicated risk management. Further, 12% (42) of the participants indicated credit control as their department, 10% (35) specified ICT, 8.6% (30) indicated operations while 8.3% (29) specified HR department. This denotes that large numbers of participants were working in the relationship banking department.

Table 4.1: Level of departments

<table>
<thead>
<tr>
<th>Level of Departments</th>
<th>Frequency</th>
<th>Per cent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human resource</td>
<td>29</td>
<td>8.3</td>
</tr>
<tr>
<td>Credit</td>
<td>42</td>
<td>12.0</td>
</tr>
<tr>
<td>Finance</td>
<td>60</td>
<td>17.1</td>
</tr>
<tr>
<td>Operations</td>
<td>30</td>
<td>8.6</td>
</tr>
<tr>
<td>Risk management</td>
<td>44</td>
<td>12.6</td>
</tr>
<tr>
<td>Customer service</td>
<td>47</td>
<td>13.4</td>
</tr>
<tr>
<td>Relationship Banking</td>
<td>63</td>
<td>18.0</td>
</tr>
</tbody>
</table>
4.4 Flexible Work Arrangement

The first specific study objective was to assess the effect of flexible work arrangement on employee performance in KCBs.

4.4.1 Flexible Work Arrangement and Employee Performance

The staffs working at commercial bank were required to indicate their agreement level on various statements on flexible work arrangement in their organization. Moreover, a Likert scale employing five-points was deployed where 1 represented a strong disagreement, 2 represented disagreements, 3 represented lack of surety, 4 represented agreement and 5 represented strong agreement. Findings were depicted under Table 4.2.

The staffs working in commercial bank agreed that work shift assists in lowering absenteeism as per total number of days a staff attends work therefore enhancing productivity level. This is supported by aggregate mean of 3.577, std. dv of 0.347. Further, participants also agreed that ability to work outside an organization affects their productivity positively as supported by mean of 3.597, std. dv of 0.100. With aggregate mean of 3.809, std. dv of 0.151, staffs working in commercial bank agreed that work shift improves employee commitment in terms of time in hours worked. Lithuania, Alvanauskaitė (2015) found that availability of flexitime as well as flex place leads to higher organizational commitment as well as employee engagement.

As shown in the results, the respondents agreed that flexitime gives staffs more control over programing personal roles on end of workday, hence enhancing efficiency as shown by mean of 3.723, std. dv of 1.100. Moreover, the participants agreed flex time improves duty attendance. This is supported by mean of 3.600 (std. dv = 0.390). Participants were moderate that the productivity positively of worker is affected by their likelihood to choose the start as well as the end of working
hours as supported by mean of 3.020 (std. dv = 0.469). Al-Rajudi (2012) established that flexible work arrangements impacts workers’ productivity positively.

Respondents agreed that part time enhances my work performance as supported by aggregate mean of 3.629 (std. dv = 0.218). As supported by an aggregate mean of 3.509 (std. dv = 0.125) staffs working at commercial bank also agreed that their productivity is positively affected by the possibility to save an extra day as a holiday and work overtime during the week. As supported by an aggregate mean of 3.451 (std. dv = 0.303) the staffs working at commercial bank never agreed nor disagreed on the statement indicating that flex time allows early work completion. Additionally, the participants were also neutral that part time work lowers stress related complaints by an employee hence high productivity. This is supported aggregate mean of 3.440 (std. dv = 0.452). However, staffs disagreed that the management supports part time working schedule which enables employees to deal with other personal life issues. Njiru (2013) found that job sharing and flexi time influenced staff morale, employee performance, reduced absenteeism, job satisfaction and contributed to cost efficiency as well as effectiveness.

Table 4.2: Flexible Work Arrangement and Employee Performance

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work shift assists in reducing absenteeism as per total number of days a staff attends work therefore enhancing productivity level</td>
<td>14</td>
<td>4.0</td>
<td>24.6</td>
<td>25.1</td>
<td>32.3</td>
<td>3.577</td>
<td>.347</td>
</tr>
<tr>
<td>The ability to work outside an organization affects my productivity positively</td>
<td>6.0</td>
<td>8.0</td>
<td>28.6</td>
<td>35.1</td>
<td>22.3</td>
<td>3.597</td>
<td>.100</td>
</tr>
<tr>
<td>Work shift improves employee commitment in terms of time in hours worked</td>
<td>4.0</td>
<td>12.0</td>
<td>17.4</td>
<td>32.3</td>
<td>34.3</td>
<td>3.809</td>
<td>.151</td>
</tr>
<tr>
<td>Flex time improves duty attendance</td>
<td>12.0</td>
<td>10.0</td>
<td>22.3</td>
<td>17.4</td>
<td>38.3</td>
<td>3.600</td>
<td>.390</td>
</tr>
<tr>
<td>A workers’ productivity is affected positively by their likelihood to choose the start as well as the end of working hours</td>
<td>22.0</td>
<td>18.3</td>
<td>17.7</td>
<td>19.7</td>
<td>22.3</td>
<td>3.020</td>
<td>.469</td>
</tr>
</tbody>
</table>
Flex time gives employee more control over scheduling personal responsibility on either end of workday hence improving efficiency.

