

**ROLE OF ORGANIZATIONAL REWARD SYSTEM IN  
PROMOTING DISCRETIONARY WORK BEHAVIOUR IN  
PUBLIC SERVICE OF KENYA**

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**Role of Organizational Reward System in Promoting Discretionary  
Work Behaviour in the Public Service of Kenya**

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**A thesis submitted in partial fulfillment for the degree of Doctor of  
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University of Agriculture and Technology**

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**DECLARATION**

This thesis is my original work and has not been presented for a degree in any other University

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## **DEDICATION**

I dedicate this thesis to my wife Linah Kulola, son Haron Pongah and daughter Agatha Olive Mshai for standing by me during this tedious journey of attaining my long time ambition.

## **ACKNOWLEDGEMENT**

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## ACRONYMS AND ABBREVIATIONS

<b>AVE</b>	Average Variance Extracted
<b>CFA</b>	Confirmatory Factor Analysis
<b>CLC</b>	The Corporate Leadership Council
<b>CoK 2010</b>	Constitution of Kenya, 2010
<b>DPM</b>	Directorate of Personnel Management
<b>ESOP</b>	Employee Ownership Plan
<b>GoK</b>	Government of Kenya
<b>HRM</b>	Human Resource Management
<b>HRD</b>	Human Resource Development
<b>MPND</b>	Ministry of Planning and National Development
<b>PhD</b>	Doctor of Philosophy
<b>PSCK</b>	Public Service Commission of Kenya
<b>SPSS</b>	Statistical Package for Social Sciences
<b>SEM</b>	Structural Equation Model



## DEFINITION OF TERMS

- Benefits** Programmes an employer uses to supplement the cash compensation that employees receive. Thus health, income protection, savings and retirement programme provide security for employees and their families (Armstrong, 2010)..
- Career Opportunities** Involve the plan for employees to advance their career goals. It may include advancement into a more responsible position in an organization (Armstrong, 2010).
- Development** A set of learning experiences designed to enhance employees applied skills and competencies. Development engages leaders to advance their organizations, people strategies (Armstrong, 2010).
- Employee Engagement** The extent to which employees commit to something or someone in their organisation and how hard they try and how long they stay as a result of that commitment (CLC, 2004).
- Employee discretionary behaviour** Is the extent to which employees give extra effort to their work. It is one of the outcomes of employee engagement, which also involves a mental and emotional commitment to the job/organisation (Mervyl, 2007).
- Motivation** This refers to intensity and direction of effort. Intensity refers to the quantity of effort, while direction refers to what you are drawn to (McCullagh, 2005).
- Performance** Performance is the alignment of organizational, team and individual efforts towards achievement of business goals and organizational success. It includes establishing exceptions, skill

demonstration, assessment, feedback and continuous improvement (Armstrong, 2010).

**Recognition** Acknowledgement or special attention given to employee's actions, effort, behavior or performance. It meets intrinsic psychological need for appreciation of one's effort and can support business strategy by reinforcing certain behaviors (e.g. extraordinary accomplishments) that contribute to organizational success (Armstrong, 2010).

**The Reward System** It consists of the interrelated processes and Practices that combine to ensure that reward management is carried out effectively to the benefit of the organization and the people who work there. The reward system covers all forms of financial rewards or remuneration (pay, benefits and allowances provided to employees.) It also covers non-financial rewards. Coupling financial rewards with non-financial rewards produces total rewards (Armstrong, 2010).

**Total Rewards** The concept of total rewards describes an approach to reward management that emphasizes the need to consider all aspects of the work experience of value to employees, not just a few such as pay and employee benefits. It aims to blend the financial and non financial elements of reward into a cohesive whole (Armstrong, 2010).

**Work life** Specific set of organizational practices policies and programmes plus a philosophy that actively supports efforts to help employees achieve success at both work and home (Armstrong, 2010).

## **ABSTRACT**

Discretionary work behaviour is an upcoming and interesting topic that requires research. Empirical evidences available have not given a clear explanation of the role of reward in promoting discretionary work behavior among employees. This has left a major gap on the influence reward has in the promotion of discretionary work behavior in the Kenyan public service. This study focused on the role of reward in promoting discretionary work behavior in the Kenyan public service, with specific reference to the government Ministries in Kenya. The Competitive Pay, Employee Benefits, Learning and Development and Work Environment were independent variables while Discretionary Work Behavior was the Independent variable. Employee engagement was considered as well as mediating variable on effect of reward on discretionary behavior. An explanatory research design was used in this study. The target population of the study was the civil service in Kenya numbering 217,000. The study population was 26,000 employees based at the Nairobi County 18 ministry Headquarters. A sample size of 379 respondents was selected using simple random sampling method since the population is homogeneous. A questionnaire was used to collect primary data while secondary data was gathered through reviews of both theoretical and empirical literatures. Pilot testing was conducted to obtain some assessment of questions validity and the likely reliability of the data. Reliability of the pretest observation schedule was tested using internal consistency technique. The data obtained was analyzed using the qualitative and quantitative analysis. The research results were positive. The model was confirmed and the mediating variable was confirmed as having mediated the independent variables. The overall findings show that when Total Rewards (Competitive Pay, Employee Benefits, Learning and Development, Work Environment) are bundled together, they have a synergistic link so that the impact of each on Discretionary Work Behaviour is enhanced when the others are present.

## **CHAPTER ONE**

### **INTRODUCTION**

This chapter presents an introduction to the background of the study. It also provides an overview of public service and it is divided into statement of the problem, objectives of the study, research questions and significance of the study, limitations and scope of the study. The chapter also gives background information on discretionary work behavior and reward.

#### **1.1 Background of the Study**

Over the years the public service has continued to render poor quality services to the people due to poor work performance by the employees. The source of the problems of poor work performance and service delivery in the public sector, began at the time of independence in 1963, and emanated particularly from Kenyanization policy (Directorate of Personnel Management (DPM, 2002a).

The above policy resulted in creation of direct employment of Kenyans, which eventually led to rapid expansion of the civil service and a high wage bill. Over the years the government has not been able to offer competitive remuneration to its employees because of this high wage bill. Although the cost of living continues to rise, the remuneration of the public sector workers has stagnated. To cope with the increasing cost of living, the public servants engage themselves in other economic activities to supplement their income. Most of the economic activities are undertaken during official hours (Aseka, 2002).

To curb these problems, in 1993 the government introduced reform programmes aimed at improving work performance and service delivery in the public sector. The first phase of the reform programme focused on staff reduction. During this phase the size of the civil service was significantly reduced by 37%. The second phase of the reform

programme focused on rationalization of the civil service to improve performance and productivity. During this phase the government introduced performance management strategies to enhance work performance in the public service. The strategies focused on improving service delivery in ministries or departments and creating a customer and results-oriented culture in the public service (DPM, 2002). The third phase of the government reforms involved deepening ministerial/departmental rationalization initiatives in which government institutions reviewed their functions, structures and staffing with the aim of enhancing efficiency and productivity. As a result, the number of employees declined from 272,000 in 1991 to 193,000 in 2002 (Ministry of Planning and National Development (MPND), 2003).

The reform programmes were also aimed at eliminating corruption that had penetrated into the public sector, resulting in misappropriation of government resources and poor service delivery. To fight corruption and restore integrity in the service, the government of Kenya in 2002 launched the Public Service Integrity Programme. The integrity programme was based on the fact that the Kenyan government recognised the importance of an efficient public sector as a means of enhancing economic growth and prosperity to the nation and to meet the challenges of improving the well being of its people (Directorate of Personnel Management/Anti-Corruption Police Unit (DPM/ACPU, 2002) According to Aseka (2002), many of the problems in the public service could be attributed to low morale in the service. Mostly, it is believed that all the unethical practices such as bribery and corruption, patronage, reposition, embezzlement, influence peddling, the use of ones position for self-enrichment, bestowing of favors on relatives and friends, moonlighting, late coming to work, abuse of public property, and the leakage and/or misuse of government information that constitute the lack of accountability in governance currently characterize the country's public service. (Mbai, 2003).

Employee discretionary work behavior is voluntary, is not recognized explicitly by the official reward system and generally promotes employees functioning at the

organization (Wayne & Green, 1993). The behavior is not a required task role or job description. This however, signifies the individual's commitment to the organization. Discretionary Work Behavior provides a means of managing the interdependencies among members of a work unit, which increases the collective outcomes achieved; reduces the need for an organization to devote scarce resources to simple maintenance functions, which frees up resources for productivity; and improves the ability of others to perform their jobs by freeing up time for more efficient planning, scheduling, problem solving, and so on (Podsakoff *et al.*, 2000). Needham says "most individuals are willing to trade their additional effort, at a price; it is not given freely". This fits with Simard *et al.*'s exchange model (2005). Reciprocity and exchange operate in a climate of mutual trust whereby employees give extra effort in return for non-monetary recognition (Mervyl, 2007)

Discretionary effort and employee engagement are issues for businesses and economies seeking to improve productivity and competitive advantage. Corporate leadership Council members reported increasing anxiety regarding levels of employee engagement from 2001 to 2004 with more than 70% of members reporting increased concern with what they describe as "spiritual turnover"; "although physically present in the workplace employees may not be deeply engaged in their work"

### **1.1.1 Rewards**

To succeed, an organisation needs more than competent employees. It needs employees who enhance each other's efforts, who engage in discretionary work behaviour. The Primary way to encourage such behaviours is through the reward system. During the past two decades, discretionary work behaviour have been a subject of increasing interest in the management and organisational behaviour literature (Podsakoff, Whiting & Blume, 2009).

For an organisation to succeed, employees must engage in positive behaviours that benefit other employees as well as themselves. Such behaviours as discretionary behaviour may extend beyond job duties, roles and responsibilities. One strategy suggested to promote positive discretionary work behaviour is through designing reward systems that encourage cooperation as opposed to competition. The Literature on compensation and reward systems (Baron & Kreps, 1999; Newman & Gehart, 2010) has suggested that reward system characteristics influence employee behaviours, performance, tendencies to help others and ethical judgement (Selvarajan & Cloninger, 2009).

The rewards component of the high-involvement equation means rewarding employees for expending discretionary effort to enhance organizational performance. A key element in the high-involvement equation, rewards for performance ensure that employees use their power, information and knowledge for the good of the firm. In each of the three cases mentioned in the previous discussion of power, information and knowledge, rewards were in place for employee contributions to the firm, and that link was critical to the success of the firm's high involvement work practices. For example, a gain sharing program in one plant was in place so that each employee earned a bonus of \$4,442 over the 4-year period for suggestions that saved the plant US\$9 million. The bonuses inspired considerably more effort on the part of employees than was evident in the suggestion program. Plant supervisors and managers indicated that many plant improvements were being made outside of the suggestion system, where employees initiated changes in order to reap the bonuses generated by the subsequent cost savings.

In Semler's Brazilian manufacturing firm, 23% of after tax profit on each division income statement was distributed to employees in the division. Because employees gain a substantial reward for business unit performance, they put in extra effort to learn multiple tasks and meet targets, and they eagerly await the monthly financial statements to see the results of these efforts.

At Saturn, base compensation is tied to between 88 and 95% of the industry average; employees can make up the difference by achieving the target of at least 92 hours of training each year for each employee. In addition, workers receive bonuses for achieving negotiated goals for quality, cost, schedule, profitability, and volume. The bonuses have ranged from \$2,017 per employee in 1997 to \$10,000 per employee in 1995 and 1996. Other determinants of discretionary behaviors might be levels of pay. That is, many organizations offer pay that exceeds the levels of remuneration that are expected in the market.

Three motivations underpin this competitive pay (Akerlof & Yellen, 1986; Gerhart & Milkovich, 1990). First, many managers assume that employees will devote more effort into their work--striving to ensure their job is secure--if paid handsomely as well as refrain from leaving prematurely (Salop, 1979; Shapiro & Stiglitz, 1984). Second, managers often assume that competitive wages will attract the most effective or proficient employees (Akerlof & Yellen, 1986). These managers assume that proficient employees are able to choose which organization to which they will apply--and thus choose only companies that offer the best conditions. Third, managers assume that competitive pay might encourage discretionary effort (Akerlof, 1982) optional activities that enhance the organization.

Indeed, several studies have shown that competitive pay might be related to these discretionary acts. Subramony, Krause, Norton, and Burns (2008), for example, showed that shared perceptions of competitive pay across employees were positively related to customer satisfaction. Presumably, this competitive pay fostered the inclination to engage in supportive, helpful behaviors-behaviors that ultimately translate to customer satisfaction.

In this study, the American Customer Satisfaction index was utilized to gauge customer satisfaction. The scale, which is usually administered over telephone, comprises 17 questions, such as reliability of the product or services, complaints regarding the product



or service, and so forth (Anderson, Fornell, & Mazvancheryl, 2004; Fornell, Johnson, Anderson, Cha, & Bryant, 1996). Customer satisfaction in turn predicts many other measures of organizational performance, such as return on assets (Smith & Wright, 2004) and return on investments (Anderson, Fornell, & Mazvancheryl, 2004)

### **1.1.2 Employee Discretionary Behaviour**

Lloyd (2008) differentiated the concept of discretionary effort from organizational citizenship behavior. According to Lloyd (2008), discretionary effort refers to the extent to which individuals devote intense and persistent exertion into their work. This definition evolved from an article, constructed by Yankelovich and Immerwahr (1984), in which the concept was defined as voluntary effort, exceeding the requirements of a job.

According to Lloyd (2008), both discretionary effort and organizational citizenship behavior represent voluntary and constructive inclinations or acts that cannot be contractually enforced. Nevertheless, in contrast to organizational citizenship behavior, discretionary effort can apply to both core roles and activities that transcend formal responsibilities. Employees can devote this effort to their primary tasks as well as to optional activities, such as helping colleagues.

## **1.2 Statement of the Problem**

Kenya's Vision 2030 envisages a country with adequate, trained, competitive and skilled personnel to help it remain competitive in the global economy. Nonetheless, over the years, the work performance of public sector workers in Kenya has been a major concern to the Kenyan Government, civil society, development partners and the people of Kenya.

The prevailing situation at the work place has been one of low work performance and poor service delivery. The poor work performance has led to the decline in the growth of

the economy from an average GDP growth rate of 2.3 % in the 1990s to 1.1% in 2003 (World Bank , 2003).It is important to note that the public service provides the enabling environment under which the players in the economy are able to operate effectively and efficiently. One of the major problems facing the public sector has been identified as low motivation of workers. According to Chepikilot (2005), the problem indicators include: absenteeism from work stations, low quality work, low productivity, lateness, stealing of government property, corruption, insecurity, laziness, a high rate of complaints by the workers, and high staff turnover among the professional staff.

This echoes further the research by Perry and Porter (1982) that Public sector manager must motivate their employees to perform at the highest level of productivity and effectiveness and get “more for Less” (Perry and Porter, 1982). Employees who are strongly committed to the organization have stronger intention to remain in the organization than the employees with weak commitment (Allen & Grisaffe, 2001).

The problem is that motivating public employees in Kenya is easier said than done. Public workers have the reputation for being lazy and lethargic (Wilson, 1989, Wright, 2001) and room for maneuvers’ is ostensibly very little due to rigid civil-service laws. Moreover the public sector suffers from aging and plateauing employees who are especially hard to motivate (Behn, 1995).

Any organization determined to excel will strive to have competent employees who are satisfied with their jobs and work environment. However, to have a motivated worker means one who is well paid and exhibits discretionary work behavior. Work Motivation is critical to discretionary work effort decision of individuals (steers et.al 2004). Dubinsky and Skinner (2002:2004) questioned why some people voluntarily work hard while others choose not to and what can be done to unleash discretionary effort. High performing firms induce discretionary work effort from their employees (Bennet, 1991; Donndly & Skinner, 1989). Robertson Associates (2007) cites data showing a 54%

return on assets from engaged workers, compared with 21% from ambivalent workers and 9% from disengaged workers.

To this end, the government of Kenya has strived to ensure its employees are well remunerated through the establishment of Salaries and Remuneration Commission which has been charged with the responsibility of ensuring public servants are well compensated (GoK, 2013).

However, the high wage bills have not been enough to motivate the public servants. This is because salary is one of the hygiene factors (Hertzberg 1959) that is adisatisfier to employees. Emperical evidences (Chepkilot, 2005; Morris, 2009; Allameh & Asadi, 2011) on discretionary work behavior was only focusing on causes and factors affecting discretionary work behavior. However, based on the critical power of motivation which is highly theoretical there is no clear empirical line of theory which explains the role played by organizational reward in promoting discretionary Work behavior. This study, therefore, seeks to examine the role of organizational reward systems in promoting discretionary work behavior in Kenyan Public Service.

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

#### **1.3.1 General Objective**

The general objective of this study was to examine the role of organizational reward system in promoting employee discretionary behavior in the public service of Kenya.

#### **1.3.2 Specific Objectives**

The specific objectives of this study were:

- i. To find out the effect of Competitive Pay on Discretionary Work Behavior in the Kenyan Public Service.

- ii. To find out the effect of Employee Benefits on Discretionary Work Behavior among employees.
- iii. To examine whether Learning and Development promotes Discretionary Work Behavior among employees.
- iv. To determine whether Work Environment influences employee Discretionary Work Behavior.
- v. To establish whether Employee Engagement mediates the effect of rewards on Discretionary Work Behavior.
- vi. To establish the overall effect of all independent variables (total rewards) on Discretionary Work Behaviour.

#### **1.4 Research Questions**

The following research questions guided this study

- i. Does Competitive Pay significantly influence Discretionary Work Behavior among public service employees?
- ii. Do Employee Benefits promote Discretionary Work behavior among public service employees?
- iii. To what extent does Learning and Development lead to Discretionary Work Behavior among public service employees?
- iv. To what extent does Work Environment significantly promote Discretionary Work Behavior among public service employees?
- v. Does Employee Engagement significantly mediate the effect of rewards in Employee Discretionary behavior among public service employees?

#### **1.5 Significance of Study**

Public services in the world at large have experienced reforms both from within and from without using tools such as financial incentives and performance targets. The expected impact of such reforms on a public service is yet to be witnessed. Individuals

within organizations work beyond their formal contracts of employment described as discretionary work behavior to further organizational interests. As far as Public Management reform and the subsequent contextual changes in the way in which public sector organizations are managed and funded are concerned, the present study theorizes that discretionary work behavior directed towards the organization may be ‘crowded-out’. It is under this backdrop that this study is set to provide significant theoretical and practical foundations as evidenced in the topic of role of reward in promoting Discretionary Work Behavior.

### **1.5.1 Public Service**

This study provides an understanding of role of reward in promoting Discretionary Work Behavior at the individual level of analysis in the public service of Kenya. This helps improve service delivery in the civil service, curb unnecessary employee turnover and industrial strikes which have characterized the sector in the recent past.

### **1.5.2 Other Organizations**

The results of the study aid firms in designing rewards systems that promote Discretionary Work Behavior among employees. The employee’s positive behaviors, engagement and commitment to work and the organization will go a long way in promoting organizations’ competitive advantage and consequently enhancing high performance levels.

### **1.5.3 Policy Makers**

Every firm aims at maintaining long-term effectiveness through the positive perceptions, attitudes and characters of its members. Leadership empowerment, Procedural Justice and discretionary work behaviour are the important aspects that are very useful to the long-term organizational effectiveness. Thus, this study provides a framework for policy formulation as it highlights the various policies which negatively

affect Discretionary Work Behaviour in the civil service and address these challenges according to research findings and recommendations.

#### **1.5.4 The study and Scholars**

The concept of discretionary work behavior has gained a lot of attention from various scholars and writers in the recent past. Despite this interest there is scanty literature on the linkage between rewards and Discretionary Work Behaviour in the public service. Therefore the results of this study will bridge the discretionary work behaviour gap and provide opportunity for further studies.

#### **1.6 Scope of the study**

The scope of human resources management is rather wide and covers many issues like personnel, welfare, and industrial relations. For purposes of this study, the main focus shall be the Total Reward component. This will involve Competitive Pay, Employee Benefits, Learning and Training and Work Environment. These aspects significantly shape the attitudes and behavior of employees in organizations. From the literature review it has been found that not all HR practices have significant relationship with employee discretionary behaviour hence the reason for focusing on the few reward systems of organisations. This is supported by Katz (1964) who proposed that employees must be hired and retained work role performance must be accomplished in a dependable manner and employees must exceed formal job requirements.

#### **1.7 Limitations of the study**

This study focused on the role of these rewards in promoting Employee Discretionary Behavior in the civil service in Kenya with specific reference to the government Ministries in Kenya. This study further investigated the mediating effects of Employee Engagement on Employee Discretionary Behaviour. The study population was 26000 employees working in the 24 ministries in Nairobi. The ministries in Nairobi County

were selected because they form the bulk of civil servants in Kenya and they serve many clients hence require to devote more time and effort to their work.

The researcher anticipated questions in questionnaires and interviews may be misinterpreted by the respondents, thus not getting the expected answers. This would have affected the validity and reliability of data so collected. To counter this open ended questions and questions were made as simple as possible to get positive responses from respondents. However, few closed type of questions were used as well to ensure accuracy of results.

By virtue of their duties public service employees are under obligation to treat information about issues facts circumstances that they know as confidential. There are obligations and/or legislation which include Provisions that either prohibit the disclosure of information of certain nature by employees in the performance of their duties this might make the employees be uneasy and not ready to open up for the interview. Since employees completed the questionnaires in the presence of the researcher and hand in them to the researcher rather than the employer then the data was accurate.

In addition the issue of unreturned questionnaires and uncooperative responses proved difficult for the study. The respondents were assured that the research was only meant to point out the role of reward in promoting in the public service and that this would not risk their jobs in any way. Again, follow ups were undertaken on unreturned questionnaires to ensure maximum response.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter deals with the conceptual framework, the theoretical framework, the empirical framework, critique of review, and research gaps. It also presents a detailed theoretical and empirical Literature that guided the study. It also discusses summary of studies as well and operationalisation of variables.

#### **2.2 Conceptual Framework**

A conceptual framework is used in research to outline possible courses of action or to present a preferred approach to an idea or thought. For example, the philosopher Isaiah Berlin used the "hedgehogs" versus "foxes" approach; a "hedgehog" might approach the world in terms of a single organizing principle; a "fox" might pursue multiple conflicting goals simultaneously. Conceptual frameworks (theoretical frameworks) are a type of intermediate theory that attempt to connect to all aspects of inquiry (e.g., problem definition, purpose, literature review, methodology, data collection and analysis). Conceptual frameworks can act like maps that give coherence to empirical inquiry. Because conceptual frameworks are potentially so close to empirical inquiry, they take different forms depending upon the research question or problem.

This section examines the variables of interest in the proposed study and the expected relationships among the variables. The dependent variable is discretionary work behavior, while the independent variables are employee pay, employee benefits, learning and development and work environment. The mediating variable is employee engagement .The overall pictorial representation of these relationships is presented in figure below.



Although these terms are often used interchangeably, reward and recognition systems should be considered separately. Employee reward systems refer to programs set up by a company to reward performance and motivate employees on individual and/or group levels. They are normally considered separate from salary but may be monetary in nature or otherwise have a cost to the company. Based on this review the following research question can be formulated:

*Does the Competitive Pay significantly affect Discretionary Work Behavior among public service employees?.....Research Question1 ?*

While previously considered the domain of large companies, small businesses have also begun employing them as a tool to lure top employees in a competitive job market as well as to increase employee performance.

As noted, although employee recognition programs are often combined with reward programs they retain a different purpose altogether. They are intended to provide a psychological—rewards a financial—benefit. Although many elements of designing and maintaining reward and recognition systems are the same, it is useful to keep this difference in mind, especially for small business owners interested in motivating staffs while keeping costs low. Based on this review the following research question can be formulated:

*Does Employee Benefits affect Employee Discretionary Behavior among public Service employees?.....Question 2*

Prior studies have shown that training is critical to organizational success. Training programs help employees to obtain the necessary skills and abilities to work effectively in sustaining and improving current work activities. Well trained employees in general not only require less supervision Gutteridge *et al.* (1993) but also tend to have higher morale and lower levels of attrition. Training is believed to nullify the influence of

factors which cause dissatisfaction of employees at work Xiao (1996). Thus employees may be provided with extensive training programs in multiple functions and training on job skills Ahmad and Schroeder (2003). In addition to training employees need to be rewarded and provided with appropriate incentives so as to produce the required levels of performance Mohinder et al. (2010) Guest (1997), Lee and Miller (1999). Based on this review the following research question can be formulated:

*Does Learning and Development significantly influences Discretionary Work Behavior among public service employees?.....Question 3*

Non-financial or intrinsic rewards include factors such as scope for achievement, recognition and opportunities for growth. Armstrong believes the concept of total reward is simple. If people are rewarded both extrinsically and intrinsically then that helps foster engagement with a job, commitment to an organisation and positive discretionary behaviour, for example, by staff undertaking more work than is expected of them or tasks outside of their job description. Based on this review the following hypothesis can be formulated

*Does Work Environment significantly influences the promotion of Discretionary Work Behavior among public service employees?.....Question 4*

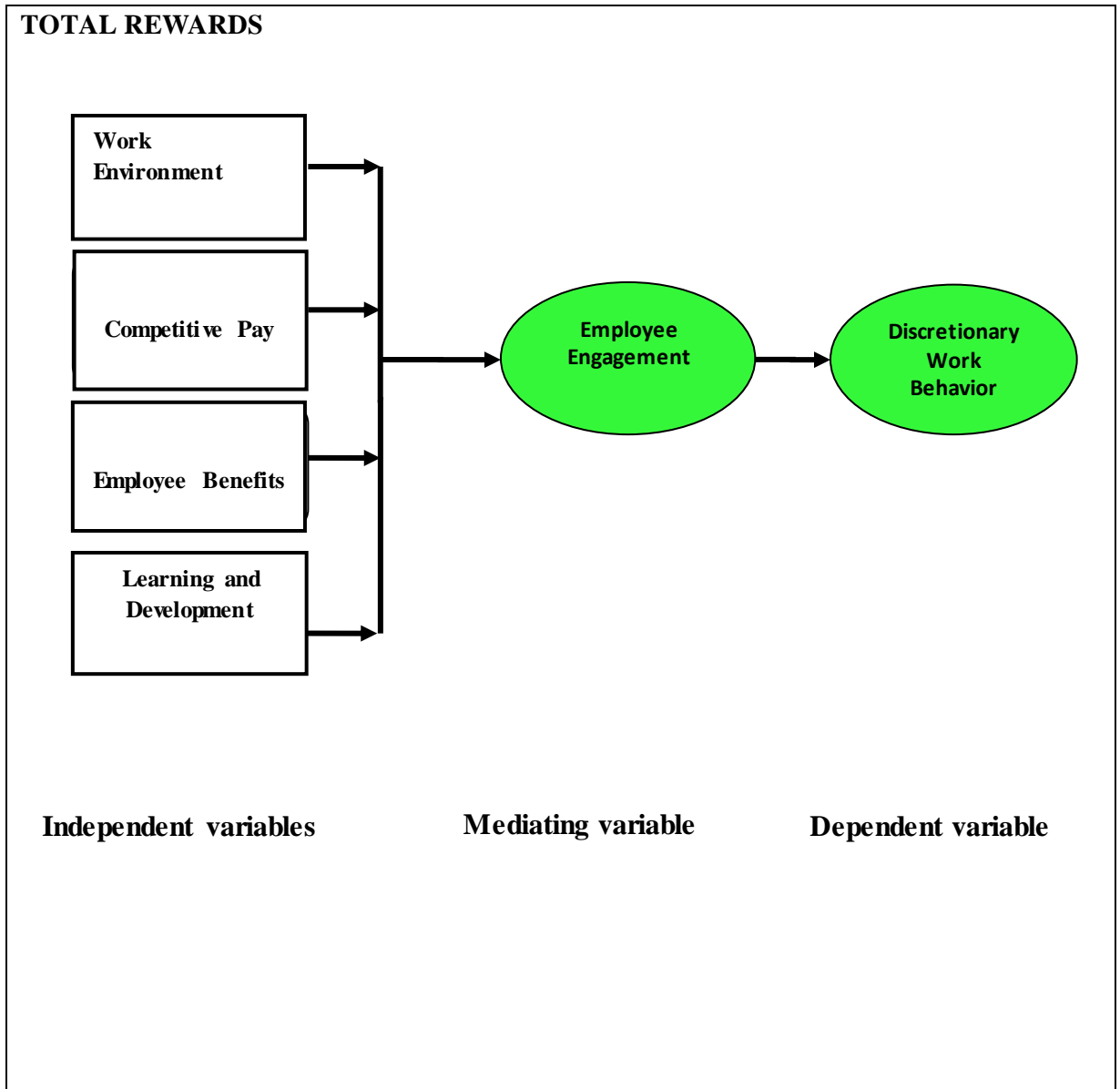
Definitions of work engagement vary from “a positive emotional connection to an employee’s work” to “engaged employees are inspired to go above and beyond the call of duty to help meet business goals” (CLC 2004:9b). The CLC definition of employee engagement is “the extent to which employees commit to something or someone in their organisation and how hard they try and how long they stay as a result of that commitment” (2004:10a). This includes discretionary effort as a by-product or output of engagement.

