REWARD MANAGEMENT PRACTICES AND EMPLOYEE PERFORMANCE IN THE STATE CORPORATIONS IN KENYA

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Reward Management Practices and Employee Performance in the State Corporations in Kenya

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DECLARATION

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

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DEDICATION

This thesis study is dedicated to my husband Engineer Gitau Muiruri, my children Edwin Muiruri, Austin Kamwenji, Trevor Ngugi, Sharleen Njoki and Israel Njata. Special thanks go to my classmates at Jomo Kenyatta University of Agriculture and Technology whom we have shared teamwork values to come this far. You have inspired me all the way.

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ABBREVIATIONS AND ACRONYMS

ANOVA	Analysis of Variance
CMI	Chartered Management Institute
COTU	Central Organization of Trade Unions
CRA	Commission on Revenue Allocation
FKE	Federation of Kenya Employers
GDP	Gross Domestic Product
GOK	Government of Kenya
HRM	Human Resource Management
KIPPRA	Kenya Institute of Public Policy Research and Analysis
KNBS	Kenya National Bureau of Statistics
KNLS	Kenya National Library Services
NACOSTI	National Commission for Science, Technology, and Innovation
SCAC	State Corporations Advisory Committee
SPSS	Statistical Package for Social Sciences
SRC	Salaries and Remuneration Commission
PSC	Public Service Commission
ROK	Republic of Kenya

DEFINITION OF OPERATIONAL TERMS

Compensation	Includes all kinds of monetary returns and substantial benefits that an individual gets for offering a given service (Nick, 2011).
Employee Benefits	This is any form of recompense paid by a firm other than salaries and wages that are paid in full or part, they can be mandatory such as pension benefits (Amah, Umoh & Wokocha, 2013).
Employee Performance	Employee performance refers to the process through which employees carry out tasks and achieve the set targets successfully and functioning in a stipulated predetermined manner and achieving the expected results within its frame work and success of every organization (Dubey & Yakkaldevi, 2015).
Financial Rewards	Refers to pay or earnings and include basic pay as wages or salary as well as bonuses, commission and overtime payments (Nick, 2011).
Motivation	This is the readiness and desire of an employee to apply effort to attain a specific goal or objective (McGregor & Doshi, 2015).
Non – Financial Rewards	Non-financial rewards refer to all non-monetary rewards which are extended to the employees by their employers in order to satisfy their needs such as recognition, advancements, achievement, responsibility, influence and personal growth at the workplace (Leysen & Boydston, 2009).
Reward	This is recompense which an individual gets from a firm for service rendered (Sarvadi, 2010).
Reward Management	Deals with processes, policies and strategies needed to make sure that the effort of individual employees in a firm is noticed and paid for, both financially and non-financially (Armstrong & Taylor, 2014).

Reward Strategy	This is a declaration of intent that outlines what a firm wants to achieve in terms of development and implementation of reward policies, processes and practices in furtherance of its goals and objectives taking into account the stakeholder needs (Armstrong & Taylor, 2014).
State Corporation	This is an entity that is incorporated and owned by government or its representative either in whole or part for profit making activities (Coulibaly, 2019).
Work – life balance	This is the ability of an employee to engage in work, while at the same time still meet family commitments and obligations, it is the satisfactory level of involvement or ‘fit’ between multiple roles in a person’s life (Divyabharathi, Balakrishnan & Vettriselvan, 2014).

ABSTRACT

Kenya aspires to achieve high and sustained economic growth consistent with the governments' employment, wealth creation and poverty reduction as per the vision 2030. To achieve this, the public sector which is the biggest employer must monitor the performance of its employees. The government through its employees manages and allocates resources to the citizenry through the various public institutions. Hence, the need to have proper and efficient monitoring mechanisms on performance of the public officers and factors contributing to unrealized targets. This study sought to establish the relationship between reward management practices on employee performance in the state corporations in Kenya through analysis of variables such as financial and non-financial rewards, employee benefits and work life balance benefits. Various theories were reviewed during this study to assess and enhance understanding on the variables. These include Abraham Maslow's, Vrooms' expectancy and Reinforcement theory. The study used descriptive and explanatory research designs and targeted 6 respondents from the 123 sampled state corporations totaling to 738. The study undertook a pilot study to pretest and validate the questionnaire. The probability and non-probability sampling were adopted and the study used stratified sampling and purposive sampling. The Cronbach's alpha was used to check the reliability of the questionnaire which met the 0.7 and above threshold. Data was analyzed by use of SPSS and presented through percentages, means, standard deviations and frequencies. The information was displayed by use of bar charts, graphs, pie charts and in prose form. The study used regression analysis to test the significance of the variables at 5% significance level on the dependent variables. The study also tested for multicollinearity, heteroscedasticity, Normality, and goodness of fit of the regression model. The findings showed that non-financial rewards are a strong predictor of employee performance whereas financial reward, employee benefits and work life balance rewards moderately influence employee performance. Further the findings showed a significant moderating effect of motivation on the relationship between reward management practices and employee performance. The study recommends that organizations should seriously and keenly consider reward management practices both financial and non-financial rewards such as pay rise to promote a healthy competition among the employees as each will strive to work harder and give result in order to receive better pay or increase in their salary. The study further recommends that state corporations in Kenya needs to establish a reward management system and involve employees in determining acceptable and affordable rewards based on achievement of performance targets and the organization's ability to pay or provide for these rewards.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Reward management practices are essential for achieving overall organizational performance. Notably, the realized good performance should further correlate with rewards since the exceptional employees expect the top management to recognize their efforts. As Davila, Epstein and Manzoni (2018) noted, developing, and implementing reward and recognition practices is imperative to boost morale, create goodwill between employees and encourage the non-performers to improve. Hence, effective reward management practices should be aligned with the strategy of an organization to attract, motivate employees' performance, and retain staff with the skills, knowledge and abilities needed to achieve the strategic objectives of the firm.

This study sought to ascertain the influence of reward management practices on employee performance in the State Corporations in Kenya. Human resources or people are the organizations' most valuable assets. No resource is more crucial to a firm's accomplishment than its human resources (Walia, 2019). Notably, employees create a major source of competitive advantage for companies. Hence the need for every firm, private or public, to acquire and retain committed, skilled, and motivated personnel.

Reward management is comprised of the policies, strategies and processes needed to make sure that the effort of employees in a firm is measured through total rewards in both non-financial and financial terms (Armstrong & Taylor, 2014). The total rewards model comprises of the total financial remuneration and non-financial rewards. Hence, reward management is seen as one of the most efficient means of improving performance of employees as shown in the expectancy theory that reward management affects the core of performance of employees including the behavior and expectation towards their jobs (Jawaad, Amir, Bashir & Hasan, 2019).

Tabiu and Nura (2019) argued that employee rewards play an important role because they leave a permanent impression on the workers. This increases worker perceived value by the firm and are impressed to improve the quality of services they render to the organization. The employees are motivated to put more effort and work better when they are conscious that their wellbeing is being seriously considered by the management of the organization they are working for, especially in training and personal development programs (Eze & Obiwulu, 2021).

El Helou (2019) further argued that rewards reinforcements play a major role in shaping the behaviors that people learn, unlearn, or relearn. Armstrong and Taylor (2014) noted that reward management is concerned with processes, strategies and policies needed to make sure that the workers contribution to a firm is recognized in both non-financial and financial ways. The reward can be in terms of money, praise, and recognition or both. Team performance schemes are meant for recognizing a team or group of workers with monetary reward for attaining a set target.

Koko (2022) noted that there is a strong correlation as well as causation relationship between the rewards practices within an organization and employee performance, commitment, and productivity. Khaled *et al.* (2015) and Pathomphatthaphan *et al.* (2021) argue that rewards of any form are necessary in boosting and facilitating performance, commitment, and productivity since they ensure employees are retained in an organization.

The various schemes are designed to increase the performance of a firm by ensuring that the financial performance of a firm is in line with employee’s interests (Katto, 2020). Khan, Siddique and Sarwar (2019) indicated that effective implementation of recognition and rewards within an organization create conducive working environment hence motivating employees to improve their performance. Benefits and appreciation are the main areas that every firm’s reward system should concentrate on (Osuigwe, 2022).

According to Galanou, Georgakopoulus, Sotiropoulus and Dimitris (2020), rewards play an important role in motivating employees leading to improved job performance. An effective reward program should have immediate, short-term and long-term elements (Kaliappen & Hilman, 2018). A comparison of salaries and wages in the public sector across the national government, county governments, judiciary, parliament, disciplined forces and state agencies demonstrate that the salaries and wages in the national government are slightly lower for the same experience, skills and education qualifications (KIPPRA, 2019).

Salaries and Remuneration Commission in the Public Sector Remuneration and Benefits Policy (2015), seeks to make certain that all employees in the public service are remunerated equitably, fairly, and transparently. This is while ensuring that the wage bill is sustainable by inculcating productivity and performance-based pay to achieve an effective remuneration and benefits system.

Firms that utilize capabilities and resources to seize business opportunities and neutralize threats are likely to realize an increase in their net revenue or a decrease in their net costs or both or vice versa (Aziri & Zeqiri, 2020). On this note, threat neutralization, personnel motivation and opportunity exploitation are realized through employing diverse incentive-based approaches that include employee rewards. According to Tiwari and Saxena (2019) originated the 3cTER framework of human resource management practices and listed the following as HRM practices; employer-employee relations, career development, training and development, recognition through rewards, culture building, compensation and benefits.

Reward management practices includes financial rewards conceptualized as base pay, bonus pay and incentive pay; employee benefits including retirement benefits, insurance benefits and membership to professional bodies; non-financial rewards including employment security, learning opportunities and status/ promotion work Life balance vacation time, flexible working schedules and specific needs services. While rewards are one way to motivate employees and incentivize good performance, they are not the only elements that matter regarding staff performance. Hence, a proper reward system should be aligned with an accurate strategic fit between internal motivation and external rewards. The reward practices adopted in the state corporations in Kenya should be in line with each organization's strategic fit.

Globally, for instance in Malaysia, Arumugan, Mostahedzadeh, Asefi and Mehrizi (2017) developed a model to undertake empirical study of industries to increase their financial health, the factor noted to improving performance are employee participation, training, compensation system and performance appraisal system. Qureshi, Akbar, Khan, Sheikh and Hijazi (2018) examined the relationship between rewards and employee performance in cement industry in Pakistan. They found that there is a direct relationship between extrinsic rewards, intrinsic rewards and employee performance.

Ryan (2017) did a study that examined employee reward programs in American corporations and found that these programs are meant to incentivize employees who make the greatest contributions. But because these reward systems are meant to change people's behavior, creating them is not a simple task. A study of a similar nature was carried out by Emmanuel, Kominis, and Slapnicar (2019) among the top commercial banks in the UK, Greece, and Slovenia. The study found that higher employee performance is a direct result of motivation. Not all rewards, nevertheless, resulted in drive. The most commonly mentioned rewards were pay increases, cash bonuses, personal growth, and promotions, despite the perception that they had less of an impact on employee motivation. This is a result of their perception that these would be appropriate compensation for their ongoing and future work. Additional findings demonstrated that a system of rewards that encourages the identification of achievement and recognition was particularly valuable in generating motivation. Therefore, in order to improve employee performance, rewards that foster a sense of recognition and success should be accepted. While financial rewards are often seen as having little value in Europe, a 2015 study by Priya and Eshwar in India found that financial prizes increase employees' motivation to work more effectively in commercial banks in that country.

Murphy (2018) carried out research on the effect of incentive schemes on worker performance in Sweden. The results showed a strong correlation between motivation and performance. However, the incentives behind each of them could be highly different, and there isn't a single, effective approach that can be used for everything. Murphy came to the conclusion that overseeing incentive programs inside an organization can be a challenging undertaking that can go horribly wrong, with grave repercussions for productivity and organizational success. Managing this is especially challenging in organizations with various cultures and operations that span numerous international borders. Reward structures should be open, pertinent, and strongly related to organizational strategy, design, and culture, according to the study.

A study by Khan, Shahid, and Nawab (2020) looked into how employee performance in Pakistani commercial banks was affected by intrinsic and extrinsic rewards. It was shown that intrinsic rewards, such as job security, the use of one's own abilities, being given the opportunity to do things differently, doing it for others, and being given authority, all boost employee performance. However, job progression, supervision, and acknowledgment were the extrinsic benefits that were demonstrated to enhance employee performance. The fact that various awards have varying effects based on the individual is evidence that there is no one reward system that can boost employee performance. Basic pay was found to be the most important element influencing employee performance when a comparable study was carried out in Bangladesh by Aktar, Sachu, and Emran (2017). Other extrinsic rewards were not as significant. Although other intrinsic benefits like learning opportunities, recognition, and career progression were also found to have a substantial impact on employee performance, it was found that hard work was the most significant element influencing employee performance.

Regionally, Eze and Obiwulu (2021) conducted an investigation on Nigerian workers and indicated that among the factors affecting productivity of employees include employers' failure to compensate the workers adequately and the arrogant display of riches by the undisciplined privileged class that lowers the employee's morale, hence reducing their productivity. One of the key challenges in the public sector management in Uganda is poor motivation due to low and inequitable remuneration which affects service delivery of the public service institutions (Kugonza & Mukobi, 2017).

According to a study done in Ghana by Apeyusi (2020), there is a correlation between corporate performance and rewards that is positive. The primary factor contributing to the improvement in performance was the fact that most workers were incentivized to put in more effort by the reward. The survey also showed that although the company offered sizable incentive packages, some employees were unaware of them. As a result, the incentive provisions of their employment contract ought to be disclosed to employees. A related study carried out in Ghana by Domfeh (2018) found that competitive pay packages, assurances of job security, stimulating and exciting work environments, and excellent possibilities for career advancement were the primary incentives employed by rural banks to keep staff members and boost productivity. This proved effective as it averted the loss of organizational expertise, did not interfere with customer service, and decreased the organization's turnover costs, which raised output.

Nnaji-Ihedinmah and Egbunike (2019) found that employee performance is significantly impacted by both intrinsic and extrinsic rewards in their study done in Nigeria. Nevertheless, the investigation also revealed that the impact of intrinsic vs extrinsic rewards on worker performance differs. The important distinction is caused by the fact that intrinsic rewards help employees perform better and can keep them doing so over time. While extrinsic incentives, such as high compensation, can draw people to a company, they are not very effective at retaining them, which results in a high staff turnover rate. Zivanayi and Goremusandu (2016) did a study in Zimbabwe and found that whereas many countries use awards to boost performance, employees' performance was actually declining as a result of inadequate levels of recognition for their efforts and contributions to the company.

Hatice (2018) studied the effects of extrinsic and intrinsic rewards on employee motivation, which in turn improves employees' performance, in Ethiopian state and private commercial banks. Compared to staff of private commercial banks, public bank employees in Ethiopia were more driven by intrinsic rewards, according to the study's main findings. Employees of private commercial banks in Ethiopia were more driven by extrinsic rewards than those of public commercial banks. Thus, in order to better inspire staff and improve performance, commercial banks' human resource management should concentrate on both intrinsic and extrinsic reward components.

Locally, differences in reward practices that involve monetary allowances exist in the Kenyan job market as indicated by the Kenya Institute for Public Policy Research and Analysis (KIPPRA, 2019). KIPPRA asserts that there have been wage differences between the private and the public corporations in Kenya where a wage premium is favored to the public sector. The assertion implies that the Kenyan State Corporations adopt numerous reward practices that can range from financial incentives, non-financial rewards, employee benefits, as well as work life focus benefits. Irrespective, those employed by private entities have a higher wage premium compared to that of the civil servants.

According to research by Omollo (2020) in Migori County, Kenya, workers of commercial banks are more driven to perform well when they receive monetary benefits than when they receive non-monetary awards. It was seen, meanwhile, that financial benefits were only thrilling for a few while before their effects faded or vanished. The study also showed that trainings associated with work promotions and improved job groups, team building, job security, and job enhancement were all excellent motivators that encouraged improved employee performance. The study's findings indicate that in order to increase staff productivity, a firm must have a thorough motivating program in every area.

Wanjala (2021) carried out a study to look into the impact of performance reviews on workers' productivity in commercial banks. The results showed a strong correlation between employees' performance and their performance reviews. It must be regarded as impartial and fair in order to support their upward mobility. Additionally, it was shown that the majority of banks engage their staff members in the process of performance reviews, which enhances employee performance.

Kithuka (2019) investigated the impact of incentives on bank employees' performance in Machakos County, Kenya. The results showed that having a good policy on health and safety inside a business, a diverse workforce, and a suitable workplace design all had a significant impact on employee performance. Drawing from the aforementioned findings, it is suggested that firms develop a comprehensive incentive program that raises employee performance levels.

1.1.1 State Corporations

A state corporation is an entity that is incorporated and owned by government or its representative either in whole or part for profit making activities (RoK, 2013). The report on evaluation of the performance of state agencies for the financial year 2010/11 indicates that the State Corporations are 178 (RoK, 2012). According to Linyiru, Karanja and Gichira (2019), a state corporation is an official entity formed and governed by the government to assume activities on behalf of the entitled government. The state corporations are established within the provision of State Corporations Act chapter 446 of the Kenyan laws. Under this act, a state corporation is a corporate body established within the law or under an Act of Parliament. The state corporations manage government business and provide services to the citizenry.

The state corporations are divided into functional categories which are financial, Commercial, regulatory, public universities, training and research, service, regional development authorities and tertiary education (RoK, 2012). Some of the ministerial divisions include tourism, industry, investment and trade, health, sports, art, and culture, and transport and infrastructure among others (Kenya National Library Service, 2016). Board of directors under the respective ministry governs the daily operations in the State Corporations, otherwise known as Parastatals (Njagi & Malel, 2019).

1.2 Statement of the Problem

According to the Public and Benefits Policy (2015), wage compensation and labor cost competitiveness have not been adequately implemented in Kenya's wage determination structures. This is a policy gap since lack of a comprehensive reward management system in a majority of Kenyan state corporations has created dissatisfaction among employees leading to decreased staff morale and consequently decreased employee performance. The consequent poor results are evident in the GDP report.

The report is contrary to Vision 2030’s projection of annual GDP growth rates of 10% until 2030. The growth rate has been slow at 4.56% in 2012, 5.69% in 2013 and 5.33% in 2014, 5.65% in 2015 and 5.99% in 2016 (Statista, 2015). The score of global labour standard of percentage available man hours used for productive work in Kenya is 35.4%, while the global standard is at 75% (KIPPRA, 2019). The percentage gap of 39.6% is a reflection of low achievement levels in employee performance which depicts the struggle in attainment of the GDP growth rate.

According to Breza, Kaur and Shamdasani (2018), the pay gap is a major contributor to the level of staff morale and subsequent performance and productivity levels. According to KIPPRA (2019), 84% employees in the entire public service are concentrated in the lower paying job scales. This percentage constitutes of the ‘workers’ who if disgruntled can slow the performance process, hence reduced returns for the country.

The low compensation in both salaries and rewards has led to national wide strikes of the public sector employees leading to decreased productivity (KIPPRA, 2019). The state corporations are marred by under-performance which in turn translates to losses and misappropriation of public funds with 21% of the corporations’ registering losses in 2011/12, 23% in 2010/11 and 31% in 2009/10. This is despite the fact that the wage bill in 2013 for 188 state corporations stood at over Kenya shillings131.2 billion with treasury financing Kenya shillings 60.34 billion (Government of Kenya [GOK], 2013).

This study gathered information and statistics attributed to rewards, compensation, and performance in the state corporations to advice on strategies to improve performance for sustainability. The information shall be a useful guide for the policy makers in alignment of the rewards and using the same to improve performance in the state corporations.

Despite a number of empirical studies, conceptual, contextual and methodologies gaps have been identified. To begin with, most studies such as those cited in this literature review, have been conducted in western economies like the United Kingdom and some parts of Europe. Additionally, most of the studies investigating employee performance in Kenyan-based organization focus on other variables such as job satisfaction and job retention in relation to reward practices. For example, Wangechi, Kiragu, and Sang (2018) assessed how compensation methods affected employee job satisfaction. Atambo, Myamwamu and Munene (2019) conducted a study on the relationship between employee incentives and employee performance. Dharma and Supriyanto (2017) assessed the connection between employee satisfaction and performance in Indonesia.

From the review of the literature review above, it is evident that majority of the studies done on employee performance focused on other areas other than the influence of reward management practices. Further, most of the studies conducted focus on individual specific sectors of the State Corporations while this study covers all the state corporations. Therefore, there is need for future research, to understand the effectiveness of various reward practices on employee performance among the state corporations in Kenya. This study therefore sought to establish the extent to which reward management practices influences employee performance and how the same can be adequately applied to improve employee performance in the State Corporations in Kenya.

1.3 Study Objectives

1.3.1 General Objective

To establish the relationship between reward management practices and employee performance in the state corporations in Kenya.

1.3.2 Specific Objectives

1. To establish how financial rewards relate to employee performance in the State Corporations in Kenya.
2. To examine how employee benefits relate to employee performance in the State Corporations in Kenya.
3. To investigate the relationship between non-financial rewards and employee performance in the State Corporations in Kenya.
4. To assess how work life balance benefits relate to employee performance in the State Corporations in Kenya.
5. To determine the moderating influence of motivation on the relationship between reward management practice and employee performance in the State Corporations in Kenya.

1.4 Study Hypotheses

1. **H_0** There is no significant influence of financial rewards on employee performance in the State Corporations in Kenya.
2. **H_0** There is no significant influence of employee benefits on employee performance in the State Corporations in Kenya.
3. **H_0** Non-financial rewards do not significantly influence employee performance in the State Corporations in Kenya.

4. **H_0** Work life balance benefits do not significantly influence employee performance in the State Corporations in Kenya.
5. **H_0** There is no significant moderating influence of motivation on the relationship between reward management practice and employee performance in the State Corporations in Kenya.

