

**AN INVESTIGATION ON THE EFFECTS OF REWARDS ON EMPLOYEE
PERFORMANCE AMONG OPERATIONAL STAFF AT KENYA BUREAU OF
STANDARDS**

**BY
CATHERINE KALONDU NTHAMBI
D53/CTY/PT/24256/2011**

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION (HUMAN RESOURCE MANAGEMENT) OF THE SCHOOL
OF BUSINESS KENYATTA UNIVERSITY**

MAY 2014

DECLARATION

Declaration by the Student

This research project is my original work and has not been presented to any other examination body and all sources I have quoted have been acknowledged by complete references.

Signature:

Date:.....

CATHERINE NTHAMBI

D53/CTY/PT/24256/2011

Declaration by the supervisor

This research project has been submitted with my approval as Kenyatta University appointed supervisor.

Signature:

Date.....

MR. ROBERT D. NZULWA

This research project has been submitted with my approval as chairman of Business Administration Department.

Signature:.....Date:.....

DR. STEPHEN A. MUATHE

DEDICATION

I dedicate this work to my husband Mr. Jacob Mutungi and son Emmanuel and all those hardworking employees who ensure that organizations goals are achieved through their selfless efforts.

ACKNOWLEDGEMENT

Without the knowledge and inspirations accorded to me by the Almighty God, this project could not have been written. Further, it is with my sincere appreciation that I thank the many persons for their contribution towards this work. I sincerely acknowledge the invaluable and tireless counsel, commitment, encouragement and commendable support of my supervisor Mr. Nzulwa for his guidance, tolerance and readiness to share his knowledge and experience through instructive feedback that helped me complete this work. I also wish to thank my family and friends for providing a loving environment, financial support and encouragement to accomplish this task.

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ABSTRACT

The study focused on exploring the performance management process and how rewards can be linked to employee performance in government corporations in Kenya with specific reference to Kenya Bureau of Standards. The major objective of the study was to establish the relationship between rewards can be linked to better employee performance. The specific objectives were to establish the relationship between employee services, salary reviews, health benefits and training programs and employee performance at Kenya Bureau of Standards. The study was carried out at the Kenya bureau of Standards Headquarters in Nairobi and focused on the operational staff in the six major departments in the organization. The study discussed various aspects of rewards such as employee services, salary reviews, health benefits and training programs and how they impact on employee performance. Employee performance can be defined as what people does, produces, and accomplishes on behalf of its key stakeholders. In order to improve performance the management needs to provide their employees with the right framework, the right environment and the right opportunities. In the modern world the rising dependencies on global markets places an ever greater burden on the delivery of products and services. The concept of employee welfare has been used by many organizations as a strategy of improving productivity of employees since work related problems can lead to poor quality of life for employees and a decline in performance. Each year most organizations at a set time review their salaries and remuneration packages for their staff. Salaries need to be at a certain level so that it is no longer a primary concern for employees to drive commitment to the organization. Health benefits are an important part of most employees benefit packages which explains why many organizations offer them to their worker to boost morale and commitment to the organization. The employees being the major assets of the organizations play a very crucial role that can never be underestimated. Therefore they should be equipped with the right knowledge through effective training to enable them to be productive hence improved performance. The study employed descriptive research design because it dealt with the aggregate of all responses using descriptive statistics such as mode, mean, percentages and frequencies through self-administered questionnaires and stratified random sampling procedure was used to select the sample that represented the whole population. This sampling technique would be appropriate because the target population is heterogeneous. The researcher targeted 224 employees from the six departments at the headquarters and a sample size of quantitative techniques. Results were analyzed qualitatively by data being sorted, coded and narrative explanation given. Quantitative data on the other hand was analyzed by use of tables, charts, graphs and interpretation derived thereof for ease of understanding. The statistical package for social sciences (SPSS) was used by the researcher for data analysis.

LIST OF ACRONYMS

PM – Performance Management

PA- Performance Appraisal

OSHA- Occupational Health and Safety Act

ILO- International Labour Organization

PSC- K- Public Service Commission of Kenya

HRM- Human Resource Management

ISO- International Standards Organization

KEBS- Kenya Bureau of Standards

NQI- National Quality Institute

PMS- Performance management System

OPERATIONAL DEFINITION OF TERMS

Reward	This refers to the monetary or non-monetary recognition that an organization provides to its employees in order to express appreciation for good performance or behaviour.
Employee Performance	The accomplishment, execution or carrying out of anything ordered to undertake.
Performance management	The process that begins with translating the overall strategic objectives of the organization in to clear objectives for each individual employee.
Training	This refers to the acquisition of knowledge, skills and competencies as a result of teaching of vocational or practical skills and knowledge that relate to specific useful competencies.
Total Reward	The whole package of employee reward system consisting of three elements; financial compensation, employee benefits and non-financial reward such as recognition

CHAPTER 1

INTRODUCTION TO THE STUDY

1.1 Introduction

This chapter presents the background of the study, the profile of Kenya Bureau of Standards, statement of the problem, research objectives both general and specific, research questions, significance of the study, the study limitations and the scope of the study.

1.2 Background of the study

Employee reward is a monetary or non-monetary recognition that an organization provides to its employees in order to express appreciation for good performance or behaviour. Employee reward is usually considered as a concept different from employee compensation (a regular salary), benefits (regular extra options for compensation) and appreciation (saying thanks for specific contribution), so employee reward is considered as a frequent systematic payment or any supportive action that is regulated by appropriate organizational program; sometimes rewards can be unsystematic: one-time bonuses, valuable gifts, or anything like this (Armstrong, 2007).

A systematic approach to employee rewarding is a part of corporate strategy which stands for continual rising of the performance level for the whole company, a workgroup, a company unit, and individuals. It requires establishing an accurate system of employee performance monitoring. In a more advanced meaning employee rewarding combines the features of all other remuneration types: employee recognition (results-oriented payment); appreciation (motivational action) and benefits (regular option for extra earnings).

The purposes of employee rewards are:

- Attracting, retaining and effectively rewarding qualified, talented and diligent employees;
- Supporting exceptional performance and outstanding employee efforts;

The aggregate of financial and non-financial rewards that any employer offers are meant to attract, retain and elicit reciprocal performance of the employees. This aggregate has been described as the 'new pay' or total rewards (Armstrong, 2007).

Worldat work (2000,cited in Armstrong,2007) first defined total rewards as consisting of compensation, benefits and the work experience with the latter components including acknowledgement, balance (of work and personal life), culture, learning and development as well as the work environment. The revised definition now consists of five components; compensation, benefits, work -life balance, performance and recognition, development and career opportunities (Worldatwork, 2007). Others define it as consisting of compensation (pay and bonuses), benefits, learning and development and the work environment (Towers & Perrin 2001).

Reward systems and procedures provide 'the glue' which keeps the entire team together thus improving their performance (Gross, 2011). Rewards and recognition can also be used to enhance relationships by encouraging co-operation and working towards a common goal. Rewards can either be given based on individual behaviour and performance or can be given to the whole team and equally divided amongst the individuals based on team performance. In order for an organization to meet its obligations to shareholders, employees and society its top management must develop a relationship between the organization and employees that will fulfil the continually changing needs of both parties. The organization expects the 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. On the other hand the employees expect the organization to provide fair pay, safe working conditions and fair treatment (Beer, Spector, Lawrence, Mills & Walton, 1984).

Traditionally most reward and recognition programs were vague and often given in response to a managers perception of when an employee performed exceptionally well. There were usually no set standards by which exceptions could be measured and it could have meant anything from having a good attitude, assisting another department or being consistently punctual. However, in current organizational settings this is no longer the case, as organizations understand the great gains derived by linking rewards to the business strategy (Flynn, 2007).

Since organizations provide rewards hoping to enhance employee motivation and engagement in job-related activities different rewards have different effects on employee motivation and performance. Previous research has provided empirical evidence that some employees perform well when they are offered monetary rewards (Manolopoulos, 2008). He asserted that extrinsic rewards exert stronger influence on employee choices and performance as compared to rewards given for novel performance which tend to increase intrinsic motivation and creativity (Eisenberger and Shanock, 2003).

People are now seen as the primary source of a company's competitive advantage. Therefore the way people are treated increasingly determines whether an organization will prosper or even survive (Lawler, 2003). Organizations are under constant pressure to enhance and improve their performance and are realizing that an interdependent relationship exists between organizational performance and employee performance hence the whole concept of performance management.

Performance management includes the practices through which the manager defines the employee's capabilities and evaluates reward, the personal effort all within the framework of how employee performance should be contributing to achieving company's goals (Armstrong, 2005). It refers to a comprehensive scientific approach to ensure a link between efforts of individual employees with vision and goals of the organization, to achieve excellence in the organization on one side and satisfaction and growth of employees on the other side. The overall aim of performance management is to establish a high performance culture in which individuals and teams take responsibility for the continuous improvement of business processes and for their own skills.