ISR (2006:8) include three components in their definition of employee engagement: cognitive/think, affective/feel, and behavioural/act. The thinking dimension refers to

believing in an organisation's goals and values; the feeling dimension involves a sense of belonging, pride and attachment to the organisation; the behavioural dimension includes the intention to stay with the organisation and willingness to go the extra mile, ie. Discretionary effort. ). Based on this review the following hypothesis can be formulated:

*Does Employee engagement significantly influences the promotional of discretionary work behavior among employees.....***Question 5.**

These brief review of literature resulted into various constructs and their relationships which are illustrated in the following hypothetical model in figure 2.1



**Figure 2.1: Conceptual Framework**

Model on Role of Reward Systems in promoting Discretionary Behaviour in Kenyan Public Service.

### **2.2.2 Operationalization of the variables**

The variable on Discretionary Work Behaviour was operationalized by measuring autonomy of employees in their work, levels of loyalty to the organization, their ability to overcome obstacles in their work places, their levels of satisfaction and how they are treated by management.

The variable on Competitive Pay was measured by assessing employees' levels of motivation, their levels of engagement, status of supportive behavior among employees and their levels of efficiency, proficiency and enthusiasm in their work.

The variable on Learning and Development was operationalized by measuring the effect of training on employee's skills, knowledge, competencies and attitudes, and employee's career growth and development.

The variable on Employees Benefits was measured by looking at the available benefits for employees in the public service and whether they are recognized for positive behaviours. The variable on Employee Engagement was measured by looking at employee's enthusiasm and passion for work, absenteeism and stress, turnover and desire to say positive things about the organization.

The variable on Work Environment was measured by looking at participation of employees in decision making, nature of work they do whether motivating or interesting, the uniqueness of their jobs, how management treats employees and timely provision of work resources.

## **2.3 Theoretical Framework**

### **2.3.1 Discretionary Work Behavior**

Lloyd (2008) undertook a study that verified her proposition that discretionary effort is distinct from organizational citizenship behavior. She developed a measure of

discretionary effort, which comprised seven items such as "When I work, I really exert myself to the fullest, beyond that what is expected" and "I persist in overcoming obstacles to complete an important task". The level of alpha reliability was .86 and .87 in two distinct samples.

Participants completed a measure of discretionary effort, organizational citizenship behavior, and in role behavior as well as skills and autonomy. A confirmatory factor analysis indicated that discretionary effort, organizational citizenship behavior, and in role behavior most likely reflect three separate constructs, with RMSEA = .05 and CFI = .978. A two factor model, in which discretionary effort and organizational citizenship behavior were combined, generated inadequate fit, with RMSEA = .18 and CFI = .803. Furthermore, Lloyd (2008) showed that autonomy, as gauged by items such as "In my job, I have control over my hours of work", was related to discretionary effort--even after organizational citizenship behavior and in role behavior were controlled. If discretionary effort and organizational citizenship behavior were equivalent, this relationship would have vanished.

One of the most recent accounts to characterize discretionary behaviors of work was developed by Griffin, Neal, and Parker (2007). This model of work-role performance distinguishes between three dimensions of performance. The first dimension is called proficiency, which relates to the extent to which individuals fulfill their formal requirements, somewhat akin to in-role or task performance. The second dimension is called adaptivity, which revolves around the capacity of individuals to adapt in response to changes work roles and systems. The third dimension, proactivity, relates to the extent to which individuals initiate actions to change and improve works roles and systems--akin to various forms of discretionary behavior.

These three dimensions can apply to three different levels of analysis: individual, team, or organizational. That is, individuals can engage in behaviors that enhance the functioning of themselves, their team, or their organization. For example, proficiency

can be demonstrated at these three levels. Individual task proficiency, for example, partly entails the extent to which tasks are completed appropriately. Team member proficiency partly represents whether individuals coordinate their work effectively with other colleagues in the team. Organization member proficiency includes the extent to which individuals, for example, discuss their organization in a favorable light.

Similarly, adaptivity can pertain to these three levels. Individual task adaptivity refers to whether employees can adjust to changes in their own role. Team member adaptivity alludes to whether individuals respond suitable to changes in the team. Finally, organization member adaptivity relates to whether individuals can accommodate changes in the operation and strategy of the organization. The three forms of behavior and the three levels of analysis thus represent nine distinct sets of behavior.

(Griffin, Neal, & Parker (2007) developed a series of nine scales, together called the multilevel performance inventory, to represent these nine sets of behavior. Typical items are "Suggested ways to make your work unit ore effective" (organizational proactivity) and "Initiated better ways of doing my core tasks" (individual proactivity). Confirmatory factor analysis confirmed these nine factors, which taken together comprise 27 items. Consistent with this model, (Griffin, Neal, & Parker (2007), showed that factors measured at the individual level, such as role clarity, predicted individual level performance. Team support predicted team level performance.

### **2.3.2 Theories of Discretionary Work behavior**

#### **Motivation Theory**

Work itself is a biggest source of motivation. Instead of looking for external source of motivation, organizations must organize work in a manner, so that work itself may become a biggest motivating factor. Wegge *et al.* (2006) found that objective working conditions substantially correlated with subjective measures of work motivation, Moreover employees experiencing a high motivating potential at work reported more

discretionary work behavior, higher job satisfaction, and less turnover intentions. Work not only provides a platform to employees for exhibiting discretionary work behavior but also reduces the turnover intentions. In these days recruitment is not problem retention is a problem.

The effectiveness of skilled employees is likely to be limited if they are not motivated to perform. One of the means that organizations can use to enhance employee motivation and performance is to provide performance-related compensation (Delaney & Huselid, 1996). A reward and compensation system is based on the expectancy theory, which suggests that employees are more likely to be motivated to perform when they perceive that there is a strong link between their performance and the reward they receive (Fey & Bjorkman, 2001; Guest, 2002; Mendonca, 2002). In other words, the compensation system (profit sharing) contributes to performance by linking the interests of employees to those of the team and the organization, thereby enhancing effort and performance (Kalleberg & Moody, 1994; Huselid, 1995; Kling, 1995).

Four commonly used variable pay schemes are profit-related payment, employee share-ownership plans (ESOP), profit-sharing schemes, and group performance-related schemes. Profit-related pay schemes provide employees with tax-free payments linked to the profitability of their companies. An ESOP allows employees to take a stake in the company they work for through shares of stock that are awarded to them. A profit-sharing plan rewards employees with a part of a company's profits for their contribution to the company's success. The reward can be in the form of cash, shares or a combination of both. Group performance-related schemes reward a group or team of employees with a cash payment for achieving an agreed target. These schemes are all designed to enhance company performance by aligning the interests of employees with the financial performance of their companies.

Fielder (2006) defines discretionary effort as "something we hold back unless we feel really motivated or inspired to give more". Fielder also notes that this may not be



deliberate; the capacity for extra effort may be unrealised until the motivation and inspiration occurs. Fielder dismisses high performance practices as increasing stress and staff turnover, advocating a range of positive approaches, but not specifically mentioning work-life balance except for focusing on “fun”.

This theory therefore indicates that employees get motivated when they expect reward for work expended. The theory shows that employees who are highly motivated tend to exhibit discretionary work behaviour. The theory emphasises that work itself must be motivating to reduce turnover and enhance retention.

### **Self Determination and Cognitive Evaluation Theory**

Deci, Ryan, and others developed what today is the most well established theory on the effects rewards have on intrinsic motivation—*Self Determination Theory* (SDT; Deci, 1975; Deci & Ryan, 1985). This theory suggests that humans have three central psychological needs, which are relatedness, effectance, and autonomy. (Deci & Ryan (1994) summarize these needs in the following quote: “people are inherently motivated to feel connected to others within a social milieu (relatedness), to function effectively in that milieu (effectance), and to feel a sense of personal initiative in doing so (autonomy)” (p.7). This theory suggests that humans have an innate tendency to develop these needs. Nevertheless, these needs do not develop automatically; they must be furnished by the environment, which can either promote growth, or impede it.

While, this theory focuses on intrinsic motivation, it does not say what causes it. In this context, Deci and Colleagues developed a sub theory to SDT, known as *Cognitive Evaluation Theory* (CET; Ryan & Deci, 2000).CET focuses on factors which can increase or decrease intrinsic motivation. In essence, this theory suggests that rewards have two basic properties that can influence intrinsic motivation: *information* and *control*. And these properties can increase or decrease intrinsic motivation depending on

how they effect an individuals Self determination and competency. (Weinberg & Gould, 2003).

Therefore the theory underscores the Importance of intrinsic motivation which is driving force for Discretionary work behavior. human beings in work environment need support of others to succeed and perform beyond the expected levels. The theory looks at intrinsic needs and teamwork as ingrediedients for motivation. Thus policies developed should encompass rewards to influence this. employees need to be autonomies and take part in decision making to feel valued in the work place.

### **Power Dependence Theory**

From the power dependence theory, the source of supervisory reward power arise from the subordinate's dependence on his or her supervisor, which represented that their supervisor has enough ability to provide things that the subordinate strongly desires (Emerson, 1976 ; Casciaro & Piskorski, 2005). This dependence may stem from the supervisor's ability to provide advancement, recognition, acceptance, favorable position, or vital resources. Based on the ability to control valued organizational assets, employees would perform better task performance in order to get supervisory rewards (Jahangir, 2006).

In addition, although discretionary work behavior is defined as “discretionary behavior that is discretionary, not directly or explicitly recognized by the formal reward system “(Hui, Lee, & Rousseau, 2004), several studies on organizational citizenship behavior has pointed that (discretionary work behaviour should be positively associated with supervisory rewards. Simon (1976) has argued that in an organizational context, discretionary work behaviour is often part of an informal psychological contract in which employees hope such extra effort may be perceived and then rewarded by the supervisor and the organization. In other words, when employees value organizational rewards and believe that their supervisor administer them contingent upon good

performance, they would engage in discretionary behaviors as a means of obtaining rewards. Empirical studies also have found that supervisory reward power is positively associated with organizational citizenship behaviors (Jahangir, 2006).

The theory underscores the need for supervisors managing strategic resources: the human beings in the work front. When managed well, provided with work resources and formally recognised for their effort, then the organization will reap fruits of hardwork from employees such as discretionary work effort. Employees also believe for maximum output their discretionary work effort should be rewarded by the employer.

### **Commitment-Motivation Model**

According to Meyer & Becker commitment-motivation model, supervisory commitment is a major antecedent in influencing employee work motivation/job efforts (Meyer & Becker, 2004). Employee commitment was included as one of several factors that influence employees' work behavior (Job and work avoidance, deviance, adjustment while the motivation process included all forms of goal-oriented behavior).

Hence, with this broadened perspective, employee commitment would play a more important role in the motivation process. The effect of supervisory commitment is indirect through goal regulation. Commitment exerts a significant impact on the employee job effort through goal regulation. When employees commit more to their supervisor, they would accept more difficult goals under conditions of autonomous regulation. By goal regulation influencing employee behavior, employees who experience autonomous regulation would be willing to exert more effort in their work behavior.

### **Social Exchange Theory**

Greenberg and Scott (1996) assert that the social exchange theory is most commonly used by the study in predicting work behaviours in the field of organizational behaviour.

The theory proposes that employees exhibit positive or negative behaviour as a response to the treatment they receive from their employers. According to Greenberg and Scott (1996) the central aspect of this theory is the norm of reciprocity. A strong social exchange relationship between the employer and employee will help maintain positive working relationships and would elicit positive sentiments such as satisfaction commitment and trust in employees which in turn will move employees to engage themselves in Discretionary Work Behaviour. Thus employers need to treat their employees fairly such that they can reciprocate the good gesture in the form of behaviour such as discretionary work behavior which contributes to organizational influence Effectiveness.

The social exchange theory also has its fair share of criticism. Miller (2005) argues that the theory reduces human interaction to a purely rational process that arises from economic needs. Miller (2005) further contends that the theory favours openness as it was developed in the 1970s when ideas of freedom and openness were preferred but there may be times when openness is not the best option in a relationship.

### **The Psychological Contract Theory**

The psychological contract theory explains a two way exchange process of perceived promises and obligations between employees and their employers. According to Armstrong (2006) it is an open ended agreement about what the individual and the organization expect to give and receive in return in the employment relationship. The contract represents a dynamic and reciprocal deal. Armstrong (2006) posits that employees expect to be treated fairly as human beings to be provided with work that uses their abilities to be rewarded equitably according to their contribution to be able to display competence to have opportunities for further growth to know what is expected of them and to be given feedback on how well they are doing.

On the other hand employers expect employees to do their best on behalf of the organization to put themselves out for the organization to be fully committed to its values to be compliant and loyal and to enhance the image of the organization to its customers and suppliers. (Bratton & Gold, 2007) contend that at the heart of the psychological contract theory is an exchange of individual employee commitment motivation and task performance beyond expected outcomes by the organization. According to Lam (2001) these actions which are beyond formally prescribed roles and job descriptions that is extra role behavior rather than role behavior is what is called Discretionary work behaviour. This is important in organizations because it brings about organizational success through efficient use of resources.

### **Expectancy Theory**

Another theory that seems to explain the concept of discretionary work behaviour is the expectancy theory. Armstrong (2006) argues that the concept of expectancy was originally contained in the valence- instrumentality- expectancy theory by Victor Vroom in 1964. According to Armstrong (2006) valence stands for value instrumentality and is the belief that if we do one thing it will lead to another and expectancy is the belief that action or effort will lead to an outcome. The theory holds that individuals choose between alternatives which involve uncertain outcomes. The individual's behavior is not only affected by his preferences amongst these outcomes but also by the degree to which the individual believes the outcomes to be possible.

Armstrong (2006) defines expectancy as a monitory belief concerning the likelihood that a particular act will be followed by a particular outcome. According to Armstrong (2006) expectancies may be described in terms of their strength. Maximum strength is indicated by subjective certainty that the act will be followed by the outcome while minimal strength is indicated by subjective certainty that the act will not be followed by the outcome. The strength of expectations may be based on past experiences for example the idea that employees who go beyond the call of duty are rewarded. In these

circumstances motivation to perform will be increased. To maintain such employee performance at the workplace managers should reward their employees in accordance with their contribution. This will motivate the employee to continue performing and even go beyond the call of what they are expected to do. The expectancy theory has also made some important contributions to motivation theories. Unlike other theories the expectancy theory takes into account individual perceptions and thus personal histories allowing a richness of response not obvious in other theories which assume that people are essentially the same. However the expectancy theory has also been criticized. Mitchell (2001) argues that the greatest difficulty in testing the theory stems from the fact that theory is so comprehensive that it is virtually impossible to concurrently test all aspects of the theory.

Despite the fact that numerous theories have been discussed to explain the concept of Discretionary work behaviour the present study adopts the social exchange theory as the main theory guiding the concept. The social exchange theory is adopted because it emphasizes the norm of reciprocity which explains why employees exhibit positive or negative behaviour as a response to the treatment they receive from their employers. The norm of reciprocity in the theory is used in this study to hypothesize that job satisfaction correlates positively with discretionary work behaviour that is only satisfied employees would engage themselves in discretionary work behaviour.

There is need to structure the work environment in order to make jobs more interesting and thus more intrinsically rewarding and make extrinsic rewards clearly contingent upon effective performance Expectancy theory has some important implications for motivating employees. The model provides guidelines for enhancing employee motivation by altering the individual's effort-to-performance expectancy, performance-to-reward expectancy, and reward valences. Managers need to make the desired performance attainable by selecting people with the required skills and knowledge; providing the required training and clarifying job requirements; provide sufficient time and resources; assigning progressively more difficult tasks based on training; following

employees' suggestions about ways to change their jobs; intervening and attempting to alleviate problems that may hinder effective performance among others. Managers should also ensure that Compensation systems reward people directly based on how well they perform their jobs that is pay-for-performance plans (Armstrong, 2007). Expectancy theory is often used to predict job satisfaction, one's occupational choice, the likelihood of staying in a job, and the effort one might expend at work. Therefore complementary HRM practices can be used to drive up labour productivity by ensuring that employees are motivated to expend more effort at work romance.

### **2.3.3 Reward**

#### **The Reward System**

It consists of the interrelated processes and Practices that combine to ensure that reward management is carried out effectively to the benefit of the organization and the people who work there. The reward system covers all forms of financial rewards or remuneration (pay, benefits and allowances provided to employees.) It also covers non-financial rewards. Coupling financial rewards with non-financial rewards produces total rewards.

#### **Total Rewards**

The concept of total rewards describes an approach to reward management that emphasizes the need to consider all aspects of the work experience of value to employees, not just a few such as pay and employee benefits. It aims to blend the financial and non financial elements of reward into a cohesive whole. A total rewards approach recognizes that it is necessary to get financial rewards (Pay and Benefits) right. But it also appreciates the importance of providing people with rewarding experiences that arise from their work environment (the job they do and how they are managed) and the opportunity to develop skills and careers .It contributes to the production of an

employee value proposition that provides a clear, compelling reason why talented people should work for a company.

It is a holistic view of reward that looks at the entire reward system to determine how its elements should be integrated so that they provide mutual support in contributing to overall effectiveness of the system. Reliance is not placed on one or two reward mechanisms operating in isolation, instead, account is taken of every way in which people can be rewarded and obtain satisfaction through their work. The whole is greater than the sum of its parts. The aim is to maximize the combined impact of a wide range of reward initiatives on motivation, Commitment and Job engagement.

The Towers Perrin Model (in figure 2.3) is frequently used as a basis for planning a total rewards approach. It consists of a matrix with four quadrants. The Upper two quadrants - pay and benefits - represent transactional and tangible rewards. These are financial in nature and are essential to recruit and retain staff but can be easily copied by competitors.

By contrast, the relational or intangible non financial rewards represented in lower two quadrants cannot be imitated so readily and therefore create both human capital and human process advantage. They are essential to enhancing the value of the upper two quadrants. The real power comes when organizations combine relational and transactional rewards. The Model also makes a useful distinction between individual and communal rewards, particularly, in the latter case, those provided by the work environment.

The Total Rewards concept emphasizes the importance of both financial and non financial rewards.



<p><b>Pay</b></p> <p>Base Pay  Contingency Pay  Cash Bonuses  Long term Incentives  Share Portions and Profit Sharing</p>	<p><b>Benefits</b></p> <p>Pensions  Holidays  Company Cars  Vacation Pay  Other Perks</p>
<p><b>Learning and Development</b></p> <p>Work place Learning  Training  Career Development</p>	<p><b>Work environment</b></p> <p>Organisational Values  Employee Voices  Recognition  Achievement  Job design and development(jobs that are challenging and provide a sense of achievement,  Quality of working life  Work life balance</p>

**Figure 2.2: The Towers Perrin model**

Other determinants of discretionary behaviors might be levels of pay. That is, many organizations offer pay that exceeds the levels of remuneration that are expected in the market. Three motivations underpin this competitive pay (Akerlof & Yellen, 1986; Gerhart & Milkovich, 1990). First, many managers assume that employees will devote more effort into their work--striving to ensure their job is secure--if paid handsomely as well as refrain from leaving prematurely (Salop, 1979; Shapiro & Stiglitz, 1984). Second, managers often assume that competitive wages will attract the most effective or proficient employees (Akerlof & Yellen, 1986). These managers assume that proficient employees are able to choose which organization to which they will apply--and thus choose only companies that offer the best conditions. Third, managers assume that

competitive pay might encourage discretionary effort (Akerlof, 1982) optional activities that enhance the organization.

Indeed, several studies have shown that competitive pay might be related to these discretionary acts. (Subramony, Krause, Norton, & Burns (2008), for example, showed that shared perceptions of competitive pay across employees were positively related to customer satisfaction. Presumably, this competitive pay fostered the inclination to engage in supportive, helpful behaviors behaviors that ultimately translate to customer satisfaction.

In this study, the American Customer Satisfaction index was utilized to gauge customer satisfaction. The scale, which is usually administered over telephone, comprises 17 questions, such as reliability of the product or services, complaints regarding the product or service, and so forth (Anderson, Fornell, & Mazvancheryl, 2004; Fornell, Johnson, Anderson, Cha, & Bryant, 1996). Customer satisfaction in turn predicts many other measures of organizational performance, such as return on assets (Smith & Wright, 2004) and return on investments (Anderson, Fornell, & Mazvancheryl, 2004).

Appelbaum and her colleagues (2000) have recognised that discretionary behaviour is one of the keys to understanding the links between HR practices and organisational performance: 'plant managers who invest in the skills of front-line workers and include these workers in decision-making activities elicit discretionary effort by employees. This effort increases operating efficiency and competitive advantage' (Appelbaum *et al* 2000:235). Discretionary effort was also central to MacDuffie's analysis in the motor vehicle industry (1995).

Fox argues that the key link with performance is to get employees not just to do their job but to act beyond contract to go over and above what they are formally required to do. Rather than just carrying out their job mechanically, to the minimum specification required, the aim is to try to get employees to use their imagination, creativity,

enthusiasm, initiative and intimate knowledge of the organization. Fielder (2006) defines discretionary effort as “something we hold back unless we feel really motivated or inspired to give more”. Fielder also notes that this may not be deliberate; the capacity for extra effort may be unrealised until the motivation and inspiration occurs. Fielder dismisses high performance practices as increasing stress and staff turnover, advocating a range of positive approaches, but not specifically mentioning work-life balance except for focusing on “fun”.

### **Discretionary Work Behaviour**

It is associated with the notion of discretionary behavior or effort. Purcell *et al* (2003) discretionary behavior refers to the choices that people at work often have about the way they do their job and the amount of effort, care, innovation and productive behavior they display. It can be positive when people ‘go the extra mile’ to achieve high levels of performance. It can be negative when they exercise their discretion to slack at their work.

### **2.3.4 Work Environment**

What motivates people to do their best work in any endeavor they undertake? Management theory and practice has traditionally focused on extrinsic motivators—pay, benefits, status, bonuses, pension plans, expense accounts, etc. While these are powerful motivators, by themselves they are no longer enough—intrinsic rewards are essential to employees in today’s environment (Thomas, 2000). When organizations wanted only compliance from workers, they bought it with money and other tangible benefits. Extrinsic rewards don’t come from the work itself; instead they are allocated by managers to ensure that the work is done properly and on a timely basis (Thomas, 2000).

Nowadays motivational issues are more complex because of the wealth and opportunity so many employees have enjoyed. Thus, work in the current decade has the potential for much richer, “intrinsic” rewards. Intrinsic rewards come to employees directly from the

work they do—like the pride of technical accomplishment, service to a customer, or making a difference in the world. In today’s competitive labor market, intrinsic motivation is crucial.

Over the long haul, people need intrinsic rewards to keep going and to perform at their peak (Thomas, 2000). Organizations can no longer offer guaranteed employment and a pension in return for worker loyalty and compliance. And employees with dull or unfulfilling jobs are less willing to remain with a company for the mere possibility of an eventual pension. Workers have been forced to take more responsibility for their own careers, going where the work is rewarding and where they can develop skills that will guarantee their employability—in whatever organization (Hall & Associates, 1996). This mobility and “free agency status” has created greater competition for skilled employees amongst organizations. Talented workers have more choices than ever before, and are likely to leave if not satisfied with their employer or job content.

As employees have become more likely to leave unrewarding jobs, the impact of losing individuals has become greater. With global competition and a scarcity of talent, few organizations can afford the cost of recruiting and training replacements (Thomas, 2000). Managing for intrinsic rewards then has become the crucial next step in keeping employees. Organizations have had generations to develop their extrinsic reward systems. In the future, the biggest gains will come from systematically improving an organization’s intrinsic reward process making the work itself so fulfilling and energizing that employees won’t want to leave. *Insights into Employee Retention, Commitment and Motivation* Kreisman, February, (2002 14).

Work is made up of tasks and tasks are comprised of activities (behaviors) that an employee performs. However, tasks are comprised of more than just activities they are actually sets of activities directed toward a purpose (Cox, 1996; Thomas, 2000). Rediscovering the role of purpose in work is key to understanding the new work and the motivation of today’s employees.

There is much evidence that today's employees, especially knowledge workers, tend to expect their work to be at least somewhat meaningful and rewarding. They are more educated than workers of preceding eras, have a higher standard of living, and see more opportunities for meaning in their work (Thomas, 2000). Organizations now find themselves competing to attract and retain workers on the basis of the meaningfulness of their jobs.

Organisations should develop human resource policies and strategies, including selection and recruitment, training and development, and performance management, that reflect their beliefs and principles as well as maintaining acceptable relationships between management and employees. However, some human resource departments merely devise policies that deal with current problems or requirements (Delery & Doty, 1996; Jackson & Schuler, 1995; Oakland & Oakland, 2001).

Several theoreticians have argued that human resources are potentially the only source of sustainable competitive edge for organisations (Becker & Gerhart, 1996; Pfeffer, 1994; Patrick, Wright & Gary, 1992). Pfeffer (1998) argues that human resource systems help create workforces whose contributions are valuable, unique, and difficult for competitors to imitate. Arthur (1994) and Huselid (1995) have conducted research at the organizational level that suggests that human resource practices affect organisational outcomes by shaping employee behaviours and attitudes. Whitener (2001) suggests that employees can interpret organisational actions, such as human resource practices (Delery, 1998; Ostroff & Bowen, 2000; Settoon, Bennett, & Liden, 1996) and the trustworthiness of management (Settoon, *et al.*, 1996) as indicative of the organisation's personal commitment to them. Employees reciprocate accordingly, in their level of commitment to the organization.

### **2.3.5 Learning and Development**

Human Resource Development (HRD) goes beyond employee training and development consists of all activities involving training career and organization development. It is the deliberate and mindful undertaking of organization and/or individual intended to enhance the skills discretionary work behaviour ability and other attributes of an employee for effectiveness in current job requirements and predicted future challenges. (Harrison & Kessels, 2004) define HRD as an organizational process including “the skilful planning and facilitation of a variety of formal and informal learning and OCB processes and experiences primarily but not exclusively in the workplace in order that organizational progress and individual potential can be enhanced through the competence adaptability collaboration and OCB-creating activity of all who work for the organization.