1.5 Significance of the Study

The study therefore sought to establish the effect of reward management practices on the Employee Performance in the State Corporations in Kenya. The findings of this study are useful to various stakeholders who include:

1.5.1 Management and Board of the Public Agencies

The findings of the study will help the top management and the Board members of the State Corporations while formulating policies regarding aspects relating to human resources in the corporation and the subsequent outcome which is increased employee productivity for better financial returns. This will in turn help in ensuring economic growth in the country.

1.5.2 Management and Board of the other Organizations

The study findings will help to advise management of other organizations such as the private firms and non-governmental organizations on how reward management can be used to improve employee performance through competitive and sustainable alignment and implementation of the policies.

1.5.3 The Government Policy Makers

The findings of this study will advise the members of the national and county governments, members of various independent commissions especially those mandated to address the compensation and reward issues for the government which includes the Salaries and Remuneration Commission (SRC), Public Service Commission (PSC), Various advisory committees like the State Corporations Advisory Committee (SCAC), Inspectorate of State Corporations, Parliament, Governors, Commission on revenue allocation (CRA), the National Treasury & Planning and the government stakeholders at large.

1.5.4 Scholars and Researchers

Researchers and scholars who may need reference to information on the role of compensation and reward strategies on employee performance will benefit from the findings of this study. The researchers and scholars will also benefit as they will be able to assess previous approaches used to address similar management cases and advance in logic and errors in assumptions.

1.5.5 Officials of Employers and Employee Organizations

The study will advise officials of Federation of Kenya Employers (FKE), Central Organization of Trade Unions (COTU) and their affiliate memberships on matters relating to reward and the role and expectations of the Government and other stakeholders on employee productivity.

1.6 Scope of the Study

The study was carried out to cover the State Corporations in Kenya as listed by the State Corporations Advisory Committee and the Ministry of Devolution and planning, Department of Performance Contracting. The study focused on the employees at the top, middle and lower levels in the Corporations to represent the accounting officers such as the Managing Directors or Chief Operating Officers, the Human Resource Managers, line manager and officers of the state corporations to enable the researcher to understand wholly aspects of reward practices to performance in the State Corporations.

The variables under investigation were financial and non-financial rewards, employee benefits, work life focus benefits pay and motivation and how they influence employee performance. The study was carried out in 178 State Corporations as listed in the report on evaluation of performance of state agencies during the period 2010/2011. According to the Kenya National bureau of statistics (2014), the state corporations have an estimated staff count of 94,500 employees.

1.7 Limitations of the Study

The study encountered several limitations which were well taken care of not to affect the study findings. First; it was quite a challenge to get all historical information on aspects of employee performance from a number of state corporations that did not keep proper documentations. The researcher however managed to extract performance data from the Kenya Bureau of Statistics libraries where substantial historical information on the activities of state corporations is documented and stored. The study was also faced with cases of none or sometimes inaccurate responses. However, these cases were few and therefore questionnaires with inaccurate responses were discarded.

Some respondents were of the perspective that the information collected was very sensitive and that it might be used for personal gain. This was overcome by explaining to them that the study was for academic purposes only. The research permit from the National Commission for Science, Technology, and Innovation (NACOSTI) and introduction letter from the university worked in hand to assure the respondents on the purpose of the study, thus they provided the needed information. A total of 178 state corporations were considered in this study. To enhance the response rate, the researcher booked appointments with the respondents and also emailed those who could not be found physically.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the existing relevant literature on reward management practices on employees' performance. The chapter reviews theoretical and empirical literature to the influence of employee performance in the State Corporations in Kenya. The conceptual framework is discussed to show the relationship between the independent variables namely; financial rewards, employee benefits, non – financial rewards and work life balance benefits and the dependent variable which is employee performance. Motivation is discussed to determine its moderating effect on the relationship between the reward management practices and employee performance. The critique, summary and the research gaps were also discussed.

2.2 Theoretical Framework

Theoretical framework is an assortment of interrelated concepts which guides research to determine what aspects to measure and what statistical relationships to work for (Serrano, Shah & Abràmoff, 2018). A study is given a foundation for hypotheses and the selection of research methodologies based on pertinent theories. The researcher might address why and how inquiries by clearly articulating the theoretical assumptions of a research project. The theories that were utilized in the execution of this study includes: Abraham Maslows' hierarchy of needs, Vroom's Expectancy theory and Reinforcement Theory.

2.2.1 Abraham Harold Maslow's' Need Theory

This theory was put forward by Abraham Maslow in the year 1954 and postulates that people are motivated by fulfillment of their different needs which can basically be arranged from the basic needs to the higher-level needs. These needs are categorized into; physiological needs, psychological needs, social needs, esteem needs and self-actualization needs. This theory outlined five needs based on hierarchy which is also applicable to an organization and performance of employees (Gordon, 1965 cited in Jerome, 2013).

According to the theory, the first need must be satisfied for an individual to feel the second need and the second need must be fulfilled for the third need to be felt (Jerome, 2013; Zeynep, 2014). Abraham Maslow argued that unsatisfied needs act as a human motivating factors and individuals who possess any unmet needs always strife to fulfill it by doing something geared towards fulfilling his needs hence influencing his or her own behavior in workplace. The basic needs are said to motivate people when they are unmet and the need to fulfill such needs will become even stronger if they are denied for a longer period for example the longer a person goes without food the hungrier, they become (Omollo & Oloko, 2015).

According to Maslow (1954), rewards to employees whether in financial or non-financial form act as a motivator and influencer of human behavior if directed towards meeting the employee needs. The theory recognizes that employees have diverse needs and the ability of the employers to meet these needs act as a game changer in motivating them to give the best to the company. As a result, the theory opines that, rewards have a positive relationship with the performance of employees since they normally provide an employee with means of actualizing and meeting their pressing needs (Chaudhary & Sharma, 2012). This in turn motivates the employees, fosters higher commitments, and leads to higher performance levels. For instance, if an employee is in dire need of a shelter, increase in salary scale of that employee enables him or her to meet his or her needs by purchasing a decent house to suit his or her interests. This in return motivates the employee to exert extra effort in the execution of his duties and leads to exemplary performance levels. In an organization, the basic needs can be fulfilled through benefit schemes such as insurance and retirement schemes and also job security (Jerome, 2013; Zeynep, 2014).

The theory further indicates that rewards whether financial or non-financial provides the means of meeting the employee needs which in turn motivates their behavior and results to improved performance of the firm. For instance, financial rewards such as salary increments facilitates access to good medical care, improved living standards, good shelter, security mechanisms, sense of belonging, love, status, and social affiliation in the society among other benefits. Hence reward management practices namely, provision of financial rewards, provision of non-financial rewards, employee benefits, and work life balance have a positive implication on the performance of employees in the workplace. The theory further divulges that motivation has a moderating influence on the relationship between rewards and employee performance (Guay, Chanal, Ratelle, Marsh, & Boivin, 2010).

This theory was also applied in explaining the nature of the linkage among motivation and performance of the employees. According to the theory, there is a positive influence of motivation practices on the performance of employees. The theory indicates that people are motivated by the fulfillment of their needs and therefore any practice that enables the employee to meet their needs act a motivating factor which shapes their behavior and lead to higher performance (Guay *et al.,* 2010). The rationale behind this is that employees have pressing needs that if satisfied motivates them to perform higher than when they are not satisfied. Employee reward practices are often tailored towards identifying and meeting the needs of the workforce to motivate and retain the best talents for the organization prosperity. When these needs are met through firm reward management systems, an employee becomes more motivated, committed, and devotes his or her time and energy in execution of his or her duties diligently and more effectively. A more satisfied employee performs his duties efficiently in pursuit of firm goals hence boosting the firm's value (Maslow, 1954).

The theory has however been criticized on various grounds as being too rigid (Armstrong & Taylor, 2014). First and foremost, the theory assumed that human beings are only motivated by the five identified categories of needs. However, there are so many needs that motivate employees depending on the prevailing circumstances and therefore proper investigation of their effects on performance of employees is paramount in explaining the employee performance.

The theory further has been criticized on the ground that it assumes that human needs have a particular order and lower ranking needs such as sex, food, shelter, clothing's etc. must be satisfied before higher ranking needs such as self-actualization can be met. However, people can meet more than one need simultaneously or may move to a lower level of needs if their life circumstances change. During recession, when many jobs were cut, suddenly lower order needs such as food, shelter, clothing's among others became dominant over higher order needs. Additionally, substantial fulfillment of one need does not automatically lead to the individual to the next level of need (Chaudhary & Sharma, 2012).

2.2.2 Vroom's Expectancy Theory

This theory was developed by Vroom in 1964. It asserts that employee behavior is a function of the expectations that he or she has on the outcome of his actions.

For instance, if the employee expects positive outcome such as rewards or promotions because of his actions, the employee will be more willing and geared to perform better hence enhancing the performance of the firm. The rewards system practices act as a motivator and influencer of human behavior (Shah, Jaffari, Aziz, Ejaz & Raza, 2011).

The theory opines that there is a positive influence of financial rewards on the employee performance. According to Vroom (1964), employees perform higher when they expect to receive financial compensations that commensurate with their actions. According to the expectancy theory, the motivating force that encourages employees to perform is dependent on three determinants; an expectancy, valance and instrumentality. The expectancy aspect indicates the employee's belief that their performance will result in desired reward while the instrumentality elements implies that they consider their performance instrumental in achieving the rewards.

One of the dimensions is the expectation of an employee of reward equal to the input to the organization and the other dimension is the expectation of the organization of an output by the employee equal to the reward given (Porter & Lawler, 1974). Valence denotes an individual's preference for incentives that they believe will result from good performance. Hence, the Vroom's expectancy theory presupposes that behavior results from conscious choices and that employee performance is based on individual factors such as skills, personality, knowledge, and abilities (Shah *et al.*, 2011).

The theory argues that there is a positive influence of non-financial rewards on the employee performance. The theory places greater emphasis on the use of incentives in modeling human behavior and boosting the firm's performance and argues that human behavior is a function of the ability and motivation that employee have. Financial and non-financial incentive plays a fundamental role in motivating an individual to perform beyond expectations and meeting the goal of the company. Sheppard (2016) refers to a study conducted in China using the expectancy theory to examine the association between satisfaction with compensation and work motivation. The study indicated that satisfaction with compensation was an influential factor for employee motivation.

Good employee reward management practices increase employee morale and leads to higher productivity. The Employee performance is a function of the ability and the attitude one has in relation to the job that is to be performed. The employee ability denotes the capacity that employee has in execution of his tasks and basically, it's influenced by the education level, training received, work environment, aptitude among other factors while the attitude refers to the individual's willingness to perform the job and its often determined by myriad of factors such as motivation, job satisfaction and commitment at work. Consequently, appropriate reward management practices help in enhancing the employee ability and attitude towards work and the work environment. This in turn contributes greatly towards achievement of firm goals (Vroom, 1964).

2.2.3 Reinforcement Theory

This theory was advanced by Skinner in the year 1938. According to this theory behavior is a function of the expected consequences and employees behave in a certain manner because of the positive or negative rewards they attach to their actions. The theory argues that behavior with positive consequences (rewards) tend to be exhibited more in an organization than the behavior with negative consequences (punishments). Positive consequences include the rewards, promotions, job enrichments, salary increments, recognitions, praise and other benefits that an employee get as a result of performing his or her duties well while negative consequences denote the punishment that is normally imposed to prevent a certain behavior in an organization (Wallace & Zeffane, 2011). These reinforcements are effective way of changing employee's behaviors and aligning the behavior of the employee with its goals. Business organizations have found reinforcement theory to be very applicable to their business and often use rewards and punishments as a way of reinforcing behavior. An employer can use rewards to reinforce the behavior they want such as meeting target goals, reporting to work on time or the maintenance of professionalism (Wei & Yazdanifard, 2014).

Positive reinforcement can be used to elicit and strengthen new behaviors through adding rewards and incentives as opposed to eliminating benefits. Extinction on the other hand entails stopping an individual from performing a learned behavior while punishment involves removing unwanted actions to decrease the intensity of poor performance (Skinner, 1938). Punishment is also ideal although it poses a challenge especially when dealing with employees who do not value or accept their mistakes. Wei and Yazdanifard (2014), notes that a study conducted on employees' punctuality to work indicated that employees who were penalized for being late to work became more effective.

This theory is applied in explaining the nature of the linkage between financial rewards and employee performance. According to this theory, financial rewards is a critical factor in shaping employee behavior, motivating the workforce and enhancing the performance of the firm. Financial rewards provide employees with additional means of attaining his or her own goals and hence resulting to a sense of fulfillment, satisfactions, and employee commitment in his or her own work. The theory puts greater emphasis on the importance of rewards and its implication on the compensation management, employee morale and employee performance at large (Griffin & Moorehead, 2010).

The theory further contends that employee benefits have a positive association with the employee performance. Employee benefits help to create employee commitments in an organization, reduce turnover rate, boost employee morale, and ultimately enhance the performance of the firm. Reward management practices in form of the employee benefits helps in realization of the organizational goals (Wallace & Zeffane, 2011). It is imperative to note that no matter how good the goals and their resulted strategies are, without good implementation by the employees, the entity cannot achieve the desired performance. Consequently, organizations have resorted to the application of reward management practices as a way of fostering employee commitments to achieve organization's goals and objectives. Employee benefits are often administered as reward management strategies to encourage certain behaviors for realization of firm's plans (Skinner, 1938).

2.3 Conceptual Framework

According to Shields and Rangarjan (2013), conceptual framework is a methodical tool with various contexts and variations. Green (2014), further explains that a conceptual framework helps the researcher to move from just descriptions that answers the question "what" to more elaborate descriptions of "How" and "Why". This makes the reader have a better understanding of the data as well as how it connects to the research questions. A conceptual framework refers to the pictorial representations of the concepts of the study and endeavors to explain the relationship that exists between independent variable, moderating variable, and dependent variable (Adom & Hussein, 2018; Grant, & Osanloo, 2014).

Liamputtong (2013) asserts that conceptual frameworks have epistemological, ontological, and methodological suppositions where the latter concerns the process of building a concept. The ontological assumption relates to an understanding of the reality of nature while the epistemological assumption pertains to how things really function. Hence, it is important to note that a conceptual framework presents a researcher with a theoretical structure of principles that hold together the ideas comprising a broader concept.

Nyarangi (2013) conducted a descriptive study to establish how motivation and teamwork impacts employee performance in Kenyan authorities, the study indicates that motivation, leadership and the use of appropriate technologies is essential in the enhancement of employee performance in the local councils. Yousaf, Latif and Saddiqui (2014), in their study indicated that financial rewards are essential for motivating employee especially in third world countries that are struggling with inflation rates and hence, there is a positive correlation between financial rewards and employee performance. Kamau (2013) indicates that the issuance of benefits such as the retirement benefits are strong influencers of worker's behavior since it gives the younger employee a compelling reason to continue working and further, that fringe benefits and incentives had positive effects on employee productivity since the health of the workforce was linked to the productivity of the workforce.

Work life benefits such as issuance of employee leave and vacations has positive effects on employee productivity and motivates them to deliver services more effectively (Obiageli, Uzochukwu, & Ngozi, 2013). The total rewards model is based on benefits, compensation, work life, performance and recognition elements and career opportunities and development to attract, motivate and retain satisfied employees and in return realize business performance and results (Armstrong & Taylor, 2014). In this study, the conceptual framework is based on four independent variables namely; financial and non – financial rewards, employee benefits and work life balance benefits, the employee performance as the dependent variable and motivation as the moderating variable. The Conceptual framework is as illustrated hereunder:

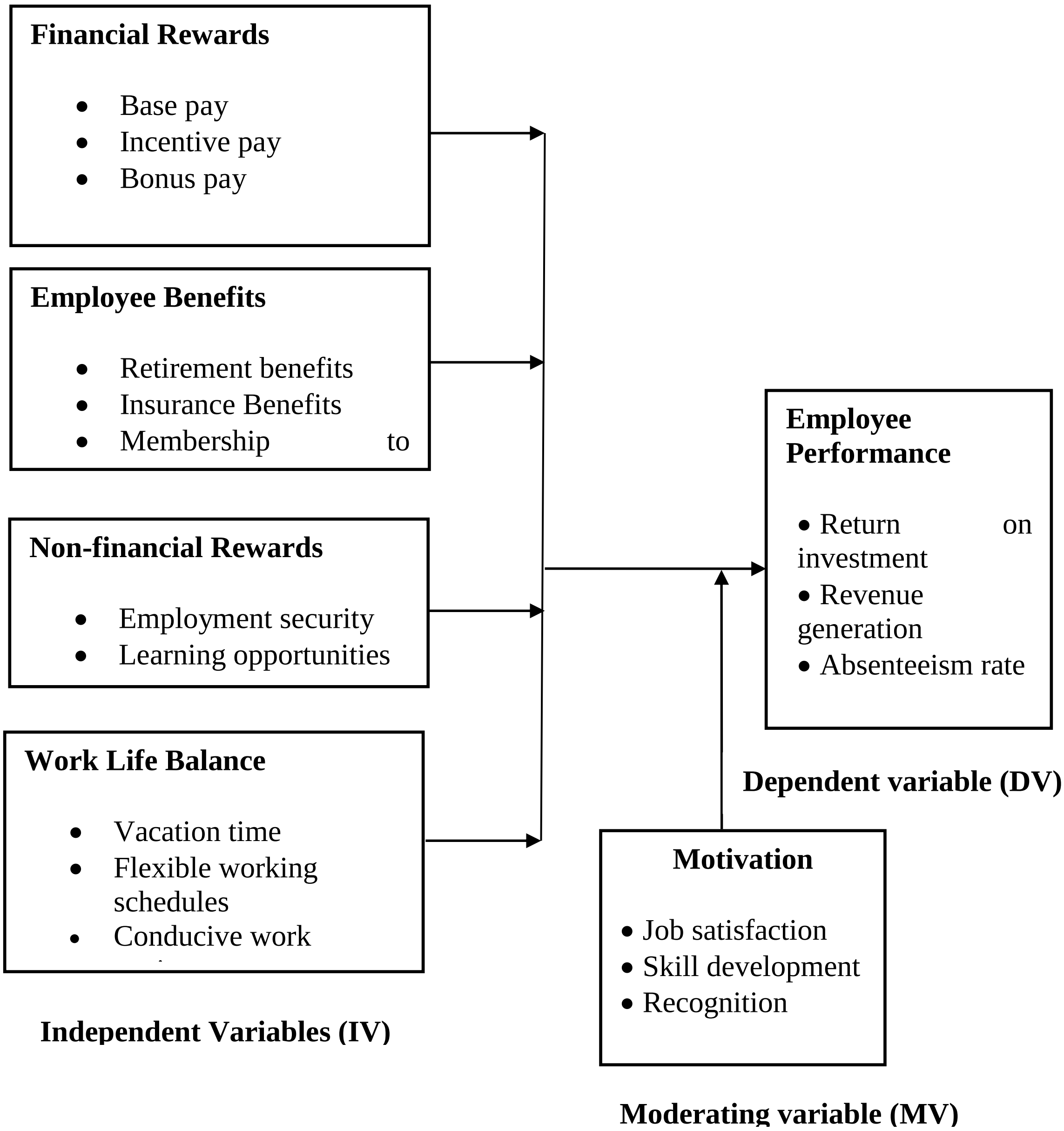

Figure 2.1: Conceptual Framework

2.3.1 Financial Rewards

These refer to earnings and pay including basic salary or wages as well as conditional pay incentive pay, overtime payments and other commissions (Nick, 2011). Financial reward systems can be categorized into three classes: short-term incentive plans, performance-based salary increases and long-term incentive plans. Financial reward matching employee contribution in an organization acts as an incentive that motivates employee to higher performance levels. For example, cash bonus or incentive pay is a form of reward that organizations use to reward employees for exemplary performance, that is if they have performed higher or exceeded their set targets this makes them eligible (Finkle, 2011).

Financial reward boosts employees' purchasing power by providing them with appropriate means of attaining their needs in time and when they arise. This in return motivates employee and lead to increased organization performance. According to Kabir and Mahamuda (2011) financial rewards, the apparent fairness of company systems, the quality of the working conditions, leadership and social relationships, co-workers' relations, nature of job to be performed, the interest and challenge the job generates and nature of job requirements are among the factors that affect the quality and performance of employees.

The biggest component of financial reward is the basic pay which reflects the minimum amount that is paid on specific job group, it represents the largest fixed labour costs for employers. Basic pay would constitute a fixed hourly or daily rate or monthly or annual rate others would include piece rate. Variable or contingent pay are the umbrella terms that are used to refer to forms of remuneration which are conditional upon the achievement of pre-determined objectives, related to the individual, group or organizational performance (Nick, 2011).

Financial reward boosts employees' purchasing power and hence they undertake assessment of reward in terms of how it ensures that they afford a decent living. Employees would also compare their level of pay with other people doing similar jobs in other organizations (Nick, 2011). A mixed methods study indicated that financial rewards are essential for motivating employees especially in third world countries that are struggling with inflation rates (Yousaf, Latif, Aslam & Saddiqui, 2014). Hence, there is a positive correlation between financial rewards and employee performance. Financial rewards refer to the monetary incentives that employee receive from his or her employer as a result of exemplary performance of his or her duties. These rewards are often aligned with the goals of the firm and when the employee assists the entity to actualize its goals, the company extends their gratitude to that employee by the way of offering financial rewards. Oyebamiji (2013), noted that financial compensation is the amount an individual receives and the extent it is perceived to be equitable.

Financial rewards help in up scaling the motivation drive of the labor force and enhancing the performance of the employees. Some of the most used financial rewards include cash pay and incentive pay. Financial rewards connote the compensation that an employee earn because of his or her own superb performance that is often aligned with the organization's goals. The ability of the company to extend financial rewards revolves around making careful consideration of the cost and benefit of the economic reality of the company. Consequently, no financial rewards can be extended if the cost of extending the reward outweighs the benefits and makes it difficult to achieve profit goal in an efficient manner (Seng & Arumugam, 2017).