The concept of performance management has developed over the past two decades as a strategic, integrated process which incorporates goal setting, performance appraisal and development into a unified and coherent framework with the specific aim of aligning individual performance with the organizational objectives (Dessler, 2005).

Armstrong (2002) draws attention to conceptualization of total reward which comprises both financial non-financial elements. With reference to performance management financial (extrinsic) rewards relate usually to merit or contingent pay, that is, where an element of pay is at risk and dependent on performance, adopting performance management as the process by which decisions on the allocation of such rewards is based. Non-financial rewards (intrinsic) rewards include recognition, development, and access to other assignments, career guidance and the quality of working life, many of which can be delivered by developmental forms of PM.

It is crucial that organizations have an efficient strategy to link performance with reward because both have an impact on the bottom line. Yet employers need a modern system for tracking the link between the two or they miss out on talented people and will struggle to meet their critical corporate targets (Stuarn, 2004). To be effective the management of performance needs to be a formalized process with performance measures updated at least annually, formal reviews held regularly and development plans agreed and monitored. According to Dyer and Reeves (1995) performance refers to output measures (improved retention, reduced absenteeism, productivity, and product and service quality). Employees need to have their work reviewed so that they may be acknowledged and rewarded when appropriate.

Prendergast (2008) asserts that incentives are provided to workers through the compensation practices of their employers. The manner in which workers respond to these incentives plays a significant role in determining both their individual level of performance and the performance of the organization as a whole. However, it is often difficult for managers to determine an individual workers contribution to the overall performance of an organization. Without this information managers will not be able to match reward performance with any degree of accuracy, with the knock –on effect that workers will not be able to count on a fair reward for effort expended.

A range of systems have been applied in the public sector to reinforce the link between individual and organizational performance informed by the principles of PM tested in the private sector. For example, the use of organizational targets, devolved management, individual target setting, performance review and performance related pay (Boyne, 2002). Managing and measuring performance has been one of the key drivers in the reform of the public sector in recent years. It is one of the central planks of 'reinventing government' movement (Gianakis, 2002).

Although PM is relatively unknown in many African countries the interest in such an improvement tool is growing among African organizations and in specific government owned agencies. For instance, there seems to be a real need for the balanced score card in Kenya's state owned corporations as it will help these organizations to improve their performance and then contribute to the company's growth. Both management and government need to work diligently on a successful implementation of PM (De Waal & Augustine, 2005). In Kenya PM was traditionally defined as the process of financial control in which the mission and strategy are translated into budgets and subsequently results are compared with budgets. However as many Kenyan companies are trying to qualify for the ISO standards they are turning to performance management. Those companies that have implemented the BSC show much better performance than the 'scorecard less' competitors (Malinga, 2004).

Any PM strategy must not only be affordable but it must also be fair which means setting employees appropriate and achievable objectives. Too many organizations set poorly targeted incentives because the system they have in place for assessing and measuring how an individual or a team is performing is inadequate. Therefore rewarding employees based on how they perform is a tricky area for organizations, but if they get it wrong then productivity and motivation can nose dive. Nothing is more demoralizing for people than feeling that their efforts are not being adequately recognized. While employers become frustrated if they are not getting the best return possible from their reward schemes, yet often they have themselves to blame. The harsh reality is that too few organizations effectively link performance and their reward systems. Without this firm connection a business can struggle to attract or retain the best talent and will always lose out as confidence shifts to the job market over the next few months. This is an indication that

those organizations who have not implemented a good PM and reward system for their employees faces a very hard time in the dynamic business environment. This is a challenge for these organizations who want to improve the performance of their employees as they are heart of every organization (Armstrong,2000)

1.2.1 Profile of Kenya Bureau of Standards

A government-owned corporation, state-owned company, state-owned entity, state enterprise, publicly owned corporation, government business enterprise, commercial government agency, public sector undertaking or parastatal is a legal entity created by a government to undertake commercial activities on behalf of an owner government. Their legal status varies from being a part of government to stock companies with a state as a regular stockholder.

The Kenya Bureau of Standards (KEBS) is a government agency responsible for governing and maintaining the standards and practices of metrology in Kenya. It was established by an Act of Parliament of Kenya's National Assembly, The Standard Act, and Chapter 496 of the Laws of Kenya. The Bureau started its operations in July 1974. It has main offices in Nairobi, and regional offices throughout Kenya.

The KEBS Board of Directors is known as the National Standards Council ("NSC") and is the policy-making body for supervising and controlling the administration and financial management of the Bureau. The Bureau's chief executive is the Managing Director.

The aims and objectives of KEBS include preparation of standards relating to products and services, measurements, materials, processes, etc. and their promotion at national, regional and international levels; certification of industrial products; assistance in the production of quality goods; quality inspection of imports at ports of entry; improvement of measurement accuracies and dissemination of information relating to standards.

To keep close liaison with and render efficient service to industry, trade and commerce in different parts of the country, KEBS has opened Regional Offices in Mombasa, Kisumu, Nakuru, Garissa, Nyeri and has import inspection offices at all the legal points of entry in Kenya. KEBS is a member of the International Organization for Standardization (ISO).

Public sector organizations often feel constrained in their ability to reward their employees and have to be careful not to be seen as using public money in ways that could be seen as irresponsible. Giving individual cash bonuses or giving team a 'benchmarking tour' could be seen as unnecessary perks given to public employees. Thus government agencies have been characterized as decision makers without a single clear organizational goal unlike the case of private sector where value maximization appears to be overriding goal. Government jobs involve many difficult tasks and the difficulties in monitoring their behaviour means that incentive plans are difficult to implement thus the preference for benefits.

Armstrong (2007) defines benefits as indirect pay and includes; pensions, wellness programs, sick pay, various types of loans, insurance, company cars and paid annual vacation. Beardwell and Holden (1997) cite a number of reasons for the choice of benefits as over other rewards. Most benefits are tax exempt and mutually beneficial to both the employer and the employee. Firms also enjoy economies of scale in providing them. More importantly, benefits can also serve as an important retention tool; pension as a seniority benefit serve as a deterrent since it imposes large economic costs on employees who quit early hence their preference at KEBS over other reward schemes.

1.3 Statement of the Problem

The process of measuring and subsequently actively managing organization and employee performance in order to improve organizational effectiveness is usually seen as critical to development and survival of the organization. The Human Resource Audit Manual (2006) lists PM and PA as a function of HRM. The other functions of HRM are Human Resource Information System (HRIS), Recruitment and selection, Training and Development, Succession Management, Human Resource Planning, Employee relations, Management of Change, Compensation and Benefits. There is growing recognition that despite significant effort to improve public service performance it is still found to be wanting in many developing countries Kenya included. However, according to Lubale (2012) there is lack of a well thought out reward system for best performers by the government. Again, management of public servants in Kenya has been found to be severely wanting. There has not been a culture of work planning where targets are set at the beginning of the year and performance measure against set targets. As a result the

public service has focused on inputs such as budgets and activities rather than outcomes. Likewise the unequal pay and incentive regime that is not linked to performance, achievement of results and national priorities exacerbates the problem (PSC-K Report, 2008). Having a performing workforce is very important, but if the efforts are not rewarded accordingly, performance is affected adversely. PM helps employees align their personal goals with organizational and to understand how their efforts are rewarded.

Organizational reward systems may affect employee morale which in turn affects their performance and that of the organization as well. Many employees will remain productive if assured of good rewards. Therefore organizations should strive to ensure that their employees get the necessary rewards both financial and non-financial to be able to perform well. PM systems are used by the organizations to gauge the employees' effectiveness in achieving the organizational goals and subsequently receive their rewards.

1.4 Objectives of the study

1.4.1 General Objective

The general objective of the study was to establish the relationship between rewards and employee performance at Kenya Bureau of Standards.

1.4.2 Specific Objectives

The study however sought specifically to:

1. To determine the relationship between employee welfare services and employee performance at Kenya Bureau of Standards.
2. To establish the extent to which salary reviews are linked to employee performance at Kenya Bureau of Standards.
3. To examine how employee health benefits are linked to performance at Kenya Bureau of Standards.
4. To establish the relationship between training programs and employee performance at Kenya Bureau of Standards.

Research Questions

1. What is the relationship between employee services and employee performance at Kenya Bureau of Standards?
2. To what extent are salary reviews linked to employee performance at Kenya Bureau of Standards?
3. How is health benefits linked to employee performance at Kenya Bureau of Standard?
4. What is the relationship between training programs and employee performance at Kenya Bureau of Standards.?

1.6 Significance of the Study

The study highlighted the various non-financial benefits that organizations give their employees to ensure effectiveness in their work. Performance management assists management to influence and direct performance of employees. Employee evaluation is important to the management as well as the employees. This can influence the amounts of efforts employee put in their job once it is made clear that efforts increase performance and ultimately rewards. The employees would also be sensitised about the organization's rewards and subsequent performance on their part.

This is to help the management of the organization to realign itself concerning PM so as to get the best out of its utilization and to improve employee performance.

