REWARD SYSTEMS AND EMPLOYEE PERFORMANCE AT THE TECHNICAL UNIVERSITY OF KENYA, NAIROBI CITY COUNTY

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A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS, ECONOMICS AND TOURISM IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (HUMAN RESOURCE MANAGEMENT OPTION) KENYATTA UNIVERSITY

APRIL, 2023
DECLARATION

The research project is my original work and was not presented to any other university for the award of degree. No part of this document shall be duplicated without my permission or that of Kenyatta University.

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D 53/CTY/PT/20681/2020

The research project has been submitted to the university with my approval as the appointed university supervisor.

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DEDICATION

This project is dedicated to my adorable children Jaycee Olendo and Daisy Angel.
ACKNOWLEDGEMENT

My greatest appreciation goes to God Almighty for the gift of life and for giving me a chance to complete this proposal. To my supervisor, Dr. Felistus Hilda Makhamara, may God bless you for your time and greatest input and for tirelessly guiding me throughout this project from the time of coming up with the research topic to the conclusion hence making this work a success. Special thanks to my husband for the support in the course of undertaking this project. Lastly I would like to thank my family, colleagues and friends for their support.
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<td>ANOVA</td>
<td>Analysis of Variance</td>
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<td>CFA</td>
<td>Confirmatory Factor Analysis</td>
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<td>GOK</td>
<td>Government of Kenya</td>
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<td>HRM</td>
<td>Human Resource Management</td>
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<td>HRMP</td>
<td>Human Resource Management Practice</td>
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<td>IDSL</td>
<td>Integrated Data Sciences, Limited</td>
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<tr>
<td>NACOSTI</td>
<td>National Commission for Science, Technology and Innovation</td>
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<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
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OPERATIONAL DEFINITIONS OF TERMS

**Reward Systems**
Reward system is defined as a policy or framework designed to show appreciation to employees for job done which in turn is intended to boost their performance and productivity. Cash Incentives, Employee Recognition, Promotion and Training were the reward practices to be studied in this research.

**Cash Incentives**
Cash incentives are extrinsic financial rewards provided by management of an organization as a means to appreciate, motivate and increase employee performance.

**Employee Recognition**
Employee Recognition is a non-financial reward system provided by organizations to motivate employee performance and commitment.

**Promotion**
Promotion is a form of reward practices that involves giving employee a higher position which results in higher pay as a form of reward for work done.

**Training**
Training is a form of reward implemented by organizations to boost employees’ skill sets, confidence, self-esteem and commitment.

**Employee Performance**
Employee performance takes into consideration the manner, approach and effectiveness of which employees deliver a task.
ABSTRACT

There is an increasing need for organizations to providing an effective reward system that drives employee performance and productivity. Organizations are fast becoming unconcerned in the practicing of effective reward system as most rewards offered by management of organizations tends not to be appreciated by their employees. In most cases, these rewards are not based on the employee needs and innermost desires. However, how people are compensated has a significant impact on whether a company or institution survives. As a result, it is crucial that reward systems be reassessed in light of the value that those people contribute. There have been research on reward systems and worker performance, however they were conducted in other nations and cannot be applicable to Kenya or other industries, including the Technical University of Kenya. Examining the staff performance and incentive mechanisms at Technical University of Kenya is the goal of this study. Assessing the impact of monetary incentives, employee recognition, promotion, and training on employee performance will be one of the study's particular goals. The study's guiding theories will include Herzberg's Two Factor Theory, Expectancy Theory, and Equity Theory. The research study design used in this investigation is descriptive. Additionally, stratified random sampling will be used. 361 employees—153 academic staff and 208 administrative workers—from both the academic and administrative spheres will make up the study's target group. Stratified sampling will be used in this. Piloting will be done on 10% of the sample size of 108 to ascertain the validity and reliability of the instrument. This will be done through professional advice, content, and construction. Primary data will be gathered via semi-structured questionnaire and rated on a 5-point Likert scale. After receiving permission to gather data from the management of the university administration and National Council for Science and Technology, a questionnaire with closed-ended questions will be delivered to the respondents. With the assistance of the statistical package for social sciences version 20, inferential and statistical statistics will be used in the analysis of quantitative data. Also used will be descriptive statistics like percentages, frequency distribution, standard deviation, and mean. The link between the variables will also be demonstrated using multiple regression. The study's findings will subsequently be presented in text, graphs, and tables. This study will adhere to ethical standards as required. The results on cash incentives indicators which included; bonuses, remuneration, increase in pay and allowance presented that majority of the respondents indicated that cash incentives improves their performance and productivity. The results on employee recognition related to employee appreciation, involvement in decision making, recognition of efforts and letter of commendation. Generally, the results indicated that recognition of employees was moderately done. The results indicated that moderately employees get promotion, moderately promotion comes with more responsibility and higher pay, moderately promotion increased employee performance, moderately helped in gaining more skills. The result indicates that to a great extent seminars, conferences and summit were organized frequently and that the university had a corporate policy for organizing training respectively. The result on employee performance indicated that the management receives feedback from employees in regards to their efficiency. The study concluded that cash incentives, promotion, training and employee recognition significantly affects employee performance.
CHAPTER ONE
INTRODUCTION

1.1 Background to the Study

In any competitive business environment globally, it is usual for companies to offer attractive, lucrative and competitive remuneration packages. These are directly linked or inter-related to improving individual’s job competency, retaining high achievers and finally achieving the organizational performances and goals. In case reward does not commensurate with their job performance; this can lead to low motivation and high attrition, and hence affect service delivery (Thum and Sardana, 2012). According to Armstrong and Murlis (2010), reward system refers to the “process of formulating and implementation of strategies and polices that aim to reward people equitably, fairly and constantly in accordance with their value to the organization”.

In developing Africa countries, they recognize that the success or failure of an organization is highly contingent on the effectiveness of their human capital in addition to their financial resources (Lawler & Worley, 2006). However, human capital is the most important resources needed for the organization’s growth (Myint & War, 2020). According to Armstrong and Murlis (2007), reward systems are strategies and policies put in place by an organization through rewarding employees by financial and non-financial means. In line with Bello and Adebajo (2014), a good and effective reward system should be competitive, satisfy employee’s needs, equitable and flexible.

In line with the equity theory which states that employees often desire to get from the organizations value perceived to be equivalent to their input in term of academic qualification,
skills and experience as well as the value of the task they do to the overall organizations objectives (Ojiambo, 2012). Reward systems are put in place to actively engage employees of an organization in being part of their achievement and success thereby boosting their motivation and contributions to the fulfillment of the organization’s mission and goals (Anku-Tsede & Kutin, 2013). The reward systems and appraisal for employees are now closely linked to performance measurement indicators of companies.

1.1.1 Employee Performance

Performance as defined by Adeagbo (2020) is the quality of work done or value added in terms of effectiveness, deadlines, and completeness. Employee performance takes into consideration the manner, approach and effectiveness of which employees deliver a task (Aguinis, 2009). Employee performance as defined by Shahzadi, Javed, Pirzada, Nasreen and Khanam (2014) is the measure of the quality and quantity of the value and contribution offered by the employee of an organization. Employee performance can also be defined as employee performing all tasks assigned to them by their employer or supervisors (Bilan & Fowowe, 2017). Employee performance needs to be evaluated in accordance to various contributions and value offered by employees in relation to the organizational goal and competitive advantage (Gabcanova, 2013).

Employee performance is the action employed by an employee towards the achievement of an organization’s set goals and objectives (Armstrong & Taylor, 2014). Performance is an important measure concept in Human Resource Management (HRM) and it also provides the yardstick for implementing both intrinsic and extrinsic rewards (Bilan “et al.,” 2017). Often, employee performance is measured in terms of productivity, goal actualization and time consciousness (Fubara, 2019). An effective way to increasing organizational overall performance and financial
performance is to increase employee performance which can be achieved through implementing effective reward practices and systems (Obiaga, 2021).

According to Fubara (2019), employee performance can be measured in terms of performance that is, by determining the ratio of inputs of efforts geared towards the achievement of an organizational goal and the corresponding output or result. Productivity in terms of employee performance requires channeling the right resources which includes skill set, time etc. into achieving success or higher return (Nwanchukwu, 2005). Employee performance can be measured as the ratio of input or effort to output or yield (Thomas, 2013). The measures to be used on employee performance include employee feedback, customer satisfaction and rate of employee turn-over.

1.1.2 Reward Systems

As stated by Moore (2018), reward system is defined as a policy or framework designed to show appreciation to employees for job done which in turn is intended to boost their performance and productivity. Griffin and Moorhead (2013) asserted that reward systems are also enabled to provide good reputation and outlook on how the company is perceived. Reward systems are often used as a tool for motivation, appreciation, and employee retention and also to gain employee commitment (Latham, 2012). Rewards are categorized as intrinsic and extrinsic. Intrinsic rewards are intangible rewards which can be in form of verbal appreciation and caring attitude of a boss while extrinsic rewards are tangible rewards in form of cash, promotion and bonuses (Jeni, Mutsuddi, Das & Momotaj, 2020). Thus, an effective reward system should consist of both financial and non-financial rewards which are in line with the equity theory.
According to Neckermann and Kosfeld (2008), cash incentives are extrinsic financial rewards provided by management of an organization as a means to appreciate, motivate and increase employee performance. Cash incentives as stated by Ejumudo (2014), largely influences employee performance as cash tends to meet more needs than other forms of rewards. In line with Lotta (2012), a cash incentive which includes bonus and remunerations motivates employees more than other form of rewards.

Employee Recognition is a non-financial reward system provided by organizations to motivate employee performance and commitment (Myint et al., 2020). Jeni, Mutsuddi, Das and Momotaj, (2020) defined recognition as an intangible award given to an employee as a show of appreciation for value added at a given point in time in the organization which led to the fulfillment of organizational goals and also as a tool for motivation.

Promotion is a form of reward practices that involving giving employee a higher position which results in higher pay as a form of reward for work done (Yasmen, Farooq & Asghar, 2013). Promotion increases career development, self-actualization and sense of worth of employees (Obiaga, 2021). Promotion involves elevating an employment from lesser level and compensation to a higher position which comes with more benefits (Wan, Sulaiman & Omar, 2012).