2.3.2 Employee Benefits

Employee benefits refers to any indirect or non- cash payment that is given to employees by the employer as a way of fostering employee commitment and enhancing job satisfaction. Employee benefits is any other form of pay accorded by an organization apart from the wages and salaries that is payable in part or in full by a firm of which the benefits can be mandatory such as pension schemes or non-mandatory such as tuition refunds (Amah *et al.*, 2013). Employee benefits are also known as fringe benefits. They include various types of non-financial benefits paid to employee on top of their normal salaries and wages such as Retirement benefits, Insurance Benefits, Membership to professional bodies, paid time off among others (Klonoski, 2016).

Employee benefits may include group insurance for health, life, retirement or pension benefits, daycare, sick leave, tuition reimbursement or staff welfare. The purpose of employee benefits is to increase the economic security of the staff members and in so doing improve worker retention across the organization and as such it is one component of reward management (Nick, 2011). Benefits also represent a key area where employers can differentiate themselves to attract and retain employees as a means to match or exceed market practice. There can also be tax advantages associated with certain benefits for example childcare provision and relocation expenses (Armstrong, 2009). The rewards not only improve the performance of individual workers but also the entire organization and subsequent employee retention (Shields *et al.,* 2015).

Employee benefits refers to all non-financial or cash compensation that is provided by the employer as part of the employment contract. This is any form of recompense paid by a firm other than salaries and wages that are paid in full or part, they can be mandatory such as pension benefits (Amah *et al.,* 2013). Employee benefits may be provided voluntarily by the employer, or the employer may be required by the operation of the law to provide such benefits to his employees depending on the risk attached to the job to be performed or even the nature of the industry (Viorica, Cristina & Gabriel, 2012). Some of the employee benefits include medical benefits, insurance benefits, payment of subscription fee for professional bodies among others.

A study by Kamau (2013), indicates that the issuance of benefits such as the retirement benefits are string influencers of worker's behavior since it gives the younger employee a compelling reason to continue working. Presently, especially in the western world, benefits provided to the employees plays an important role in motivating employees being a part of the organizational expenses and total compensation of a firm. According to DeCenzo and Robbins (2010), 40% of the total compensation package constitutes employee benefits.

2.3.3 Non - Financial Rewards

Non -financial rewards have been defined as the non-monetary rewards which are extended to the employee by their employers to satisfy their needs such as recognition, advancements, achievement, responsibility, autonomy, influence and personal growth at the workplace (Leysen & Boydston, 2009). These rewards comprise of the inherent or psychological rewards which emanate from the work that employees do, their associations and workplace environment (Nick, 2011). They include recognition and praise, feeling valued, job challenge and variety, job interest and job satisfaction. They are known for increasing intrinsic motivation among employees by raising their self-esteem at workplace.

Benefits and pay are common financial rewards; however, employee recognition and praise can be derived from both financial and non-financial rewards (DeCenzo & Robbins, 2010). Non-financial rewards are substantial rewards provided and controlled by a firm and which do not necessarily benefit employees in monetary sense (Tabiu & Nura, 2019). It can therefore be concluded that employees are highly motivated by non-financial rewards such as employee recognition hence improving job performance. Recognition can be defined as approval, appreciation and acknowledgement of the positive achievement or behaviors of an individual employee or group of employees by the management or even the employer (Caligiuri, Lepak & Bonache, 2010).

The main reason for recognizing employees is that empirical evidence suggests that motivated employees love their job and are positive about themselves hence employee recognition plays an important role in improving employee productivity and increase satisfaction (Vosloban, 2012). Recognition can include postcards or letters, memory items, posting names of employees of the month or year on the notice board (Tabiu & Nura, 2019). For recognition to yield the preferred results, firms must allocate enough time and attention. According to Shields *et al*. (2015), non-financial rewards have a substantial impact on employee satisfaction and motivation as opposed to traditional financial rewards.

Shields *et al.* (2011), asserts that the use of non-monetary rewards along with the financial rewards is essential since the reliance of monetary rewards encourages workers to focus on activities that only help them to earn immediate incentives rather than on finding long-term solutions such as professional growth. There are strong indications that the non -financial compensations and incentives engage and inspire in more ways beyond the capability of monetary incentives (Khaled *et al.,* 2015).

2.3.4 Work Life Balance Benefits

This is the ability of an employee to engage in work, while at the same time still meet family commitments and obligations, it is the satisfactory level of involvement or 'fit' between multiple roles in a person's life (Divyabharathi, Balakrishnan & Vettriselvan, 2014). Work life balance entails the total satisfaction with one's professional and social life. It entails balancing the demand of work with the demands for personal time activities like family occasions, weddings, leisure time, and exercises among other activities.

It also helps maintain a healthy lifestyle away from illness, mental disorders and physical disorders which result from prolonged exposure to stress such as heart disease, alcoholism or diabetes. The responsibilities and demands from employment and family have therefore contributed to an increase in role overload due to the employee's desire and struggle to accommodate the various responsibilities placed on them by their personal and professional lives (Sheppard, 2016).

Work life balance is the individual employee's ability to engage in work, while at the same time still meet family commitments and obligations (Sentamilselvan & Delecta, 2016). Nekoranec (2013) describes the working environment in which people spend most of their active life as challenging due to the recurrent changes that occur in life. Benefits related to work life balance include programs that help employees achieve a better balance between work and non-work activities.

Work life balance programs include those covering flexible work hour arrangements, part time employment, parental leave, paid and unpaid leave, dependent care services, stress management programs and employee assistance programs (Johnson, 2015). Work life balance benefit programs also include time away from work like vacation time, services to meet specific needs such as counseling or financial planning and flexible work schedules (Sentamilselvan & Delecta, 2016).

According to Shield *et al.* (2015), the act of introducing employment policies that foster a healthier work and life balance for employees is crucial in enhancing employee motivation. It is hence evident that the enhancement of work life balance in a professional setting is an essential factor in increasing employee performance

(Obiageli *et al.,* 2013). The study recommends that human resource managers should focus on creating diverse work life incentives that will improve employee performance.

Some of work life benefits includes employee satisfaction, employee well-being, reduced absenteeism, high morale, successful recruitment and retention and customer satisfaction. Work life balance strategies enhance the autonomy of workers in coordinating and integrating the work and non – work aspects of their lives (Divyabharathi, Balakrishnan & Vettriselvan, 2014).

Work life employee benefits refer to the work incentives that are given to the employees to work hard and perform up to their level best. Work life balance policies and practices come in handy in managing employees' work and family lives. Work is considered as the paid employment and life balance refers to non-work and more free time spent on leisure or with family (Divyabharathi, Balakrishnan & Vettriselvan, 2014).

Life interferes with work and so does work interfere with life. The constant strife makes it difficult for most employees in determining what should take the precedent (Johnson, 2015). Organizations in the world are implementing work life balance programs to minimize on its possible negative outcomes. Benefits realized through work life programs include increased productivity, increased morale, increased customer service, increased loyalty, reduced absenteeism; reduced operations cost as well as attract and retain talented staff (Sentamilselvan & Delecta, 2016).

2.3.5 Motivation

Motivation is the desire to achieve beyond expectations; being driven by internal rather than external factors and to be involved in a continuous strive for improvement (Basford & Offerman 2012). Motivation may also be defined as the desire and willingness of a person to expend effort to reach a particular goal or outcome (McGregor & Doshi, 2015). Extrinsic motivation is addressed through financial reward, including pay and bonuses or benefits in kind such as company cars. Intrinsic motivation is concerned with satisfying employees' psychological needs for example through provision of interesting and challenging work opportunities for personal and professional development, recognition of achievement, social contact and a ‘voice’ in decision making (Nick, 2011; Iveta, 2014). Extrinsic variables are job security, respectable salary, thoughtful discipline, and good working conditions. Employees appreciate a pay increase or promotion, emotional support, training in new skills and recognition from management (Newstrom, 2011).

The highly motivated employees serve as the competitive advantage for any company because their performance leads an organization towards accomplishment of its goals (Khan *et al.,* 2019). Gungor (2011) stated that motivation is the competency or capability of a person to change behavior. Performance reviews such as providing honest and objective feedback to employees helps in motivating them to perform better because they enhance their self-esteem (Jerome, 2013).

Motivation refers to the intrinsic drive which makes individuals to direct their energy towards attainment of a particular goal. It is a force that propels individuals to act in a particular way that leads to results and rewards (Murphy, Cross and McGuire, 2006). Motivation of the employees is a critical component of the employee performance. It is usually done using myriad ways by distinct companies to enhance the employee’s performance by instilling a sense of self confidence, self-esteem and career satisfaction (Fuhrmann, 2006).

2.3.6 Employee Performance

Employee performance is defined as the measure of how employee behaves and works in fulfillment of their obligations as enshrined in the employment contract. Employee performance is defined as the measure of production from process per unit input to output (Singh & Cooper, 2011, Rasch, 2018). Performance is therefore the behavior and outcome exhibited by an individual and which affect the overall positioning of a team and the organization (Shields, 2011, Shahzad, Luqman, Khan & Shabbir, 2012). The measure of employee performance is key in determining growth and profitability of finances attributed to the firm reflected in revenue generation and return on investment as contributed by employees.

Employee performance has also been defined as the evaluation of how an employee behaves in a workplace environment as well as how he or she performs his or her duties as assigned by his employer. It's a measure of ascertaining how well or poorly an employee performs his duties for the attainment of the organization goal. Employee performance has an important implication on the performance of the firm in any industry (Lussier, 2005). The measure of employee performance is key or vital in determining growth and profitability of finances attributed to the firm as attributed by employees (Rasch, 2018). Some of the commonly applied metrics for measuring employee performance includes quality of the employee work, quantity of work, absenteeism rate, meeting deadline by completing the work within the agreed time, number of product defects among others (Sabri et al., 2019).

Employee performance has been of great interest to firms in the existing turbulent environment. The workforce is the engine of the firm and compensation is the fuel and no firm can attain its goals without an effective workforce. The people or the human resources are the ones who create value for a firm. The success of a firm is hence dependent on the individual productivity and performance of each employee (Sang, Wario & Odhiambo 2017).

In an organization, it is the workforce that adds value by utilizing the resources of the firm to develop services and products that meet the needs of the customers (Tiwari & Saxena, 2019). Literature indicates that HRM practices significantly contribute to employee performance and labour productivity (Khaled, Ramulu & D'Netto 2015). Naing, Win and Maw (2018) found out that Human Resource Management practices such as career planning, job definition, performance appraisal, selection and employee involvement were positively correlated to job performance.

Majority of the Kenyan state corporations indicate an average organizational performance based on revenue generated and return on investment, which is indicative of unsatisfactory employee performance. The performance evaluation conducted in 2012 noted that only one state corporation had excellent performance. Slightly over a hundred and approximately 53 were in the very good and good category respectively, while nine had performed poorly (RoK, 2012).

Anyango (2017) reiterates the 2012 evaluation noting that most state corporations are above average concerning performance. Longino (2020) assert that performance does not develop naturally and should consequently not be left in anticipation, irrespective of employee's innate desire to perform. The performance desire needs to be contained, facilitated, and cultivated through various forms of employee acknowledgment (Akomolafe, Emerole & Dickson, 2018).

Employee performance is often indirectly measured using aspects of employee behavior at work such as speed, courtesy, etiquette, precision, time management, consistency, and influence on other employees (Peter, Kiongera & Wanjere, 2023). The most frequent metrics for measuring of employee performance includes number of units produced or sales made, quality of the employee work, effectiveness in doing certain work, number of products wastes reported a result of employee work and customer satisfaction (Werner, Bagraim, Cunningham, Landman, Potgieter & Viedge, 2019).

Employee performance is a crucial part of the larger spectrum of the performance management whereby individual and team performance is matched with the objectives of the firm, monitored, evaluated, and improved continuously. Employee performance is often indirectly measured using aspects of employee behavior at work such as speed, courtesy, etiquette, precision, time management, consistency, and influence on other employees (Peter *et al.*, 2023).

Performance is a critical ingredient in performance of the organization. When doing employee performance appraisal, business undertakings compare performance rating of employees in one unit/ branch with performance of the other employees undertaking similar roles within the organization and make corrective actions in case of any deviation in order to boost the performance of the organization as a whole. These performance appraisals help in identifying weakness areas and redirect the manager concerned to take appropriate course of action (Amos, Ristow & Ristow, 2004). One way of acknowledging staff performance is through adopting effective reward practices to ensure continued motivation and consequent employee engagement. Hence, the correlation between employee performance and reward management strategies should be established.

2.4 Empirical Review

This section provides a review of existing studies that relate to the research topic. An empirical literature review is a direct search of published work on journal articles and books. It is a comprehensive survey of previous studies related to the research objectives (Carpini, Cook & Jacobs, 2014). Through the review, the study identified research gaps emerging from existing works which motivated the need to conduct the current study.

2.4.1 Financial Rewards and Employee Performance

Sethunga and Perera (2018) investigated the most effective methods of pay for reducing employee turnover in IT firms. This research employs quantitative approaches in the form of online surveys. The study's participants were software professionals who worked for Sri Lankan software firms. The data was analyzed using Pearson correlation and linear regression. Compensation is inversely linked to employee turnover. Employees are more willing to work in IT businesses since cash rewards are plentiful and regularly granted. Long-term monetary benefits delivered every six months were more successful in keeping staff, according to a detailed review. There is a contextual gap since the study was conducted in Sri Lanka, which is a different environment from Kenya. Further, the study presents a conceptual gap since it focused on employee turnover and not employee performance.

In Pakistan, Mehta, (2014) examined the impact of financial and non-financial rewards on employee performance in Pakistan insurance. He used both the descriptive and quantitative research methods. The study findings indicated that monetary rewards had a significant impact on employee performance and job satisfaction since increases in monetary rewards had contributed to higher productivity (Mehta, 2014). The study further noted that the relationship varied among employees depending on whether the employer was a public or private company.

At Kenyatta University, Ndungu (2017) investigated the impact of financial compensation on staff employment. The study utilized a descriptive research design. The sample design included layered random sampling and targeted random sampling. As a research tool, the questionnaire was used. Employee performance and monetary salary were found to have a significant positive relationship. Furthermore, work performance and independent factors have a positive and substantial association (external awards, internal awards, recognition awards, work environment, and leadership style). There is a methodological gap since the study used a single agency whereas the current study surveyed several government agencies.

The impact of compensation methods on employee performance is investigated by Jean, Ngui, and Robert (2017) using the example of Mombasa Cement Limited. Three research goals are pursued by this study. Determine the influence of salary on employee performance, the impact of income on employee performance, and the impact of recognition on employee performance first, then the impact of income on employee performance, and finally the impact of recognition on employee performance. The survey employs survey research methods. The gathered quantitative data was evaluated, presented, and interpreted using descriptive statistics. For additional research, the Pearson correlation technique is applied, which examines the linear relationship between two continuous variables in the study. Employees are given enough compensation, incentives, and benefits, as well as recognition through certification or verbal encouragement, according to the survey. There is a methodological gap since the study was a case study, while the current study will be a survey.

Abdifatah, Odhuno and Ondabu (2015) examined how extrinsic rewards affect employee satisfaction in attainment of organizational objectives. The specific objectives were to determine how salaries, bonuses, commission and working conditions affect employee satisfaction. This study employed descriptive research design and used a structured questionnaire to gather data. The study found out that the salaries paid to the employees is not equal to the work that they do in the company, because majority of the employee agree that the organization does not have a performance related pay scheme to motivate the employee. The study also found that if the employee did not get enough salary or adequate salary, the employee will feel dissatisfied with work.

2.4.2 Employee Benefits and Employee Performance

Jaworski, Ravichandran, Karpinski, and Singh (2018) investigated the impact of training satisfaction, benefits, and incentives on part-time employee engagement. The goal of this research was to examine if the type and length of training had an impact on training satisfaction among part-time hospitality personnel. It was also assessed the impact of received perks and incentives, as well as training satisfaction, on work commitment. Training satisfaction is influenced by on-the-job training and supervision. Commitment is influenced by the rewards and incentives offered, as well as pleasure with the training. There is a conceptual gap since the study focused on employee commitment and not performance.

Chukwudumebi and Kifordu (2018) aimed to establish the importance of co-benefits for employee morale and employee productivity in Nigerian oil companies. Three hypotheses were investigated using questionnaires and direct interviews to target and collect data from various respondents. For each group of employees in the organization, fifty (50) questionnaires were delivered. The hypothesis was tested using the chi-square test, and the findings were found to be significant. The benefits of incentives had a considerable impact on staff morale and productivity, according to the findings. Therefore, it needs improvement. The study concludes that benefits play an important role in employee morale and organizational productivity. There is a contextual gap since the study focused on oil companies in Nigeria, while the current study focused on government agencies in Kenya.

Atambo *et al.* (2019) conducted a descriptive approach based on a correlation design to establish the relationship between employee incentives as an independent variable and employee performance as a dependent variable. The outcomes of the study indicated that employee incentives had a significant role in enhancing performance at individual and organizational levels. In the modern society, corporations adopt a wide range of relevant and appropriate benefits in order to encourage employees to elicit their best skills while increasing their effort. Some forms of incentives used include commissions based on performance and bonus awards.

Robles (2018) investigated the impact of employee compensation on employee happiness using the example of a five-star hotel in Nairobi. A descriptive research design is used in this study. To collect primary data, a systematic questionnaire was used. Employee pay is determined not just by wages, but also by long-term benefits such as pensions, according to the findings. Employee happiness and productivity can both benefit from retirement since they maintain a competitive overall wage rate, attractive pension systems attract highly trained workers. The findings also demonstrate that paid vacation correlates to employee pleasure in the workplace, and that flexible work hours boost employee satisfaction and productivity. Employee happiness is boosted by vacation and family perks. Employees also agree that vacations allow for personal relaxation and social activities, and the results show that they are generally satisfied with their employees' performance. There is a contextual gap since the study concentrated on five-star hotels and not government agencies.

At Uganda's National Enterprise Corporation (NEC), Nansasira (2018) investigated the impact of employee earnings on staff performance. The study's goals were to investigate the correlation between short-term employee earnings and NEC employee employment, as well as if insurance income is associated to NEC employee employment and whether retirement income is linked to NEC employee performance. A descriptive survey design is used in this study. The outcomes of the study back up the premise that short-term employee benefits have a large beneficial impact on employee performance, insurance income has no significant notable impact on employee performance, and retirement income has no significant impact on employee performance. A contextual gap exist since the study was carried out in Uganda and not Kenya.

Mugaa, Guyo, and Odhiambo (2018) looked into the effects of higher pay on employee performance. This study employed a descriptive research design. To collect primary data, a structured questionnaire with closed and open questions was used. The pertinent issues were subjected to factor analysis in order to identify the factor with the highest eigenvalues. Since this study discovered a positive and significant relationship between perks and employee performance, the alternative hypothesis was not rejected. According to the study's findings, additional benefits have a positive and significant impact on employee performance.

2.4.3 Non-Financial Rewards and Employee Performance

Alhmoud and Rjoub (2019) assessed the impact of total pay, including external, internal, and social awards, on employee retention at Islamic banks in Jordan. A questionnaire was used to poll the study sample, which included 500 employees from major Islamic banks in Jordan. The partial least squares method was then utilized to evaluate the study hypothesis using the structural equation model. Employee retention is influenced by external, internal, and social benefits, according to the findings. Social benefits, it turns out, have the biggest impact on employee retention. The study focused on banking sector in Jordan thus presenting a contextual gap.

The impact of non-monetary incentives on employee productivity was explored by Khan, Waqas, and Muneer (2017). A questionnaire in the city of Faisalabad was used to investigate the personal experiences and opinions of employees of several courier firms. Employees' personalities are influenced by rewards, which encourage loyalty and strong performance. Employee performance and non-financial awards were found to have a substantial link, according to the findings. A contextual gap exists since the research was done in Pakistan which is a different environment from Kenya.

The impact of non-monetary incentives on job satisfaction in Pakistani private firms was researched by Akbar, Riaz, Arif, and Hayat (2018). Data was gathered using a self-management questionnaire. Correlation and regression tests were used to examine the data. The findings revealed that job happiness is boosted by recognition, flexible work arrangements, employee feedback, development chances, promotions, empowerment, a competitive work environment, and individual compensation preferences. Furthermore, it is thought that focusing on aspects that positively affect job satisfaction will boost employee performance and create a happy work environment, which will aid in increasing organizational productivity. There is a contextual gap because the study focused on private enterprises in Pakistan, while the current study looked at government agencies in Kenya.

Nabukeera, Bwengye, and Buwembo (2019) investigated the impact of non-monetary incentives on employee motivation and company performance in Uganda. The purpose of this research was to determine how non-monetary incentives influence employee performance. This study employed a descriptive research design. Non-monetary rewards and motivation had a correlation coefficient of 0.449 with a p-value of 0.000, showing a statistically significant association, but non-monetary rewards and performance had a correlation coefficient of 0.175 with a p value of 0.081, indicating a negative relationship. There is a strong link between motivation and performance. As a result, while good management of non-monetary rewards boosts motivation, motivation has no direct impact on performance. The study presented a conceptual since it focused on corporate performance and not employee performance.

Ngatia (2017) investigated how recognition, career development, employee autonomy, and flexible working hours affected employee performance at the Murang'a Drinking Water and Sewerage Company. This research employed a descriptive research design that incorporates both quantitative and qualitative research techniques. Employee freedom and performance were found to have a substantial link in this study. According to the research, employee recognition has a significant impact on employee satisfaction and productivity, and employees cherish recognition as part of their remuneration package. Furthermore, this study discovered that when firms embrace career development as a primary means of improving employee performance, they achieve high levels of organizational effectiveness. Finally, the study discovered that flexible working hours provide employees a lot of flexibility in how they conduct their tasks, while strong work morale can help keep stress at away and make employees happy, which leads to better performance. The research was a case study and not survey thus presenting a methodological gap.