Flex time allows early work completion

Part time enhances my work performance

The management supports part time working schedule which enables me to deal with other personal life issues

The possibility to work overtime during the week and save an extra day as a holiday affects my productivity positively

Part time work lowers stress related complaints by an employee hence high productivity

<table>
<thead>
<tr>
<th>Effect of Flexible Work Arrangement on Employee Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>The staffs working at commercial bank were asked to specify in their own opinion how else flexible work arrangement impacts employee performance at Kenyan commercial banks. From the findings, the staffs revealed that flexible working hours are in turn beneficial accords between employer and employee to increase staff productivity as well as profitability of an organization. The respondents further indicated that when flexible work arrangement is offered by an organization, staff-perceived availability of flexible work arrangements is positively linked with their organizational commitment as well as job satisfaction. Nonetheless, employee actual use of flexible work arrangement does not predict organizational commitment or job satisfaction. Moreover, the participants further indicated that work-to-family enhancement full mediates between commitment and engagement and flextime and also partially mediates between flexplace and two organizational outcomes. Therefore, availability of partially flextime and flextime seems to improve personal life of an employee, which in turn, increases employee engagement/employee performance. Abid and Barech (2017) established that flexibility in the working hours is a source of job satisfaction and the quality of life among employees. In addition, Al-Rajudi (2012) established flexible work arrangements impacts workers’ productivity positively.</td>
</tr>
</tbody>
</table>
4.5 Career Development
This was also used to see whether it has any impact on employees performance in KCBs

4.5.1 Career Development and Employee Performance
Different statements on career development were presented to the staff of different commercial banks with the request for them to give their level of agreement with regard to the same in their different banks. Table 4.3 below was used to show the discovery.

From the findings, the staffs working at commercial bank agreed that there is an employee training policy in the organization. This is supported mean of 3.911 (std. dv = 0.219). Moreover, as supported by mean of 4.206, std. dv of 0.835, staffs agreed that the training policy indicates the frequency of training ion the organization. However, by an aggregate mean of 2.169 (std. dv = 1.387), respondents disagreed that their organization adheres to the training policy. Mark and Nzulwa (2018) argues that employee training policy help an organization allocate enough resources (time and finance) to ensure the organization staff are equipped with the relevant skills.

The staffs working in commercial bank agreed that their organization has a training facility. This is supported by aggregate mean of 3.680, std. dv of 0.292. Nevertheless, with aggregate mean of 2.366, std. dv of 0.959, staffs disagreed that their organization provides fully paid scholarships to staffs willing to further their education. Further, as supported by an aggregate mean of 2.154(std. dv = 0.208), participants also disagreed that the organization charges employees a training fee. Greenhaus, Callanan and Godshalk, (2010) argues that for organizations irrespective of size, market, sector or even profile, career advancements practices are vital strategic considerations.

As indicated in the results the staffs agreed that organization provides partially paid scholarships to employees. This is supported by an aggregate mean of 4.097 (std. dv = 0.884). Moreover, they also agreed that organization provides ICT based on-job training. This is supported by mean of
4.006, std. dv of 0.850. Respondents agreed by mean of 3.951 (std. dv = 0.757) that there are online career training programs offered by the organization. With an aggregate mean of 3.409(std. dv = 1.087) staffs working in commercial bank were neutral that organization scholarships include monthly allowances. Mark and Nzulwa (2018) argue that on-job training, seminars, scholarships, and workshops equip employees with the needed skills to perform their duties.

**Table 4.3: Career Development and Employee Performance**

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is an employee training policy in our organization</td>
<td>6.0</td>
<td>10.0</td>
<td>12.9</td>
<td>29.1</td>
<td>42.0</td>
<td>3.911</td>
<td>.219</td>
</tr>
<tr>
<td>Our organization adheres to the training policy</td>
<td>46.0</td>
<td>23.7</td>
<td>8.0</td>
<td>12.0</td>
<td>10.3</td>
<td>2.169</td>
<td>1.387</td>
</tr>
<tr>
<td>The training policy indicates the frequency of training ion the organization</td>
<td>1.0</td>
<td>0.0</td>
<td>26.6</td>
<td>26.3</td>
<td>41.1</td>
<td>4.206</td>
<td>.835</td>
</tr>
<tr>
<td>Our organization has a training facility</td>
<td>8.0</td>
<td>12.0</td>
<td>20.3</td>
<td>23.4</td>
<td>36.3</td>
<td>3.680</td>
<td>.292</td>
</tr>
<tr>
<td>Our organization charges employees a training fee</td>
<td>33.4</td>
<td>42.3</td>
<td>8.0</td>
<td>8.0</td>
<td>8.3</td>
<td>2.154</td>
<td>.208</td>
</tr>
<tr>
<td>Our organization provides fully paid scholarships to willing employees to further their education</td>
<td>6.0</td>
<td>67.7</td>
<td>10.0</td>
<td>8.3</td>
<td>6.0</td>
<td>2.366</td>
<td>.959</td>
</tr>
<tr>
<td>Our organization offers partially paid scholarships to employees</td>
<td>0.0</td>
<td>4.0</td>
<td>22.6</td>
<td>33.1</td>
<td>40.3</td>
<td>4.097</td>
<td>.884</td>
</tr>
<tr>
<td>Our organization scholarships include monthly allowances</td>
<td>0.0</td>
<td>26.6</td>
<td>26.3</td>
<td>26.9</td>
<td>20.3</td>
<td>3.409</td>
<td>1.087</td>
</tr>
<tr>
<td>Our organization provides ICT based on-job training</td>
<td>0.0</td>
<td>0.0</td>
<td>35.7</td>
<td>28.0</td>
<td>36.3</td>
<td>4.006</td>
<td>.850</td>
</tr>
<tr>
<td>There are online career training programs in our organization</td>
<td>0.0</td>
<td>0.0</td>
<td>31.1</td>
<td>42.6</td>
<td>26.3</td>
<td>3.951</td>
<td>.757</td>
</tr>
</tbody>
</table>