1.7 Scope of the Study

The study was carried out to investigate the effects of non-financial rewards/benefits on employee performance at Kenya Bureau of Standards. It was confined at the organization's Headquarters since this is where major decisions concerning its operations are made and has the largest number of employees thus it would provide adequate data for the study and it would be easily accessible to the researcher. The study focused on the operational staff at the six major departments at the headquarters since they are the major beneficiaries of the organization's reward system.

It is against this background that this study sought to establish facts about the relationship between reward and employee performance.

1.8 Limitations of the Study

The researcher was unable to get all the required information since some respondents were uncooperative to the extent that they refused to offer the information required for the study. On the other hand some respondents were concerned of their privacy and confidentiality of the information they gave since they were worried of the information being leaked resulting to their victimization. The researcher assured the respondents of anonymity and confidentiality of the information given through the questionnaires

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The success of any organization depends on the quality and the productivity of the employees. The employees become a significant factor in any organization since they are the heart of the organization. The organizations cannot achieve their goals and objectives without them. Therefore the employee needs something to motivate him to work at the best interest of the organization. The organizations key aims, goals and objectives become an embedded part of the process in the PM and communicated through the performance appraisal process (Marchington & Wilkinson, 2005)

Managing employee performance is a critical task in any organization. Effectively managing performance contributes positively to employee satisfaction, retention and engagement and thus has important internal and external outcomes. Performance management is regarded as a problematic area in HR since it deals with different individuals with different interests and personalities. Because of this improvement and redesign of PM in whole or in part play a major role in systematic organizational development efforts (Cumming&Worley, 2005).

According to Dodd (2005) performance measurements and PM as business process and communication around total rewards are the crucial underpinnings of an effective compensation system that differentiates and truly rewards performance. Traditionally individual performance in organizations was centred on evaluation of performance and allocation of rewards. Organizations are starting to acknowledge that planning and enabling individual performance have a critical effect on organizational performance.

2.2 Theoretical Review

The study was based on two major motivational theories; Maslow's motivation theory and Vroom's expectancy theory. The expectancy theory assumes that motivation is a function of three components; for an individual to be motivated: the reward must be valued by the person (valence); the person must believe that higher performance will result in greater rewards (instrumentality) and that additional effort will lead to higher performance (expectancy). For example, if an employee perceives that high performance might not be achieved even after hours of effort due to lack of skills or self-efficacy, even if he or she desires promotion the person might not feel motivated and thus performance will be negatively affected. Likewise if an employee can perform well but does not value the reward provided for example a gift voucher to a restaurant that the person does not care for, the person is likely to be demotivated. The theory is based on the hypothesis that individuals adjust their behaviour in the organization on the basis of anticipated satisfaction of goals set by them. The individuals modify their behaviour in such a way which is most likely to lead them to attain their goals

Therefore, offering the appropriate rewards, providing appropriate training, clarifying expectations and providing guidance are important to strengthen this reward-performance link.

Maslow's theory is based on a simple premise that human beings have needs that are hierarchically ranked. As we satisfy these basic needs, we start looking to satisfy higher-order needs. Once a lower need is satisfied it no longer serves as a motivator. The most basic of Maslow's needs are physiological needs which refer to the need for air, food and

water. Once physiological needs are satisfied, people tend to become concerned about safety. Social needs refer to the need to bond with other human beings, to be loved and to form lasting attachments. The satisfaction of esteem needs more salient.

Finally, at the highest level of hierarchy, the need for self-actualization refers to 'becoming all you are capable of becoming'. This need manifests itself by acquiring new skills, taking on new challenges and behaving in a way that will lead to the satisfaction of one's life goals.

Maslow's hierarchy is a systematic way of thinking about the different needs employees may have at any given point and explains different reactions they may have to similar treatment. Therefore organizations should satisfy their employee's needs through leveraging the various facets of planning, organizing, leading and controlling. In the long run, physiological needs may be satisfied by the person's pay check, but it is important to remember that pay may satisfy other needs such as safety and esteem as well. Providing generous benefits, such as health insurance and company sponsored retirement plans as well as offering a measure of job security will help satisfy safety needs.

Social needs may be satisfied by having a friendly environment, providing a workplace conducive to collaboration and communication with others. Providing promotion opportunities at work, recognizing a person's accomplishments verbally or through more formal reward systems; job titles that communicate to the employee that one has achieved high status within the organization are among ways of satisfying esteem needs.

Finally, self-actualization needs may be satisfied by providing development and growth opportunities on or off the job, as well as by assigning interesting and challenging work. By making the effort to satisfy the different each employee may have at a given time, organizations may ensure a more highly motivated workforce hence improved performance.

2.3 Empirical Review

2.3.1 Employee Performance

An organization's viability is directly related to the performance of its employees. A well-managed organization has an effective PM systems that aligns individual employee performance goals with the organization's mission and vision. Employee performance can be defined as what an employee does, produces and accomplishes on behalf of its key stakeholders. In order to improve employee performance the management needs to provide their people with the right framework, the right environment and the right opportunities (Mathis, 2003).

Employees want to know how well they perform on their jobs. Kavanagh (2007) refers to the idea of employees wanting to know how well they are performing: the issue of how best to provide effective feedback to employees and the challenge of providing feedback to employees which facilitates both performance improvement and effective career development.

DeNisi and Kluger (2007) assert that it is widely accepted that feedback is an essential component of an effective performance improvement strategy. Thus performance feedback plays an important role in numerous organizational activities such as career development, motivation, and job satisfaction and performance management. Employee evaluation also known as performance appraisal is critical to ensure feedback is achieved, for the functioning of the organization as well as to the advancement of the employees. The organization needs to rate its employees so that people can be identified to assume positions of leadership. Employees need to have their work reviewed so that they may be acknowledged and rewarded when appropriate.

For any organization to achieve effective employee performance they must have in place Employee Performance management Systems an HRM system described as a ‘continuous process of identifying, measuring and developing the performance of individuals and teams and aligning performance with the strategic goals of the organization. Scholars describe EPM as an important tool that leads to employees’ performance improvement (Purcell and Kinnie, 2007).

In many organizations, the most effective way to increase employee performance is through clarification of goals. Where a person is clear regarding his goals and has the ability and drive to perform effectively, performance may still be inadequate. In such circumstances it generally transpires that there are obstacles which prevent the person from performing effectively. Such barriers may include: lack of time; insufficient information; inadequate work facilities and lack of co-operation from others. Hence employee performance may dramatically improve by removing the obstacles and changing the employee’s job to ensure that the obstacles no longer impinge on his performance.

2.3.2 Employee Welfare Services and Employee Performance

In the modern world the rising dependencies on global market forces places an ever-greater burden on those working in the delivery of products and services. This in turn has had a negative effect on health and wellbeing of workers. This results in high cost to business and the public pulse of employee absence with the public sector absence levels and costs being higher (Mac Donald, 2005).

The concept of employee welfare has been used by many organizations as a strategy of improving productivity of employees since work related problems can lead to poor quality of life for employees and a decline in performance (Manzini & Gwandure, 2011). Tehrani, N and Humpage, S (2001) points out that wellbeing in the workplace is steadily rising up the business agenda as more employers recognize the benefits and contribution that can be made by introducing workplace health and wellness policies. He comments that healthy and fit employees are essential to ensuring a company remains efficient and profitable. Employee wellbeing at work promotes advantage to organizations of having a

healthy work (Cooper & Robertson, 2001). Therefore the dynamics of employee wellbeing at work is pivotal in the understanding of the different domains that affect quality of life at work.

Priti (2009) argues that the role of welfare activities is to promote economic development by increasing efficiency and productivity with the underlying principle being making workers give their loyal services in genuine spirit of co-operation and the general well-being of the employee. The employee of Kenya Bureau of Standards render essential services to the nation of ensuring that goods and services of the best quality for consumption and thus labour welfare activities need to address their issues.

Further, welfare facilities help in raising employee's standards of living. This makes workers' pay more attention to work and thus increases their productivity and foster better industrial relations, help organization's visibility and popularity (Priti, 2007)

The International Labour Organization (ILO) classifies welfare services into two; intramural activities which are provided within the establishment such as drinking water, crèches, rest shelters, canteens, health services including occupational safety, uniform and protective clothing and shift allowances. Extramural activities which are undertaken outside the establishment such as maternity benefits, social insurance, measures like gratuity pension, physical fitness and efficiency, education facilities, recreational facilities including sports, cultural activities, transport to and from work (Manju & Mishra, 2007).

Currie (2001) views employee wellbeing at work as the physical and mental health of the workforce. That is, employees should be working in a stress-free and physically safe environment. Bakke (2005) supports this view and notes that wellbeing can be linked to promoting environment that make work exciting, stimulating, enjoyable and proposes that joy-filled workplaces improves performance.

For organizations to be able to remain sustainable it is inevitable that promoting the wellbeing of its employees is a necessary need to enhance performance and thereby survival and further development of the organization (Currie, 2001). Introducing employee services into organizations therefore is likely to introduce a change in the

organizational climate that makes room for innovative practices that can produce positive organizational outcomes.

