RELATIONSHIP BETWEEN REWARD SYSTEMS AND EMPLOYEES PERFORMANCE. THE CASE OF KENYA REVENUE AUTHORITY

BY

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Declaration

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than Kenyatta University for academic credit;

Signed: .................................. Date: ..................................

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This project proposal has been presented for examination with my approval as the University supervisor;

Signed: .................................. Date: 13.03.09

Mr. Ngaba
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My foremost gratitude goes to our almighty God for enabling and guiding me through my academic life. I am grateful to Kenyatta University for admitting me to their MBA programme. My vote of thanks goes to my supervisor; Mr. Ngaba who guided me as I crafted this paper, his suggestions and prompt comments gave me impetus to refine and produce quality work. Above all, I owe a lot to my classmates; they deserve special recognition. I also thank my family members and friends for their immense moral and spiritual support, in particular my Mum and Dad who encouraged me tirelessly throughout the program.
Dedication

I dedicate this paper to my family: My dear son, Messrs. Phil Johnson, My Dad Robert Munga, Mum Lilian Wambui and my Husband Mr. Peter Karugu, My brothers and sisters, you all stood by me throughout this programme and inspired me immensely.
Abstract

Increasingly, organizations are realizing that they have to establish an equitable balance between the employee's contribution to the organization and the organization's contribution to the employee. Establishing this balance is one of the main reasons to reward and recognize employees. Organizations that follow a strategic approach to creating this balance focus on the three main components of a reward system, which includes, compensation, benefits and recognition (Deeprose, 1994). Research has proven that employees who get rewarded and recognized tend to have higher self-esteem, more confidence, more willingness to take on new challenges and more eagerness to be innovative (Mason, 2001).

However, like any other public organization, Kenya Revenue Authority (KRA) despite establishing reward systems to improve its employees, its employees have been criticised of being lazy, corrupt and that they lack professionalism in their work (Abuga, 2007). The Authority is thus under constant pressure to revise its benefit offering to staff, which includes a reward and recognition programme that staff buy-in too, is satisfied with and which is linked with the organisation's strategy. Therefore, the aim of this study is to investigate the role that reward systems play in motivating employees and ensuring their job satisfaction, and thus uncovering the existing relationship between reward systems and employee performance at KRA.

Both descriptive and inferential statistics were adopted with a focus on both qualitative and quantitative characteristics and status of reward systems and employee performance at KRA. The population of interest is all 2800 employees at KRA. A sample size of 280 employees was sampled using multistage technique for the purpose of this study. Primary data collected using questionnaire was used for the analysis.

The result revealed that there is a significant relationship between all eight of the sub-dimensions of work motivation and satisfaction, that include, work content, payment, promotion, recognition, working conditions, benefits, personal, leadership (level of
satisfaction with the organization). Hence, the results indicate that there is a significant statistical relationship between all of the eight dimensions of the work motivation and satisfaction and that all the dimensions have a positive influence on motivation and satisfaction.

The results revealed that there is a statistically significant relationship between reward systems, and motivation and satisfaction. The study revealed that if rewards or recognition offered to employees were to be altered, then there would be a corresponding change in work motivation and satisfaction. The results of this study also indicated that employees were less motivated by rewards than some of the other dimensions of the work satisfaction and motivation. By implication, this means that if more focus is placed on rewards it could have a resultant positive impact on motivation and thus result in higher levels of job performance.
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CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Strategic management of human resources is one way an organisation may use to increase their competitiveness in the new organizational landscapes: managing in a global marketplace, introducing new technology, developing organizational knowledge, improving customer service and product quality, and reducing production costs requires organisation to consider their "human equation" (Armstrong, M., 1991).

Strategic human resource management has gained popularity over the past decade, specifically with respect to the debate on human resources management and performance. According to Beer, M. et al (1984), there is a general agreement that i) human capital can be a source of competitive advantage, ii) human resources management practices have the most direct influence on the human capital of a firm, and iii) the complex nature of human resource management practices can enhance the inimitability of the firms' operational systems. For any organization to be a strategic leader, the human resources in that organization must be highly efficient and effective. Management can buy their workers time, their physical presence at a given place, and their measured skilled muscular motions in a day but they cannot buy their workers enthusiasm, initiatives, innovation, loyalty and devotion to work.

The great majority of employees are quite enthusiastic when they start a new job, but in most organizations, employees' morale sharply declines after their first few months and continues to deteriorate afterward. The fault lies squarely at the feet of management both the policies and procedures companies employ in managing their workforces and in the relationships that individual managers establish with their work force. These policies and procedures are designed to attract, motivate and retain the right kind of people. After attracting the right kind of people, an organization needs to motivate them in order to gain most from them ranging from customer satisfaction to reduced production costs due to enthusiasm, professionalism, integrity efficiency, loyalty and their effectiveness.
Therefore an organization not only has to attract the right kind of people or retain them, but for it to achieve maximum from them, they have to be well motivated which is done through an organization’s recognition and reward systems.

Therefore, in order for an organisation to meet its obligations to its stakeholders, its top management must develop a relationship between the organisation and employees that will fulfil the continually changing needs of both parties. At a minimum, the organisation expects employees to perform reliably the tasks assigned to them and at the standards set for them, and to follow the rules that have been established to govern the workplace. Management often expects more: that employees take initiative, supervise themselves, continue to learn new skills, and be responsive to business needs. At a minimum, employees expect their organisation to provide fair pay, safe working conditions, and fair treatment. Like management, employees often expect more, depending on the strength of their needs for security, status, involvement, challenge, power, and responsibility. Just how ambitious the expectations of each party are, vary from organisation to organisation.

For organisations to address these expectations, an understanding of employee rewards is required and how such reward influences their motivation and job satisfaction (Beer, et al., 1984). They assert that organizational reward system influence both job satisfaction and employee motivation. The reward system affects job satisfaction by making the employee more or less comfortable as a result of the rewards received. The reward system influences motivation primarily through the perceived value of the rewards and their contingency on performance (Kreitner and Kinicki, 1992, p.162).

1.1.1 Organisation reward system and employee performance

Human resources are now seen as the primary source of an organization’s competitive advantage. Therefore, the way people are treated increasingly determines whether an organisation will prosper or even survive (Lawler, 2003). To ensure that people are treated fairly, organisations are acknowledging that they need to establish an equitable balance between employee contribution to the organisation and the organisation’s
contribution to the employee. Establishing this balance and meeting this need is one of the first reasons, according to Deeprose (1994), to reward and recognise employees. Pay is an important feature of human resource management - after all, it is the main reason why people work. It is a sensitive and controversial area that has been extensively debated at both practical and theoretical levels. In the US the term ‘compensation’ is used to encompass everything received by an employed individual in return for work. For example, Milcovich et al (2001: 6) state that: “Employees may see compensation as a return in exchange between their employer and themselves, as an entitlement for being an employee of the company, or as a reward for a job well done”. The reward people receive for their contribution to an organisation includes monetary and non-monetary components. Remuneration does not simply compensate employees for their efforts - it also has an impact on the recruitment and retention of talented people.

Traditionally most reward programmes were vague and often given in response to a manager’s perception of when an employee performed exceptionally well. According to Flynn (1998) there were usually no set standards by which exceptional performance could be measured, and it could have meant anything from having a good attitude, assisting another department, or being consistently punctual. In current organisational settings this is no longer the case, as organisations understand the great gains derived by linking rewards and recognition to their business strategy. Hence, the process of managing performance ensures that specific goals and outcomes are established, that employees understand their roles in the greater scheme of things; that they understand what they must do for the reward, and why the reward is being offered in the first place (Flynn, 1998).

Nel et al (2001) concur with this theory and argue that motivated and satisfied individuals are aware of a specific goal that must be attained and would direct their effort at attaining that goal. Traditionally, individual performance in organisations has centred on the evaluation of performance and the allocation of rewards. Organisations are starting to acknowledge that planning and enabling individual performance have a critical effect on organisational performance. Strategic success for the organisation lies in focussing
attention at all levels on key business imperatives, which can be achieved through effective performance management (Nel et al., 2001). According to Wilson (1994), the performance management process is one of the primary elements of the total reward system. It is the process that impacts performance pay checks and provides the basis on which individual results are measured. It is the bonding agent in programmes that direct rewards to true performance.

The primary focus of reward programmes is how organisations define their reward schemes and communicate this in a manner that employees clearly understand the link between reward and performance (Flynn, 1998). Deeprose (1994, p. 3) asserts that “Good managers recognise people by doing things that acknowledge their accomplishments and they reward people by giving them something tangible. They create environments where jobs provide intrinsic rewards – good feelings people get from doing the work itself. Yet in too many organisations, recognition is reserved for an elite few and rewards are defined solely in terms of wages and salaries.”