2.4.4 Work Life Balance Benefits and Employee Performance

Larasati and Hasanati (2019) looked into the impact of work-life balance on millennial employee engagement. Employees of PT Senwell Indonesia from Banjarmasin participated in this study as research participants. Researchers in Utrecht employed a work-life balance measure as well as a job engagement scale to collect data. To examine the data, we used a basic linear regression model. Work-life balance is responsible for 14.3% of employee satisfaction, according to the findings. Evidence shows that companies that care about employee well-being in their personal and professional lives can influence employee engagement in the company. Indonesia is a different environment from Kenya thus the study indicated a contextual gap.

Shockley, Smith, and Knudsen (2017) reviewed research on issues at work and detention. The study discusses the evidence that links work-life balance to prison-related outcomes. Following that, the role of formal and informal employment, as well as family support measures, in boosting job and personal performance, as well as prison outcomes, is examined. A hypothesized association between work-life conflict and retirement attitudes is supported by empirical research. A minor positive relationship between conflict and the desire to change work and life was discovered in the meta-analytic research, as well as a minor negative relationship between conflict directions and organizational commitment.

Kurnia and Widigdo (2021) looked at how work-life balance, job demand, and job insecurity affected employee performance, using employee wellbeing as an intermediary variable. With partial least squares structural equation modeling (PLS-SEM), an explanatory quantitative test method was applied. A total of 100 employees from PT Jaya Lautan Global took part in the survey. Saturated sampling was used as a sample strategy in this investigation. According to the findings, work-life balance and job requirements have a positive and significant impact on employee contentment. Uncertainty in the workplace has a significant negative impact on employee happiness. Work-life balance has a positive and significant impact on employee performance. There is a methodological gap since the study used PLS- SEM while the current study used linear regression model.

Hassan and Teng (2017) investigated the relationship between work-life balance and job satisfaction among Malaysian workers using gender and race as moderators. The data was gathered via a questionnaire. In this study, one-way analysis of covariance (ANCOVA), t-test, and one-way analysis of variance were utilized (ANOVA). There is a significant correlation between work-life balance and job happiness, according to the data. Because the study was conducted in Malaysia rather than Kenya, there is a contextual gap.

Abdirahman, Najeemdeen, Abidemi and Ahmad (2018) studied the relationship between work-life balance, job satisfaction, and organizational commitment to employee representation among university administrative staff in northern Malaysia. This study employs quantitative research techniques. Various statistical approaches were used to analyze the data, including reliability studies, descriptive analysis of variables, correlation analysis, and regression analysis. According to the regression results, all independent factors, such as work-life balance, job satisfaction, and organizational engagement, are positively related to the dependent variable, employee performance. The study does find, however, that in order to boost the performance of effective personnel, motivation must be increased. This will affect the organization's ability to achieve its goals in both the commercial and public sectors.

Mungania (2017) looked into how work-life balance affects Kenyan banking performance. This research aims to examine the impact of flexible work arrangements, health programs, family duties, and, finally, work-related conflicts on the banking industry's performance in Kenya. A mixed-methodologies research strategy was used in the study, which comprised both quantitative and qualitative methods. Flexible work arrangements, health programs, and considerations about family duties were shown to be more directly associated to banking performance in Kenya, according to the study. He also discovered that organizations that help people achieve a better work-life balance are more effective. Workplace conflict has a negative effect on performance, meaning that there is a correlation between workplace conflict and banking performance. A contextual gap exists since the study focused on banking sector and not government agencies.

2.4.5 Employee Performance

Okoli, Okoli, and Nuel-Okoli (2020) investigated the link between pay management methods and employee performance in a handful of public colleges in southeastern Nigeria. The descriptive research design was chosen as a result of the study. Data was gathered using a structured questionnaire. Employee involvement was found to have a big positive link with distributive equity, as well as a significant positive relationship between employee recognition and job pleasure. The study was conducted in Nigeria, which is a different environment from Kenya.

The impact of monetary and non-monetary incentives on employee performance was studied by Kathombe (2018). The survey was conducted using a descriptive survey design. A total of 620 professors from two Kenyan institutions, Egerton and Kabarak, were studied, with a sample of 242 academics. This survey mostly collected data from respondents via a questionnaire. The questionnaire data was examined in a methodical manner in order to meet the research objectives and hypotheses. The data demonstrated a significant beneficial relationship between financial and non-financial awards and employee performance. As a result, both monetary and non-monetary incentives inspire people to perform more. Hence, the performance of staff at the Universities of Kenya will be high if they seek to integrate financial and non-financial rewards.

In a public university campus in Kericho County, Kenya, Cheruiyot and Kalei (2020) analyzed the effect of remuneration strategies on staff performance. A cross-sectional design was used for this investigation. Data was collected via questionnaires, and descriptive and inferential statistics were used to analyze the results. According to the findings of this study, there is a clear link between compensation plan and employee performance. The study's findings suggest that motivated employees are the primary driving force behind government operations. The research was a case study and not survey thus presenting a methodological gap.

At the Britam Insurance Company in Kisumu, Kenya, Anyango (2017) investigated the impact of the remuneration structure on employee performance. A target population of 100 employees was chosen for the correlation study design. The survey sample was drawn from all the 100 employees using the census approach. Regression and correlation were used to investigate the relationship between the remuneration structure and employee performance, while descriptive statistics were used to investigate quantitative data. Employee performance was found to be low, with substantial relationships between performance-related pay, team-based pay, and total remuneration. These components of the remuneration system account for about 79 percent of the observed difference in employee performance when combined. Furthermore, team-based remuneration was discovered to have a considerable impact on employee performance. The research was a case study and not a survey thus presenting a methodological gap.

2.5 Critique of Existing Literature

The reviewed empirical studies have shown several shortcomings that requires holistic approach to fill the gaps. Firstly, the focus of most of the literature review on work life balance has been work related to policies and practices. However, it is important to acknowledge that other factors such as life stage can have a significant impact on work-life interaction (Odhong & Omollo, 2019).

Ngatia (2015) examined on factors affecting employee performance. The study assessed the influence of recognition, career development, employee independence and flexible schedules on employee performance in Murang'a water and Sanitation Company. The author asserted that recognition, career development, employee independence and flexible schedules have a significant influence on the employee performance. However, the study did not look at the factors that the current study is focusing on. The study was also limited to Murang'a Water and Sanitation Company hence cannot be generalized to state corporations (Ngatia, 2015).

Okafor (2014) noted that it was believed that motivation leads to job performance and effectiveness. Research shows a positive relationship between motivation and job performance however it is not always so since happy workers are not necessarily productive workers.

This is partly because job performance could be a function of other variables such as skills, expertise, and level of technology. A possible solution to deal with employees that have different degrees of risk aversion is to use flexible benefit schemes (Tiwari &, Saxena, 2019). According to the Milkovich (2010) study, in flexible benefit scheme employees are allowed to express their relative preferences with respect to topics such as healthcare, dental and employee life insurance. Rigid benefit plans, on the other hand, are dictated by management predetermined standard benefits. However, a firm should use this solution with caution since sometimes flexible pay lacks efficiency.

A firm should consider different factors, such as risk aversion and demand for leisure, when determining the reward schemes. Organizations who mainly use remuneration or monetary compensation as reward might find themselves challenged to sustain their employees' motivation. Whilst basic (fixed) monetary compensation is cited as the most important factor it does not appear to behave like a 'hygiene factor' (Nienaber, 2011; Snelgar, 2013; Bhengu & Bussin, 2012).

Kamau (2013) note that the issuance of benefits such as the retirement benefits contribute significantly to worker's behavior. Obiageli *et al.* (2013), note that work life benefits such as issuance of employee leave and vacations has positive effects on employee productivity and motivates them to deliver services more effectively. This study aims to bring out the contribution of the variables under study and their correlation to employee performance.

2.6 Research Gaps

The reviewed studies have raised conceptual, contextual and methodological gaps. Most studies such as those cited in this literature review, have been conducted in western economies like the United Kingdom and some parts of Europe. Only a few appear to have been conducted in East Africa, especially with Kenya as the focus.

Additionally, most of the studies investigating employee performance in Kenyan-based organization focus on other variables such as job satisfaction and job retention in relation to reward practices and only few studies between 2013 and 2016 document the current reward practices that state corporations adopt to enhance employee performance. This trend created a literature gap which this study sought to fill. For example, Wangechi *et al.* (2018) assessed how compensation methods affected employee job satisfaction. Atambo *et al.* (2019) conducted a study on the relationship between employee incentives and employee performance. Markova and Ford (2011) examined the relative effect of various rewards on performance of knowledge workers. Njanja, Maina, Kibet and Kageni (2013) indicated that cash bonuses have no significant influence on employee's performance in Kenya.

Ngatia (2015) examined on factors affecting employee performance and indicated that recognition, career development, employee independence and flexible schedules have a vital influence on employee performance. Dharma and Supriyanto (2017) assessed the connection between employee satisfaction and performance in Indonesia. From the review of the literature review above, it is evident that majority of the studies done on employee performance focused on other areas other than the influence of reward management practices. Further, most of the studies conducted focus on individual specific sectors of the State Corporations while this study covers all the state corporations. Therefore, there is need for future research, to understand the effectiveness of various reward practices on employee performance among the state corporations in Kenya. This study therefore sought to bridge these gaps by addressing the question; what is the influence of various reward management practices on employee performance among the state corporations in Kenya?

2.7 Summary of Literature Reviewed

The study sought to establish the influence of reward management practices on employee performance. The study was anchored on the following theories: Abraham Maslow Hierarchy of Needs, vroom's expectancy theory and Reinforcement Theory. According to Maslow's (1954), human beings are motivated by the fulfillment of their needs which often can be classified and ordered into a hierarchy ranging from lower ranked needs e.g., food, shelter and sex to higher ranking needs such as self-actualization needs. In this regard, the theory recognizes that financial rewards provide a means of fulfilling human needs. Any reward system administered by an entity is meaningful and considered as a motivator if it's tailored towards meeting the employee needs.

Moreover, Vroom's expectancy theory opines that a reward motivates the employee to perform more by aligning their behavior with the objectives of the organization hence suggesting a positive association between reward and employee performance (Vroom, 1964). Similarly, reinforcement theory asserts that positive rewards have a positive reinforcement on employee performance. A positive reinforcement such as rewards, promotions and praises shape the employee behavior and motivates them to perform higher. It's based on an adage that behavior that is followed by positive rewards is more likely to be repeated while the one followed by negative rewards such as punishment is less likely to be repeated (Skinner, 1938).

Several empirical reviews done on the employee performance have conflicting findings on the nature of the association among rewards and employee performance. For instance, Njanja *et al.* (2013) conducted a study on the influence of cash bonus on employee performance and indicated that cash bonuses have no significant influence on employee's performance in Kenya while Atambo *et al*. (2019) conducted a study on the relationship between employee incentives and employee performance and asserted that employee incentives have significant influence on employee performance.

Ngatia (2015) examined on the factors affecting employee performance in Murang’a water and Sanitation Company and indicated that recognition, career development, employee independence and flexible schedules have a vital influence on employee performance in Murang’a water and sanitation company. Wangechi *et al.* (2018) assessed how compensation methods affected employee job satisfaction. Dharma and Supriyanto (2017) assessed the connection between employee satisfaction and performance in Indonesia and established that salary had an impact on employee satisfaction and performance.

This study sought to fill the gap created in empirical literature by seeking to establish the influence of various reward management practices on employee performance among the state corporations in Kenya.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section provides a blueprint of the methodology that the researcher used to conduct the study. The chapter discusses the research philosophy, research design and target population and highlights on data collection methods, sampling procedure, sample size, reliability and validity. The chapter further describes the analytical models and how the research findings were presented.

3.2 Research Philosophy

According to Saunders, Lewis and Thornhill (2009), research philosophy is a scientific procedure through which knowledge is created. It informs the procedures that can be adopted in executing a given study. It further informs how the data is to be collected, what type of data is to be collected, how the data is to be analyzed and how the data is to be interpreted. There are four known research philosophy namely, positivist, phenomenological, realism and pragmatic research paradigm. However, the two main research paradigms include the positivist and phenomenological research paradigm.

According to positivist research paradigm, reality can best be identified and studied objectively without interfering with the phenomenon and introducing bias. The positivist paradigm further applies quantitative data, surveys, descriptive research design and statistical techniques in examining the hypothesized relationship about the phenomena.

On the other hand, the phenomenological research paradigms argues that reality can best be described subjectively by utilizing qualitative data that is gathered by way of observation, interviews, questionnaires or even case studies. The phenomenological research paradigm uses non statistical techniques in trying to address a given research problem (Polit & Beck, 2008).

This research study adopted positivist research paradigm because it advocates for the use of statistical techniques, surveys and quantitative data, inductive reasoning in studying the observed phenomenon objectively. The study sought to find out the nature of the association between reward management practices and employees' performance. The positivist research design opines that there is one truth and that that truth can be discovered objectively using scientific and objective procedures (Steen & Roberts, 2011).

The positivist research philosophy alludes that the type of data collected shapes the knowledge that people have on a given topic and therefore critical examination of the methods of data collection, type of data, data analysis techniques, nature of interpretations and the resulting conclusions should be done to avert impairing the quality of research by introducing bias into the research process. Positivist paradigm assumes that the research can be undertaken in an impartial, value free manner and the researcher does not in any way affect the way the data is collected in a given situation (Saunders *et al.,* 2009).

Moreover, Positivist philosophy has been applied extensively in executing similar studies such as Chaubey (2018); Chandra, Ripathi and Chaubey (2018) and therefore this research paradigm was deemed appropriate for this research undertaking.

3.3 Research Design

A research design is the scheme regarding how the study goes about answering the objectives of the study (Cooper & Schindler, 2014). The choice of the research design was informed by type of analysis required, purpose of the study, knowledge stage and involvement of the researcher (Machuki, 2011). A design is further applied in structuring the research by showing how parts of the research considered major interrelate to address the research questions in place (Kombo & Tromp, 2011).

Donald and Pamela (2014) consider research design to include a plan on which strategy is to be carried out. These consist of procedures, methods and the data collection, measurement and how it will be analyzed (Donald & Pamela, 2014). It is further argued by Kothari and Gaurav (2014) that it is how conditions for collecting data and analysis are arranged to make relevance and purpose of the study and the conceptual structure upon which the study is anchored in terms of collection, how measurement is done and the overall analysis blueprint (Kothari & Gaurav, 2014).

Research design outlines an array of various procedures and techniques that are applied in executing a given study. Broadly, research designs are normally classified into three major categories namely, descriptive research design, exploratory research design and explanatory research design. Descriptive research design seeks to describe various variables that are pertinent in each situation while exploratory research design seeks to explore into new areas where no or few studies have been done to identify new variables that can help in describing a phenomenon at hand.

On the other hand, explanatory research design seeks to provide in-depth explanation of a given phenomenon by providing more insights on the variables of interest in each situation. The choice of the research design adopted by a given researcher depends wholly on the philosophical orientations, nature of the study, purpose of the study, analytical demand of the study and type of data to be collected (Kothari & Gaurav, 2014).

This study employed both descriptive and explanatory research designs. Explanatory research design helps in explaining the causal relationship between variables. This study aimed to determine the relationship between reward management practices and employee performance. Descriptive research design was preferred because it falls squarely within the larger positivist research philosophy which aims at theory testing and is quantitative in nature, Further, it utilizes a blend of both quantitative and qualitative data in investigating a given phenomenon. Descriptive research design also helps in testing cause-effect relationship derived from the theory among various variables in an objective manner by applying quantitative data approach hence it was deemed appropriate for the study investigation.

Descriptive study aims at providing comprehensive description of the current happenings in social world and the researcher has no influence on the problem being investigated or the activities revolving around it. Therefore, the researcher only reports what has happened or what is happening and provides an opinion or an explanation as to why things are happening that way (Cooper & Schindler, 2014).

3.4 Target Population

Population is the entire group of people or things of interest that the researcher wishes to investigate (Sekeran, 2010). The population of the study helps to redefine the study by providing clear focus of the areas where the data will be collected from to address the research questions. According to Taskforce on Parastatal Reforms Report (2013) the study population constituted of the state corporations in Kenya.

The state corporations are categorized as commercial, regulatory, tertiary, research, and service. However, due to the large sizes and geographical mapping, researchers often cannot test every individual in the population because of associated costs and time factor (Kothari & Gaurav, 2014). The unit of analysis was the 178 State Corporations. The unit of observation was the 2 top managers reporting to the Chief Executive Officer, 2 officers or assistant managers and 2 assistant officers. The study population was stratified for ease of data collection as shown in Table 3.1.

Table 3.1: Target Population

Category	**Target Population**
Commercial	33
Service	68
Regulatory	38
Research	13
Tertiary	26
Total	178

Source: Taskforce on Parastatal Reforms Report (2013)

3.5 Sampling Frame

According to Dane (2011), sampling involves the process of selecting study participants from a population of interest whereas a sample is a part of the population chosen for the study. Hence, a sampling frame presents a list of all the features in the population from which the sample is drawn. Bryman (2016) asserts that the frame is essential since it enables the researcher to identify all eligible participants in a population so they could have equal chances for selection. It is therefore arguable that a sampling frame presents an actual and complete list of the population members only. In the current study, the sample frame consisted of 738 employees of the 123 state corporations in Kenya at the high, middle, and low staff cadres.

3.6 Sampling Technique and Sample Size

Sample size is the actual number of elements to be physically reached by the researcher to extract data using appropriate data collection instruments (Saunders, Lewis & Thornhill, 2012). Sample size is the small part of a whole population selected to show what the whole is like (Williman, 2011; Sekaran, 2013). The best research results come from a research study that places the target population at its core and employs the best sampling technique to select the most appropriate representation (Ketchen & Bergh, 2014).

The probability and non – probability sampling techniques are considered. This study used the stratified random sampling to ensure representation of all the categories of state corporations, while purposive random sampling was used to pick the managers, assistant managers and the assistant officers. According to Were (2013) stratified sampling is used to highlight differences among groups in a population, as opposed to simple random sampling, which treats all members of a population as equal, with an equal likelihood of being sampled. Stratified technique is considered advantageous as it enables sampling of each sector or stratum in homogenously grouping members before engaging in sampling (Adejimi, Oyediran & Ogunsanmi, 2010).

This study used Yamane's (1967) formula to compute the sample size since it is straightforward to comprehend and offers a sizeable sample that is fairly representative of the 178 parastatals that make up the target population.

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n= sample size,

N= population

e = the confidence level

1 = constant.

This study assumed the level of precision of 5%

The sample size is:

$$n = \frac{178}{1 + 178(0.05)^2}$$

n =123

This constituted a sample size of 123 state corporations which were identified from the 2010/11 performance evaluation results using the numerical rating composite score in ascending order for each stratum as shown in Table 3.2.

Table 3.2: Sampling Table

Stratum	Number of State Corporations	Sample State Corporations	Respondents
Commercial	33	23	138
Service	68	47	282
Regulatory	38	26	156
Research	13	9	54
Tertiary	26	18	108
Total	178	123	738

3.7 Data Collection Instrument

The study adopted the use of both closed and open-ended questionnaires. Questionnaires are particularly suitable tool for gaining data but can also be used for qualitative data (Williman, 2011). Questionnaires as a data collection method are quite popular, particularly in case of big enquiries (Kothari & Garg 2014). Qualitative data is used to gain insights into people's feelings and thoughts, which may provide the basis for a future stand-alone qualitative study or may help researchers to map out survey instruments for use in a quantitative study (Ogutu, 2012).

According to Creswell and Plano (2011), various methods are used to gather data from a study’s respondents and the choice of the data collection tool depends mainly on the research topic, objectives, research questions, attributes of the subjects, the adopted research design, and the expected results. The primary data was collected through survey questionnaire using the drop and pick or post-delivery strategy to ensure high response rate from the participants. The questionnaire is ideal for the study since it ensures that the data gathered is standardized such that each participant in each public office under study got the questions and in a similar format. Questionnaires are also essential in a study since they enable collection of original data within a short period and at a lower cost compared to most other data collection instruments (Ogutu, 2012).

According to Kothari and Garg (2014) questionnaires gave answers in detail from complex problems and also is associated with less cost and ease in terms of construction, development and administration. Primary data was garnered for the study. The data was collected via the use of both closed and open-ended questionnaires. The questionnaire consisted of six parts: Part A, which sought for participant's personal details and those of the organization. Parts B, C, D, E, and F, sought to establish specific information related to the variables presented in the conceptual framework. The survey questionnaire was administered using the drop and pick or post - delivery strategy to ensure high response rate from the participants.

3.8 Data Collection Procedure

According to Sekaran (2013) data collection is a means of collecting information from the selected units of a study. This study collected both primary and secondary data. Primary data was gathered and generated from the respondents mainly by use of questionnaires. Secondary data was gathered for other or similar purpose and was found to be relevant to the current study; this data is found in the libraries, research centers or from the internet.

Secondary data involved the collection and analysis of published material and information from other sources such as annual reports, technical reports, official statistics from government agencies or published data. The researcher also relied on library and desk research, scholarly journals and articles, reports, internet and publications on the subject matter and related topics. During the secondary analysis, the researcher located the secondary data, evaluated, and verified prior to use. Evaluation of data involved scrutinizing the data to ensure that the referenced published report has high validity and reliability with proper documentation and correct number of observations.

The study administered the questionnaire individually to all respondents and maintained a register of sent out and received questionnaires to guide on the response rate. The questionnaire was administered using pick and drop and pick later method and through the electronic mail method. The researcher used telephone calls and personal visits to follow up on the respondents to ensure that they complete the questionnaires and submit them back.