Training as a form of reward practice aids career development with respect to the employees. Training is a form of reward implemented by organizations to boost employees’ skill sets, confidence, self esteem and commitment (Anitha, 2014). Training is one of the core and effective means through which organizations can meet their set goals and vision as training and
providing seminars and conferences improves their employees’ knowledge base and skill set which will in turn be beneficial to the organization (Rajah, 2016)

1.1.3 Technical University of Kenya

The Technical University of Kenya shares history with the development of the first three higher education institutions in East Africa. In the 1920’s there were heightened agitations for the expansion of access to higher education by indigenous leaders in the East African Territories. Concerted efforts in the form of committees, commissions and conferences resulted in positive developments that included the elevation of Makerere Institute of Technology to Makerere University College of the University of London in 1949 (GOK, 2012). Proposal to establish the Royal Technical College of East Africa (RTCEA) in Nairobi was approved and construction started on 25\textsuperscript{th} January 1952 and establishment of Dar er Salaam University College in 1961. RTS in Nairobi admitted the first cohort of students pursuing Architecture, Arts, Domestic Science, and Engineering and Science in 1956. Simultaneously, another group of students were registered to the Kenya Technical Institute but admitted in 1956 within the institution of RTCEA in Nairobi (TUK, 2016).

The Government of Kenya immediately initiated the development of the Kenya Technical Institute at its present site within Nairobi CBD in three phases. The first phase, 1957 – 1958, comprised planning and working drawing. Activities of the Second phase included construction of administration block, tuition block and supply of equipment in the period 1958 – 1959. The third and last phase, 1959 – 1960 covered the construction of laboratory wing, workshops, roads and site work and supply of equipment (TUK, 2014). The Kenya Technical Institute started operating on its new site from 1\textsuperscript{st} January 1961 with the relocation of students from the tuition
blocks of RTCEA but was officially opened on 29th May 1961. It was later renamed The Kenya Polytechnic and later Charted to Technical University of Kenya a Constituent of University of Nairobi (GOK, 2014).

1.2 Statement of the Problem

There is an increasing need for organizations to providing an effective reward system that drives employee performance and productivity (Vance, 2012). Organizations are fast becoming unconcerned in the practicing of effective reward system as most rewards offered by management of organizations tends not to be appreciated by their employees. In most cases, these rewards are not based on the employee needs and innermost desires (Okosi, 2020). However, according to Lawler and Wonley (2016), the survival of any organization or institution is highly determined by how the employees’ performance are being rewarded. Thus, this is a great problem that needs adequate attention. It is essential that reward systems are also reviewed in cognizance to the value presented by those employees (Ali, 2013). Performance in organizations has significantly decreased. Studies have found that despite the massive Human Resources measures, such as reward programs, at their disposal, performance has not actually increased. Major trends are transforming the workforce, and according to Awan and Tahir (2015), these developments have forced firms to engage in performance growth in order to be more unique, cost-effective, and effective than other in the industry.

Despite the implementation of rewards systems at universities, performance levels remain low. Due to significant labor turnover, absenteeism, and overall discontent with institutional procedures, there is still a discernible reduction in the quality of services provided in universities. This is supported by Selesho (2014), who discovered that employee retention in public education
establishments is a critical concern due to the negative effects that excessive employee turnover has on the caliber, consistency, and sustainability of educational operations. Powell (2015) verifies that when roles are vacant and later filled by inexperienced employees, turnover can have negative consequences on students and the other employees who strain to provide excellent services. The Inter-University Council of East Africa’s (2016) study indicates that at nearly half of the degree holders generated by East African universities are only halfway prepared for the professional world: they lack relevant skills, or the technical proficiency and fundamental work-related competencies.

In Technical University of Kenya, there have been reports of poor employee performance (Muthoka, 2016). Ever since the Collective Bargaining Agreement (CBA) has been passed by government and finances disbursed to universities, the employees of Technical University have been reported to not have been given cash incentives and it has also been reported that employees’ salaries based on CBA has not being increased which signifies that cash incentives are not being practiced as a reward system approach. In addition, recognition is not given to boost employee performance and training is only conducted for senior personnel not to mention the fact that promotion is given based on favoritism and connection (Odour, 2021). A good reward system consists of both financial and non financial compensation for employees, for optimal employee performance, effective reward system should be put in place and practiced but in Technical University of Kenya, it is not clear whether or not an effective and good reward system exists which has in turn affected the performance of their employees.

Several studies have been conducted to determine the relationship between reward system and employee performance. Akhtar, Aamir, Khurshid, Abro, and Hussain (2017) conducted a study on reward systems and employees’ performance through a case study of Higher Education
institutions in Pakistan with the results indicating a strong correlation between the HRMP and employee performance. The study presents contextual gaps on the need for further research locally. Tessema, Ready and Embaye (2013) which was conducted by sampling 3 universities in USA, Vietnam and Malaysia which resulted in a positive relationship. The study presents contextual gaps on the need for further research locally. In Kenya, the study on the hotel industry by Okoth (2014) reported a positive relationship between cash incentives and employee performance. The study presents contextual gaps on the need for further research locally. The research by Saharrudin (2016) in Indonesia also revealed a positive relationship between reward system and employee performance. Additionally, the effect of training on employee performance was studied by Omokojie and Edith (2021) which also revealed a positive result. There are limited studies based on reward systems and employee performance in the educational sector of Kenya as most studies are from other parts of the world which forms the basis of the study as it sought to examine the effect of reward systems on employee performance of universities in Nairobi City County using Technical University of Kenya as a case study.

1.3 Objectives of the Study

1.3.1 General Objectives

The general objective was to determine the effect of reward systems on employee performance at the Technical University of Kenya, Nairobi City County.

1.3.2 Specific Objectives

i. To determine the influence of cash incentives on employee performance at Technical University of Kenya in Nairobi City County, Kenya.
ii. To examine the effect of employee recognition on employee performance at Technical University of Kenya in Nairobi City County, Kenya.

iii. To determine the effect of promotion on employee performance at Technical University of Kenya in Nairobi City County, Kenya.

iv. To establish the influence of training on employee performance at Technical University of Kenya in Nairobi City County, Kenya.

1.4 Research Questions

The study sought information to answer the following questions:

i) To what extent does cash incentives have an influence on employee performance at Technical University of Kenya in Nairobi City County, Kenya.

ii) How does employee recognition have an impact on employee performance at Technical University of Kenya in Nairobi City County, Kenya.

iii) What is the effect of promotion on employee performance at Technical University of Kenya in Nairobi City County, Kenya.

iv) To what extent does training have an influence on employee performance at Technical University of Kenya in Nairobi City County, Kenya.

1.5 Significance of the Study

The study would serve as a reference and template for management of universities in providing an effective reward system that consists of both financial and non-financial rewards targeted to influence employee performance and productivity. It would also encourage employees to improve their skills and be more productive so as to earn more rewards from the management of
their organizations. Lastly, this study would be the foundation for further research and future studies relating to reward systems and employee performance in Universities because it gives specialized technical education run by the Ministry of Education. The University has a role in National building in the Government of Kenya hence it is vital to increase its funding to cater for rewarding of employees to influence employee performance and productivity. High employee productivity would in turn result to quality training of the students who qualified professionals.

1.6 Scope of the Study

The study sought to investigate the effect of reward systems and employee performance at the Technical University of Kenya in Nairobi City County. The study’s independent variable whose variables were; cash incentives, employee recognition, promotion and training and the dependent variable was employee performance The research adopted descriptive research design. Research instrument was a semi structured questionnaire. The target population was 361 employees in Human Resources, Faculties, Departments, Schools, Finance, Administration, Procurement & Supply Chain, Technical Support Services, Corporate Affairs, and Quality Assurance Departments. The study looked at period between January, 2020 to January 2022.

1.7 Limitation of the Study

The first problem that the investigator ran into was that the participants were reluctant to answer questions. In order to lessen concern, the researcher ensured the respondent's security and anonymity by avoiding mentioning their names and reassuring them that the comments only used for the study's purposes. Another drawback is that, given their hectic schedules, the researcher
had trouble getting in touch with the university's top administration in the University. The investigator used drop plus pick techniques and electronic tools to mitigate this.

1.8 Organization of the Study

Five chapters specifically outlined the study. The introduction to the study, the problem statement, the objectives, the relevance, the scope, the limitations, and the structure of the study were all covered in the first chapter. The third chapter discusses the research methods, which covered the design, sample and population, sample and sampling methods, data collection tools, validity tests and, tests on reliability, process on data collection, analysis of data, and ethical concerns. The fourth chapter discusses the research findings and discussions. The final chapter (chapter five) presents the summary of findings, conclusions and recommendations.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction
This focused chapter gives explicit details linking the Herzberg’s Two Factor Theory, Expectancy theory and Equity Theory with reward systems and employee performance and also provides literature relating to cash incentives, employee recognition, promotion and training and employee performance.

2.2 Theoretical Review
This study is anchored on the Herzberg’s Two Factor Theory, Expectancy theory and Equity Theory.

2.2.1 The Herzberg’s Two Factor Theory
The Herzberg’s two factor theory was postulated by Herzberg (1959). He argued that employees are passionate about their job based on the internal values pertaining to their work rather than the external values. In this theory, he revealed two sets of factors which includes the hygiene factor and satisfier or motivators factor, making assertions to the fact that motivators are innate to the job while hygiene factors are external to the job (Armstrong, 2012). The theory noted that factors which includes salary, security etc. most times does not inspire employees but can cause displeasure among the employees if missing. He also revealed that, poor hygiene does not make the employees motivated but rather when excellence is attained in those factors, the people tend to work harder.
Herzberg (1966) then concluded that people are inspired to be more passionate about their job when they have more challenging work and increased responsibility. Employees who feel great about their job due to a better form of remuneration, salary payment or compensation of any kind might attribute the hygiene and motivators factors to be the cause. Meanwhile, the dis-satisfied employees will tend to view the external factors such as supervision and working conditions as the cause (Dieleman, Cuong, and Anh 2004). Therefore, this theory shows that employer-employee relation and job satisfaction enhanced by rewarding employees by inherent and external factors can have effect on the performance of the employees. However the theory is without criticism, one is that the approaches used to construct the two factors—the notion that things like pay can be both hygiene issues and motivators is questioning because it can relate to the two factors Rynes, Gerhart, and Parks, 2005). Also, Herzberg's theory is one of those that fits best but lacks much research backing.

The theory supports the dependent variable which is employee performance and it was chosen because of its elaborate approach in outlining the general overview nature of employees and how it relates to their performance and will then be used to provide support to the findings of the study as it seeks to examine the effect of reward systems on employee performance at Technical University of Kenya Nairobi City County, Kenya. This theory therefore supports employee performance variable and reward systems.