**4.5.2 Effects of Career Advancement on Employee Performance**

The staffs working in commercial bank were asked to specify in their opinion how else career development affects employee performance in Kenyan commercial banks. The respondents revealed that development of capability and capacity of organization’s managers has a significant impact on effectiveness, efficiency as well as employees’ morale. The participants argued that in present competitive market, irrespective of size, successful organizations need employees with
necessary knowledge as well as skills to make effective contribution towards attaining competitive edge within the organization. In addition, job orientation, career advancement and mentoring influenced employee performance positively. Participants indicated that trainings as well as career development have impact on employee performance. Mark and Nzulwa (2018) revealed a significant positive association between staffs training, employee mentoring, career counseling as well as advancement on staff performance. Further, Oduma and Were (2014) noted that training has positive influence on employee performance. Additionally, job orientation, career advancement and mentoring influenced employee performance positively.

4.6 Employee Recognition
The study also looked to evaluate effect of employee recognition on staff performance in Kenyan commercial banks.

4.6.1 Employee Recognition and Employee Performance
The staffs working in commercial bank were required to indicate their agreement level pertaining to employee recognition in their different banks. Table 4.4 was used to present what was discovered.

Respondents agreed that employee recognition is accompanied with some rewards. This is supported by aggregate mean of 3.794 (std. dv = 0.901). Moreover, respondents also agreed that employer gives appreciation for a job well done as supported by a 3.646 aggregated mean and a 0.216 standard deviation. However, with a 3.377 aggregated mean, standard dv of 0.151, staffs were neutral that management sets a day of appreciating the best performing staff. Tampu (2015), points out that when good behavior is immediately recognized, then this encourages its repetition. With an aggregate mean of 2.123 (std. dv = 0.972), respondents disagreed that the employer involves all employees in decision making. In addition, with an aggregate mean of 2.206 (std. dv
staffs also disagreed that management of the organization involves employees in problem solving. Further the respondents also disagreed that the management of the organization involves employees in all the phases of change. This is supported by an aggregated mean of 2.157 (standard dv = 0.887). Shazia, Tayyaba and Bilqees (2012) indicated generally a promising relationship between the management recognition and workers’ morale building and achievements.

The staffs working in commercial bank agreed that employee recognition comes with increase in responsibility as supported by aggregate mean of 4.203, std. dv of 0.723. Further, staffs agreed that employer offers opportunities to reach high positions. This is supported by mean of 3.651, std. dv of 0.018. Participants agreed with aggregate mean of 3.697, std. dv of 0.068, that increase in responsibilities helps them gain more skills. Alam, Saeed and Akter (2013) revealed that staff members who achieve recognition tend to have a higher morale, self-esteem, a willingness to try out new work-related tasks and challenges, are more innovative and have higher confidence levels.

Table 4. 4: Employee Recognition and Employee Performance

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>My employer offers appreciation for the job well done</td>
<td>6.0</td>
<td>10.0</td>
<td>31.7</td>
<td>18.0</td>
<td>34.3</td>
<td>3.646</td>
<td>.216</td>
</tr>
<tr>
<td>Employee recognition is accompanied with some rewards</td>
<td>0.0</td>
<td>12.0</td>
<td>16.9</td>
<td>50.9</td>
<td>20.3</td>
<td>3.794</td>
<td>.901</td>
</tr>
<tr>
<td>The management sets a day of appreciating the best performing</td>
<td>10.0</td>
<td>6.0</td>
<td>38.6</td>
<td>27.1</td>
<td>18.3</td>
<td>3.377</td>
<td>.151</td>
</tr>
<tr>
<td>My employer involves us in decision making</td>
<td>35.7</td>
<td>22.3</td>
<td>36.0</td>
<td>6.0</td>
<td>0.0</td>
<td>2.123</td>
<td>.972</td>
</tr>
<tr>
<td>The management of the organization involves us in problem solving</td>
<td>33.4</td>
<td>22.9</td>
<td>33.4</td>
<td>10.3</td>
<td>0.0</td>
<td>2.206</td>
<td>1.020</td>
</tr>
<tr>
<td>The management of the organization involves us in all the phases of change</td>
<td>26.6</td>
<td>37.1</td>
<td>30.3</td>
<td>6.0</td>
<td>0.0</td>
<td>2.157</td>
<td>.887</td>
</tr>
<tr>
<td>Employee recognition comes with increase in responsibility</td>
<td>0.0</td>
<td>0.0</td>
<td>18.0</td>
<td>43.7</td>
<td>38.3</td>
<td>4.203</td>
<td>.723</td>
</tr>
<tr>
<td>My employer provides opportunities to get high positions</td>
<td>0.0</td>
<td>12.0</td>
<td>39.1</td>
<td>20.6</td>
<td>28.3</td>
<td>3.651</td>
<td>.018</td>
</tr>
<tr>
<td>Increase in responsibilities helps me gain more skills</td>
<td>2.0</td>
<td>12.0</td>
<td>28.6</td>
<td>29.1</td>
<td>28.3</td>
<td>3.697</td>
<td>.068</td>
</tr>
</tbody>
</table>
4.6.2 Effects of Employee Recognition on Employee Performance