Swanson (1995) refers HRD as a process directed to performance improvement by developing and unleashing human expertise through personnel training and development including organization development. HRD also defined as “a set of systematic and planned activities designed by an organization to provide its members with the opportunities to learn necessary skills to meet current and future job demands” Werner and DeSimone (2006).

Werner and DeSimone also considered HRD as a function of HRM. Hence the concept of HRD represents several aspects of development of individuals including their physical intellectual and emotional facets. In spirit HRD is similar to develop competence commitment and culture Rao (1990). Human resource managers may tailor training programs that teach teamwork and cooperation or the importance of taking initiative exceeding one's formally prescribed job duties. Such programs will also help build trust among colleagues and utilize cross-training in order to facilitate interpersonal helping. Employees will also learn to be more tolerant of the inconveniences that sometimes arise when another part of the organization is understaffed.

Training programs may also elicit discretionary work behavior more indirectly. Two recent studies indicate that training supervisors in organizational justice principles is associated with increased levels of discretionary work behavior among their subordinates Skarlicki & Latham (1996) Employees whose supervisors had received justice training were more willing to go beyond the call of duty than employees whose supervisors had not received such training. Thus training designed to improve relationships either among coworkers or between supervisors and subordinates is likely to increase the level of discretionary work within the organization

### **2.3.6 Employee Engagement**

Melcrum's research<sup>1</sup> (2005) shows the benefits of employee engagement programmes. According to Melcrum, the issue of employee engagement appeared around 2000. Melcrum cites 2003 research by the Gallup Organisation showing a link between disengagement and intentions to resign. According to the survey, only 25% of employees are actively engaged, while 17% are actively disengaged and the remaining 58% are neither engaged nor actively disengaged. Engagement (commitment and effort) accounts for roughly 40% of observed performance improvements, according to the CLC 2004 Employee Engagement Framework and Survey cited by the Australian Public Service Commission.

The CLC's model of engagement, shows engagement leads to discretionary effort and hence performance, and to commitment and retention. This study found that the greatest impact on discretionary effort comes from emotional commitment to one's job and the organisation, i.e engagement. Commitment to team and manager rate lower but the area of rational commitment (financial rewards) rates lowest.

According to (West & Dawson (2012), Engagement has been used to refer to a psychological state (involvement, commitment, attachment, mood), a performance

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construct (either effort or observable behavior, including pro-social and organizational citizenship behavior), a disposition (positive affect), or some combination of these. Schaufeli *et al* (2002, p 74) describes engagement as a positive, fulfilling, work-related state of mind characterized by vigor, dedication, and absorption. Job satisfaction and commitment to an organization are not the same as employee engagement. Employee engagement can therefore be a predictor of Labour productivity since it leads to positive behavior such as taking personal initiative, organizational citizenship behavior and employee effectiveness (Macey & Schneider, 2008)

NHS National Workforce Projects, (2007) defines employee engagement as a measure of how people connect in their work and feel committed to their organization and its goals. People who are highly engaged in an activity feel excited and enthusiastic about their role, say time passes quickly at work, devote extra effort to the activity, identify with the task and describe themselves to others in the context of their task. This therefore means that engaged employees are interested in the success of an organization and also identify with this success.

However according to West and Dawson (2012), one consequence of poor engagement may be burnout, absenteeism, labour turnover, stress and poor physical health, indifference to work to mention a few. Employee engagement therefore plays a key role in Labour productivity.

## **2.4 Empirical Review**

A reward and compensation system is based on the expectancy theory, which suggests that employees are more likely to be motivated to perform when they perceive that there is a strong link between their performance and the reward they receive (Fey & Bjorkman, 2001; Guest, 2002; Mendonca, 2002). In other words, the compensation system (profit sharing) contributes to performance by linking the interests of employees



to those of the team and the organization, thereby enhancing effort and performance (Kalleberg & Moody, 1994; Huselid, 1995; Kling, 1995).

Several studies have revealed the positive effects of reward and incentive systems on organizational performance. (Banker & Lee's, 1996) empirical research, which is based on data from 34 stores of a major retailer over 77 months, supports the theoretical prediction that stores that implement an incentive plan will experience a positive impact on sales, profit and customer satisfaction. A study based on data from the US National Organizational Study, conducted by Kalleberg and Moody (1994), also found that profit sharing is positively correlated with product quality, product development, profit, customer satisfaction, and growth in sales. Cook (1994 in Kling, 1995) found that the use of profit sharing was positively associated with higher productivity in an analysis of 841 manufacturing establishments.

Reward and recognition programs are implemented to increase employee productivity and performance, generally over a short time period as a mechanism to evoke desirable employee behaviour. In general, incentive programs deal with rewards that aim to increase specific behaviours (Stajkovic & Luthans, 2003; Peterson & Luthans, 2006).

However, rewards and recognition not only impact specific behaviour, but they also can affect employees attitudes towards the organization and their unit leaders or supervisors. Frontline employee's well-being, commitment, and positive perceptions regarding the organization and their managers can impact their behaviour (Salanova, Agut *et al.* 2005; Salanova, Grau *et al.* 2005). Likewise, rewards and recognition can affect those levels of commitment, attitudes and perceptions necessary to build-up a positive service tone. In addition to the impact of rewards and recognition on service behaviours, it is also pertinent to explore the effect of the different sources of rewards and recognition (e.g., managerial, non-managerial) on employee's organizational attitudes and behaviours. In addition, the employee's perceptions of the style in which rewards and recognition are

distributed within the social working environment (employee's understanding of the incentive system) must also be examined.

The compensation system (e.g. profit sharing) contributes to performance by linking the interests of employees to those of the team and the organization, thereby enhancing effort and performance (Kalleberg & Moody, 1994; Huselid, 1995; Kling, 1995). Four commonly used variable pay schemes are profit-related payment, employee share-ownership plans (ESOP), profit-sharing schemes, and group performance-related schemes. Profit-related pay schemes provide employees with tax-free payments linked to the profitability of their companies. An ESOP allows employees to take a stake in the company they work for through shares of stock that are awarded to them. A profit-sharing plan rewards employees with a part of a company's profits for their contribution to the company's success. The reward can be in the form of cash, shares or a combination of both.

Group performance-related schemes reward a group or team of employees with a cash payment for achieving an agreed target. These schemes are all designed to enhance company performance by aligning the interests of employees with the financial performance of their companies.

Research into discretionary effort is a relatively recent field. Three key studies are available, all confirming what one would intuitively assume; that there is a positive link between discretionary effort and productivity or profitability. The CLC employee engagement survey found that in organisations with high levels of employee engagement, 20 percent or more of the workforce demonstrated the highest level of discretionary effort, compared with only 3 percent of those in organisations with lowest levels of employee engagement. The CLC concludes that this provides "a definite source of competitive advantage" (2004:16a). The CLC claims that high level statistical modelling analysis shows that employee engagement accounts for 40 percent of observed performance improvements of high quality talent. They found a direct

relationship between employee engagement and discretionary effort, such that improved workforce commitment results in increased performance of from 20 percent up to 57 percent (CLC, 2004:18a). A second benefit of increased workforce commitment or employee engagement is improved retention. Moving from strong non-commitment to strong commitment decreases the probability of departure by 87 percent (CLC, 2004:19a).

The CLC survey also found a strong correlation (0.52) between engagement and financial performance: organisations with above average commitment also tended to have above average financial performance relative to their industry (2004:20b). The main research in the areas of employee engagement has been done by Gallup which estimates that actively disengaged workers who make up 17 percent of workforce cost US business from \$270-\$343 billion a year due to low productivity (Melcrum, 2005).

Another analysis of Gallup studies by Harter, Schmidt and Keyes (2003) found a strong and substantial positive relationship between employee engagement and productivity and profitability. An international study involving 360,000 employees over 41 companies across 10 of the world's largest economies found that engaged employees were more loyal, resulting in reduced recruitment and training costs, put in extra effort and were linked to increased customer satisfaction. Companies that scored highly on engagement had higher operating and net profit margins compared to those with low engagement scores (ISR, 2006).

Research in the Canadian banking industry by Simard *et al*, (2005) found a positive relationship between employee commitment and non-monetary recognition such as organisational justice. The authors of this study claim their results confirm that the competitive advantage of successful firms comes from their ability to increased added value (discretionary effort) of employees. Another US study (Watsonwyatt, Work USA Survey, 2000) found that employee commitment was related to return to shareholders as follows:

High commitment	112 percent return over three years
Average commitment	90 percent return
Low commitment	76 percent return

ISR surveyed 50 companies employing 664,618 people and found that over a 12 month period those which scored high on employee engagement had increased operating income, net income growth, EPS growth rate and change in total assets. Conversely, those which scored low on employee engagement had decreases in all of these indicators of financial performance (ISR, 2006:5). New Zealand and Australia scored in the bottom half of countries surveyed for employee engagement at 66 percent in a range of 56 percent to 82 percent.

According to a report by Harvard Business Review (2013) highly engaged workforce can increase innovation, productivity, and bottom-line performance while reducing costs related to hiring and retention in highly competitive talent markets. A growing body of research has demonstrated that having a highly engaged workforce not only maximizes a company's investment in human capital and improves productivity, but it can also significantly reduce costs, such as turnover, that directly impact the bottom line. Employee engagement is therefore one of the important drivers of Labour productivity

A just released New Zealand report by John Robertson Associates (2007:p.4) cites data showing a 54 percent return on assets from engaged workers, compared with 21 percent from ambivalent workers and 9 percent from disengaged workers. Hirschi (2010) revealed the positive effects of intrinsic work values of career development. Workers who experienced this type of career development might discover opportunities to secure better jobs that will increase their incomes more easily.

Kowalski (2003) conducted a study among young workers and found that the workers rather work for themselves than for organization. These trends clearly indicate that

organizations are losing discretionary work effort of workers and intellectual capital that was once willingly offered by employees. Another study of 990 respondents showed that 70% of employees had planned to stay with their current organization for the near future, while only 21% per cent of those indicated that they offered their full discretionary effort to their current job (Blessing White, 2005). Work places can improve employee engagement, discretionary work effort and productivity by supporting work life balance (Mcpherson, 2007).

Intrinsic factors (perks) of work motivation are important as motivators of discretionary work effort and irk i.e. autocratic leader behavior, workload pressures, co-worker shirking, excessive bureaucracy etc proved as demotivators of discretionary work effort. It was also found that there were differences among the intrinsic motivation, factors with regard to discretionary work effort (Morris, 2009).negative leader behaviours may adversely affect employee discretionary work efforts differently from absence of positive leader behavior. In a qualitative study on effect of negative leader behavior, on creative acts, which are a form of direct discretionary work effort, the researchers concluded that negative leader behavior is important in affecting employee work behavior (Amiable, 2004)

A research in UK among 10,000 employees in 14 organisations revealed that an organizations concern for employees health and well being including family friendliness is a key driver of discretionary work effort along with the feelings valued and involved.

The essential factors to increase discretionary work effort are good quality line Management, commitment to employee wellbeing and clear accessible HR policies and Practices (Robinson, Perrman & Hayday, 2004).Coworker support, positive feedback, and acknowledgement of the contributions of other work group members are determinants of discretionary work effort. Higher wage bill do not always lead to discretionary work effort in an environment where overtime is regularly available and

workers have the discretion of supplying overtime hour; work intensity is the component of discretionary work effort.

The decision to render discretionary work effort involves an economic relationship whereby higher levels of monetary awards motivate employees to supply more discretionary work effort (Akerlof, 1982).

Work design theory advocates jobs that are meaningful, interesting and Challenging(Parker, 2001) as this enhances employee satisfaction .Higher employee Motivation leads to greater creativity, productivity and discretionary work effort which in turn lead to improved company performance .Working for a successful Company itself becomes a component of employee Motivation, helping create and sustain a cycle of performance improvement.

Organizational culture plays a crucial role in employee engagement. Organization culture has been defined as the collection of traditions, values, policies, beliefs and attitudes that constitute a pervasive context for everything we do and think in an organization (Mullins, 2005). According to Chandrakumara and Sparrow (2004), they found that culture has crucial importance in organizations preferences in developing appropriate structure and methods for HR practices affectivity.

Development is defined as the growth or realization of a person's ability and potential through the provision of learning and educational experiences. It's a long term process. Training and development therefore greatly influence labour productivity (Armstrong, 2009).

Training and development, activities assist in the personal growth of employees; through exposure to educational experiences, promotions and transfers. There is a continual need for the process of staff development, and training fulfils an important part of this process, by ensuring an adequate supply of staff that are technically and socially competent and capable of Employee Development into specialist departments or

management positions are available (Blanchard & Thacker, 2009). Training should be related to money, job promotion, and recognition to mention a few so as to also act as a motivator to employees. Training generates benefits for the employee as well as the organization by positively influencing employee performance through the development of employee knowledge, skills, ability, competencies and behaviour. According to Expectancy Theory, Employee motivation increases when meaningful rewards are given to those employees who effectively transfer training by showing improved performance.

According to Jensen (2010) there is need for review the staff member's development goals. This should consider their current roles and responsibilities and identify areas in which additional development will help them grow in their current job. It is important to ask staff about their preferences for training and how they can develop their knowledge and skills further.

According to a comprehensive global research done by Right management (2009) covering 15 countries in different industries, it showed that training and career development positively impacts on employee engagement. This is because employees can continually develop the skills and competencies needed by the organization to succeed leading to increased engagement, which is a key factor in ensuring high levels of productivity, retention and performance.

Organizational culture involves looking at the values, traditions and basic underlying assumptions that influence how employees behave in an organization. The underlying individual employees' perception of the organization influences their subsequent behaviour which can either be productive as seen through organizational citizenship behaviour (OCB) or unproductive as seen in counterproductive destructive and hazardous behaviour (Mullins, 2005). According to Armstrong (2006), a good culture has a positive impact on organizational behaviour and can help create positive OCB which in turn can influence organizational performance and can help to produce a high level of business performance.

## **2.5 Critique of the Existing Literature**

According to the review above, employees need also to be rewarded and provided with appropriate incentives so as to produce the required levels of performance. Such rewards would include direct financial rewards as well as Incentives which influence the level of employee satisfaction.

Across the core areas of HR practices such as recruitment, training and development, performance management, employee involvement and rewards, the association between rewards and performance is one of the most studied subjects in the management literature. It is commonly believed that if rewards are used effectively, they can motivate individuals to perform discretionary in the Work Place (chin-ju Tsai, 2000). Virtually all employees have the capacity to engage in discretionary behaviour and it is the ability of the firm to trigger such useful behavior that leads to higher performance beyond meeting basic job requirements. Workers believe there must be equity in the way rewards given for it to have a positive behavior, employees will not show positive behavior once they feel they are not rewarded fairly for work done. The compensation must be competitive.

Research supports the notion that the incidence of employees' discretionary behaviour is highly associated with the behaviour of their leader, the level of supportiveness of the leader, and that it is contingent on rewards or punishment that transformational leaders presuppose (Podsakoff & MacKenzie, 1997). Therefore, managers of service firms are then responsible for encouraging employee's behaviour through the provision of support, and fair and consistent rewards and recognition.

Leaders -or managers who understand how to make correct use of rewards and recognition -who understand that employee's positive attitudes and resultant behavior greatly depend upon their unit leader can stimulate the exact functioning of the unit to maintain and exceed the levels of customer satisfaction necessary to obtain positive organizational outcomes. Unlike other theories the expectancy theory takes into account



individual perceptions and thus personal histories allowing a richness of response not obvious in other theories which assume that people are essentially the same.

Service quality orientation (or SQO) is something that is influenced by the work environment of an individual, the climate of the organization (which includes the organization's work practices, policies and operational procedures), and how the employee perceives both the environment and the climate. It has been suggested by Bartol and Srivastava (2002) that rewards are utilized by managers to show employees that their behaviors' are being observed by the organization that they work for, and if favorable, such behaviors shall be valued.

However the expectancy theory has also been criticized. Mitchell (2001) argues that the greatest difficulty in testing the theory stems from the fact that theory is so comprehensive that it is virtually impossible to concurrently test all aspects of the theory.

Despite the fact that numerous theories have been discussed to explain the concept of Discretionary work behaviour the present study adopts the social exchange theory as the main theory guiding the concept. The social exchange theory is adopted because it emphasizes the norm of reciprocity which explains why employees exhibit positive or negative behaviour as a response to the treatment they receive from their employers. The norm of reciprocity in the theory is used in this study to hypothesis that job satisfaction correlates positively with discretionary work behaviour that is only satisfied employees would engage themselves in discretionary work behaviour.

## **2.7 Research Gaps**

Research into discretionary effort is a relatively recent field. Empirical evidences (Chepkilot, 2005; Morris, 2009; Allameh & Asadi, 2011) on discretionary work behavior was only focusing on causes and factors affecting discretionary work behavior. However, based on the critical power of motivation which is highly theoretical there is

no clear empirical line of theory which explains the role played by organizational reward in promoting discretionary Work behavior.

My research will give more insights on role of reward in promoting discretionary work behavior in the Kenyan public service which is unique and has unique features, with employee engagement acting as a mediating factor, which will add value to the existing literature available on this topic.

All the empirical studies that have been done so far have not managed to point role of reward system in promoting discretionary work behaviour. This research aims to bridge this gap, by carrying out an empirical study that will help identify the extent to which reward system influences discretionary work behaviour, with employee engagement as a mediating factor.

Most of the research has been limited to the western and Eastern countries. This research aims at replicating these studies in the Kenyan context, in view of the fact that it is unique since it is a developing country, it has its own unique history and culture, power and political play as well as a unique vision (vision 2030), hence the studies done elsewhere cannot be completely replicated in Kenya, in helping to explain the relationship the role of reward in promoting discretionary work behavior in public service , which is responsible for the realization of vision 2030 and for transforming Kenya.

## **2.8 Summary of the Study**

The study aimed at finding out the role of organistaional reward system in promoting discretionary work behaviour. The independent variables for the study include competitive pay, employee Benefits, work environment, learning and development. The dependent variable is discretionary work behaviour. The study is being guided by the social expectancy theory and adopts positivism philosophy

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter discusses the research design that was used, the target population, the sampling methodology, data collection and data analysis methods employed. The pilot study and validity and reliability of the research instruments are also discussed. Data presentation is also discussed.

#### **3.2 Research Design**

##### **3.2.1 Philosophical Orientation**

Research methods are influenced by philosophical orientation chosen by the researcher; that is, whether the study will adopt positivist or phenomenology orientation. Knox (2004) observes that the key idea of positivist orientation is that the world exists externally, and that its properties should be measured through objective methods. On the other hand, phenomenology orientation assumes that experience of the world is subjective and best understood in terms of individual subjective meanings rather than the researcher's objective definitions.

Researchers (Saunders, Lewis & Thornhill, 2009) link the philosophy of positivism with different methods and approaches, in this case quantitative and deductive methods, and similarly phenomenology with qualitative and inductive approaches. Knox (2004) observes that decision of whether one's research should use a quantitative and deductive approach, in which you develop a theory and hypothesis (or hypotheses) and design a research strategy to test the hypotheses; or the qualitative and inductive approach, in which you would collect data and develop theory as a result of your data analysis is paramount.

In this study, positivist orientation was adopted with quantitative and deductive methods. By adopting a positivist approach, the researcher assumed that the research concepts were phenomena with known properties or dimensions and could be measured with standard instruments. Guided by RBV and contingency theory, hypotheses were formulated, variables were measured and data analysed using appropriate statistical techniques to test the hypotheses.

### **3.2.2 Research Design**

In any study, the research design constitutes the blue print for the collection measurement and analysis of data Kothari (2003). According to Mouton and Marais (1990), the aim of a research design is to plan and structure a given research in a manner that the eventual validity of the research is maximized. Explanatory research design was used for this study. According to Kothari (2004), explanatory research design is suitable for those studies that seek to determine relationships between variables. According to Philips and Pugh (1987); Webb (1992); Ghauri *et al*; (1995), explanatory design focuses on the why questions and this involves developing causal explanations to explain the phenomenon under study when the problem is not very well understood and unstructured. Explanatory case studies examine the data closely both at a surface and deep level in order to explain the phenomena in the data and they have been used successfully in researches where theories are used as a basis for understanding and explaining practices or procedures

The research questions that were put forth by the researcher were tested through statistical outcomes, and the choice of statistical tests were based upon the level of measurement of the data; the validity of the instrument utilized for measuring the variables of interest; the power of the statistical test selected; and the methodological limitations of the research (Teddie & Tashakkori, 2008,).

### **3.3 Target Population**

Population refers to an entire group of persons or elements that have at least one thing in common. Population also refers to the larger group from which a sample is taken Orodho and Kombo, (2002). The target population of this study comprised of the civil servants of the total 18 ministries with a total employees of 217000. However, the population of the study were employees based in the ministry headquarters which comprised of a total of 26000 (DPM, 2013).

Discretionary work behaviour is a universal phenomenon expected of everyone so long as he or she is an employee and this made the study population entirely a homogeneous population. Ministerial headquarters was regarded as a suitable unit of analysis since this was the segment of the ministry which controls and directs the way the rest of the ministry employees behaved. Thus Discretionary Work Behaviour was highly relevant at this level prompting the choice of the headquarter employees. A list that contains the employment number of each employee was sourced from the payroll department of each ministry and this was used as a sampling frame.

### **3.4 Sample and Sampling Technique**

In this study, the target population comprised of 18 government ministries with the headquarter staff total to 26000 employees (DPM, 2013), thus with an average 788 employees per ministry. A sample size of 379 respondents was selected using simple random sampling method since the population was homogeneous. This was in accordance with the recommended sample size for a population of 30,000 according to David, Robert (1967) at 95% confidence interval. This shown in appendix II

The study adopted a two stage cluster sampling technique which was a probability sampling method which promoted equal chance of representation of the subjects. According to Tipping and Pickering (2004), Cluster sampling may be used when it is either impossible or impractical to compile an exhaustive list of the elements that make

up the target population. Usually, however, the population elements are already grouped into subpopulations and lists of those subpopulations already exist or can be created. According to Brown *et.al*, (2000), one advantage of cluster sampling is that it is cheap, quick, and easy. Instead of sampling the entire country when using simple random sampling, the research can instead allocate resources to the few randomly selected clusters when using cluster sampling.

Therefore, a two stage cluster sampling technique was used for this study. The first stage cluster sampling was randomly selected one ministry was considered as a sub population in the cluster sampling. The second stage sampling used was simple random sampling to select 10% of the average number of employees in the ministry selected at the first stage in order to reduce the vast number of subject into a manageable size. A sample size of 10% is widely supported as adequate by various authors (Patten, 2002; Guy, Harris & Hendricks, 1987; Gay, 2005; Kothari, 2004; Mugenda & Mugenda, 2003).

### **3.5 Data Collection Instruments**

According to Creswell (2002) data collection is the means by which information is obtained from the selected subject of an investigation. The study collected both primary and secondary data during the research. Primary data was collected using a questionnaire covering the role of reward systems in promoting discretionary work behaviour. The questionnaire contained both structured and unstructured questions. The open-ended questions were used to limit the respondents to given variables in which the study was interested while unstructured questions were used in order to give the respondents room to express their views in a more pragmatic manner Kothari (1990). Secondary data was gathered from existing theoretical and empirical sources that were credible and recognized. The data comprised of materials that were desirable, current, accurate, sufficient and relevant and were collected from Library textbooks Internet and Magazines and personnel files in the organization. A questionnaire was used to collect primary data while secondary data was gathered through reviews of both theoretical and

empirical literatures. Pilot testing was conducted to obtain some assessment of questions validity and the likely reliability of the data. Reliability of the pretest observation schedule was tested using internal consistency technique.

### **3.6 Pilot Study**

In order to minimize the possible instrumentation error and hence increase the reliability of the data collected the reliability of pre-test observation schedule was tested using internal consistency technique. A pilot study was undertaken on at least 38 employees (10 percent of 379) drawn from the civil service to test the reliability and validity of the questionnaire. This proposed pilot test was within the recommended size.

A pilot study tries to maximize the reliability and validity of the data collected (Mugenda & Mugenda, 2003). The rule of thumb is that at least 10% of the Sample should constitute a pilot test Creswell (2003). Therefore the proposed pilot test was within the recommended size. The pilot study was conducted using a sample of 6% of the total respondents so as to check for possible errors that could arise from unclear instructions, this was done by using Cronbach Alpha method, which was used to check on the reliability and validity of the instruments used by determining the internal consistency of the scale used, and validated by component factor analysis. According to Sudman and Blair (1998) there is always a chance that some questions could cause problems and questionnaire piloting is needed to identify and eliminate such problems. The researcher made a deliberate effort to ensure that those who participated in the pilot study were excluded from the actual study so as to avoid bias.

#### **3.7.1 Reliability of the Scale**

Cronbach's alpha is used as an indicator of internal consistency of a scale. This refers to the degree to which the items that make up the scale 'hang together'. In other terms, we wanted to find out whether the items in a scale were all measuring the same underlying

construct. A scale is considered reliable for a given sample if the Cronbach's alpha value is greater than 0.7.

### **3.7.2 Validity of Research Instruments**

In this study, both the dependent and independent variables were measured as multidimensional constructs. To test construct validity and reduce the number of variables for each construct, factor analysis was conducted. Confirmatory factor analysis was used to examine construct validity. Reliability test using Cronbach's alpha (Nunnally, 1978) was performed to determine the level of construct reliability.

### **3.8 Data Analysis and Presentation**

The study was expected to produce both quantitative and qualitative data. Once the questionnaires were received they were coded and edited for completeness and consistency. Quantitative data was analyzed by employing descriptive statistics and inferential analysis using Statistical Package for Social Sciences (SPSS). This technique gave simple summaries about the sample data and present quantitative descriptions in a manageable form, Gupta (1996). Together with simple graphics analysis, descriptive statistics form the basis of virtually every quantitative analysis of data, Kothari (2004).

A Correlation Analysis was conducted to establish the relationship between the independent and dependent variables. The purpose of doing correlations was to allow the study to make a prediction on how a variable deviated from the normal. The data was presented using frequency distribution tables, bar charts and pie charts for easier understanding. Multicollinearity Test was done to determine whether there was the undesirable situation where the correlations among the independent variables are strong. The study employed Breusch-pagan Test for heteroscedasticity. Breusch-pagan test shows a chi-square value and a significance value for the independent variables. A p-value  $< 0.05$  indicates that there is heteroscedasticity while a p-value greater than 0.05 indicates heteroscedasticity does not exist. Autocorrelation Test was also done.



Autocorrelation means that adjacent observations are correlated. If they are correlated, then regression underestimates the standard error of the coefficients, the predictors can seem to be significant when they are not actually significant. The Durbin Watson is used to test this auto correlation.

Structural or inner Model was evaluated using the path weighting or  $\beta$  coefficients and corresponding  $p$  values generated from the Smart PLS analysis. The test of Mediating variable was done to establish the effect of employee engagement as a mediator between independent variables (Competitive Pay, Employee Benefits, Learning and Development and Work Environment) and the dependent variable (Discretionary Work Behavior). The test adopted a similar one used by Ajzen and Fishbein (1990) and involved examining the product of coefficients. Then T statistic was computed by dividing the indirect effect coefficient by its standard error. The standard error employed was Sobel's (1952) first order approximation.

