

**EFFECT OF REWARD STRATEGIES ON PERFORMANCE OF NATIONAL POLICE  
SERVICE EMPLOYEES IN TRANZOIA COUNTY, KENYA**

**BY**

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**A RESEARCH PROJECT REPORT SUBMITTED IN PARTIAL FULFILLMENT OF  
THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION**

**DEPARTMENT BUSINESS ADMINISTRATION  
SCHOOL OF BUSINESS AND ECONOMICS**

**MASENO UNIVERSITY**

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## DECLARATION

I declare that this research project report is my original work and has never been submitted for the award of a degree in any other university.

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This research project report has been submitted with my authority as the university supervisor.

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## **ACKNOWLEDGEMENT**

Am so indebted to my supervisor Dr. Beatrice Abong'o of Maseno University Department of Business Administration for taking her precious time to go through my work and mentoring me. Also special thanks to my husband Nyakundi Nyamori and our sons George Bush and Ian Joash for their prayers, encouragement and persistent support.

Above all, I humbly and sincerely thank my Almighty God for sustaining, enabling and preserving my life and that of my family.

## **DEDICATION**

To my mother Sarah Kwamboka for her tireless effort that ensured a strong educational foundation that has taken me this far.

To my husband Nyakundi Nyamori and sons George and Ian for their encouragement throughout the entire time I was taking the programme.

## ABSTRACT

Despite the government reforms effort in the National Police Service, performance has continued to deteriorate with criminal activities increasing day by day. The Police received an increase of 1,448 crime cases during September to December 2018, marking 7% rise from the 19,815 incidents reported to the police in 2017. Although research has been done on motivation and training, challenges leading to this dull performance have not been adequately investigated and well understood hence hindering performance by NPS who play critical role in security issues. The consideration of reward strategies as the independent variable and performance as dependent variable was sought. The main purpose of this study was to determine the effect of reward strategies on the performance of National Police Service in Trans Nzoia County, Kenya. The study was guided by specific objectives that is; to establish the forms of rewards provided to NPS, to examine the effect of intrinsic reward strategies and to determine the effect of extrinsic reward strategies on the performance of NPS employees in Trans Nzoia County. This study was guided by Expectancy theory, Maslow theory of motivation and Equity theory. The target population were all 1578 police officers in Trans Nzoia County with a sample size 319. A simple random sampling was used to arrive at a sample population. The study used a correlational research design. Primary data were collected using structured questionnaires and interviews with senior officers. The researcher used test and retest method to assess the validity and reliability. Objective 2 & 3 was analysed using regression analysis. Qualitative data was presented thematically, based on the objectives of the study. The study established that the NPS employees were provided with different forms of rewards which include pay and allowances, paid vacations, paid sick leaves, purchase discounts, desired work assignments, maximum security while on duty and equity in payment. It was also established that there is a strong effect on performance of NPS employees attributable to unit change in both intrinsic ( $\beta = 0.274$ ,  $p = 0.00$ ) and extrinsic ( $\beta=0.403$ ,  $p = 0.00$ ) reward strategies. The study recommended the employer to take into consideration the needs and wants of the employees as well as including them in the process of reward strategy development and allow frequent feedback on the effect of any form of reward strategy. The study may provide a basis to the management of NPS with foundation to establish the best form of reward strategy and serve as reference material with documented best strategy in facilitating the performance of NPS employees.

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## OPERATIONAL DEFINITION OF TERMS

**The National Police Service:** The National Police Service is a national body in charge of law enforcement in Kenya. NPS consist of Kenya Police Service, Administration police Service and Directorate of Criminal investigation (DCI). The Kenya police Service consist of regular police and Kenya Police Reservist (KPR).

**Performance:** is completion of task with application of knowledge, skill and abilities. In work place, performance or job performance means good ranking with the hypothesized conception of requirement of a task role. It is how well an employee is doing in an effort to help achieve the organization's vision, mission and goals.

**Motivation:** refers to an internal process that makes a person move towards a goal. It is a reason or reasons one has for acting or behaving in a particular way; it is the general desire or willingness of someone to do something; internal and external factors that stimulate desire and energy in people to be continually interested and committed to a job, role, subject or to make an effort. In management, motivation describes ways in which managers promote productivity in their employees; process through which mangers encourage employees to be productive and effective.

**Intrinsic motivation:** is striving inwardly to be competent at something and to reward yourself inwardly. It is an energizing of behavior that comes from within an individual, out of will and interest for the activity at hand.

**Extrinsic motivation** refers to motivation that comes from outside an individual. The motivation factors are external or outside, rewards such as money or grades.

**Reward:** Something given in recognition of one's service, effort or achievement.

**Reward strategies:** refers to all monetary, non-monetary and psychological payment the organization provides for its employees in exchange of work performed.

**Public sector:** The public sector refers to jobs that are with governmental agencies. It contrasts with the private sector which is comprised of business owned by individuals or corporations. Public sectors may be with local, city, county, state or federal governmental agencies.

**Public Employee:** A public employee is a person who is employed by a government agency and includes the employees of a municipal, county, state, federal agency, state college or university.

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

NPS	National police service
NPSC	National Police Service Commission
KP	Kenya Police
AP	Administration Police
IPOA	Independent Policing Oversight Authority
KPR	Kenya Police Reservist
DCI	Directorate of Criminal investigations
KAPU	Kenya Airwing Police Unit
KPLC	Kenya Power and Lighting Company
I.B.E.A	Imperial British East Africa
SPSS	Statistical Package for Social Sciences

# CHAPTER ONE

## INTRODUCTION

This chapter describes the general introduction to the study which includes: background of the study, statement of the problem, research objectives, research questions, research hypotheses, justification of the study, significance of the study and scope of the study. It also presents conceptual framework. This gives a general overview of the study expectations and the general direction the study took.

### 1.1 Background to the study

Organizations get their work accomplished through employees who perform assigned tasks for the achievement of their objectives and goals. The goals are usually achieved when employees are committed since this category of workers needs little or no supervision to accomplish the tasks assigned to them (Njuki & Moronge, 2016). Rewards system are a fundamental function of human resource management that deal with the assessment of job values, the design and management of payments, performance management, employees' benefits and pensions including the management of rewards procedures. Furthermore, reward strategies take into account organizational goals, values and strategies (Armstrong & Murlis, 2007). Therefore, every company needs a rewards strategy for employees that address four key areas: compensation, benefits, recognition and appreciation (Bratton & Gold, 2007). Reward strategies are of the monetary, non-monetary, and psychological payments that an organization provides for its employees. They state that: "employees may see rewards 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."

There are many studies done on reward or motivation strategies. For example, a study by Caruth and Handlogten (2001) concluded that in most organizations poor rewards system leads to lower satisfaction and in turn produces very low organizational commitment. Another study by Overton and MacVicar (2008) established that employees who experience rewards are more likely to be productive, effective performers and committed to the organization. According to Bratton and Gold (2007), poor reward packages are seen by employees as a source of unfairness

in the system which causes the employees to become dissatisfied with their jobs resulting into lack of commitment thus affecting their overall performance. Further, Brown (2001), asserts that reward strategy is an ultimate way of thinking that can apply to a reward issue arising in the organization to see how it can create value out of it. If reward strategies are unsuccessful, it will be indicated by employees through being reluctant to share ideas, a drop in productivity, increase in absenteeism and persistent low morale.

A study by Boye and Kwesi(2015) on Employee Motivation and Work performance in Ghana, established that employees of the four large scale mining companies are motivated by both intrinsic and extrinsic factors with particular emphasis on pay or remuneration. Good pay was identified to be the best motivating factor for employees at the mining industry. From the study, the intrinsic factors showed a strong significant difference on the motivation which suggests that, once workers are paid very well, they will appreciate the intrinsic factors. The study revealed that satisfaction of employees leads to better performance. Another study by Rakiro (2013) on Effects of Institutional Teacher Reward Systems on Students' Performance in Kenya Certificate of Secondary Education in Ronggo District, Kenya, established that the schools' management use of monetary rewards on teachers, influences students' performance. Further, teachers' benchmarking trips, individual and teachers' group based rewards and teachers' promotions influence students' performance. The analysis shows that motivation among teachers is paramount for their performances in the classrooms and the overall academic development.

The studies reviewed above by Caruth and Handlogten (2001) and Overton and MacVicar (2008) relates reward strategies with organizational commitment. It should be noted that these studies were mainly concerned with employee commitment. However, the current study was concerned with employee performance in public sector. Gold (2007) and Brown (2001), considered poor reward packages as a cause of employee dissatisfaction, which will eventually lead to a drop in employee performance. Gold (2007) and Brown (2001) did not directly link reward strategies with employee performance, this is the gap the current study sought to fill. On the other hand, Boye and Kwesi (2015) study emphasized on need for employee motivation through remuneration. The study revealed that satisfaction of employees leads to better performance. These findings are similar with Rakiro (2013) who established that the schools' management use of monetary rewards on teachers, influences students' performance. The two

studies (Boye&Kwesi2015; Rakiro, 2013) puts more emphasis on monetary rewards. There are many reward strategies that can influence the performance of employees. Further, study by Boye and Kwesi (2015) was done in mining industry whereas the current study was done in a service industry, more so in public service. Boye and Kwesi(2015) study was a comparative study where employee performance was compared in different mining firms in Ghana, this study was not a comparative study, it's a correlational study seeking to establish the extent to which reward strategies relate to employee performance in the national police service in Kenya.

Performance standards in the public security sector are areas that attract global concern. Several states have developed different promising strategies and techniques to improve performance in the public security sectors even though the results have been minimum (Walker, 2004). Performance refers to how well an employee is doing in an effort to help achieve the organization's vision, mission and goals. It helps to answer the question as to whether a person executes his job, duties and responsibilities in the right manner and it is a critical factor in the success of the organization (Mathis & Jackson, 2008). Police performance can be said to be the procedure adopted by police in the public space which promote direct or indirect contact with non-police.