Research has shown that an escalating number of employers now recognize human capital as a valuable resource and consequently there is an increasing realization that employee wellbeing is an important determinant to organizational prosperity.

Here in Kenya the Occupational Health and Safety Act (OSHA), 2007 provides guidelines for safety and welfare of all workers and all persons lawfully present at workplaces. Therefore it is the responsibility of every employer to ensure that their workers wellbeing is take care of to ensure maximum productivity hence improved performance.

2.3.3 Salary Reviews and Employee Performance

Each year most organizations at a set time review their salaries and remuneration packages for their staff. Most companies raise the staff wages by the consumer price index or inflation rate in order for salaries to remain at least at the current rate of inflation. Salaries and financial perks are not enough to keep any individual engaged in the work place. However salaries need to be at a certain level in order for it to be no longer the primary concern for the individual to drive commitment to the organization (Ongori, 2007) and to bring individuals satisfaction that is correlated with their earnings.

There is some empirical evidence that pay has direct effects on performance (Gneezy and Rustichini, 2000). There is substantially more evidence that positive outcomes such as higher subsequent performance are more likely when pay increases are made contingent on good performance. A major part of attracting and retaining the best employees involves reviewing the compensation you are paying present employees and awarding raises as the business and market demands. While there are many ways of determining the amount of raise, the basic approaches to determine the amount of raise is to give everybody the same percentage or give employees different raises based on equity between base wages or performance also known as the merit system (BIS, 2011).

There appears to be plentiful evidence in the research literature that poor pay has a negative effect on the performance of public servants and is a core factor in worker demotivation (PSC-K, 2008). This is especially the case when salaries are not adequate for obtaining the basic necessities of life. The report further suggests that knowing how to manage salary reviews is critical to engaging, retaining and motivating staff. This can provide a key opportunity for both the employee and the employer to ensure that they share the same understanding with regard to performance measures and expectations.

With consumer and business confidence at considerable lows it may not be financially viable for organizations to give their staff the pay rise that they received in previous years or that they may be expecting. However, Armstrong (2002) suggests some key points that should be considered when conducting salary reviews;

2.3.3.1 Salary consistency

Consistency in salaries amongst the staff is extremely important. People talk and unreasonable or unexplainable salary discrepancies can foster resentment and have a very negative impact on the organization's culture.

2.3.3.2 Self-evaluation forms

Having employees complete self-evaluation forms just prior to salary reviews are useful in getting an understanding of what gap there may be between the organization's perceptions and expectations and employee's perceptions and expectations. It will also provide guidance for what key areas should be focused on and addressed during the review.

2.3.3.3 Clear communication

Communicating clearly about pay at all times, setting out clear and achievable performance objectives and milestones will allow the company to assess the true contribution of the employees to the business and can provide markers for considering the validity and legitimacy of a pay rise. Open communication about the issue will limit any

damage to goodwill and pave way the way forward for a better understanding of performance objectives and expectations, and how they impact reward mechanisms.

2.3.3.4 Other incentives

Cash bonuses are often used as an alternative to a salary increase. A bonus that is tied to performance is an additional incentive for the employee and it can ensure that the business objectives will be achieved before incurring any additional cost.

Performance management encompasses performance appraisal, objective setting for individual departments, appropriate training programs and performance related pay. PA should measure performance against identified job requirements, determine the gap between the skills available and those needed for the job and set a remuneration intervention to harmonize the two.

According to Lawler, (2003) if the compensation system is designed to distribute rewards in relation to differences in performance, it is essential that the organization implement a PA system. This will enable the managers identify the good performers and reward them or those employees who have potential for growth and future development.

PA would not work if linked to a reward and remuneration system that employees do not trust or support (Stockley, 2009). Employees will only support the reward system if constant reviews are made periodically in their favour and if they are involved in setting goals for performance pays such as commissions and bonuses and when pay policies are communicated openly. This will boost their morale and will always look forward to work and deliver selflessly to the organization.

2.3.4 Health Benefits and Employee Performance

The well-being of employees is in the best interest of many organizations. The workplace is a significant part of an individual's life that affects his or her life and the wellbeing of the organization. However, the wellbeing of employees is also in the best interest of employers who spend substantial resources hiring employees and trying to generate products, profits and maintain loyal customers. The health, safety and wellbeing of the

workforce are an essential element of a successful and sustainable business. Although expensive there are many intrinsic benefits to providing your employees with an insurance plan. For most it is the ability to find and keep highly qualified staffs that is the key driver for good performance (Armstrong, 2005).

Armstrong (2006) argues that medical services aim to provide help to employees who may get absent from work for long periods because of illness related issues. Employers provide a variety of health care benefits usually through insurance coverage. The most common plans cover medical, dental, prescription drugs and vision care for their employees and their dependants.

Employers also have in place counselling services to take care of employees psychological needs as Armstrong (2006) also further argues that stress, anxiety and depression are some of the issues that may lead to dismal performance of the employees.

Many employers allow employees to miss a limited number of days because of illness without losing some pay. Others pay employees for unused sick leave whereas have shifted emphasis to reward people who do not use sick leave by giving the well pay that is extra pay for not taking sick leave (Matthis,2003).

With all these health provisions catered for by the employer employees to perform well since the medical care issues for them and their immediate families are fully catered for by their employer.

2.3.5 Training Programs and Employee Performance

The view that people are an organization's most important assets and that their effective development and deployment offers a distinctive and non-imitable competitive advantage has spurred interest in the effective management of human resources (Guest, 2000). While the resource based literature has argued that generalized investment in human capital should be avoided, drawing conclusion on the literature on psychological contracts and organization commitment is important as generalized investments may have value for the firm through strengthening worker commitment to the firm

From a company's perspective training of employees is essential for organizational operation and advancement. From an employee's perspective these same factors are both crucial and critical for skill development and for career advancement. Retention of employees and the retention of valued skill sets are important for continued business achievement (Mark and Sockel, (1999). The successful retention of employees leads to knowledge preservation within the organization (Capelli, 2004). At a company level, mechanisms that allow for and promote knowledge transfer amongst employees can help minimize the effect of the loss of skilled staff to other companies.

Training employees leads to increased employee satisfaction, facilitates the updating of skills, leads to an increased sense of belonging and benefit, increased employee commitment to the organization and strengthens the organizations competitiveness (Burden and Proctor, 2000).

A reward system is not only concerned with money but other non financial rewards such as training and development. According to 'money not key', (2001:1) employees' ranked external conferences and seminars, tuition reimbursement, managerial training and company support for academic degrees as alternative to money to retain workers and improve performance. Workers who are given the opportunity to learn, grow their careers and are appreciated are more willing to make long term commitments to the organization. Training and development is important in all aspects of the organization for sustained success and growth. Rapid change in technology and changing customer demands require continual retraining of experienced employees to perform new and changed jobs.

Training should be about the whole person development, not just transferring skills, the traditional interpretation of training at work. Whatever role and responsibility, you might not immediately be able to put great emphasis on a person's development. If the person's development is quite worthwhile an organization retains him or her. Unless training is effected, an organization will not benefit from its employees (William, 2009)

A well trained and motivated workforce makes it possible to achieve organization success. Effective employee training is not only critical for enhancing long term

employment and economic growth which can add to an organizations competitive advantage; but it also provides firms with a unique and differentiated position that can improve the standard and quality of services or products resulting in continual innovation; increased productivity and profitability (Mathews, 2002; Taylor and Davies, 2004). Training employees motivates them to channel their efforts towards organizations activities and thus enhancing their performance. If management neglects training their employees they will become dissatisfied or lose their interest in the job. This may lead to absenteeism, turnover, sick leave, strikes, grievances and even accidents.

Whilst company commitment for its employees positively affects retention and leads to desirable outputs there are many types of training appropriate to different categories of employees. To have the positive results, organizations commitment to training must tie closely to appropriate effective training methods and training delivery mechanisms. Therefore it is the responsibility of the management to ensure that their employees possess the necessary skills to ensure efficiency and effectiveness in their work hence improved performance.

2.4 Summary and Gaps to be filled by the Study

Today's reality is that people influence important aspects of organizational performance in a multitude of ways. People conceive and implement the organization strategy, while the mix of people and systems mostly determines an organizations capability. Competencies are required to execute the strategy and these competencies are primarily a function of the skills and knowledge of an organizations human capital which should be rewarded. Therefore if an organization is to treat its employees as it's most important assets, it has to be knowledgeable about what it is that motivates people to reach their full potential and hence improved performance (Lawler, 2003).

In order for an organization to meet its obligations to shareholders, employees and society its top management must develop a relationship between the organization and its employees that will fulfil the continually changing needs of all parties. At a minimum, the organization expects employees to perform reliably the tasks assigned to them and at the standards set for them. The employees expect the organization to provide fair pay, safe working conditions and fair treatment (Beer et al., 1984).