Further, Regression Analysis was conducted to examine the weight of each variable against the dependent variable. Discretionary Work Behaviour in the public service was regressed against four variables Competitive Pay, Employee Benefits, Learning and Development and Work Environment. These variables were regressed against Employee Engagement. The equation was expressed as follows:

$$Y_s = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 M_5 + \varepsilon \dots \dots \dots \text{Equation 1}$$

Where

$Y_s$  = Discretionary Work Behavior

$\beta_0$  = constant (coefficient of intercept)

$X_1$  = Pay  $X_2$  = Employee benefits  $X_3$  = Learning and Development  $X_4$  = Work environment

$M_1$  = Employee engagement

$\beta_1, \dots, \beta_5$  = regression coefficient of five variables

$\varepsilon$  = Error

## **CHAPTER FOUR**

### **RESEARCH FINDINGS AND DISCUSSIONS**

#### **4.1 Introduction**

This study sought to find out the role of reward in promoting Discretionary Work Behaviour in the Kenyan public service. Specifically, the study examined the independent variables namely work environment, competitive pay, employee benefits, learning and development and mediating variable ,employee engagement. This chapter presents the empirical findings and the results of application of variables using explanatory research design. The data was cleaned, coded and analysed based on each independent variable using Statistical Package for Social Sciences (SPSS).First the analysis, characteristics of the sample is presented. Consequently explanatory analysis, characteristics and discussion of the variables in the conceptual framework in chapter two on discretionary work behaviour are presented. Thirdly statistical modelling of the variables was performed and the findings summarised in the next section.

#### **4.2 Response Rate**

The response rate is the extent to which the final data set includes all sample subjects and it is arrived at as the number of the people with whom interviews are completed, divided by the total number of people in the entire sample, including those who refused to participate and those who were unavailable, multiplied by 100(Fowler, 1994).A total Number of 379 instruments were administered to public servants in 18 Ministries in Kenya, Nairobi county as the selected sample. A total of 292 officers responded positively giving a response rate of 77.04%.A response rate of above 50% is adequate for analysis (Baby, 2002) thus a response rate of 77.04 % in this study was considered adequate.

### **4.3. Results of Pilot Study**

Reliability is a measure that indicates the extent to which there is no biasness, therefore it ensures consistent measurement across the various items in the instrument, while validity is a measure of the degree of accuracy and meaningfulness of inference based on research results. In this study reliability study was done on all the items, which were also validated by component factor analysis. The Cronbach's Alpha is a reliability measure which shows how well the items in the instrument are correlated to each other, while Factor analysis was conducted in order to reduce the data to a meaningful and manageable set of factors. According to Kothari, (2005), it has become customary for loadings of 0.33 to be as values to be interpreted. Therefore items with a loading of above 0.33 were considered valid.

A pilot study was undertaken on 38 employees in the civil service to test the reliability and validity of the questionnaire. The rule of thumb is that 10% of the Sample should constitute a pilot test Creswell (2003). Therefore the proposed pilot test is within the recommended size. This was done by using Cronbach Alpha method, which was used to check on the reliability and validity of the instruments used by determining the internal consistency of the scale used. Chronbach Alpha is a reliable coefficient that indicates how well items are positively related to one another. Cronbach alpha values of 0.7 and above is considered adequate, the average Chronbach Alpha value was 0.870 as shown in table 4.13 below meaning the items Under each variable, were consistent

**Table 4.1: Cronbach's Alpha Value of Variables after Secondary Re-Run.**

<b>Variable</b>	<b>Cronbach's Alpha</b>	<b>Number of Items</b>
Discretionary Work Behavior	0.765	5
Competitive Pay	0.850	7
Employee Benefits	0.864	6
Learning and Development	0.919	10
Work Environment	0.966	15
Employee Engagement	0.857	4
<b>Average Cronbach,s Alpha for all Variables</b>	<b>0.870</b>	<b>47</b>

#### **4.4. Background Information**

This section describes characteristics of the study population based on the data collected and analyzed. Every target population has its own characteristics. The respondents who participated in the study were asked to indicate their gender, marital status, academic qualifications, age, and designation

##### **4.4.1 Gender Distribution**

The respondents profile comprises of 63.57% male and 36.43% female. This implies that more men than women participated in the study. This is a fair distribution of gender balance and meets the requirements of gender parity as espoused by gender crusaders.

Since the opinion will be sought on how reward systems promote discretionary work behaviour, the opinion from the two sides of gender will be provided.

**Table 4.2: Respondents Gender Distribution**

<b>Gender</b>	<b>Percentage</b>
Male	63.57
Female	36.43
<b>Total</b>	<b>100.00</b>

#### **4.4.2 Respondents Age Distribution**

Majority of the respondents were aged between age 30 and 40, as depicted in table 4.15. below. This implies that the service has young individuals who are ready to meet challenges in the organization. This also shows they have enough experience and thus they can make contributions.

**Table 4.3: Respondents Age Distribution**

<b>Age</b>	<b>Percentage</b>
<30	27.15
30-40	38.83
41-50	19.24
>50	14.78
<b>Total</b>	<b>100.00</b>

#### 4.4.3 Distribution by Level of Education

In table 4.16, the largest percentage of respondents, ie 44.67% indicated Diploma as their level of education, while only 0.34% percent of the respondents indicated Primary. Thus their input to the study was worthwhile as they were able to interpret the questions well.

**Table 4.4: Respondents Distribution by Level of Education**

<b>Level of Education</b>	<b>Percentage</b>
Primary	1.72
High school	23.37
Diploma	44.67
Bachelors	22.34
Masters	7.56
<b>Others</b>	<b>0.34</b>
<b>Total</b>	<b>100.00</b>

#### 4.4.4 Respondents Distribution by Work Experience

Majority of the respondents had been in service for more than 10 years, representing 45.36% of the sample. Therefore they had knowledge, information and experience that were valuable to the study as they responded positively to all the questions in the study. Their responses were valuable to the study since they understood their organization well

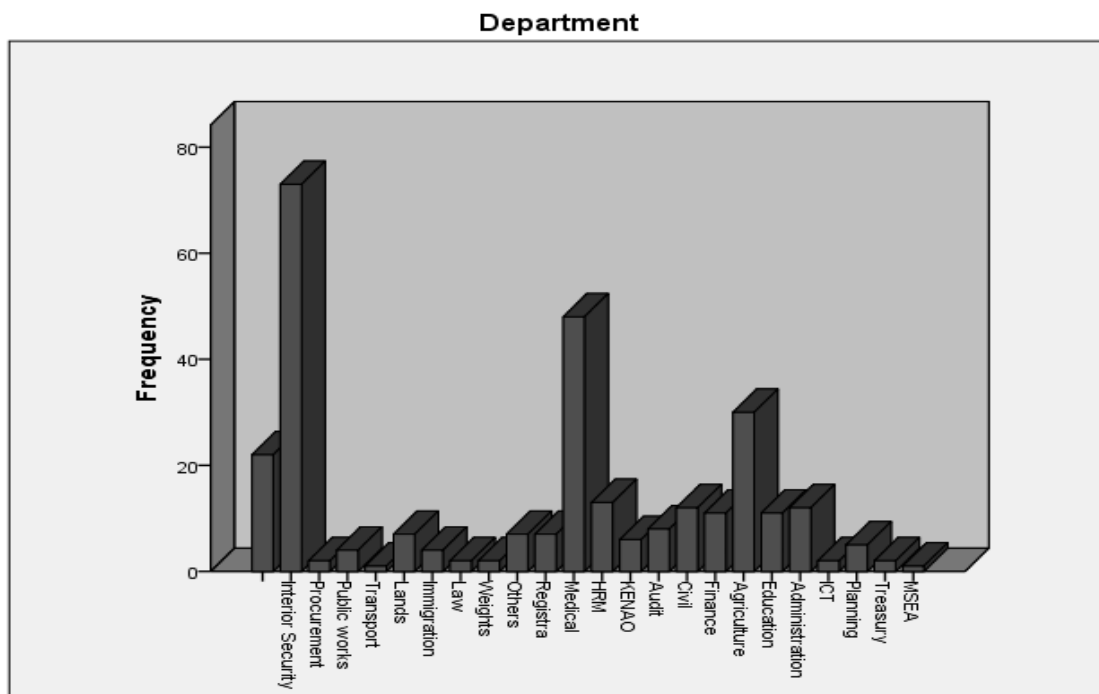
**Table 4.5: Respondents Distribution by Work Experience**

<b>Work Experience</b>	<b>Percentage</b>
<2 years	9.60
2-10 years	45.02
>10 years	45.36
<b>Total</b>	<b>100.00</b>

#### **4.4.5 Respondents Distribution by Department**

From figure 4.4, the majority of respondents belong to Interior Security. This includes departments such as Kenya Police and Prisons departments. There are about 80 of them. This is followed by those in the medical docket. They include nurses, paedetricians, those who work in Public Health and Surgery. These are close to 60 out of the whole sample. The mix of departments is good thus most departments were represented and the contribution by departments was representative of what really happens in the public service





**Figure 4.1: Respondents Distribution by Department**

#### **4.4.6 Respondents Distribution by Ministry.**

From figure 4.2, the largest percentage of respondents is from the Interior Security ministry. This constitutes approximately 85% out of the total sample. The participation by different ministries in the study was valuable in that the opinion given by participants is a reflection of the whole public service.



When asked whether employees who show extra work effort beyond what is expected are more engaged, more enthusiastic, more creative and have intimate knowledge of their organization, 121 out of 292 agreed to the opinion. This represents 41.4% of the sample. This was followed by those who strongly agreed to the statement, which represented 33.2%. 15.4% were neutral to the statement. Those who disagreed and strongly disagreed represented 5.5% and 4.5% of the sample respectively. 45.9% of the respondents agreed with the statement that employees who engage in extra work effort beyond what is expected exhibit supportive behavior in the organization. 22.9% Strongly agreed to the statement, 15.8% were neutral, 9.3% disagreed to the statement and 6.2% strongly disagreed.

Again, 43.2% strongly agreed to the opinion that competitive pay leads to the organization attracting proficient employees. 28.8% agreed to the statement, 11.3% were neutral, 8.2 percent disagreed while 8.6% strongly disagreed. When their opinion was sought about whether Competitive pay promotes retention of employees in Public Service, 43.5% of the respondents, representing the majority, strongly agreed. This represented a sample size of 127 out of 292. 28.8% agreed to the statement, 10.3% were neutral, 7.9% disagreed while 9.6 percent strongly disagreed. The results of the study also agree with Subramony, Krause, Norton, and Burns (2008), who believes that Competitive Pay might be related to these discretionary acts and that shared perceptions of competitive pay across employees were positively related to customer satisfaction. Presumably, this competitive pay fostered the inclination to engage in supportive, helpful behaviors--behaviors that ultimately translate to customer satisfaction.

This means that managers should ensure employees are paid competitively, so that they are retained in the organisation, remain proficient and show supportive behavior.

**Table 4.6: Responses on Competitive Pay**

<b>Competitive Pay</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
Competitive pay motivates employees	6.2%	8.2%	9.2%	28.1%	48.3%
High Competitive pay makes employees show extra work effort	3.4%	8.2%	11.3%	40.4%	36.6%
Employees who engage in extra work effort are engaged	4.5%	5.5%	15.4%	41.4%	33.2%
Employees who engage in extra work effort show supportive behavior	6.2%	9.2%	15.8%	45.9%	22.9%
Competitive pay leads to the organization attracting proficient employees	8.6%	8.2%	11.3%	28.8%	43.2%
Competitive pay promotes retention	9.6%	7.9%	10.3%	28.8%	43.7%
Competitive pay leads to extra effort	4.1%	8.6%	16.4%	26.4%	44.5%

**4.5.2 Descriptive Analysis on Employee Benefits**

From the table 4.5.2, the respondents feelings on whether the Public Service has a robust medical scheme was equally scored, with 23.3% strongly disagreeing, 24.7% disagreeing, 23.6% were neutral and 21% agree to the statement. (6.8%) strongly agreed to the statement. This means this is not available in the public service. When asked

whether that office to work transport allowance was adequate. 53.1% disagreed to the statement, 8.9% were neutral to the statement, 9.2% agreed while 3.4% strongly agreed to the statement as shown in table 4.3.1. Therefore it can be concluded that this is not available in the public service employees and therefore the need to implement it so that they may exhibit discretionary work behavior. When asked whether public service recognizes workers who exhibit extra role behaviors 35.5% of the respondents strongly disagreed with the statement. 18.8% disagreed while 9.9% were neutral on the subject. 20.2% agreed with the statement while 15.4% strongly agreed as shown in table 4.3.1.

From the table 4.5.2, when asked whether Employees enjoy vacation once per year which is paid for by the organization, there was no inclination towards a particular score, since the scores were almost equally scored. Those who disagreed and those who were neutral represented the majority of the respondents, representing 26.4% and 20.5% of the sample. This was followed by those who agreed, having a percentage of 20.5%. Those who strongly disagreed represented a sample size of 17.8% while those who strongly agreed were 8.6%. A simple majority of the respondent disagreed to the notion that whether employees are involved in negotiating for pay raise 32.5% strongly disagreed. This was followed by those who disagreed, having a percentage of 31.5%. 22.9 % of respondents were neutral, 8.9 percent agreed while were 4.1% strongly agreed. From the results, a majority of the respondents were inclined towards disagreement with the statement that employees are involved in negotiating for pay rise in the organization. 32.5% strongly disagreed while 31.5% disagreed with the statement. 22.9% were neutral while 8.9% agreed with the statement as shown in table 4.3.1. Those who strongly agreed were the minority, representing 4.1% of the total sample. This implies employees are not involved in negotiating for pay rise. The results corroborate what Armstrong highlighted that when experts take a broad view of total rewards package extending beyond pay and benefits to include intrinsic aspects of work such as work environment, learning and development, the aim is to use total rewards to foster employee engagement with their work, commitment to the organization and positive discretionary behavior.

This means that employees benefits play a critical role in making sure that once employees are involved in negotiating for their pay rise, are provided with a robust medical Scheme, go on paid vacation and enjoy other benefits among others, their ability to elicit Discretionary Work Behaviour is enhanced.

**Table 4.7: Responses on Employee Benefits**

<b>Employee Benefits</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
Public service has a robust medical scheme	23.3 %	24.7 %	23.6 %	21.6 %	6.8%
transport allowance is adequate	53.1 %	25.3 %	8.9%	9.2%	3.4%
employees treated to end of year parties	42.5 %	30.8 %	14.4 %	10.3 %	2.1%
The organization recognizes employees who put in extra effort	35.6 %	18.8 %	9.9%	20.2 %	15.4 %
Employees enjoy a paid vacation	17.8 %	26.7 %	26.4 %	8.6%	8.6%
Employees are in involved in negotiating for payrise	32.5 %	31.5 %	22.9 %	8.9%	4.1%

### **4.5.3 Descriptive Analysis on Learning and Development**

A likert scale was done to determine views of respondents on aspect of learning and development. A majority of the respondents agreed to the statement that learning and development promotes team work. This represents 47.9% of the sample. This was followed by 35.5% of the respondents who strongly agreed to the statement. 11.3% were neutral while 4.5% disagreed. Only 3 people, (1%) strongly disagreed with the statement

as indicated in table 4.5.3.1 in addition, their opinion was sought on whether learning and development enhances individual potential, a greater majority, 49 %, of the sample agreed. This was followed by 39.4% of the respondents who strongly agreed to the statement. 6.5% were neutral while 3.8% disagreed. Only 1.4% of the sample strongly disagreed with the statement.

A majority of the respondents feeling on whether learning and development enhances competence adaptability was also sought. An overwhelming majority strongly agreed. This represented 44.2 % of the sample. This was followed by 42.1% of the respondents who agreed to the statement. 9.9% were neutral while 3.1% disagreed. Only 0.7% strongly disagreed with the statement as shown in table 4.5.1. A question to determine the respondents feelings on whether a learning and development enhances competence commitment, a good number, ( 44.9 %) of the sample agreed. This was followed by 36.3% of the respondents who strongly agreed to the statement. 4.1% were neutral while 4.1% disagreed. Only 1.4% strongly disagreed with the statement.

A majority of the respondents also agreed to the statement that learning and development enhances organizational culture. This represented 45.9 % of the sample. This was followed by 28.1% of the respondents who strongly agreed to the statement. 16.4% were neutral while 6.8% disagreed. Only 2.7% strongly disagreed with the statement as shown in table 4.4.1. As to whether learning and development promotes cooperation among employees. 42.1% of the respondents agreed. This was followed by 29.8% of the respondents who strongly agreed to the statement. 17.1% were neutral while 7.9% disagreed. Only 3.1% strongly disagreed with the statement. Respondents were further probed on whether learning and development enhances one going beyond ones' duties in the organization, majority, 36.3 % of the sample agreed. This was followed by 25.3% of the respondents who strongly agreed to the statement. 24.0% of the sample were neutral while 10.6% disagreed. Only 3.8% strongly disagreed with the statement.

A question on whether Learning and Development promotes trust among employees had 38.7 % of the respondents strongly agreeing while 17.1% of the respondents agreed to the statement. 26.0% were neutral while 15.4% disagreed. Only 2.7% strongly disagreed with the statement. Finally another question sought the feelings of respondents on whether learning and development enhances interpersonal helping. A majority agreed and this represented 39.0 % of the sample. This was followed by 21.6% of the respondents who strongly agreed to the statement. 23.3% were neutral while 2.1% disagreed. Only 1.4% strongly disagreed with the statement.

The results agrees with results of two recent studies done by Skarlicki (1996) which indicated that training supervisors in organizational justice principles is associated with increased levels of discretionary work behavior among their subordinates. Employees whose supervisors had received justice training were more willing to go beyond the call of duty than employees whose supervisors had not received such training. Empirical evidence emphasizes that Human resource managers may tailor training programs that teach teamwork and cooperation or the importance of taking initiative exceeding one's formally prescribed job duties. Such programs will also help build trust among colleagues and utilize cross-training in order to facilitate interpersonal helping. Employees will also learn to be more tolerant of the inconveniences that sometimes arise when another part of the organization is understaffed. Training programs may also elicit discretionary work behavior more indirectly.



**Table 4.8: Responses on Learning and Development**

<b>Learning and Development</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
LD promotes team work	1.0%	4.5%	11.3%	47.9%	35.3%
LD promotes skills progress	0.7%	2.7%	4.8%	49.0%	42.8%
LD enhances individual progress	1.4%	3.8%	6.5%	49.0%	39.4%
LD enhances competence adaptability	0.7%	3.1%	9.9%	44.2%	42.1%
LD enhances competence commitment	1.4%	4.1%	13.4%	44.9%	36.3%
LD enhances organizational culture	2.7%	6.8%	16.4%	45.9%	28.1%
LD promotes cooperation	3.1%	7.9%	17.1%	42.1%	29.8%
LD promotes going beyond	3.8%	10.6%	24.0%	36.3%	25.3%
LD promotes trust	2.7%	15.4%	26.0%	38.7%	17.1%
LD promotes interpersonal helping	2.1%	14.0%	23.3%	39.0%	21.6%

**4.5.4 Descriptive Analysis on Work Environment**

When the opinion of the respondents was sought on whether work environment gives intrinsic motivation a majority of the respondents disagreed. This represented 27.1 % of the sample. This was followed by 21.9% of the respondents who strongly disagreed to the statement. 21.6 were neutral while 22.9% agreed. Only 6.5% strongly agreed with the statement. Again, a higher percentage of the respondents agreed to the statement that workers are allowed to be innovative and add value to their jobs. This represented 28.4

% of the sample. This was followed by 5.5% of the respondents who strongly agreed to the statement. 24.7% were neutral while 26.7% disagreed. Only 14.7% strongly disagreed with the statement. Also, a simple majority of the respondents disagreed with the statement that employees who exhibit discretionary Work behavior are recognized and rewarded. This represents 31.2 % of the sample. This was followed by 24.7% of the respondents who strongly disagreed with the statement. 31.2% were neutral while 14.4 agreed. Only 7.9% strongly agreed with the statement.

The respondents were also asked what their opinion was whether the work done by employees is motivating and interesting. A greater majority agreed. This represents 44.2 % of the sample. This was followed by 11.0% of the respondents who strongly agreed to the statement. 25.0 % were neutral while 11.3% disagreed. Only 8.6% strongly disagreed with the statement. From the table 4.5.4, a high percentage of the respondents agreed with the statement that work environment make an employee provide valuable contributions that is unique. This represents 27.1 % of the sample. This was followed by 9.9% of the respondents who strongly agreed to the statement. 30.5% were neutral while 21.6% disagreed. Only 11.0% strongly disagreed with the statement. Many of the respondents agree to the statement that trustworthiness of the management leads workers commitment of their jobs. This represents 40.1 % of the sample. This was followed by 14.7% of the respondents who strongly agreed to the statement. 22.6% were neutral while 26.7% disagreed. Only 14.7% strongly disagreed with the statement.

From the table 4.5.4, a good percentage of the respondents agreed with the statement that work done by public servants gives them a sense of achievement. This represents 47.9 % of the sample. This was followed by 17.8% of the respondents who strongly agreed to the statement. 21.2% were neutral while 6.5% disagreed. Only 6.5% strongly disagreed with the statement. On whether work done by employees gives them autonomy in their jobs, 43.8 % of the sample strongly agreed. This was followed by 14.7% of the respondents who agreed to the statement. 24% were neutral while 12.3% disagreed. Only 5.1% strongly disagreed with the statement.

When respondents were asked whether the work employees do is challenging and allows role development, 45.2 % agreed. This was followed by 16.4% of the respondents who strongly agreed to the statement. 22.9% were neutral while 12% disagreed. Only 3.4% strongly disagreed with the statement. They were further probed on what their feelings were on whether work- life balance promotes discretionary work behavior among employees, 36.3 % of the sample agreed. This was followed by 14.4% of the respondents who strongly agreed to the statement. 26% were neutral while 15.8% disagreed. Only 7.5 % strongly disagreed with the statement. Also, Whitener (2001) suggests that employees can interpret organizational actions, such as human resource practices (Delery, 1998; Ostroff & Bowen, 2000; Settoon, Bennett, & Liden, 1996) and the trustworthiness of management (Settoon, *et al.*, 1996) as indicative of the organisation's personal commitment to them. Employees reciprocate accordingly, in their level of commitment to the organization. This means that work environment where employees efforts are recognized, Work Environment is modernized, the work they do adds value and increases role development, is motivating and management is trustworthy, the productivity of employees is enhanced, consequently, eliciting Discretionary Work Effort.

**Table 4.9: Work environment**

<b>Work Environment</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
Work environment in PS gives intrinsic motivation	21.9%	27.1%	21.6%	22.9%	6.5%
Employees are involved in decision making activities.	26.7%	28.1%	26.7%	16.4%	2.1%
Workers are allowed to be innovative and add value to their jobs	14.7%	26.7%	24.7%	28.4%	5.5%
Employees who show extra effort are recognized and rewarded	24.7%	31.2%	21.9%	14.4%	7.9%
The work itself is motivating and interesting	8.6%	11.3%	25.0%	44.2%	11.0%
The supervisor gives you meaningful fulfilling and energizing work	8.2%	18.2%	29.8%	36.3%	7.5%
Work environment promotes acceptable relationships	10.6%	17.8%	28.8%	32.5%	10.3%
Working envt makes as an employee give valuable contribution that is unique	11.0%	21.6%	30.5%	27.1%	9.9%
Trustworthiness of management leads to commitment	7.5%	15.1%	22.6%	40.1%	14.7%
work you do gives a sense of achievement	6.5%	6.5%	21.2%	47.9%	17.8%
Work you do offers you autonomy	5.1%	12.3%	24.0%	43.8%	14.7%
Work you do is challenging and allows role development	13.4%	12.0%	22.9%	45.2%	16.4%
WLB promotes going beyond ones duties	27.5%	15.8%	26.0%	36.3%	14.4%
Employees are treated with respect and dignity	11.6%	12.7%	27.1%	36.0%	12.7%
Timely provision of work resources motivates employees	15.8%	20.5%	19.9%	24.7%	19.2%

#### **4.5.5 Descriptive Analysis on Employee Engagement**

Respondents were requested to provide information on a Likert scale with values ranging from 1-5. When asked whether engagement promotes improved performance, a higher percentage of the respondents agreed. This represented 52.7 % of the sample. This was followed by 30.1% of the respondents who strongly agreed with the statement. They were consequently asked to give their view on whether employee engagement promotes retention, a higher percentage of the respondents agreed to the statement that. This represented 20.2 % of the sample. This was followed by 46.6.1% of the respondents who agreed 19.5% percent of the respondents were neutral and 10.6% disagreed while 3.1% strongly disagreed to the statement.

The respondents were again asked whether inspiration and motivation leads to employees exhibiting discretionary work behavior, 46.6 % of the sample agreed. This was followed by 35.6% of the respondents who strongly agreed to the statement. 9.6% were neutral while 4.5% disagreed. Only 3.8% strongly disagreed with the statement. Finally, when asked what their opinion was on whether emotional commitment leads to employees showing discretionary work behavior, 46.6 % of the sample agreed. This was followed by 24% of the respondents who strongly agreed to the statement. 18.8% were neutral while 5.8% disagreed. Only 4.8% strongly disagreed with the statement. They should be given tokens of appreciation, taken for further training and promoted whenever the need arises. Their benefits should be improved and a working environment made better and modernized.

These results concur with employee engagement survey done by CLC which found that in organisations with high levels of employee engagement, 20 percent or more of the workforce demonstrated the highest level of discretionary effort, compared with only 3 percent of those in organisations with lowest levels of employee engagement.

This means that engaged employees are what every organisation needs since production levels will be high, their level of emotional commitment superb and not forgetting workers will experience exceedingly levels of inspiration thereby staying longer in the firm.

**Table 4.10: Employee Engagement**

<b>Employee Engagement</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
Employee engagement promotes improved performance	4.5%	3.8%	8.9%	52.7%	30.1%
Employee engagement promotes retention	3.1%	10.6%	19.5%	46.6%	20.2%
Inspiration and motivation leads to employees showing extra work effort	3.8%	4.5%	9.6%	46.6%	35.6%
Emotional commitment to ones job leads to employees showing extra work effort	4.8%	5.8%	18.8%	46.6%	24.0%

#### **4.5.6 Descriptive Analysis on Discretionary Work Behavior.**

Respondents were requested to provide information on a likert scale with values ranging from 1-5. A majority of the respondents agreed with the statement that employees who exhibit discretionary work behavior show autonomy in their work. This represents 35.6 % of the sample. This was followed by 17.5% of the respondents who strongly agreed to the statement. 23.6% were neutral while 13.7% disagreed. Only 9.6% strongly disagreed with the statement as indicated in table 4.5.6 .When asked whether the respondents agree with the statement that employees who exhibit discretionary work behavior are loyal to the organization. A majority of the respondents agreed. This represented 41.8 % of

respondents. This was followed by 24% of the respondents who strongly agreed to the statement. 22.3 % were neutral while 6.5% disagreed. Only 5.5% strongly disagreed with the statement as indicated in table.

On whether employees who exhibit discretionary work behavior overcome obstacles in their work, 38.7 % of respondents agreed. This was followed by 26.4% of the respondents who strongly agreed to the statement.16.8% were neutral while 9.6% disagreed. Only 8.6% strongly disagreed with the statement. When asked on whether customers served by employees who exhibit Discretionary Work Behavior are satisfied in their work, a higher percentage of the respondents agreed. This represented 32.5 % of the sample. This was followed by 43.2% of the respondents who strongly agreed to the statement.9.6% were neutral while 7.2% disagreed. Only 7.5% strongly disagreed with the statement. Finally, when asked whether employees who exhibit discretionary work behavior have proficiency in their work, there was no inclination towards a particular score, since the scores were almost equally scored. This represented 21.6 % of those who disagreed. This was followed by 14.0% of the respondents who strongly disagreed to the statement.32.9% were neutral while 21.2 % agreed. Only 10.3% strongly agreed with the statement.

The results of the study agree with results of research done by Lloyd (2008) who showed that autonomy, as gauged by items such as "In my job, I have control over my hours of work", was related to discretionary effort--even after organizational citizenship behavior and role behavior were controlled. If discretionary effort and organizational citizenship behavior were equivalent, this relationship would have vanished. Griffin, Neal, and Parker (2007).