Effective reward system enhances employee motivation and satisfaction, and increases employee productivity all of which contribute to improved organisational performance (Deeprose, 1994). Baron (1983) argues that there is a close relationship between motivation and job performance. He notes that if successful performance does in fact lead to organisational rewards, such performance could be a motivational factor for employees. Under such conditions, they can see that their efforts result in rewards. Consequently, they may be motivated to exert higher levels of effort on the job. In summary, there is a reciprocal relationship between the two constructs, not only can motivation influence performance, but also that performance – if followed by rewards – can influence motivation (Baron, 1983). There appears to be a close relationship between employees’ overall satisfaction with their jobs and their organisation and their intention to stay or leave. Organisations could benefit from implementing a total rewards programme that focuses on both formal and informal rewards systems.
1.1.2 Employee performance and reward system: case of Kenya Revenue Authority (KRA)

Human nature can be very simple yet very complex too. An understanding and appreciation of these is a prerequisite to effective employee motivation and satisfaction whether in private or in public sector: employees need to be well rewarded and recognized for them to deliver. Traditional stereotypes have it that private sector employees are well motivated and job satisfied compared to their counterparts in the public sector, hence the good reputation of the private sector employees and the bad reputation of the Civil servants. The lack of incentives at public organizations is supposed to attract workers who are more averse to exerting efforts. This pessimistic view is also prominent in the economics literature. For several decades, the literature has identified public servants as pursuing their narrow self-interest, usually being at odds with the interest of the society they are supposed to serve. The same literature has it that, adequate pay and recognition is a key component in improving and sustaining the employee performance.

Kenya Revenue Authority (KRA) is a public corporation established by an Act of Parliament, Cap. 469 of 1995 for the purpose of enhancing the mobilization of Government revenue, while providing effective tax administration and sustainability in revenue collection. The Authority mission states that “to promote compliance with Kenya's tax, trade, and border legislation and regulation by promoting the standards set out in the Taxpayers Charter and responsible enforcement by highly motivated and professional staff thereby maximizing revenue collection at the least possible cost for the socio-economic well being of Kenyans” (KRA, 2006). Equally, its vision is “to be the leading revenue Authority in the world respected for Professionalism, Integrity and Fairness.”

The above mission and vision can only be achieved through people who are the backbone of the authority; they are the tools of trade since it’s a service industry. KRA therefore aims at not only recruiting qualified and dedicated staff but also treating them fairly. This
aim reflects its core values, which are integrity, professionalism, equity, and corporate social responsibility.

Since inception, KRA has continued to enlarge in size as well as in the scope of its operations. Due to enlarged scope of operation KRA has been restructured and ten functional departments created (Oyugi, 2004). As part of its restructuring program in 1998, KRA retrenched most of its permanent employees. According to Abuja (2007) this was to come up with a lenient and manageable human resource team, so as to derive maximum benefit from their skills and knowledge. Partly these aimed at having the right number of employees with the right skills and do away with the excess workforce. It was supposed to improve the organization’s structure, training, manpower planning, developing teamwork among management and staff, new approaches to reward management and adaptation of total quality management. However, this did not solve human resource crisis in the authority. The demand for work was not matched to the number of employees, and most of the employees were over worked. As demand for labour heightened the authority has been forced to hire temporary staff to cover its labour demands. There are about eight hundred temporary staff working in all the fifty nine stations of the organization, alongside with 2800 permanent personnel serving in different cadres and divided into different units.

As part of its human resources management and desire to improve performance, KRA has designed its employees reward systems. The reward systems existing at KRA are performance based pay (which are Group-based and individual-based pay scheme) promotions, bonus to employees when they exceed their targets, recognition by issuing of performance certificate to well performing individuals and fridge benefits. Its employees are paid higher than other public servants. In addition, it has very attractive benefits and incentives compared to other public organisations similar to those in private sector. Also, promotions are pegged on employee performance. Employees are subjected to a rigorous performance appraisal process and balanced scorecard which is cascaded to several levels of staff in the organization and performance contracting for all management staff. Time release report, noted that throughout the past years, the results of the evaluations are perceived as inflated whereby most of the ratings were on the “Excellent” or “Very
Good" level. So far as promotions are based on these results then the remuneration system is also biased (KRA, 2004). That notwithstanding, KRA attracts the right people with right skills and knowledge, and its human resources consists of both old and young. Its current human resource policy of recruiting young university graduates in line with the succession policy. However, these young recruits are leaving after extensive training by the Authority. Now and then, cases of dishonesty therein are reported and the general public accuses the officers of being slow and rude.

1.2 Statement of the problem

The revenue productivity of Kenya Revenue Authority is significantly important to the overall financing of the Government programmes as its key functions are assessing and collecting revenues, which often have to be performed under high levels of pressure and against deadlines. The Authority has as one of its strategic drivers, a high performance culture as a business priority and strategic intent. Creating a high performance culture requires a number of elements to be present, one of which is high levels of job performance that is underpinned by a highly motivated and satisfied workforce.

According to its third corporate plan (KRA, 2006), the Authority is committed to the highest standards of achievement, obtainable through dedication and skills, treating people fairly and applying the law fairly through honesty and openness and applying the law consistently and responsibly as well as administering their requirements reasonably. However, like any other public organization, the Authority employees have been criticised of being lazy, corrupt and that they lack professionalism in their work (Abuga, 2007). This can either be due to work traditions, lack of motivation or that employees are not satisfied with their job (KRA, 2007). Recently, the Authority has witnessed higher employee turnovers while corruption cases continue to be reported (KRA, 2007). The Authority is thus under constant pressure to revise its benefit offering to staff, which includes a reward and recognition programmes. In the view of these observations, this study investigates to what extent the reward and recognition systems at KRA contributes to higher employees' turnovers, low motivation among employees, job satisfaction, purported laziness and corruption among employees. The purpose of this study was
therefore to examine the role that reward systems plays in motivating employees and ensuring there are job satisfied, and thus uncovering the existing relationship between reward systems and employee performance. The underlying premise is that productivity of motivated and job satisfied employees is higher.

1.3 Objectives of the study

1.3.1 General objective

The general objective of the study is to examine the effects of the reward systems on employees' performance in Kenya revenue Authority.

1.3.2 Specific objectives

The specific objectives are to;

i. Determine whether employees are motivated and satisfied with rewards system at Kenya revenue Authority,

ii. Determine the existing relationship between reward system and employee motivation and satisfaction at Kenya revenue Authority,

iii. Determine the relationship between reward system and employee performance at Kenya Revenue Authority.

1.4 Hypotheses of the Study

The study is guided by the following hypothesis;

i) There is no statistically significant relationship between reward system and employee motivation and satisfaction at Kenya revenue Authority,

ii) There is no statistically significant relationship between reward system and employee performance at Kenya Revenue Authority.
1.5 Significance of the study

An organization can use reward system as a strategic measure to show employees that their contribution to the organization is recognized, and in so doing, influence their motivation and job performance. Based on the findings of the research,

- Kenya Revenue Authority could improve and encourage the use of effective reward system in the feedback process of the performance management system,
- Influence the Authority to consider a more structured approach to reward system and recognition that would enable the high performance culture it strives to attain.

1.6 Scope and limitations of the study

Kenya revenue authority is divided into five regions for ease of administration. It consists of Rift valley, Western, Southern, Northern and the central regions. Although the authority has its presence in major towns in the country, this study was conducted at a Kenya Revenue Authority located at Times towers, Nairobi: considering the other academic obligations that the researcher was involved in at the time of conducting this study, it was not possible for the researcher to carry out this study with a wider coverage necessary to obtain responses from other KRA work stations outside Nairobi. A representative sample was selected from the head offices of the Authority. The focus was on the selected group opinions and views on the rewards systems in place in relative to their performance.

Due to the fact that a convenience sample was used, the findings cannot be generalized and therefore would be low in external validity.

Given the case study nature of this investigation, results of findings will be specific only to the Authority and may not be generalized to the other outside organizations. However, another organization may use the outcomes of the research study to revisit its current reward and recognition programmes and in particular focus on addressing the needs of diverse groups of employee within the organization.
In pursuit of this study, other several limitations were encountered. First was the 'confidential' nature of the organization that is very reluctant to give out any information. Secondly, the study relied on qualitative data collected through structured questionnaire of which collection, analysis and interpretation is not free from human errors. Lastly, being an insider, the study seems biased towards my perceptions about the employees' appraising process at KRA, though this was mitigated by hiring a research assistance to collect the data.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This section reviews the relevant literature regarding reward systems. How the reward system influences employees motivation and job satisfaction, consequently improving/enhancing their productivity. Lastly, we provide a link between the reward system and employee performance.

2.2 Types of employees reward systems

The term 'reward' is discussed frequently in the literature as something that is given by an organization to an employee in response to the employee's actions, and is something which is desirable to the employee (Agarwal, 1998).

According to Agarwal (1998) there are two main approaches to remuneration and reward, performance based and skill based systems. Within each of these approaches is a further choice between team and individually based approaches to measuring and distributing remuneration and rewards. McCormick and Tifflin (1979) Performance based pay theory links remuneration to individual achievement (or non achievement) of predetermined outcomes and/or the performance of the company. It takes several forms, including performance based changes to base remuneration and the provision of bonuses and other one-off type rewards. Motivated employees generally produce better quality work and require less supervision and coaching than unmotivated employees. Accordingly, the concept of performance pay focuses on the cost of getting things done through people who are motivated to do well. This is attractive to employers as it reduces input costs relative to the value of the outputs of the organisation and thus enhances profitability.

When a company has got performance-based pay they base their rewards on how the employees perform instead of paying the employees for example, for their knowledge or competency. To give the employees performance based pay they need
some form of system in which you rate performances. This system is often called a performance measurement system, which will be explained below (Murlis, 1991). Performance based pay is generally something that is applied on individuals but it is more and more used for rewarding small groups (Murlis, 1991). Something that is very positive about individual performance-based rewards is that the organization can easily communicate what results are of highest priority and at the same time motivate the employees to improve these specific results (Murlis, 1991). The main disadvantage of individual performance-related pay is that there is no clear connection between performance and reward and this can lead to employees feeling that the value of the reward is not worth putting down effort for (Murlis, 1991).