The Kenya Police has its small beginnings in the period between 1887– 1902, tracing its foundation on the Imperial British East Africa (I.B.E.A.) Company, and a businessman Sir William McKinnon, who in the interest of his business found it necessary to provide some form of protection for his stores along coastline of Kenya. It is from this origin that the concept of constituting a real police service was formed in Mombasa. Generally, police activities centered on protection of the business of the I.B.E.A. Company where the strength was mainly of Indian origin with a skeleton staff of some Africans otherwise referred to as 'Askaris'. During those early stages of the small police force, its duties were negligible.

The construction of the Kenya - Uganda Railway provided for the growth of this infant force inland from the coastline, and by 1902, there existed police service units at Mombasa, Nairobi and Kisumu for the purpose of safeguarding the railways property and materials as well as the manpower engaged in constructing the railway. In essence, peace, law and order had to be maintained despite the fact that the personnel employed then had little training. The laws in force

were from India including the Indian Criminal Procedure Code, the Indian Evidence Act and Police Ordinance.

The National Police Service is provided by for by the constitution, The National Police Service Act 2011 and The National Police Service Commission Act 2011. In accordance with the provisions, the National Police Service consist of the KPS and APS. The NPS is a national service and it functions throughout Kenya. NPS is not only significant but also essential public sector because of practical results it tries to achieve (Moore & Braga, 2003). The main objective of NPS is to create an environment where people can have their rights assured. As much as there is information on NPS performance, the existing literature is scanty on reward strategies and the effect they have on NPS performance.

## **1.2 Statement of the problem**

The provision of security to all citizens is a role of the government through National Police service. The NPS personnel are expected to perform to the highest possible level of standard and competence. Despite the government reform effort in the National Police Service, performance has continued to deteriorate with criminal activities increasing day by day. According to the Quarterly Crime Report covering September to December 2018, robberies, trafficking of lethal drugs, offences against morality and offences against persons recorded an increase compared to the same period previous year. The Police received an increase of 1,448 crime cases during that period, marking a 7% rise from the 19,815 incidents reported to the police in 2017. Challenges leading to this dismal performance have not been adequately investigated and well understood yet NPS officers play critical role in security issues. The Kenyan government has invested in the provision of adequate resources, tools, trainings, software and supplies to facilitate service delivery. Despite these interventions, the relationship between reward strategies and the performance of National Police Service has not been adequately investigated hence hindering performance. Therefore, study sought to establish the effect of reward strategies on the performance of NPS employees as well as to establish the forms of reward strategies provided to NPS employees. Other studies were concerned with employee commitment but the current study was concerned with performance in relation to reward strategies. Previous studies put more emphasis on monetary rewards but the current study emphasized on monetary and non-monetary

reward strategies that is intrinsic and extrinsic reward strategies. Past studies were comparative but this study was correlational.

Despite the vast research on impact of reward in private sectors organizations, a small number of researchers have investigated the case of public sectors.

It is in the light of this that this study sought to ascertain the effect of reward strategies on the performance of National Police Service in Trans Nzoia County, Kenya.

### **1.3 Objectives of the Study**

The purpose of the study was to determine the effect of reward strategies on the performance of National Police Service employees in Trans-Nzoia County.

The specific objectives were to:

- i. Establish the forms of rewards provided to National Police Service employees in Trans Nzoia County, Kenya.
- ii. Examine the effect of intrinsic reward strategies on the performance of National Police Service employees in Trans Nzoia County, Kenya.
- iii. Determine the effect of extrinsic reward strategies on the performance of National Police Service employees in Trans Nzoia County, Kenya.

### **1.4 Research Questions**

The study sought to answer the following questions:

- i. What are the forms of rewards provided to National Police Service employees in Trans Nzoia County, Kenya?
- ii. What is the effect of intrinsic reward strategies on performance?
- iii. What is the effect of extrinsic reward strategies on performance?

## **1.5 Research Hypotheses**

The study was guided by the following research hypotheses:

HO<sub>2</sub>: There is no significant relationship between intrinsic reward strategies and performance of National Police Service employees in Trans Nzoia County, Kenya.

HO<sub>3</sub>: There is no significant relationship between extrinsic reward strategies and performance of National Police service employees in Trans Nzoia County, Kenya.

## **1.6 Scope of the study**

The study was to determine the effect of reward strategies on the performance of public sector employees. The study was done in Trans Nzoia County, Kenya involving employees in the National Police Service. The study identified the forms of rewards provided to National Police Service employees in Trans Nzoia County, Kenya. Both intrinsic and extrinsic reward strategies were examined during this investigation and its effect on employee performance was established. Data was collected using employee questionnaire. The data was collected between July and August 2019.

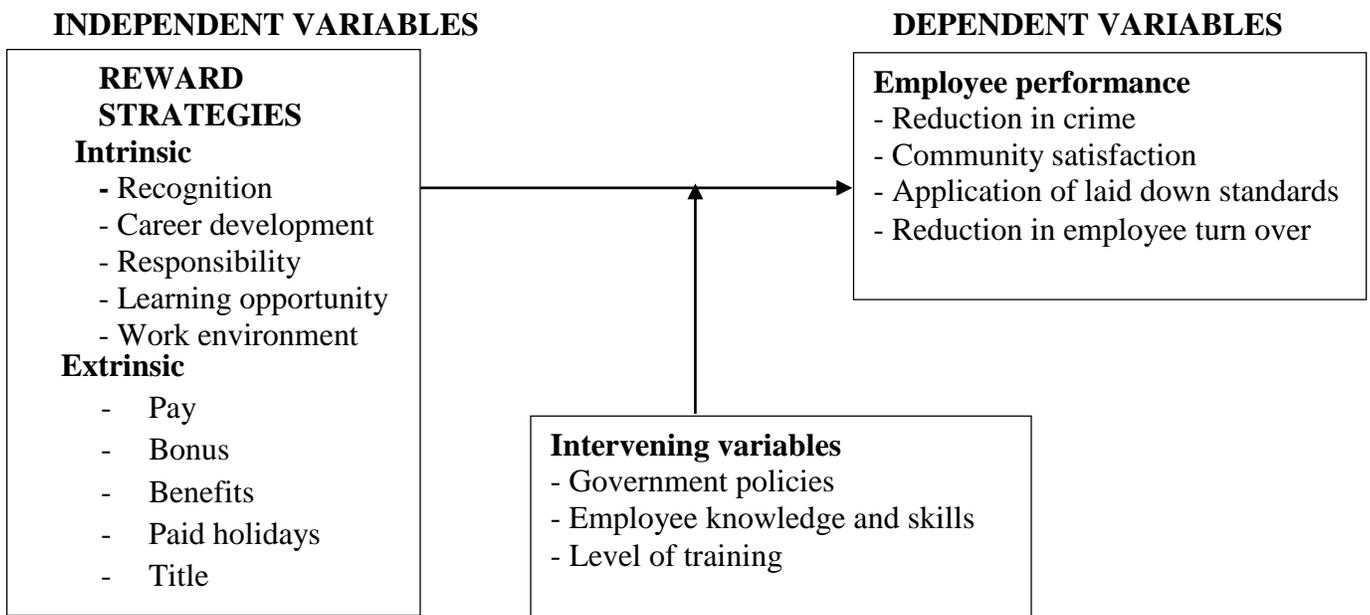
## **1.7 Significance of the Study**

This study was deemed significant because its findings will contribute significantly towards enhancement of public sector employee rewards given that they are key to the survival of organizations in a highly competitive business world. It is expected that the findings of this study may shed light on reasons why some reward strategies have negative impact on the performance of public sector employees and thus suggest the best reward strategies that may facilitate the performance of public sector employees. Despite the vast research on the impact of reward in private sector organizations, a small number of researchers have investigated the case of public sector organizations. This is why the current study was necessary to determine the effect of reward strategies on the performance of National police service employees in Trans Nzoia County, Kenya. The study was carried out in Trans Nzoia County because the area consists of majority of the units in the NPS. The study findings are expected to aid policy makers in public

sectors to carefully plan and forecast the effects of reward strategies on the performance of employees. It is assumed that if the policies made are effective, then the right employees will be rewarded and performance will improve. The study findings may benefit the academic community by providing a body of knowledge on the reward strategies and its effect on performance of public sector employees which they can make references. These findings will also provide a basis for further research into effect of reward strategies on performance of employees in public sectors.

### 1.8 Conceptual Framework

Conceptualization is the inventing and contriving of an idea or explanation and formulating it mentally. It is creating something by thinking up particular ideas that are intended to deal with a problem in order to explain the relationship among interlinking concepts (Manduku, 2013). This study examines the effect of rewards on employee performance in public sector service organization. The conceptual framework for this study was researcher-based framework depicted in Figure 1.1.



**Figure 1.1:** Effect of reward strategies on the performance of National Police Service employees.

**Source:** Researcher (2019)

The framework shows the interaction between reward strategies as independent variable and performance as dependent variable of public sector employees in the National Police Service in Trans Nzoia County, Kenya. In independent variable, extrinsic rewards represent five dimensions which are pay, bonus, benefits paid holiday and title. Intrinsic rewards embody recognition, career advancement, responsibility, work environment and learning opportunity. Hypotheses were developed and tested based on the conceptual framework. The dependent variable in this study was represented by the performance measure – Reduction in crime rate, community satisfaction, reduction on complaints against police, application of laid down standards and rate of employee turnover. Intervening variables included the government policies such as Ethics and Anti-corruption regulation on the amount an individual can receive as a reward, employee knowledge and skill and level of employee training.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

This chapter reviewed theoretical and empirical literature. The section presented the reviewed literature related to the effects of reward strategies and its impact on performance of public sector employees in Kenya.

#### **2.1 Theoretical Literature Review**

There are various models that attempt to explain the effect of reward strategies on the performance of public sector employees. In this study, Expectancy theory, Maslow theory of motivation and Equity theory attempted to analyze motivation factors that affect performance of employees.