People are now seen as the primary source of a company's competitive advantage. Therefore the way people are treated increasingly determines whether an organization will prosper or even survive (Lawler, 2003). Organizations are under constant pressure to enhance and improve their performance and are realizing that an interdependent relationship exists between organization performance and employee performance. Therefore the management should ensure that their employees are well rewarded to ensure enhanced productivity. Prendergast (1999) asserts that rewards involve giving something of value to recognize positive work results. Reward therefore is integral to recognizing employee's contribution to the organizations growth and subsequent prosperity.

2.5 Conceptual Framework

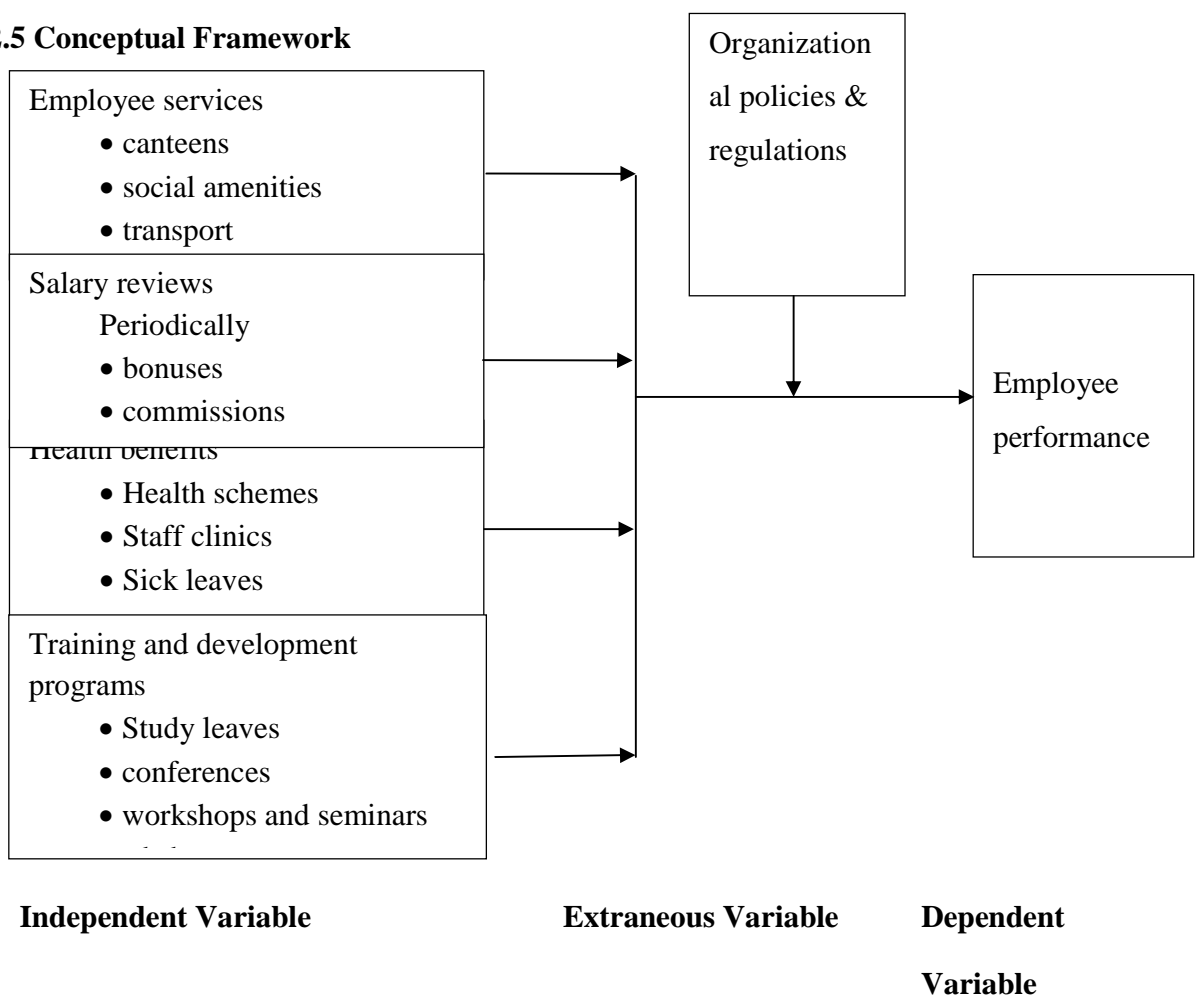


Fig. 2.1 Conceptual Framework

Source: Author (2014)

2.5.1 Employee Performance

Performance is usually defined as the extent to which an organizational member contributes to achieving the goal of the organization. Employees are the primary source of competitive advantage in service-oriented organizations. The performance measurement system employed in an organization must be in a position to measure the performance of all assets including the human ones. Therefore it is evident that the individual's performance has an impact on the organizations wider objectives and thus it is imperative that every employee's performance should be managed.

2.5.2 Employee Welfare Services

Employee welfare is a term including various services, benefits and facilities offered to employees by the employers. Through such generous benefits the employer makes life worth living for the employees. They are amenities extended in addition to normal rewards available to employees as the legal provisions. The very logic behind employee services is to create efficient, healthy, loyal and satisfied labour force for the organization. The purpose for such facilities is to make their life better and also to raise their standard of living

2.5.3 Salary Reviews

It is important when managing a salary review to look at what the market is paying. It should be carried out together with performance review as they both go hand in hand. Salary reviews are an important process and require care and preparation in order to meet your employees' expectations and ensure that review is a valuable process. It is also important that explanations are offered as to the reasons and criteria behind salary reviews. Not everyone may receive a salary increase or at least an increase at the level they were expecting, so it is important that their expectations are managed correctly by justifying and preparing prior to undertaking the review. When the organization is in a

position to offer a pay increase at a higher level than they were expecting it is important to utilize this situation to praise and congratulate the employees for excellent performance and contribution.

2.5.4 Health Benefits

Health benefits are an important part of most employees benefit packages which explains why many organizations offer them to their workers. While offering health benefits is an expense some organizations want to avoid, there are a number of reasons why organizations should consider offering health benefits. First, today's job market is fiercely competitive and yet the best new hires are an important part of the company's strategy. Health benefits are something that new employees look for today considering the skyrocketing cost of healthcare. Without health benefits your staff will likely to be eyeing other positions that can give them the health coverage they need. In addition, health benefits boost the morale of staff since they are aware that the employer is concerned about their wellbeing.

2.5.5 Training Programs

Employees are the major assets of any organization; the active they play towards a company's success cannot be underestimated. As a result equipping them through effective training becomes imperative in order to maximize job performance. Investment in training can improve an organizations financial standing. Poor performance often results when employees do not know exactly what they are supposed to do, how to do their jobs or why they need to work in certain ways. Training can help solve these performance problems by explaining the details of the job. Improved performance from training can reduce staff turnover, lower maintenance costs by reducing equipment breakdowns and result in fewer customer complaints. Better performance from employees typically creates less need for supervision and brings increased worker output.

2.5.6 Organizational policies and Regulations

Organizational policies are courses of action taken by an organization from among alternatives to guide and determine present and future decisions and position on matters concerning the organization. Appropriate organizational policies concerning reward will

stimulate employee satisfaction and performance. Organizations that put in place practices like effective and equitable compensation structure, appropriate promotional scales and enhanced development and training opportunities will motivate their employees to perform well.

CHAPTER 3

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter deals with the description of the methods that will be applied in carrying out the research. It covers the following areas; research design, research area, population, sampling techniques, research instruments, data collection procedures and data analysis.

3.2 Research Design

The study adopted a descriptive research design. A descriptive survey research design was chosen because it sought obtain information that describe existing phenomenon by asking individuals about their perceptions, attitudes and values (Mugenda & Mugenda, 2003). Descriptive research design is the systematic collection of data in standardized form from an identifiable population or representative (Kombo and Tromp, 2006). This design was preferred for this study because it fully describes employee reward and its relationship with employee performance at Kenya Bureau of Standards.

3.3 Target Population

According to Mugenda & Mugenda (2003), target population is the members of a real or hypothetical set of people, events or objects the researcher wishes to generalize the results of the research. The research targeted a population of 224 officers comprising of departmental employees in the six major departments in the organization.

Table 3.1 Target population

Department	Frequency	Percentage
Standards	50	22
Quality Assurance & Inspection	47	21
Metrology	57	25
Testing	42	19
Certification	15	7
NQI Training	14	6
TOTAL	224	100%

Source: Author (2014)

3.4 Sampling and Sampling Procedures

It is impractical to collect data on the whole population considering the size, as well as time available to the researcher, hence the need to select a sample that will represent the whole population. Stratified random sampling was used to select departments to which questionnaires were administered. It was best suited for this study because the population was heterogeneous. Mugenda & Mugenda (2003) observes that 30% of the target population is a good representation thus out of the 224 officers targeted 68 respondents would be considered to provide a general view on the study.