2.2.2 Expectancy Theory

The word ‘expectancy’ was coined from the Valency-Instrumentality-Expectancy (VIE) theory which was derived by Vroom (1964). The theory assumed instrumentality to be that if one thing is done, it can thus lead to another thing. The theory represented value while expectancy was
noted to be the uncertainty that efforts or action will lead to a possible outcome. Expectancy theory seems to be very relatable because just a small amount of people views a great degree of relationship between rewards and performance. The theory majorly pays more attention to rewards and the theory also places more emphasis on the fact that what is realistic and true is immaterial (Porter & Lawler, 1973). The theory also reveals that questionnaires and interviews should be a prerequisite for examining the motivational level of an employee and an employee should be rewarded duly for an outstanding performance.

This theory was postulated after Vroom’s idea which implied that two (2) major factors influence the efforts in which people apply to their jobs. The factors depicted the fact that the individual value of the reward and the uncertainty that the reward is effort dependent is understood by individuals, in as much as their needs for security, social esteem and autonomy is fulfilled (Vroom, 1964). The theory confirms that as much as the reward of a set value, the greater the effort derived. The Expectancy Theory is not without its detractors. Differences between people and in terms of culture or country are not addressed by the theory. But compared to persons in less developed civilizations, people in industrialized nations tend to be more goal-oriented. Furthermore, people in wealthy countries think they can affect their successes (Griffin and Moorhead, 2010). The Expectancy Theory makes the assumption that people choose their actions consciously when they first begin an endeavor. However, it has been demonstrated that people make decisions after engaging in their actions and then attempt to justify them later.

The rationale for selecting this theory is an aid in explaining behavior of employees based on expected outcomes of the action as this study seeks to examine the effect of reward systems on employee performance at Technical University of Kenya Nairobi City County, Kenya. The theory supports the employee recognition variable.
2.2.3 Equity Theory

It is also known as Equity Theory of Motivation. It was developed in 1963 by Jon Stacey Adams in 1963 a workplace behavioral psychologist. The equity theory was clarified by Stacey (1965). The theory was developed based on the principle that every individual has the wish to be treated appropriately. This theory is centered on the word ‘equity’, which refers to being treated fairly in relation to how other people and ‘inequity’ where people consider not to be treated fairly as others. Al-Zawahreh and Al-Madi (2012) stated that an employee assesses the effort he/she puts in his/her job with the proportion of the outcome, and if she realizes any inequality, he/she will work to correct the unfairness.

Martin and Coetzee (2007) revealed that the sense of discontentment arrives from a principle that one is being given less than one deserves. It is based on the idea that individuals are motivated by fairness. It states that if an individual identifies inequality between themselves and a peer, they will adjust the work they do to make the situation fair in their eyes (Stacey, 1965). For example, if an employee gets to know that a peer is doing exactly the same job as them and is earning more money, then they may choose to do less work, thus creating fairness in their eyes. This means that the higher an individual perception of equity (fairness) then the more motivated they will be. Conversely, an individual will be less motivated if they perceive unfairness.

The way an individual is treated either with justice or the latter is observed by focusing majorly on the input and output of the individual. When the differences between the salaries received by individuals differ greatly, high performing individuals recognize high equity while the low performing individuals distinguish low equity (Grant and Shin, 2011). Also, being the highest paying salary employer might not necessarily sustain the retention of the employee but by being
capable of competing successfully in the business (Taylor, 2002). The simplicity of the theory has come under scrutiny by researchers. The primary concerns was that the theory failed to take into account the wide range of psychological and demographic factors that influence how people perceive fairness and interact with others. Huseman, Hatfield, and Miles (1987) questioned the environmental validity of equity theory because the research that supports its fundamental ideas was done in lab settings and may not be applicable to real-world circumstances. According to Carrell and Dittrich (1978), people may view equity and injustice in terms of both the particular inputs and outputs of a relationship as well as the larger system that produces those inputs and outputs.

This theory was chosen given its usefulness on elaboration how employees view equitability at the workplace and will be used to corroborate the findings of the study in determining the effect of reward systems on employee performance at Technical University of Kenya Nairobi City County, Kenya. The theory supports the cash incentive, promotion and training variable.

2.3 Empirical Review

This study reviewed studies relating to cash incentives, employee recognition, promotion, and training on employee performance.

2.3.1 Cash Incentives and Employee Performance

Okoth (2014) sought to reveal the effect of reward management on employee performance in hotels in the North Coast of Kenya. The study utilized descriptive cross-sectional survey in the assessment of the employees’ performance. The primary data gathered was gotten by making use of structured questionnaire which was distributed in all the twenty-seven (27) beach resorts in...
North Coast of Kenya. The analysis of the data collected was done by using mean and standard deviation. The study discovered that there is a great complementary relationship between the employees’ performance and the reward being given to them. The study further revealed that the employees’ performance in the hotel was positively influenced due to the high reward management in the hotel. The aforesaid previously mentioned studies although similar are based on employee’s performance in a hotel and as such, this present study established the relationship between the reward system and employee performance in Technical University of Kenya, there is therefore a contextual gap.

Jean, Ngui and Robert (2017) assessed the effect of compensation strategies in employee performance in Mombasa Cement Limited in East Africa by using one hundred and fifty-three (153) employees of Mombasa cement. The respondents used were selected by the means of stratified sampling method. The primary data was obtained quantitatively using descriptive statistics and Pearson’s Correlation Method. The independent variables such as cash incentives, bonuses, promotion and allowances were found to positively influence the performance of the employees. The study then concluded that the cash incentives given to employees motivates them and helps the company to attract and retain employees. Despite the attempt of the previous study to establish the relationship between compensation strategies and employees’ performance in East Africa, it is only related to a cement industry, therefore this study aimed at establishing the relationship between rewards systems and employees’ performance in Technical University of Kenya.

Sitati (2017) carried out a study on the effects of incentives practices on employee retention in the hotel industry in Kenya. The study encompassed two hundred and thirteen (213) hotels registered in Kenya and a total of one hundred and thirty-seven (137) of them were chosen from
each of the regions using the stratified random sampling method. The primary data were obtained with the use of a questionnaire and the analysis done was carried out by the use of descriptive and inferential statistics. The study concluded that reward management and remuneration have a positive and significant effect on the employee retention in the hotel industry. Thus, adequate and attractive remuneration can enhance and increase the chance of employee retention in the hotel industry. Despite the aforementioned study’s aim to focus on the relationship between reward systems and employees’ performance, it failed to relate the study to cash incentives which this present study focused on using Technical University of Kenya.

Mendis (2017) investigated on how incentives influences the turnover intention of employees in logistic industries of Sri Lanka. The study made use of independent variables such as cash incentives, remuneration, employee recognition and balance to determine the turnover intention between the non-executive staff of the logistic industry of Sri Lanka. Data was obtained from ninety-seven (97) non-executive staffs with the use of a self-administered questionnaire. The study revealed that cash incentives, remuneration, employee recognition etc. were significantly and negatively correlated with the turnover intention. The study then concluded that there should be an improvement in the mode of rewarding employees both financially and non-financially and it should also be made more appealing so as to reduce the turnover intention of employees. However, the aforementioned study was based on the turnover intention of employees carried out in Sri Lanka while this present study focused on reward systems and employee performance of universities using the Technical University of Kenya as a case study.

Noozarem, Sabri and Nazir (2021) examined the effects of incentives on employees’ performance in Malaysia. The study made use of independent variables such as salary, bonuses, appreciation and medical benefits. The study adopted the use of convenience sampling and
distributed one hundred and thirty-two (132) sets of structured questionnaires using a quantitative approach to some certain participants. The data obtained was analyzed using correlation and regression analysis as well as SPSS software. The study came to a conclusion that all the independent variables aforementioned have a significant effect on the performance of the employees. Therefore, if the independent variables are improved efficiently, it will positively influence the employees’ performance. However, the previous study was conducted in Malaysia while this current study focused on reward systems and employee performance at Technical University of Kenya in Nairobi City County, Kenya.

2.3.2 Employee Recognition and Employee Performance

Tessema et al. (2013) assessed the effects of employee recognition, pay and benefits on job satisfaction in United States of America (USA), Vietnam and Malaysia. The study sought for respondents from Malaysia, USA and Vietnam and sampled one thousand one hundred and ninety-five (1195) students from the three (3) mid-western universities in USA, Vietnam and Malaysia with the aid of a questionnaire. Most of the respondents from the countries used were junior and senior business majors. The primary data obtained were analyzed using descriptive statistics such as mean, standard deviation and Analysis of variance (ANOVA). The result of the study revealed that the independent variables which includes employee recognition, pay and benefits have a significantly positive effect on the satisfaction derived by Job employees. However, the aforesaid study assessed the effect of employee recognition on Job satisfaction in some selected Universities in USA, Vietnam and Malaysia which makes the results of the findings quite vast, the study therefore investigates the effect of reward systems on employee performance at Technical University of Kenya in Nairobi City County, Kenya.
Meena, Girijia and Visagamoorthi (2019) analyzed the influence of recognition on employees’ motivation and job performance of banks in India. The research adopted the use of a descriptive research design by sampling one hundred and fourteen (114) respondents through the administration of a questionnaire. Only one hundred and ten (110) questionnaires were made use of due to the fact that the others contained certain errors. The research utilized a descriptive method to assess the attitude of the respondents. The data obtained were analyzed with Path analysis. The study discovered that the independent variables used in the research such as rewards and recognition influenced the employees’ motivation positively and in turn influences the performance of the employees as well as their outputs in banks. As a result, the aforesaid study is widely related to the influence of rewards and recognition of employees’ motivation and job performance of banks in India. Therefore, this current study focused on the effect of reward systems on employee performance at Technical University of Kenya in Nairobi City County, Kenya.

Hussain, Khaliq, Nisar, Kambih and Ali (2019) investigated the role of employee rewards, recognition and job-related stress towards employee performance in Lahore, Pakistan. The study made use of two hundred (200) questionnaires which were distributed among the employees of three (3) call centers in Lahore by random sampling. Out of the two hundred (200) questionnaires that were shared, one hundred and eighty (180) were gotten back from the respondents of the call centers for filling the questionnaires correctly. The primary data collected were then analyzed by the use of Confirmatory Factor Analysis (CFA) and Structure Equation Modelling (SEM). The study revealed that employee recognition and rewards significantly affects the employees’ performance positively and stress significantly affects the employees’ performance negatively. Thus, the study concluded that employee recognition has a positive
influence on how an employee performs efficiently. The previous study was however related to Pakistan call centers alone while this study focused more attention on the Technical University of Kenya.