##### **2.1.1 Expectancy Theory by Victor Vroom (1964)**

The expectancy theory by Victor Vroom (1964) assumes that behavior results from conscious choices among alternatives whose purpose is to maximize pleasure and to minimize pain. Vroom realized that an employee's performance is based on individual factors such as personality, skills, knowledge, experience and abilities. He stated that effort, performance and motivation are linked in a person's motivation. At the core of the theory is the cognitive process of how an individual processes the different motivational elements. This is done before making ultimate choice. The Vroom's expectancy theory of motivation guided the study in determining the effect of extrinsic reward strategies on employee performance. This is because the theory does not talk about self-interest in rewards but about the associations people make towards expected outcomes and the contribution they feel they can make towards those outcomes. This help in identifying the correct extrinsic reward strategies to be used in order to get maximum out come from the employees. However, the outcome is not the sole determining factor in making the decision and that is why the theory was integrated with Equity and Maslow's theories.

### **2.1.2 Maslow Theory of Motivation (1943)**

Maslow motivation theory is one of the best known and influential theories on workplace motivation. Maslow's theory suggests that the most basic level of needs must be met before the individual will strongly desire or focus motivation upon the secondary or higher level needs. Maslow also coined the term 'metamotivation' to describe the motivation of people who go beyond the scope of the basic needs and strive for constant betterment. Maslow ideas surrounding the hierarchy of needs concern the responsibility of employers to provide a workplace environment that encourages employees to fulfil their own unique potential. These concerns are more relevant in public sector employees. The theory guided this study because it creates a classification system which reflects the universal needs of society as its base. The theory was also useful in this study because it gave guidance on how employee intrinsically partake in behavioral motivation. It is through the study that objective two was realized i.e. the effect of intrinsic reward strategies on employee performance. Through Maslow's theory, effect of extrinsic reward strategies on performance of National Police Service was also examined.

The theory complimented Expectancy and Equity theory because in order for motivation to arise the next stage, each stage must be satisfied within the individual themselves. Since the goal in Maslow's theory is to attain self-actualization stage, the employees need to be treated fairly and their needs to be met according to their expectations.

### **2.1.3 Equity Theory (1963)**

Equity Theory by John Stacey Adams (1963) explains why pay and conditions alone do not determine motivation. It explains why giving one person a promotion or pay rise can have a demotivating effect on others. When people feel fairly or advantageously treated, they are more likely to be motivated and when they feel unfairly treated they are highly prone to feelings of dissatisfaction and demotivation. Employees seek to maintain equity between the inputs that they bring to a job and the outcomes that they receive from it against the perceived inputs and outcomes of others. The beliefs in equity theory is that people value fair treatment which causes them to be motivated to keep the fairness maintained within the relationship of their co-workers and the organization. Thus, the theory has a wide-reaching implication for employee morale efficiency, productivity and turnover. The core of equity theory is the principle of balance or

equity. The motivation of an individual is correlated to his perception of equity, fairness and justice practiced by the management. The theory focused on determining whether the distribution of resources is fair to both relation partners. Inequality will lead to unhappiness which is proportional to the amount of inequality. This will in turn affect the performance of employees. Therefore, the theory guided this study because it gave guidance on how systems are created in order to have fairness in resource distribution. The theory also guided this study because it reminds us that people are concern on the way they are treated in terms of their surrounding environment, team and system but not in isolation and so they must be managed and treated accordingly. This was useful in realizing objective three. However, if individuals are treated fairly and their expectations are not met, then the fairness will not have any effect on their performance. As result, theory was complimented with Expectancy theory.

According to Armstrong & Taylor (2014) reward strategies refers to the systems, policies and processes that are required to ensure that the contribution of people in an organization is recognized by both non-financial and financial means. This implies that rewards management encompasses the design, implementation and maintenance of reward strategies which target both the organization and its stakeholders.

Reward strategies in an organization is one of the most indispensable elements in motivating employees to contribute their best effort in order to generate innovative ideas that lead to better business operations. This implies that the aim of rewards management is to develop and operate rewards strategies which lead to improved employee motivation and organizational commitment. Armstrong and Taylor (2014) notes that rewards do not only involve employee pay and benefits but is also concerned with non-financial rewards such as learning and development, recognition, praise and increased job responsibility. Consequently, the rewards system strategy of a company should be designed in a way that it attracts and retains the right employees by ensuring that there is a direct relationship between rewards and efforts.

To Armstrong and Murlis (2007), reward strategy is based on the principles about what the organization wants to achieve. Therefore, an organization must align its reward practices with both the employee needs and the goals of the business in order to achieve its objectives.

According to Craig *et al.* (2013), alignment of Reward strategies with personnel need to create employee satisfaction which leads to higher productivity. This in turn assists the organization towards achieving its goals. Fransson and Frenberg (2008) points out that rewards strategies attract and retain high quality employees. This means that for an organization to attract and retain talented employees, it must offer attractive and appropriate rewards. Armstrong (2012) observes that employees are satisfied with their jobs in organizations that provide competitive rewards and this makes them to want to stay in the same organizations thereby leading to high levels of employee retention. Moreover, reward strategies aim at defining the right behaviours and outcomes by outlining expectations through contingent pay schemes and performance management. Similarly, Grant and Yeo (2018) emphasize that rewards can be used to drive the right behaviours and outcomes in an organization. This means that reward strategies can be used to motivate employees' performance by making them to choose behaviours that lead to outcomes that satisfy their objectives.

The Centre for Effective Organizations (2008) notes that, every employee behaviour is associated with certain outcomes related with rewards and punishments. This implies that employees perceive that each performance level can lead to better rewards. Therefore, employees are motivated to adopt the right form of behaviour with the belief that performance will lead to better rewards.

## **2.2 Empirical Literature Review**

This section presents literature based on the objectives of the study.

### **2.2.1 Forms of Rewards and Employee Performance**

Gati & Atambo (2017) conducted a study on effects of reward systems on employee performance in a public organization a case of Migori county in Kenya. The study adopted descriptive case study research design. A sample of 734 respondents selected using stratified random sampling technique was used. The study sought to establish whether the county government use reward systems to motivate employee in the quest to provide public services. The findings of the study were that reward systems impacted in an organization positively and significantly influences the

performance of its employee. The study recommended that organizations to adopt reward systems for improving employee performance. The study focused on the effect of professional training, recognition, promotion and benefits as forms of reward strategies on employee performance. Study was only done in Migori county thus the findings may not be generalized in all counties on Kenya.

Agwu (2013) did a study on impact of fair reward system on employees' job performance in Nigerian Agip Oil Company Limited Port Harcourt. A sample of 396 respondents was selected using stratified random sampling method for the purpose of questionnaire administration. The result of the study indicated that implementation of fair reward system in Nigeria Agip oil company Limited Port-Harcourt to a large extent influenced improved employees' job performance and reduced rate of industrial actio

Gati & Atambo (2017) and Agwu (2013) did studies on impact of reward system on employee performance. They both found out that implementing fair reward system influenced improved employee job performance. Gati & Atambo (2017) did the study in a public sector but Agwu (2013) conducted his study in a private sector. This study that was done in the public sector, was to help in finding if there was consistency in the works of Gati & Atambo and if there was be contrast in the works of Agwu who did research in the private sector. It was however established that reward strategies have a positive effect on the performance of public sector employees.

Kiprop (2017) did a study on motivational strategies for public sector workers in Kenya. The study was aimed at developing motivational strategies for motivating public sector workers in Kenya. The study was undertaken to determine the extent the public-sector managers agreed or disagreed that the strategies identified by the study would be effective in motivating employees in their organization. The empirical study also sought to examine the level of motivation in the public service and identify the motivational strategies currently used in the public service in Kenya. Based on the results of the study an integrated model for enhancing motivation in the organizations was developed and the study recommended the adoption of the model in its entirety by public service organizations in order to improve the levels of motivation in the organization.

Roberts (2005) in a study of the relationship between rewards, recognition and motivation of 1373 employees of an insurance company in the Western Cape found out that there was a positive relationship between rewards, recognition and motivation. She concluded that organizations should review their current reward strategies in order to ensure higher employee motivation and increased job performance. The study also revealed that women, and employees from non-white racial background experienced low levels of rewards, recognition and motivation. She proposed for further studies on different factors that motivate employees. The sample size was 184 and descriptive research design was adopted. A convenience sample (operational unit) was used thereby restricting the generalizability to a wider population. The study focused more on recognition as a form of motivation.

Shazia et al (2015) conducted a study on the impact of reward systems on employee motivation and how well the current reward system was helping to generate employee motivation. The study specifically aimed to find out the reward system that functions well and which aspect could be further developed and improved in order to increase employee motivation. The sample size was 100 employees in different commercial banks of Pakistan. The result obtained from the study showed that there existed a strong relationship between rewards and employee motivation in commercial banks of Pakistan. The study supported the assumption that a well-developed and functional reward system can increase employee motivation. The study focused more on the impact of employee motivation but the current study will focus on effect of reward strategies on employee performance.

Roberts (2005) and Shazia et al (2011) conducted studies on the relationship of reward system and employee motivation. They both found out that there was a positive relationship between reward system and employee motivation. The current study is aimed at establishing the relationship between reward strategies and employee performance.

All the above studies failed to consider career development and title as forms of reward system. The investigation on reward strategies has not been sufficiently done thus, there is no adequate literature on the forms of reward strategies provided to the National Police Service in Trans Nzoia county, Kenya.

### **2.2.2 Intrinsic Reward Strategies and Employee Performance**

Intrinsic is an intangible award of recognition, a sense of achievement or a conscious satisfaction. Intrinsic rewards are intangible hence they usually arise from the person who is doing the activity or behavior. However, this does not mean that employees will not seek financial rewards in addition to intrinsic rewards, rather it just means that money is not enough to maximize motivation in most employees. An intrinsically motivated individual will be committed to his work to the extent to which the job inherently contains tasks that are rewarding to him or her (Ajila, 1997).