The staffs working in commercial bank were asked to specify in their opinion how else employee recognition influences employee performance in Kenya commercial banks. According to the study, the staffs revealed that behavior recognition that promotes organizational goals improve employee performance and retention. Further, that the provision of rewards to employees increases performance marginally. The participants further revealed that workers, regardless of their level up the job ladder require their input and performance recognized by their employers or seniors. Further it was indicated that staff members who achieve recognition tend to have a higher morale, self-esteem, a willingness to try out new work-related tasks and challenges, are more innovative and have higher confidence levels. Muchai and Mwangi (2014) revealed that acknowledgement of workers in one of the main employee interaction or engagement drivers thus employee acknowledgement is vital in the morale building and interaction. In addition, Alam, Saeed and Akter (2013) established generally a promising relationship between the management recognition and workers’ morale building and achievements.

4.7 Job Promotion

The fourth specific objective of outstanding indignation and inquiries was to assess the outcome as related to job promotion on employee performance in Kenyan commercial banks.

4.7.1 Job Promotion and Employee Performance

The staffs working in commercial bank were required to specify their agreement level pertaining to job promotion. Findings were depicted in Table 4.5. Staffs agreed that job promotion is accompanied by increase in responsibilities. This is supported by aggregated mean of 3.740, std dv of 0.218. Staffs also agreed with aggregated mean of 3.837, standard dv of 0.148 that employee skills increase with job promotion. By aggregated mean of 3.917, standard dv of 0.136, staffs
agreed employees’ ability increases with job promotion. Kreitner (2004) indicates that promotion should aim at recognizing the best talent in the firm such employees should be promoted to senior positions and promotion should also provide career advancement opportunities to employees according to the available opportunities and the employees abilities.

The staffs agreed with aggregate mean of 3.806, std. dv of 0.203 that change of facilities comes with job promotion. Additionally, with aggregate mean of 3.911 (std. dv = 0.219), participants further agreed that job promotion within the organization involves changing of offices. Staffs also agreed that job promotion comes with benefits such as access to a company vehicle. This is supported by an aggregated mean of 3.866 (std dv = 1.091). Shazia, Tayyaba and Bilqees (2012) argue that job promotion is always accompanied with benefits like company vehicles drivers bonus pay and holidays.

With aggregate mean of 3.63, std. dv of 0.317, the staffs agreed that job promotion comes with change of positions. Further the staffs agreed that change of positions leads to the requirement of new skills as supported by aggregated mean of 3.771(std dv = 0.204). Alam, Saeed and Akter (2013) indicate that new positions are accompanied with increase in workload and require skilled personnel as well as innovation and creative employees.

**Table 4.5: Job Promotion and Employee Performance**

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job promotion comes with increase in responsibilities</td>
<td>4.3</td>
<td>15.1</td>
<td>19.1</td>
<td>25.1</td>
<td>36.3</td>
<td>3.740</td>
<td>.218</td>
</tr>
<tr>
<td>Employee skills increases with job promotion</td>
<td>5.1</td>
<td>8.6</td>
<td>18.6</td>
<td>32.9</td>
<td>34.9</td>
<td>3.837</td>
<td>.148</td>
</tr>
<tr>
<td>Employees ability increases with job promotion</td>
<td>5.1</td>
<td>8.9</td>
<td>11.4</td>
<td>38.3</td>
<td>36.3</td>
<td>3.917</td>
<td>.136</td>
</tr>
<tr>
<td>Change of facilities comes with job promotion</td>
<td>6.0</td>
<td>10.0</td>
<td>17.7</td>
<td>30.0</td>
<td>36.3</td>
<td>3.806</td>
<td>.203</td>
</tr>
<tr>
<td>Job promotion in the organization involves changing of the offices</td>
<td>6.0</td>
<td>10.0</td>
<td>12.9</td>
<td>29.1</td>
<td>42.0</td>
<td>3.911</td>
<td>.219</td>
</tr>
<tr>
<td>Job promotion in the organization comes with benefits such as access to a company vehicle</td>
<td>5.4</td>
<td>8.6</td>
<td>20.0</td>
<td>26.0</td>
<td>40.0</td>
<td>3.866</td>
<td>1.091</td>
</tr>
</tbody>
</table>
Job promotion comes with change of positions  5.1  23.4  10.6  249  36.0  3.631  .317
Change of positions leads to the requirement of  6.0  8.9  23.7  24.9  36.6  3.771  .204
new skills

4.7.2 Effects of Job Promotion on Employee Performance

The staffs working in commercial bank were requested to point out in their own opinion how job promotion impacts employee performance in Kenyan commercial banks. The respondents revealed that promotion encourages improved work performance; it is also used as a reward for good or of other approved behavior in a firm. Further, the participants indicated that promotion enables firms to match their need for skilled employees with desire of the workforce to use the skills they have learnt. The participants also revealed that promotion should aim at recognizing the best talent in the firm such employees should be promoted to senior positions and promotion should also provide career advancement opportunities to employees according to the available opportunities and the employees abilities. Peter (2014) revealed that promotion has effects to employee as well as company performance because it motivates, encourages good performance, improved relations, as well as higher salaries. Further, Pousa and Mathieu, (2010) found that If hard work is rewarded by a promotion, then employees are likely to work harder. However, if the best job in the firm is often given to outsiders, then the employees will likely be less motivated towards working to achieve such jobs.