This means that it is only when employees exhibit Discretionary Work Behavior that proficiency, loyalty and autonomy will be realized in the work place. They will also be satisfied with the work they do thus go extra mile to overcome obstacles in their work to achieve organizations' goals.

**Table 4.11: Discretionary Work Behavior**

<b>Discretionary Work Behavior</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
Workers who show extra effort beyond what is expected, have autonomy	9.6%	13.7%	23.6%	35.6%	17.5%
Workers who show extra effort beyond what is expected, are loyal	5.5%	6.5%	22.3%	41.8%	24.0%
Workers who show extra effort beyond what is expected, overcome obstacles	8.6%	9.6%	16.8%	38.7%	26.4%
Workers who show extra effort beyond what is expected, have adaptivity	7.5%	7.2%	9.6%	32.5%	43.2%
Workers who show extra effort beyond what is expected, have proficiency	14.0%	21.6%	32.9%	21.2%	10.3%

**4.6 Requisite Tests.****4.6.1 Multicollinearity Test**

Multicollinearity is the undesirable situation where the correlations among the independent variables are strong. For Multiple Regression to be applicable there should not be strong relationships among variables. Statistics used to measure Multicollinearity include tolerance and Variance Inflation Factor. Tolerance of a respective independent variable is calculated from  $1 - R^2$ . A tolerance with a value close to 1 means there is little Multicollinearity, whereas a value close to 0 suggests that Multicollinearity may be present. The reciprocal of the tolerance is known as Variance Inflation Factor (VIF). A VIF of around or greater than 5, then there is Multicollinearity associated with that



variable. Table 4.30 shows the values of the statistics, obtained from the data. Table 4.30 indicates the test results for Multicollinearity, using both the VIF and tolerance. With Tolerance values being close to 1 and VIF values being less than 5, it was concluded that there was no presence of Multicollinearity in this study.

**Table 4.12: Table of Multicollinearity Statistics**

<b>Model Collinearity Statistics</b>		
<b>Variable</b>	<b>Tolerance</b>	<b>VIF</b>
Competitive Pay	.835	1.198
Employee Benefits	.857	1.166
Learning and Development	.815	1.226
Work Environment	.811	1.233

#### **4.6.2 Heteroscedasticity Test**

Another assumption of multiple regressions is absence of heteroscedasticity. The study employed Breush-pagan test for heteroscedasticity. Breusch-pagan test shows a chi-square value and a significance value for the independent variables. A p-value < 0.05 indicates that there is heteroscedasticity while a p-value greater than 0.05 indicates heteroscedasticity does not exist. Table 4.31 shows the results obtained from running the tests. From the table, the breusch-pagan test p-value was 0.071 which was greater than 0.05 indicating that heteroscedasticity does not exist thus the assumption had not been violated. This cleared the data for further analysis such as determining whether there is Auto correlation, then later confirmatory analysis and then inferential Analysis

**Table 4.13: Table of Breush-Pagan test of Heteroscedasticity.**

Regression SS	Residual SS	Total SS	R square	Sample N	Breusch-pagan test	Sig
17.258	435.406	452.664	0.038	281	8.629	0.071

### 4.6.3 Autocorrelation Test

Autocorrelation means that adjacent observations are correlated. If they are correlated, then regression underestimates the standard error of the coefficients, the predictors can seem to be significant when they are not actually significant. The Durbin Watson is used to test this auto correlation.

The Durbin-Watson  $d = 1.926$ , which is between the two critical values of  $1.5 < d < 2.5$  and therefore we can assume that there is no first order linear auto-correlation in our multiple linear regression data. This clears data for further analysis, more so confirmatory analysis and then inferential Analysis.

**Table 4.14: Autocorrelation/ Serial Correlation.**

Model	Durbin-Watson
1	1.926

#### **4.6.4 Confirmatory Factor Analysis**

Confirmatory factor analysis was conducted to assess the convergent validity of the constructs. Convergent validity was assessed using the value of standard loadings of the indicators for the underlying construct. The scores are to be statistically significant and above 0.5 (Nunnally, 1978). The CFA results of item loadings and their respective t-values are reported in Table 4.27 (Appendix VI). The items were significantly loaded on the proposed factors with loading higher than 0.5. Convergent validity was also assessed using average variance extracted (AVE). The AVE of all constructs were above the 0.5 threshold indicating that the latent constructs account for at least fifty percent of the variance in the items. This indicates that the measurement scales exhibited adequate measurement validity (Hair *et al.*, 2006).

#### **4.7 Inferential Analysis**

##### **4.7.1 Correlation Analysis (Pearson Correlation)**

###### **Correlations of Variables**

Correlation is used to analyze the degree of relationship between the variables competitive pay, employee benefits, learning and environment, work environment and discretionary work behaviour. For this study the Pearson Correlation ( $r$ ) was used as well as the P- values of significance showing the degree and significance of the relationship. The Pearson correlation coefficient ( $r$ ) informs a researcher the magnitude and direction of the relationship between two variables, the bigger the coefficient, the stronger the association (Mugenda & Mugenda, 2003).

###### **Correlation Analysis for Construct Discretionary Work Behavior**

Correlation was used to analyze the degree of relationship between discretionary work behavior and the other variables in the study. Table 4.33 shows the degree and

significance of the relationship between the variables, as measured by Pearson Correlation statistic and p-value, respectively.

From the table, there is a positive and significant relationship between Discretionary Work Behavior and Competitive Pay. This is because the value of Pearson correlation coefficient was 0.437 and the significant value was 0.000. This means that 43.7% of Discretionary Work Behavior can be explained by Competitive Pay .As Competitive Pay increases it leads to an increase in Discretionary Work Behavior. This results agree with findings of (Akerlof & Yellen, 1986; Gerhart & Milkovich, 1990) that employees will devote more effort into their work--striving to ensure their job is secure--if paid handsomely as well as refrain from leaving prematurely.

The table also showed that there is a positive and significant relationship between Discretionary Work Behavior and Employee Benefits. This is because the value of Pearson correlation coefficient was 0.174 and the significant value was 0.003. This means that 17.4% of Discretionary Work Behavior can be explained by Employee Benefits. As Employee Benefits increases it leads to an increase in Discretionary Work Behavior. The results agree with findings of Banker and Lee's (1996) empirical research, which is based on data from 34 stores of a major retailer over 77 months, supports the theoretical prediction that stores that implement an incentive plan will experience a positive impact on sales, profit and customer satisfaction.

The table also showed that there is a positive and significant relationship between Discretionary Work Behavior and Learning and Development. This is because the value of Pearson correlation coefficient was 0.316 and the significant value was 0.000. This means that 31.6% of Discretionary Work Behavior can be explained by Learning and Development. As Learning and Development increases it leads to an increase in Discretionary Work Behavior. The results corroborate what Armstrong statement that when experts take a broad view of total rewards package extending beyond pay and benefits to include intrinsic aspects of work such as work environment, learning and

development, the aim is to use total rewards to foster employee engagement with their work, commitment to the organization and positive discretionary behavior.

The table also showed that there is a positive and significant relationship between discretionary work behavior and work environment. This is because the value of Pearson correlation coefficient was 0.181 and the significant value was 0.002. This means that 18.1% of Discretionary Work Behavior can be explained by Work Environment. As Work Environment increases it leads to an increase in Discretionary Work Behavior. The results corroborate what Whitener (2001) suggests that employees can interpret organisational actions, such as human resource practices (Delery, 1998; Ostroff & Bowen, 2000; Settoon, Bennett, & Liden, 1996) and the trustworthiness of management (Settoon, *et al.*, 1996) as indicative of the organisation's personal commitment to them. Employees reciprocate accordingly, in their level of commitment to the organization.

The table also showed that there is a positive and highly significant relationship between Discretionary Work Behavior and Employee Engagement. This is because the value of Pearson correlation coefficient was 0.373 and the significance value was 0.000. As Employee Engagement increases it leads to an increase in Discretionary Work Behavior. Research in the Canadian banking industry by Simard *et al* (2005) found a positive relationship between employee commitment and non-monetary recognition such as organisational justice. The authors of this study claim their results confirm that the competitive advantage of successful firms comes from their ability to increased added value (discretionary effort) of employees.

**Table 4.15: Correlation for Construct Discretionary Work Behaviour**

		<b>Discreti- onary Work Behavior</b>	<b>Competitive Pay</b>	<b>Employee Benefits</b>	<b>Learning and Development</b>	<b>Work Environment</b>	<b>Employee Engagem- ent</b>
<b>Discretionary Work Behavior</b>	Pearson Correlation	1	0.437	0.174	0.316	0.181	0.373
	Sig. Value		0.000	0.000	0.000	0.000	0.000
	N	282	282	282	282	282	282

### **Correlation Analysis for Construct Competitive Pay**

Correlation was used to analyze the degree of relationship between competitive pay and the other variables in the study. Table 4.34 shows the degree and significance of the relationship between the variables, as measured by Pearson Correlation statistic and p-value, respectively.

From the table, there is a positive and significant relationship between Competitive Pay and Discretionary Work Behavior. This is because the value of Pearson correlation coefficient was 0.437 and the significant value was 0.000. This means that 43.7% of Competitive Pay can be explained by Discretionary Work Behavior. As Discretionary Work Behavior increases it leads to an increase in Competitive Pay. This results agree with findings of (Akerlof & Yellen, 1986; Gerhart & Milkovich, 1990) that employees will devote more effort into their work--striving to ensure their job is secure--if paid handsomely as well as refrain from leaving prematurely.

The table also shows that, there is a positive and significant relationship between Competitive Pay and Employee Benefits. This is because the value of Pearson correlation coefficient was 0.133 and the significant value was 0.025. This means that 13.3% of Competitive Pay can be explained by Employee Benefits. As Employee

Benefits increases it leads to an increase in Competitive Pay. The results corroborate what Armstrong believes that the concept of total reward is simple. If people are rewarded both extrinsically and intrinsically then that helps foster engagement with a job, commitment to an organisation and positive discretionary behaviour, for example, by staff undertaking more work than is expected of them or tasks outside of their job description

The table also shows that, there is a positive and significant relationship between Competitive Pay and Learning and Development. This is because the value of Pearson correlation coefficient was 0.345 and the sig.value was 0.000. This means that 34.5% of Competitive Pay can be explained by Learning and Development. As Learning and Development increases it leads to an increase in Competitive Pay. This finding also agree with a research by Right Management (2009), which showed that training and career development helps to Increase employee's productivity and therefore labour productivity in general by improving on the employees effectiveness, line managers and leaders in general.

The table also shows that, there is a positive and significant relationship between Competitive Pay and Work Environment. This is because the value of Pearson correlation coefficient was 0.234 and the significant value was 0.000. This means that 23.4% of Competitive Pay can be explained by Work Environment. As Work Environment increases it leads to an increase in Competitive Pay. These findings agree with Chin-ju Tsai (2000) who believes that if rewards are used effectively, they can motivate individuals to perform discretionary in the work place .The table also shows that, there is a positive and significant relationship between Competitive Pay and Employee Engagement. This is because the value of Pearson correlation coefficient was

0.259 and the sig.value was 0.000. This means that 25.9% of Competitive Pay can be explained by Employee Engagement. As Employee Engagement, increases it leads to an increase in Competitive Pay.

This results agree with findings of Akerlof & Yellen, 1986; Gerhart & Milkovich, 1990) that employees will devote more effort into their work--striving to ensure their job is secure--if paid handsomely as well as refrain from leaving prematurely (and results of Salop, 1979; Shapiro & Stiglitz, 1984)that managers often assume that competitive wages will attract the most effective or proficient employees (Akerlof & Yellen, 1986). These managers assume that proficient employees are able to choose which organization to which they will apply--and thus choose only companies that offer the best conditions. Third, managers assume that competitive pay might encourage discretionary effort (Akerlof, 1982)--optional activities that enhance the organization.



**Table 4.16: Correlation for Construct Competitive Pay**

		<b>Discretionary Work Behavior</b>	<b>Competitive Pay</b>	<b>Employee Benefits</b>	<b>Learning and Development</b>	<b>Work Environment</b>	<b>Employee Engagement</b>
<b>Competitive Pay</b>	Pearson Correlation	0.437	1	0.133	0.345	0.234	0.259
	Sig. Value		0.000	0.000	0.000	0.000	0.000
	N	282	282	282	282	282	282

**Correlation Analysis for Construct Employee Benefits**

Correlation was used to analyze the degree of relationship between Employee Benefits and the other variables in the study. Table 4.35 shows the degree and significance of the relationship between the variables, as measured by Pearson Correlation statistic and p-value, respectively.

From the table, there is a positive and significant relationship between Employee Benefits and Discretionary Work Behavior. This is because the value of Pearson correlation coefficient was 0.174 and the significant value was 0.003. This means that 17.4% of Employee Benefits can be explained by Discretionary Work Behavior. As Discretionary Work Behavior increases it leads to an increase in Employee Benefits. The results corroborate results of Salanova, Agut *et al.* (2005); Salanova, Grau *et al* (n.d) al that Frontline employee’s well-being, commitment, and positive perceptions regarding the organization and their managers can impact their behavior.

The table also shows that, there is a positive and significant relationship between Employee Benefits and Competitive Pay. This is because the value of Pearson correlation coefficient was 0.133 and the significant value was 0.025. This means that 13.3% of Employee Benefits can be explained by Competitive Pay. As Competitive Pay increases it leads to an increase in Employee Benefits. The results agreed with Fielder (2006) who defined discretionary effort as “something we hold back unless we feel really motivated or inspired to give more”.

The table also shows that, there is a positive and significant relationship between Employee Benefits and Learning and Development. This is because the value of Pearson correlation coefficient was 0.191 and the significant value was 0.000. This means that 19.1% of Employee Benefits can be explained by Learning and Development. As Learning and Development increases it leads to an increase in Employee Benefits .These results concur with study of Coyle Kessler and Purcell (2004) argue that identification with the organization leads to the internalization of the organization's goals and as a result individuals broaden the definition of in role performance to include discretionary work behavior.

The table also shows that, there is a positive and significant relationship between Employee Benefits and Work Environment. This is because the value of Pearson correlation coefficient was 0.344 and the significant value was 0.000. This means that 34.4% of Employee Benefits can be explained by Work Environment. As Work Environment increases it leads to an increase in Employee Benefits. These results agree with Chattopadhyay (1999) that employees engage in discretionary work behaviour because they incorporate the organization into their social identity. Thus behaviours that benefit the organization such as discretionary work behaviour are seen to benefit the self.

The table also shows that, there is a positive and significant relationship between Employee Benefits and Employee Engagement. This is because the value of Pearson

correlation coefficient was 0.218 and the P-value was 0.000. This means that 21.8% of Employee Benefits can be explained by Employee Engagement. As Employee Engagement, increases it leads to an increase in Employee Benefits .The results confirms the research by The CLC’s Model of Engagement, which showed engagement leads to discretionary effort and hence performance, and to commitment and retention. This study found that the greatest impact on discretionary effort comes from emotional commitment to one’s job and the organisation, i.e engagement. Commitment to team and manager rate lower but the area of rational commitment (financial rewards) rates lowest.

**Table 4.17: Correlation for Construct Employee Benefits**

		<b>Discretionary Work Behavior</b>	<b>Competitive Pay</b>	<b>Employee Benefits</b>	<b>Learning and Development</b>	<b>Work Environment</b>	<b>Employee Engagement</b>
<b>Employee Benefits</b>	Pearson Correlation	0.174	0.133	1	0.191	0.344	0.218
	Sig. Value		0.000	0.000	0.000	0.000	0.000
	N	282	282	282	282	282	282

**Correlation Analysis for Construct Learning and Development**

Correlation was used to analyze the degree of relationship between Learning and Development and the other variables in the study. Table 4.36 shows the degree and

significance of the relationship between the variables, as measured by Pearson Correlation statistic and p-value, respectively.

From the table, there is a positive and significant relationship between Learning and Development and Discretionary Work Behavior. This is because the value of Pearson correlation coefficient was 0.316 and the significant value was 0.000. This means that 31.6% of Learning and Development can be explained by Discretionary Work Behavior. As Discretionary Work Behavior increases it leads to an increase in Learning and Development. The results agree with results of Applebaum *et al* (2000) research results that 'plant managers who invest in the skills of front-line workers and include these workers in decision-making activities elicit discretionary effort by employees. This effort increases operating efficiency and competitive advantage' (Applebaum *et al* 2000:235). Discretionary effort was also central to MacDuffie's analysis in the motor vehicle industry (1995).

The table also shows that, there is a positive and significant relationship between Learning and Development and Competitive Pay. This is because the value of Pearson correlation coefficient was 0.345 and the significant value was 0.000. This means that 34.5% of Learning and Development can be explained by Competitive Pay. As Competitive Pay increases it leads to an increase in Learning and Development. These findings agree with Expectancy Theory which states that employee motivation increases when meaningful rewards are given to those employees who effectively transfer training by showing improved performance.

The table also shows that, there is a positive and significant relationship between Learning and Development and Employee Benefits. This is because the value of Pearson correlation coefficient was 0.297 and the significant value was 0.001. This means that 29.7% of Learning and Development can be explained by Employee Benefits. As Employee Benefits increases it leads to an increase in Learning and Development. These results corroborate findings by Batt and Colvin (2011) who discovered that Employees

quit when they are dissatisfied with HR practices and working conditions and their quitting raises labour costs and disrupts operations.

The table also shows that, there is a positive and significant relationship between Learning and Development and Work Environment. This is because the value of Pearson correlation coefficient was 0.241 and the significant value was 0.000. This means that 24.1 % of Learning and Development can be explained by Work Environment. As Work Environment increases it leads to an increase in Learning and Development. This situation confirms results by Jensen (2010) that there is need for review of the staff member's development goals. This should consider their current roles and responsibilities and identify areas in which additional development will help them grow in their current job. It is important to ask staff about their preferences for training and how they can develop their knowledge and skills further.

The table also shows that, there is a positive and significant relationship between Learning and Development and Employee Engagement. This is because the value of Pearson correlation coefficient was 0.399 and the sig.value was 0.000. This means that 39.9% of Learning and Development can be explained by Employee Engagement. As Employee Engagement, increases it leads to an increase in Learning and Development .Thus agreeing with Melcrum (2003) who showed a link between disengagement and intentions to resign. According to the survey, only 25% of employees are actively engaged, while 17% are actively disengaged and the remaining 58% are neither engaged nor actively disengaged. Engagement (commitment and effort) accounts for roughly 40% of observed performance improvements, according to the CLC 2004 Employee Engagement Framework and Survey cited by the Australian Public Service Commission.

**Table 4.18: Correlation for Construct Learning and Development**

		Discretionary Work Behavior	Competitive Pay	Employee Benefits	Learning and Develop- ment	Work Environment	Employee Engagement
<b>Learning and Development</b>	Pearson Correlation	0.316	0.345	0.191	1	0.241	0.399
	Sig. Value	0.000	0.000	0.000	0.000	0.000	0.000
	N	282	282	282	282	282	282

### **Correlation Analysis for Construct Work Environment**

Correlation was used to analyze the degree of relationship between Work Environment and the other variables in the study. Table 4.37 shows the degree and significance of the relationship between the variables, as measured by Pearson Correlation statistic and p-value, respectively.

From the table, there is a positive and significant relationship between Work Environment and Discretionary Work Behavior. This is because the value of Pearson correlation coefficient was 0.181 and the significant value was 0.002. This means that 18.1% of Work Environment can be explained by Discretionary Work Behavior. As Discretionary Work Behavior increases it leads to an increase in Work Environment. The results corroborate what Armstrong statement that when experts take a broad view of total rewards package extending beyond pay and benefits to include intrinsic aspects of work such as work environment, learning and development, the aim is to use total rewards to foster employee engagement with their work, commitment to the organization and positive discretionary behavior.

The table also showed that, there is a positive and significant relationship between Work Environment and Competitive Pay. This is because the value of Pearson correlation coefficient was 0.234 and the significant value was 0.000. This means that 23.4 % of Work Environment can be explained by Competitive Pay. As Competitive Pay increases it leads to an increase in Work Environment. The results of Wegge *et al.* (2006) confirm these results. He found that objective working conditions substantially correlated with subjective measures of work motivation, Moreover employees experiencing a high motivating potential at work reported more discretionary work behavior, higher job satisfaction, and less turnover intentions. Work not only provides a platform to employees for exhibiting discretionary work behavior but also reduces the turnover intentions.

The table also showed that, there is a positive and significant relationship between Work Environment and Employee Benefits. This is because the value of Pearson correlation coefficient was 0.344 and the significant value was 0.000. This means that 34.4 % of Work Environment can be explained by Employee Benefits. As Employee Benefits increases it leads to an increase in Work Environment. The results are supported by findings of Delaney and Huselid, (1996) in that One of the means that organizations can use to enhance employee motivation and performance is to provide performance-related compensation A reward and compensation system is based on the expectancy theory, which suggests that employees are more likely to be motivated to perform when they perceive that there is a strong link between their performance and the reward they receive (Fey & Bjorkman, 2001; Guest, 2002; Mendonca, 2002).

The table also showed that, there is a positive and significant relationship between Work Environment and Learning and Development. This is because the value of Pearson correlation coefficient was 0.420 and the significant value was 0.000. This means that 42.0 % of Work Environment can be explained by Learning and Development. As Learning and Development increases it leads to an increase in Work Environment. These results are supported by Jensen (2010) who says there is need for review the staff

member's development goals. This should consider their current roles and responsibilities and identify areas in which additional development will help them grow in their current job. It is important to ask staff about their preferences for training and how they can develop their knowledge and skills further.

The table also showed that, there is a positive and significant relationship between Work Environment and Employee Engagement. This is because the value of Pearson correlation coefficient was 0.492 and the sig.value was 0.000. This means that 49.2% of Work Environment can be explained by Employee Engagement. As Employee Engagement increases it leads to an increase in Work Environment. This supports the New Zealand report by John Robertson Associates (2007:p.4) citing data showing a 54 percent return on assets from engaged workers, compared with 21 percent from ambivalent workers and 9 percent from disengaged workers

**Table 4.19: Correlation for Construct Work Environment**

		<b>Discretionary Work Behavior</b>	<b>Competitive Pay</b>	<b>Empl- yee Benefits</b>	<b>Learning and Development</b>	<b>Work Environm- ent</b>	<b>Employee Engage- ment</b>
<b>Work Environment</b>	Pearson Correlation	0.181	0.234	0.344	0.241	1	0.492
	Sig. Value		0.000	0.000	0.000	0.000	0.000
	N	282	282	282	282	282	282



### **Correlation Analysis for Construct Employee Engagement**

Correlation was used to analyze the degree of relationship between Employee Engagement and the other variables in the study. Table 4.38 shows the degree and significance of the relationship between the variables, as measured by Pearson Correlation statistic and p-value, respectively.

From the table, there is a positive and significant relationship between Employee Engagement and Discretionary Work Behavior. This is because the value of Pearson correlation coefficient was 0.373 and the sig.value was 0.000. This means that 37.3% of Employee Engagement can be explained by Discretionary Work Behavior. As Discretionary Work Behavior increases it leads to an increase in Employee Engagement. The results agree with The CLC employee engagement survey which found out that in organisations with high levels of employee engagement, 20 percent or more of the workforce demonstrated the highest level of discretionary effort, compared with only 3 percent of those in organisations with lowest levels of employee engagement.

The table also shows that, there is a positive and significant relationship between Employee Engagement and Competitive Pay. This is because the value of Pearson correlation coefficient was 0.259 and the sig.value was 0.000. This means that 25.9 % of Employee Engagement can be explained by Competitive Pay. As Competitive Pay increases it leads to an increase in Employee Engagement. The findings are in agreement with findings by Research in the Canadian banking industry by Simard *et al*, (2005) who found a positive relationship between employee commitment and non-monetary recognition such as organisational justice. The authors of this study claim their results confirm that the competitive advantage of successful firms comes from their ability to increased added value (discretionary effort) of employees. The table also shows that, there is a positive and significant relationship between Employee Engagement and Employee Benefits. This is because the value of Pearson correlation coefficient was 0.218 and the sig.value was 0.000. This means that 21.8% of Employee Engagement can

be explained by Employee Benefits. As Employee Benefits increases it leads to an increase in Employee Engagement. This agrees with (Stajkovic & Luthans, 2003; Peterson & Luthans, 2006) who argued that incentive programs deal with rewards that aim to increase specific behaviours.

The table also showed that, there is a positive and significant relationship between Employee Engagement and Learning and Development. This is because the value of Pearson correlation coefficient was 0.492 and the sig.value was 0.000. This means that 49.2 % of Employee Engagement can be explained by Learning and Development. As Learning and Development increases it leads to an increase in Employee Engagement. The CLC employee engagement survey found that in organisations with high levels of employee engagement, 20 percent or more of the workforce demonstrated the highest level of discretionary effort, compared with only 3 percent of those in organisations with lowest levels of employee engagement. The CLC concludes that this provides “a definite source of competitive advantage” (2004:16a). The table also showed that, there is a positive and significant relationship between Employee Engagement and Work Environment. This is because the value of Pearson correlation coefficient was 0.492 and the sig.value was 0.000. This means that 49.2% of Employee Engagement can be explained by Work Environment. As Work Environment increases it leads to an increase in Employee Engagement. These results are supported by the CLC claims that high level statistical modelling analysis shows that employee engagement accounts for 40 percent of observed performance improvements of high quality talent. They found a direct relationship between employee engagement and discretionary effort, such that improved workforce commitment results in increased performance of from 20 percent up to 57 percent.

**Table 4.20: Correlation of Construct Employee Engagement**

		<b>Discretionary Work Behavior</b>	<b>Competitive Pay</b>	<b>Employee Benefits</b>	<b>Learning and Development</b>	<b>Work Environment</b>	<b>Employee Engagement</b>
<b>Employee Engagement</b>	Pearson Correlation	0.373	0.259	0.218	0.399	0.492	1
	Sig. Value		0.000	0.000	0.000	0.000	0.000
	N	292	292	292	292	292	292

**Table 4.21: Summary of Correlation for all the Variables**

		<b>Discretionary Work Behavior</b>	<b>Competitive Pay</b>	<b>Employee Benefits</b>	<b>Learning and Development</b>	<b>Work Environment</b>	<b>Employee Engagement</b>
<b>Discretionary Work Behavior</b>	Pearson Correlation	1	.437**	0.257	0.316**	0.181**	0.373
			0.000	0.003	0.000	0.002	0.000
<b>Competitive Pay</b>	Pearson Correlation	0.437**	1	0.133*	0.345**	0.360	0.234**
		.0000		0.025	0.000	0.000	0.000
<b>Employee Benefits</b>	Pearson Correlation	0.174**	0.133*	1	0.191**	0.344**	0.218
		.000	0.025	0.000	0.001	0.000	0.000
<b>Learning and Development</b>	Pearson Correlation	0.316**	0.345**	0.191**	1	0.241**	0.399
		.000	0.000	0.001	0.000	0.000	0.000
<b>Work Environment</b>	Pearson Correlation	0.181**	0.234**	0.344**	0.241**	1	0.492
		0.002	0.000	0.000	0.000	0.000	0.000
<b>Employee Engagement</b>	Pearson Correlation	0.373	0.259	0.218	0.399	0.492	1
	Sig. (2-tailed)		0.000	0.000	0.000	0.000	0.000

#### **4.7.2 Regression Analysis**

Regression analysis was used to evaluate the contribution of each independent variable in explaining the dependent variable, when the other variables are controlled; the R Square value was obtained for each variable.