3.9 Pilot Study

Cooper and Schindler (2014) emphasizes that pilot study should be undertaken to pre – test the questionnaire. Pilot study enabled the researcher to obtain assessment of validity and reliability of data collection tool as well. This is undertaken to detect weaknesses or errors in the instrument and also allows the researcher to offer applicable questionnaires that can meet the study objectives through pre-testing the data collection instrument. Cooper and Schindler (2014) recommend that a desirable tool for collecting data has to pass the validity test and the reliability test. In this research, the tools were tested for both validity and reliability of the tool to be used for data collection. The pilot study was conducted in 12 state corporations (10% of 123 sampled state corporations) targeting 72 respondents. The selection of the corporations for the pilot study was conducted using simple random sampling technique.

3.9.1 Validity

Validity is the degree to which the analyzed data is the true picture of a given phenomenon being studied (Saunders *et al*., 2009). Validity is normally explained as the degree that items in the instruments represent a satisfactory operational definition of the construct of concern. There are different validity tests and to mention some; face to face validity, content validity, construct validity, criterion validity and convergent validity. For this study, construct validity and face-to-face validity tests were employed. This is because these tests measure the degree that the set of questions (scale items) determine the existence of the target constructs (Saunders *et al*., 2009).

Construct validity alludes to the wellness of a concept, idea, or behavior in terms of its translation or transformation, that is a construct into a reality that is functional and operative. Construct validity has got two constituents: convergent and discriminant (McGregor & Doshi, 2010). The convergence and independence of the concepts under investigation are determined through factor analysis in regard to this study.

Convergent validity is usually accomplished by demonstrating a correlation between the two measures, although it's rare that any two measures will be perfectly convergent. Discriminant validity shows that two measures that are not supposed to be related are in fact, unrelated. Both types of validity are a requirement for excellent construct validity.

Content validity refers to the measure that the items in the questionnaire replicate the details that the instrument will be generalized (Oluwatayo, 2012). Content validity for the questionnaire was measured by pre-testing it to participants in one of the referal hospitals. In improving content validity of the instrument further, the study adopted the proposals and criticism made by experts under study. The supervisors' direction in the improvement of the instrument was used in ensuring it collects significant information to respond to cover the study objectives.

Face validity involves checking of the operationalization of the constructs. It alludes to the measure that of being identified with a particular construct, in the judgment of non-specialists, for example, tests participants and delegates of the lawful framework (Oluwatayo, 2012). A test is deemed to have face validity if the content appears applicable to the examiner performing the research (Cooper & Schindler, 2014). It assesses the way the questionnaire appears as far as achievability, comprehensibility, uniformity of style and designing, and the lucidity of the used language. Face to face validity was tested through deliberating the items in the questionnaire.

3.9.2 Reliability

Reliability refers to the level of consistency with which the tool measures a given attribute. As pointed out by Saunders *et al*. (2009), it is important to test on whether the instrument produces steady results at various conditions and at different timings, for example, with various respondents. External/Stability reliability involves either test-retest or split half reliability. Test-retest reliability indicates the degree to which scale scores obtained from the same informants remain consistent over brief periods during which the subject's competencies or problems are not likely to change.

Test-retest reliability requires administration of the instrument over a time when no change in the target concept has occurred. Test–retest reliability of an instrument was computed by measuring subjects at two distinct occasions on the instrument and then computing the correlation. In this respect, the study is considered evidence for good test–retest reliability if the correlation is large. However, the test–retest procedure makes the assumption that the construct being measured does not change over time.

Reliability of the survey instrument was thus established by carrying out a test-retest on respondents selected from the pilot site. After the test-retest, Cronbach's Alpha co-efficient was calculated to establish internal consistency of the instruments. Cronbach coefficient provides a means through which assessment of internal consistency or the mean correlations of matters within the test. The ranges of alpha coefficient values are between 0 and 1. An item is considered to be highly correlated when the coefficient is also high among themselves which implies existence of consistency among the elements in the subject of interest. According to Hinton (2014), four cut-off points for reliability are suggested which includes excellent reliability if the results range between 0.90 and above, high reliability (0.70-0.90), moderate reliability (0.50-0.70) and low reliability (0.50 and below). This study considered a threshold of 0.5 Cronbach's Alpha coefficient as the benchmark in determining the reliability of the questionnaires. Reliability results showed Cronbach's Alpha coefficient of 0.7 and above.

3.10 Data Analysis and presentation

Data analysis is the process of evaluating and deriving meaning from the raw data collected from the research environment to facilitate informed decision making. Processing of data implies editing, coding, classification, and tabulation of data so that they are amenable to analysis. In the process of analysis relationships or differences supporting or conflicting with original or new hypotheses is subjected to statistical tests of significance to determine with what validity data can be said to indicate any conclusions (Kothari & Garg, 2014). Data analysis was performed via the application of a combination of descriptive statistics and inferential statistics.

3.10.1 Descriptive Data Analysis

Descriptive analysis aimed at summarizing distributions and describing a set of data on variables of the study. Descriptive statistics were summarized by use of mean and standard deviations. Open ended questions were analyzed using content analysis where major themes in line with the phrases were developed, analyzed and presented in form of frequencies and percentages, interpretated and related to previous studies.

3.10.2 Diagnostic Tests

Diagnostic tests were done to examine whether the crucial assumption for classical linear regression models were complied with or not. These tests included test for heteroscedasticity, multicollinearity, and normality test.

Heteroscedasticity Test

Heteroscedasticity is undesirable feature of classical linear regression model whereby stochastic error terms exhibit non constant variance across distinct number of observations or variables. The absence of heteroscedasticity dictates that the disturbance term u entering population regression function is homoscedastic and therefore does not vary from unit to unit. Heteroscedasticity in the regression model was tested through the park test and the weighted least square method (Gujarati & Porter, 2010).

Multicollinearity Test

Multicollinearity refers to the undesirable feature of classical regression model whereby independent variables are highly correlated with one another such that it becomes difficult in testing the effect of one independent variable on the dependent variable (Gujarati & Porter, 2010). Multicollinearity is detected when R^2 is high and few significant t ratios, examination of partial correlation, high pair wise correlation among explanatory variables or subsidiary or auxiliary regressions. In this study, multicollinearity was tested by the application of the VIF, where values less than 10 indicated absence of multicollinearity.

Normality Test

Normality refers to the undesirable feature of classical regression model whereby error terms does not have a mean of zero and constant variance. Normality assumptions can be tested by the application of skewness, kurtosis, Shapiro wilk W test and Kolmogorov – Smirnov D test through SPSS (Garson, 2012). Normality in the regression was tested by running the descriptive statistics to get skewness or kurtosis, which should be within the range of +2 to -2 when the data is normally distributed. Negative kurtosis indicates too many cases in the tail of distribution while positive kurtosis indicates too few cases in the tail of distribution. The Chi square and the ANOVA was used to measure the good ness of fit of the model.

3.10.3 Inferential Data Analysis

Inferential analysis was performed to determine the magnitude and nature of association between the variables and the hypothesis. Simple linear regression model and multiple linear models were applied in testing of the fabricated hypotheses. Simple linear models were used in testing the significance of each explanatory variable in the model while multiple regression models were applied in testing the significance of the reward management practices on performance of employees in state corporations in Kenya.

The Pearson correlation coefficient was used to determine the strength or degree of the relationship between the independent variables and the dependent variable

(Sekaran, 2013; Ketchen & Bergh, 2014). The statistical hypothesis tests were performed at 95% confidence level. The p- value, t- test, F- test were applied in ascertaining the significance of the explanatory variables and the model respectively. The null hypothesis was rejected if p- value, F-test value or t- test value calculated from the statistical analysis was more than the critical value derived from the statistical table. Coefficient of determination (R^2) was also applied in ascertaining the proportion of the total variation in the dependent variable explained by the model. A value more than 70% for R^2 implied that the explanatory variables captured were appropriate in explaining the variations in the dependent variable.

3.10.4 Operationalization of the Variables

The comprehensive summary of the data analysis framework is shown in Table 3.3 below:

Table 3.3: Operationalization of the Variables

SNo	Objective	Hypothesis	Model	Statistical Analytical Tests	Interpretation of Results
1	To establish how financial rewards relate to employee performance in the State Corporations in Kenya.	$H0_1$: There is no statistically significant influence of financial rewards on employee performance in the state corporations in Kenya.	$Y_i = \beta_0 + \beta_1 X_1 + \varepsilon$ Where: Y_i is Employee Performance X_1= Financial Rewards E= the error or omitted variables	p-values for testing the significant of the explanatory variable t-test for testing the significant of the explanatory variable F- test for testing the robustness of the model R^2 for testing the percentage of variation in the dependent variable that is explained by the model.	If p- value <0.05, the null hypothesis was rejected If F-calculated > F-tabulated, the null hypothesis was rejected R^2 was used in ascertaining the percentage of variation in dependent variable that is explained by the model. A percentage value greater than 50% was considered significant in the explanation of the model
2	To examine how employee benefits relate to employee performance in the State Corporations	$H0_4$: There is no statistically significant influence of employee benefits on employee	$Y_i = \beta_0 + \beta_1 X_4 + \varepsilon$ Where; Y_i is Employee	t-test for testing the significant of the explanatory variable F- test for testing the robustness of	If p- value <0.05, the null hypothesis was rejected If F-calculated > F-tabulated, the null hypothesis was

	in Kenya.	performance in the State Corporations in Kenya	Performance X_2= Employee Benefits E= the error or omitted variables	the model R^2 for testing the percentage of variation in the dependent variable that is explained by the model.	rejected R^2 was used in ascertaining the percentage of variation in dependent variable that is explained by the model. A percentage value greater than 50% was considered significant in the explanation of the model
3	To investigate the relationship between non-financial rewards and employee performance in the State Corporations in Kenya.	$H0_3$: There is no statistically significant influence of non-financial rewards on employee performance in the state corporations in Kenya.	$Y_i = \beta_0 + \beta_1 X_2 + \varepsilon$ Where; Y_i is Employee Performance X_3= non-financial rewards E= the error or omitted variables	t-test for testing the significant of the explanatory variable F- test for testing the robustness of the model R^2 for testing the percentage of variation in the dependent variable that is explained by the model	If p- value <0.05, the null hypothesis was rejected If F-calculated > F-tabulated, the null hypothesis was rejected R^2 was used in ascertaining the percentage of variation in dependent variable that is explained by the model. A percentage value greater than 50% was considered significant in the explanation of the model
4	To assess how work life balance benefits relate to employee performance in the State Corporations in Kenya.	$H0_5$: There is no statistically significant influence of work life balance benefits on employee performance in the state corporations in Kenya.	$Y_i = \beta_0 + \beta_1 X_5 + \varepsilon$ Where; Y_i is Employee Performance X_4= Work Life Balance Benefits E= the error or omitted variables	t-test for testing the significant of the explanatory variable F- test for testing the robustness of the model R^2 for testing the percentage of variation in the dependent variable that is explained by the model.	If p- value <0.05, the null hypothesis was rejected If F-calculated > F-tabulated, the null hypothesis was rejected R^2 was used in ascertaining the percentage of variation in dependent variable that is explained by the model. A percentage value greater than 50% was considered significant in the explanation of the model

5	To determine the moderating influence of motivation on the relationship between reward management practice and employee performance in the State Corporations in Kenya.	$H0_6$: There is no statistically significant moderating influence of motivation on the relationship between reward management practice and employee performance in the state corporations in Kenya.	$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \varepsilon$ Where; Y_i is Employee Performance X_1= Financial Rewards X_2 = Non – Financial Rewards X_3 = Employee Benefits X_4= Work Life Balance Benefits X_5= motivation $\beta_0, \beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ and β_6 are the regression coefficients ε = the error or omitted variables.	t-test for testing the significant of the explanatory variable F- test for testing the robustness of the model R^2 for testing the percentage of variation in the dependent variable that is explained by the model	If p- value <0.05, the null hypothesis was rejected If F-calculated > F-tabulated, the null hypothesis was rejected R^2 was used in ascertaining the percentage of variation in dependent variable that is explained by the model. A percentage value greater than 50% was considered significant in the explanation of the model

CHAPTER FOUR

RESEARCH FINDINGS, ANALYSIS AND DISCUSSIONS

4.1 Introduction

The chapter presents the empirical findings and results of the application of the variables using descriptive and inferential statistics. The current study sought to establish the influence of reward management practices on employee performance in the state corporations in Kenya. The specific variables of the study were financial rewards, employee benefits, non-financial rewards, and work life balance benefits.

The moderating effect of motivation on the relationship between reward management practices and employee performance in the state corporations in Kenya was also determined. Specifically, the data analysis was in line with specific objectives where patterns were investigated, interpreted and implications drawn on them. Descriptive and inferential statistics as well as qualitative data were used. Hypothesis formulated from research objectives was also tested and results tabulated and interpreted accordingly.

4.2 Response Rate

Response rate is defined as a summary measure that designates the ratio of the number of participants in a given research to the number of eligible units asked to participate in a given sample (CASRO, 2018). It measures the results of an effort given to properly carry out research for the purposes of executing the study objectives. The questionnaires were self-administered to the top management in each state corporation who are considered to have the information relating to how reward management practices impact on employee performance.

The researcher distributed 738 questionnaires, out of which 501 responded positively by filling and returning the questionnaires. This represented an overall positive response rate of 68%. Additionally, 148 questionnaires were unreturned while 89 were incomplete. This study's response rate is considered very good for survey research as recommended by Creswell and Creswell (2017) who proposes a score of 70-85% as good response rate, whereas Yin (2017) suggest a 50% response rate is adequate, 60% good and above 70% very good. According to Awino (2011), a response rate of 65 percent is acceptable for such studies.

On his part, Njeru (2013) suggests that a response rate of 60% is representative of the population of the study. Such a high response rate for this study can be attributed to the use of introductory letters from the University explaining the purpose and nature of the study, as well as the use of trained research assistants who were equipped with skills on how to build rapport with respondents.

Table 4.1: Response Rate

Category	Number (N)	Percentage %
Filled and returned questionnaires	501	68
Unreturned/incomplete questionnaires	237	32
Total	**738**	**100**

4.3 Pilot Study Results

A pilot test was done to establish the measure of reliability and validity of the data collection instrument. The size of the pilot group may range from 25 to 100 subjects, depending on the method to be tested but the respondents do not have to be statistically selected (Saunders *et al.,* 2009). The pilot study was conducted on 10% of the sample size of 123 state corporations which is 12 and therefore targeted 72 employees.

These organizations were excluded from participating in the main survey. After the pilot study, the necessary modifications were made to the questionnaire. The study findings are organized into sub sections which include reliability tests, factor analysis and multicollinearity.

4.3.1 Test of Reliability

Reliability refers to a measure of degree to which results from an instrument are consistent on repeated measurements. Its goal is the estimation of measurement errors which are normally random. It is a measure of an instrument's internal consistency.

The measurement instrument should be reliable for it to measure consistently (Maxwell, 2012; Cooper & Schindler, 2014).

The variables internal consistency or average correlation was assessed using Cronbach's alpha. The alpha coefficient value ranging from 0 to 1 were used. This study adopted the alpha coefficients ranges to describe reliability factors extracted from formatted questionnaires on Likert-type scale (rating from scale 1 to 5).

The study used a cut off Cronbach alpha coefficient of 0.7. Different authors recommend different cut off points for reliability. Bryman (2016) indicate that Cronbach value of 0.7 and above is considered reliable, Cooper and Schindler (2014) suggest a range of 0.7 to 0.9 Cronbach's alpha coefficient to be good for reliability test, while Marshall and Rossman (2014) recommends a reliability cut off point of 0.6. Bagozzi and Yi (2012) instead recommend a value of 0.5 to be the reliability cut off point necessary for further analysis.

This study adopted a cut off Cronbach value of 0.7 which is considered a strong measure of reliability consistency (Creswell & Clark, 2017). Reliability of the survey instrument was thus established by carrying out a pilot study on organizations representatives who were required to respond to the questionnaire and report any ambiguous questions, identify any defects in the questions or lack of clarity in the instructions as well as suggest any changes. The results of the reliability tests are summarized in Table 4.2.

As shown in Table 4.2, the alpha coefficients for all the variables are above the 0.7 thresh hold. This was confirmation of reliability of the data used to draw conclusions from theoretical concepts. Cronbach's alpha coefficient ranged from 0.775 (non-financial rewards) to 0.931 (motivation) revealing a high degree of reliability of the instrument. The results indicate that all constructs had high scores of reliability coefficients. This implies that all the variables had a reliable index measure indicating that the instrument was reliable in collecting data.

The findings of this study are consistent with the findings of Creswell & Clark (2017) who asserted that the reliability score of more than 70% is sufficient for performing of other statistical tests.

Table 4.2: Summary of Cronbach's Alpha Reliability Coefficients

Variable	Components of Variables	Cronbach's Alpha	Number of items	Decision
Financial Rewards	• Base pay • Bonus pay • Incentive pay	.778	10	Reliable
Employee Benefits	• Retirement benefits • Insurance Benefits • Membership to professional bodies	.853	11	Reliable
Non-Financial Rewards	• Employment security • Learning opportunities • Status/ promotion	.775	10	Reliable
Work Life Balance	• Vacation time • Flexible working schedules • Conducive work environment	.786	9	Reliable
Motivation	• Job satisfaction • Skill development • Recognition	.931	8	Reliable
Employee Performance	• Quality of output • Task completion • Productivity	.897	10	Reliable

4.3.2 Factor Analysis

Validity refers to the extent to which an instrument measures what is supposed to measure; data need not only to be reliable but also true and accurate. The instrument's validity can be regarded as the extent to which the instrument reflects the abstract construct being examined. Several types of validity contribute to the overall validity of a study. The two main dimensions are content and construct validity. Content validity in the judgment stage, professional subjective judgment is required to determine the extent to which the scale was designed to measure a trait of interest. As such, the researcher sought assistance from her supervisor to help improve the content validity of the instruments. Other types of validity test specifically convergent validity, discriminate validity, and construct validity were measured by applying Kaiser Meyer-Olin (KMO) measure of sampling adequacy to assess factorability of items. Further KMO was utilized in determining the sampling adequacy of the data that was used for factor analysis. Its value ranges between 1 and 0, and generally, the factor analysis is considered useful with the data if the value is at least 0.6 (Hair Jr. *et al.*, 2014). The study results are presented in Table 4.3.

The results indicate that the sampling adequacy for all the variables under study showed adequacy in the respective samples. Financial rewards (KMO=.795). Employee benefits (KMO=.833). Non-financial rewards (KMO=.801). Work life balance (KMO=.708). Motivation (KMO=.905) employee performance (KMO=.918). All the variables showed sampling adequacy.

According to Ghazali (2008), any item with KMO score ranging from .70 to .99 is deemed valid and reliable for making further statistical analysis. From the statistical analysis as shown above, all the KMO score was significant with a value greater than 0.70 which implied that all the items captured were valid for making further statistical analysis on the dataset.

Table 4.3: Summary of KMO Test

Variable	KMO
Financial Rewards	0.795
Employee Benefits	0.833
Non-Financial Rewards	0.801
Work life balance	0.708
Motivation	0.905
Employee performance	0.918

4.4 Respondents' Demographic Profiles

The study sought to establish the demographic profile of respondents. The respondents were requested to indicate their gender, employee category, age distribution, highest level of education and years of service in the state corporations. These employee elements considered by this study were important as they indicated the level the respondents would also be able to give institutional memory on the firm's activities hence the responses would be credible.

4.4.1 Gender Distribution

Gender diversity in an organization can influence decision making and organizational overall performance. Gender diversity could bring in heterogeneity in values, beliefs and attitudes, which would broaden the range of perspectives in the decision-making process and stimulate critical thinking and creativity. The results in the pie chart 4.1 show that majority of employees sampled were male (54.8%) with female being (45.2%).

This shows that there are slightly more males than females but with less disparity in the distribution which may be due to roles related to state corporations that tend to attract both females and males on equal measure. Additionally, gender diversity in organizations brings together varied perspectives, produces a more holistic analysis of the issues a company faces and stimulates greater effort, leading to improved decision-making therefore better firm performance.

Inclusive work force breeds higher satisfaction levels which in turn increases employee engagement thus resulting in increased performance (Navon, 2010). Equality is important internally as it is externally and therefore worth consideration. Importance of gender diversity in a bid to spur innovation is critically relevant today as businesses across sectors are struggling to cope with the disruptions accompanying sweeping technological advancements.

These transformations bring opportunities as well as challenges for firms as they strive to stay competitive. Hence diversity is important especially when presented with conflicting opinions, knowledge and perspectives, since discussion and evaluation of all relevant interpretations, alternatives and consequences would be established before narrowing down to a common resolution and making the relevant task related decision.

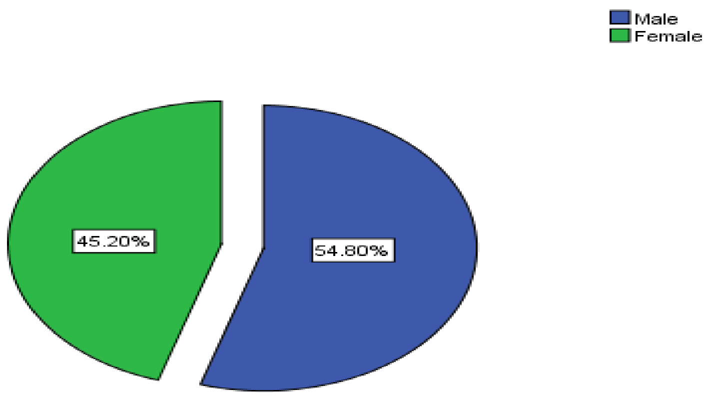

Figure 4.1: Gender Distribution

4.4.2 Employee Category

The study sought to establish the area of the operation of the respondents in the various state corporations surveyed. The study established in figure 4.2 that majority of the respondents belongs in Administration (43.3%). Other respondents were in operation (31.52%), Technical (23.84%) and the least being in scientific docket (1.41%).