Ngata (2014) carried out a study on the influence of non-monetary rewards on employee performance. This study was expected to establish how non-monetary rewards could be used to improve employee performance. The study was done by assessing the influence of recognition, career development, employee independence and flexible schedules on employee performance in Murang'a Water and Sanitation Company, Murang'a County. The target population of this study was all the 87 employees working at Murang'a Water and Sanitation Company. This study found out that there was a strong relationship between employee independence and performance. Other findings were that recognition has a significant impact on employee's satisfaction and productivity, and that employees attach great value to recognition as part of rewards. This study concluded that recognition has a significant impact on employee's satisfaction and productivity and recommended that the management in organizations minimize its emphasis on monetary rewards, to capitalize on non-monetary rewards to boost employee performance and hence organizational performance. The study concentrated more on recognition as a form of intrinsic reward strategy and ignored other forms of reward strategies.

Mikander (2010) did a study on the impact of a reward system on employee motivation in Motonet-Espoo. The purpose of the study was to investigate and analyse how well the current reward system of Motonet-Espoo helped to generate employee work motivation. The study employed a descriptive research design. The finding of the study was that a well-developed and functional reward system can increase employee motivation and satisfaction. The study concluded that intrinsic reward system, intrinsically motivates employees and is related to their

feelings. The study only focused on employee motivation and it did not consider the effect of reward systems on the performance of the employees.

Wood (1974) conducted a study on the relationship between worker's attitudes, job motivation and performance. The study revealed that highly involved employees who were more intrinsically oriented towards their job and did not manifest satisfaction commensurate with company evaluations of performance. It was concluded that workers depend more on intrinsic rewards as compared to those who were more extrinsic orientated. The above studies were done in private companies providing tangible goods, however, the current study was carried in public sector where the employees are providing essential services to the citizens. The study was concerned with the effect of intrinsic reward strategies on the performance of employees in the national police service in Transoia County, Kenya.

Ngari (2015) did a study on the effect of in-service training on employee performance. A case study of judiciary's lower courts in Nairobi County Kenya. The study aimed at establishing whether induction, on-the-job training, off-job training and career development training influences employee productivity. The study adopted a descriptive survey design using both qualitative and quantitative research paradigms. Data was collected using questionnaire and interview guides from sample of a population of 85 employees. The study found out that on-job training influences performance by increasing skill level, productivity and affect customer satisfaction positive. 76.9% of the respondent indicated that on-the-job training influences performance. The study focused on judiciary's lower courts hence the same results cannot be applied to NPS. The study also concentrated on on-job-training and career development as the only forms of intrinsic reward strategy. Other forms of intrinsic reward strategy were ignored in the study.

Mikandar (2010) in his study found out that a well-developed and functional reward system can increase employee motivation and satisfaction while Ngata (2014) concluded that there was a strong relationship between employee independence and performance. Ngata (2014) study concentrated more on recognition but the current study will focus on career development, responsibility, learning opportunity, work environment and recognition.

Wood (1974) study was conducted in a private sector thus the same findings cannot will be relied on as this was done in a public sector. While Carlina Mikander (2010), Ngata (2014) and Wood (2014) did their studies in private organizations, Ngari (2015) conducted his study in public sector. However, Ngari (2015) focused on on-job training as the only form of intrinsic reward system. The current study focused on recognition, career development, responsibility, learning opportunity and work environment as forms of reward strategies which have not been adequately investigated.

### **2.2.3 Extrinsic Reward strategies and Employee Performance**

An extrinsic reward is an award that is tangible or physically given to a person for accomplishing something. It is a tangible recognition of one's endeavor. Extrinsic rewards are usually given to the person doing something. Therefore, extrinsic rewards mean the reward is extrinsic to the performer of the activity or behavior. An extrinsically motivated person will be committed to the extent that he can gain or receive external rewards for his or her job (Ajila, 1997). Extrinsic rewards are from factors outside an individual such as money, grades, criticism or punishment. This type of reward strategy provides satisfaction and pleasure that the task itself might not provide. This strategy has an immediate and powerful effect however it does not tend to last for long (Armstrong, 1988).

San & Thee (2012) conducted a study on reward strategy and performance measurement. The purpose of the study was to explore the contribution of reward strategy in supplementing financial performance of an organization. The findings of the study showed that rewards lead to increase in both financial and non-financial performance which will also enhance companies' reputation as well as increase the recruitment possibility where more manpower will make a stronger team. Effective reward mechanism will shift from fulfilling employees' basic requirement to self-actualization as they are growing with the business. The study was conducted in Malaysia therefore the result may not be generalized to all services in other context and countries.

Aktar & Ali (2012) conducted study on the impact of rewards on the employee performance in the commercial banks of Bangladesh. The study aimed at examining the relationship between rewards and employee performance as well as identifying the relationship between extrinsic and

intrinsic rewards. The study explored the factors determining extrinsic and intrinsic rewards and their impact on employee performance. Descriptive statistics based frequency tables and graphs were used in the study. The study revealed that there exists a positive relationship among extrinsic rewards, intrinsic rewards and performance. The study focused on commercial banks hence the same results cannot be applied to the NPS which is non-profit making organization.

Abdifatah, Odhuno & Ondabu (2015) examined how extrinsic rewards affect employee satisfaction in attainment of organizational objectives. A case of Somtel Company in Somaliland. The study employed descriptive research design and used a structured questionnaire to collect data. The target population of the study comprised of 140 employees of Somtel Company. The study found out that the salaries, bonus payment, ordinary commission and working conditions have a positive relationship with performance. The study concluded that there is positive relationship between extrinsic rewards and employee performance. The study recommended further research on intrinsic rewards and motivation. The study focused on extrinsic rewards only thus the same results cannot be applied in this study. The study also focused on a profit making company hence the same results cannot be applied to NPS which is non-profit making company.

Ahmed and Ali (2008) carried out a research on the impact of reward and recognition programs on employee motivation and satisfaction. Exploratory research design was used. The findings indicated a positive relationship between rewards and work satisfaction as well as motivation. The researchers recommended that further studies to be done on the impact of reward and recognition on the on motivation and satisfaction for diverse groups of people.

Njanja, Maina and Kibet (2013) conducted a study on effect of reward on employees performance a case of Kenya Power and lighting company Ltd. The study aimed at determining the effect of reward on employee performance at KPLC. The study employed correlation research design. The finding of the study showed that cash bonus has no effect on employee performance. This was because those who received cash bonus and those who did not, all agreed that cash bonus affect their performance the same. The study focused on extrinsic reward strategy and ignored intrinsic reward strategy.

While San & Then (2012) conducted study in Malaysia on reward strategy and performance, Aktar & Ali (2012) conducted a study on the commercial banks of Bagladesh. Both studies established that there was a positive relationship between rewards and performance. Both studies focused more on forms of reward strategies but the two studies were conducted in private sectors thus there is need to do the current study which was conducted in a public sector.

Abdifatah, Odhuno & Ondabu (2015) and Ahmed & Ali (2008) used descriptive and exploratory research design respectively but the current study adopted correlation research design. Ahmed & Ali (2008) focused on reward and recognition programs on employee motivation and satisfaction but the current study focused on reward strategies and employee performance. Njanja, Maina & Kibet (2013) study focused only on bonus as the only form of extrinsic reward but the current study concentrated on bonuses, benefits, pay, paid trips and title.

Whereas all the above studies agree that there is a positive relationship between rewards and performance, there is little knowledge on the effect of reward strategies on the performance of National Police Service employee in Trans Nzoia County hence facilitated this study. This because police officers perform a critical role in security issues.

Previous researchers did a commendable job in determining the effects of reward strategies on employee performance. They, however, did not highlight the effects of reward strategy on specific public-sector institutions in Kenya. This study therefore examined the National Police Service in Trans-Nzoia County, to give a true reflection of this phenomena in the public service of Kenya.

## **2.4 Summary**

Reward strategies play an important role in the motivation of employees. Studies that have been done show that a well-motivated employee performs well. Several studies have been done on reward strategies in public sector but little has been done on reward strategies in the National police service. Although the NPS is under public sectors, the environment under which the police operate is different from other public organization. Therefore, findings emanating from other studies on cannot be applied to National police service directly. Most of the studies concentrated on the positive effects of reward strategies on the performance of employee leaving out the

negative effects. Majority of the studies were carried out in public sectors that are not discipline forces. The current study focused on the effect of reward strategies on the performance of National Police Service in Trans Nzoia County, Kenya.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

This chapter presents an overview of the area of study, research design, target population, sample size and sampling design, data collection instruments, data collection techniques and data analysis techniques. It also looks at ethical norms for the study.

#### **3.1 Research Design**

A research design is a systematic approach that a researcher uses to conduct a scientific study. It is the overall synchronization of identified components and data resulting in a plausible outcome. The design should follow a strategic methodology in line with the research chosen. The study used correlational research design. The design has been considered appropriate for this study since it measures the extent to which reward strategies relate to the performance of public sector employees. This research design enabled the researcher to apply research instruments such as questionnaire and interview schedules that are suitable for the study. The study employed mixed method because both quantitative and qualitative approaches were used. The method helped to supplement each other weaknesses as there is no single method that can be effective in research. In quantitative research method, large sample and random sampling procedure was applied while interviews were used for qualitative approach (Orodho, 2004).

#### **3.2 Study area**

The study was carried out in Trans Nzoia County, which lies on the Northern Rift Kenya. The area was considered because it has most units of the National police service. This is because some parts of the county are considered to hardship areas. Therefore, the county has the following units; regular police, Administration police, General service unit, Anti stock theft unit, DCI and KAPU. The county is located between the Nzoia River and Mount Elgon. It has a population of approximately 818,757 and covers an area of 2,295.5 Km<sup>2</sup>(Gok, 2009). Main economic activities include horticulture, large scale maize and wheat farming, tea, coffee and commercial businesses. It has three sub-counties namely Trans Nzoia West, Kwanza and Cherangani.