4.8 Employee Performance

The staffs working in commercial bank were required to specify their level of agreement on statements pertaining to employee performance. Findings were depicted in Table  4.6.

As shown in the findings, respondents agreed that employees within the organization provide solutions to different problems. This is supported by aggregate mean of 3.974, std. dv of 0.217).
With aggregate mean of 3.969, std. dv of 0.226), staffs also agreed, staffs within their organization are innovative. Nevertheless, they disagreed that employees exceed expectation as supported by aggregate mean of 2.326(std. dv = 0.090). Opiyo, Ochieng and Owuor (2014) job performance in banking sector focuses on productivity of employee by looking at the total number of acceptable quality units produced by the employee within a given time frame.

As indicated in the results, the staffs agreed that employees within the organization are always willing to assist clients as supported by aggregate mean of 4.020, std. dv of 0.236. With aggregate mean of 3.969, std. dv of 0.203, staffs working in commercial bank also agreed that employees in our organization are reliable and dependable. Nevertheless, the participants were neutral on the statement indicating that there has been an increase in efficiency in the organization. Moreover, this is supported by mean of 3.157 (std. dv = 0.563). Mehta (2014) noted that information based on traits is used to identify employee subjective character such as creativity, initiative and attitude, behaviour-based information looks at what is included in the job.

Participants agreed with aggregate mean of 4.094, std. dv of 0.086, that staffs are responsive to needs of customers. Further, they also agreed that employees in the organization offer satisfying services to customers. This is supported by mean of 4.000, std. dv of 0.163. Orishede (2011) indicates that in business the most effective means of improving success is increasing employee’s performance in both the lower and senior levels of management.

**Table 4. 6: Employee Performance**

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees in the organization exceed</td>
<td>32.0</td>
<td>19.4</td>
<td>32.9</td>
<td>15.4</td>
<td>0.3</td>
<td>2.326</td>
<td>.090</td>
</tr>
<tr>
<td>expectation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees in our organization are innovative</td>
<td>5.4</td>
<td>10.6</td>
<td>12.3</td>
<td>25.1</td>
<td>46.6</td>
<td>3.969</td>
<td>.226</td>
</tr>
<tr>
<td>Employees in our organization provide</td>
<td>5.1</td>
<td>8.9</td>
<td>17.7</td>
<td>20.0</td>
<td>48.3</td>
<td>3.974</td>
<td>.217</td>
</tr>
<tr>
<td>solutions to different problems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

52
There has been an increase in efficiency in the organization.

Employees in our organization are reliable and dependable.

Employees in our organization are always willing to assist clients.

Employees in the organization offer satisfying services to customers.

Staff in the organization are responsive to the needs of the customers.

<table>
<thead>
<tr>
<th></th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in efficiency</td>
<td>27.3</td>
</tr>
<tr>
<td>Reliability</td>
<td>1.7</td>
</tr>
<tr>
<td>Dependability</td>
<td>17.1</td>
</tr>
<tr>
<td>Always willing</td>
<td>7.7</td>
</tr>
<tr>
<td>Willing to assist</td>
<td>5.1</td>
</tr>
<tr>
<td>Satisfying</td>
<td>5.7</td>
</tr>
<tr>
<td>Responsive</td>
<td>5.1</td>
</tr>
</tbody>
</table>

4.9 Inferential Statistics

Continuous data is employed in inferential statistics. Moreover, Likert scale entails categorical (ordinal) data and thus cannot be deployed in inferential statistics for example regression analysis that necessitate use of continuous data. It is worth noting that, the mid-point of answers in majority of the variables were a known requirement needed to get ant clean set of continuous data as referenced in Likert questions.

The decision was also made to use a form of transformation choice, yielding the formula detailed below to provide an array of averages.

\[ \text{Composite index} = \text{Mean (Statement 1, ..., Statement} K \]

Multivariate regression analysis was employed to determine the correlation between dependent (employee performance in commercial banks in Kenya) and independent study variables (flexible work arrangement, career advancement, employee recognition as well as job promotion).

Multivariate regression model was employed as:

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \]

Where, \( Y \) = dependent study as a variable assigned to employee performance in commercial banks in Kenya, \( \beta_0 \) = Constant Term; \( \beta_1-\beta_5 \) = regression coefficients; \( X_1 \)= Flexible
work arrangement; $X_2 =$, career development; $X_3 =$ staff recognition, $X_4 =$ job promotion and $\varepsilon =$ error term.

**Table 4.7: Model Summary**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.941$^a$</td>
<td>.885</td>
<td>.883</td>
<td>.57106</td>
</tr>
</tbody>
</table>

The R-squared in on-going study was employed to describe variation in dependent study variable (employee performance in commercial banks in Kenya) that could be justified by flexible work arrangement, career development, employee recognition and job promotion (independent study variables). Moreover, R squared was 0.885 which implied that 88.5% of dependent study variable (employee performance in Kenyan commercial banks) could be explained by independent variables (flexible work arrangement, career development, employee recognition and job promotion).