Skills based pay links remuneration employees to the nature, number and levels of different skills and knowledge employees possess and/or use (McCormick and Tifflin, 1979)

Armstrong & Murlis, 1991 gave three Types of Performance Based Pay;

Group based Rewards

The traditional compensation systems structure was built on the old industries with high focus on being internally legitimate. Today many companies reward jobs accomplished instead of rewarding people. In many cases this leads to rewarding a group of people instead of one individual. People’s actions often depend on how they are compensated, therefore this type of reward will encourage people to work in groups instead of trying to achieve goals as individuals which the individualized reward system encourages (Deeprose, 1994). There are many arguments today that propose team based pay. Team based pay has shown to be effective for organizations with many employees performing the same or similar tasks. These groups of employees seldom have individual goals to strive for. Instead they are working for the same goals as their co-workers. These reward programs are easier to measure and also easier to evaluate, obviously of high importance for the organization (Deeprose, 1994).
Individual Pay Systems

One way of rewarding employees is to have an individual pay system. With this type of system the individuals will get higher salaries if they perform well. The salaries are very individualistic and two people doing the same job may have different salaries depending on how well they perform (Deeprose, 1994). The individual salary usually contains yearly salary increase, this increase is seen as an important part of the salary and also as a reward system mainly because it is not a one time reward but one that is paid monthly. As the increase is paid out monthly employees’ quickly adjust to their new salary, this makes the motivation due to salary raise disappear quickly. In a short-term point of view the salary increase is proved as having a positive influence on the employees’ (Deeprose, 1994). More and more companies use individual pay systems that are linked to how well the employee performs.

Individual Incentive Pay

In an individual incentive pay an employee’s salary is directly connected their performance results. This type of reward system is often based on a system that divides the payment in two parts. One part is a fixed often low salary and the other part depends on results. Salespersons often have this type of system that consists of a low fixed base salary and they receive commissions depending on their sales. Individual incentive pay systems are more effective when the employers work with simple tasks and have control over the rate of work, and are therefore not suitable for process industries and assembly line production (Deeprose, 1994).

According to McCormick and Tifflin (1979), rewards can be either intrinsic or extrinsic. Intrinsic rewards stem from rewards that are inherent in the job itself and which the individual enjoys as a result of successfully completing the task or attaining his goals. While extrinsic rewards are those that are external to the task of the job, such as pay, work condition, fringe benefits, security, promotion, contract of service, the work environment and conditions of work. Such tangible rewards are often determined at the organizational level, and may be largely outside the control of individual managers. Intrinsic reward on the other hand are those rewards that can be termed 'psychological
rewards' and examples are opportunity to use one's ability, a sense of challenge and achievement, receiving appreciation, positive recognition, and being treated in a caring and considerate manner.

Armstrong and Murlis (1991) suggest four main areas that should be addressed in a reward management system. These are:

i) Pay structures, which by combining the results of market surveys and job evaluation, define the levels of pay in the organization;

ii) Employee benefits that satisfy the needs of employees for personal security and provide remuneration in forms other than pay;

iii) Non-financial rewards which satisfy employees' needs for variety, challenge, responsibility, influence in decision-making, recognition and career opportunities; and

iv) Performance management that provides the basis for continuing as well as formal reviews of performance against targets and standards.

Organisations are more upfront about what they demand and therefore they should also be explicit about how they can reward employees who go the extra mile (Baron, 1983). There are two schools of thought how this could be accomplished in the workplace, one way could be to say thank you in a formal way through a badge, certificate or a written note, whilst another could be to bestow a concrete reward to create an impact (Syedain, 1995). According to Lawler (2003), there are at least two factors that determine the attractiveness of a reward; one is how much of the reward is being offered and the second is how much the individual values the type of reward that is being offered. He argues that the more the individual values the type of reward and the more of it is being offered, the greater the motivational potential.

Beer et al. (1984, p. 117) succinctly argue that: Organisations must reward employees because, in return, they are looking for certain kinds of behaviour: they need competent individuals who agree to work with a high level of performance and loyalty. Individual employees, in exchange for their commitment, expect certain extrinsic rewards in the
form of promotions, salary, fringe benefits, bonuses, or stock options. Individuals also seek intrinsic rewards such as feelings of competence, achievement, responsibility, significance, influence, personal growth, and meaningful contribution. Employees will judge the adequacy of their exchange with the organisation by assessing both sets of rewards.”

Deeprose (1994, p. 26) posits the view that effective reward management can help an organisation to achieve its business objectives by attracting and retaining competent people. Reward management is defined as: “the process of developing and implementing strategies, policies and systems which help the organisation to achieve its objectives by obtaining and keeping the people it needs, and by increasing their motivation and commitment.”

The reward management system can therefore be seen as a set of relationships between the various reward management processes and the corporate strategy. Reward management strategy and policy is thus driven by corporate and human resource management strategies, such as Employer of Choice (Armstrong & Murlis, 1991).

The discussion of rewards focuses attention on the elements of intrinsic versus extrinsic rewards and the impact that they could potentially have on reward programmes. Individuals engage in work-related activities to attain some variety and magnitude of rewards. Certain rewards, including pay, promotions, and company status are extrinsic since they are provided by the organization. Others such as feelings of achievement, accomplishment and self-satisfaction are intrinsic (Arnold & Feldman, 1986).

Intrinsic rewards stem from Maslow’s higher level needs. It proposes that people can give themselves rewards in the form of self-esteem as well as in feelings of achievement and growth. Individuals can literally reward themselves for certain kinds of behavior because they feel they have accomplished something of worth, achieved a personal goal, learnt a new skill, or experienced excitement or intellectual stimulation. It would appear that the
The greatest amount of motivation is present when people perform tasks that are both intrinsically and extrinsically rewarding (Lawler, 2003).

The types of rewards available to employees and the manner of their distribution can have a striking impact on both employee satisfaction and organizational effectiveness. Although a variety of purposes may potentially be served, rewards are most typically used to motivate employees or induce some desired action or behavior (Arnold & Feldman, 1986).

Formal reward programmes, which denote financial rewards such as salary, fringe benefits, bonuses, promotions or share options play a significant role, but employees accept these as intrinsic factors to the job. In addition to this, people expect that their organisation should offer good benefits, inter alia, access to medical aid and pension, funds. Effective reward management can help an organisation to achieve its business objectives by attracting and retaining competent people. However, the factors that prove to the employees’ that their contributions are recognised, lies in a more informal approach to recognition, a key focus which is to make employees feel appreciated and valued (Deeprose, 1994).

Sarvadi (2005) proposes a strategic reward system that creates a balanced offering to employees. The author supports the fact that a reward system should address a variety of processes and likewise suggested at least four areas; namely compensation, benefits, recognition and appreciation. Of the above factors, a reward system usually puts compensation at the top of the list, followed by benefits.

According to Martocchio (1998), compensation denotes both the intrinsic and extrinsic rewards employees receive for performing their jobs. Intrinsic compensation refers to the employee’s psychological mindsets that result from performing their jobs. It refers to the enjoyment and the sense of achievement that employees experience as a result of their work. Extrinsic compensation includes both monetary and non-monetary rewards. Non-monetary reward includes the benefits that employees receive apart from pay.
Barton (2002) argues that formal reward programmes denote financial rewards such as salary, fringe benefits, bonuses, promotions and share options, which play a significant role. In addition, employees’ expect the organizations to offer good benefits, inter alia access to medical aid and pension funds. However, it appears that employees accept these as intrinsic factors to the job and that the offerings of such rewards are not the elements that motivate employees. Sarvadi (2005) further states that the most common problem in organization’s today is that they miss the important components of recognition and/or appreciation, which are low-cost, high-return ingredients to a well-balanced reward system.

Incentive programmes that involve cash payments are expensive to maintain and have several drawbacks. Incentive alternatives that have proven to be more successful are, tailored to individuals and their accomplishments are bestowed as frequently as is necessary (Stephenson, 1995). Despite evidence to the contrary, human resources professionals still dismiss awards, recognition and incentive programmes as ‘feel good’ activities. Evidence suggests that there exists a strong link between non-cash awards, incentives and improved job performance (Wiscombe, 2002).

According to Lawler (2003), a truly motivational reward system must be designed with a few parameters in mind: it must motivate employees to perform through valued and truly sufficient rewards, provide them with a clear line of sight, give them the power to influence their performance, and deliver on its promise.

Wilson (1994) argues that a reward system needs to have a positive impact on behavior. To accomplish this, rewards need to be:

i) Contingent on achieving desired performance levels rather than on merely doing certain tasks;

ii) Meaningful and valuable to the individual;

iii) Based on objective and attainable goals;

iv) Open to all, and not based on competitive struggles within the workplace;
v) Balanced between conditions in the workplace (extrinsic) and fulfillment of individual needs and wants (intrinsic).

Lawler (2003) maintains that the magnitude of rewards must satisfy the basic human needs of survival and security. Organizations must choose relevant rewards over which they have the potential capability to provide and manipulate; the distribution of rewards must be perceived as being done in a fair and equitable manner; organizational members must perceive a link or contingency between their job performance and the rewards they receive; and the rewards used by an organization must be valued by the individual members of that organization. In the absence of these factors the rewards programme will not motivate in the long term and will discourage risk-taking behavior.