### 3.3 Target population

According to Frederic *et al.* (2015), the target population is a set of individuals, objects or cases with some common observable characteristics. The population of interest in this study was 1578 (list of number of officer per formation attached) members of National Police service drawn from different formations within Trans Nzoia County. Borg and Gall (2008) described population as a universal set of study of all members of real or hypothetical set of people, events or objects to which an investigator wishes to generalize the result. According to De Vaus (2002), study population is the totality of elements sharing unique characteristics that is profitable to the study and from which a sample is drawn. The distribution of police officers in Trans Nzoia county is as shown in Table 3.1.

**Table 3.1: Distribution of Police officers in Trans Nzoia County**

<b>Serial No.</b>	<b>Formation</b>	<b>Number</b>
1.	Kenya Police	378
2.	Kenya Police reservist	504
3.	General service unit	60
4.	Administration Police	584
5.	Directorate of Criminal Investigation	52
TOTAL		1578

### 3.4 Sample size and Sampling Techniques

Sampling is the process of choosing units of the target population which are to be included in the study in such a way that the selected elements represent the population (Cohen, Manion and Morrison, 2011). Sampling is employed in research because it is often not possible to question

every member of the target population. Mugenda and Mugenda (2008) assert that the sampling enables a researcher to secure a representative group to gain information about an entire population when faced with limitations of time, funds and logistics constraints.

The study used records of employees in National Police service drawn from different formations within Trans Nzoia County as the sampling frame. It then utilized Slovin's formula (Dionco-Adetayo, 2011) for determining a sample of a finite population to determine the sample size of the employees. The formula is given below:

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

Where: n = sample size

N = population

e = margin of error or error tolerance

The study adopted the 5% margin of error as recommended by Singh and Masuku (2014). The sample size of the employees when the error margin is 5% are 319 given that their accessible population is 1578 employees. After determining the samples size, simple random sampling technique was used to select the 319 employees who participated in this study. This was intended to avoid biasness in the selection of the respondents from the target population. Simple random was used because it gives all members of a population equal chance to be selected (Sekaran & Bougie, 2010).

### **3.5 Data Collection Methods**

#### **3.5.1 Data Sources and Types**

##### **3.5.1.1 Questionnaire**

A questionnaire is a data collection instrument consisting of a series of questions and other prompt for the purpose gathering information from respondents. The questionnaire is considered ideal for conducting a survey of respondents who are dispersed over a wide geographical area as well as covering large number of respondents over a relatively short period of time compared to

other instruments (Gibson, 2014). The questionnaires were invented by Sir Francis Galton. The questionnaire allowed the research to collect most complete and accurate data in a logical flow. This enabled the researcher to reach a reliable conclusion from what was planned to be observed. In this study, questionnaires were used so as to allow collection of both subjective and objective data. This is because the study focused on a large sample of population. Results that are statistically significant were obtained. However, validity of the data and information depended on the honesty of the respondent. The questionnaire design protected the privacy of the participant. The questionnaires can measure both quantitative and qualitative data but in this study, it was more appropriate for quantitative data collection.

#### **3.5.1.2 Interviews**

This is collecting data through interaction between the interviewer and interviewee. The method gave the researcher opportunity to ask questions, probe and seek clarification. Data can be collected by listening to individuals, recording, filming their responses or a combination of the method. In this study, data was collected by listening to individuals. Structured interview were used in this study. Therefore, question as well as their order were scheduled in advance. Additional intervention was applied where there was need in order to clarify some question and to ask the respondents to provide more explanation where answers are vague. Interviews were important in this study because they enabled collection of information with greater understanding. Interview questions are more personal hence higher response rates. The researcher had control over the order and flow of questions. This instrument of data collection was used to collect data from senior police officers who are fewer in number. The data that was collected through method was qualitative. Media of communication, mainly English was used during the interviewing sessions.

#### **3.5.2 Data Collection Procedures**

The data collection procedure was commenced after obtaining the permits from relevant offices. The researcher delivered the research instrument to the respondents in person. By doing so, the researcher was able to clarify some issues and explain the purpose and significance of the study. This was to create a good relationship and finally ensuring confidentiality to the respondents.

The time for collecting the questionnaires and for conducting interviews was agreed upon at the area of study. The structured interviews were conducted using face-to-face interviews.

### **3.5.3 Data Collection Instruments**

Instruments in the context of research are measurement tools designed to generate data on a given topic (Kothari, 2004). A variety of tools are used in research to gather data. They include; experiments, focus group discussion guides, questionnaires, interviews, observations among others (Flick, 2006). During the study, data was collected using questionnaire and interview schedule. Interviews were done with senior officers who are few in numbers.

### **3.5.4 Reliability tests**

Reliability refers to the degree to which an instrument yields consistent results or data repeatedly (Mohamad *et al.*, 2015). It ensures that a researcher can depend confidently on the information gathered through various sources of data. Since the study dealt with behavioral and psychological measures of employees, the study used test and retest reliability as a measure of reliability until the desired level of reliability was attained. This was to ensure the reliability of data collection instruments used. A letter of introduction and a consent form was attached with the questionnaires explaining the purpose of the study. The questionnaires were admitted to the respondents.

### **3.5.5 Validity tests**

Validity is always an issue in social science studies because variables are often measured indirectly (Henson, 2001). Under such circumstances, researchers are never certain that they are measuring the precise property that they intend to measure. According to (Muijs, 2010), validity is concerned with the question, is one measuring what one thinks one is measuring? Validity therefore refers to the meaning of the measure, the accuracy with which it can be assessed, and the range of inference that can be made from knowledge of the score. To enhance validity of the instrument, the researcher used test and retest method to test validity. The results obtained were realistic. Validity is the extent to which the scores from a measure represent the variable they are intended to.

### 3.6 Data analysis and presentation techniques

Data analysis refers to the process of structure, ordering and giving meaning to the mass of information during a study (Hayes and Preacher, 2014). The collected data was analysed according to the four steps proposed by Cronk (2012). The steps are; coding, cleaning, making sense of the data and presenting it in narrative and interpretive forms. Data obtained was analysed using statistical package for social sciences (SPSS). The hypotheses were tested using pearsons product moment correlation and regression analysis. Qualitative data was presented thematically, based on the objectives of the study. Data was presented using tables and bar graphs.

#### 3.6.1 Correlational and regression analysis Model

Correlational analysis is the measure of the relationship between two variables. Standard deviation will show the extent to which incidence of use and impact on performance depart from the mean value. Regression analysis is a statistical tool that explores the relationship between a dependent variable and one or more independent variable. It studies the quantitative effect of a variable on another and investigate their relationship for further analysis. In regression, the focus of this study was to establish the link between employee performance and reward strategies. Multiple linear regression was for modelling how dependent variables relate to independent variables. The final form of the model was to enable the researcher to predict values of the dependent variables given values of the independent variables.

The model used is as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \epsilon_0 \dots\dots\dots(i)$$

With:

Y = Employee performance

$\beta_0$  = Constant

$\beta_1$  = Coefficient of intrinsic reward strategies

$\beta_2$  = Coefficient of extrinsic reward strategies

$X_1$  = Determinants of intrinsic reward strategies

$X_2$  = Determinants of extrinsic reward strategies

$\epsilon_0$  = Error term assumed to be a constant

Source: Hector R. Suaraz, INCIBE (2015)

### **3.7 Ethical Consideration**

Ethics is concerned with defining norms of conduct that distinguish between acceptable and unacceptable behaviour (David and Resrik, 2011). The researcher sought approval from Ethical Review committee in Maseno University. The researcher obeyed all other ethical norms like not forcing participants to participate in the study. Before the researcher carried out the research and collected data, necessary procedures were followed and all protocols were observed. The research strived to adhere to these considerations by ensuring that the study is conducted in a professional manner. A risk assessment was conducted before commencement of the research as a way of ensuring the safety of the participants. All the participants were treated equitably with dignity and respect. Privacy and confidentiality was ensured by using codes instead of names of the respondents and reporting only aggregated data. The respondents were be made aware that they were free to withdraw from the study any time they feel like or withhold any information they felt can cause harm.