Orajaka (2021) conducted a research on organizational performance and its effects to employee recognition and job satisfaction in some selected public universities in the South East of Nigeria. The research utilized the use of a survey research design to obtain data with the use of a questionnaire from five (5) states in Nigeria which includes; Abia, Anambra, Ebonyi, Enugu and Imo. The primary data gotten from the aforementioned states were derived from all non-academic staff of the universities that were chosen. The data were analyzed by the use of descriptive statistics, correlation tools and Mean Likert to determine the significant relationship between the variables. The research then showed that between the employee recognition and employee performance, there exists a significantly positive relationship between the non-academic staff in the university. The previous study was conducted in Nigeria and the research findings are mainly related to some selected universities. Therefore, this study examined reward systems on employees’ performance at Technical University of Kenya in Nairobi City County, Kenya.

2.3.3 Promotion and Employee Performance

Saharrudin (2016) explained in a study on the effect of promotion and compensation towards working productivity through job satisfaction and working motivation of employees in the department of water and mineral resources energy in North Aceh District in Indonesia that the independent variables such as promotion and compensation significantly affects the satisfaction, moral and productivity derived by an employee positively. The study examined ninety-one (91)
civil servants’ employees with the aid of a random sampling method in the department of water and mineral resources energy in Indonesia. The data obtained were analyzed statistically using the Statistical Package for the Social Sciences (SPSS). The result of the study showed that the above mentioned independent variables impacted the work productivity of the employees significantly and positively. Although, the aforementioned study is mainly related to department of water and mineral resources in Indonesia which is quite country specific, therefore this present study will make reference to Technical University of Kenya.

Ngure and Waiganjo (2017) researched on the factors influencing retention of health workers in the public health sector in Kenyatta National Hospital, Kenya. The research adopted the use of a case study research design and sampled four thousand nine hundred and fifty-five (4955) employees of the clinical and non-clinical staff of the Kenyatta National Hospital with the use of multistage sampling for the first stage and random sampling for the second stage. Structured questionnaires were distributed to the various staff selected as the respondents. The analysis used for analyzing the obtained data was descriptive statistics with the usage of graphs. The research concluded that promotion influences the retention rate of the health workers as well as their leadership style. Although, the previous study was carried out in Kenya, it only focused on the public health sector in Kenya; therefore, this study will establish the relationship between the rewards system and employees’ performance at Technical University of Kenya in Nairobi City County, Kenya.

Razak, Sarpan and Ramlan (2018) examined the influence of promotion and job satisfaction on employee performance in Makassar Government Region, Indonesia. The study randomly sampled fifty (50) employees of Makassar Government Region with the use of a descriptive survey technique and explanatory survey technique. The primary data were obtained from
different streams such as through interviews, observations and questionnaires while the secondary data obtained were gotten through documentations and reports available. The data analysis was conducted through path analysis to determine the sample size. The study concluded that the performance of the employees of Makassar Government Region was highly and positively influenced by the job promotion and satisfaction derived. The study focused on the influence of promotion and job satisfaction on employee performance in Indonesia while this current study will examine the effect of reward systems on employees’ performance using Technical University of Kenya. There is also a conceptual gap where the study used promotion and job satisfaction on employee performance and also a contextual gap where the study was done in Indonesia.

Magaji, Akpa and Ozioma (2018) sought to examine the effect of recognition and promotion on employees’ job satisfaction of selected outsourced service providers in Jos, Plateau, Nigeria. The study adopted the use of a survey research design and sampled five hundred and forty-one (541) employees of five (5) different outsourced service providers in Jos, Plateau. Questionnaires were shared to the employees of the outsourced service providers selected and of which only four hundred and forty-eight (448) of the questionnaires were chosen to be used due to some errors which were found in the rest of the questionnaires distributed, the data gathered from the study were analyzed with the use of simple linear regression and Pearson Product Moment Correlation Test. As a result, the study then concluded that promotion and recognition factors significantly affect the satisfaction derived by employees of the outsourced service providers positively. However, the previous study was specific to outsourced service providers in Plateau, Nigeria, this study will focus on Technical University of Kenya.
Ogini (2020) in a study that was conducted in Rivers state, Nigeria on the job promotion and employee commitment of public hospitals revealed that the independent variable which happens to be job promotion significantly affects the commitment of employees positively. The study through the use of a cross-sectional survey was able to generate data by the use of a self-administered questionnaire which were distributed to two hundred and eighty (280) employees of twelve (12) different hospitals in Rivers state. The primary data which were collected from the various employees were analyzed statistically with the aid of the Statistical Package for Social Sciences (SPSS). Thus, through the inculcation of effective job promotion as at when due, the performance of employees are greatly influenced. The study focused on public hospitals in Rivers state, Nigeria while this present study will focus on Technical University of Kenya.

### 2.3.4 Training and Employee Performance

Nuhu, Saliu, Abubakar and Abdullahi (2018) examined the effect of training on job satisfaction among academic staff of Bayero University, Kano, Nigeria. The study assessed one thousand five hundred and sixty-two (1562) academic staff of Bayero University and of which only three hundred and ten (310) staff were later used for the assessment. Questionnaires were given to the various respondents for the sample size of the study. Random sampling method was adopted for the study and the data analysis was conducted with the aid of Statistical Package for Social Sciences (SPSS). In the study, training was the independent variable while job satisfaction was the dependent variable. The result of the study then revealed that sponsoring of trainee remains the core factor that influences job satisfaction of the academic staff of Bayero University. However, the present study was conducted in Kano, Nigeria, the implication is that the result
cannot be generalized; hence this present study will focus on the effect of reward systems on employee performance at Technical University of Kenya in Nairobi City County, Kenya.

Karim, Choudhury and Latif (2019) investigated the impact of training and development on employees’ performance in Dhaka, Bangladesh. The study revealed that ten (10) questionnaires were distributed to various employees in the organization. A form of convenience sampling technique was used for the study. The independent variable implemented in the study includes training and development. Thirty (30) employees were sampled and self-administered questionnaire were distributed to them the study then revealed that most employees are influenced through training which results to an increase in performance rate of the employees. Therefore, there should be organized trainings for the staff for increased development of the organization. Notably, the aforementioned study was focused on an organization in Bangladesh, this study will thereby focus on the rewards system and employee performance using Technical University of Kenya. This study also possess a conceptual and contextual gaps.

Zafar and Zafar (2019) conducted a research on the nexuses between induction training and employee job satisfaction in Punjab University, Pakistan. A sample of two hundred and seventy (270) employees were selected according to Morgan Formula. The data were detailed with questions relating to the satisfaction derived from various induction trainings organized in the organization. The research showed that between the induction training and job satisfaction derived by employees, there is a positive significant relationship between them but a negative significant relationship exists between the organizational impact and the job satisfaction desired by employees. Although, the previous study was carried out in a University which is quite similar to this present study, it was however based in Pakistan while this current study will be
based on the influence of rewards system on employee performance at Technical University of Kenya in Nairobi City County, Kenya.

Omokojie et al. (2021) conducted a research on the impact of training on employees’ work performance, motivation and job satisfaction in Benin City, Nigeria. The study sampled two hundred and eight (208) employees consisting of twenty-three (23) management staff, one hundred and seventy-three (173) senior staff and eleven (11) junior staff of the Integrated Data Services limited (IDSL), Benin City by the means of stratified random sampling. The data was obtained by the use of a questionnaire and were then analyzed by the use of descriptive statistics such as mean, standard deviation, percentages and inferential statistics as well. The data was then analyzed by the use of Statistical Package for Social Sciences (SPSS). At the end of the study, it was concluded that training which the independent variable is has a significant relationship between the satisfaction derived by the employees from their job and the employees’ development. The aforementioned study was limited to the context of Nigeria using Integrated Data Services Limited (IDSL), this current study will establish the relationship between rewards system and employee performance at Technical University of Kenya in Nairobi City County, Kenya.
### 2.4 Summary of Literature Review and Research Gaps