2.3: Reward systems and employee motivation/job satisfaction

There is abundant evidence to support the view that when pay is tied to performance, motivation and performance are increased. Motivation theory argues that when important rewards are tied to performance, it is possible to have both high performance and satisfaction. The overall goal of a performance-based compensation programme is to develop a productive, efficient, effective organization that enhances employee motivation (Flanner, et al, 1996).

There is link relationship between employees' overall satisfaction with their jobs and their organization and their intention to stay or leave. Research has shown that for employees, whose performance is rewarded when they go "above and beyond", 90% are satisfied with their job, 88% are satisfied with the organization and just 12% consider leaving the organization. Amongst employees who say that their performance is not rewarded, 52% are satisfied with their jobs and 47% are satisfied with their organization, and 36% seriously consider leaving (Compensation & Benefits Report, 2003).

Jeffries (1997) concurs with this view by stating that organizations can retain their best employees by rewarding their contributions to the organization. Reward, she argues,
motivates employees, as it involves the acknowledgement of the efforts, creativity and willingness of employees to put in extra effort. The author reports on a survey that was conducted by the Performance Enhancement Group that shows that employees favour daily recognition, bonus or higher pay. The study also further revealed that employees who are well rewarded demonstrate their best efforts in their work.

Employees exert high effort to accomplish goals that will make them feel good. According to Mol (1992), money does not motivate, but rather moves a person to achieve a goal in order to obtain the reward. Herzberg’s hygiene-motivator theory, as referred to in 2.3.4, states that extrinsic rewards, such as pay, benefits, working conditions, or company policies do not motivate, they merely ensure that performance is at an acceptable level. Motivated people perform at levels that are higher than the acceptable standard. Intrinsic rewards, such as responsibility, growth, feedback or recognition and opportunities motivate employees to these high levels of performance, more so than simply earning a good salary (Nel et al., 2001).

Romano (2003) maintains that reward and job satisfaction make people feel and look good and therefore motivated to achieve more. Organisations therefore need to look beyond rewards, at what drives people to succeed, and provide examples of how reward and recognition can be harnessed as an effective motivational tool. When considering how to reward employees’ cash is often the easiest option. The author argues however, that giving money would not generate the benefits that organisations could achieve if they were to give more thought and consideration to recognition that is tailored to the individual (Wallsten, 1998).

La Motta (1995) defines job performance as the result of motivation and ability. Ability includes training, education, equipment, and simplicity of task, experience and both inborn mental and physical capacity. Given all of these factors at their peak, an employee may still not perform well on the job if the motivation is not directed at that particular task.
Lawler (2003) supports this in stating that people need both motivation and ability. Highly motivated workers will not achieve results if they do not have the necessary skills, expertise and attitude that the organization requires of them. Similarly, employees with expertise, knowledge and skills will not do well if they are unmotivated. He further says that the most widely accepted reason why people are motivated to work and perform is rooted in expectancy theory. Baron (1983) posits the view that if successful performance does in fact lead to organizational rewards, such performance could be a motivational factor for employees. Under such conditions, they can see that their efforts result in rewards. Consequently they may be motivated to exert higher levels of effort on the job. In summary, not only can motivation influence performance, but also that performance – if followed by rewards – can influence motivation.

2.4: Reward systems and employee performance

Organisations that have implemented informal recognition programmes have witnessed many valuable benefits with respect to both the hard and the soft side of the business, and one of the most tangible benefits mentioned by organisations related to employee morale. Given the current workplace issues such as mergers and acquisitions, downsizing, and retrenchments, the resultant effect is that many employees feel distraught and even pessimistic about their futures and careers. It has been found that using rewards and recognition mechanisms can reduce this pessimism, which hinders performance and productivity. By acknowledging employee’s efforts more personally, more locally and more frequently, informal recognition can lift employee motivation and improve overall organisational morale (Curran, 2004).

According to Croce (2004), managers should seek reasons and moments to recognise employees for increased effort, persistent positive attitude and peak performance, and recognise them for this. Barton (2002) continues by saying that reward involves giving something of value to recognise positive work results. Reward therefore is integral to recognising employees’ contributions, but should not be the sole focus of recognition. The author refers to Hertzberg’s theories of satisfiers versus dissatisfiers in the
workplace, which clearly establishes recognition as a satisfier or motivational factor. According to Herzberg’s theory, the extrinsic factors such as salary, supervision, working conditions and other work factors that are perceived by the employee to be offered by the company, will at best prevent employees from being dissatisfied. These factors focus largely on working conditions and working environments, which is to a large extent guided by legislation. Herzberg identified recognition as that which is received by an individual with the accomplishment of a task or job, and this could entail noticing and praising an individual.

Further, Barton (2002) maintains that the distinguishing factor in the Fortune’s annual list of “100 Best Companies to work for” is that these companies see recognition as an integral component of the organisation’s total rewards programme. A comprehensive total rewards programme includes compensation, benefits and the total “work experience”. The work experience component of total rewards includes recognition and programmes geared towards work-life needs. All reward systems are based on the assumption of attracting, retaining and motivating people. Financial rewards are important, but there are other factors that would motivate employees and influence their level of performance. This brings the discussion to the topic of work-life balance as a factor that enhances motivation and job performance.

2.5: Dimensions of performance

The definition of performance underlying the measures used in the vast majority of studies has also been a matter of debate for the last years. The characterization of performance as a single-criterion construct, mostly focusing on an indicator of business results, has long been criticized as a main stumbling block to theoretical progress (Austin and Crespin, 2006). Under this assumption, researchers are bound to the search for the best possible measure of the criterion, the so-called ‘general-factor’ or GPM (general performance measure). Although the ‘general-factor’ argument has received considerable empirical support (Viswesvaran et al, 2005), it has been growingly challenged by evidence pointing at the emergence of a set of multiple components that explain the latent structure of performance (Campbell et al., 1993). This approach goes beyond the search
for 'objective' measures as criterion and focuses on the identification of further latent variables. Research along these lines has given rise to several taxonomies and holistic models of performance (Scott and Einstein, 2001; Wong and Snell, 2003; Paul and Anantharaman, 2003). Regardless its role in the equation, results achievement is obviously a must in the performance debate (Huselid et al., 2005; Bennett et al., 2006). However, there is no consensus in the literature about whether results should considered as merely one of the multiple dimensions of performance (Scott and Einstein, 2001) or as a different variable reflecting the evaluation of the results of performance, such as productivity or efficiency (Campbell, 1993). In any case, wider strategic approaches to business and particularly work derived from the resource-based perspective (Barney, 1995, 2001) have long claimed that the contribution of individuals to the organization goes far beyond results achievement, especially when searching for long-term added value or sustainable competitive advantage. This being the case, the concept of performance should integrate both the 'hard' (results) and the 'soft' (competency-based) types of measures in order to gain comprehensiveness. Different authors have worked on the integration of these multiple dimensions into a comprehensive model of performance. Most of them converge in the distinction between a set of factor focusing on the task or job specifics and another one which deals with a myriad of 'add-ins' that may show up as a function of individual traits, and that 'surround' task performance (Austin and Crespin, 2006). Borman and Motowidlo (1993) coined the term 'contextual performance' and defined it as 'a set of interpersonal and volitional behaviors that support the social and motivational context in which organizational work is accomplished'. Along this line, Scott and Einstein (2001) propose three interrelated performance dimensions: outcome-based (whenever clearly-defined goals can be set), behavior-based (observable behaviours relevant to individual work roles) and competence-based (regarding skills/knowledge shown by employees in their daily activities).

2.6: Empirical reviews

Extensive research has been conducted on the factors that impact motivation and job satisfaction and therefore performance. Wyatt’s 2004 Survey of Canadian Strategic
Rewards and Pay Practices found that employers are seeking to adopt reward strategies that provide a competitive advantage by attracting top talent and engaging employees in a way that drives business results. The survey found that 77% of organisations have either adopted a total rewards strategy or plan to do so. While employers seem satisfied with their performance and reward efforts, the Watson Wyatt Work Canada 2004/2005 study shows that only 24% of employees believe that excellent performance is rewarded at their company.

According to Mason (2001), recognition in various forms is a powerful retention strategy and that it does not have to be expensive. A study conducted by the US Department of Labour found that 46% of people leave their jobs because they feel unappreciated. His study involving 31500 found that “frustration and working conditions are the main reasons cited by those thinking of leaving their jobs”. Approximately 60% intended to leave because of working conditions, 55% cited lack of recognition and appreciation, and 40% said that they wanted more time for family and personal activities.

In the United States, a similar study found that 40% of employees believed that they were offered meaningful incentives; 81% indicated that they did not receive any reward for a productivity increase; and 89% cited that their organisations would perform better if there were incentives for quality and productivity.

World Development Report (World Bank, 1997) paid attention principally to the provision of incentives on the job (according to standard efficiency wage arguments) and to the selection of talented people (motivated agents would automatically be attracted by merit driven recruitment). The report empirical evidence shows that the wage premium in the public sector is not a good predictor of the level of corruption, that there is huge cross country dispersion in public sector wage premium, and that cultural and historical variables seem to play an important role. Lastly, no precise channel has been identified to explain how the level of development affects the level of corruption and public sector quality.
A survey by the Professional Secretaries International revealed that as many as 30% of professional secretaries would prefer a simple letter of appreciation from their managers, but that only 7% reported ever receiving such a letter. According to “People, Performance and Pay” study, by the American Productivity Centre, it generally takes 5% to 8% of an employee's salary to change behaviour if the reward is cash, but only 4% of the employee's salary if the reward is non-cash. Thus the fewer dollars are money well spent. Motivation is more likely to occur when a reward is personalised and heartfelt (Stephenson, 1995).