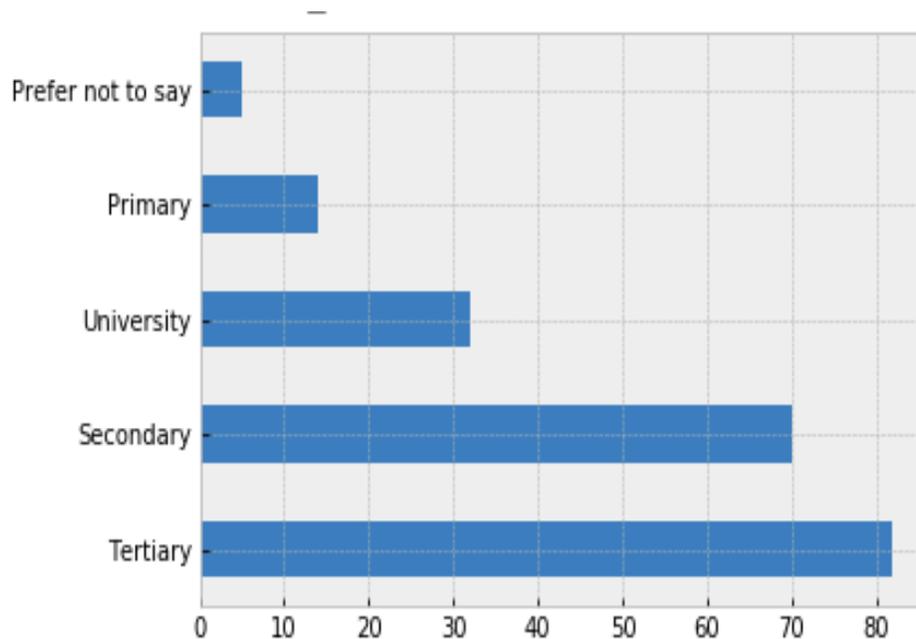
## CHAPTER FOUR

### RESULTS AND DISCUSSION

#### 4.1 Respondents' demographics

##### 4.1.1 Education Level

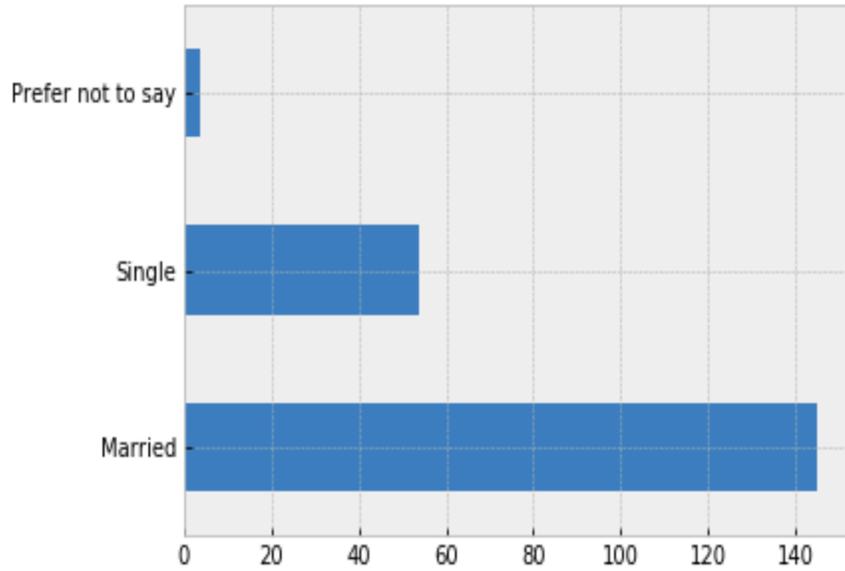
Level of education for most of the respondents was tertiary level and hence infer most of Trans Nzoia Police Service was well educated as shown in figure 4.1:-



**Figure 4.1 Level of education**

##### 4.1.2 Marital Status

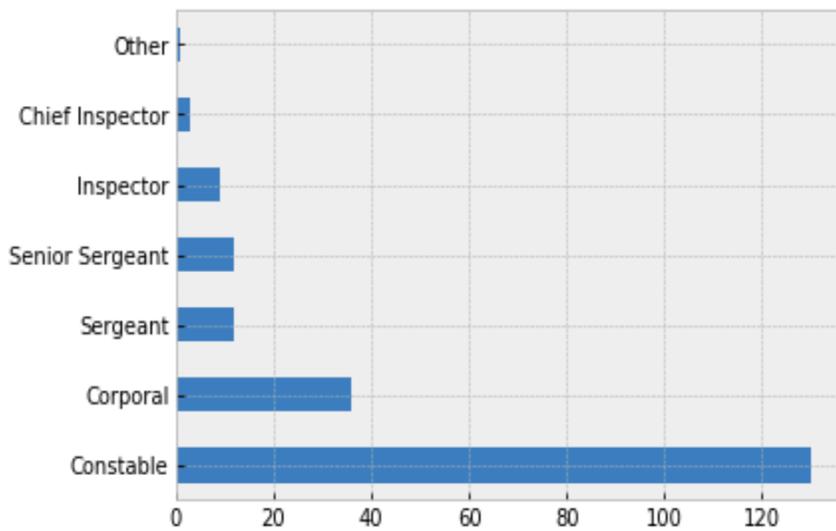
Looking into the respondent's marital status, majority of the respondents are married hence can make the inference that most of the police service in Trans Nzoia are mature enough to understand the employment standards in their posts. This is as shown in figure 4.2;



**Figure 4.2 Marital status**

**4.1.3 Ranking**

Majority of the respondents hold the constable position closely followed by corporals. This is as shown below 4.3;



**Figure 4.3 Ranking**

From the results of the period each officer has held the named position, majority of the respondents have held their respective positions for less than 10 years. Followed by 10-20 years

then followed closely between 21-30 and finally the rest of the officers, which is the least composition, have worked more than 30 years. This is represented as shown in figure 4.4;

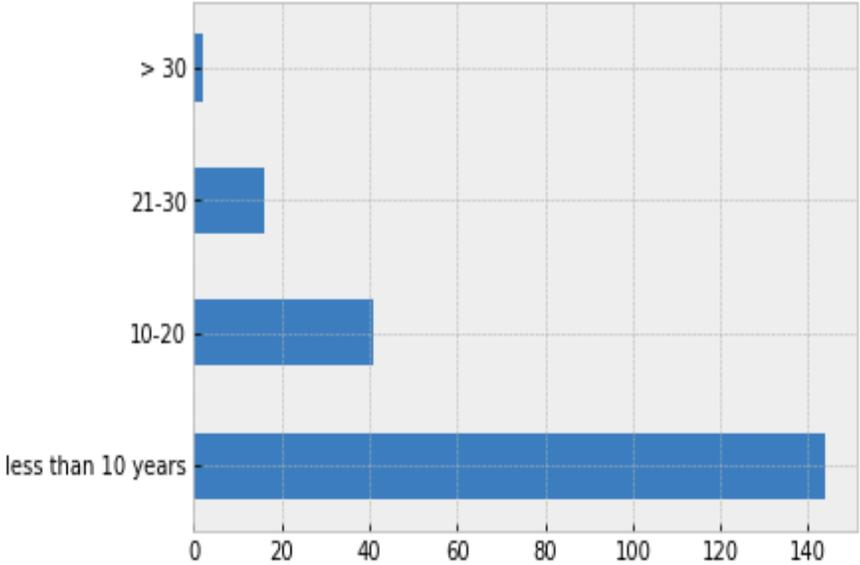


Figure 4.4 Length of Service

Further into the analysis, the research looked for any patterns that affect the level of security in the region. A happy police service will surely deliver in their post and this can be seen by general crime reduction and vice versa.

## 4.2 Descriptive Results

The findings showed that the distribution of gender was higher for females with a total of 71 female respondents (59.2%). On the other hand, there were 49 male respondents or (40.8%) out of the total respondents. The age of the respondents showed that most of them were 33 years old, 22.5% were 31 to 35 years old and the rest were above 21 years old. Most of the respondent had worked less than 5 years are 54 respondents (45%), followed by 43 respondents (35.8%) which is 5 years to 10 years, followed by 19 respondents (15.8%) which is more than 15 years, and lastly followed by 4 respondents (3.3%) which is 11 years to 15 years.

**Table 4.1: Descriptive Analysis Results of Reward Strategies**

<b>Reward Strategies</b>		
<b>Statement</b>	<b>Mean</b>	<b>Standard Deviation</b>
The employer is conscious about the labor market and is changing according to the changing economy in terms of pay and allowances.	3.394	0.956
Paid vacations, paid sick leaves and purchase discounts.	3.182	0.902
Desired work assignments.	3.094	0.904
Maximum security to officers when on assignments.	3.044	0.858
Equity in payments when missions have been accomplished.	3.035	0.903
<b>Overall Score</b>	<b>3.150</b>	<b>0.905</b>

**Source: Researcher (2019)**

The respondents were neutral that the employer was conscious about the labor market (mean = 3.394); employers pay for vacations, sick leaves and purchase discount (mean = 3.182); desired work assignment was fair (mean = 3.094); Maximum security to officers when on assignments

(mean =3.044); and finally Equity in payments when missions have been accomplished (mean = 3.035). From the analysis, it can be concluded that rewards in National Police Service in Trans-zoia was not competitive as it has not embraced new compensation trends in the market and thus not comparable with the market offers, reward exceptional performance and employees having freedom to take decisions. However, it was revealed that the NPSC was providing its employee with different forms of reward strategies. Unlike Gati & Atambo(2017) who focused on professional training, recognition, promotion and benefits as forms of reward strategies, the current study established the following forms of reward strategies; pay and allowances, paid vacations, paid sick leave, purchases discount, desired work assignment, maximum security while on assignment and equity in payment.

**Table 4.2: Descriptive Analysis Results of Intrinsic Reward Strategies**

<b>Intrinsic Reward Strategies</b>		
<b>Statement</b>	<b>Mean</b>	<b>Standard Deviation</b>
Learning opportunity.	3.429	0.855
Work environment.	3.355	0.897
Recognition.	3.330	0.972
Responsibility.	3.291	0.949
Career development.	3.232	1.000
<b>Overall Score</b>	<b>3.327</b>	<b>0.935</b>

**Source: Researcher (2019)**

From the findings on the influence of intrinsic rewards on employees performance, the study showed the following order of importance for factors of intrinsic rewards: First, Learning Opportunity ; with a mean of 3.429; secondly, comes working environment, with a mean of 3.355, thirdly, comes recognition with a mean of 3.330, fourthly, comes responsibility, with a

mean of 3.291, fifthly, comes career development, with a mean of 3.232. The study found that, the majority of the respondents indicated that the employer provided learning opportunity and work environment which made employees feel sense of satisfaction and hence increased their performance. Learning opportunity was regarded as a strong motivator while career development was rated as a low motivator; therefore, these NPSC should concentrate on these issues.

**Table 4.3: Descriptive Analysis Results of Extrinsic Reward Strategies**

<b>Extrinsic Reward Strategies</b>		
<b>Statement</b>	<b>Mean</b>	<b>Standard Deviation</b>
Title	3.507	1.031
Pay	3.059	1.056
Paid holidays	2.877	1.024
Benefits	2.823	0.959
Bonus	2.783	1.001
<b>Overall Score</b>	<b>3.001</b>	<b>1.014</b>

**Source: Researcher (2019)**

From the findings on the influence of extrinsic rewards on employee's performance, the study showed the following order of importance for factors of extrinsic rewards: Firstly, Title; with a mean of 3.507; secondly, comes basic pay, with a mean of 3.059, thirdly, comes Paid holidays with a mean of 2.877, fourthly, comes Benefits, with a mean of 2.823, fifthly, comes bonus & awards, with a mean of 2.783. The study found out that, the majority of the respondents agree that, the title of a person has deep influence on employees' performance while bonus was rated least in influencing employee performance.