#### Table 2.1: Summary of Literature Review and Research Gaps

<table>
<thead>
<tr>
<th>Researcher/Year</th>
<th>Purpose of the Study</th>
<th>Key Findings</th>
<th>Research Gaps</th>
<th>Addressing Research Gaps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tessema, Ready and Embaye (2013)</td>
<td>Assessed the effect of employee recognition, pay and benefits on job satisfaction in USA, Vietnam and Malaysia.</td>
<td>The study concluded that the independent variables have a positive significant effect on the satisfaction derived by job employees.</td>
<td>The previous study assessed the effect of employee recognition on Job satisfaction in some selected Universities in USA, Vietnam and Malaysia which makes the results of the findings quite vast.</td>
<td>This current study therefore examines the rewards system on employees’ performance at Technical University of Kenya in Nairobi City County, Kenya.</td>
</tr>
<tr>
<td>Okoth (2014)</td>
<td>Assessed the effect of reward management on employee performance in hotels in North coast, Kenya.</td>
<td>The study revealed that the employees performance in the hotel was positively influenced due to high reward management in the hotel.</td>
<td>Inspite of the similarity, this study failed to focus on universities in Kenya but focused on Hotels in Kenya.</td>
<td>Therefore, the present study focused on the reward systems on employee performance at Technical University of Kenya in Nairobi City County, Kenya.</td>
</tr>
<tr>
<td>Saharrudin (2016)</td>
<td>Sought to reveal the effect of promotion and compensation towards working productivity through job satisfaction and working motivation of employees in Indonesia.</td>
<td>The result of the study revealed that promotion and compensation impacted the work productivity of the employees significantly.</td>
<td>The study is mainly related to department of water and mineral resources in Indonesia which is quite country specific.</td>
<td>Thus, this present study determined the rewards system on employees performance at Technical University of Kenya.</td>
</tr>
<tr>
<td>Jean, Ngui and Robert (2017)</td>
<td>Described the effect of compensation strategies on</td>
<td>The research concluded that cash incentives given to</td>
<td>Despite the attempt of the previous study to establish the relationship between rewards systems and</td>
<td>This study aimed at establishing the relationship between rewards systems and</td>
</tr>
<tr>
<td>Study</td>
<td>Research Question</td>
<td>Findings</td>
<td>Context</td>
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<td></td>
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<tr>
<td>Ngure and Waiganjo (2017)</td>
<td>Examined the factors influencing the retention of health workers in the public health sector in Kenya.</td>
<td>The research concluded that promotion influences the retention rate of the health workers as well as their leadership style.</td>
<td>Although, the previous study was carried out in Kenya, it only focused on the public health sector in Kenya. Therefore, this study established the relationship between the rewards system and employees’ performance in Technical University of Kenya.</td>
<td></td>
</tr>
<tr>
<td>Sitati (2017)</td>
<td>Conducted a study on the effects of reward management practices on employee retention in a hotel in Kenya.</td>
<td>The study concluded that reward management and remuneration have a positive significant effect on the employee retention in the hotel industry.</td>
<td>Despite the aforementioned study’s aim to focus on the relationship between the reward system and employees’ performance, it failed to relate the study to cash incentives. This present study focused on the reward systems on employee performance in Technical University of Kenya.</td>
<td></td>
</tr>
<tr>
<td>Razak, Sarpan and Ramlan (2018)</td>
<td>Examined the influence of promotion and job satisfaction on employee performance in Indonesia.</td>
<td>The study concluded that the performance of the employees was highly and positively influenced by job promotion and job satisfaction.</td>
<td>This current study examined the reward systems on employees’ performance in Technical University of Kenya.</td>
<td></td>
</tr>
<tr>
<td>Nuhu, Salisu, Abubakar and Abdullahi (2018)</td>
<td>Examined the effect of training on job satisfaction among academic</td>
<td>The result of the study revealed that sponsoring of trainee remains a core</td>
<td>However, the present study was conducted in Kano, Nigeria, the Hence this present study focused on the reward systems on employee performance in</td>
<td></td>
</tr>
<tr>
<td>Authors</td>
<td>Study Description</td>
<td>Key Findings</td>
<td>Study Type</td>
<td></td>
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<tr>
<td>-------------------------------</td>
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<td>------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
<td></td>
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<tr>
<td>Magaji, Ozioma and Norom (2018)</td>
<td>Sought to examine the effect of recognition and promotion on employees job satisfaction of selected outsourced service providers in Plateau, Nigeria.</td>
<td>As a result, promotion and recognition factors significantly affects the satisfaction derived by employees of the outsourced service providers positively.</td>
<td>This current study focused on rewards system on employees’ performance in Technical University of Kenya.</td>
<td></td>
</tr>
<tr>
<td>Hussain, Khaliq, Nisar, Kamboh and Ali (2019)</td>
<td>Investigated the role of employee rewards, recognition and job-related stress towards employee performance in Pakistan.</td>
<td>The empirical review pointed out the fact that employee recognition has a positive influence on the efficient performance of an employee.</td>
<td>This present study focused on the rewards system on employees performance in Pakistan using Technical University of Kenya.</td>
<td></td>
</tr>
<tr>
<td>Karim, Choudhury and Latif (2019)</td>
<td>Investigated the impact of training and development on employees’ performance in Dhaka, Bangladesh.</td>
<td>The study concluded that most employees were influenced through training which resulted to an increased performance rate of the employees.</td>
<td>This study thereby focused on the rewards system and employee performance in universities in Kenya using Technical University of Kenya.</td>
<td></td>
</tr>
<tr>
<td>Meena, Girija and Visagamoorthi (2019)</td>
<td>Analyzed the influence of rewards and recognition on employers motivation and The study discovered that rewards and recognition influenced the employees’ performance at Technical University of Kenya.</td>
<td>The previous study is widely related to the influence of rewards and recognition of employee performance at Technical University of Kenya.</td>
<td>This current study focused on the rewards system on employees performance in Technical University of Kenya.</td>
<td></td>
</tr>
<tr>
<td>Authors</td>
<td>Research Details</td>
<td>Findings</td>
<td>University of Kenya</td>
<td></td>
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<td>-----------------</td>
<td>-------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
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<td></td>
</tr>
<tr>
<td>Zafar and Zafar (2019)</td>
<td>Conducted a research on the nexuses between induction training and employee job satisfaction in Punjab University, Pakistan.</td>
<td>Although, the previous study was carried out in a University which is quite similar to this present study, it was however based in Pakistan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ogini (2020)</td>
<td>Conducted a research on the job promotion and employee commitment of public hospitals in Rivers, Nigeria.</td>
<td>The study focused on public hospitals in Rivers state, Nigeria.</td>
<td>This current focused on rewards system on employees performance in Technical University of Kenya.</td>
<td></td>
</tr>
<tr>
<td>Orajaka (2021)</td>
<td>Conducted a research on organizational performance and its effects to employee recognition and job satisfaction in some selected private universities in South east, Nigeria.</td>
<td>The previous study was conducted in Nigeria and the research findings are mainly related to some selected universities.</td>
<td>This study examined the reward systems on employees’ performance in Technical University of Kenya.</td>
<td></td>
</tr>
<tr>
<td>Authors</td>
<td>Methodology</td>
<td>Findings</td>
<td>Current Study</td>
<td></td>
</tr>
<tr>
<td>----------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Noorazem, Sabri and Nazir (2021)</td>
<td>Examined the effects of reward system on employees’ performance in Malaysia.</td>
<td>The study revealed that all the aforementioned independent variables have a significant effect on the employees’ performance.</td>
<td>The current study focused on the reward systems on employee performance in Technical University of Kenya.</td>
<td></td>
</tr>
<tr>
<td>Omokojie et al. (2021)</td>
<td>Conducted a research on the impact of training on employees’ work performance, motivation and job satisfaction in Benin, Nigeria</td>
<td>Training, being the independent variable was concluded to have a significant effect between the satisfaction derived by the employees and the employees’ development.</td>
<td>This current study established the relationship between the rewards system on employee performance in Technical University of Kenya.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher (2022)

2.5 Conceptual Framework

According to Kumar (2014) this is a timely explanation of the research by the researcher. The aim of the conceptual framework is to assist the reader rapidly understand the primary variables, important elements, ideas and the supposed pattern of association between them. The conceptual framework in this study illustrates the perceived link of four main sets of variables; Cash incentives, Employee recognition, Promotion and Training and reward and reward systems. (independent variables), and employee performance (dependent variable)
Figure 2.1: Conceptual Framework

Source: Researcher (2022)
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction
This chapter described the logical sequence of methods and procedures that were employed in collecting information. This study included the research design, target population, sample size, data collection instruments, reliability and validity of the instruments, data analysis and ethical considerations.

3.2 Research Design
Kothari (2011) defines the research design as the blue print for the collection, measurement and analysis of data. It specifies the methods and procedures for collecting and analyzing the information needed. The study used descriptive research design to examine the effect of reward systems on employee performance at Technical University of Kenya in Nairobi City County. Mugenda and Mugenda (2003) described descriptive design as a collection and data analysis in order to answer questions concerning current status of a program, project or activity. The rationale for choosing this design was that it enables the researcher to describe the variables of interest in terms of their characteristics (Creswel (2016).

3.3 Target Population
In line with Mugenda and Mugenda (2003), target population is the specific element selected for a research study. Target population consisted of 361 employees which consists of both academic staff and administrative personnel of the Technical University of Kenya. The employees were drawn from various Departments within the University which will include Human Resources,
Faculties, Schools, Finance, Administration, Procurement & Supply Chain, Technical Support Services, Corporate Affairs, and Quality Assurance Departments. This consisted of the Senior Management, Middle Management, and Lower Level as indicated in table 3.1.

Table 3.1: Target Population

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>POPULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Professors</td>
<td>7</td>
</tr>
<tr>
<td>Associate Professors</td>
<td>13</td>
</tr>
<tr>
<td>Senior Lecturers</td>
<td>51</td>
</tr>
<tr>
<td>Lecturers</td>
<td>82</td>
</tr>
<tr>
<td>Non-Academic (Administrative Personnel (Grades 10-14)</td>
<td>208</td>
</tr>
<tr>
<td>TOTAL</td>
<td>361</td>
</tr>
</tbody>
</table>

3.4 Sample and Sampling Technique

A sample is a subset of an entire population needed for a study (Cooper & Schindler, 2009). According to (Amin, 2015) sampling is a process of selecting variables from an accessible population in such a way that the variables selected represents the population on which the results of an investigation is to be generalized. The sample technique that was used was stratified random sampling technique where every respondent has equal chance of participation. According to (Mugenda, 2008). Sample size of 10%, or 20% or 30% of the target population were representative sample size of all the subjects supervised from one central place. The researcher used 30% of the target population of 361 respondents comprising of university Professors, Associate Professors, Lecturers and non-academic members of staff grades 10 - 14 of the Technical University of Kenya. The sample size was 108 respondents.
Table 3.2: Sample Size

<table>
<thead>
<tr>
<th>Category</th>
<th>Population</th>
<th>Percentage</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Professors</td>
<td>7</td>
<td>30%</td>
<td>2.1</td>
</tr>
<tr>
<td>Associate Professors</td>
<td>13</td>
<td>30%</td>
<td>3.9</td>
</tr>
<tr>
<td>Senior Lecturers</td>
<td>51</td>
<td>30%</td>
<td>15.3</td>
</tr>
<tr>
<td>Lecturers</td>
<td>82</td>
<td>30%</td>
<td>24.6</td>
</tr>
<tr>
<td>Non-Academic (Administrative Personnel) (Grades 10-14)</td>
<td>208</td>
<td>30%</td>
<td>62.4</td>
</tr>
<tr>
<td>TOTAL</td>
<td><strong>361</strong></td>
<td><strong>30%</strong></td>
<td><strong>108.3</strong></td>
</tr>
</tbody>
</table>

Source: Researcher (2022)

3.5 Data Collection Instrument

The study used semi-structured questionnaires as the main tool for collecting primary data given the nature of the data which is to be collected, the time available and the objectives of the study (Oso and Onen, 2018). The main tools for gathering data were questionnaires. The impact of reward systems on employee performance was looked at through the questionnaires. According to Mugenda and Mugenda (2013), using questionnaires is a simple way to gather data from a wide population because they are less biased, provide the respondent ample time to answer the questions, and are practical for respondents who are unreachable because they be responded to online. The study used closed-ended questions. The questionnaires were composed of a five-point Likert scale. In order to validate the entire data gathering procedure, the obtained data completed after acquiring the necessary permission papers from NACOSTI.