Through its 2002 “People at Work Survey”, Mercer concluded that 48% respondents believed that they were paid fairly, 28% were motivated by their organisations incentive compensation plan, only 29% said that when they do a good job, their performance get rewarded. In the same study they found that among employees who say their performance is rewarded when they do a good job, 90% are satisfied with their jobs; 88% are satisfied with their organisations and 12% were seriously considering leaving (Compensation & Benefits Report, 2003).

Research conducted with managers between September 1999 to June 2000, revealed that 90.5% felt that recognising employees helps them to better motivate their employees; 84.4% indicated that by providing non-monetary recognition to employees when they perform well helps to increase their performance; 84.4% cited that recognising employees supplies them with practical feedback; 80.3% felt that recognising employees for good work makes it easier to get the work done; 77.7% agreed that recognising employees assists them to become more productive; and that 69.3% indicated that providing non-monetary recognition helps the manager to achieve their personal goals (Wiscombe, 2002).

According to Jeffries (1997), it is possible for organizations to reap the benefits that result from a motivated, enthusiastic workforce that looks forward to making a difference for the organization. Sometimes all it takes is a simple, genuine, spoken ‘thank you’.
Romano (2003) encourages managers to use recognition as the factor that will strengthen the bond between people and the organization. The author believes that companies who authentically tap into people’s feelings and harness this emotional power wisely are those that hold the competitive advantage in the market.

A fundamental part of making an employee feel rewarded and motivated is genuine recognition from their employer. Without the emotional appeal there is no motivational impact, and the latter is ultimately what organizations want to achieve. Successful employee-recognition programs that offer tangible rewards that people can imagine receiving and enjoying, more easily motivate people to their highest level of performance. This can be done at a much lower cost than monetary rewards (Sarvadi, 2005). Jeffries (1997) concurs with this view by stating that organizations can retain their best employees by recognizing their contributions to the organization. Recognition, she argues, motivates employees, as it involves the acknowledgement of the efforts, creativity and willingness of employees to put in extra effort. The author reports on a survey that was conducted by the Performance Enhancement Group that shows that employees favour daily recognition over bonus or higher pay. The study also further revealed that employees who are recognized demonstrate their best efforts in their work.

Based on the arguments of authors mentioned in earlier sections, it is clear that compensation or pay and benefits play a critical role in the total reward management system. It does appear, however, that an effective reward management system requires both financial and non-financial reward (Deeprose, 1994). Given the above, the value of informal rewards, which consists of spontaneous, non-monetary forms of recognition as employee motivators, is increasing for two reasons, according to Nelson (1995). The first reason is because formal rewards such as compensation, benefits and promotions are less effective in motivating employees. Secondly, informal rewards are increasingly more effective and highly desired by today’s employees. Howard (1997) states that employees should be considered as an asset instead of a cost, in need of attention and value enhancement. He reports on a study at Wichita University of 1500 employees, where it was found that the most powerful motivator was having a supervisor personally
congratulate individuals on a job well done. Despite this finding, only 42% of the study’s respondents said that their organization recognized them in this way.

Using a single item global measure of job satisfaction to compare those on different kinds of employment performance, Guest et al. (2003) found that fixed-term contract with a high reward package but not temporary or agency workers were significantly more satisfied and therefore their productivity was higher than temporary employees with low incomes.

2.7: Summary of the literature

It is evident that a good reward system can contribute to people’s satisfaction and motivation, and their willingness and desire to learn and improve their skills and can lead to greater retention. The types of rewards and recognition that people receive are a major contributing factor to their level of satisfaction and motivation. The more highly rewarded and recognized people are, the more satisfied they tend to be with their job and with their life. This implies that satisfied employees are less likely to quit, change jobs, join unions, or be absent. Satisfied and motivated employees always work harder to reciprocate their recognition and reward. Thus, one can say that recognition and reward improves employees’ productivity. In summary, organizations are better off when they provide people with a reward level that leads them to feel at least moderately satisfied and motivated (Lawler, 2003). Consistent in the literature is that, albeit a well-researched area, many organizations are still not leveraging off the value that a well-structured reward programme could add. It would appear that many organizations continue to make the mistake to have programmes that focuses primarily on reward, rather than a healthy balance of reward and recognition.
2.8 Conceptual framework

Rewards systems consist of procedures, practices and processes that are concerned with providing and maintaining appropriate type and level of pay, benefits and other incentives to employees. Reward covers both remuneration and other tangible and intangible gains of value to the employee. Organizational reward system influences both job satisfaction and employee motivation. Motivation is a drive to perform, whereas job satisfaction reflects the employee’s attitude toward, or happiness with, the job situation. The reward system affects job satisfaction by making the employee more or less comfortable as a result of the rewards received. The reward system influences motivation primarily through the perceived value of the rewards and their contingency on performance (Kreitner and Kinicki, 1992, p.162). The idea that the firm’s reward system is a significant situational factor that influences employees’ job performance has long been accepted in the motivation and satisfaction literature (Lawler, 2003), and that rewards are powerful factors impelling motivation and job satisfaction (Martocchio, 1998), enhancing overall employee performance. He said that proper reward systems increases the employees’ productivity and enhance employees’ organizational commitment. Well paid employees are committed to achieving organization goals and objectives.

Figure 1: Linkage between reward systems and performance

![Figure 1: Linkage between reward systems and performance](image)

Source: Researcher (2008)
3.0 Introduction

This chapter outlines the general methodology to be used to conduct the study. It specifies the research design, target population, sampling design, data collection method and instruments, and data analysis and interpretation.

3.1 Research design

A research design is a plan, structure and strategy conceived so as to obtain answers to research questions. It provides a framework for planning and conducting a study. The study was conducted through a sample survey. This study adopted descriptive research design with a focus on both qualitative and quantitative characteristics and status of the employee performance at KRA and the Authority reward system. The descriptive design is description of state of affairs as they exists at present (Herve, 1988). He further noted that with this methodology, data about variables or subjects as they are found in a social system or society are obtained. Generally these design deals with incidences of, distribution and relationships of variables.

3.2 Target population

Borg and Gall (1989) defined the target population as the universe of a study of all the members of a real or hypothetical set of people, events or objects to which an investigator wishes to generalize the results of the research study. Mugenda and Mugenda (1999) defined the population as an entire group of individuals, events or objects having common observable characteristics. The target population are permanent employees working for KRA. KRA has 2800 management, junior and middle staff working in ten departments. All the departments are housed in KRA head offices at Times Towers. This forms the study sampling frame.
3.3 Sample size

Cooper and Schindler (2003), state that the size of a sample should be a function of the variation in the population parameters under study and the estimating precision needed by the researcher. The sample size of the study will be 280 employees (respondents) sampled from 10 departments at KRA. According to Mugenda and Mugenda (1999), 10% of the accessible is adequate to serve as the study sample.

3.4 Sampling design

A sample is a small proportion of the target population selected using some systematic procedures for study. Sampling is the process of selecting a number of individuals for a study in such a way that the individuals selected represent the large group from which they were selected (Mugenda and Mugenda 1999). This study employed the multistage sampling technique to select a cross section of staffs at different departments. First the employees were stratified into ten groups based on ten departments at KRA. A total of 280 employees were sampled to participate in this study. Table 3.1 shows the sample distribution.

Table 3.1: Departmental target population and sample selected

<table>
<thead>
<tr>
<th>Department</th>
<th>Target population (N)</th>
<th>Sample size (n)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>322</td>
<td>32</td>
</tr>
<tr>
<td>2</td>
<td>108</td>
<td>11</td>
</tr>
<tr>
<td>3</td>
<td>586</td>
<td>59</td>
</tr>
<tr>
<td>4</td>
<td>384</td>
<td>38</td>
</tr>
<tr>
<td>5</td>
<td>190</td>
<td>19</td>
</tr>
<tr>
<td>6</td>
<td>162</td>
<td>16</td>
</tr>
<tr>
<td>7</td>
<td>182</td>
<td>18</td>
</tr>
<tr>
<td>8</td>
<td>276</td>
<td>28</td>
</tr>
<tr>
<td>9</td>
<td>456</td>
<td>46</td>
</tr>
<tr>
<td>10</td>
<td>134</td>
<td>13</td>
</tr>
<tr>
<td>Total</td>
<td>2800</td>
<td>280</td>
</tr>
</tbody>
</table>

Source: KRA Payroll (2007)
Secondly, to ensure all employees cadre were represented a percentage population distribution in each grade was calculated based on 2800 employees. The total sample required was 280 and the percentage sample distribution by grade was also calculated. The staff sample proportions for KRA 1-4, KRA 5-7, KRA 8-10, KRA 11-13 and KRA 14-16 are show in table 3.2 below.