**Table 4.8: ANOVA**

<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>Regression</td>
<td>37.236</td>
<td>4</td>
<td>9.309</td>
<td>28.546</td>
<td>.000$^b$</td>
</tr>
<tr>
<td>1</td>
<td>Residual</td>
<td>345</td>
<td>.326</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>149.742</td>
<td>349</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The ANOVA was deployed to evaluate whether model used was good fit for the data. From the findings, F calculated was 28.546 while F critical was 2.398. Besides that, p value was 0.000 which is below significant level (0.05). Hence, the model could be deployed to explain the influence of independent study variables (flexible work arrangement, career development, employee recognition and job promotion) on dependent variable (employee performance in Kenyan commercial banks). Therefore, the model used was seen as the best for the data acquired.
Table 4. 9: Regression Coefficients

<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></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>.556</td>
<td>.191</td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>Flexible work arrangement</td>
<td>.572</td>
<td>.209</td>
<td>.569</td>
<td>2.74</td>
</tr>
<tr>
<td>Career development</td>
<td>.495</td>
<td>.198</td>
<td>.489</td>
<td>2.50</td>
</tr>
<tr>
<td>Employee recognition</td>
<td>1.031</td>
<td>.345</td>
<td>1.023</td>
<td>2.99</td>
</tr>
<tr>
<td>Job promotion</td>
<td>.241</td>
<td>.070</td>
<td>.239</td>
<td>3.44</td>
</tr>
</tbody>
</table>

The regression equation was:

\[ Y = 0.556 + 0.572X_1 + 0.495X_2 + 1.031X_3 + 0.241X_4 \]

The results revealed that flexible work arrangement has positive significant effect on employee performance in Kenyan commercial banks (\( \beta_1 = 0.572, \) p value= 0.004). The relationship was significant as significant level of 0.05 was above p-value (0.004). This denotes that flexible work arrangement improves employee performance in Kenyan commercial banks. These findings conform to the results of Al-Rajudi (2012) who found that flexible work arrangements impacts workers’ productivity positively.

In addition, findings revealed that career advancement has positive significant effect on staff performance in commercial banks in Kenya. (\( \beta_2 = 0.495, \) p value= 0.009). The significant level was put at 0.5 and therefore there was an association since p value (0.009) which was below 0.05. This denotes that career development improves employee performance in Kenyan commercial banks. Moreover, these conform to Dialoke and Adighije (2017) findings who established a positive significant correlation between career advancement and staff performance.

Further, results revealed that employee recognition has positive significant effect on employee performance in commercial banks in Kenya. (\( \beta_3 = 1.031, \) p value= 0.003). Association was as well
significant because p value (0.003) was below 0.05 (significant level). This denotes that employee recognition leads to improvement in employee performance in Kenyan commercial banks. Moreover, the findings agree with those of Bradler, Dur, Neckermann and Non (2014) who found that employee recognition affects performance of organization staff.

Results found that job promotion has positive significant impact on employee performance in Kenyan commercial banks ($\beta_3=0.241$, p value= 0.001). Association was as well significant since p value (0.001) was below 0.05 (significant level). This means that job promotion leads to an improvement in staff performance in Kenyan commercial banks. These results concur with the findings of Sitati, Were and Waititu (2016) who found that job promotion affects employee behaviors and encourages them to use their abilities positively so that they can move ahead.
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
This chapter entailed discussion of findings’ summary, conclusions and recommendation and also recommendation for further studies. The purpose of this study was to assess the effect of non-financial rewards on employee performance in KCBs. Moreover, the specific objectives of this study were to establish the effect of work arrangement, career development, employee recognition and job promotion on employee performance in commercial banks in Kenya.

5.2 Summary
This sub-section comprised of presentation and discussion of the summary of the findings as per study objectives. Specific objectives were to assess the influence of flexible work arrangement, career development, employee recognition and job promotion on employee performance in KCBs.

5.2.1 Flexible Work Arrangement and Employee Performance
The study found that flexible work arrangement has a positive and significant influence on employee performance in commercial banks in Kenya. It was established that work shift reduces absenteeism as per total number of days an employee attends work therefore enhancing productivity level. The study revealed that the ability to work remotely (outside the organization) affects employee productivity positively. The study also found that Work shift improves employee commitment in terms of time in hours worked. In addition, the study found that a workers' possibility to choose the start and end of working hours affect their productivity positively. Nevertheless, findings established that the management of commercial banks does not support part time working schedule which enables employees to deal with other personal life issues.
5.2.2 Career Development and Employee Performance

The results revealed that career development has positive significant influence on employee performance in KCBs. Findings established that there is an employee training policy in the commercial banks in Kenya. The results also revealed that the training policy indicates the frequency of training ion the organization. However, it was found that the commercial banks do not adhere to the training policy. The results established that commercial banks do not charge employees a training fee. The study found that commercial banks provide partially paid scholarships to employees. Further it was discovered that commercial banks provide ICT based on-job training. Nevertheless, findings revealed that the organization does not provide fully paid scholarships to employees willing to further their education.