3.6 Data Collection Procedure

The researcher visited various departments and sections within Technical University of Kenya for the purposes of introduction, familiarization and administration. Close ended and well-
structured questionnaires were used in the study to collect data since this method of data collection proves to be reliable, cheap and easy to administer. It also helped to capture hidden meanings. The researcher oversaw the whole process, ensured the conformity to the set standards and emphasize the confidentiality to the respondents. The researcher applied to NACOSTI to authorize the study and ask for an authorization letter from Technical University of Kenya. The researcher also sought permission from the ethics committee of the university.

3.7 Pilot Study
A pilot study is a research study done before the real intended research (Kothari, 2014). This study helped the researcher select questions that were vague and instructions that fetch irrelevant answers. Efficiency of an instrument was acquired and all the suggestions of the respondents included in the final instrument of research. The researcher conducted a pilot study before distribution of questionnaires for data collection. 10% of the respondents at TUK who represented 10 respondents participated in the pilot study and they were not part of the main study.

3.8 Validity and Reliability of the Research Instruments
The researcher conducted validity and reliability on the instrument that was used in the study.

3.8.1 Validity of Research Instrument
According to Cohen et al. (2000), the instrument's validity ensures the sufficiency and correctness of the data that was gathered. The research instrument which is questionnaire was subject to both content and construct validity. In order to eliminate any authenticity and make sure that the instrument’s questions evaluated the stated goal, the academic supervisors aided in
examining the study tool. To guarantee that all inquiries are consistent for simplicity of evaluation, this underwent a regular development phase. The quality of the questions used to test the hypothesis was another issue. After the pilot research was completed, changes were made based on the feedback received. The outcome of the inquiry was double-checked by the investigator to see if the research’s stated goal was achieved. After the pilot study, the tool was also questioned by colleagues and university supervisor.

### 3.8.2 Reliability of Research Instrument

Kothari (2004) defines reliability of a research instrument by determining its consistency and trustworthiness in being used to undertake the study. For this study, Cronbach-Alpha will be used to test the internal consistency of the research instrument which implies that a higher value of the Cronbach-Alpha coefficient signifies an increase in the consistency and trustworthiness of the research instrument. The reliability of the study measures was assessed by computing Cronbach’s Alpha coefficient for all items in the questionnaire and the overall assessment to be given (Sekaran & Bougie, 2010). A Cronbach’s alpha coefficient of 0.7 was used as a threshold (Stevens, 2002).

### 3.9 Data Analysis and Presentation

According to (Bryman and Grammar, 1997), data analysis sought to fulfill research objectives and provide answers to research questions. The choice of analysis procedures depended on how well the techniques were suited to the study objectives and scale measurements of the variable in question. The data collected was analyzed using descriptive statistics and multiple regression analysis on the Statistical Package for Social Sciences (SPSS) platform to allow computation
according to the objectives of the study. The questionnaires were subsequently sorted, coded, categorized and finally tabulated. This was followed by data interpretation, which was referred to the task of drawing inferences from the collected facts. The results of the analysis was then presented in tables and charts.

The study also adapted the use of inferential analysis within the multi-regression model. The model showed the degree of influence between the study and variables as below:

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

\( Y \) = Employee Performance

\( \beta_0 \) = Constant

\( X_1 \) = Cash Incentives

\( X_2 \) = Employee Recognition

\( X_3 \) = Promotion

\( X_4 \) = Training

\( \varepsilon \) = Error term

3.10 Ethical Consideration

The researcher ensured the research was designed in such a manner that the respondent does not suffer physical harm, pain, discomfort, embarrassment or loss to privacy. The researcher explained the study benefits, obtain informed consent and explain to respondents’ rights and protection of the ethics in research. In addition, the researcher collected a research permit from
the National Council of Science, Technology and Innovation (NACOSTI). The researcher assured the respondent’s anonymity and confidentiality by not quoting the names and re-assuring them that the feedback was only for the purpose of the study.
CHAPTER FOUR
RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

The chapter presented the research findings on effect of compensation schemes on employee performance at Technical University, Nairobi City County, Kenya. The compensation schemes indicators were financial incentives, employee recognition, promotions and training. Descriptive statistics analysis and inferential statistics analysis were presented in the following sections.

4.2 Response Rate

This is the total number of completed and returned surveys obtained from the respondent (Maxwell, 2015). 108 respondents/questionnaires were distributed, and 93 of them received a full response—a 86% response rate. According to Mugenda & Mugenda (2003), 50% is adequate, 60% is fantastic, and 70% is very good. This was a really good response for the study.

Figure 4.1 Response Rate
Source: Researcher (2022)
4.3 Reliability Tests

Cronbach Alpha was used to test reliability. A score of 0.7 was the cut off point.

Table 4.1: Reliability Results

<table>
<thead>
<tr>
<th>Variables</th>
<th>No. of Items</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Incentives</td>
<td>5</td>
<td>0.801</td>
</tr>
<tr>
<td>Employee Recognition</td>
<td>5</td>
<td>0.793</td>
</tr>
<tr>
<td>Promotion</td>
<td>5</td>
<td>0.812</td>
</tr>
<tr>
<td>Training</td>
<td>5</td>
<td>0.722</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>5</td>
<td>0.800</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>5</strong></td>
<td><strong>0.786</strong></td>
</tr>
</tbody>
</table>

Source: Researcher (2022)

The reliability score indicated by Alpha coefficients of 0.801, 0.793, 0.812, 0.722 and 0.800 for cash incentives, employee recognition, promotion, training and employee performance respectively.

4.4 Demographic Information

The study examined the respondent's gender, age, and educational background

4.4.1 Gender of the Respondents

Table 4.2 Gender of the Respondents

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>55</td>
<td>59.1</td>
</tr>
<tr>
<td>Female</td>
<td>38</td>
<td>40.9</td>
</tr>
<tr>
<td>Total</td>
<td>93</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Researcher (2022)
The study found that the male respondents were 59.1% (55) and the female respondents were 40.9% (38). This indicated that majority of the employees in the Technical university in the cadre of university Professors, Associate Professors, Lecturers and non-academic members of staff grades 10 – 14 were men.

4.4.2 Age of the Respondents

The study results on the age of the employees working in Technical university under the category of university Professors, Associate Professors, Lecturers and non-academic members of staff grades 10 – 14 were presented in Table 4.3.

Table 4.3 Age of the Respondents

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 30</td>
<td>21</td>
<td>22.6</td>
</tr>
<tr>
<td>30 to 40 Years</td>
<td>24</td>
<td>25.8</td>
</tr>
<tr>
<td>41 to 50 Years</td>
<td>18</td>
<td>19.4</td>
</tr>
<tr>
<td>More Than 55</td>
<td>30</td>
<td>32.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>93</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Researcher (2022)

The findings indicated that 22.6% of the respondents (21) had 30 years and below. The respondent with 30 to 40 years were 24 employees representing 25.8 %. 41 to 50 years age respondents were 18 representing 19.4% and the majority were above 55 years old represented by 32.2%.
4.4.3 Educational Qualifications

The section presents the educational qualification of the university Professors, Associate Professors, Lecturers and non-academic members of staff grades 10 – 14

Table 4.4 Education Qualification

<table>
<thead>
<tr>
<th>Qualification</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSCE</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Diploma</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Bachelor’s Degree</td>
<td>32</td>
<td>34.4</td>
</tr>
<tr>
<td>Masters</td>
<td>12</td>
<td>12.9</td>
</tr>
<tr>
<td>PhD</td>
<td>49</td>
<td>52.7</td>
</tr>
<tr>
<td>Total</td>
<td>93</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Researcher (2022)

The study results indicated that the highest number of the respondents 52.7% had PhD. The respondents with bachelor degree were 34.4%. The employees with master degree were 12.9%. The results clearly shows majority were PhD holders corresponding to their job requirements in the categories of university professors, associate professors and lecturers.

4.5 Descriptive Statistics

Descriptive statistics, particularly the standard derivation and mean, were used to analyze the findings. The likert scale's 1 to 5 points represented the mean score range. The extent of variation among the responses was indicated by the standard deviation.

4.5.1 Cash Incentives and Employee Performance

The Table 4.5 presents the results on cash incentives indicators which included; bonuses, remuneration, increase in pay and allowance.
Table 4.5 Cash Incentives and Employee Performance

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash incentives improves my performance and productivity</td>
<td>4.1204</td>
<td>.63186</td>
</tr>
<tr>
<td>Rewards in form of cash makes me happy</td>
<td>4.0000</td>
<td>.50000</td>
</tr>
<tr>
<td>I prefer cash incentives to other forms of reward systems</td>
<td>3.8710</td>
<td>.44705</td>
</tr>
<tr>
<td>Bonuses are given to encourage me</td>
<td>4.0010</td>
<td>.33654</td>
</tr>
<tr>
<td>Allowances given to me aids my performance</td>
<td>4.1111</td>
<td>.33705</td>
</tr>
<tr>
<td><strong>Aggregate Score</strong></td>
<td><strong>4.0207</strong></td>
<td><strong>0.4505</strong></td>
</tr>
</tbody>
</table>

**Source:** Researcher (2022)

The aggregate mean score of 4.0207 corresponds to “agree” in the five key likert scale. The standard deviation of 0.4505 indicates that the mean responses were plus or minus 0.4505 around the mean. The low standard deviation which is below the recommended plus or minus 2 indicated a low dispersion rate. Majority of the respondents indicated that cash incentives improves their performance and productivity (Mean=4.1204, Std Dev=0.63186). The respondents indicated that rewards in form of cash makes them happy (M=4.0), they preferred cash incentives to other forms of reward systems (M=3.87), and that allowances given to them aids their performance (Mean=4.11).

The study agrees with Okoth (2014) found that the performance of the employees and the compensation they get had a strong complementing relationship. The study also showed that the high incentive management had a favorable impact on the performance of its staff. Jean, Ngui and Robert (2017) supported that cash incentives, bonuses, promotion and allowances were found to positively influence the performance of the employees. The study then concluded that the cash incentives given to employees motivates them and helps the company to attract and retain employees. The study concurs with Noozarem, Sabri, and Nazir (2021) that pay, bonuses, preciation, and medical benefits significantly affect the employees' performance.
4.5.3 Employee Recognition and Employee Performance

The section presents employee recognition results. The proxies were appreciation, involvement in decision making, recognition of efforts and letter of commendation. Table 4.6 presents the results.