Table 3.2: Employees population by Cadres and sample selected

<table>
<thead>
<tr>
<th>KRA GRADE</th>
<th>Target population</th>
<th>Sample selected</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Population size</td>
<td>Percent</td>
</tr>
<tr>
<td>1-4</td>
<td>42</td>
<td>1.5</td>
</tr>
<tr>
<td>5-7</td>
<td>318</td>
<td>11.4</td>
</tr>
<tr>
<td>8-10</td>
<td>1220</td>
<td>43.5</td>
</tr>
<tr>
<td>11-13</td>
<td>1018</td>
<td>36.4</td>
</tr>
<tr>
<td>14-16</td>
<td>202</td>
<td>7.2</td>
</tr>
<tr>
<td>Total</td>
<td>2800</td>
<td>100</td>
</tr>
</tbody>
</table>

Thirdly, 280 employees were selected for 10 departments ensuring equal representation of all employees cadre using percentage sample distribution by grade provided above in each department. Since each department is separately positioned, simple sampling method was used to select the respondents, Random number tables will be used .the employees will be asked to identify their grade/cadre before being issued with a questionnaire to ensure correct representation as indicated above.

3.5 Data collection

Tools and procedures

This study used primary data. The data collection tool was a questionnaire. The questions were both open-ended and close-ended. The instrument is considered appropriate for the study because all the respondents are literate. It is also less costly in terms of time, and it is more flexible for busy respondents. The questionnaire was structured in such a way as to allow respondents to express their views freely. This data collection tool was designed to collect information on employee opinions and views on
reward systems at KRA and how the existing reward systems affect their performance. Information collected was meant for academic purposes only. The questionnaires will be administered through drop and pick method. The instrument was left with the respondents, as they required time to respond to the questions. The date and the time when the completed questionnaires were to be picked was agreed upon by respondents and the researcher. The researcher was assisted by research assistance to collect the responses after the agreed period.

3.6 Data analysis

Data analysis is the process of systematically searching, arranging, organizing, and breaking data into manageable units, synthesizing the data, searching for pattern, discovering what is important and what is to be learned. Interpretation and analysis of data was done using a statistical package for social scientists (SPSS) to ensure objectivity. First data collected was cleaned, sorted and collated. All the data was matched and coded to maintain the temporary employees' confidentiality. Then, it was entered in a computer, after which analysis was done. Descriptive statistics in the form of pie charts, contingency tables and bar graphs were used to interpret the data. Measures of association were used to examine the relationship between the independent and dependent variables. The mean score for each attribute was calculated and the standard deviation used to interpret the respondents deviation from the mean. The results were presented on frequency distribution tables, pie charts and bar charts.

This followed analysis using inferential statistics based on examination of each hypothesis formulated for the research. Inferential statistics were used to draw conclusions about the reliability and generalizability of the findings. According to Leary (2004, p. 38), inferential statistics are used to assist in answering questions such "How likely is it that my findings are due to random extraneous factors rather than to the variables of central interest in the study? How representative are the findings of the larger population from which the sample was taken?" In order to test the research hypotheses,
the inferential tests to be used include the Pearson Product-Moment Correlation Coefficient and Analysis of Variance (ANOVA).
CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION OF THE RESULTS

4.1 Introduction
This section presents the data analysis and findings of the study. The section is divided into four main parts. The first part deals with general information of the respondents while the other three parts relate to the three key objectives. The statistical programme used for the analyses and presentation of data in this research is the Statistical Package for the Social Sciences (SPSS). To facilitate ease in conducting the empirical analyses, the results of the descriptive analyses are presented first, followed by the inferential statistical analysis. In order to test the research hypotheses, the inferential tests used include the Pearson Product-Moment Correlation Coefficient. The upper level of statistical significance for null hypothesis testing was set at 5%. All statistical test results were computed at the 2-tailed level of significance in accordance with the non-directional hypotheses presented (Sekaran, 2001).

4.2 Demographical characteristics of the respondents

4.2.1 Response rate
A total of 280 questionnaires were sent to the various units of analysis. However, only 210 questionnaires were returned dully completed. The survey therefore achieved a response rate of 75%.

4.2.2 Length of service
As Table 4.1 shows, 36.7% of the respondents have worked for the authority for less than five years, 43.8% have worked for 5-10 years, 5.7% have worked for 11-15 years while 19.5% have worked for over 11 years.
Table 4.1: Summary of respondents according to years worked for KRA

<table>
<thead>
<tr>
<th>Year work for KRA</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 Years</td>
<td>78</td>
<td>36.7</td>
</tr>
<tr>
<td>5-10 years</td>
<td>91</td>
<td>43.8</td>
</tr>
<tr>
<td>11-15 years</td>
<td>12</td>
<td>5.7</td>
</tr>
<tr>
<td>16-20 years</td>
<td>29</td>
<td>13.8</td>
</tr>
<tr>
<td>Total</td>
<td>210</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field data (2008)

4.2.3 Respondents’ job cadre

The respondents were drawn from all job cadres. As shown below in Table 4.2, 4.8% were in cadre KRA 1-4, 15.2% in KRA 5-7, 13.3 in KRA 8-10 and 66.7% in KRA 11-13.

Table 4.2: Respondents Job Cadre

<table>
<thead>
<tr>
<th>Cadre</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>KRA 1-4</td>
<td>10</td>
<td>4.8</td>
</tr>
<tr>
<td>KRA 5-7</td>
<td>32</td>
<td>15.2</td>
</tr>
<tr>
<td>KRA 8-10</td>
<td>28</td>
<td>13.3</td>
</tr>
<tr>
<td>KRA 11-13</td>
<td>140</td>
<td>66.7</td>
</tr>
<tr>
<td>Total</td>
<td>210</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field data (2008)

It can then be concluded that slightly over a half of most respondents (66%) were junior staff in cadre KRA 11-13 who are likely not to be satisfied and motivated with existing rewards systems.

4.2.4 Respondents’ highest education level

The respondents were asked to state their highest level of education. Table 4.3 below shows that 68.1% of the respondents have university education while 31.9 attained college education. The findings also indicate that the respondents have skills and knowledge to perform their duties effectively and understand the area of study.

34
Table 4.3: Respondents highest level of education

<table>
<thead>
<tr>
<th>Highest level of education</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>College</td>
<td>67</td>
<td>31.9</td>
</tr>
<tr>
<td>University</td>
<td>143</td>
<td>68.1</td>
</tr>
<tr>
<td>Total</td>
<td>210</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field data (2007)

4.2.5 Respondents' distribution by gender

According to the findings shown in Table 4.4 below, 65.7% of respondents were male while 34.3% are female. These results indicate that majority of KRA employees are male.

Table 4.4: Respondents' distribution by gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>138</td>
<td>65.7</td>
</tr>
<tr>
<td>Female</td>
<td>72</td>
<td>34.3</td>
</tr>
<tr>
<td>Total</td>
<td>210</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field data (2007)

4.3 Descriptive statistics on employees work motivation and satisfaction with rewards system

Descriptive statistics are used to describe and summaries the responses of the respondents in a study. They refer to the ways in which a large number of scores or observations are reduced to interpretable numbers such as averages and percentages. The descriptive statistics utilized in this part are based on frequency table 4.5 to provide information on key demographic variables. The table shows that 94.8% of respondents were not satisfied with the existing reward systems while 58.1% the reward system do not motivate them to perform their work. A large number of respondents (76.2%) said that the reward system had a negative effect on their job performance.
Table 4.5: Summary of respondents’ responses on various statements

<table>
<thead>
<tr>
<th>Statement</th>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are you satisfied with Reward systems?</td>
<td>Yes</td>
<td>11</td>
<td>5.2</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>199</td>
<td>94.8</td>
</tr>
<tr>
<td>Do you feel motivated by Reward systems?</td>
<td>Yes</td>
<td>88</td>
<td>41.9</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>122</td>
<td>58.1</td>
</tr>
<tr>
<td>What has been the effect of reward System on your job performance?</td>
<td>Positive</td>
<td>50</td>
<td>23.8</td>
</tr>
<tr>
<td></td>
<td>Negative</td>
<td>160</td>
<td>76.2</td>
</tr>
<tr>
<td>How can rate your productivity since promotion to the current grade?</td>
<td>Increased</td>
<td>86</td>
<td>41.0</td>
</tr>
<tr>
<td></td>
<td>Remained neutral</td>
<td>79</td>
<td>37.6</td>
</tr>
<tr>
<td></td>
<td>Do not know</td>
<td>45</td>
<td>21.4</td>
</tr>
</tbody>
</table>

Source: Field data (2007)

Table 4.6 reports descriptive statistics to describe and summarize different work motivation and satisfaction. The means and standard deviations for the responses on the Work Motivation and Satisfaction were calculated. The mean is a measure of central tendency, and provides an arithmetic average for the distribution of scores. The standard deviation, on the other hand, is a measure of variability which is calculated as the square root of the variance. The means and standard deviations of the Work Motivation and Satisfaction Questionnaire are presented in Table 4.6.

Table 4.6: Descriptive statistics for the dimensions of work motivation and satisfaction

<table>
<thead>
<tr>
<th>Dimensions of work motivation and job satisfaction</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Content</td>
<td>3.53</td>
<td>.69</td>
</tr>
<tr>
<td>Payment</td>
<td>1.57*</td>
<td>.65</td>
</tr>
<tr>
<td>Promotion</td>
<td>2.10*</td>
<td>.62</td>
</tr>
<tr>
<td>Recognition</td>
<td>3.88</td>
<td>.62</td>
</tr>
<tr>
<td>Working Conditions</td>
<td>3.34</td>
<td>.72</td>
</tr>
<tr>
<td>Benefits</td>
<td>3.86</td>
<td>.63</td>
</tr>
<tr>
<td>Personal</td>
<td>1.23*</td>
<td>.64</td>
</tr>
<tr>
<td>Leadership/Supervision</td>
<td>1.42*</td>
<td>.69</td>
</tr>
</tbody>
</table>

* Where high variables correspond to low motivation and satisfaction

Source: Field data (2007)
With respect to the dimensions of work motivation assessed by the work motivation and satisfaction, table 4.1 indicates that the means for the work content, payment, promotion, recognition, working conditions, benefits, personal and leadership/supervision ranged from a low of 1.23 to a high of 4.10. It therefore appears that staff in the sample are relatively motivated and satisfied, however, the mean values for payment, promotion, personal and leadership/supervision were the lowest. These mean values indicate the areas that employees were most likely to be demotivated and dissatisfied.