A high number of respondents from administrative category could indicate that the state corporations have higher numbers of employees from the administration sector. These employees would have better knowledge of the working of these corporations and therefore at a better position answering questions asked in this research through the questionnaires. A low response rate from the scientific category could indicate that state corporations have low employee numbers in this category.

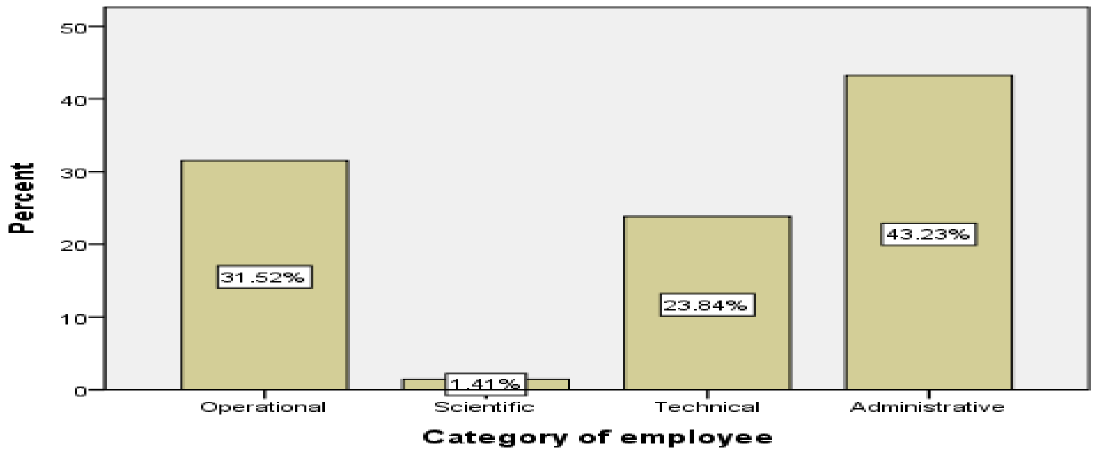

Figure 4.2: Employee Category

4.4.3 Age Distribution

The age of the employees in organizations is an important factor because it determines how well they can interpret the environment and therefore adapt to changes from the environment and consequently make decisions for their organizations that will eventually influence performance (Glaser & Strauss, 2017). The results in figure 4.3 below showed that in the surveyed state corporations, age was evenly distributed as there was no age bracket that was above 30%. This implies that age was distributed uniformly in these organizations. The results further indicated that majority of the employees (27.97%) ranged within the age bracket 31-35 years followed by (25.96%) who were in the age bracket of 36-40 years. This showed that majority of the employees were still within the active working age of between 31-40 years.

This is an indication that state corporations in Kenya have most of their employees within the active age and who can actively interpret innovative environment to boost employee performance. Further, it indicates that most employees, being in the active ages are receptive to changes in reward practices in the state corporations. The results further indicated that other respondents were in the age bracket 26-30 years (16.10%), 41-45 years (12.68%), 46-50 years at 8.25%, above 51 years at 5.43% and the least being those in age bracket of 20-25 years at 3.62%. Lowest number of respondents in the age bracket of 20-25 years could indicate that most of these respondents were interns and these corporations' hires interns who have recently cleared their undergraduate studies majorly to train them as a requirement of industrial training through college and organizations partnership to enhance their skills and competencies.

The age bracket of respondents was considered in this study as it is believed that older employees are more engaged and committed to their organizations and hence contribute to the growth of organizations while younger employees are more active, perceived to be more acquainted with the current technology and practices and more flexible to achieve the set targets which contributes to their performance. Those in the middle age bracket are perceived to play a critical role in orientating new employees and sometimes act as a link between the newly employed and the veterans in the state corporations.

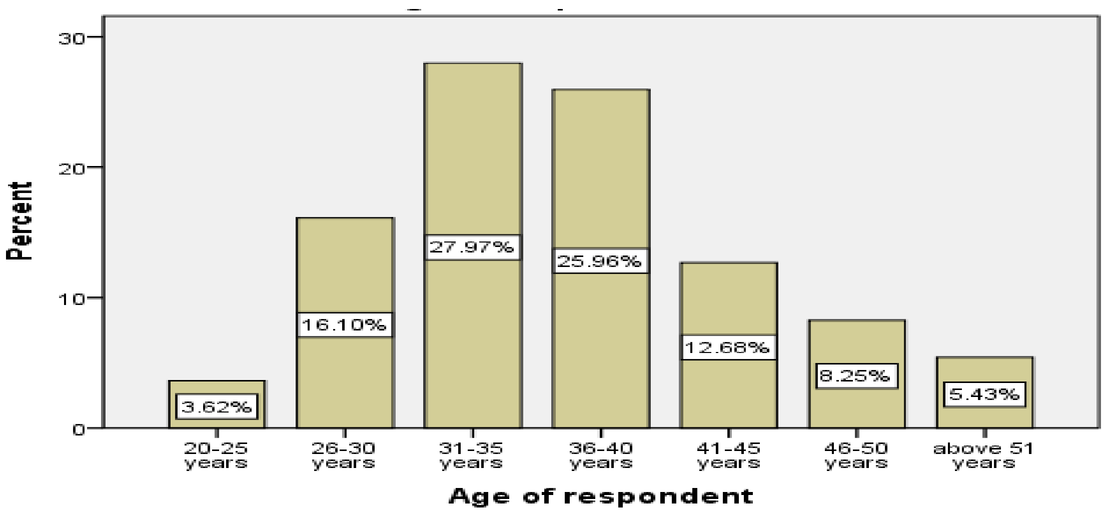

Figure 4.3: Respondents Age Distribution

4.4.4. Level of Education

Education is the level of academic and professional qualifications that is possessed by an individual. It is an indicator of their knowledge, skills, and capability. Education can influence decisions made while recruiting employees which thereafter affect overall employee performance. The results in Figure 4.4 showed that 70.49% of employees had an education level of a bachelor's degree and above. This was a clear indication that education levels of employees were considered important and most had suitable education. Other respondents had diploma (26.51%) and Certificate (3.01%) as their highest level of education. Employees with higher levels of education imply human capital with higher knowledge and skills as well as have the capacity and expertise to steer organization's success.

According to Kariuki (2014) an individual's level of formal education reflects cognitive abilities and qualities. High levels of formal education are associated with a high ability to process information and decisiveness between varieties of alternatives. The level of education of the respondents is important because education facilitates the acquisition of more current technical skills which allow them to have more innovative ideas or be able to adapt better to new environments. The results thus indicate that the respondents had the ability to make informed decisions that could influence organization's performance.

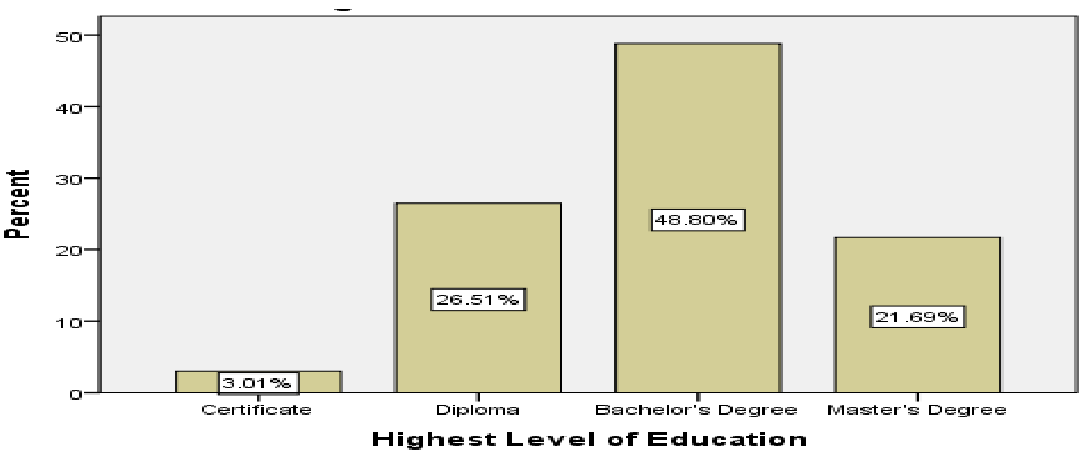

Figure 4.4: Level of Education

4.4.5. Length of Service

Length of service is attributed to experience and the technical nature of the employees' roles. They would also be able to give institutional memory on the organization's activities hence the responses would be credible. The results in Table 4.4 indicates that majority of the respondents at (35.4%) worked in their current state corporations for between 6-10 years. This means that majority of the respondents had relevant and adequate knowledge of the organizations. Given the number of years served in the organization and experience, the data collected was deemed to be more reliable. This length of service for long periods in the state corporations could be attributed to experience and the technical nature of the work, thus reduced exits to other organizations. Other respondents had worked in the state corporations between 1-5 years (26.4%), 11-15 years at 15.9%, 16-20 years at 6.8%, below a year at 6.6% and finally the least being those worked in these corporations for more than 26 years at 4.8% and those worked between 21-26 years at 4%.

From the analysis on the length of service delivery, it was evident that majority of the respondent had worked in the state corporations for a long period as shown by a representation of 35.4%. This implied that the respondent in question had requisite skills and knowledge to be able to address the research questions. According to Barros & Machado (2010), length of tenure determines the experience, skills and knowledge attained by employees. This length of service for long periods in the state corporations could be attributed to experience and the technical nature of the work, thus reduced exits to other corporations or private sector. The other factor could the uniqueness in the sectors where specialization is crucial and mobility to other organizations is limited.

Table 4.4: Length of Service of Employees

	Frequency	**Percentage**
Below 1 year	33	6.6
1-5 years	131	26.4
6-10 years	176	35.4
11-15 years	79	15.9
16-20 years	34	6.8
21-25 years	20	4.0
Above 26 years	24	4.8
Total	497	100.0

4.5 Diagnostic Tests

There are different assumptions for classical linear regression models that must be satisfied before the developed model can be used for predictions (Nimon, Zientek & Henson, 2012). The study performed the test of regression assumptions. For the regression result of the study in classical linear regression model to be robust and valid, it was deemed fit to satisfy basic assumption of classical linear regression model.

Prior to performing the descriptive and inferential analyses, statistical assumptions were tested to establish whether the data met the normality, linearity, independence, homogeneity, and collinearity assumptions. It was based on these results, that the measures of central tendency, dispersion, tests of significance, tests of associations and prediction were performed.

Barr, Levy, Scheepers and Tily (2013) noted that all data is considered to have been included in the model if the basic assumptions are met. Otherwise, information will have been left on violation of these assumptions. Data multicollinearity, homogeneity and normality were tested after which the model was applied to analyze results of the regression and significance testing of the slopes. The objective of the regression analysis was to predict the strength and direction of relationship between the study variables.

4.5.1 Tests of Normality

Use of inferential parametric statistical procedures requires that the data to be tested is normally distributed. Ghasemi and Zahediasl (2012) noted that the assumption of normality needs to be checked before carrying out any parametric test, because validity depends on it. Normality test was intended to ascertain whether data was distributed normally. When normality is absent using statistical tests that assume normality may not be appropriate. The Shapiro-Wilk test was employed to test for normality. This test establishes the extent of normality of the data by detecting existence of skewness or kurtosis or both. Shapiro-Wilk statistic ranges from zero to one with figures higher than 0.05 indicating that the data is normal (Razali & Wah, 2011).

Normality tested using the Shapiro-Wilk showed that all the variables were above 0.05 ($p > 0.05$) hence confirming data normality. Normality assumes that the sampling distribution of the mean is normal. As shown in Table 4.5, p-values for the Shapiro-Wilk tests were 0.10 for financial rewards, 0.12 for employee benefits, and 0.56 for non-financial rewards, 0.51 for work life balances, 0.32 for motivation and 0.41 for employee performance. Since all the p-values were greater that the cutoff point of 0.05, this confirms the hypothesis that data was collected from a population which is normally distributed.

Table 4.5: Shapiro-Wilk Test of Normality

Tests of Normality						
	Kolmogorov-Smirnov[a]			**Shapiro-Wilk**		
	Statistic	**df**	**Sig.**	**Statistic**	**df**	**Sig.**
Financial Rewards	.049	501	.073	.990	501	.100
Employee Benefits	.090	501	.093	.922	501	.120
Non-Financial rewards	.113	501	.095	.915	501	.560
Work Life balances	.137	501	.072	.876	501	.510
Motivation	.197	501	.086	.859	501	.321
Employee Performance	.195	501	.062	.721	501	.410

a. Lilliefors Significance Correction

4.5.2 Test of Multicollinearity

Multicollinearity is a phenomenon whereby high correlation exists between the independent variables. It occurs in a multiple regression model when high correlation exists between these predictor variables leading to unreliable estimates of regression coefficients. This leads to strange results when attempts are made to determine the extent to which individual independent variables contribute to the understanding of dependent variable (Creswell, 2014). The consequences of multicollinearity are increased standard error of estimates of the Betas, meaning decreased reliability and often confusing and misleading results.

Multicollinearity test was conducted to assess whether high correlation existed between one or more variables in the study with one or more of the other independent variables. Variance Inflation Factor (VIF) measured correlation level between the predictor variables and estimated the inflated variances due to linear dependence with other explanatory variables.

A common rule of thumb is that VIFs of 10 or higher (conservatively over 5) points to severe multi-collinearity that affects the study (Newbert, 2008). A tolerance threshold value of below 0.2 indicates that collinearity is present (Menard, 2000). As shown in Table 4.6 the results revealed no multicollinearity. The variables of the study indicated VIF values of between 1.591 and 2.057 which is less than 10; the figure recommended by the rule of thumb. This indicated that the data set displayed no multicollinearity.

Table 4.6: Test for Multicollinearity

Model	Collinearity Statistics		Comment
	Tolerance	VIF	
(Constant)			
Financial Rewards	.628	1.593	No multicollinearity
Employee Benefits	.486	2.057	No multicollinearity
Non-Financial rewards	.493	2.028	No multicollinearity
Work Life balances	.543	1.842	No multicollinearity
Motivation	.629	1.591	No multicollinearity

4.5.3 Test of Homoscedasticity

Homoscedasticity was measured by Levine's test. This test examines whether the variance between independent and dependent variables is equal. If the Levine's Test for Equality of Variances is statistically significant $\alpha = 0.05$ this indicates that the group variances are unequal. It is a check as to whether the spread of the scores in the variables are approximately the same.

The significant values for the Lavine's test were 0.11 for financial rewards, 0.10 for employee benefits, non-financial rewards is .13, work life balances is .21 and motivation is .15. From the results, P-values of Levine's test for homogeneity of variances were all greater than 0.05. The test therefore was not significant at $\alpha = 0.05$ confirming homogeneity.

Table 4.7: Tests for Homogeneity of Variances

Variable	Levine's Statistic	df1	df2	Sig.	Comment
Financial Rewards	1.29	10	491	.11	p>0.05 hence equal variance
Employee Benefits	1.89	10	491	.10	p>0.05 hence equal variance
Non-Financial rewards	1.97	10	491	.13	p>0.05 hence equal variance
Work Life balances	1.45	10	491	.21	p>0.05 hence equal variance
Motivation	2.35	10	491	.15	p>0.05 hence equal variance

4.5.4 Test of Linearity

To test for linearity, the ANOVA test was applied to compute both the linear and nonlinear components of a pair of variables. According to Zhang *et al.* (2011), linearity is significant if the significance value for the linear component is above 0.05. Testing for the significance of deviation from linearity implied testing the null hypothesis that deviation from linearity is not significant against. The decision is to reject the null hypothesis whenever p-value if less than .05. The results of the ANOVA test of linearity showed all significance values were greater than 0.05 hence confirming linear relationships (constant slope) between the predictor variables and the dependent variable.

Table 4.8: Linearity (ANOVA test)

	Significance of Deviation from Linearity (*p-value*)	**Conclusion**
Financial Rewards	.233	Linear relationship
Employee Benefits	.123	Linear relationship
Non-Financial rewards	.432	Linear relationship
Work Life balances	.342	Linear relationship
Motivation	.312	Linear relationship

4.6 Descriptive Statistical findings

The study focused on how the key variables were manifested in different state corporations in Kenya. This was determined through presenting statements in each of the study sub variables to be responded in line with how the manifestation occurred. The key study variables were financial rewards, employee benefits, non-financial rewards, work life balance benefits and motivation. The variables were measured using a Likert scale of 1.0 -5.0 where the mean of 1.0-1.8(strongly disagree), 1.8 – 2.6 9 (disagree), 2.6 – 3.4 (neutral), 3.4 – 4.2 (agree) and 4.2 – 5.0 (strongly agree). The percentages, mean and standard deviation were used in the analysis.

4.6.1 Descriptive Statistical Findings for Financial Rewards

The results indicate that 89.9% agreed that the organization offers a basic pay as wages to the employees. This is shown by 68.0% falling under agreement scale level and 21.1% strongly agreeing. The mean of 4.04 and standard deviation of 0.779 also confirms the high percentage agreed. 67.3% of the respondents agreed with the statement that the basic pay is competitive in relation to other organizations, 17.7% disagreed and 15.1% indicated neutral. Further the statement that the basic pay is similar for employees in same grades and performing similar jobs had 52.2%

agreeing, 31.1% disagreeing and 16.7% neither agreeing nor disagreeing with a mean score above 3.0; (M=3.0, SD=1.169). 48.3% of the respondents disagreed with the statement that the organization adjusts salaries based on the cost-of-living adjustment guidelines, 32% disagreed, 19.7% being neutral with a mean of 2.77 and standard deviation of 1.162 representing a neutral scale (2.6 - 3.4).

55.1% of the respondents disagreed with the statement that the organization offers salary adjustment based on individual performance, with only 29.5% agreeing with the mean of 2.66 and standard deviation of 1.122 indicating neutral implying that respondents were neutral concerning the statement. It was further observed that 78.2% of the respondents disagreed with the statement that the organization offers commission to the employees for revenue targets achieved which is further indicated by a low mean of 2.11 suggesting disagreement.

However, respondents showed neutral scale level on the statement that the organization offers overtime payments for extra hours worked with 43.6% agreeing and 45.3% showing disagreement and an average mean of 2.97 and standard deviation of 1.258. Other statements also showed significant moderate agreement including that the organization offers contingent pay to the employees (57.5% agreed, 22% disagreed and 20.4% showing neutral position. On the statement that the organization offers bonus pay to employees as recognition for job done well 48.3% disagreed, 11.5% showed neutral and 42.2 agreeing. This is neutral scale represented by a mean average of 2.88 and standard deviation of 1.244.

Finally, it was observed that majority agreed that the financial rewards positively influence the levels of employees’ performance as represented by 57.2% with only 27.2% disagreeing with the statement and 15.6% being neutral and the mean (Mean=3.41, SD=1.133) ranging between a scale of 3.4 - 4.2 indicating that respondents agreed with the manifestation of the statement among their organizations. The findings concur with Caligiuri *et al.* (2010) who indicated that employees expect a certain level of monetary rewards for their organizational contribution, pay constitutes a quantitative measure of an employee’s worth and organizations need to provide attractive and equitable pay.

Further Abdifatah *et al*. (2015) found that cash bonuses were listed as the most preferred incentive but however offering cash bonus exclusively does not seem to impact much on performance, those who get the reward are slightly more satisfied than those who do not and had little impact on organization's performance. Monetary rewards are still highly preferable in many organizations and among most employees (Mehta, 2014). Money is thus an important motivating factor especially in industries that require high productivity to obtain marginal success. Moreover, financial rewards have significant motivating power since they symbolize power, security and provide a sense of accomplishment. Financial motivation therefore gives a sense of financial security thus enabling employees to perform well in their assigned duties.

Nick (2010) found a positive relation between satisfaction and pay factors; employee reward satisfaction and motivation were strongly related to the manner of payment. The respondents suggested that financial reward should be timely, with employees being allowed to suggest the kind of rewards and that the reward should be publicized in the organization for clear thresh hold to be attained for one to qualify for the reward to be in place and that the salary adjustment should be based on individual performance. The study noted that these suggestions were captured in the questionnaire. Table 4.9 presents the field results.

Table 4.9: Financial Rewards Manifestations

Items	(SD) %	(D) %	(N) %	(A) %	(SA) %	Mean	Std. Deviation
The organization offers a basic pay as wages to the employees	2.2	3.6	4.3	68.0	21.9	4.04	.779
The basic pay is competitive in relation to other organizations	3.4	14.3	15.1	53.2	14.1	3.60	1.006
The basic pay is similar for employees in same grades and performing similar jobs	5.8	25.3	16.7	37.3	14.9	3.30	1.169
The organization adjusts salaries based on the cost-of-living adjustment guidelines	13.3	35.0	19.7	25.4	6.6	2.77	1.162
The Organization offers salary adjustment based on individual performance	12.9	42.2	15.5	24.9	4.6	2.66	1.122
The Organization offers commission to the employees for revenue targets achieved	21.6	56.6	12.3	8.5	1.0	2.11	.872
The Organization offers overtime payments for extra hours worked	13.8	29.8	11.1	36.0	9.3	2.97	1.258
The organization offers contingent pay to the employees	13.0	44.5	20.4	18.1	3.9	2.55	1.052
The organization offers bonus pay to employees as recognition for job done well	13.1	35.2	11.5	30.9	9.3	2.88	1.244
The financial rewards positively influence the levels of employees' performance	4.4	22.8	15.6	41.4	15.8	3.41	1.133

Scale; SD =strongly disagree: D = disagree: N= neutral: A =agree: SA =strongly agree

4.6.2 Descriptive Statistical Findings for Employee Benefits

Employee benefits also known as fringe benefits include various types of non-wage compensation provided to employee in addition to their normal wages or salaries. The results indicate that 93.4% agreed that the organization offers benefits to employees. This is shown by 70.2% falling under agreement scale level and 23.2% strongly agreeing. The mean of 4.11 and standard deviation of 0.692 also confirms that a high percentage agreed. 95.1% of the respondents agreed with the statement that the organization has a retirement benefit scheme, 3.2% disagreed and 1.6% indicated neutral. Further, results indicated that the organization offers a medical insurance benefits scheme to employees with 92.7% agreeing, while 3.0% disagreeing and 4.3% being neutral.