Table 4.6 Employee Recognition and Employee Performance

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>My Employer appreciates me for job well done</td>
<td>3.5158</td>
<td>.51692</td>
</tr>
<tr>
<td>My employer involves me in decision making</td>
<td>3.1720</td>
<td>.60115</td>
</tr>
<tr>
<td>My employer recognizes my efforts</td>
<td>3.5376</td>
<td>.50128</td>
</tr>
<tr>
<td>My employer appreciates my work through official recognition which helps to improve</td>
<td>3.3441</td>
<td>.48865</td>
</tr>
<tr>
<td>I am being given letter of commendation sometimes</td>
<td>3.1441</td>
<td>.47764</td>
</tr>
<tr>
<td><strong>Aggregate Score</strong></td>
<td><strong>3.3427</strong></td>
<td><strong>.51713</strong></td>
</tr>
</tbody>
</table>

Source: Researcher (2022)

Generally, the results indicated that recognition of employees was moderately done as represented by a score of 3.3427 corresponding to “moderate score” in the five key likert scale. The standard deviation was low as indicated by an aggregate score of 0.51713 and indicating that all the responses were close to the mean score of 3.3427. Therefore, it was deduced that the employer moderately appreciates job well done, moderately involves the employees in decision making and employer moderately recognizes employees efforts as represented by moderate mean of 3.5, 3.1 and 3.5 respectively. The results also indicated that the employer moderately appreciates employees work through official recognition and that letter of commendation was sometimes given (Mean of 3.3 and 3.1 respectively).
The study agrees with Tessema et al., (2013) showed that employee recognition, compensation, and perks are among the independent factors that have a substantial beneficial impact on workers' job satisfaction. The study was supported by Meena, Girijia and Visagamoorthi (2019) that awards and recognition had a favorable impact on the employees' motivation, which in turn affected their performance. The results were also supported by Hussain et al., (2019) that awards, recognition, and employment stress affected workers’ performance. The results agrees with Orajka (2021) who revealed a highly beneficial association between employee performance and employee recognition among university non-academic staff members.

4.5.3 Promotion and Employee Performance

The study results in this section presents the findings related to employee promotion. Table 4.7 summarised the findings.

Table 4.7 Employee Promotion

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I get promotion as a reward for my efforts</td>
<td>2.6441</td>
<td>.47764</td>
</tr>
<tr>
<td>Promotion comes with more responsibility and higher pay</td>
<td>3.0301</td>
<td>.50616</td>
</tr>
<tr>
<td>Promotion increases my performance</td>
<td>3.1441</td>
<td>.47764</td>
</tr>
<tr>
<td>Promotion has a lot to do with gaining more skills</td>
<td>3.0001</td>
<td>.47764</td>
</tr>
<tr>
<td>Promotion enhances job satisfaction</td>
<td>3.7011</td>
<td>.50616</td>
</tr>
<tr>
<td><strong>Aggregate Score</strong></td>
<td><strong>3.1039</strong></td>
<td><strong>.48905</strong></td>
</tr>
</tbody>
</table>

Source: Researcher (2022)

The result indicates that the aggregate score were mean of 3.1039 and standard deviation of 0.48905. The aggregate mean corresponds to moderately agree in the likert scale used in the questionnaire. The low standard deviation of 0.48905 indicates low variation in the respondents views relating to employee promotion. As a result the individual mean score of 2.6, 3.03, 3.1, 3.0
indicated that moderately employees get promotion, moderately promotion comes with more responsibility and higher pay, moderately promotion increased employee performance, moderately helped in gaining more skills. However, majority of the respondents indicated that promotion enhances job satisfaction (Mean=3.7011).

The study agrees with Ngure and Waiganjo (2017) that promotion influences the retention rate of the workers as well as their leadership style. Further, Razak, Sarpan, and Ramlan (2018 findings indicated that job promotion had a considerable, favorable influence on the employees' job productivity. Magaji, Akpa, and Ozioma (2018) found that promotion and recognition have a favorable impact on the happiness that employees of outsourced service providers experience. Moreover, Ogini (2020) established that job advancement, had a favorable impact on employee engagement.

4.5.4 Employee Training and Employee Performance

The results on employee training was presented in the table 4.8.
Table 4.8 Employee Training and Employee Performance

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training organized by my organization helps to improve my skill set</td>
<td>4.2796</td>
<td>.53903</td>
</tr>
<tr>
<td>Seminars are organized frequently</td>
<td>4.3441</td>
<td>.40700</td>
</tr>
<tr>
<td>My organization organizes Conferences and summit</td>
<td>4.0066</td>
<td>.47764</td>
</tr>
<tr>
<td>I do attend training organized</td>
<td>4.4731</td>
<td>.50198</td>
</tr>
<tr>
<td>My organization has a corporate policy for organizing training</td>
<td>4.4086</td>
<td>.49424</td>
</tr>
<tr>
<td><strong>Aggregate Score</strong></td>
<td><strong>4.3024</strong></td>
<td><strong>.48400</strong></td>
</tr>
</tbody>
</table>

**Source:** Researcher (2022)

The result indicates that the aggregate score were mean of 4.3 and standard deviation of 0.48400. The aggregate mean corresponds to “agree” in the likert scale used in the questionnaire. The low standard deviation of 0.48400 indicates low variation in the respondents views relating to employee training. As a result the individual mean score of 4.2796, 4.3441, 4.0066, 4.4731 and 4.4086 indicated that to a great extent seminars, conferences and summit were organized frequently and that the university has a corporate policy for organizing training respectively.

The study agrees with Nuhu et al., (2018) results also revealed that trainee sponsorships is still a significant factor in the degree of job satisfaction. Karim, Chouhury, and Latif (2019) revealed that most employees were influenced through training which results to an increase in performance rate of the employees. Zafar and Zafar (2019) revealed a positive significant association between induction program and work satisfaction experienced by employees, but a significantly negative connection between organisational effectiveness and intended job satisfaction.
4.5.5 Employee Performance

The results on employee performance were presented in the section below. Table 4.9 presented the results.

Table 4.9 Employee Performance

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The management receives feedback from employees in regards to their efficiency</td>
<td>4.0731</td>
<td>.50198</td>
</tr>
<tr>
<td>Employees are motivated for their performance</td>
<td>3.0806</td>
<td>.49613</td>
</tr>
<tr>
<td>There is high level of productivity among employees</td>
<td>3.4731</td>
<td>.50198</td>
</tr>
<tr>
<td>Employees are rewarded for their productivity</td>
<td>3.4001</td>
<td>.50018</td>
</tr>
<tr>
<td>Students are satisfied with high performance of staff</td>
<td>3.2213</td>
<td>.51111</td>
</tr>
<tr>
<td><strong>Aggregate Score</strong></td>
<td><strong>3.7000</strong></td>
<td><strong>.50228</strong></td>
</tr>
</tbody>
</table>

Source: Researcher (2022)

The result on employee performance indicated that the management receives feedback from employees in regards to their efficiency (Mean=4.0731, Std Dev=.50198). Employees were moderately motivated for their performance (Mean=3.0806, Std Dev=0.49613). There was moderate level of productivity among employees in Technical University as indicate by a moderately mean of 3.4731 and standard deviation of 0.50198. Employees were moderately rewarded for their productivity as shown by a moderately mean of 3.4001 and low standard deviation of 0.50018. The results further demonstrated that the students were moderately satisfied with high performance of staff (Mean=3.2213, Std Dev=0.51111).

4.6 Inferential Statistics

The results in correlation table and the regression tables helped to make inferences from the sampled 93 employees in the Technical University.
4.6.1 Correlation Analysis

<table>
<thead>
<tr>
<th>Cash Incentives</th>
<th>Employee Recognition</th>
<th>Promotion</th>
<th>Training</th>
<th>Employee Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>93</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.517**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.500</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>93 93</td>
<td>93</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.230*</td>
<td>-.122</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.027</td>
<td>.243</td>
<td>93 93</td>
<td>1</td>
</tr>
<tr>
<td>N</td>
<td>93 93 93</td>
<td>93 93 93</td>
<td>93 93</td>
<td>93 93</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.203</td>
<td>-.154</td>
<td>.992**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.151</td>
<td>.140</td>
<td>.500</td>
<td>93</td>
</tr>
<tr>
<td>N</td>
<td>93 93 93</td>
<td>93 93 93</td>
<td>93 93</td>
<td>93 93</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.591**</td>
<td>.570**</td>
<td>.612**</td>
<td>.579**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>93 93 93</td>
<td>93 93 93</td>
<td>93 93</td>
<td>93 93</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Source: Researcher (2022)

The correlation coefficients 0.591, 0.570, 0.612 and 0.579 were all significant at 95% confidence interval indicating that the correlation between independent variables (cash incentives, employee recognition, promotion and training) and dependent variable (employee performance) were positive strong and significant.
Table 4.11 Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.901a</td>
<td>.811</td>
<td>.803</td>
<td>1.55113</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Cash Incentives, Employee Recognition, Promotion, Training

**Source: Researcher (2022)**

Table 4.11 presents the coefficient of determination (adjusted R Square) and correlation coefficient (R). The R value of 0.901 indicates that the dependent and independent variables were strongly correlated. The adjusted R square value of 0.803 indicated that 80.3% changes in employee performance was determined by changes in cash incentives, employee recognition, promotion, and training.

Table 4.12 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>909.454</td>
<td>4</td>
<td>227.364</td>
<td>94.498</td>
<td>.000b</td>
</tr>
<tr>
<td>1</td>
<td>211.729</td>
<td>88</td>
<td>2.406</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1121.183</td>
<td>92</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Performance
b. Predictors: (Constant), Cash Incentives, Employee Recognition, Promotion, Training

**Source: Researcher (2022)**

The results indicated that the model was fit to test the linear relationship amongst variables at 95% confidence interval (sig<0.000)
Table 4.13 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>10.162</td>
<td>3.274</td>
<td></td>
<td>3.104</td>
</tr>
<tr>
<td>Cash Incentives</td>
<td>.652</td>
<td>.266</td>
<td>.142</td>
<td>2.456</td>
</tr>
<tr>
<td>Employee Recognition</td>
<td>1.323</td>
<td>.135</td>
<td>.565</td>
<td>9.824</td>
</tr>
<tr>
<td>Promotion</td>
<td>1.769</td>
<td>.690</td>
<td>.967</td>
<td>2.564</td>
</tr>
<tr>
<td>Training</td>
<td>-.579</td>
<td>.681</td>
<td>-.321</td>
<td>-.851</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Performance

Source: Researcher (2022)

The model adopted was; \( Y = 10.162 + 0.652X_1 + 1.323X_2 + 1.769X_3 + \varepsilon \)

The results indicated that holding cash incentives, employee recognition, promotion and training constant, the value of Y intercept/employee performance was 10.162 units. The results in Table 4.13 indicated that cash incentives had positive and significant effect on employee performance. The values of B coefficients of 0.652 indicates that a unit change in cash incentives resulted to 0.652 units changes in employees performance. The results were supported by Okoth (2014) that the incentive management had a favorable impact on the performance of its staff. Jean, Ngui and Robert (2017) found that cash incentives has a significant effect on employees performance. The results were supported by Sitati (2017) that incentive management and compensation significantly and favorably impact employee performance.