Table 3.2 Sample size

Department	Frequency	Sample ratio	Sample size
Standards	50	0.3	15
Quality Assurance	47	0.3	14
Metrology	57	0.3	17
Testing	42	0.3	13
Certification	15	0.3	5
NQI Training	14	0.3	4
TOTAL	224	0.3	68

Source: Author (2014)

3.5 Data Collection Procedures

Primary data collection was used. This was mainly through the administration of questionnaires to the respondents by the researcher which were further processed and

analysed. Both open-ended and close-ended questions were used. Open-ended questions enabled the respondents give adequate explanations to questions while close-ended questions helps to keep the questionnaire at a reasonable length and therefore encourage responses. Likert scale was also employed in some parts of the questions to facilitate easy analysis.

The researcher got authority from the University to proceed to the field to collect data. The authority was through a letter addressed to the head of the organization to allow the researcher administer the research instrument. The researcher personally distributed the questionnaires to the respondents and collected them after a period of two weeks.

3.6 Data Sources and Instruments

Primary data collected directly from the respondents through the administered questionnaires was used. The major advantage of this type of data is that it is usually the latest and most updated information and also relevant for the current study. Secondary data from books, journals, past researches and the internet was also used to reinforce the primary data. Questionnaires were used to collect data from the respondents.

3.6.1 Data Validity and Reliability

Mugenda and Mugenda (2003) assert that the accuracy of data collected largely depends on the data collected instruments in terms of validity and reliability. Validity is the degree to which results obtained from the analysis of the data actually represents the phenomenon under study. Validity was ensured by having objective questions included in the questionnaire and by getting guidance from my supervisor and through expert opinions.

Reliability on the other hand refers to the measure of the degree to which the research instruments yield consistent results (Mugenda & Mugenda, 2003).

3.7 Data Analysis and Presentation

Data was analyzed and interpreted using descriptive statistical techniques such as frequencies and percentages. The researcher made use of statistical package for social sciences (SPSS) to code, tabulate and analyse the data. According to Mugenda & Mugenda (2003) descriptive statistics includes the statistical procedures that produce indices that summarize data and describes sample. The results were then presented in form of well interpreted and easy to understand tables, graphs, charts and percentages.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.0 Introduction

This chapter covers the discussion of the qualitative and quantitative data analysis. It also presents the most salient findings based on the empirical analyses and provides an overview of the research findings obtained based on the descriptive statistics for the measuring instruments which were utilized. The major objective of this study was to examine effects of rewards on employee performance among operational staff at Kenya bureau of standards. The data was obtained by use of questionnaires, analyzed, and presented in tables, bar graphs and pie charts.

4.1 Response Rate

This particular study targeted 68 respondents based on their functional categories/departments from which 52 filled in and returned the questionnaires making a response rate of 76.47 %. According to Mugenda & Mugenda (2002) a response rate of 50% is adequate enough for analysis and reporting while a response rate of more than 60%-69% is considered to be good and that of above 70% is excellent. This was achieved after the researcher made a rigorous explanation to the respondents on how to fill the questionnaires.

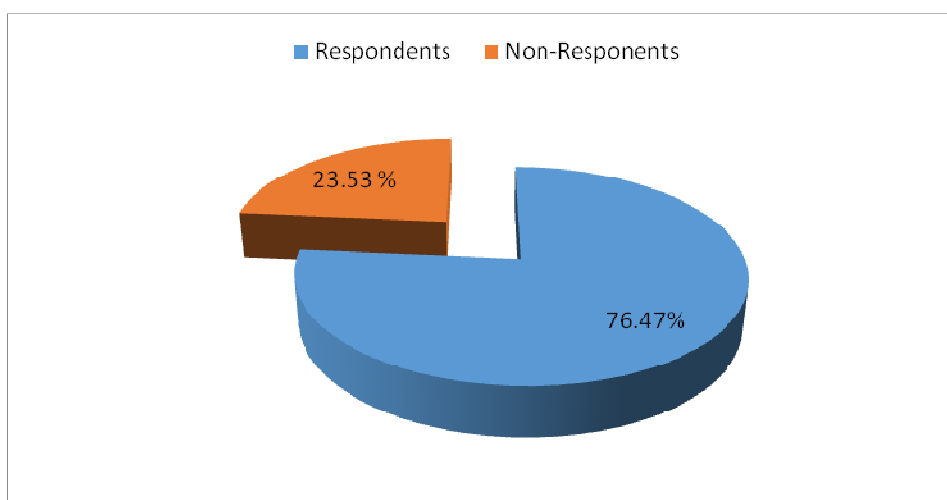


Figure 4. 1: Response Rate

4.2 Demographic Information

Figure 4. 2: Distribution according to Gender of respondents

To determine their gender, they were asked to indicate the same. Figure 4.2 presents the findings;

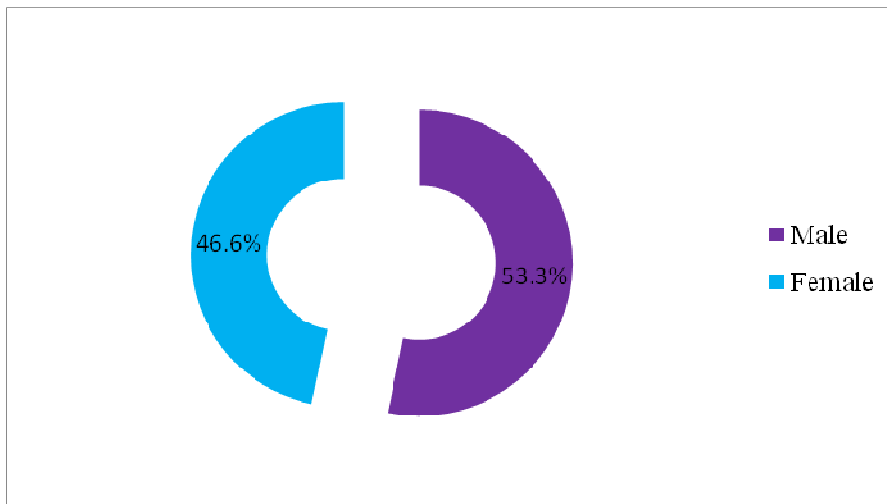


Figure 4.2

From the findings, the study established that the number of respondents were almost equal with a small disparity between female and male as shown by 46.6.3% against their male counterparts who registered 53.3% males of respondents. This shows that there are more male than are females in the operational staff at Kenya Bureau of Standards. However, from the look of the responses, there is a good balance of gender ration between male and female. This is also reflected in the management and non-operational staff of KEBS

4.2.1 Age of the Respondents

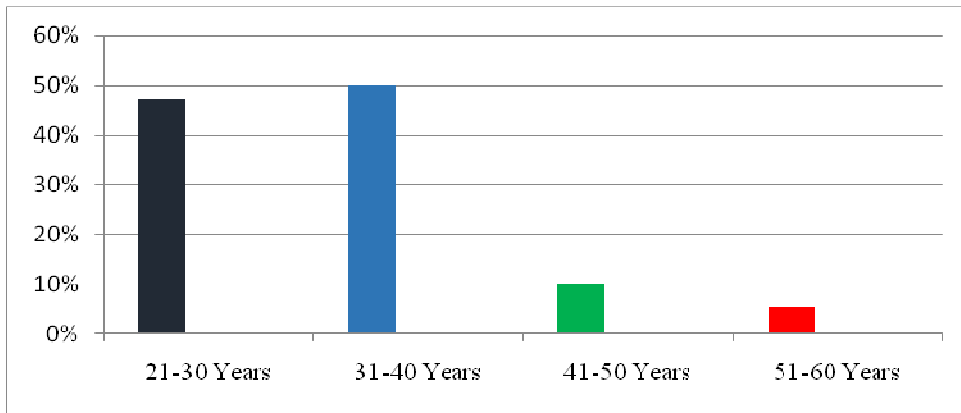
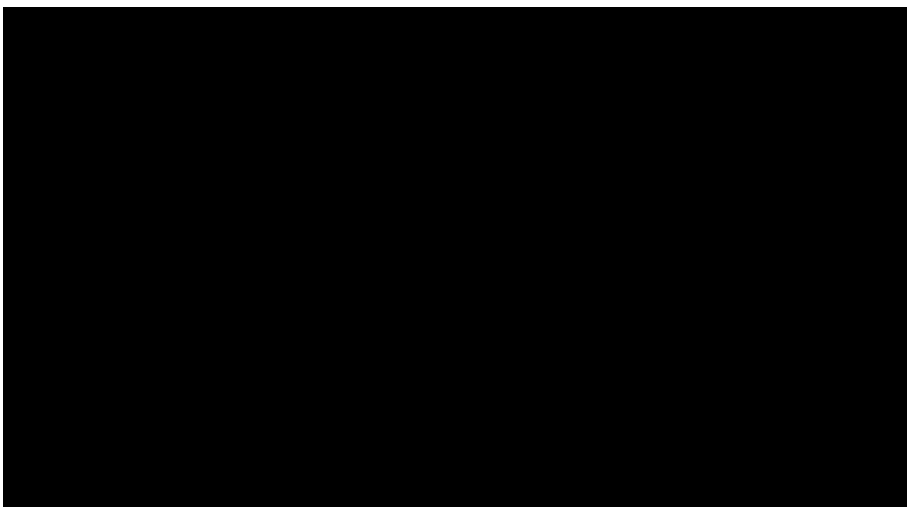


Figure 4.2.1

On the age of the respondents, the study found that the majority of the respondents were between 31-40 years (50.0%), 44.7% were aged between 21-30 years, 10.0% were aged 41-50 years, while 5.6% of the respondents were aged above 50 years. This shows that majority of the operational staff are middle aged. They are very energetic and can quit their area of employment easily given an opportunity or when they sense inequity of the reward system.