The high percentage means that the state corporations in Kenya were keen to offer benefits to the employees that include retirement benefits and medical cover. Despite of this provision to the employees' results of the findings indicated that the employees' needs were not met fully by the welfare schemes as well as the organizations were bias when giving various facilities to their employees on different ranks in their job group. These was noted by the response on the respective statements having the lowest mean which were the facilitation is across all employee cadres, mean of 3.20 and standard deviation of 1.164 and the welfare scheme meets employees demands when need arises having mean of 3.26 and standard deviation of 1.112.

The statement that the organization has staff welfare scheme, 76.6% respondents agreed, 13.3% disagreed while 10.1 of respondents were neutral with a mean of 3.81 and a standard deviation of .996. This implied that most state corporations, had staff welfare scheme in place that would be able to assist their employees in their social issues. Other statements with slightly higher means were the organization facilitates membership to professional bodies whereby 67% of the respondents agreed, 14.9% disagreed and 18% were neutral to the statement with a mean of 3.74 and standard deviation of 1.033 and the statement that the percentage contributory rate to the retirement scheme is competitive whereby 68.4% of the respondents agreed, 14.2% disagreed and 17.4% were neutral with a mean of 3.73 and standard deviation of .968. Employee benefits scheme boosts employee performance showed significant moderate agreement whereby 63.8% agreed, 18.8% disagreed and 17.5% were neutral with a mean of 3.58 and standard deviation of 1.048.

Another statement was that the medical insurance scheme limit meets the medical requirements of the employees whereby 52.6% respondents agreed, 28.3% disagreeing and 19.2% being neutral with a mean of 3.39 and a standard deviation of 1.100 and the statement that the organization offers tuition reimbursements to staff whereby 59.3% of the respondents agreed, 28.6% disagreed and 12.2% had a neutral opinion with a mean of 3.34 and a standard deviation of 1.188.

These findings concur with studies by Kamau (2013) that indicated that the issuance of benefits such as the retirement benefits are string influencers of worker's behavior since it gives the younger employee a compelling reason to continue working. Currently in the developed world, employee benefits packages have become an important part of the total compensation or organizational expenses. Employee benefits average 40% of the total compensation package (DeCenzo & Robbins, 2010). Additionally, rewards not only improve the performance of individual workers but also the entire organization and subsequent employee retention (Shields *et al.,* 2015).

The outcomes of the study by Atambo *et al.* (2019) indicated that employee incentives had a significant role in enhancing performance at individual and organizational levels. In the modern society, corporations adopt a wide range of relevant and appropriate benefits to encourage employees to elicit their best skills while increasing their effort. Some forms of incentive used include commissions based on performance and bonus awards.

In general, benefits contribute to attracting, retaining, and motivating employees. The variety of possible benefits also helps employers align their compensation to the kinds of employees they need. Social Security contributions, pensions and retirement savings plans help employees prepare for their retirement. Insurance plans help to protect employees from unexpected costs such as hospital bills. Employee benefits enable employees to get a sense of satisfaction therefore enabling them to perform well in their assigned duties. Respondents suggested the need to include health care and retirement plans in the employee benefits. They also suggested that employees who have served for long be considered for permanent terms to enable access to retirement benefits. The study noted that the suggestions were well captured in the findings. Table 4.10 presents the field results.

Table 4.10: Employee Benefits Manifestations

Items	(SD) %	(D) %	(N) %	(A) %	(SA) %	Mean	Std. Deviation
The organization offers benefits to employees	1.4	2.6	2.6	70.2	23.2	4.11	.692
The organization has a retirement benefit scheme	1.0	2.2	1.6	62.6	32.5	4.23	.684
The percentage contributory rate to the retirement scheme is competitive	1.2	13.0	17.4	48.0	20.4	3.73	.968
The organization offers a medical insurance benefits scheme to employees	0.8	2.2	4.3	60.2	32.5	4.21	.697
The medical insurance scheme limit meets the medical requirements of the employees	1.8	26.5	19.2	36.0	16.6	3.39	1.100
The organization has staff welfare scheme	3.4	9.9	10.1	54.9	21.7	3.81	.996
The welfare scheme meets employees demands when need arises	4.2	25.7	23.0	33.5	13.5	3.26	1.112
The organization facilitates membership to professional bodies	2.2	12.7	18.0	42.8	24.2	3.74	1.033
The facilitation is across all employee cadres	5.3	28.7	21.7	29.3	15.0	3.20	1.164
The organization offers tuition reimbursements to staff	9.1	19.5	12.2	46.9	12.4	3.34	1.188
The employee benefits scheme boosts employee performance	3.7	15.1	17.5	47.3	16.5	3.58	1.048

Scale; SD =strongly disagree: D = disagree: N= neutral: A =agree: SA =strongly agree

4.6.3 Descriptive Statistical Findings for Non – Financial Rewards

Non-financial rewards encompass the psychological or intrinsic rewards which stem from the work that people perform, their working relationships and environment. Non-financial rewards include feeling valued, receiving praise and recognition of achievement, job satisfaction, job interest, challenge, and variety.

Results of the findings indicated that the statement with the highest mean was that the organization offers learning opportunities to employees with 86.6% agreeing, 5.9% disagreeing and 7.5% being neutral with a mean of 4.00 and standard deviation of .730. An employee who is given opportunities of learning can perform more in their job. The opportunities give employees a greater understanding of their responsibilities within their role and in turn build their confidence which enhances their performance and eventual corporate performance. Other statements with moderate agreement were that the organization offers employment security to employees with 79.6% agreeing, 7.5% disagreeing and 12.9% being neutral with a mean of 3.85 and standard deviation of .781.

On whether the organization offers opportunities for promotion to employees who excel in their performance, 69.3% agreed, 14.9% disagreed and 15.8% were neutral with a mean of 3.66 and standard deviation of 1.627. 69.8% of the respondents agreed that the organization gives positive recognition to employees for job well done with 13.5% disagreeing and 16.6% being neutral with a mean of 3.62 and standard deviation of .901.

The statement that the organization encourages opportunities to form personal relationships had 65.7% of the respondents agreeing, 16.5% disagreeing and 17.8% with neutral opinions having a mean of 3.52 and standard deviation of .904. By an organization recognizing employees' efficiency, it taps into the best way to motivate them and bring out their hidden talents.

While it's important to motivate employees, if rewards do not come after extra efforts, the employees will lose their enthusiasm when they realize that there is no payoff. Additionally, recognition is priceless, status is much more than money, it increases employee loyalty, enhances performance, and generates greater success.

The statement that had the lowest mean was that the personal relationships do not jeopardize the employee performance with 47.6% disagreeing, 33.3% agreeing and 19.1% being neutral with a mean of 2.90 and a standard deviation of 1.069. These results indicate that some of the personal relationships at work area may jeopardize the employee performance and this could suggest that there is need for the organization to have policies to guide employee relations and interactions for improved employee performance.

46.2% of the respondents agreed to the statement that the learning opportunities are equally accessed by the employees with 40% disagreeing and 13.8% being neutral with a mean of 3.11 and standard deviation of 1.089. The statement that promotion opportunities are fair and based on merit had 49.1% of the respondents agreeing, 20.2% disagreeing and 30.7% being neutral with a mean of 3.258 and standard deviation of 1.002.

This study is in line with studies by Vosloban (2012) that concluded that one valuable outcome and reason for recognizing employees is that people who feel appreciated are more positive about themselves and their ability to contribute can boost productivity and increase satisfaction. Managers need to create goals and action plans that recognize the behaviors and accomplishments that warrant rewards within the organization. A sincere word of thanks from the right person at the right time can mean more to an employee than pay rise.

Further, Markova and Ford (2011) indicated that non-financial rewards are important part of the reward mix and can play an essential role in motivating employees and attending to their well- being. Whilst financial rewards are purely hygiene factors, non-financial rewards address the basic psychological needs of employees and can unlock latent effort and greater organizational commitment. The employees emphasized that personal development is key in the organization, promotion of staff through merit and giving bonuses. The organization should not be quick to punish but rather encourage employees through rewards. The result of the descriptive statistics is as presented in Table 4.11.

Table 4.11: Non – Financial Rewards Manifestations

Items	(SD) %	(D) %	(N) %	(A)%	(SA)%	Mean	Std. Deviation
The organization gives positive recognition to employees for job well done	3.0	10.5	16.6	60.7	9.1	3.62	.901
The organization offers employment security to employees	1.2	6.3	12.9	65.5	14.1	3.85	.781
The organization offers learning opportunities to employees	0.4	5.5	7.5	66.5	20.1	4.00	.730
The organization offers opportunities for promotion to employees who excel in their performance	4.0	10.9	15.8	59.2	10.1	3.66	1.627
The non- financial rewards offered acts as incentives to employees to improve performance	2.0	13.8	27.6	47.9	8.7	3.47	.907
The organization encourages opportunities to form personal relationships	2.8	13.7	17.8	59.6	6.1	3.52	.904
The learning opportunities are equally accessed by the employees	3.0	37.0	13.8	38.1	8.1	3.11	1.089
Promotion opportunities are fair and based on merit	6.9	13.3	30.7	43.0	6.1	3.28	1.002
The personal relationships do not jeopardize the employee performance	3.7	43.9	19.1	25.6	7.7	2.90	1.069
Employees do not construe employment security as a scape goat to under performance	3.5	9.7	28.4	51.6	6.8	3.49	.889

Scale; SD =strongly disagree: D = disagree: N= neutral: A =agree: SA =strongly agree

4.6.4 Descriptive Statistical Findings for Work Life Balance

Work life balance is the individual employee's ability to engage in work, while at the same time meeting family commitments and obligations. Results of the findings indicate that the statements with the highest mean were that the organization offers conducive work environment to employee with 84.7% agreeing, 7.5% disagreeing and 7.7% with neutral opinion with a mean of 3.91 and standard deviation of .800, and the statement that the organization offers vacation time to employees with 73.6% agreeing, 16% disagreeing and 10.4% being neutral with a mean of 3.80 and standard deviation of 2.747.

This implies that state corporations in Kenya offers conducive working environment to employees one of them being by offering annual leaves and offs. The biggest benefit of annual leave is the positive effect it has on the employee mindset. By taking breaks, employees get opportunity to re-energize mind and body. After a break, employees are less stressed and can be able to manage work responsibilities more effectively. Additionally, rested mind and body boosts creativity as well as productivity to aid employees in approaching tasks with a better perspective as well as fresh mindset.

54.6% of the respondents agreed with the statement that employees sent on vacation register improved performance, 13.8% disagreed and 31.5% having neutral opinions with mean of 3.44 and standard deviation of .883. Statements with lowest means were that the organization has set aside a budget for work life balance benefits with 55% disagreeing, 19.4% agreeing and 25.6 being neutral with a mean of 2.61 and standard deviation of .970. The statement that employees on the flexible working schedules register improved performance had 51% of the respondents disagreeing, 23.9% agreeing and 25.1% being neutral with a mean of 2.72 and standard deviation of .965 and the statement that the organization offers flexible working schedules to employees with 65.5% of respondents disagreeing, 31.1% agreeing and 12.4% being neutral with a mean of 2.77 and standard deviation of 1.132. These results indicate that state corporations in Kenya need to set aside budget for work life balance benefits to the employees to increase their productivity.

According to Shield *et al.* (2015), the act of introducing employment policies that foster a healthier work and life balance for employees is crucial in enhancing employee motivation. It is hence evident that the enhancement of work life balance in a professional setting is an essential factor in increasing employee performance. Therefore, these results indicate that there is need for management in the state corporations to focus on creating diverse work life incentives that will improve employee performance. The respondents emphasized on the need for flexible working hours, that employees should be given incentives such as vacations and off days to unwind. The other suggestion was that when an employee is out of office, they should be given time for their own issues without interference. Organizations are implementing work life balance programs to minimize on its possible negative outcomes. Benefits realized through work life programs include increased productivity, increased employee morale, increased customer service, increased loyalty, reduced absenteeism, reduced operations cost as well as attract and retain talented staff (Sentamilselvan & Delecta, 2016).

Table 4.12: Work Life Balance Rewards Manifestations

Items	(SD) %	(D) %	(N) %	(A) %	(SA) %	Mean	Std. Deviation
The organization recognizes work life balance programs	1.4	10.6	18.0	62.4	7.6	3.64	.825
The organization offers vacation time to employees	3.9	12.1	10.4	63.8	9.8	3.80	2.747
Employees sent on vacation register improved performance	3.1	10.7	31.5	48.0	6.6	3.44	.883
The organization offers flexible working schedules to employees	6.5	50.0	12.4	22.4	8.7	2.77	1.132
Employees on the flexible working schedules register improved performance	4.5	46.5	25.1	19.8	4.1	2.72	.965
The organization offers conducive work environment to employees	2.2	5.3	7.7	69.0	15.7	3.91	.800
The work life balance benefits contribute positively to employee performance	1.4	23.7	23.3	40.4	11.2	3.36	1.008
The financial costs associated with provision of these benefits is not a strain to the organization	2.4	25.8	32.7	31.5	7.5	3.16	.974
The organization has set aside a budget for work life balance benefits	7.8	47.2	25.6	15.5	3.9	2.61	.970

Scale; SD =strongly disagree: D = disagree: N= neutral: A =agree: SA =strongly agree

4.6.5 Annual Budget for the Work Life Benefits Programs 2011-2015

Work-life balance involves juggling workplace stress with the daily pressures of family, friends, and self. Modern employees demand greater control over their lives and a bigger say in the structure of their jobs. A good work life balance can enable employees feel more in control of their working life and lead to increased productivity and lower absenteeism. Happier and less stressed workforce improves employee health, well-being, loyalty, commitment, and motivation.

Budgeting for work life benefits is crucial to any organization. The results of the findings indicate that some of the surveyed state corporation budgeted for work life benefit programs annually from 2011-2015 while other corporations did not budget at all. In 2011, the highest amount budgeted for work life balance programs in Kenya shillings was 65 million, 68 million in 2012, 70 million in 2013, 73 million in 2014 and 75 million 2015. These results indicate that the benefits of work life programs to state corporates are immense and that could be the reason for steady increase in the amount budgeted for across the years.

Work life programs in organizations can be provided in the form of access to gym facilities. One of the positive ways to reduce stress is through doing exercises. Offering employees gym facilities may encourage them to be active. Another way is when organizations offer childcare facilities so that the parents can work comfortably without worrying about their children and hence maximum concentration at work place, this would lead to better productivity.

According to Obiageli *et al.* (2013), work life balance enables employees feel a greater sense of control and ownership over their own lives and create better relationships with management. They can leave work issues at work and home issues at home. Balanced employees tend to feel more motivated and less stressed at work, which thereby increases company productivity and reduces the number of conflicts among coworkers and management. Therefore, state corporations need to budget for work life programs to improve their employees' productivity.

Table 4.13: Annual Budget for the Work Life Benefits Programs 2011-2015

	N	Minimum	Maximum	Mean	Std. Deviation
The organization's annual budget for the work life benefits programs (Ksh)-2011	11	0	65000000	8654545.45	19174741.909
The organization's annual budget for the work life benefits programs (Ksh)-2012	11	0	68000000	9509090.91	20058736.478
The organization's annual budget for the work life benefits programs (Ksh)-2013	11	0	70000000	10018181.82	20578669.451
The organization's annual budget for the work life benefits programs (Ksh)-2014	12	0	73000000	9916690.83	20729668.934
The organization's annual budget for the work life benefits programs (Ksh)-2015	12	0	75000000	11083359.15	21660415.925

4.6.6 Motivation

Motivation is the desire to achieve beyond expectations being driven by internal rather than external factors and to be involved in a continuous strive for improvement. The highly motivated employees serve as the competitive advantage for any organization because their performance leads towards accomplishment of its goals. The results indicated that the statement with the highest mean was motivation positively influences the employee performance with 73.5% agreeing, 13% disagreeing and 13.6% being neutral with a mean of 3.71 and standard deviation of .894. These results indicate that employee motivation facilitates employee productivity. Employee motivation increases employee commitment, improves employee satisfaction as well as employee efficiency. When employees are motivated to work, they will generally put their best effort in the tasks that are assigned to them. Motivation can facilitate a worker reaching his/her personal goals and can also facilitate the self-development of an individual. The other statement that had an average agreement was that the reward management practices in the organization have a positive influence on employee commitment and ultimately employee performance with 71.8% agreeing, 14.4% disagreeing and 13.8% being neutral with a mean of 3.66 and standard deviation of .911.

The statement the reward management practices in the organization have a positive influence on employee involvement and ultimately employee performance with a mean of 3.65 and standard deviation of .891 with 72.9% respondents agreeing, 17.9% disagreeing and 13.2% being neutral. The statement that extrinsic motivation factors have a positive influence on employee performance with a mean of 3.63 and standard deviation of .909, with 70.6% respondents agreeing, 14.5% disagreeing and 14.8% being neutral. These results indicate that extrinsic and intrinsic motivation that is addressed through financial reward, benefits; satisfying employees' psychological needs through provision of interesting and challenging work opportunities for personal and professional development are recognized by employees as tools of motivation for better productivity at their workplace.

The statement with the lowest mean was that the organization sets aside a budget for employee development programs with a mean of 3.25 and standard deviation of 1.037. These results indicate that there is need for management of state corporations to set aside budget for employee development programs. When employees feel supported and inspired at work, they will naturally become more productive and satisfied with their work. By offering ongoing training and development that increases employee confidence and skill, employers can support their team while simultaneously seeing increased productivity and satisfaction.

These results are in line with Jerome, (2013) conclusion that performance reviews such as providing honest and objective feedback to employees helps in motivating them to perform better because they enhance their self-esteem. Hellen *et al.* (2014) concurs with the study in that by motivating employees through a good reward system constitutes a difficult and challenging task for general managers as it can positively affect employees' behavior toward their jobs and increase commitment and thus performance. This is because well rewarded employees feel that they are being valued by the organization that they work for. This encourages them to work harder and better since they are aware that their well-being is taken seriously by their employers and that their career and self-development is also being nurtured.

Sang *et al*. (2017) in their study indicated that motivating employees through a good reward system constitutes a difficult and challenging task for general managers as it can positively affect employees' behavior toward their jobs and increase commitment and thus performance. The respondents indicated the need to recognize and reward even the small contributions as this motivates the employee to improve. Further, the organization should plan and offer free learning opportunities for personal development, this motivates the employee for individual performance which eventually positively enhances organizational performance.

Table 4.14: Motivation Manifestations

Items	(SD) %	(D) %	(N) %	(A) %	(SA) %	Mean	Std. Deviation
The reward management practices in the organization have a positive influence on employee job satisfaction and ultimately employee performance	2.2	12.2	13.8	60.4	11.4	3.66	.911
The reward management practices in the organization have a positive influence on employee skill development and ultimately employee performance	2.6	11.3	13.2	63.8	9.1	3.65	.891
The reward management practices in the organization have a positive influence on employee recognition and ultimately employee performance	2.2	12.2	12.2	64.6	8.7	3.65	.883
The organization's reward management practices are guided by a policy	2.8	19.2	20.0	46.2	11.7	3.45	1.019
The extrinsic motivation factors have a positive influence on employee performance	2.6	11.9	14.8	60.9	9.7	3.63	.909
Employee do not construe lack of extrinsic motivation factors as a scape goat to under performance	2.0	12.8	23.7	55.2	6.3	3.51	.869
The motivation positively influences the employee performance	2.0	11.0	13.6	60.9	12.6	3.71	.894
The organization sets aside a budget for employee development programs	3.3	24.4	25.9	36.5	10.0	3.25	1.037

Scale; SD =strongly disagree: D = disagree: N= neutral: A =agree: SA =strongly agree

4.6.7 Descriptive Statistical Findings for Employee Performance

This section presents descriptive analysis results on employee performance.

Annual Budget for Employee Development Programs 2011-2015

In an ever changing and fast paced corporate world, training and development is an indispensable function. Training allows employees to gain new skills and develop existing ones for increased productivity. Since a company is the sum of what employees achieve individually, organizations should do everything in their power to ensure that employees perform at their peak.

Results of the findings indicate that the highest amount budgeted annually for development programs by the surveyed state corporations was ksh74 million in 2015 while the lowest was ksh1.184 million in 2011 and 2012. Other amounts budgeted for across the years was 20 million and 17.8 million Kenya shillings. The results indicate that in 2015, the amount budgeted for development programs in state corporations increased since the highest amount budgeted for increased by 24 million from the amount budgeted for the previous year. This could be explained by increased awareness on the benefits of development programs on employees to an organization. The findings support Newstrom (2011) studies that an organization that budgets for training and development generally tends to have satisfied employees. In a rapidly evolving landscape, productivity is not only dependent on employees, but also on the technology they use.

Training and development go a long way in getting employees up to date with new technology, use existing ones better and then discard the outdated ones. This results to a greater efficiency and more productivity. Employees who have attended the right trainings need lesser supervision and guidance. Training develops necessary skill sets in employees and enable them to address tasks independently. This also allows supervisors and management to focus on more pressing operatives. Development programs yields organizations numerous benefits and therefore state corporations in Kenya need to set aside higher budgets for trainings to enhance their productivity.