The findings also indicated that employee recognition had a positive and significant effect on employee performance. A unit increase in employee recognition resulted to 1.323 units changes in employee performance and vice versa. The study agrees with Tessema et al., (2013) that employee recognition significantly affects employee performance. The findings agrees with Meena, Girijia and Visagamoorthi (2019) that employees recognition positively and significantly
affects employee performance. The study results agrees with Orajka (2021) that employee recognition has a positive significant effect on employee performance.

The results in Table 4.13 indicates that promotion significantly affected the employee performance at 5% significance level (B=1.769, sig<0.05). A positive change in employee promotion resulted to a positive unit change in employee performance. A unit change in promotion resulted to 1.769 units changes in employee performance. The study agrees with Saharrudin (2016) that employee promotion had significant effect on employee performance. The study agrees with Ngure and Waiganjo (2017) that promotion significantly influences the employee performance. The result agrees with Razak, Sarpan, and Ramlan (2018) promotions significantly affects workers' performance.

The results presented in table 4.13 indicates that training had insignificant effect on employee performance. A change in training had no statistical effect on the changes of employee performance. The study disagrees with Abubkar and Abdulahi (2018) results which revealed that training significant affects employee performance. The study disagrees with Karim, Chouhury, and Latif (2019) that training significantly impact employees performance. Zafar and Zafar (2019) also disagreed training has a positive significant association with work satisfaction experienced by employees.
CHAPTER FIVE
SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
The chapter presents the summarized results based on the study objectives and findings obtained in chapter four. The conclusions were guided by the statistical results obtained in the correlation and regression. Recommendations were also based on the study results guided by the individual study objectives.

5.2 Summary of the Findings
The results on cash incentives indicators which included; bonuses, remuneration, increase in pay and allowance presented that majority of the respondents indicated that cash incentives improve their performance and productivity. The respondents indicated that rewards in form of cash makes them happy. Majority indicated that they preferred cash incentives to other forms of reward systems and that allowances given to them aids their performance.

The results on employee recognition related to employee appreciation, involvement in decision making, recognition of efforts and letter of commendation. Generally, the results indicated that recognition of employees was moderately done. It was deduced that the employer moderately appreciates job well done and moderately involves the employees in decision making. Employer moderately recognizes employee’s efforts. The results also indicated that the employer moderately appreciates employees work through official recognition and that letter of commendation was sometimes given.
The results indicated that moderately employees get promotion, moderately promotion comes with more responsibility and higher pay, moderately promotion increased employee performance, moderately helped in gaining more skills. However, majority of the respondents indicated that promotion enhances job satisfaction. The study found that promotion influences the retention rate of the workers as well as their leadership style.

The result indicates that to a great extent seminars, conferences and summit were organized frequently and that the university had a corporate policy for organizing training respectively. The study also revealed that trainee sponsorships is still a significant factor in the degree of job satisfaction. Most employees were influenced through training which results to an increase in performance rate of the employees.

The result on employee performance indicated that the management receives feedback from employees in regards to their efficiency. Employees were moderately motivated for their performance. There was moderate level of productivity among employees in Technical University. Employees were moderately rewarded for their productivity. The results further demonstrated that the students were moderately satisfied with of performance of staff.

5.3 Conclusions of the Study

The study concluded that cash incentives had positive and significant effect on employee performance. The cash incentives had a favorable impact on the performance of its staff. The agreed that cash incentives has a significant effect on employee performance. The study concluded that employee recognition significantly effect on employee performance.

The study concluded that employee promotion significantly affects employee performance. The study concluded that employee promotion positively affects employee performance. The study
concluded that training had insignificant effect on employee performance. The study concluded that training had no statistical effect on the changes of employee performance. The study concluded that training significantly affects employee performance.

5.4 Recommendations of Study

The recommendations were developed using the results of the previous chapters' primary data analysis and literature review. The most popular type of bonus in the company, according to the information acquired from the interviews, is cash; therefore, it is necessary to expand the range of financial incentives that management can provide to employees. Making yearly wage bonus agreements with a larger group of employees is one of the suggestions since it adds value to the recognition and evaluation of employees.

Moreover, by taking on new challenges and stepping outside of their comfort zones, lower level employees have a fantastic opportunity to develop their professional abilities and competencies. Praise and recognition may result in intrinsic rewards. In order to demonstrate that their staff can be trusted and trusted to execute duties independently, managers must provide their subordinates the freedom to take on new projects. By employing such a technique, Technical University is able to train staff members within the company in accordance with the ideal standards and requirements, while also boosting internal hiring and lowering recruitment expenses.

The second suggestion is to improve intrinsic rewards, as even seemingly insignificant things like verbal praise and appreciation can have a significant impact on employees. According to the analysis of the data, some employees don't receive credit for the work they produce, even though it exceeds management expectations. These initiatives would increase workers' commitment and loyalty to the organization by helping them feel valued by the business.
Annual employee trainings on Technical University reward programs are another enhancement that is of utmost importance. Managers and staff should both receive training. Employees would gain crucial knowledge about potential rewards offered by the organization, while managers would receive training to administer awards more skillfully and boost workers' productivity.

5.5 Areas for Further Research

The study's model, which included the independent variables of cash incentives, training, promotion, and employee recognition, allowed for an analysis of these factors. Regression analysis was also extremely helpful in determining how well the model fit overall. Future research on the relationship between reward systems and employee performance, however, might provide a brilliant idea for formulating, examining, and establishing a solid research model that could provide a better understanding of what kind of reward system, other than independent variables tested in this research study, could increase employee performance in the organization.

This is due to the fact that there are numerous reward systems, both financial and non-financial, that could have a significant impact on employee performance. Employees are more likely to perform well when they are expecting a salary increase, aiming for a bonus at the end of the year, being recognized and appreciated by the company, or receiving a good benefit like medical insurance or health care benefits that could benefit them for a long time in the future.
REFERENCES


APPENDICES

APPENDIX I: INTRODUCTION LETTER

Dear Respondent,

SUBJECT: REQUEST FOR DATA COLLECTION

My name is MAUREEN M. MUHATI, and I am enrolled at the university with the designation D53/CTY/PT/20681/2020 in order to receive the Master of Business Administration degree. REWARD SYSTEMS AND EMPLOYEE PERFORMANCE IS THE FOCUS OF MY RESEARCH AT THE TECHNICAL UNIVERSITY OF KENYA, NAIROBI CITY COUNTY:

Therefore, the purpose of this letter is to ask you to answer the questionnaire in a sincere manner. Your information will only be used for the intended academic purpose; nothing else will be done with it. The information must be kept private and not disclosed to anybody else.

Yours Faithfully,

MAUREEN M. MUHATI

D53/CTY/PT/20681/2020
APPENDIX II: QUESTIONNAIRE

This questionnaire was designed in an attempt to determine your unreserved opinion on the effect of reward systems on employee performance at Technical University of Kenya. I therefore would appreciate your cooperation in appropriately filling the questionnaire below. All responses gathered from this questionnaire will be solely used for research purposes.

SECTION A

RESPONDENT’S PERSONAL DATA

Instruction: Please tick ( ) the column that best represents your response appropriately

Sex: Male ( ) Female ( )

Age: Below 18 ( ) 18 – 24 ( ) 25 and above ( )

Educational Qualification: SSCE ( ) Diploma ( ) Bachelor’s Degree ( ) Masters ( ) PhD. ( ) others ( )

SECTION B

Please tick your preferred answer based on the following parameters: Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree.

CASH INCENTIVES

Please tick your preferred answer based on the following parameters: Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree
<table>
<thead>
<tr>
<th>No</th>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cash incentives improves my performance and productivity</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2</td>
<td>Rewards in form of cash makes me happy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>I prefer cash incentives to other forms of reward systems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Bonuses are given to encourage me</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Allowances given to me aids my performance</td>
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</table>

**EMPLOYEE RECOGNITION**

Please tick your preferred answer based on the following parameters: Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree.

<table>
<thead>
<tr>
<th>No</th>
<th>Statement</th>
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<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>My Employer appreciates me for job well done</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2</td>
<td>My employer involves me in decision making</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>My employer recognizes my efforts</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>4</td>
<td>My employer appreciates my work through official recognition which helps to improve my performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>5</td>
<td>I am being given letter of commendation sometimes</td>
<td></td>
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</tbody>
</table>

**PROMOTION**

Please tick your preferred answer based on the following parameters: Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree.
<table>
<thead>
<tr>
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<th>Statement</th>
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<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I get promotion as a reward for my efforts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Promotion comes with more responsibility and higher pay</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Promotion increases my performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>4</td>
<td>Promotion has a lot to do with gaining more skills</td>
<td></td>
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<tr>
<td>5</td>
<td>Promotion enhances job satisfaction</td>
<td></td>
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</tbody>
</table>

**TRAINING**

Please tick your preferred answer based on the following parameters: Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree.

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<th>Statement</th>
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<th>2</th>
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<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Training organized by my organization helps to improve my skill set</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Seminars are organized frequently</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>My organization organizes Conferences and summit</td>
<td></td>
<td></td>
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<tr>
<td>4</td>
<td>I do attend training organized</td>
<td></td>
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<tr>
<td>5</td>
<td>My organization has a corporate policy for organizing training</td>
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</table>

**EMPLOYEE PERFORMANCE**

Please tick your preferred answer based on the following parameters: Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree.

<table>
<thead>
<tr>
<th>No</th>
<th>Statement</th>
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<th>1</th>
<th>3</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>The management receives feedback from employees in regards to their efficiency</td>
<td></td>
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</tr>
<tr>
<td>2</td>
<td>Employees are motivated for their performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>There is high level of productivity among employees</td>
<td></td>
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<tr>
<td>4</td>
<td>Employees are rewarded for their productivity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Customers are satisfied with high performance of staff</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>