**Table 4.4: Descriptive Analysis Results of Employee Performance**

<b>Employee Performance</b>		
<b>Statement</b>	<b>Mean</b>	<b>Standard Deviation</b>
Reduction in crime	3.320	0.833
Community satisfaction	3.256	0.798
Decrease in absenteeism	3.207	0.937
Application of laid down procedures	3.049	0.889
<b>Overall Score</b>	<b>3.208</b>	<b>0.864</b>

**Source: Researcher (2019)**

From the findings on the influence of rewards strategies on employees performance, the study found the following order of indicators of performance: Firstly, reduction in crime, with a mean of 3.320; secondly, comes community satisfaction, with a mean of 3.256; thirdly, comes decrease in absenteeism, with a mean of 3.207; fourthly, comes application of laid down procedures, with a mean of 3.049. The study, found that, the majority of the respondents indicated that, reduction in crime and community satisfaction with decrease in absenteeism was an indication that performance was above average. However, application of laid down procedure was fairly rated as an indicator of performance.

### **4.3 Correlation Analysis Results**

To determine both the significance of the relationship between the variables and the degree of their association, a correlation analysis was performed. Table 4.5 provides a summary of the results obtained from the correlation analysis.

**Table 4.5: Correlation Analysis Results of the Effect of Reward Strategies on Employee Performance**

<b>Correlations</b>			Reward Strategies	Intrinsic Reward Strategies	Extrinsic Reward Strategies	Employee Performance
Spearman's rho	Reward Strategies	Correlation Coefficient	1.000	0.359**	0.325**	0.224**
		Sig. (2-tailed)		0.000	0.000	0.001
		N	203	203	203	203
Intrinsic Reward Strategies	Intrinsic Reward Strategies	Correlation Coefficient	0.359**	1.000	0.406**	0.390**
		Sig. (2-tailed)	0.000		0.000	0.000
		N	203	203	203	203
Extrinsic Reward Strategies	Extrinsic Reward Strategies	Correlation Coefficient	0.325**	0.406**	1.000	0.478**
		Sig. (2-tailed)	0.000	0.000		0.000
		N	203	203	203	203
Employee Performance	Employee Performance	Correlation Coefficient	0.224**	0.390**	0.478**	1.000
		Sig. (2-tailed)	0.001	0.000	0.000	
		N	203	203	203	203

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

**Source: Researcher (2019)**

The Spearman correlation was used to evaluate relationship involving ordinal values. In this study, Spearman's rho was used because the length of service was analyzed.

The first correlation was done to establish the extent by which reward strategies affected on employee performance in National Police Service. The results in Table 4.5 shows that the relationship between the two variables was significant ( $r = 0.224$ ,  $p = 0.001$ ). However, the coefficient of correlation from Pearson's product moment indicated that the relationship between the variables was weak but positive. This suggested that the police service had not put much emphasis on reward strategies and as a result, this was affecting their performance.

The study also sought to establish if employees' performance and intrinsic reward strategies had a significant relationship in National Police Service. Table 4.5 which shows the results obtained from the correlation analysis indicates that there existed a significant relationship ( $r = 0.390$ ,  $p = 0.000$ ) which also indicated that the variables had a strong positive correlation. This finding implies that the NPS had put considerable emphasis on intrinsic rewards and it was being as reflected in employee performance.

Finally, the significance of the relationship between extrinsic reward strategies and employee performance in NPS was determined through a correlation analysis. Table 4.5 shows the results obtained from the correlation analysis indicating the relationship was indeed significant ( $r = 0.478$ ,  $p = 0.000$ ). The results illustrate that a moderate and positive relationship exists between the two variables. Hence, it can be implied that that the NPS management moderately applied the extrinsic reward strategy to encourage employee performance.

#### **4.4 Regression Analysis Results**

The analysis aimed at identifying how the dependent variables were influenced by the independent variables and the collective association between the two types of variables. This was also aimed at determining the extent by which the dependent variable was influenced by each independent variable to determine the level of significance of each factor. Table 4.6 shows the model summary of the results.

**Table 4.6: Model Summary Results of reward strategies.**

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**Model Summary**

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Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Durbin-Watson
1	0.565 <sup>a</sup>	0.319	0.309		0.51711	1.473

---

a. Predictors: (Constant), Extrinsic Reward Strategies, Reward Strategies, Intrinsic Reward Strategies

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b. Dependent Variable: Employee Performance

---

**Source: Researcher (2019)**

Table 4.6 shows the results of the R value obtained, in which  $r = 0.565$  represented the correlation coefficient of the model whose order value  $> 0$ . This illustrates that the incorporation of many variables improved the model when analyzing the impacts of rewards strategies on employee performance in National Police Service. The adjusted R-square value of 0.309 also indicates that the multiple linear regression model could explain for approximately 31% of the variations in employee performance in the police service. To identify the independent variables that were mostly responsible for employee performance, the beta value was used.

The Durbin-Watson statistic test was used to detect the autocorrelation. Autocorrelation is the similarity of time series over successive time interval. From table 4.6, the value for Durbin-Watson test is 1.473 which is a positive autocorrelation. This gives confidence in the findings because a positive autocorrelation would indicate the results have positive correlation on itself overtime. Since the value of Durbin-Watson test is 1.473 (approximately 1.5), there is no cause for concern about the results.

**Table 4.7: Analysis of Variance Results**

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**ANOVA<sup>a</sup>**

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Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	24.932	3	8.311	31.079	0.000 <sup>b</sup>
Residual	53.212	199	.267		
Total	78.144	202			

---

a. Dependent Variable: Employee Performance

---

b. Predictors: (Constant), Extrinsic Reward Strategies, Reward Strategies, Intrinsic Reward Strategies

---

**Source: Researcher (2019)**

The results obtained from the ANOVA which was used to test the association between the independent variables and dependent variables and summarized in Table 4.7 illustrate the existence of a significant discrepancy between means of effective rewards strategies and employee performance in National Police Service Employees in Trans-Nzoia County. ( $F = 31.079 > F_c = 2.49$ ;  $p = 0.000$ ;  $df = 3, 202$ ). F-statistic value was acquired after running ANOVA test to find out if the means between variables were significantly different. The result was reported as F-statistic and its associated degrees of freedom and p-value.  $F=31.079$  at  $p=0.00$  indicated that there was a significant effect of independent variables on dependent variable. Therefore, reward strategies have significant effect on employee performance. These findings are consistent with the results obtained from the regression analysis model in Table 4.8, and suggests that the regression model in Equation 3.1 was indeed valid.

From the regression equation, it was found that holding extrinsic rewards and intrinsic rewards to a constant zero, employees' performance will be 1.393, a unit increase in intrinsic rewards would lead to increase in employee's performance by 0.251 units, a unit increase in extrinsic rewards

would lead to increase in employee’s performance by 0.348 units. Extrinsic rewards had the greatest effect on employee’s performance, followed by intrinsic reward strategies. These findings are consistent Gupta and Kumar (2012) postulation that employee performance is positively related to promotion. The findings were in line with Carlina Mikander (2010) who concluded that in her study intrinsic reward strategies intrinsically motivates employees and it is related to their feeling.

These findings lead to the suggestion that reward strategies as currently being implemented in the service had a positive outcome on employee performance. These findings are in line with Aktar & Ali (2012) that there exists a positive relationship among intrinsic rewards, extrinsic rewards and performance. According to Armstrong (2010), employee motivation through rewards is important in influencing their behavior and attitudes.

**Table 4.8: Regression Co-efficients and Collinearity Statistics of variables**

<b>Coefficients<sup>a</sup></b>							
Model	Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
	B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1 (Constant)	1.393	0.224		6.217	0.000		
Reward Strategies	-0.021	0.059	-0.023	-0.363	0.717	0.841	1.189
Intrinsic Reward Strategies	0.251	0.061	0.274	4.110	0.000	0.769	1.300
Extrinsic Reward Strategies	0.348	0.056	0.403	6.170	0.000	0.802	1.247

a. Dependent Variable: Employee Performance

**Source: Researcher (2019)**

Table 4.8 shows results indicating that the most effective rewards strategies affecting employee performance in National Police Service in Trans-Nzoia County was intrinsic reward strategies ( $\beta = 0.274, p = 0.00$ ). This was followed by extrinsic reward strategies with ( $\beta=0.403, p = 0.000$ ) illustrate a corresponding change of the dependent variables equal to the number of standard deviations when the respective standard deviation of the independent variable changes by one. The study concurred with Aktar & Ali (2012) in their study revealed that there exists a positive relationship among extrinsic rewards and performance. The findings of this study also were in line with that of Abdifatah Odhuno & Ondabu (2015) study which concluded that there existed a positive relationship between extrinsic rewards and employee performance

**Table 4.9: Collinearity Diagnostics reward strategies and performance**

Collinearity Diagnostics <sup>a</sup>							
Model	Eigenvalue	Condition Index	Variance Proportions				
			(Constant)	Reward Strategies	Intrinsic Reward Strategies	Extrinsic Reward Strategies	
1	1	3.921	1.000	0.00	0.00	0.00	0.00
	2	0.035	10.616	0.02	0.37	0.00	0.77
	3	0.025	12.435	0.04	0.45	0.63	0.22
	4	0.019	14.344	0.93	0.17	0.37	0.01

a. Dependent Variable: Employee Performance

**Source: Researcher (2019)**

The direct relationship between reward strategies and the employees' performance was correspondent with the studies by (Kalim, et al, 2010) who concluded that reward strategies is a significant factor which impacts the employees' motivation. The study also concurred with Gati & Atambo (2017) that reward systems impact on an organization positively and significantly influences the performance of the employees.