4.4 Inferential statistics

In this section the results of the inferential statistical techniques used in the study are presented. In order to test the research hypotheses, the Pearson Product Moment Correlation Coefficient was calculated. Based on the results obtained from the research, conclusions are drawn with respect to each hypothesis generated for the research undertaken in the KRA at which the research was conducted.

4.4.1 Correlation

The Pearson’s Product Moment Correlation Coefficient was computed for the purposes of determining the following relationships:

- The relationship between the different dimensions of the work motivation and satisfaction,
- The relationship between rewards, recognition and work satisfaction and motivation and
- The relationship between reward system and employee performance.

In order to delineate the relationship between the various facets of the work environment on work motivation and satisfaction, the sub-dimensions of the work motivation and satisfaction were correlated and are presented in table 4.7
Table 4.7: Dimension Correlations with work motivation and satisfaction

<table>
<thead>
<tr>
<th>Variable</th>
<th>Pearson correlation</th>
<th>Significance (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Content</td>
<td>0.66**</td>
<td>0.000</td>
</tr>
<tr>
<td>Payment</td>
<td>0.86**</td>
<td>0.000</td>
</tr>
<tr>
<td>Promotion</td>
<td>0.74**</td>
<td>0.000</td>
</tr>
<tr>
<td>Recognition</td>
<td>0.92**</td>
<td>0.000</td>
</tr>
<tr>
<td>Working Conditions</td>
<td>0.61**</td>
<td>0.000</td>
</tr>
<tr>
<td>Benefits</td>
<td>0.65**</td>
<td>0.000</td>
</tr>
<tr>
<td>Personal</td>
<td>0.37 *</td>
<td>0.000</td>
</tr>
<tr>
<td>Leader/Supervisor</td>
<td>0.32 *</td>
<td>0.023</td>
</tr>
</tbody>
</table>

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

The results indicate that work content correlates significantly with work motivation and satisfaction ($r = 0.66, p < 0.01$). This supports the hypothesis that there is a significant relationship between work content and work motivation and satisfaction.

A significant correlation is shown to exist between payment and work motivation and satisfaction ($r = 0.86, p < 0.01$), supporting the hypothesis that there is a significant relationship between payment and work motivation and satisfaction.

There was also a significant relationship between promotion and work motivation and satisfaction ($r = 0.74, p < 0.01$). Hence, this supports the hypothesis that promotion opportunities are significantly related to work motivation and satisfaction.

A significant correlation also exists between recognition and work motivation and satisfaction ($r = 0.92, p < 0.01$), supporting that recognition is significant in explaining the variance in work motivation and satisfaction.

There was a significant relationship between working conditions and work motivation and satisfaction ($r = 0.61, p < 0.01$). Hence, the hypothesis that there is a relationship between working conditions and work motivation and satisfaction is supported.
There was a significant relationship between benefits and work motivation and satisfaction \( (r = 0.65, p < 0.01) \), supporting the hypothesis that benefits are significant in explaining work motivation and satisfaction.

A significant correlation was found to exist between the dimension of personal and work motivation and satisfaction \( (r = 0.37, p < 0.05) \). There was a significant relationship between leader/supervisor and work motivation and satisfaction \( (r = 0.32, p < 0.05) \) as well as between general and work motivation and satisfaction \( (r = 0.34, p < 0.05) \).

The results indicate that for the intercorrelation matrix exploring the relationship between the dimensions of the Work Satisfaction and Motivation, that all the coefficients were positive. The results depicted in Table 4.7 indicate that there is a significant statistical relationship between the dimensions of work motivation and satisfaction. Accordingly, the null hypothesis is rejected.

### Table 4.8: Relationship between rewards, recognition and work motivation and satisfaction

<table>
<thead>
<tr>
<th></th>
<th>Work satisfaction and Motivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rewards</td>
<td>0.86 **</td>
</tr>
<tr>
<td>Recognition</td>
<td>0.92 **</td>
</tr>
</tbody>
</table>

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

There is a statistically significant, direct and positive relationship between rewards and work satisfaction and motivation \( (r = 0.86, p < 0.01) \).

Hence, if rewards offered to employees were to be altered, then there would be a corresponding change in work motivation and satisfaction. The coefficient of determination, \( R^2 = 0.74 \), implies that 74% of the variation in work motivation and satisfaction of the sample can be attributed to rewards received, which implies that the remaining 26% can be explained by other factors not considered.
The results indicate that there is a statistically significant, direct and positive relationship between recognition and work satisfaction and motivation ($r = 0.92$, $p < 0.01$). This implies that if the recognition accorded to employees were to change, there would be a change in work motivation and satisfaction. The coefficient of determination, $(R^2 = 0.60)$, implies that 60% of the variation in work motivation and satisfaction of the sample can be attributed to recognition, while the remaining 40% can be attributed to other variables which were not explored in the current research.

Table 4.9: Relationship between reward system and employee performance

<table>
<thead>
<tr>
<th>Rewards</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.82**</td>
</tr>
</tbody>
</table>

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

Table 4.9 indicate that there is a statistically significant, direct and positive relationship between recognition and work satisfaction and motivation ($r = 0.82$, $p < 0.01$). This implies that if the rewards accorded to employees were to change, there would be a change in employee performance. The coefficient of determination, $(R^2 = 0.67)$, implies that 67% of the variation in employee performance of the sample can be attributed to rewards, while the remaining 33% can be attributed to other variables which were not explored in the current research.
CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary of the findings of the study and conclusions, and then suggests some policy implications. At the end of the chapter areas for further research are provided.

5.2 Summary of the findings

The result revealed that there is a significant relationship between all eight of the sub-dimensions of the work motivation and satisfaction; therefore the null hypothesis is rejected. The eight dimensions include, work content, payment, promotion, recognition, working conditions, benefits, personal, leadership (level of satisfaction with the organisation). Hence, the results indicate that there is a significant statistical relationship between all of the eight dimensions of the work motivation and satisfaction and that all the dimensions have a positive influence on motivation and satisfaction.

This study confirms that there are a number of factors that have an impact on motivation and satisfaction, but that some of the factors could play a more defined role in motivating employees. The results revealed that there is a statistically significant relationship between reward systems, and motivation and satisfaction. The study revealed that if rewards or recognition offered to employees were to be altered, then there would be a corresponding change in work motivation and satisfaction. The results of this study also indicated that employees were less motivated by rewards than some of the other dimensions of the work satisfaction and motivation. By implication, this means that if more focus is placed on rewards it could have a resultant positive impact on motivation and thus result in higher levels of job performance.

Therefore, this study confirms that a total rewards management programme, which includes payment or compensation, benefits and informal recognition is required to
optimise the motivation and satisfaction levels of staff resulting increased employee performance.

5.3 Conclusions and Recommendations

It is evident from the study that reward systems influence employee motivation and satisfaction. It was also significant to discover that there is a direct and positive relationship between reward systems and job satisfaction and motivation, and employee performance. Hence, if rewards and recognition offered to employees were to be altered, then there would be a corresponding change in work motivation and satisfaction, and consequently overall performance. The direct translation of this could be that the better the rewards the higher the levels of motivation and satisfaction, and possibly therefore, the greater the levels of performance and productivity.

Therefore, the Authority could benefit by focusing on the factors that positively impact employee motivation and job satisfaction.

5.4 Suggestions for future research

Current literature on rewards and recognition has not sufficiently dealt with the issues of diversity and the impact that it could have on the motivation and satisfaction levels of different people. Therefore, further research on the impact of reward and recognition on motivation and satisfaction for diverse groups of people could be beneficial to organisations. Research should focus on the broad spectrum of diversity categories including, race, gender, disability, etc., but apart from race and gender, factors such as age and tenure should also be investigated.

The results of such studies could yield some interesting findings and could also significantly impact the delivery of meaningful rewards and recognition to diverse groups of people.
REFERENCES


Canadian employers moving to total rewards approach to compensation Retrieved February 27, 2005, from http:www.watsonwyatt.com


KRA Website: www.kra.go.ke


Wiscombe, J. (2002). Rewards get results: Put away your cash. Workforce, 8(1).


APPENDICES

Annex I: Research Instrument

PART A: Introduction letter

Dear Respondent,

I am an MBA student at Kenyatta University currently undertaking my research project entitled “Relationship between Reward Systems and Employees Performance. The case of Kenya Revenue Authority”. The attached questionnaire is for gathering data, which will be useful in the aforementioned research.

You have been selected as one of the respondents in this study. I therefore request you to kindly facilitate the collection of the required data by answering the questions herein.

Please note the information sought is purely for academic purposes and will be treated with utmost confidentiality.

I look forward to your co-operation.

Yours faithfully,

Sign ........................................

Penninah Munga
PART B: QUESTIONNAIRE

INTRODUCTION

It is fairly obvious that people differ from one another in what they need and expect to get from different areas of their lives. Please think about the work you do and because some jobs are not perfect while others are perfect. For non perfect, consider what would make it better from your point of view.