4.2.2 Marital Status

Figure 4.2.2 Distribution according to marital status



From the findings, the study established that the number of respondents who were married were 60% as compared to the unmarried at 40%. The questionnaires had a provision for the divorced and the widowed but they both registered a frequency of Nil.

4.2.3 Job Classification

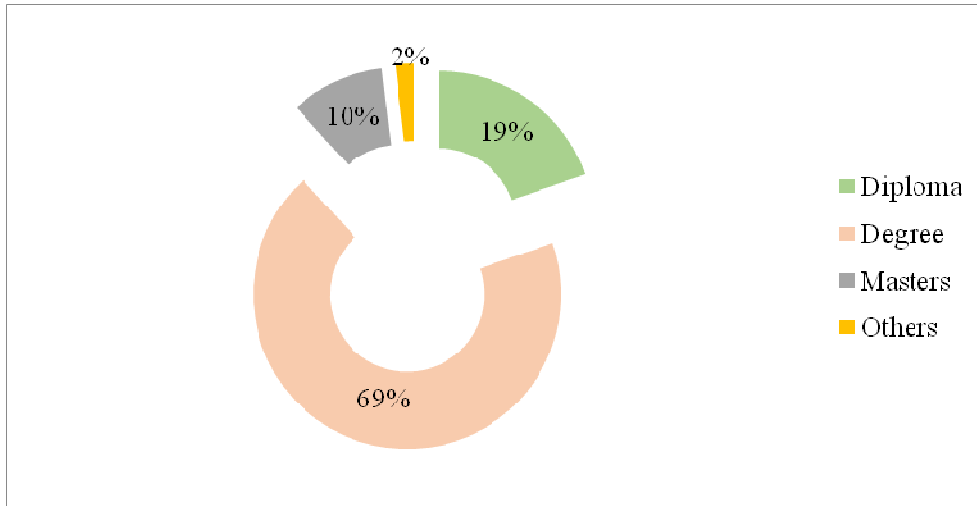
Table 4.2.3 Job Classification Distribution

S/No.	Job Classification	Frequency (n)	Percentage
1.	Technician	16	25.5%
2.	Officer	28	41.2%
3.	Specialist	10	14.7%
4.	Clerical/Administration	8	11.8%
5.	Line Manager	6	8.8%
	Total		100%

Table 4.2.3 indicates that majority 28 respondents at (41.2%) were Officers while technicians followed closely at 16 respondents at (25.5) while the least being the line managers at 6 respondents contributing to a percentage of 8.8%. This implied that the officers and technicians form a batter percentage of the operational staff at the Kenya Bureau of Standards.

4.2.4 Educational Qualifications

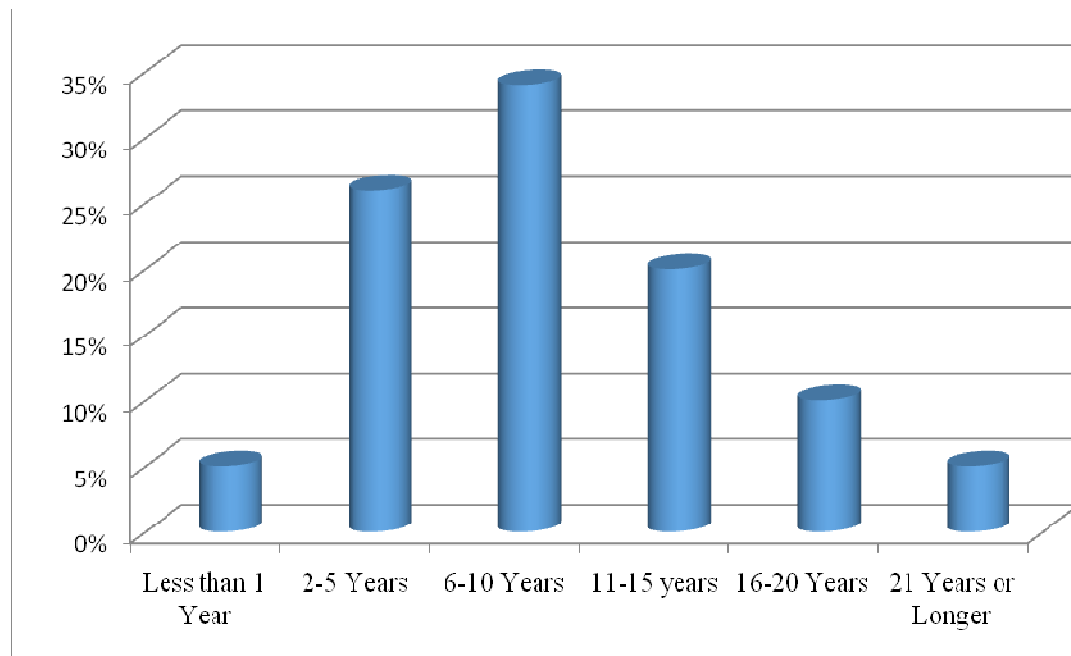
Figure 4.2.4 Distribution according to education level



The study also sought to establish the respondents' highest level of education. According to the findings, the majority of respondents had a university degree as shown by 69. % of the respondents, 19% had college Diplomas as their highest level of education while 10% of the respondents had Master degrees and 2% had others like Secondary education only. This implies that majority of the respondents had at least a first degree and could give relevant information on the subject matter.

4.2.5 Period the respondents had worked with the organization

Figure 4.2.5 Distribution of years of experience



The findings indicated that majority had an experience of about 6-10 years at (36%) closely followed by respondents with an experience of 2-5 years in the same organization while the least percentage was at less than 1 year and longer than 21 years both registering a response rate of 5 % respectively

4.3 Response to specific Questions

(a) Does the Management carry out performance evaluation?

When they were asked whether the management of Kenya Bureau of standards carry out performance evaluation, all the respondents (100%) said yes. And when they asked how often, most of them if not all of them indicated that it is being carried out quarterly and they were actually satisfied with the present performance appraisal system employed by the organization. In this regard therefore, it was easy for the researcher to correlate the issue of reward system in relation employee performance with ease.

Table 4.4: Effect of Rewards on employees' Performance in Kenya Bureau of standards

The following is the details of the

Performance based rewards	Frequency (n)	Mean	Standard Deviation	t-Statistic	P-Value
Poor	37	30.39	4.257	-4.034	0.000
Good	31	33.42	5.151		

The t-test results in table 4.4 revealed that participants whose performance was good as a result of rewards have 33.42 mean statistics which is higher than 30.39 mean statistics of those whose performance was poor. It was noted that this mean difference was significant since the p-value of .000 was less than .05 level of significance. The implication of this was that rewards affected the performance of operational staff at Kenya Bureau of standards.

4.5 Relationship between Rewards and Performance

Rewards can be used to improve performance by setting targets in relation to the work given e.g. surpassing some set targets. When the employee surpasses their target, he or she can be given an additional amount to their salary; this will make them strive to achieve more (Maundy, 2001).

Research has proven that when human being are appreciated and praised, they tend to improve their performance.

This is another way an organization can apply as a reward so as to improve performance. Praise could be shown in the organization newsletter or in meetings. When managers take time to meet and recognize employees who have performed well, it plays a big role in enhancing employees' performance (Torrington & Hall, 2006).

Further, the results show that majority of employees have a perception that cash bonuses motivate performance. Cash bonuses were perceived to have a great influence in motivating employees to achieve their targets as well as in motivating them to be more productive in their work; however it only has significant influence when it comes to motivating employee attendance.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the discussion of results, draws conclusions according to the findings on each of the study objective and gives recommendations as per research objective.

5.2 Discussion

5.2.1 Performance-Based Reward used in Kenya Bureau of standards

Research established that the most commonly used types of rewards in Kenya bureau of standards were public appreciation, recreation, promotions, packages/presents, duty allowances and pensions. The study revealed however that, public appreciation and promotion were so common and this was due to the fact that they had no or little financial implications on the employees generally as regards to the issue of promoting performance. This is corroborated by APPA, (2007) which indicated that traditionally there were a variety of models for recognizing employees on the basis of the quality of their performance. Among the models included paying employees, wholly or partially, on the basis of the quality of their performance.