Based on the research conducted by analyzing the effect of reward strategies on the performance of employees of NPS in Trans nzoia county, it was established that; in regards to forms of reward strategies provided by the NPSC, majority of the employees agreed that the employer was conscious about reward strategies. Paid vacation, paid sick leave, purchase discount, desired work environment, maximum security to officers while on assignments and equity in payment were established as forms of reward strategies. This was a reflection of Equity theory that guided the study.

In regard with effect of intrinsic reward strategies on employees' performance, majority of employees agreed that intrinsic reward strategies have significant effect on their performance. Learning opportunity, responsibility, work environment, recognition and career development were preferred because they linked to individual work performance. This elaborates the theory of Maslow's hierarchy of need on how employees intrinsically contribute in behavioural motivation. Learning opportunity was rated high. On the other hand, majority of employees neither agreed nor disagreed that extrinsic reward strategies have positive effect on their performance. Majority of the respondents felt that title as a form of extrinsic reward strategy has a deep influence on the employee performance. Most respondents preferred being addressed by their title. This was in line with Maslow's theory whose goal is to attain self-actualization stage. It was established that NPSC do provide its employees with various forms of reward strategies and that the reward strategies have a significant effect on employee performance.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

The study was carried to examine the effect of reward strategies on performance of national police service employees in Trans-Nzoia county, Kenya. This chapter presents summary, conclusion and recommendations.

#### **5.1 Summary of findings**

The study revealed that the NPSC do provide various forms of reward strategies. The forms of rewards applied by the NPSC includes pay and allowances, paid vacations, paid sick leaves, purchase discounts, desired work assignments, maximum security while on duty and equity in payment.

The study also revealed that intrinsic reward strategy had a positive effect on the performance of the National Police Service employees in Trans Nzoia county. The variable learning opportunity was rated higher while career development was rated low. Most police officers remained neutral on work environment, recognition and responsibility.

Majority of the respondents agreed that the employer provided rewards like pay, title, bonuses, benefits and paid holidays. These forms of extrinsic reward indicated from the findings that they have a strong relationship with performance of employees of the National Police Service in Trans nzoia County. The variable title was rated high while bonus was rated least. However, the effect of pay, benefits and paid holiday had little effect on the performance that is below.

#### **5.2 Conclusion**

Based on the results, it is concluded that National Police Service Commission (employer) provides its employee with different forms of reward strategies. Most employees of the NPSC have experienced these forms of reward strategies and they are aware on the effect they have on their performance.

From the findings, Intrinsic rewards were rated more motivating than extrinsic rewards. This means that intrinsic rewards have strong effect on the performance of the NPS employees. Most

police officer revealed that they have experienced intrinsic rewards from the employer and that it has a positive effect on their performance.

On extrinsic reward strategies, it can be concluded that extrinsic rewards reduce dissatisfaction hence has a positive effect on employee performance. Some extrinsic reward strategies had a below average effect on the performance of the police officers. The officers were of the opinion that salaries are not satisfactory in relation to their contribution, and that salaries are not market related. The employer must ensure that their reward programs are fairly competitive if they want to retain top talent and highly dedicated work force.

### **5.3 Recommendations**

The employer to take into consideration the needs and wants of the employees. The modern-day market and cost of living should be considered. It is further recommended that the employer should strive to include the police officers in the process of reward strategy development and should be allowed to frequently feedback on the effect of any form of reward strategy.

The National Police Commission should provide annual increases in line with inflation. Annual salary increases were rated as one of the most significant factors in motivating the police officers yet many respondents felt that increases are not decided on in a fair manner. Further, the employer should work on a very fair way of doing promotions as it is a motivational factor. Most of the officers complained of being stagnant in their job positions for as long as 10 years without hope of being promoted to the next level. The officers regarded promotions as having a good high motivational effect, but a large number of them felt that not everyone has an equal opportunity to be promoted, and they consider promotions not to be fair and honest. Proper training and promotion also to be given to all employees irrespective of their sex.

The facilities provided to the police officers in terms of housing, work environment, allowances and bonuses can be compared with that of other forces like army, navy and air force and facilities similar to it or more to be provided. In general, it is assumed that by making some small alterations in the reward system, there would be an increase in performance of the police officers in terms of work motivation and subsequently improve the service performance.

Only police officers in one region were considered in this study, hence, there is need to do a similar study in some private security companies to get a conclusive result. A further study can be done to help in investigating the relationship between motivation and rewards according to specific demographical factors such as age, gender, education or job classification.

#### **5.4 Limitations of the Study**

There were time and financial constraints in carrying out the research. Many police officers were quite reluctant in giving their views to help give a 100% response rate. Most of the police officer felt that they were being investigated while others were complaining that they have never gained from the previous research that they have participated. There was high sense of insecurity among the officers as others feared that the information given could work to victimize them.

#### **5.5 Suggestions for further studies**

The study dealt with the effect of reward strategies on performance, a case of police officers in Trans Nzoia County. The results of the study having been a case study hence cannot be generalized to all other sectors operating in the Kenyan economy, because of the different missions and visions that could be influencing the reward strategies adopted by any employer. Hence, a similar study should be conducted in the private security sector to show if the reward strategies be it intrinsic or extrinsic would affect their performance.

A survey to done on an employer who is in the process of implementing a reward strategy and observe how the motivation of the employees is changed.

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## APPENDICES

### APPENDIX I: COVER LETTER

RUTH MORAA KARANI

MASENO UNIVERSITY

P. O. Box

**MASENO**

9<sup>th</sup> June, 2019

Dear Sir/Madam,

I am a postgraduate student at Maseno University undertaking a Master's Degree in Business Administration. One of my academic outputs before graduating is a project and for this, I have chosen the research topic entitled: *“Effect of Reward Strategies on Performance of National Police Service employees in Trans-Nzoia County, Kenya”*.

You have been selected to form part of the study. This is to kindly request you to assist me collect the data by responding to the questionnaire. The information you provide will be strictly for academic purposes and will be treated with utmost confidence. A copy of the final report will be available to you upon request. Your assistance will be highly appreciated.

Yours sincerely,

**RUTH MORAA KARANI**

**MBA/BE/00051/015**

## APPENDIX II: QUESTIONNAIRE

### Section A: Bio-data

1. Age in years: 20 – 25 ( ) 25 – 35 ( ) 35 – 45 ( ) 45 – 50 ( ) > 50 ( )
2. Gender of the respondent: Male( ) Female( )
3. Highest educational level: Primary ( ) secondary ( ) tertiary ( ) University ( )
4. Marital status: Single ( ) Married ( ) Divorced ( ) Widowed ( )
5. Position held .....
6. How long (in years) have you been holding the position?  
 < 10 years [ ] 10-20 [ ] 21-30 [ ] > 30 [ ]

### Section B: Reward Strategies

To what extent have the following forms of reward strategies been offered by your employer.

Where, **1=** Strongly disagree **2=** Disagree **3=** Neither disagree nor agree **4=** Agree **5=** Strongly agree

S/NO.		1	2	3	4	5
1.	Desired work assignments					
2.	Maximum security to officers when on assignments					
3.	Equity in payments when missions have been accomplished					

4.	Paid vacations, paid sick leaves and purchase discounts					
5.	The employer is conscious about the labor market and is changing according to the changing economy in terms of pay and allowances.					

### Section C: Intrinsic

To what extent have the following forms of intrinsic reward strategies been offered by your employer.

Where, 1= Strongly disagree 2= Disagree 3= Neither disagree nor agree 4= Agree 5= Strongly agree

S/NO.	Intrinsic reward strategies	1	2	3	4	5
1.	Recognition					
2.	Career development					
3.	Responsibility					
4.	Learning opportunity					
5.	Work environment					

**Section D: Extrinsic**

To what extent have the following forms of extrinsic reward strategies been offered by your employer.

Where, **1= Strongly disagree 2= Disagree 3= Neither disagree nor agree 4= Agree 5= Strongly agree**

S/No.	Extrinsic reward strategies	1	2	3	4	5
6.	Pay					
7.	Bonus					
8.	Benefits					
9.	Paid holidays					
10.	Title					

**Section D: Employee performance**

To what extent have you experienced improved performance in the following areas:

Where, **1= None 2= Fairly 3= Moderate 4= High 5= Very High**

S/No.	Employee performance	1	2	3	4	5
1.	Reduction in crime					
2.	Community satisfaction					
3.	Application of laid down procedures					
4.	Decrease in absenteeism					

*Thank you for your co-operation\_\_*

**APPENDIX III: MAP OF TRANS NZOIA COUNTY**



Source: [www.google-maps-kenya.co.ke/county/transnzoia-cousntykenyas](http://www.google-maps-kenya.co.ke/county/transnzoia-cousntykenyas)

#### APPENDIX IV: BUDGET

<b>Item description</b>	<b>Cost implication in Kenya Shilling</b>
computer consumables	10,500
Airtime	5,000
Transportation	10,000
Internet cost	15,000
Printing	5,000
Data management	20,000
Contingency	20,000
<b>Total</b>	<b>85,500</b>

### APPENDIX V: WORK PLAN

Activity	2018	2019							
	Dec. 2018	Jan. - May			June	July	Aug	Sept	Oct
<u>Preparation.</u> <ul style="list-style-type: none"> <li>• Identification and development of research focus.</li> <li>• Develop data collection tools</li> </ul>									
<u>Data collection.</u> <ul style="list-style-type: none"> <li>• Literature review</li> <li>• Present research proposal</li> <li>• Pre-test questionnaires</li> <li>• Data collection.</li> <li>• Statistical analysis of the data.</li> </ul>									
<u>Report writing.</u> <ul style="list-style-type: none"> <li>• 1<sup>st</sup> and 2<sup>nd</sup> draft report generation.</li> <li>• Final report compilation</li> </ul>									
<u>Report submission.</u>									