#### **Regression Analysis for Variable Competitive Pay**

Regression analysis was used to find out if there is a relationship between Competitive Pay and the dependent variable by evaluating the contribution of the independent variable in explaining the dependent variable, when the other variables are controlled; the R Square value was obtained in this case.

From the results in table 4.40, Pay was found to have an R Square value of 0.071 or to contribute to 7.1% discretionary work behaviour. The R square value is an important indicator of the predictive accuracy of the equation. The remaining 92.9% can be explained by other factors. The implication of these finding is that pay plays a role in enhancing employee discretionary behaviour. These findings show that there is a positive relationship between pay and Discretionary Work Behaviour. The implication of this is that change in pay will have positive impact in Discretionary Work Behaviour. It suggests that an increase in Competitive Pay, leads to an increase in Discretionary Work Behaviour while a decrease in Competitive Pay, will lead to a decrease on Discretionary Work Behaviour.

Further tests as shown on table 4.41 gave a P- value of 0.000 which is less than the level of significance of 0.05 and which show a significant linear relationship between the employee discretion behavior and the pay. These findings are similar to studies by Fey and Bjorkman, (2001 ) Guest, 2002; Mendonca, (2002) who found out that a reward and compensation system is based on the expectancy theory, which suggests that employees are more likely to be motivated to perform when they perceive that there is a strong link between their performance and the reward they receive .From the alternate hypothesis,

Employee pay significantly has an effect on Discretionary Work Behaviour among public service employees and Since the p- value which is 0.000 is less than 0.05 ( $0.000 < 0.05$ ), then null hypothesis is rejected because there is a significant relationship between employee pay and Discretionary Work Behaviour.

When the following model was fitted to find out whether the independent variable of pay predicts the dependent Discretionary Work Behaviour, it was found to have goodness of fit and therefore the model is significant as shown by table 4.42. From this table  $B_0$  is 2.988 units, this can be interpreted as meaning that when there is no Competitive Pay, the model predicts that Discretionary Work Behaviour will have 2.988 units. From these data, pay had a positive  $B$ -value (0.249) indicating positive relationship and therefore, as pay increases, Discretionary Work Behaviour improves.

Additionally, the  $b$ -value also tells us to what degree each predictor affects the outcome. The value  $\beta_1 = 0.249$ , indicates that as pay increases by one unit, discretionary behaviour improves by 0.229 units. If the  $b$ -values are substituted in the equation below, the model can be defined as follows: -

$$\text{Discretionary Work Behaviour} = 2.988 + 0.249(\text{Pay}) + e$$

$$Y_s = \beta_0 + \beta_1 X_1 + e$$

$$Y_s = \text{Discretionary Work Behaviour}$$

$$\beta_0 = \text{constant (coefficient of intercept)}$$

$$X_1 = \text{Competitive Pay}$$

$$e = \text{error}$$

**Table 4.22: Regression Analysis for Variable Competitive Pay**

Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.266 <sup>a</sup>	.071	.068	1.18930

Predictors: (Constant), pay

**Table 4.23: ANOVA Regression Analysis for Variable Competitive Pay**ANOVA<sup>a</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	30.436	1	30.436	21.518	.000 <sup>b</sup>
1	Residual	410.06	290	1.414		
	Total	440.496	291			

a. Dependent Variable: Employee discretionary behavior

b. Predictors: (Constant), pay

**Table 4.24: Coefficients for Regression Analysis for Variable Competitive Pay**Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error			
1	(Constant)	2.988	.219		13.625	.000
	Pay	.249	.054	.266	4.639	.000

a. Dependent Variable: Employee discretionary behavior

### **Regression Analysis for Variable Employee Benefits**

Regression analysis was used to find out if there is a relationship between Employee Benefits and the dependent variable by evaluating the contribution of the independent variable in explaining the dependent variable, when the other variables are controlled; the R Square value was obtained in this case.

From the results in table 4.43, Employee Benefits was found to have an R Square value of 0.024 or to contribute to 2.4% Discretionary Work Behaviour. The R square value is an important indicator of the predictive accuracy of the equation. The remaining 97.6% can be explained by other factors. The implication of these finding is that Employee Benefits play a role in enhancing Discretionary Work Behaviour. These findings show that there is a positive relationship between Employee Benefits and Discretionary Work Behaviour. The implication of this is that change in Employee Benefits will have positive impact on Discretionary Work Behaviour. It suggests that an improvement in Employee Benefits, leads to an increase in Discretionary Work Behaviour while a decrease in benefits, will lead to a decrease on Discretionary Work Behaviour.

Further tests as shown on table 4.44 gave a P- value of 0.007 which is less than the level of significance of 0.05 and which show a significant linear relationship between the employee Discretionary Work Behaviour and the Employee Benefits. These findings are similar to studies by Simon (1976) has argued that in an organizational context, Discretionary Work Behaviour is often part of an informal psychological contract in which employees hope such extra effort may be perceived and then rewarded by the supervisor and the organization. In other words, when employees value organizational rewards and believe that their supervisor administer them contingent upon good performance, they would engage in Discretionary Work Behaviour as a means of obtaining rewards.

From the alternate hypothesis, Employee Benefits affects Discretionary Work Behaviour among public service employees and since the p- value which is 0.007 is less than 0.05 ( $0.007 < 0.05$ ), then the null hypothesis is rejected because there is a significant relationship between employee benefits and discretionary work behavior.

When the following model was fitted to find out whether the independent variable of Employee Benefits predicts the dependent variable Discretionary Work Behaviour, it was found to have goodness of fit and therefore the model is significant as shown by table 4.45. From this table  $B_0$  is 3.557 units, this can be interpreted as meaning that when there is no Employee Benefits, the model predicts that Discretionary Work Behaviour will have 3.557 units. From these data, Employee Benefits had a positive  $B$ -value (0.185) indicating positive relationship and therefore, as Employee Benefits increases, Discretionary Work Behaviour improves. Additionally, the  $b$ -value also tells to what degree each predictor affects the outcome. The value  $\beta_1 = 0.185$ , indicates that as Employee Benefits increases by one unit, Discretionary Work Behaviour improves by 0.185 units. If the  $b$ -values are substituted in the equation below, the model can be defined as follows:

$$\text{Discretionary Work Behaviour} = 3.557 + 0.185(\text{Employee Benefits}) + e$$

$$Y_s = \beta_0 + \beta_1 X_1 + e$$

$$Y_s = \text{Discretionary Work Behaviour}$$

$$\beta_0 = \text{constant (coefficient of intercept)}$$

$$X_1 = \text{Employee Benefits}$$

$$e = \text{error}$$



**Table 4.25: Regression Analysis for Variable Employee Benefits****Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.166 <sup>a</sup>	.027	.024	1.23185

a. Predictors: (Constant), employee benefits

**Table 4.26: ANOVA for Regression Analysis for Variable Employee Benefits****ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	11.197	1	11.197	7.379	.007 <sup>b</sup>
1	Residual	439.93	290	1.517		
	Total	451.127	291			

a. Dependent Variable: Employee discretionary behavior

b. Predictors: (Constant), employee benefits

**Table 4.27: Coefficients for Regression Analysis for Variable Employee Benefits****Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized	T	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	3.557	.162		21.920	.000
	Employee benefits	.185	.068	.166	2.716	.007

a. Dependent Variable: Employee discretionary behavior

## **Regression Analysis for Variable Learning and Development**

Regression analysis was used to find out if there is a relationship between Learning and Development and the dependent variable by evaluating the contribution of the independent variable in explaining the dependent variable, when the other variables are controlled; the R Square value was obtained in this case.

From the results in table 4.46, Learning and Development was found to have an R Square value of 0.028 or to contribute to 2.8% Discretionary Work Behaviour. The R square value is an important indicator of the predictive accuracy of the equation. The remaining 97.2% can be explained by other factors. The implication of these finding is that Learning and Development plays a role in enhancing employee discretionary behaviour. These findings show that there is a positive relationship between Learning and Development and Discretionary Work Behaviour. The implication of this is that change in learning and development will have positive impact employee discretionary behaviour. It suggests that an improvement in learning and development, leads to an increase in Discretionary Work Behaviour while a decrease in Learning and Development will lead to a decrease on Discretionary Work Behaviour.

Further tests as shown on table 4.47 gave a P- value of 0.008 which is less than the level of significance of 0.05 and which show a significant linear relationship between the Discretionary Work Behaviour and the Learning and Development. These findings are similar to studies two recent studies by Skarlicki (1996) who indicated that training supervisors in organizational justice principles is associated with increased levels of Discretionary Work Behaviour among their subordinates Employees whose supervisors had received justice training were more willing to go beyond the call of duty than employees whose supervisors had not received such training. Thus training designed to improve relationships either among coworkers or between supervisors and subordinates is likely to increase the level of discretionary work within the organization.

From the hypothesis ,Learning and Development significantly influences employee discretionary work behavior among public service employees and Since the p- value which is 0.008 is less than 0.05 ( $0.008 < 0.05$ ), then the null hypothesis is rejected because there is a significant relationship between Learning and Development and Discretionary Work Behaviour. When the following model was fitted to find out whether the independent variable of Learning and development predicts the dependent variable Discretionary Work Behaviour, it was found to have goodness of fit and therefore the model is significant as shown by table 4.48. From this table  $B_0$  is 2.864 units, this can be interpreted as meaning that when there is no Learning and Development, the model predicts that Discretionary Work Behaviour will have 2.864 units. From this data, Learning and Development had a positive  $B$ -value (0.255) indicating positive relationship and therefore, as Learning and Development increases, Discretionary Work Behaviour improves.

Additionally, the  $b$ -value also tells to what degree each predictor affects the outcome. The value  $\beta_1 = 0.255$ , indicates that as Learning and Development increases by one unit, Discretionary Work Behaviour improves by 0.255 units. If the  $b$ -values are substituted in the equation below, the model can be defined as follows: -

$$\text{Discretionary work behaviour} = 2.864 + 0.255(\text{LD}) + e$$

$$Y_s = \beta_0 + \beta_1 X_1 + e$$

$$Y_s = \text{Discretionary Work behaviour}$$

$$\beta_0 = \text{constant (coefficient of intercept)}$$

$$X_1 = \text{LD}$$

$$e = \text{error}$$

**Table 4.28: Regression Analysis for Variable Learning and Development****Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.167 <sup>a</sup>	.028	.024	1.22606

a. Predictors: (Constant), learning and development

**Table 4.29: ANOVA for Regression Analysis for Variable Learning and Development****ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	10.804	1	10.804	7.187	.008 <sup>b</sup>
1	Residual	435.87	290	1.503		
	Total	446.674	291			

a. Dependent Variable: Employee discretionary behavior

b. Predictors: (Constant), learning and development

**Table 4.30: Coefficient Regression Analysis for Variable Learning and Development****Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients			T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.864	.409		7.004	.000
	Learning and development	.255	.095	.167	2.681	.008

a. Dependent Variable: Employee discretionary behavior

### **Regression Analysis for Variable Work Environment**

Regression analysis was used to find out if there is a relationship between Work Environment and the dependent variable by evaluating the contribution of the independent variable in explaining the dependent variable, when the other variables are controlled; the R Square value was obtained in this case.

From the results in table 4.49, Work Environment was found to have an R Square value of 0.044 or to contribute to 4.4% Discretionary Work Behaviour. The R square value is an important indicator of the predictive accuracy of the equation. The remaining 95.6% can be explained by other factors. The implication of these finding is that Work Environment plays a role in enhancing Discretionary Work Behaviour. These findings show that there is a positive relationship between Work Environment and Discretionary Work Behaviour. The implication of this is that change in Working Environment will have positive impact Discretionary Work Behaviour. It suggests that an improvement in Working Environment, leads to an increase in Discretionary Work Behaviour while a decrease in Work Environment, will lead to a decrease on Discretionary Work Behaviour.

Further tests as shown on table 4.50 gave a P- value of 0.001 which is less than the level of significance of 0.05 and which show a significant linear relationship between the Discretionary Work Behaviour and the Work Environment. These findings are similar to studies by Wegge et al. (2006) who found that objective working conditions substantially correlated with subjective measures of work motivation, Moreover employees experiencing a high motivating potential at work reported more Discretionary Work Behaviour, higher job satisfaction, and less turnover intentions..

From alternate hypothesis ,Work Environment significantly influences the promotion of discretionary work effort among public service employees and Since the p- value which is 0.001 is less than 0.05 ( $0.001 < 0.05$ ), then the null hypothesis is rejected because

there is a significant relationship between Working Environment and Discretionary Work Behaviour.

When the following model was fitted to find out whether the independent variable of Work Environment predicts the dependent variable Discretionary Work Behaviour, it was found to have goodness of fit and therefore the model is significant as shown by table 4.51. From this table  $B_0$  is 3.409 units, this can be interpreted as meaning that when there is no working environment, the model predicts that Discretionary Work Behaviour will have 3.409 units. From these data, Work Environment had a positive  $B$ -value (0.207) indicating positive relationship and therefore, as Work Environment increases, Discretionary Work Behaviour improves

Additionally, the  $b$ -value also tells to what degree each predictor affects the outcome. The value  $\beta_1 = 0.207$ , indicates that as Work Environment increases by one unit, Discretionary Work Behaviour improves by 0.207 units. If the  $b$ -values are substituted in the equation below, the model can be defined as follows: -

Discretionary Work Behaviour =  $3.409 + 0.207(\text{working environment}) + e$

$$Y_s = \beta_0 + \beta_1 X_1 + e$$

$Y_s = \text{Discretionary Work Behaviour}$

$\beta_0 = \text{constant (coefficient of intercept)}$

$X_1 = \text{Working Environment}$

$e = \text{error}$

**Table 4.31: Regression Analysis for Variable Work Environment****Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.209 <sup>a</sup>	.044	.040	1.19215

a. Predictors: (Constant), work environment

**Table 4.32: ANOVA for Regression Analysis for Variable Work Environment****ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	16.375	1	16.375	11.522	.001 <sup>b</sup>
1	Residual	412.09	290	1.421		
	Total	428.465	291			

a. Dependent Variable: Employee discretionary behavior

b. Predictors: (Constant), work environment

**Table 4.33: Coefficient for Regression Analysis for Variable Work Environment****Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized	T	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	3.409	.178		19.168	.000
	work environment	.207	.061	.209	3.394	.001

a. Dependent Variable: Employee discretionary behavior

**Regression Analysis for Variable Employee Engagement**

Regression analysis was used to find out if there is a relationship between Employee Engagement and the dependent variable by evaluating the contribution of the independent variable in explaining the dependent variable, when the other variables are controlled; the R Square value was obtained in this case.

From the results in table 4.52, Employee Engagement was found to have an R Square value of 0.092 or to contribute to 9.2% Discretionary Work Behaviour. The R square value is an important indicator of the predictive accuracy of the equation. The remaining 90.8% can be explained by other factors. The implication of these finding is that Employee Engagement plays a role in enhancing Discretionary Work Behaviour. These findings show that there is a positive relationship between Employee Engagement and Discretionary Work Behaviour. The implication of this is that change in Employee Engagement will have positive impact on employee Discretionary Work Behaviour. It suggests that an improvement in Employee Engagement, leads to an increase in Discretionary Work Behaviour while a decrease in Employee Engagement, will lead to a decrease on Discretionary Work Behaviour.

Further tests as shown on table 4.53 gave a P- value of 0.000 which is less than the level of significance of 0.05 and which show a significant linear relationship between the Discretionary Work Behaviour and the Employee Engagement. These findings are similar to studies by the CLC's model of engagement which shows that engagement leads to discretionary effort and hence performance, and to commitment and retention. This study found that the greatest impact on discretionary effort comes from emotional commitment to one's job and the organisation, i.e engagement.

From the alternate hypothesis ,Employee engagement significantly influences the promotion of discretionary work effort among public service employees and since the p-value which is 0.000 is less than 0.05 ( $0.000 < 0.05$ ), then the null hypothesis is rejected because there is a significant relationship between Employee Engagement and Discretionary Work Behaviour.

When the following model was fitted to find out whether the independent variable of Employee Engagement predicts the dependent variable Discretionary Work Behaviour, it was found to have goodness of fit and therefore the model is significant as shown by table 4.54. From this table  $B_0$  is 2.505 units, this can be interpreted as meaning that



when there is no Employee Engagement, the model predicts that Discretionary Work Behaviour will have 2.505 units. From these data, Employee Engagement had a positive *B*-value (0.372) indicating positive relationship and therefore, as Employee Engagement increases, Discretionary Work Behaviour improves.

Additionally, the *b*-value also tells to what degree each predictor affects the outcome. The value  $\beta_1 = 0.372$ , indicates that as Employee Engagement increases by one unit, Discretionary Work Behaviour improves by 0.372 units. If the *b*-values are substituted in the equation below, the model can be defined as follows: -

$$\text{Discretionary Work Behaviour} = 2.505 + 0.372(\text{employee engagement}) + e$$

$$Y_s = \beta_0 + \beta_1 X_1 + e$$

$$Y_s = \text{Discretionary Work Behaviour}$$

$$\beta_0 = \text{constant (coefficient of intercept)}$$

$$X_1 = \text{Employee Engagement}$$

$$e = \text{error}$$

**Table 4.34: Regression Analysis for Variable Employee Engagement**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.304 <sup>a</sup>	.092	.089	1.17138

a. Predictors: (Constant), Employee engagement

**Table 4.35: ANOVA for Regression Analysis for Variable Employee Engagement**ANOVA<sup>a</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	35.640	1	35.640	25.974	.000 <sup>b</sup>
	Residual	351.263	256	1.372		
	Total	386.903	257			

a. Dependent Variable: Employee discretionary behavior

b. Predictors: (Constant), Employee engagement

**Table 4.36: Coefficient of Regression Analysis for Variable Employee Engagement**Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error			
1	(Constant)	2.505	.299		8.388	.000
	Employee engagement	.372	.073	.304	5.096	.000

a. Dependent Variable: : Employee discretionary behavior

**4.7. 3 Structural Model Estimation and Hypothesis Testing**

The structural or inner model was evaluated using the path weighting or  $\beta$  coefficients and corresponding  $p$  values generated from the SmartPLS analysis. Consistent with Chin (1998), bootstrapping (500 resamples) was applied to produce standard errors and  $T$ -statistics. This enabled the measurement of the statistical significance of the path coefficients. The degrees of freedom for all measures in the bootstrap analysis are equal to the number of resamples minus one, which is 499.  $f^2$  effect levels were used to determine the strength of the  $R^2$  values.

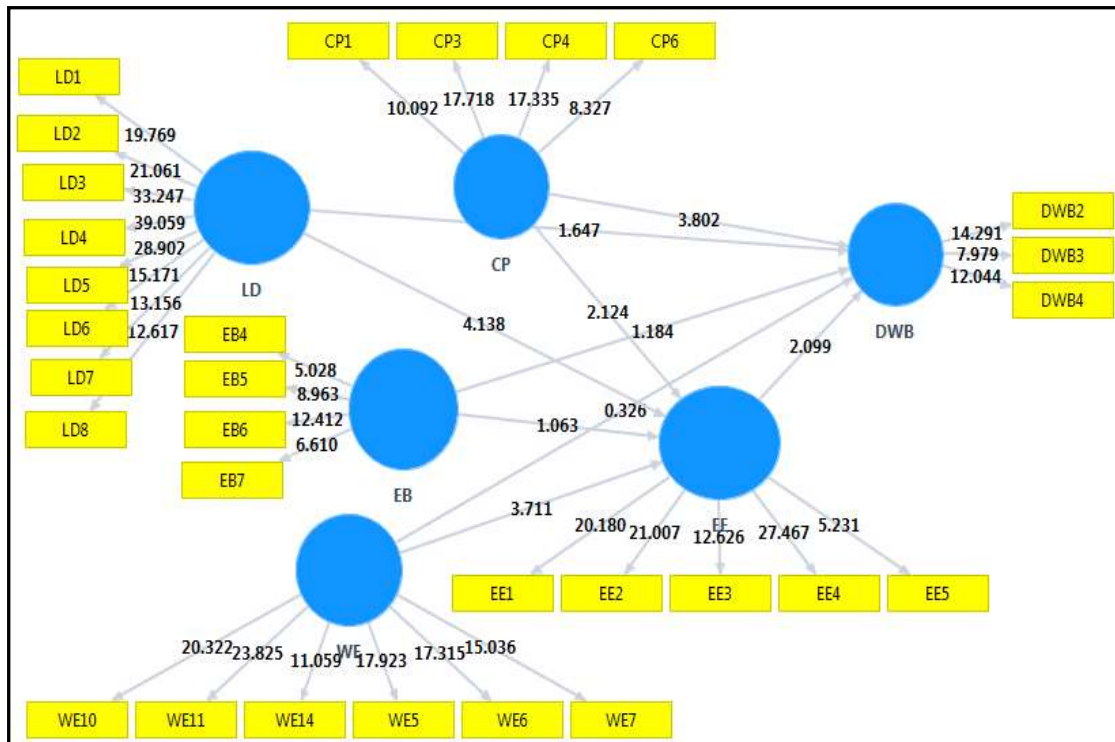
The statistical objective of PLS is to show high  $R^2$  and significant  $t$ -values, thus rejecting the null hypothesis of no effect. Parameters with an absolute  $t$ -value greater than 1.65

indicate a significance level of 0.1 (i.e.  $p < 0.1$ ), 1.96 indicate a significance level of 0.05 (i.e.  $p < 0.05$ ), those with an absolute t-value over 2.58 present a significance level of 0.01 (i.e.  $p < 0.01$ ), and those with an absolute t-value over 3.26 present a significance level of 0.001 (i.e.  $p < 0.001$ ). The relevant p value and p coefficients are presented in Table 4.

**Table 4. 37: P coefficients and P values**

	DWB	EE
CP	0.333***	0.155*
EB	0.073	0.057
EE	0.186*	
LD	0.115	0.289***
WE	-0.027	0.288***

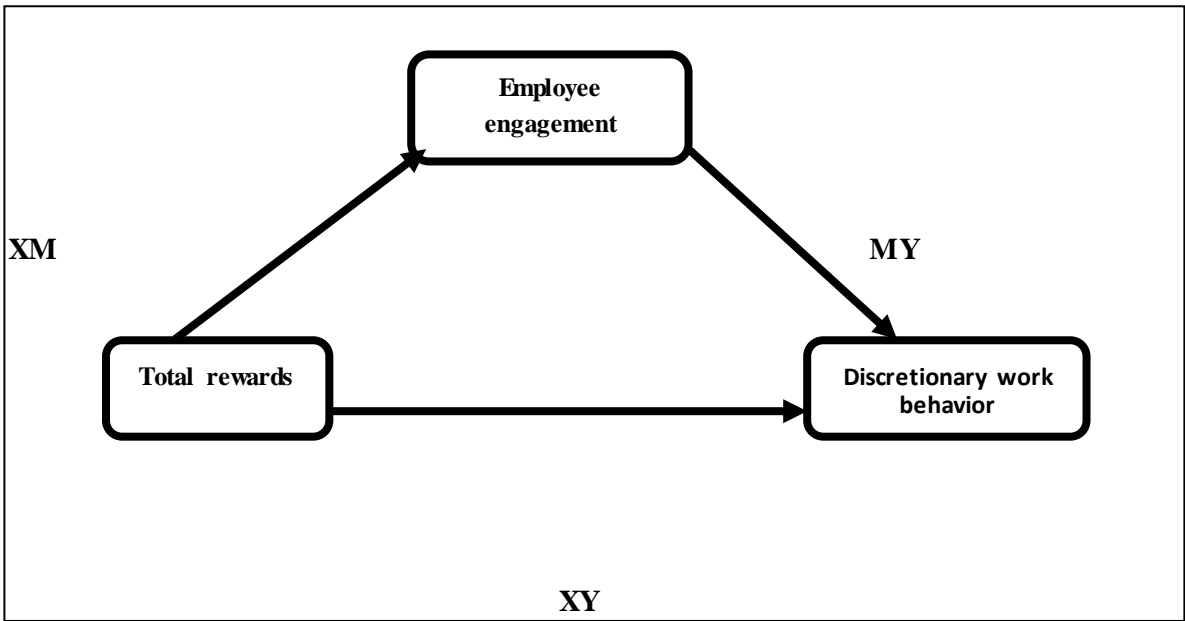
n=282 \* $p > 0.1$ , \*\* $p > 0.05$ ; \*\*\* $p > 0.001$ (two tailed)



**Figure 4.7 Measurement Model of the Study, T-Statistics**

#### 4.7.4 Test of Mediating Variable (Employee Engagement)

This test sought to establish the effect of the Employee Engagement as a mediator between the independent variables (Competitive Pay; Employee Benefits, Learning & Development and the Work Environment) and the dependent variable (Discretionary Work Behaviour). This mediating effect testing was performed using a method adopted in a similar study by Ajzen and Fishbein (1980), which examined the product of coefficients. According to MacKinnon, Lockwood, Hoffman, West and Sheets (2002), one can use this method to compute a coefficient for the “indirect effect” of independent variable abbreviated as (X) on dependent variable (Y) through mediator (M) by multiplying the coefficient for path XM by the coefficient for path MY. The coefficient for path XM is the zero-order  $r$  between X and M. The coefficient for path MY, is the Beta weight for M from the multiple regression predicting Y from X and M. This is illustrated in the following figure 4.8



**Direct Effect=XY, Mediated Effect= MY, Total Effect=XM+MY**

**Figure 4.8 Mediation Model for Employee Engagement**

The test statistic (*TS*) is computed by dividing the indirect effect coefficient by its standard error presented as equation 2.

$$TS = \frac{\alpha\beta}{\sigma_{\alpha\beta}}$$

.....Equation 2

This test statistic is usually evaluated by comparing it to the standard normal distribution. The most commonly employed standard error is Sobel’s (1982) first-order approximation, which is computed using the formulae in equation 3.

$$\sqrt{\alpha^2 \sigma_{\beta}^2 + \beta^2 \sigma_{\alpha}^2} \dots\dots\dots \text{Equation 3}$$

where  $\alpha$  is the zero-order correlation or unstandardized regression coefficient for predicting M from X,  $\sigma_{\alpha}^2$  is the standard error for that coefficient,  $\beta$  is the standardized or unstandardized partial regression coefficient for predicting Y from M controlling for X, and  $\sigma_{\beta}^2$  is the standard error for that coefficient. All independent variable's product of coefficient was examined through regression analysis.

Table 4.56 shows a summary of the coefficients for predicting the mediation effect of employee engagement on the independent variable. The Sobel's method was used by entering the appropriate values in Sobel's calculator online. The p values were used to determine the effect. The P value corresponding to the Competitive Pay is 0.02 which is less than 0.05 an implication that the inclusion of the mediator (Employee Engagement) significantly affected the association between Competitive Pay and Discretionary Work Behavior. The P value corresponding to the benefits is 0.75 which is greater than 0.05 an implication that the inclusion of the mediator (employee engagement) had insignificant effects on the association between Employee Benefits and Discretionary Work Behaviour. The P value corresponding to the learning and development is 0.0002 which is less than 0.05 an implication that the inclusion of the mediator (employee engagement) significantly affected the association between Learning & Development and discretionary work behavior. The P value corresponding to the Work Environment is 0.02 which is less than 0.05 an implication that the inclusion of the mediator (employee engagement) significantly affected the association between Work Environment and discretionary Discretionary Work Behaviour.