5.2.3 Employee Recognition and Employee Performance

The study discovered that employee recognition has positive significant influence on employee performance in commercial banks in Kenya. From the findings it was established that the organization offers appreciation for the job well done. Further it was found that employee recognition is accompanied with some rewards. However, the study established that the organization does not involve all employees in decision making. Further, the study found that the management does not involve all the staffs in problem solving. Further, the study found that the management of the organization does not involve all employees in all phases of change. Findings revealed that employee recognition comes with increase in responsibility. Further, the results showed that the organization provides opportunities to get high positions. Findings established that increase in responsibilities helps employees gain more skills.
5.2.4 Job Promotion and Employee Performance

The study found that job promotion has positive significant influence on employee performance in KCBs. From the findings it was discovered that job promotion comes with increase in responsibilities which demands more skills from the promoted employees. Moreover, findings revealed that employees ability increases with job promotion since they face more challenging tasks which gives them enough experience. The study revealed that job promotion in the organization comes with benefits such as access to a company vehicle. Further it was established that change of positions leads to the requirement of new skills.

5.3 Conclusions

The research concludes that flexible work arrangement has positive significant influence on employee performance in KCBs. The study also discovered that the ability to work remotely (outside the organization) affects employee productivity positively. Further, the findings established that a workers' possibility to choose the start and end of working hours affect their productivity

The study also concludes that career development has positive and significant influence on employee performance in commercial banks in Kenya. The results also revealed that training policy indicates the frequency of training ion the organization. However, it was found that the commercial banks do not adhere to the training policy. Findings also revealed that commercial banks do not provide fully paid scholarships to employees willing to further their education.

The study further concludes that employee recognition has a positive and significant influence on employee performance in commercial banks in Kenya. From the findings it was established that the organization appreciates job well done. In addition, the study established that rewards usually accompany employee recognition. However, the study discovered that all employees are not
involved in decision making. Further, the management does not involve all the staffs in problem solving.

The study concludes that job promotion has positive significant influence on employee performance in KCBs. From the findings it was noted that job promotion comes with increase in responsibilities which demands more skills from the promoted employees. Moreover, findings revealed that employees’ ability increases with job promotion since they face more challenging tasks which gives them enough experience.

5.4 Recommendations

The study found that the management of commercial banks does not supports part time working schedule which enables employees to deal with other personal life issues. This study therefore recommends that the top management in the commercial banks should encourage part time working schedules to enable employees choose their productive hours hence improve their performance and the general performance of the organization.

The study found that the organization does not strictly adhere to the training policy. This study therefore recommends that the top management should ensure the training policy is followed to the latter to ensure that employees receive the necessary skills.

Findings revealed that the organization does not provide fully paid scholarships to employees willing to further their education. This study therefore recommends that the top management of the organization should always ensure allocation of adequate funds to fully cater for scholarships.

The Findings established that not all employees are involved in decision making and problem solving. This study therefore recommends that the top management should ensure each and every employee is given a chance to give views on matters affecting the organization.
5.5 Recommendation for Further Studies

The aim of the research was to investigate the influence of non-financial rewards on employee performance in KCBs. However, the study was limited to commercial banks in Kenya. Therefore, the study recommends that further studies should be conducted on the effect of non-financial rewards on employee performance in other financial entities in Kenya. Besides that, the study found that 88.5% of the variation in independent variables (flexible work arrangement, career development, employee recognition and job promotion) could explain dependent variable (employee performance in KCBs). The study therefore recommends that more study ought to be done to assess other factors that influence employee performance in commercial banks.
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Appendix I: Introduction Letter

Catherine Kathina Kalonzya
School Of Business
Kenyatta University
10th January 2020

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

REF: Request for participation in a research study

I am a master’s student at Kenyatta University carrying out a research project as part of the course requirement for Master of Business Administration (HRM). I am required to conduct a study as part of the requirements for master’s degree award. As such, I am undertaking a study on effect of non-financial rewards on employee performance in Kenyan commercial banks.

The findings obtained will be confidential and also will be employed for academic use and your name will not be mentioned anywhere in the study. Your contribution will be greatly appreciated.

Yours faithfully

Catherine Kathina Kalonzya
Appendix II: Questionnaire

The researcher seeks to assess whether non-financial rewards influences employee performance in Kenyan commercial banks. The main use, as intended, will be for learning purposes. The responses collected will be handled with high confidentiality and held in privacy.

Kindly tick where applicable [✓]

SECTION A: DEMOGRAPHIC INFORMATION

1. State your gender

   Male [ ]   Female [ ]   Rather not say [ ]

2. Specify your age?

   Under 20 years [ ]   20 to 30 years [ ]
   30 to 40 years [ ]   40 to 50 years [ ]   above 50 years [ ]

3. Which is the highest education level attained?

   Certificate and Diploma level [ ]
   Undergraduate level [ ]
   Postgraduate level [ ]

4. How many years worked in the organization?

   Below 5 years [ ]   5 and 10 years [ ]
   11 and 15 years [ ]   16 and 20 years [ ]
   Above 20 years [ ]

5. What department are you?

   Human Resources [ ]   Finance [ ]   Operations [ ]
   Risk/Audit management [ ]   Customer service [ ]
   Relationship Banking [ ]   ICT [ ]   Credit [ ]
### SECTION C: FLEXIBLE WORK ARRANGEMENT

6. On a scale of 1 -5 where 1 is Strongly Disagree and 5 is Strongly Agree, Do you agree with the following statements on flexible work arrangement in your workplace?