Noting the fact that Kenya Bureau of standards is a parastatal and not mostly aimed at profit making, they ensure high level minimization of costs. So they cannot afford financial rewards to the performing employees.

APPA (2007) further indicated that the system of determining payments could only be effective with quantifiable outputs; payments were made as per the volume of output which would be difficult with the provision of services say, in quality assurance or in testing departments.

An effective and workable system of performance pays in parastatals, one of the more crucial questions to be answered is that of whether the contributions of individual employee/staff can be measured in a way which will provide a valid, fair, and generally accepted basis for varying pay rates (Odden, 2002). Very often the yard stick majority parastatals have used to gauge the performance of employees is the effectiveness of the

organization as a whole and the reputation/ ability to meet the goals it is intended to achieve.

Effectiveness of Kenya Bureau of standards as an organization is a collective effort of many individuals; it is at times difficult to determine which employee performed better than the other and be rewarded accordingly. Further still evaluating individual employee performance is difficult, as Cohen's (1986) research demonstrated. Despite this difficulty, employees' impressions of performance evaluations systems play a crucial role in the success of performance based pay programs.

5.3 Conclusion of the study

In reality, performance-based rewards were considered important due to the fact that they motivate employees, promote good performance, improve on administrator/management relations, demonstrate a fair and equal treatment and contribute to effectiveness of the organization as a whole. It was discovered rewards demonstrate fair and equal treatment to employees/staff. It was realized that many public organizations pay less to their employees despite their academic qualifications and performance. As a supplement on the salary, rewards play a big role to cover up that gap.

5.4 Recommendations

This study recommends that;

Kenya Bureau of standards should reward its employees more often. This greatly improves performance compared to having the rewards maybe only once a year. This is because frequent rewards are easily linked to the performance.

Another way through which Kenya Bureau of standards can use reward systems to increase output is by personalizing the reward. When rewards tend to be so general, employees do not value them. Organizations can use rewards to improve employee performance by incorporating appraisal or promotion for employees who have a good record of performance. Managers should be on the lookout for employees who perform exemplary well.

Rewards have been known to have a positive effect on employee performance. However no reward system is perfect, this is because motivation is personal and what motivates one employee could be different from what motivates the next. Therefore, the Kenya Bureau of standards should get to know their employees well so that they can employ the right motivational strategy to enhance increased/improved performance.

Herzberg's motivator-hygiene theory says that if higher level needs were met like a sense of achievement, opportunities for personal growth and having responsibility were met, individuals would be motivated (Ryan & Pointon, 2005). Therefore, Kenya Bureau of Standards should hence change the intrinsic nature and content of jobs by enriching them so as to enhance employees' sovereignty, opportunities for them to have additional responsibilities, gain recognition and develop their skills so that employees can achieve peak performance.

The study finally recommends that the in order to enhance employees morale and enhance performance Kenya Bureau of standards should offer increased employee training, revision of benefits scale, staff participation in decision making, transparency in matters relating to staff benefits and establishment of loyalty clubs/team building.

5.5 Suggestions for Further Research

Based on the limitations of the study, the following were the areas suggested for further study;

Further research is needed to monitor the reward practices and the impact of these practices have on employee Performance to better manage the continuous development of the employees at Kenya Bureau of standards . As stated at the moment the reward practices are well organized in the case study organization but what is needed in the future is the monitoring and measuring of the efficiency of the reward practices.

This study only focuses on the rewards; it doesn't focus on other factors. Research can also be carried out to identify other factors which may affect performance but which have

not been studied to determine their effect. Such findings can enhance management of performance.

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APPENDIX I
INTRODUCTION LETTER

Dear respondents,

RE: REQUEST FOR ASSISTANCE WITH A RESEARCH PROPOSAL

I am a Masters of Business Administration student at Kenyatta University pursuing Human Resource Management and wish to conduct a study on the impact of rewards on employee performance management. The aim of the study is to establish whether rewards have an impact on employee performance. I wish to inform you that your organization was the one selected for the study. The information and data being sought is purely for academic purposes and utmost confidentiality will be observed. I am kindly requesting for your assistance in the course of the study.

Thank you in advance.

Yours faithfully,

Catherine Nthambi

- Clerical/administration
Line manager

5. Educational qualification

- Diploma
Degree
Masters
Others (please specify)

.....
.....

6. How long have you been working for this organization?

- Less than 1 year
1-5 years
6-10 years
11-15 years
16-20 years
21 years or longer

SECTION B

EMPLOYEE PERFORMANCE

1. Does the management carry out performance evaluation?

- (a) Yes (b) No

If yes to 1 above how often are they carried out?

- Monthly
Quarterly
Semi-annually
Annually

2. Are you satisfied with the present performance appraisal system in your organization?

- (a) Yes (b) No

If no then why

.....
.....

3. How would you rate the current performance appraisal system in place in your organization?

- (a) Effective (b) Ineffective

4. Do you productively complete projects and meet targets?

- (a) At all times
(b) Frequently
(c) Sometimes
(d) Always

SECTION C

EMPLOYEE WELFARE SERVICES

1. Are you satisfied with the canteen facilities in your organization?

- (a) Yes (b) No

If no why

.....
.....

2. Do you have pure drinking water facilities in your organization?

- (a) Yes (b) No

If yes to the above how can you rate these facilities?

- (a) Very good (b) Good
(c) Satisfied (d) Poor

3. (a) Which of the following facilities are provided by your organization

Facility	Yes	No	No opinion
Housing			
Recreation			
Uniform			
Health insurance			
Conducive working conditions			
Lighting & ventilation			
Safe drinking water/ rest room			

(b) Kindly give suggestions for any desired improvements in the current employee welfare systems in your organization

.....

.....

SECTION D

SALARY REVIEWS

1. What type of benefits does your organization provide?

- Bonuses
- Commissions
- Pensions
- Allowances

2. What is your employment status?

- Full time
- Part-time
- Contract
- Intern

3. What does your organization base salary increases on?

- a) Performance
- b) Years of service
- c) Position
- d) Combination of the above

4. Do you get a cost of living adjustment?

a) Yes b) No

If yes how often

.....
.....

SECTION E

HEALTH BENEFITS

1. Rate your benefits in terms of importance. Please circle the number that best corresponds to the degree of importance you place on the following benefits.

5(very important), 4(important), 3(undecided), 2(not too important) and 1(not at all important)

	very important	important	undecided	not too important	not at all important
Health medical plan	5	4	3	2	1
Prescription drug plan	5	4	3	2	1
Dental	5	4	3	2	1
Vision	5	4	3	2	1
Maternity	5	4	3	2	1
Accidental death &dismemberment	5	4	3	2	1

2. i) What is the health medical plan are you currently enrolled in?

Corporate medical cover

Insurance medical cover

ii) When was the last time you or your family used the health medical plan provided by the company?

- Never used
- 1-3 months ago
- 4-6 months ago
- 7-12 months ago
- 1 year & above

3. How do you perceive;

	Excellent	Above average	Average	Below average	Poor
Communication of your benefits					
understanding of benefits offered to you					

SECTION F

TRAINING PROGRAMS

1.a) Does your organization have any process for assessing (immediate and future) training needs and individual development needs? (tick your appropriate suggestion)

- i. Yes, by the Human Resource department
- ii. Yes, by outside consultants
- iii. Yes, by departmental heads-
- iv. No

b) If yes, how is this assessment carried out?

.....

c) How often is this assessment updated?

- i. Quarterly []
- ii. Mid-yearly []
- iii. Yearly []

2. What mode of training is normally used in your organization?

Rate from scale of 6-1

	extensively used	frequently used	always used	used	rarely use	never used
Training method	6	5	4	3	2	1
study leaves	6	5	4	3	2	1
Workshops/seminars	6	5	4	3	2	1
job rotation	6	5	4	3	2	1
external consultants	6	5	4	3	2	1
case studies	6	5	4	3	2	1

3. Which target group undergoes most of the training?

- a) Top managers
- b) Middle level managers
- c) Junior staff
- d) New staff
- e) Everybody is given equal amount of training

THANK YOU FOR YOUR CO_OPERATION

APPENDIX III

BUDGET (KSHS)

Flash disks	2,000
Printing& Stationery	20,000
Binding	5,000
Internet usage	8,000
Travelling expenses	10,000
Photocopying	5,000
Data collection and analysis	15,000
Total expenditure	65,000

APPENDIX IV

TIME PLAN

Milestone	Description	Due date	Remarks
1	Stage 1:Area of interest identified	Sept 2013	Done
2	Stage 2:Topic selected	Oct 2013	Done
3	Stage 3:Start date of proposal writing	Nov 2013-Feb 2014	Done
4	Stage 4:Proposal writing and submission	March 2014	Done
5	Stage 5:Data collection	April 2014	Done
6	Stage 6:Data analysis and interpretation	May 2014	Done
7	Stage 7:Writing up	May 2014	Done
8	Stage 8:Preparation of final project report	June 2014	Done
9	Stage 9: Submission of final project report	June 2014	Done