**Table 4. 38: Summary of the Mediation Effect of Employee Engagement**

<b>variable</b>	<b>XM</b>	<b>Std.error for XM</b>	<b>MY</b>	<b>Std.error MY</b>	<b>T.S(p-value)</b>
Pay	0.128	0.046	0.343	0.071	0.02
Benefits	0.017	0.054	0.378	0.071	0.75
LD	0.448	0.069	0.347	0.077	0.0002
W.environment	0.133	0.049	0.339	0.073	0.02

**Key**

*X* Independent Variable

*Y* Dependent Variable

*M* Mediating Variable

*XM* unstandardized regression coefficient between X and M

*MY* unstandardized regression coefficient from multiple regressions predicting Y from X and M

**4.8 Optimal Model Fitness**

**4.8.1 Overall Regression Model**

Two Multiple regression models were adopted for the study, one with the effect of Employee Engagement as a mediating variable and the other without the mediating variable. Multiple regression models attempt to determine whether a group of variables together predict a given dependent variable (James & Frank, 1985).

Multiple regression analysis with Discretionary Work Behaviour as the dependent variable, while Competitive Pay, Employee Benefits, Learning and Development, and

Work Environment were the independent variables and Employee Engagement as the mediator were obtained as shown in the table 4.57

For model 2 the overall R square value was 0.335. This shows that 33.5% Discretionary Work Behaviour is affected by the independent variables of Competitive Pay, Employee Benefits, Learning and Development, and Work Environment, when Employee Engagement is acting as a mediator.

However when Employee Engagement was not used as a mediator as shown in model 1 in table 4.57, an overall R square value of 0.325 was obtained, this shows that 32.5% of employee Discretionary Work Behaviour is affected by the independent variables Competitive Pay, Employee Benefits, Learning and Development, and Work Environment when Employee Engagement is not acting as a mediator and is therefore controlled. This shows a difference of 0.01 or 1% as the overall mediating effect of Employee Engagement on Discretionary Work Behaviour when Competitive Pay, Employee Benefits, Learning and Development, and Work Environment are used as the independent variables. The mediating effect of Employee Engagement explains 1% variance in Discretionary Work Behaviour above and beyond the variance by Competitive Pay, Employee Benefits, Learning and Development, and Work Environment.

Table 4.59 shows that there is a significant relationship between the independent variables Competitive Pay, Work Environment and Discretionary Work Behaviour without the mediating variable and with the presence of the mediating variable. Although the independent variables Work Environment show insignificant relationship with the dependent variable, they can be significant if effectively improved.

The overall regression model can be reported as shown below

$$Y_S = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 M_1 \dots \dots \dots \text{Equation 1}$$



$$\text{Discretionary Work Behaviour} = 0.101 + 0.310 (\text{pay}) + 0.101 (\text{employee benefits}) + 0.200 (\text{learning and development}) - 0.048 (\text{work environment}) + 0.113 (\text{employee engagement}) \dots \dots \dots \text{Equation 1}$$

Where

$Y_s$  = Discretionary Work Behaviour

$\beta_0$  = constant (coefficient of intercept)

$X_1$  = pay,  $X_2$  = employee benefits,  $X_3$  = learning and development,  $X_4$  = work environment

$M_1$  = employee Engagement

The results and findings indicate that pay and work environment have a significant combined effect on Discretionary Work Behaviour, with Employee Engagement playing a significant mediating role. However, Employee Benefit and Learning and Development do not play a significant role when bundled together with Competitive Pay and Work Environment with Employee Engagement as a mediator. Though Work Environment is not a significant predictor of Discretionary Work Behaviour (model 1 and 2, p- value = 0.777 and 0.351 respectively), it still plays a very important role as supported by a research by Simon (1976) who has argued that in an organizational context, discretionary work behaviour is often part of an informal psychological contract in which employees hope such extra effort may be perceived and then rewarded by the supervisor and the organization. Overall, these variables contribute 33.5% to Discretionary Work Behaviour while 66.5% can be explained by other factors.

**Table 4.39: Overall Regression Analysis**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Change	Square F Change	df1	df2	Sig. F Change
1	.570 <sup>a</sup>	.325	.315	.70770	.325	31.415	4	261	.000
2	.579 <sup>b</sup>	.335	.323	.70357	.010	4.069	1	260	.045

a. Predictors: (Constant), work environment, pay, employee benefits, learning and development

b. Predictors: (Constant), work environment, pay, employee benefits, learning and development, Employee engagement

**ANOVA For Overall Regression Analysis**

From the alternate hypothesis ,Total Reward has significantly influences promotion of Discretionary Work Behaviour among` Public service employees and since the p- value which is 0.000 is less than 0.05 ( $0.000 < 0.05$ ), then the null hypothesis is rejected because there is a significant relationship between Total Reward and Discretionary Work Behaviour. Table 4.58, Model 1 shows this and it canthus, be concluded that the variables are jointly significant in explaining Discretionary Work Behaviour. In conclusion, therefore, the Public service needs to take cognizance of the fact that all these factors should be enhanced within the work environment to ensure an efficient Public service.

**Table 4.40: ANOVA<sup>a</sup> For Overall Regression analysis**

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

Model	Sum Squares	of Df	Mean Square	F	Sig.
1	62.936	4	15.734	31.415	.000 <sup>b</sup>
	Regression				
	Residual	287	.501		
	Total	291			
2	64.951	5	12.990	26.242	.000 <sup>c</sup>
	Regression				
	Residual	286	.495		
	Total	291			

a. Dependent Variable: DWB

b. Predictors: (Constant), WE, CP, EB, LD

a. Predictors: (Constant), WE, CP, EB, LD, EE

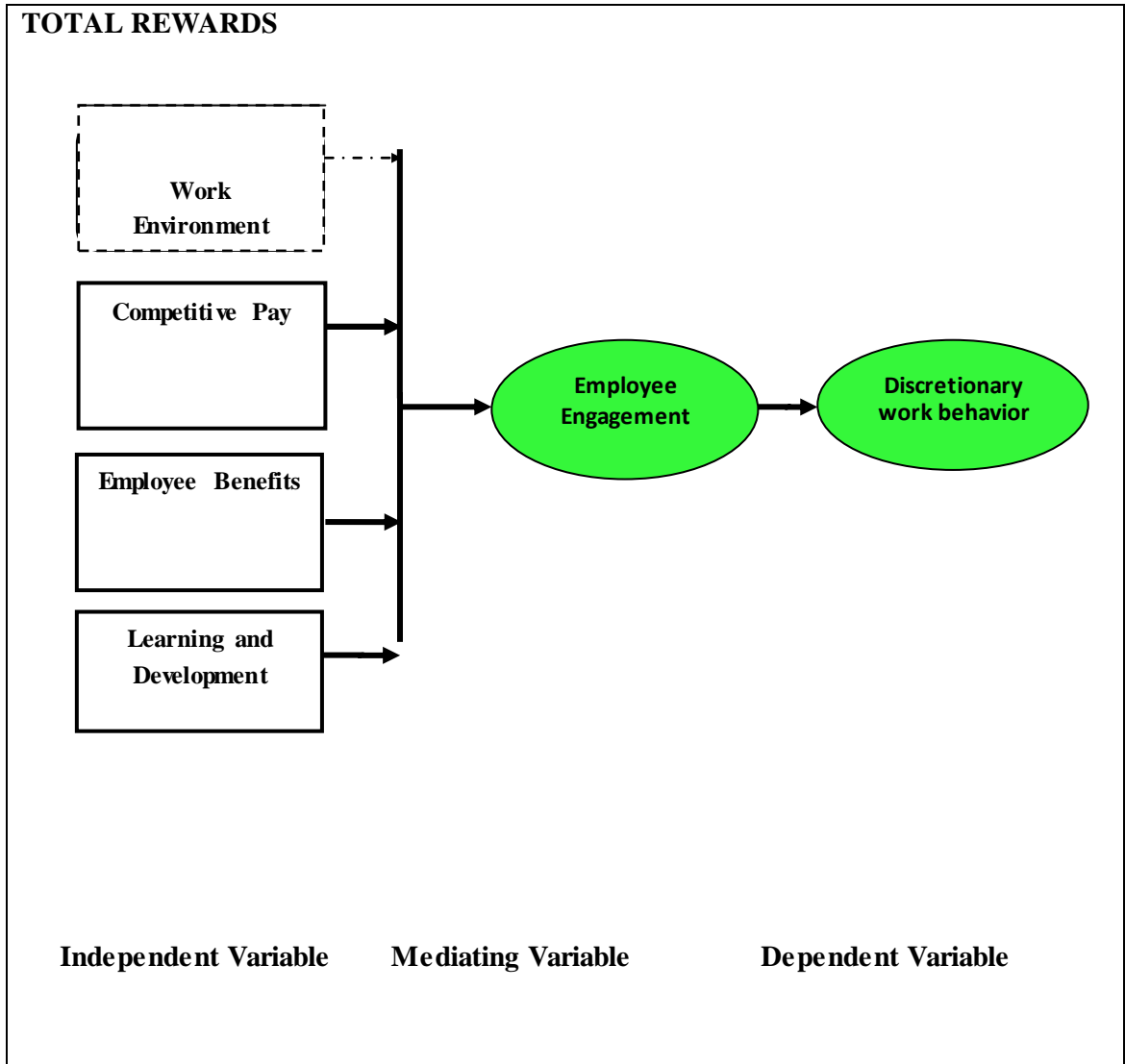
**Table 4.41: Overall Regression Coefficients****Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
	(Constant)	0.103	.043		2.379	.018
1	Pay	.338	.051	.373	6.698	.000
	Employee benefits	.104	.047	.122	2.223	.027
	Learning and development	.230	.048	.271	4.803	.000
	work environment	.014	.049	-.016	-0.284	.777
	(Constant)	.101	.043		2.339	.020
2	Pay	.310	.052	.342	5.945	.000
	Employee benefits	.101	.046	.119	2.175	.031
	Learning and development	.200	.050	.235	4.011	.000
	work environment	-.048	.051	-.056	.934	.351
	Employee engagement	.113	.056	.129	2.017	.045

Dependent Variable: employee discretionary work behavior





#### 4.8.2 Optimal Model

From the research findings above, the model is retained as shown in equation 1. This is because from the results of the study once the independent variables are bundled together with Employee Engagement as a mediator, Competitive Pay, Employee Benefits, Learning and Development play a positive and significant role on Discretionary Work Behavior. Work Environment plays a positive but insignificant role on Discretionary Work Behavior ( $p= 0.777$  and  $p= 0.351$ ) when Employee Engagement acts as a mediator. This means that Engaged employees do not need any inducements in the form of Work Environment to perform since they already have intrinsic motivation; however, Work Environment still plays a significant role on Discretionary Work Behavior. The results corroborates the findings of studies by Osterloh and Frey(2000); Choi and Lee(2003); Joia and Lemos(2010) for the supported casual paths and disagrees with the findings by (Becerra- Fernandez et al., 2004, Gold *et al.*,2001) for the casual path which was not supported respectively



**Figure 4.9 Revised Model of the role of Reward System In promoting Discretionary Work Behavior in Kenyan Public Service**

**KEY**

-  Independent variable dimension supported
-  Independent variable dimension not supported
-  Path supported
-  Path not supported

## **CHAPTER FIVE**

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

#### **5.1 Introduction**

This study sought to find out the role of Reward System in promoting Discretionary Work Behavior in the Kenyan public service. The study examined the Work Environment, Competitive Pay, Employee Benefits, Learning and Development and Employee Engagement. This chapter summarises the collected data and the statistical treatment of analysis: discussion with reference to the specific objectives/research questions and assesses the meaning of results by evaluating and interpreting them. The conclusions relate directly to specific objectives/research questions. The recommendations refer to the suggestions for further study or proposal for change or both. Each recommendation traces directly to each conclusion.

#### **5.2 Summary of Major Findings**

Based on the findings Discretionary Work Behavior is an area influenced by a number of factors. Over the years, performance in the Public sector has been wanting. The study examined a total population of 26000 in the Kenyan public service. A probability random sampling approach was used to select 379 officers. The basis of random sampling was to give everyone an equal chance of participating in the study. The study was conducted by use of interviewer administered questionnaires parallel to qualitative data collected. Out of the 379 staff 292 responded giving a response rate of over 77 %. Babbie (2002) observes that 50% and above is adequate for analysis and therefore this rate was considered sufficient. The instruments were pilot tested and analysed for reliability and validity using Cronbach's alpha formula. Confirmatory Factor Analysis to reduce the factors was also used. This confirmed the conceptual framework of this study with the elimination of Work Environment as one of the Independent variable since it doesn't have an effect on Discretionary work behaviour( $p=0.777$  and  $p=0.351$

respectively when employee engagement is the is not and when it acts as the mediator respectively). Engagement was discovered mediate the effect of the explanatory variables on Discretionary Work Behavior.

SPSS version 16 was used as the statistical tool for analysis all through the study. Qualitative data was content analysed as the data was organized into themes and categories. This data was operationalised quantitatively for further analysis. Quantitative data was analysed and described using descriptive and inferential statistics. Correlation Analysis was used to determine the relationship between the dependent and independent variables. Linear regression was done to establish the magnitude and direction of the relationship. Multiple regressions were used to test the combined effect of all the independent variables to the dependent variable. The study had the following findings:

### **5.2.1 Does Competitive Pay significantly influence Discretionary Work Behaviour on Public service employees?**

The study sought to investigate if there is a relationship between Competitive Pay and Discretionary Work Behaviour. From the descriptive analysis majority of the respondents (41.4 %) believe that competitive pay helped individuals to portray Discretionary Work Behavior in the public service. A majority of the respondents (45.9 %) strongly agreed that employees who engage in Discretionary Work Behavior exhibited supportive behaviours. The computed Chronbach's Alpha of the items of Competitive Pay was 0.850; this meant a high reliability of the study instrument and data. The inferential analysis and findings showed that there is a positive significant linear relationship between Competitive Pay and Discretionary Work Behaviour with a Pearson Correlation Coefficient of 0.437 and a p- value of 0.000 and an R square value of 0.071 which means that it contributes 7.1% of Discretionary Work Behavior.

This study concludes that paying employees competitively leads to promotion of discretionary work behavior among them. This is because it helps in motivating



employees, increases their retention in the organizations and increase their engagement to the organization. The null hypothesis was therefore rejected

.This results agree with findings of Akerl of (1990) that employees will devote more effort into their work--striving to ensure their job is secure--if paid handsomely as well as refrain from leaving prematurely.

### **5.2.2 Do Employee Benefits significantly promote Discretionary Work Behaviour among public service employees?**

The study sought to investigate if there is a relationship between Employee Benefits and Discretionary Work Behaviour. From the descriptive analysis 26.4% disagreed when asked if they enjoyed paid vacation and 20.5% of the sample were neutral. This was followed by those who agreed, having a percentage of 20.5%. The statement *that Public Service has a robust medical scheme* was equally scored, with 23.3% strongly disagreeing, 24.7% disagreeing, 23.6% were neutral and 21% agree to the statement. The computed Chronbach's Alpha of the items of employee benefits was 0.864; this meant a high reliability of the study instrument and data. The inferential analysis and findings showed that there is a positive significant linear relationship between Employee Benefits and Discretionary Work Behaviour with a Pearson Correlation Coefficient of 0.174 and a p- value of 0.003 and an R square value of 0.027 which means that it contributes 2.7% of Discretionary Work Behavior. This study concludes that provision of Employee Benefits to employees leads to promotion of Discretionary Work Behavior among employees. This is because it helps in motivating employees, increases their retention in the organizations and increases their engagement to the organization as well. Therefore the null hypothesis was rejected. The results agreed with those of Fielder (2006) who defined discretionary effort as "something we hold back unless we feel really motivated or inspired to give more".

### **5.2.3. Does Learning and Development lead to Discretionary Work Behaviour among public service employees?**

The study sought to investigate if there is a relationship between Learning and Development and Discretionary Work Behavior. From the descriptive analysis 47.9 percent agreed to the statement that Learning and Development promotes team work.. This was followed by 35.5% of the respondents who strongly agreed to the statement. A majority of the respondents agree to the statement that Learning and Development enhances competence adaptability. This represents 44.2 % of the sample. This was followed by 42.1% of the respondents who strongly agreed to the statement. 9.9% were neutral while 3.1% disagreed. Only 0.7% strongly disagreed .The computed Chronbach's Alpha of the items of Learning and Development was 0.919; this meant a high reliability of the study instrument and data. The inferential analysis and findings showed that there is a positive significant linear relationship between Learning and Development and Discretionary Work Behaviour with a Pearson Correlation Coefficient of 0.316 and a p- value of 0.000 and an R square value of 0.028 which means that it contributes 2.8% of discretionary work behavior.

This study concludes that provision of employee Learning and development opportunities enhances capacity of employees, development of their skills and career .Again, workers are motivated to work and remain in the organization. Learning and development leads to promotion of Discretionary Work Behavior among employees. This is because motivated employees are innovative and will not waste time looking for other jobs thus, increasing their retention in the organizations and remain engaged. Therefore the null hypothesis was rejected.

The results agree with results of Applebaum *et al* (2000) research results that 'plant managers who invest in the skills of front-line workers and include these workers in decision-making activities elicit discretionary effort by employees. This effort increases operating efficiency and competitive advantage' (Applebaum *et al* 2000:235).

#### **5.2.4 Does Work Environment significantly promote on Discretionary Work Behaviour?**

The study sought to investigate if there is a relationship between Work Environment and Discretionary Work Behavior. From the descriptive analysis, many of the respondents agreed with the statement that the work done by employees is motivating and interesting. This represents 44.2 % of the sample. A good percentage of the respondents agreed with the statement that work done by public servants gives a sense of achievement in their jobs. This represents 47.9 % of the sample. This was followed by 17.8% of the respondents who strongly agreed to the statement. On whether work done by employees give them autonomy in their jobs. A majority agreed. This represented 43.8 % of the sample that agreed. This was followed by 14.7% of the respondents who strongly agreed to the statement.

The computed Chronbach's Alpha of the items of Work Environment was 0.966; this meant a high reliability of the study instrument and data. The inferential analysis and findings showed that there is a positive significant linear relationship between Work Environment and Discretionary Work Behaviour with a Pearson Correlation Coefficient of 0.181 and a p- value of 0.002 and an R square value of 0.044 which means that it contributes 4.4 % of Discretionary Work Behavior. This study concludes that provision of employee Work Environment enhances capacity of employees, development of their skills and careers. Again, workers are motivated to work and remain in the organization. Therefore the null hypothesis was therefore rejected.

The results corroborate Armstrong (2006) statement that when experts take a broad view of total rewards package extending beyond pay and benefits to include intrinsic aspects of work such as Work Environment, Learning and Development, the aim is to use total rewards to foster Employee Engagement with their work, commitment to the organization and positive Discretionary Work Behavior.

### **5.2.5 Does Employee Engagement significantly mediate Discretionary Work Behavior among public service employees?**

The study sought to investigate the mediating role of Employee Engagement on Discretionary Work Behavior. From the descriptive analysis a higher percentage of the respondents agreed with the statement that Employee Engagement promotes improved performance. This represents 52.7 % of the sample. This was followed by 30.1% of the respondents who strongly agreed to the statement. A large number of the respondents agree to the statement that supervisors implement work procedures and agreement fairly. This represented 46.6 % of the sample. This was followed by 20.2% of the respondents who strongly agreed to the statement. 19.5% of the respondents were neutral while 10.6% disagreed. Only 3.1% strongly disagreed with the statement.

The computed Chronbach's Alpha of the items of Employee Engagement was 0.857; this meant a high reliability of the study instrument and data. The inferential analysis and findings showed that there is a positive significant linear relationship between Employee engagement and Discretionary Work Behaviour, with a Pearson Correlation Coefficient of 0.373 and a p- value of 0.000 and an  $R^2$ , of 0.092, which means that it contributes 9.2% to Discretionary Work Behaviour.

The study concludes that an employee, who is engaged, exhibits discretionary behaviour thus leading to high performance of the firm. Employers need to ensure employees are engaged through implementing working procedures and agreements fairly. They should employ practices that make employees loyal to the organization, those that make employees proficient in their work and those who overcome obstacles in their jobs. Training programmes should be those that make employees inspired and motivated to work, and emotionally committed to their jobs. There is need for the public service to carryout regular engagement surveys and implement findings.

These findings are supported by a research by Gallup (2008), which showed that engaged employees are emotionally attached to their organizations, are committed and therefore are more productive. This is because according to Schaufeli *et al* (2002) engagement is a positive, fulfilling, work-related state of mind characterized by vigor, dedication, and absorption. A research done by West and Dawson (2012), among Health sector workers confirms that employee engagement leads to improved individual employee performance, reduced absenteeism and turnover as well as reduced patient mortality.

### **5.2.6 The Overall Effect of all the Independent Variables (Total Rewards) on Discretionary Work Behavior**

In Model 1, in table 4.59, 32.5 per cent of Discretionary Work Behavior is explained by the three predictors i.e Competitive Pay, Employee Benefits and Learning and Development. The other 67.5 Percent of Discretionary Work Behavior is explained by other factors. In Model 2, 33.5 percent of discretionary work behavior is explained by the three predictors and the Mediating Variable. This means 67.5 percent of discretionary work behavior is explained by other factors. The adjusted R squared increases from 31.5 to 32.3 percent implying that Employee Engagement is significant in explaining Discretionary Work behavior. The null hypothesis is rejected.

From table 4.58, Model 1, P- value is 0.000 which is less than 0.05, so the null hypothesis is rejected and hence it's concluded that variables are jointly significant in explaining Discretionary Work Behavior. In conclusion, the Public service needs to take cognizance of the fact that all these factors should be enhanced within the work environment to ensure an efficient public service.

### **5.3 Conclusion**

The overall findings show that when Total Rewards (Competitive Pay, Employee Benefits, Learning and Development, Work Environment) are bundled together, they

have a synergistic link so that the impact of each on Discretionary Work Behaviour is enhanced when the others are present (Baron and Kreps, (1999) and Newman and Gehart (2010) Therefore, Senior Management in the Public Service should consider implementing Total Rewards to promote Discretionary Work Behaviour. The following were the conclusions are derived from the study:

This study concludes that when Competitive Pay, Employee Benefits, Learning and Development, Work Environment) are used effectively, they can promote Discretionary Work Behavior thus leading to high performance by the public service. Therefore the public servants should be paid competitively to make them exhibit Discretionary Work Behavior. Clear guidelines and policies should be followed to ensure that competitive pay is implemented in a fair manner, this is because according to Armstrong (2006) that the concept of total reward is simple. If people are rewarded both extrinsically and intrinsically then that helps foster engagement with a job, commitment to an organization and positive discretionary behavior, for example, by staff undertaking more work than is expected of them or tasks outside of their job description.

The findings also show that Employee Benefits influences Discretionary Work Behavior in the Public service. When employees are assured that their medical care is taken care of by the organization, their vacation is paid for, they are provided with proper housing and company cars, the employees tend to put in extra effort thus exhibiting Discretionary Work Behaviour. The policy developers should develop policies that are aimed at employees benefits competitive across all cadres of staff.

The findings also show that Learning and Development contributes immensely in employees exhibiting Discretionary Work Behavior. Employees should be frequently trained to improve on their skills and develop their capacities and careers as well and also help them adopt to the changing working environment. The HR personnel in public service should exploit, training and career Development, because once employee's knowledge, skills, competencies and abilities are enhanced, coupled with opportunities

for Employee Development their potentiality to exhibit discretionary work behavior is enhanced. productivity increases The results agree with research by Applebaum et al (2000) who reiterated that ‘plant managers who invest in the skills of front-line workers and include these workers in decision-making activities elicit discretionary effort by employees. This effort increases operating efficiency and competitive advantage’ (Applebaum *et al* 2000:235).

This study concludes that when employees are provided with an efficient and effective work environment that is free of stress from supervisors and lack of working tools, then employees will reciprocate with positive discretionary behavior. Policy developers in the public service should ensure work environment is devoid of stress, procedures and policies developed are fair and go a long way in promoting Discretionary Work behavior. Procedures and policies should ensure workers exhaling discretionary work behaviour are appreciated, these policies should allow employee participation in decision making, jobs should add value to the employees and ensure work-life balance is enhanced.

Employee engagement is also seen to play a mediating role by increasing the effect of the independent variables on Discretionary Work Behavior when present and reducing the effect of the independent variables when absent. HR personnel in Public service should therefore consider how to increase engagement levels among staff, by incorporating engagement practices and conducting regular engagement surveys.

The results also show that when the Competitive Pay, Employee Benefits, Learning and Development and Work Environment are bundled together and Employee Engagement used as a mediator, play an insignificant role in Promoting Discretionary Work Behavior. This means that engaged employees will be productive whether supervision is present or not, since they are self-driven, and identify with the success of the organization. According to Herzberg two factor theory, employees are motivated by the work itself, a sense of achievement, responsibility and advancement opportunities,

whereas Competitive Pay is mainly a hygiene or maintenance factor, hence engaged employees have intrinsic motivation. Policy makers should therefore consider placing an emphasis on engagement of workers and adoption of Human resource management practices as opposed to personnel management.

#### **5.4 Recommendations**

The study justifies that when workers are paid competitively, their work environment drastically improved, employee benefits increased and provided with continuous provision of learning and development opportunities, it is very possible to have public servants exhibiting Discretionary Work Behavior. The attitude towards public servants will be a positive one. The government of Kenya, other organizations, other scholars and policy makers, all stake holders and the international community, should pay attention to the following factors that contribute to Discretionary Work Behavior in the public service.

The public service should ensure employees are paid competitively to ensure employees are efficient workers and that they exhibit Discretionary Work Behavior and have increased motivation and productivity. From the literature review in chapter two and research findings in chapter four, Competitive Pay has a direct link with Discretionary Work Behavior which ensures employees exude confidence in their work and consistently perform optimally. Promotion opportunities should be on merit and implemented fairly. Good pay apart from motivating employee will eradicate corruption in the civil service and improve efficiency. It makes employees become more engaged, more proficient, increases retention of employees, promotes job security. It makes employees become more enthusiastic .It makes employees exhibit Discretionary Work Behavior, who in turn become more creative and show intimate knowledge of their organization. Employees who exhibit Discretionary Work Behavior become more supportive to the organization since they are highly motivated. Employees should be promoted fairly and equitably. Employees who feel management is fair will be highly



motivated to attain higher goals according to Maslow hierarchy needs. They should participate in negotiations for pay increase and let them own the organizations.

Public service officers need a conducive work environment. Those who live in poor and stressful working environments will never exhibit Discretionary Work Behavior because employees who exhibit Discretionary Work Behavior are highly motivated and efficient in delivery of services since they work in comfortable environments. Supervisors should ensure: Discretionary Work Effort of employees is rewarded, use of modernized technology in the offices is inherent, timely supply of equipment to employees is done and meaningful work is given to Employees .Again, workers who show Discretionary Work Effort are loyal to the organization and the work they do enables them to have a sense of achievement .Employees should have autonomy in carrying out their tasks, should be allowed to be innovative and add value to their jobs. Training of employees should enable employees balance their work and other life commitments (work-life-balance) and should be encouraged to exhibit Discretionary Work Behavior. Workers should be treated with respect and dignity; they should be valued and appreciated for their individual contributions. Change of culture from one of corruption and laziness to one of being transparent should be emphasized. They should be allowed to give unique contributions which are hard to be copied by other organizations. Employees should be involved in decision making activities to make them own up what they do and which will result in overall success of the organization. Supervisor and employee relationship is promoted by Discretionary Work Behavior among employees therefore the public service should ensure it is entrenched in their work ethics.

The benefits given to public servants should be commensurate with their qualifications and that the public service should have a robust medical scheme. Housing of public service employees like police officers need improvement to motivate them, allowances should be improved, employees showing discretionary work behavior should be recognized, loan facilities should be provided by the public service and vacation of employees to be paid for by the public service. The government should put in place a

robust pension scheme and encourage supervisors to apply modern management techniques and provide adequate telephone allowances. These will go a long way in motivating the employees, retaining them for a long time and will result in an efficient public service .Otherwise they will remain de-motivated and corrupt. There is need for regular short trainings on stress management since officers like police have an environment that is stressful.