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shift work</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working in shifts helps reduce being absent.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working from home allows me to be more productive.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working in shifts helps me commit to more hours.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Flexi-Time</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flextime improves duty attendance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Choosing when to start a shift increases my productivity.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flextime enable me to plan my personal duties at the end of a shift.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flextime allows early work completion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Part Time</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part time enhances my work performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am allowed to work part time.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part time work allows me to save an extra day to be used later.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working part time lowers stress and improves my productivity.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7. How does flexible work arrangement affect employee performance in Kenyan commercial banks?

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........................................................................................................................................................................................................................................................................................................................................................................
........................................................................................................................................................................................................................................................................................................................................................................
........................................................................................................................................................................................................................................................................................................................................................................
SECTION D: CAREER DEVELOPMENT

8. On a scale of 1 -5 where 1 is Strongly Disagree and 5 is Strongly Agree, Would you agree or disagree with below statements on career development in your organization?

<table>
<thead>
<tr>
<th>Workforce Development</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee training policy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>An employee training policy is implemented.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is adherence to the training policy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The frequency of training is clearly indicated in the training policy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A training fee is charged</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and Award Programs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and award programs are awarded to employees under merit.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partial scholarships are available to willing employees who merit.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly allowances are provided to employees undergoing training.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training design</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information technology and systems on-job training is provided by my organization.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organization has online-based training resources available.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

9. How does career development affect employee performance in commercial banks in Kenya?

..................................................................................................................................................
..................................................................................................................................................
..................................................................................................................................................
SECTION E: EMPLOYEE RECOGNITION

10. On a 1-5 scale where 1 connotes Strongly Disagree and 5 connotes Strongly Agree, what is your feeling about employee recognition as relates to your current job?

<table>
<thead>
<tr>
<th>Score</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appreciation is offered for a wonderful job done</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rewards are given for recognition</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is a date for recognition and awards</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Involvement in decision making</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am included in decision making</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am included in problem solving</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am involved in phase change discussions</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Increase in responsibility</td>
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<tr>
<td>Employee acknowledgement increases the responsibility</td>
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<tr>
<td>Employer gives higher role and opportunities</td>
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<tr>
<td>Increase in responsibilities helps me gain more skills</td>
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11. How do you think employee recognition affect performance in Kenyan commercial banks?

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SECTION F: JOB PROMOTION

12. On a scale of 1 -5 where 1 is Strongly Disagree and 5 is Strongly Agree, Do you agree with the below statements on job promotion in your current organization?

<table>
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<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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</thead>
<tbody>
<tr>
<td><strong>Increase in responsibilities</strong></td>
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<tr>
<td>Job promotion leads to additional responsibility</td>
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<td>Job promotion increases my skills</td>
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<tr>
<td>Job promotion increases my abilities</td>
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<tr>
<td><strong>Change of facilities</strong></td>
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<tr>
<td>Change of facilities comes with job promotion</td>
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<tr>
<td>Job promotion in the organization involves changing of the offices</td>
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<tr>
<td>Job promotion in the organization comes with benefits such as access to a company vehicle</td>
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<td><strong>Change of positions</strong></td>
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<tr>
<td>Job promotion comes with change of positions</td>
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<tr>
<td>Change of positions leads to the requirement of new skills</td>
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</table>

13. How does job promotion impact performance in commercial banks in Kenya?

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SECTION G: EMPLOYEE PERFORMANCE

14. On a scale of 1 -5 where 1 is Strongly Disagree and 5 is Strongly Agree, Do you agree with the below statements in relation to employee performance in your organization?

<table>
<thead>
<tr>
<th>Employee performance</th>
<th>1</th>
<th>2</th>
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</thead>
<tbody>
<tr>
<td>Productivity</td>
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<tr>
<td>Employees within the organization exceed expectation</td>
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<td>------------------------------------------------------</td>
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<tr>
<td>Employees in our organization are innovative</td>
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<tr>
<td>Employees in our organization provide solutions to different problems</td>
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<td><strong>Efficiency</strong></td>
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<tr>
<td>There has been an increase in efficiency in the organization</td>
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<td>Employees in our organization are reliable and dependable</td>
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<tr>
<td>Employees in our organization are always willing to assist clients.</td>
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<tr>
<td><strong>Quality of work</strong></td>
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<tr>
<td>Employees in the organization offer satisfying services to customers</td>
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<tr>
<td>Staffs are responsive to the needs of customers</td>
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</table>
Appendix III: List of Large and Medium Banks in Kenya

1. Bank of Africa Kenya Limited
2. Bank of Baroda Limited
3. Bank of India
4. Barclays Bank of Kenya Limited
5. Citibank N.A. Kenya
6. Cooperative Bank of Kenya
7. Commercial Bank of Africa
8. Diamond Trust Bank (K)
9. Ecobank Kenya Limited
10. Equity Bank Kenya Limited
11. Family Bank Limited
12. HFC Limited
13. I & M Bank Limited
14. KCB Bank Kenya Limited
15. National Bank of Kenya Limited
16. NIC Bank PLC
17. Prime Bank Limited
18. Stanbic Bank Kenya Limited
19. Standard Chartered Bank (K) Limited

Source: Central Bank of Kenya (2017)