PLEASE ANSWER THE QUESTIONS BELOW;

1 BIO-DATA INFORMATION

1.1 Gender ( ) Male ( ) Female

1.2 Marital Status ( ) Single ( ) Married ( ) Divorced ( ) Widowed

1.3 Age ( ) Under 20 years ( ) 21 – 30 years ( ) 31 – 40 years ( ) 41 – 50 years ( ) 51 – 60 years

1.4 Educational Qualification ( ) Secondary ( ) Diploma ( ) University first Degree ( ) Masters ( ) Other (Please specify) ..................................................

1.5 Job description ..............................................................................

1.6 Department of work .....................................................................

1.8 Job Grade ( ) KRA 1-4 ( ) KRA 5-7 ( ) KRA 8-10 ( ) KRA 11-13 ( ) KRA 14-16

1.9 How long have you been employed at KRA? ( ) Less than 1 year ( ) 1- 5 years ( ) 6 – 10 years ( ) 11- 15 years ( ) 16 – 20 years ( ) Over 21 years

2. ORGANIZATIONAL REWARD SYSTEM

1. Please outline reward systems existing in KRA ..........................................................

2. Are you satisfied with reward systems highlighted above Yes ... No...

3. Please give reasons for your answer in 2 above ..................................................

4. Do you feel motivated by the existing rewards systems Yes ....No.....

5. Please give reasons for your answer in 2 above ..................................................
6. How do the reward systems affect your job performances?
   Negative......... Positive............

7. Please explain your answer in 6 above..................................................

8.1 How can you rate your productivity since your promotion to the current grade?
   Increased ...... Decreased ............ Remained the same....... Do not Know....

8.2 Explain your answer in 8a above..................................................

9. Indicate the extent to which you agree or disagree with the following statements
   (1: Strongly Disagree; 2: Disagree; 3: Neutral; 4: Agree; 5: Strongly Agree).
   (Tick where appropriate)

   9.1 Employees are fairly rewarded in this organization.
   1[ ] 2[ ] 3[ ] 4[ ] 5 [ ]

9.2 How does reward systems influence your performance.........................

9.3 Are you satisfied and motivated by your work.....................................

9.4 If yes what aspect of working for KRA make you satisfied....................

10. Do you consider yourself fairly reward........
    10.1. Considering the responsibilities that you have....Yes ...No......
    10.2. Taking into account the amount of education and training that you
           have....Yes ....No......
    10.3. In view of the amount of experience that you have....Yes ....No......
    10.4. For the amount of effort that you put forth....Yes ....No......
    10.5. For the work that you have done well....Yes ....No......
    10.6. for the stresses and strains of your job....Yes ....No......

For each of the section below, please use the likert scale provided to answer the
statements provided. Tick one answer accordingly. (True = 1, fairly true=2, not sure =
3, fairly false=4, False =5) (Tick where appropriate)

3 WORK CONTENT

3.1 I am interested in my work
    1[ ] 2[ ] 3[ ] 4[ ] 5 [ ]

3.2 My work consists of a variety of work
    1[ ] 2[ ] 3[ ] 4[ ] 5 [ ]

3.3 I receive training daily which teaches me something new
    1[ ] 2[ ] 3[ ] 4[ ] 5 [ ]
3.4 My work is easy
1[ ] 2[ ] 3[ ] 4[ ] 5 [ ]
3.5 The amount of work is easy to handle
1[ ] 2[ ] 3[ ] 4[ ] 5 [ ]
3.6 I control the amount of work I do myself
1[ ] 2[ ] 3[ ] 4[ ] 5 [ ]
3.7 I am completely independent of others
1[ ] 2[ ] 3[ ] 4[ ] 5 [ ]
3.8 I regard the content of my work as responsible
1[ ] 2[ ] 3[ ] 4[ ] 5 [ ]
3.9 I know exactly what my mistakes are
1[ ] 2[ ] 3[ ] 4[ ] 5 [ ]
3.10 I am allowed to decide on the methods for doing the work
1[ ] 2[ ] 3[ ] 4[ ] 5 [ ]
3.11 I am proud to say what kind of work I do
1[ ] 2[ ] 3[ ] 4[ ] 5 [ ]
3.12 My work is the way to future success
1[ ] 2[ ] 3[ ] 4[ ] 5 [ ]
3.13 I will not be dismissed without good reason
1[ ] 2[ ] 3[ ] 4[ ] 5 [ ]
3.14 I have the opportunity to take part when decisions are made
1[ ] 2[ ] 3[ ] 4[ ] 5 [ ]
3.15 I feel that my work is of value in my department
1[ ] 2[ ] 3[ ] 4[ ] 5 [ ]
3.16 There is not time for idleness
1[ ] 2[ ] 3[ ] 4[ ] 5 [ ]
3.17 I have a certain degree of authority in my work
1[ ] 2[ ] 3[ ] 4[ ] 5 [ ]

4. PAYMENT

Tick one answer accordingly. (True = 1, fairly true=2, not sure = 3, fairly false=4, False =5)

4.1 My salary is satisfactory in relation to what I do
1[ ] 2[ ] 3[ ] 4[ ] 5 [ ]
4.2 I earn the same as or more that other people in a similar job
1[ ] 2[ ] 3[ ] 4[ ] 5 [ ]
4.3 The basis of payment, for example overtime payment, is reasonable
1[ ] 2[ ] 3[ ] 4[ ] 5 [ ]
4.4 Salary increases are decided on a fair manner
1[ ] 2[ ] 3[ ] 4[ ] 5 [ ]
4.5 Do you think your current pay influences you meeting the set job target? ..........................................................
5. PROMOTION

Tick one answer accordingly. (True = 1, fairly true=2, not sure = 3, fairly false=4, False =5)

5.1 I will be promoted within the next two years
1[ ]2[ ]3[ ]4[ ]5[ ]

5.2 Everyone has an equal chance to be promoted
1[ ]2[ ]3[ ]4[ ]5[ ]

5.3 Staff are promoted in a fair and honest way
1[ ]2[ ]3[ ]4[ ]5[ ]

5.4 The criteria for technical promotions are clear in this organization.
1[ ]2[ ]3[ ]4[ ]5[ ]

5.5 If you promoted to the current grade, has your productivity increased............(Explain)

5.6 Do you meet your job targets since promotion?

6. RECOGNITION

Tick one answer accordingly. (True = 1, fairly true=2, not sure = 3, fairly false=4, False =5)

6.1 I am praised regularly for my work
1[ ]2[ ]3[ ]4[ ]5[ ]

6.2 I receive constructive criticism about my work
1[ ]2[ ]3[ ]4[ ]5[ ]

6.3 I get credit for what I do
1[ ]2[ ]3[ ]4[ ]5[ ]

6.4 I am told that I am making progress
1[ ]2[ ]3[ ]4[ ]5[ ]

7. WORKING CONDITIONS

Tick one answer accordingly. (True = 1, fairly true=2, not sure = 3, fairly false=4, False =5)

7.1 My working hours are reasonable
1[ ]2[ ]3[ ]4[ ]5[ ]

7.2 I am never overworked
1[ ]2[ ]3[ ]4[ ]5[ ]

7.3 I get the opportunity to mix with my colleagues and to Communicate on aspects of our work
1[ ]2[ ]3[ ]4[ ]5[ ]

8. BENEFITS

Tick one answer accordingly. (True = 1, fairly true=2, not sure = 3, fairly false=4, False =5)

8.1 My pension’s benefits are good
1[ ]2[ ]3[ ]4[ ]5[ ]

8.2 My medical scheme is satisfactory
8.3 I never have problems with my arrangements for leave
1[ ] 2[ ] 3[ ] 4[ ] 5[ ]

9. PERSONAL
Tick one answer accordingly. (True = 1, fairly true=2, not sure = 3, fairly false=4, False =5)

9.1 I am given work in accordance with my qualifications and skills
1[ ] 2[ ] 3[ ] 4[ ] 5[ ]
9.2 I work in the department of my choice
1[ ] 2[ ] 3[ ] 4[ ] 5[ ]

10. MY LEADER/ SUPERVISOR
Tick one answer accordingly. (True = 1, fairly true=2, not sure = 3, fairly false=4, False =5)

10.1 Is satisfied easily
1[ ] 2[ ] 3[ ] 4[ ] 5[ ]
10.2 Will support me if there are problems
1[ ] 2[ ] 3[ ] 4[ ] 5[ ]
10.3 Can be convinced and persuaded
1[ ] 2[ ] 3[ ] 4[ ] 5[ ]
10.4 Is a warm-hearted person
1[ ] 2[ ] 3[ ] 4[ ] 5[ ]

11 Perceived Organizational Support
1. Does KRA values your contributions to its well-being
2. KRA takes pride in my accomplishments
3. KRA strongly considers my goals and values

12 Effective Organizational Commitment
Tick one answer accordingly. (True = 1, fairly true=2, not sure = 3, fairly false=4, False =5)

1. I have considered changing jobs
2. I have been looking out for another job
3. I am thinking of resigning
4. Working at KRA has a great deal of personal meaning to me
5. I feel a strong sense of belonging to KRA
6. I am proud to tell others I work at KRA
7. Would you be happy to work at KRA until you retire
8. What would you enjoy discussing of KRA with people who do not work there?
9. Give reasons for 5 above

Thank you for participating