Training of public servants on the ills of corruption will rid the force of the vice; will improve the delivery of service as they become more efficient and highly motivated. Public servant employees should be trained on values of teamwork. Learning and Development programmes should promote skills progress among employees to enhance discretionary work behavior which is instrumental in enhancing employees potential, competence adaptability, and competence commitment. It enhances cooperation among employees, promotes interpersonal helping, improves relationships between colleagues and between supervisors and subordinates. It promotes trust as well among employees and supervisors and management.

For workers to exhibit Discretionary Work Behavior, they need to be engaged. Engagement (emotional commitment) to work and organization leads to improved performance in the place of work. Employees should be inspired and motivated through being given training opportunities, being allowed to exercise autonomy in their work, should be left to be creative and innovative. New employees should be properly inducted to help them settle well in their work responsibilities early. Engagement drivers need to be incorporated in public service to have a positive impact on promotion of Discretionary Work Behavior among employees (by the decision makers) and regular engagement surveys conducted.

## **5.5 Proposed Areas for Further Research**

Due to constraints given in the first chapter, this chapter could not exhaust all the factors that contribute to Discretionary Work Behavior. Factors like attitude were not considered in determining to what extent they determine Discretionary Work Behavior of employees. The study concentrated on Public servants in Nairobi County. Other employees of other organizations could be interviewed as well to determine whether Reward system or which other factors contribute to Discretionary Work Behavior. Other mediating factors apart from engagement should be researched as well. 32.5 percent of discretionary work behavior among public servants. There is need to research on other factors that cause 67.5 percent of discretionary work behavior.

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## **APPENDICES**

### **APPENDIX 1: LETTER OF INTRODUCTION**

PONGAH MESHACK MWANDOE

NAIROBI CBD CAMPUS

JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY

P.O.BOX 62000-00200

NAIROBI -KENYA

Dear Respondent,

#### **RE: DATA COLLECTION**

I am a student at Jomo Kenyatta University of Agriculture and Technology pursuing the Degree of Doctor of Philosophy in Human Resource Management. I am currently conducting a research on the **ROLE OF ORGANISATIONAL REWARD SYSTEMS IN PROMOTING DISCRETIONARY WORK BEHAVIOUR IN THE KENYAN PUBLIC SERVICE.**

You have been selected to participate in this study and would highly appreciate if you assist me by responding to the questions adequately, correctly and as honestly as possible. Your response will be treated with utmost confidentiality and will only be used for research purposes of this study.

Thank You.

Yours Faithfully,

**Pongah Meshack Mwandoe**

**APPENDIX 2 : QUESTIONNAIRE**

*Kindly fill the questionnaire as appropriately as possible. Be assured that the information you give will be treated with utmost confidentiality and will be used only for research purpose.*

**SECTION A: BACKGROUND INFORMATION**

1. Gender:

Gender	Male	Female

2. Age (years): (tick appropriately)

<30 :( )	31-40 :( )	41-50 :( )	>50 :( )
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3. Level of education: What is your level education (Tick where appropriate)

Primary Education	High School	Diploma	Bachelor's degree	Masters degree	Other (specify)

4. Work experience:

Less than 2 years     2 – 10 years     above 10 years

Department.....

.....



Ministry.....

.....

Designation.....

.....

**SECTION B: DISCRETIONARY WORK BEHAVIOR (EXTRA WORK EFFORT)**

The following statements describe aspects of the Extra work effort. For each statement indicate your level of agreement regarding how the statements characterize the aspects of Public Service by circling the appropriate number where: 1= Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree.

<b>Item</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Workers who show extra work effort beyond what is expected in the work place have autonomy in their work.					
Workers who show extra work effort beyond what is expected in work place are loyal to the organization					
Employees who show extra work effort beyond what is expected strive to overcome obstacles in their work place					
Customers served by employees who show extra work effort beyond what is expected are satisfied					
Employees who show extra work effort beyond what is expected are treated very well by the management					

**SECTION C: COMPETITIVE PAY**

The following statements describe aspects of Competitive pay. For each statement indicate your level of agreement regarding how the statements characterize the aspects of Public Service by circling the appropriate number where: 1= Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree.

Item	1	2	3	4	5
1. Competitive Pay motivates employees in the Public Service					
2. Competitive Pay contribute in making employees show extra work effort beyond what is expected					
3. Employees who show extra work effort beyond what is expected are more engaged, more enthusiastic, more creative and have intimate knowledge of their organization					
4. Employees who engage in extra work effort beyond what is expected exhibit supportive behavior in the organization					
5. Competitive Pay leads to organization recruiting attractive, efficient, and proficient employees in Public Service					
6. Competitive Pay promotes retention of employees in Public Service					
7. Competitive Pay leads to employees engaging in extra work effort					

## SECTION D: EMPLOYEE BENEFITS

The following statements describe aspects of employee benefits. For each statement indicate your level of agreement regarding how the statements characterize the aspects of Public Service by circling the appropriate number where: 1= Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree.

Item	1	2	3	4	5
1. Public Service has a robust medical scheme.					
2. Office to work transport allowance is adequate					
3. Employees are treated to end of year party for teambuilding					
4. Public Service recognizes workers who exhibit extra role behaviors(those who work beyond the call of duty)					
5. Employees enjoy vacation once per year which is paid for the organisation					

## SECTION E: LEARNING AND DEVELOPMENT

The following statements describe aspects of Learning and Development. For each statement indicate your level of agreement regarding how the statements characterize aspects Public Service by circling the appropriate number where: 1= Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree.

Item	1	2	3	4	5
1. Learning and development promotes teamwork among the employees.					
2. Learning and development promotes skills progress among the employees					
3. Learning and development enhances individual potential among the employees					
4. Learning and development enhances competence adaptability among the employees					
5. Learning and development enhances competence commitment among the employees					
6. Learning and development enhance organizational culture among the employees					
7. Learning and development promotes cooperation among the employees					
8. Learning and development promotes going beyond ones prescribed duties among the employees					
9. Learning and development promotes trust among the employees					
10. Learning and development promotes interpersonal helping among the employees					

**SECTION F: WORK ENVIRONMENT**

The following statements describe aspects of work environment. For each statement indicate your level of agreement regarding how the statements characterize the aspects of Public Service by circling the appropriate number where: 1= Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree.

Item	1	2	3	4	5
1. Work environment in Public Service gives intrinsic motivation					
2. Employees are involved in decision making activities of your organization					
3. Workers are allowed to be innovative and add value to their jobs					
4. Employees who show extra work effort beyond what is expected are recognized and highly rewarded.					
5. The work itself (that which you do), is motivating and or interesting					
6. The supervisor gives you meaningful, fulfilling and energizing work					
7. Working environment promotes acceptable relationships between management					
8. Working environment make you as an employee to give valuable contributions that are unique and difficult to be					

Item	1	2	3	4	5
copied by other competitors.					
9. That the trustworthiness of the management leads to commitment of employees in your organization					
10. Work you do gives you a sense of achievement.					
11. Work you do offers you autonomy in carrying out tasks?					
12. Work you do is challenging thereby allowing role development					
13. Work-life balance (balance between your work and personal activities)promote going beyond ones prescribed duties among the employees					
14. Employees are treated with respect and dignity in your department					
15. Timely provision of work resources , the turnaround time between purchase of work tools and equipments go a long way to motivate employees					

**SECTION G: EMPLOYEE ENGAGEMENT (COMMITMENT AND EFFORT)**

The following statements describe aspects of employee engagement. For each statement indicate your level of agreement regarding how the statements characterize aspects of

Public Service by circling the appropriate number where: 1= Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree

Item	1	2	3	4	5
1. Employee engagement promotes improved performance					
2. Employee engagement promotes retention of workforce in your organization					
3. Inspiration and motivation leads to employees showing extra work effort beyond what is expected by the organization					
4. That emotional commitment to one's job leads to employees showing extra work effort					

**APPENDIX 3 : Table for Determining Random Sample Size from a Given Population** (Confidence level 95% Margin of error + or - 5%)

Population		Sample			
N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	308
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
<b>170</b>	<b>118</b>	<b>850</b>	<b>265</b>	<b>30000</b>	<b>379</b>
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

**Source:** Adapted from Educational and Psychological Measurement

David A Payne Robert F McMorris 1967 English Book x 419 p. illus. WalthamMass. Blaisdell Pub. Co.



**APPENDIX VI: DISCRETIONARY WORK BEHAVIOURRELIABILITY  
STATISTICS**

**Table 4.1. Discretionary Work BehaviourReliability Statistics**

<b>Discretionary Work Behaviour</b>	Corrected Item-Total Correlation	Cronbach's	
		Alpha if Item Deleted	Overall Cronbach's Alpha
workers who show extra effort beyond what is expected, have autonomy	0.387	0.63	0.664
workers who show extra effort beyond what is expected, have adaptivity	0.691	0.527	
workers who show extra effort beyond what is expected, are loyal	0.46	0.639	
workers who show extra effort beyond what is expected, have proficiency	0.603	0.572	
workers who show extra effort beyond what is expected, overcome obstacles	0.503	0.585	
workers in our organization exert themselves to the fullest	-0.031	0.722	
workers who show extra effort beyond what is expected, are treated well	0.237	0.677	

From the output, the cronbach alpha is 0.664. This is below 0.7 so the scale's internal consistency is not good. We observe that the last two items have the lowest corrected item total correlation of -0.031 and 0.237. This shows that these two items are measuring something different from the scale as a whole. If these two items are deleted, the cronbach's alpha would be greater.

**Table 4.2 Discretionary Work Behaviour Reliability Statistics After Deleting Two Items.**

Discretionary Work Behaviour	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted	Overall Cronbach's Alpha
workers who show extra effort beyond what is expected, have autonomy	0.632	0.695	0.765
workers who show extra effort beyond what is expected, have adaptivity	0.725	0.651	
workers who show extra effort beyond what is expected, are loyal	0.758	0.728	
workers who show extra effort beyond what is expected, have proficiency	0.495	0.737	
workers who show extra effort beyond what is expected, overcome obstacles	0.381	0.785	

After deletion of the two items, the cronbach's alpha has improved to 0.765. Thus the study should be carried out with the remaining 5 items.

**Table 4.3 Competitive Pay Reliability Statistics**

<b>Competitive Pay</b>	Scale	Corrected	Cronbach's	Overall
	Mean	if Item-Total	Alpha	if Cronbach's
	Item	Correlation	Item	Alpha
	Deleted		Deleted	
Competitive pay motivates employees	29.60	.343	-.353 <sup>a</sup>	-.188
High Competitive pay makes employees show extra work effort	30.00	.358	-.404 <sup>a</sup>	
Employees who engage in extra work effort are engaged	30.60	.591	-1.420 <sup>a</sup>	
Employees who engage in extra work effort show supportive behaviour	30.40	.614	-.712 <sup>a</sup>	
Competitive pay leads to the organization attracting proficient employees	30.80	.921	-.791 <sup>a</sup>	
Competitive pay promotes retention	30.80	-.260	.056	
Competitive pay leads to employees engaging in extra work	31.20	.498	-.703 <sup>a</sup>	
Competitive pay promotes job security	30.80	-.954	.424	
Employees enjoy a paid vacation	31.00	-.479	.480	

After deletion of these items, the cronbach's alpha has greatly improved from -1.88 to 0.809.

**Table 4.4 Competitive Pay Reliability Statistics after Two Deleting Items**

<b>Competitive Pay</b>	Scale Mean if Corrected	Cronbach's	Overall
	Item Deleted	Alpha if Item Deleted	Cronbach's Alpha
Competitive pay motivates employees	22.60	.084	.835
High Competitive pay makes employees show extra work effort	23.00	.488	.797
Employees who engage in extra work effort are engaged	23.60	.839	.723
Employees who engage in extra work effort show supportive behaviour	23.40	.706	.761
Competitive pay leads to the organization attracting proficient employees	23.80	.845	.756
Competitive pay promotes retention	23.80	.283	.850
Competitive pay leads to employees engaging in extra work	24.20	.895	.718

**Table 4.5 Employee Benefits Reliability Statistics.**

<b>Employee Benefits</b>	<b>Scale</b>	<b>Corrected</b>	<b>Cronbach's</b>	<b>Overall</b>
	<b>Mean</b>	<b>if Item-Total</b>	<b>Alpha</b>	<b>if Cronbach's</b>
	<b>Item</b>	<b>Correlation</b>	<b>Item</b>	<b>Alpha</b>
	<b>Deleted</b>		<b>Deleted</b>	
Public service has a robust medical scheme	18.60	.670	.651	0.711
organization gives employees enough days for holidays	17.40	.244	.726	
transport allowance is adequate	18.60	.800	.632	
employees treated to end of year parties	18.40	.574	.649	
The organization recognizes employees who put in extra effort	18.00	.744	.594	
Employees are assisted to get development loans	18.00	-.079	.732	
Employer pays for education	19.00	.161	.714	
Employees are involved in negotiating their own pay rise	18.80	.341	.693	
Public service has a robust pension schemes	18.20	-.404	.779	
Employees enjoy a paid vacation	18.60	.659	.628	

The cronbach's alpha is 0.711. Though this value is greater than 0.7, deletion of the second, sixth, seventh and ninth item since they have the lowest corrected item total correlation coefficients.

**Table 4.6 Employee Benefits Reliability Statistics After Deleting Two Items.**

<b>Employee Benefits</b>	<b>Scale</b>	<b>Corrected</b>	<b>Cronbach's</b>	<b>Overall</b>
	<b>Mean</b>	<b>if Item-Total</b>	<b>Alpha</b>	<b>if Cronbach's</b>
	<b>Item</b>	<b>Correlation</b>	<b>Item</b>	<b>Alpha</b>
	<b>Deleted</b>		<b>Deleted</b>	
Public service has a robust medical scheme	9.60	.870	.820	0.864
transport allowance is adequate	9.60	.521	.864	
employees treated to end of year parties	9.40	.847	.805	
The organization recognizes employees who put in extra effort	9.00	.887	.800	
Employees are involved in negotiating their own pay rise	9.80	.085	.916	
Employees enjoy a paid vacation	9.60	.891	.794	

The cronbach alpha has improved from 0.711 to 0.864

**Table 4.7 Learning and Development Reliability Statistics**

<b>Learning and Development</b>	Scale Mean if Deleted	Corrected Item-Total Correlation	Cronbach's Alpha Item Deleted	Overall if Cronbach's Alpha
LD promotes team work	44.00	.930	.818	.851
LD promotes skills progress	44.00	.930	.818	
LD enhances individual progress	43.75	.748	.831	
LD enhances competence adaptability	44.25	.471	.846	
LD enhances competence committment	44.50	.662	.829	
LD enhances organizational culture	44.25	.345	.850	
LD promotes cooperation	44.50	.662	.829	
LD promotes going beyond	44.75	.748	.831	
LD promotes trust	44.75	.709	.824	
LD promotes interpersonal helping	45.25	.610	.838	
LD improves relationship between colleagues, supervisors and surbordinates	44.75	.115	.876	
Induction of new employees contributes to motivation	44.75	.115	.876	

The current cronbach's alpha is 0.851 but this could improve if the last two items were deleted

**Table 4.8 Learning and Development Reliability Statistics after Deleting Two Items.**

<b>Learning and Development</b>	Scale Mean if Deleted	Corrected Item-Total Correlation	Cronbach's Alpha Item Deleted	Overall if Cronbach's Alpha
LD promotes team work	36.50	.843	.905	.919
LD promotes skills progress	36.50	.843	.905	
LD enhances individual progress	36.25	.858	.906	
LD enhances competence adaptability	36.75	.455	.933	
LD enhances competence committment	37.00	.898	.898	
LD enhances organizational culture	36.75	.568	.918	
LD promotes cooperation	37.00	.898	.898	
LD promotes going beyond	37.25	.858	.906	
LD promotes trust	37.25	.793	.907	
LD promotes interpersonal helping	37.75	.293	.929	

After the last two items are deleted, the value improves from 0.851 to 0.919.



**Table 4.9 Work Environment Reliability Statistics**

<b>Work Environment</b>	Scale Mean if Item Deleted	Corrected if Item-Total Correlation	Cronbach's Alpha if Item Deleted	Overall if Cronbach's Alpha
work environment in PS gives intrinsic motivation	52.50	.717	.956	0.958
employees are involved in decision making activities	51.75	.816	.954	
workers are allowed to be innovative and add value to their jobs	51.75	.863	.953	
Employees who show extra effort are recognized and rewarded	51.50	.701	.959	
The work itself is motivating and interesting	51.00	.963	.954	
Good working environment contributes to loyalty	51.00	-.130	.966	
The supervisor gives you meaningful fulfilling and energizing work	51.00	.963	.954	
Work environment promotes acceptable relationships	51.00	.963	.954	
Working environment makes as an employee give valuable contribution that is unique	50.75	.863	.953	
Trustworthiness of management leads to commitment	51.00	.658	.957	
Work you do gives a sense of achievement	51.00	.963	.954	
Work you do offers you autonomy	51.75	.816	.954	
Work you do is challenging and allows role development	51.25	.377	.960	
WLB promotes going beyond ones duties	51.25	.959	.951	
Employees are treated with respect and dignity	51.25	.959	.951	
Timely provision of work resources motivates employees	51.50	.959	.951	

Although the cronbach's alpha is very high, we note that the sixth item has a very low correlation of -0.130. Deleting this item will improve the cronbach's alpha value

**Table 4.10 Work Environment Reliability Statistics after deleting the item**

<b>Work Environment</b>	Scale Mean if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted	Overall Cronbach's Alpha
work environment in PS gives intrinsic motivation	48.75	.742	.965	0.966
employees are involved in decision making activities	48.00	.812	.963	
workers are allowed to be innovative and add value to their jobs	48.00	.857	.962	
Employees who show extra effort are recognized and rewarded	47.75	.689	.969	
The work itself is motivating and interesting	47.25	.975	.963	
The supervisor gives you meaningful fulfilling and energizing work	47.25	.975	.963	
Work envt promotes acceptable relationships	47.25	.975	.963	
Working envt makes as an employee give valuable contribution that is unique	47.00	.857	.962	
trustworthiness of management leads to commitment	47.25	.625	.967	
work you do gives a sense of achievement	47.25	.975	.963	
work you do offers you autonomy	48.00	.812	.963	
work you do is challenging and allows role development	47.50	.405	.969	
WLB promotes going beyond ones duties	47.50	.972	.960	
Employees are treated with respect and dignity	47.50	.972	.960	
Timely provision of work resources motivates employees	47.75	.943	.960	

Deleting this item increases the cronbach's alpha to 0.966

**Table 4.11 Employee Engagement Reliability Statistics**

<b>Employee Engagement</b>	Scale Mean Item Deleted	Corrected if Item-Total Correlation	Cronbach's Alpha Item Deleted	Overall if Cronbach's Alpha
Employee engagement promotes improved performance	15.40	.877	.701	0.825
Employee engagement promotes retention	15.40	.877	.701	
Inspiration and motivation leads to employees showing extra work effort	15.00	.791	.789	
Emotional commitment to ones job leads to employees showing extra work effort	15.20	.423	.847	
Lack of engagement leads to employee turnover	16.60	.465	.857	

The cronbach alpha value is 0.825. The value would be larger if the last item is deleted. This would give a cronbach's alpha value of 0.857

**Table 4.12 Employee Engagement Reliability Statistics after Deleting the Item**

<b>Employee Engagement</b>	Scale Mean Item Deleted	Corrected if Item-Total Correlation	Cronbach's Alpha Item Deleted	Overall if Cronbach's Alpha
Employee engagement promotes improved performance	12.60	.942	.711	0.857
Employee engagement promotes retention	12.60	.942	.711	
Inspiration and motivation leads to employees showing extra work effort	12.20	.782	.833	
Emotional commitment to ones job leads to employees showing extra work effort	12.40	.504	.904	

**Table 4.23 Communalities.**

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<b>Communalities</b>	<b>Initial</b>	<b>Extraction</b>
CP1	1.000	.730
CP3	1.000	.514
CP4	1.000	.581
CP6	1.000	.617
DWB2	1.000	.453
DWB3	1.000	.614
DWB4	1.000	.478
EB4	1.000	.613
EB5	1.000	.471
EB6	1.000	.652
EB7	1.000	.597
EE1	1.000	.691
EE2	1.000	.699
EE3	1.000	.619
EE4	1.000	.657
EE5	1.000	.544
LD1	1.000	.603
LD2	1.000	.726
LD3	1.000	.729
LD4	1.000	.690
LD5	1.000	.676
LD6	1.000	.613
LD7	1.000	.606
LD8	1.000	.421
WE5	1.000	.585
WE6	1.000	.665
WE7	1.000	.580
WE10	1.000	.723
WE11	1.000	.647

Extraction Method: Principal Component Analysis.

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**Table 4.24 Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings <sup>a</sup>
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	6.681	24.743	24.743	6.681	24.743	24.743	5.621
2	2.671	9.894	34.637	2.671	9.894	34.637	4.071
3	2.081	7.707	42.343	2.081	7.707	42.343	3.407
4	1.846	6.838	49.182	1.846	6.838	49.182	2.471
5	1.566	5.799	54.981	1.566	5.799	54.981	2.719
6	1.157	4.286	59.267	1.157	4.286	59.267	2.890
7	.973	3.603	62.870				
8	.926	3.428	66.298				
9	.883	3.270	69.568				
10	.795	2.944	72.512				
11	.722	2.675	75.187				
12	.634	2.348	77.535				
13	.621	2.302	79.837				
14	.600	2.221	82.058				
15	.564	2.088	84.146				
16	.513	1.899	86.044				
17	.457	1.693	87.737				
18	.443	1.640	89.377				
19	.420	1.557	90.934				
20	.401	1.483	92.417				
21	.379	1.402	93.819				
22	.361	1.338	95.157				
23	.331	1.226	96.383				
24	.297	1.101	97.483				
25	.267	.991	98.474				
26	.229	.848	99.322				
27	.183	.678	100.000				

Extraction Method: Principal Component Analysis.

**Table 4.25 Pattern Matrix**

	<b>CP</b>	<b>DWB</b>	<b>EB</b>	<b>EE</b>	<b>LD</b>	<b>WE</b>
<b>CP1</b>	0.675					
<b>CP3</b>	0.770					
<b>CP4</b>	0.780					
<b>CP6</b>	0.610					
<b>DWB2</b>		0.773				
<b>DWB3</b>		0.639				
<b>DWB4</b>		0.741				
<b>EB4</b>			0.648			
<b>EB5</b>			0.732			
<b>EB6</b>			0.810			
<b>EB7</b>			0.683			
<b>EE1</b>				0.788		
<b>EE2</b>				0.772		
<b>EE3</b>				0.709		
<b>EE4</b>				0.802		
<b>EE5</b>				0.431		
<b>LD1</b>					0.771	
<b>LD2</b>					0.800	
<b>LD3</b>					0.849	
<b>LD4</b>					0.835	
<b>LD5</b>					0.803	
<b>LD6</b>					0.709	
<b>LD7</b>					0.672	
<b>LD8</b>					0.620	
<b>WE10</b>						0.782
<b>WE11</b>						0.765
<b>WE14</b>						0.645
<b>WE5</b>						0.739
<b>WE6</b>						0.727
<b>WE7</b>						0.713

**Table 4.26: Reliability of Constructs**

Construct	Composite Reliability $\geq$ 0.7	Cronbach Alpha $\geq$ 0.6
CP	0.812	0.722
DWB	0.743	0.580
EB	0.821	0.735
EE	0.823	0.743
LD	0.915	0.898
WE	0.876	0.840



**Table 4.27 Convergent Validity of Outer Model**

Construct	Sample Estimates	Sample Mean	Standard Error	t-value	AVE
COMPETITIVE PAY					0.522
CP1 <- CP	0.675	0.667	0.067	10.092	
CP3 <- CP	0.770	0.766	0.043	17.718	
CP4 <- CP	0.780	0.774	0.045	17.335	
CP6 <- CP	0.610	0.606	0.073	8.327	
Employee Discretionary Behavior					0.657
DWB2 <- DWB	0.773	0.767	0.054	14.291	
DWB3 <- DWB	0.639	0.637	0.080	7.979	
DWB4 <- DWB	0.741	0.733	0.062	12.044	
Employee benefits					0.528
EB4 <- EB	0.648	0.616	0.129	5.028	
EB5 <- EB	0.732	0.742	0.082	8.963	
EB6 <- EB	0.810	0.787	0.065	12.412	
EB7 <- EB	0.683	0.659	0.103	6.610	
Employee engagement					0.529
EE1 <- EE	0.788	0.787	0.039	20.180	
EE2 <- EE	0.772	0.772	0.037	21.007	
EE3 <- EE	0.709	0.707	0.056	12.626	
EE4 <- EE	0.802	0.799	0.029	27.467	
EE5 <- EE	0.431	0.420	0.082	5.231	
Learning and Development					0.602
LD1 <- LD	0.771	0.769	0.039	19.769	
LD2 <- LD	0.800	0.795	0.038	21.061	
LD3 <- LD	0.849	0.848	0.026	33.247	
LD4 <- LD	0.835	0.833	0.021	39.059	
LD5 <- LD	0.803	0.801	0.028	28.902	
LD6 <- LD	0.709	0.703	0.047	15.171	
LD7 <- LD	0.672	0.666	0.051	13.156	
LD8 <- LD	0.620	0.617	0.049	12.617	
Work environment					0.602
WE10 <- WE	0.782	0.781	0.038	20.322	
WE11 <- WE	0.765	0.765	0.032	23.825	
WE14 <- WE	0.645	0.638	0.058	11.059	
WE5 <- WE	0.739	0.737	0.041	17.923	
WE6 <- WE	0.727	0.726	0.042	17.315	
WE7 <- WE	0.713	0.710	0.047	15.036	

**Table 4.28: Measures of Discriminant Validity**

Construct	Fornell Larker (AVE correlation <sup>2</sup> )	Measure highest	Stone-Geisser (Q <sup>2</sup> ≥ 0)	Test
	0.722	>0.347		
CP			0.181	
	0.810	>0.156		
DWB			0.055	
	0.727	>0.349		
EB			0.198	
	0.727	>0.429		
EE			0.267	
	0.776	>0.428		
LD			0.458	
WE		0.737	>0.428	
			0.336	

**Table 4.29: Correlation Matrix of Constructs**

	CP	DWB	EB	EE	LD	WE
CP	1.000					
DWB	0.001	1.000				
EB	0.129	0.156	1.000			
EE	0.334	0.030	0.245	1.000		
LD	0.347	0.116	0.191	0.429	1.000	
WE	0.235	0.051	0.349	0.428	0.248	1.000

## **APPENDIX 5: MINISTRIES IN KENYA**

1. Ministry of Interior and Coordination of National Government
2. Ministry of Devolution and Planning
3. Ministry of National Treasury
4. Ministry of Defence
5. Ministry of Foreign Affairs and International Trade
6. Ministry of Education
7. Ministry of Health
8. Ministry of Transport and Infra Structure
9. Ministry of Information, Communications and Technology
10. Ministry of Sports, Culture and the Arts
11. Ministry of Labour, Social Security and Services
12. Ministry of Energy and Petroleum
13. Ministry of Agriculture, Livestock and Fisheries
14. Ministry of Industrialization and Enterprise Development
15. Ministry of Commerce, Tourism and East Africa
16. Ministry of Mining
17. Ministry of Tourism
18. Ministry of Lands Housing and Urban Development.
19. Ministry of Water and Irrigation