Table 4.15: Annual Budget for Employee Development Programs 2011-2015

	N	Minimum (Ksh)	Maximum (Ksh)	Mean	Std. Deviation
The organization's annual budget for employee development programs (Ksh)-2011	13	1184000	50000000	11117100.00	13209409.081
The organization's annual budget for employee development programs (Ksh)-2012	15	1184000	50000000	13068533.33	12729010.902
The organization's annual budget for employee development programs (Ksh)-2013	15	2000000	50000000	12203333.33	12052288.856
The organization's annual budget for employee development programs (Ksh)-2014	15	2000000	50000000	13976000.00	12497803.121
The organization's annual budget for employee development programs (Ksh)-2015	17	1780000	74000000	20973823.53	22890319.974

4.6.8 Employee Performance Statements

The real success of organizations originates from employees' willingness to use their creativity, abilities and expertise in favor of the organization. The organization's task is to encourage and nourish these positive employee inputs by putting effective reward practices in place. The findings showed that the highest mean was that employees in the organization are aware of the organizational objectives, mission, vision, and objectives of the organization with a mean of 4.22 and standard deviation of .516 with 96.1 % of the respondents agreeing, 0.45 disagreeing and 3.5% being neutral.

These results indicated that understanding the business mission statement helps give employee training purpose because it helps everyone to see how the course content benefits their personal career goals and the wider organization's mission. Other statements with high means of above 4.00 were that the work performed by employees is of high quality with 93.3% agreeing, 0.6% disagreeing and 6.1% being neutral with a mean of 4.14 and standard deviation of .528.

The statement that the rate of absenteeism by employees in the organization is low had 89.6% agreeing, 1.2% disagreeing and 9.2% having neutral opinion and with mean of 4.09 and standard deviation of .591. The statement that the work performed by employees is of high quantity had 88.4% of the respondents agreeing, 2.3% disagreeing and 9.3% being neutral with a mean of 4.05 and standard deviation of .611. 83.8% of the respondents agreed with the statement that the employees in the organization achieve their specified targets with 2.5% disagreeing and 13.7% being neutral with a mean of 4.00 and standard deviation of .650. These results indicate that employees play a big role in determining an organization's success. When the employee workforce commits themselves in ensuring that they work steadily and effectively the organization will realize its targets. Statements with the lowest means were that the organization rewards the stakeholders arising from improved employee performance, with a mean of 3.65 and standard deviation of .875, and that employees in the organization usually meet deadlines while accomplishing their tasks with a mean of 3.95 and standard deviation of .728.

Employee performance positively impacts on the return on investment with a mean of 3.96 and standard deviation of .757. These results indicate that organizations should consistently reward employees and stakeholders after improving the organization's performance in a bid to motivate them to work harder. This is in line with studies by Shahzad *et al.* (2012) which indicated that higher rewards would motivate the employees as they would feel more appreciated than their colleagues of the same qualification working in other firms, this high satisfaction translates to higher performance. The result of this study supports Burdbar and Nisar (2012) research that concluded that individual performance levels are a function of one's motivation and total job capability and therefore when both are high, performance will tend to be generally high.

Table 4.16: Employee Performance Statements

Items	(SD) %	(D) %	(N) %	(A) %	(SA) %	Mean	Std. Deviation
The work performed by employees is of high quality	0.0	0.6	6.1	72.1	21.2	4.14	.528
The work performed by employees is of high quantity	0.0	2.3	9.3	69.2	19.2	4.05	.611
Employees in the organization usually meet deadlines while accomplishing their tasks	0.0	4.9	14.7	61.5	18.9	3.95	.728
Employee performance positively impacts on the return on investment	0.6	3.7	16.3	58.5	21.0	3.96	.757
The employees in the organization achieve their specified targets	0.0	2.5	13.7	65.2	18.6	4.00	.650
The rate of absenteeism by employees in the organization is low	0.2	1.0	9.2	69.1	20.5	4.09	.591
Employees in the organization are creative and innovative	0.4	0.6	19.6	60.0	19.4	3.97	.672
The employees in the organization are encouraged to appraise themselves	1.0	3.1	12.2	65.0	18.7	3.97	.724
Employees in the organization are aware of the organizational objectives, mission, vision and objectives of the organization	0.0	0.4	3.5	69.8	26.3	4.22	.516
The organization rewards the stakeholders arising from improved employee performance	1.2	8.8	26.5	46.7	13.6	3.65	.875

Scale; SD =strongly disagree: D = disagree: N= neutral: A =agree: SA =strongly agree

4.6.9 Employees Contribution to Organization's Annual Net Revenues

Measurement of financial performance is key to an organization, and in this case, annual net revenue is one of the factors considered in measuring an organization's performance. Results of the findings indicated that net revenues of the surveyed organizations have been steadily increasing between the years 2011 and 2015 with the highest annual net revenue being 10 billion and the lowest being ten thousand Kenya shillings. Disparity in the net revenue could be explained by the fact that the surveyed state corporations varied in terms of size since some were bigger organizations that covered a wider region and served a bigger number of people than others.

Organizations with a high net income command market share and are competitive. They can afford to pay higher salaries to their employees and provide good work environment.

They as well offer their employees better working conditions that promote better productivity and consequently attract better employees. The same factors also give these firms the upper hand when they seek to expand their operations. An organization that produces high net income creates added value. As such, only organizations that consistently produce high net income can survive in a competitive market. Employee performance directly influences an organization's net revenue. The employees are the engine of the organization vehicles while reward is the fuel, no organization can achieve its stated objectives without its employees.

Pathomphatthaphan *et al.* (2021) noted that financial incentives in form of pay satisfaction and dimensions have a significant effect on employee performance. Motivated employees are very productive and hence improved performance. Additionally, Human Resource practices contribute significantly to creating a competitive advantage by creating human resources that are unique and difficult to replicate and therefore contribute to labor productivity and employee performance. This is not in any exception of the state corporations in Kenya and their role in economic growth. Employees are therefore an asset that spurs organization's performance and need to be motivated so that the organizations can realize high net revenue.

Table 4.17: Employees Contribution to Organization's Annual Net Revenues 2011-2015

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
The organization's annual net revenues (Ksh)-2011	7	-128762	649507953	137335775.57	251629627.762
The organization's annual net revenues (Ksh)-2012	10	10000	993200000	307767533.80	417136516.760
The organization's annual net revenues (Ksh)-2013	10	10000	949500000	314422621.40	410428772.077
The organization's annual net revenues (Ksh)-2014	11	10000	1460000000	415948278.27	510675864.415
The organization's annual net revenues (Ksh)-2015	11	-108265	10069974000	1288151532.55	2957648450.622

4.6.10 Employees Contribution to Organization's Annual Return on Investment

Annual Return on Investment guides on the amount of additional profits produced due to a certain investment over a period of one year. High annual return on investment of a corporation is equivalent to good performance. The results of the findings indicated that some of the surveyed state corporations had a 100% annual return on investment while others were zero as in Table 4.18.

High return on investment could be attributed by better employee performance which yields to better firm performance. The measure of employee performance is the determination of financial profitability and growth attributed to the individual employee as a contribution to the firm. High return on investment could also be attributed to the fact that the employees are motivated through rewards for good performance, work life balance and development programs which stimulates better performance from the employees and therefore yielding high annual return on investment.

According to Nick (2011), individual performance requires motivation to be appropriately directed and sustained and therefore reward can be viewed as a lever for controlling or shaping behavior in a desired direction for reinforcing organizational values or enabling cultural change through buying employee compliance. Therefore, for an organization to realize high return on investment, it needs to invest in programs that motivate employees for better productivity.

Table 4.18: Employees Contribution to Organization's Annual Return on Investment 2011-2015

	N	Minimum	Maximum	Mean	Std. Deviation
The organization's annual return on investment (%)-2011	10	.00	100.00	41.3630	41.41347
The organization's annual return on investment (%)-2012	10	.00	100.00	42.2342	41.87452
The organization's annual return on investment (%)-2013	10	.00	100.00	40.9150	43.11821
The organization's annual return on investment (%)-2014	10	-3.00	100.00	37.2110	44.05031
The organization's annual return on investment (%)-2015	10	.00	100.00	36.3160	42.44936

4.6.11 Organization Budget for Performance Rewards

Reward management practices are essential for achieving overall organizational performance. Notably, the realized good performance should further correlate with rewards since the exceptional employees expect the top management to recognize their efforts. Developing and implementing reward and recognition practices is imperative to boost morale, create goodwill between employees and encourage the non-performers to improve. The results of the findings give budgeted amounts on performance rewards between 2011 and 2015.

It was noted that the highest amount budgeted was ksh15 million in the year 2015 while the lowest was in 2013 at ten thousand Kenyan shillings. It further indicated that there was a progressive increase in the amount budgeted for across the years. This indicates that the management of the surveyed state corporations had over the years realized the benefits of performance rewards to the employees and had constantly budgeted for it. This study supports Jawaad *et al.* (2019), who noted that reward management is seen as one of the most effective ways of increasing employee performance, as depicted in the expectancy theory that reward management touch the very aspects of employee performance such as their expectations and behavioral tendencies towards their work. Additionally, Tabiu and Nura (2019) recognize that employee rewards are very important since they have a lasting impression on the employee and continue to substantiate the employees' perception of their value to the organization they work with.

Employees are encouraged to work harder and better if they are aware that their wellbeing is taken seriously by their employer and that their career and self-development are being nurtured and taken care by the organization. Reinforcements of rewards or consequence play a major role in shaping the behaviors that people learn, unlearn or relearn. Therefore, state corporations need to continuously budget for performance rewards to encourage more and better productivity from the employees.

Table 4.19: Organization Budget for Performance Rewards 2011-2015

	N	Minimum	Maximum	Mean	Std. Deviation
The Organization has set aside a budget for performance rewards (Ksh)- 2011	3	100000	13001000	8700666.67	7448395.823
The Organization has set aside a budget for performance rewards (Ksh)- 2012	3	100000	10854267	7269511.33	6208978.947
The Organization has set aside a budget for performance rewards (Ksh)- 2013	4	10000	12000000	6627500.00	6286362.886
The Organization has set aside a budget for performance rewards(Ksh)- 2014	6	30000	15000000	10015000.00	6683133.247
The Organization has set aside a budget for performance rewards (Ksh)- 2015	6	500000	15000000	9983333.33	6323026.701

4.7 Qualitative Data Analysis

The participants were asked to suggest the possible ways of improving administration of the financial rewards in the organization. The participants suggested the following ways of improving administration of the financial rewards; they should be timely, employees should be allowed to suggest the kind of rewards, the reward should be publicized in the organization, clear thresh hold to be attained for one to qualify for the reward to be in place and that the salary adjustment should be based on individual performance.

The participants were also asked to suggest possible ways in which employee benefits can be improved in the organization. Respondents suggested the need to include health care and retirement plans in the employee benefits. They also suggested that employees who have served for long be considered for permanent terms to enable access to retirement benefits.

The participants were asked to suggest possible ways in which employees' allowances can be improved in the organization. The employees suggested that personal development is key in the organization, promotion of staff through merit and giving bonuses. The organization should not be quick to punish but rather encourage employees through rewards.

The respondents were asked to suggest possible ways in which work life balance benefits can be improved in the organization. The respondents suggested for flexible working hours, that employees should be given incentives such as vacations and off days to unwind. The other suggestion was that when an employee is out of office, they should be given time for their own issues without interference.

In addition, the respondents were asked to suggest possible ways in which motivation as a factor of reward management and employee performance can be improved. The respondents indicated the need to recognize and reward even the small contributions as this motivates the employee to improve. Further, the organization should plan and offer free learning opportunities for personal development, this motivates the employee for individual performance which eventually positively enhances organizational performance.

Finally, respondents were asked to suggest ways in which employee performance can be improved in the organization. The respondents noted that employees are encouraged to work harder and better if they are aware that their wellbeing is taken seriously by their employer and that their career and self-development are being nurtured and taken care by the organization. Reinforcements of rewards or consequence play a major role in shaping the behaviors that people learn, unlearn or relearn. Therefore, state corporations need to continuously budget for performance rewards to encourage more and better productivity from the employees.

4.8 Correlation Analysis

Pearson correlation was used to measure the degree of association between variables under consideration which are independent variables (Financial Rewards, Employee Benefits, Non-Financial rewards, Work Life balances and Motivation) and the dependent variable (Employee Performance). Pearson correlation coefficients range from -1 to +1. Negative values indicate negative correlation and positive values indicates positive correlation where Pearson coefficient $r < 0.3$ indicates weak correlation, Pearson coefficient $0.3 > r < 0.5$ indicates moderate correlation and Pearson coefficient $r <0.5$ indicates strong correlation.

The analysis shows that non-financial rewards have the strongest positive influence on employee performance (Pearson correlation coefficient (r) =.541 and $P<0.05$) implying that the relationship is statistically significant. The study findings corroborated Khan, Waqas, and Muneer (2017) conclusion that non-financial rewards and employee performance were significantly related. Similarly, the findings supported Akbar, Riaz, Arif, and Hayat (2018) findings that non-monetary incentives had a positive and significant relationship with employee job satisfaction.

In addition, employee benefits are positively correlated to employee performance (r =.480 and $P<0.05$) implying a statistically significant relationship though the association is moderate. The study findings were consistent with those of Jaworski *et al.* (2018) who found that employee commitment was significantly related with benefits such as training. Further, the findings mirrored those of Chukwudumebi and Kifordu (2018) who argued that benefits of incentives had a considerable impact on staff morale and productivity. Motivation also showed moderate and statistically significant relationship (r =.401 and $P<0.05$). The study findings were consistent with the work of Pancasila *et al*. (2020) who observed that work motivation has a higher direct effect on employee performance. Further, the findings corroborated Olusadum and Anulika (2018) results that work motivation and employee performance had a substantial association.

The relationship between financial rewards and employee performance is also moderate and statistically significant (r =0.371 $P<0.05$). The study findings supported Ndungu (2017) conclusion that employee performance and monetary salary were found had a significant positive relationship. Similar, the findings agreed with those of Jean, Ngui, and Robert (2017) who established a positive and significant relationship between salary and employee performance.

Finally work life balances also showed significant and moderate relationship with employee performance ($r = 0.409$ $P<0.05$). The study findings were consistent with the work of Hassan and Teng (2017) who found a significant correlation between work-life balance and job happiness. Similarly, the findings supported Abdirahman *et al.* (2018) observation that work-life balance was positively related to employee performance. The results are presented in Table 4.20.

Table 4.20: Correlation Analysis Results

		FR	**EB**	**NFR**	**WLBR**	**Mt**	**EP**
FR	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	501					
EB	Pearson Correlation	.526**	1				
	Sig. (2-tailed)	.000					
	N	501	501				
NFR	Pearson Correlation	.536**	.615**	1			
	Sig. (2-tailed)	.000	.000				
	N	501	501	501			
WLBR	Pearson Correlation	.409**	.436**	.397**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	501	501	501	501		
Mt	Pearson Correlation	.427**	.448**	.526**	.557**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	501	501	501	501	501	
EP	Pearson Correlation	.371**	.480**	.541**	.337**	.401**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	501	501	501	501	501	501

Scale; FR =Financial Rewards: EB= Employee Benefits: NFR =Non-Financial Rewards: WLBR =Work Life Balance Rewards: Mt=Motivation: EP=Employee Performance

4.9 Test of Hypotheses

Hypotheses were formed based on the research objectives; they were tested using simple regression analysis for direct relationship in hypotheses one, two, three, four and five and stepwise regression analysis for indirect hypothesis six. The choice of analytical tools used was guided by the study objective, type of data as well as the measurement scales. The hypotheses were tested at 95 percent confidence level ($\alpha=0.05$), hence decision points to reject or fail to reject a hypothesis were based on the p-values. Where $p<0.05$, the study rejected the hypotheses, and where $p>0.05$, the study failed to reject the hypotheses.

Interpretations of results and subsequent discussions also considered correlations (R), coefficients of determinations (R^2), F-Statistic values (F) and beta values (β). R^2 indicated the change in dependent variable explained by change in the independent variables combined. Further, the higher the F-Statistic, the more significant the model. The negative or positive effect of the independent variable on the dependent (either negative or positive) was explained by checking the beta (β) sign. The R-value shows the strength of the relationship between the variables, t-values represent the significance of individual variables. The findings are presented along study objectives and corresponding hypotheses.

4.9.1 Financial Rewards and Employee Performance in the State Corporations

The hypothesis formulated was $H0_1$: There is no statistically significant influence of financial rewards on Employee Performance in the State Corporations in Kenya. This was tested through the simple linear regression analysis. The study found a relatively moderate relationship between financial rewards and employee performance (R= .371).

Coefficient of determination (R^2 =.138) indicates that financial rewards explain 13.8 % of variation in employee performance. The overall model was statistically significant ($F=79.586$, $p<0.05$). The significant relationship is further manifested by the t-value in the coefficient table ($\beta=.421$, $t=8.921$, $p<0.05$). This therefore depicts those financial rewards is key in determining performance of employees in state corporations in Kenya and thus the null hypothesis that there is no statistically significant influence of financial rewards on employee performance in the state corporations in Kenya was rejected. The findings of this study were in line with the conclusion made by Mehta (2014) who asserted that financial rewards have a positive influence on employee performance at work. Further, findings corroborated Ndungu (2017) conclusion that monetary salary had a positive and significant effect on employee performance. Additionally, the findings agreed with Sethunga and Perera (2018) assertion that payment was the most effective methods of reducing employee turnover.

Table 4.21: Effect of Financial Rewards on Employee Performance

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.371[a]	.138	.136	.68709

ANOVAa						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	37.572	1	37.572	79.586	.000[b]
	Residual	235.577	499	.472		
	Total	273.149	500			

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.646	.146		18.119	.000
	Financial Rewards	.421	.047	.371	8.921	.000

4.9.2 Employee Benefits and Employee Performance in the State Corporations

The study further tested the effect of employee benefits on employee performance through hypothesis $H0_2$: there is no statistically significant influence of employee benefits on employee performance in the State Corporations in Kenya. The average indexes for all the dimensions for both employee benefits on employee performance were determined and a regression analysis carried out. The results in the model summary show that R=.480 suggesting that there exists a moderate relationship between the constructs of employee benefits and employee performance. Coefficient of determination R^2=.230 implies that employee benefits constructs influence employee performance by 23.0%. This is significant since p-value<0.05 at 95% confidence level.

The results shows that the overall model is significant (F=149.040, p<0.05). Further the coefficient shows a significant influence of employee benefits on employee performance (β=.502, t=12.208, p<0.05). This implies therefore that employee benefits significantly influence employee performance and thus the null hypothesis that there is no statistically significant influence of employee benefits on Employee Performance in the State Corporations in Kenya was rejected. The findings of this study were in line with the conclusion made by Shields *et al*. (2015) who indicated that employee benefits provide a mechanism for motivating employees, fostering their commitment to the organization, induce motivation and ultimately enhance employee performance. Further, the findings supported the outcome by Chukwudumebi and Kifordu (2018) who found that benefits of incentives had a considerable impact on staff morale and productivity.

Table 4.22: Effect of Employee Benefits on Employee Performance

Model Summary						
Model	R	R Square		Adjusted R Square		Std. Error of the Estimate
1	.480[a]	.230		.228		.64923
ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	62.820	1	62.820	149.040	.000[b]
	Residual	210.328	499	.421		
	Total	273.149	500			
Coefficients[a]						
Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	2.080	.153		13.555	.000
	Employee Benefits	.502	.041	.480	12.208	.000

4.9.3 Non-Financial Rewards and Employee Performance in State Corporations

The study determined how non-financial rewards influence employee performance through a hypothesis $H0_4$: there is no statistically significant influence of non-financial rewards on employee performance in the State Corporations in Kenya. The results in the model summary suggests that there exists a strong relationship between non-financial rewards and employee performance (R=541). Coefficient of determination R^2=.292 implies that non-financial rewards influence employee performance by 29.2%. This is significant since p-value<0.05 at 95% confidence level.

The results shows that the overall model is significant (F=206.249, p<0.05) and the coefficient also shows that non-financial rewards contribute significantly on employee performance (β=0.583, t=14.361, p<0.05). This implies that non-financial rewards significantly influence employee performance and therefore the null hypothesis that non-financial rewards do not significantly influence employee performance in the State Corporations in Kenya was rejected.

The findings of this study were in line with the results made by Khan, Waqas, and Muneer (2017) who concluded that non-financial rewards and employee performance were significantly related. Similarly, the findings supported Akbar *et al.* (2018) findings that non-monetary incentives had a positive and significant relationship with employee job satisfaction. Additionally, according to Agwu (2013), non-monetary incentives such as learning opportunities, acknowledgment, offer of challenging occupations and opportunities for career progression provides an effective and instruments for motivating of personnel, which in turn leads to increased performance.

Table 4.23: Effect of Non-Financial Rewards on Employee Performance

Model Summary

Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.541[a]	.292	.291	.62234

a. Predictors: (Constant), Non-Financial Rewards

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	79.88	1	79.88	206.249	.000[b]
	Residual	193.27	499	.387		
	Total	273.15	500			

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.906	.143		13.331	.000
	Non-Financial Rewards	.583	.041	.541	14.361	.000

a. Dependent Variable: Employee Performance

4.9.4 Work Life Balance and Employee Performance in the State Corporations

The study determined how non-financial rewards influence employee performance through a hypothesis $H0_5$: there is no statistically significant influence of work life balance benefits on employee performance in the State Corporations in Kenya. The results in the model summary show that R=.337 suggesting that there exists a moderate relationship between work life balance and employee performance. Coefficient of determination R^2=.113 implies that work life balance influence employee performance by 11.3%. This is significant since p-value<0.05 at 95% confidence level. The results shows that the overall model is significant (F=63.763, p<0.05) and the coefficient also shows that work life balance contributes significantly on employee performance (β=0.342, t=7.985, p<0.05).

This implies that work life balance significantly influences employee performance and therefore the null hypothesis that work life balance do not significantly influence Employee Performance in the State Corporations in Kenya was rejected. The findings of this study were in line with the findings of Hassan and Teng (2017) who found a significant correlation between work-life balance and job happiness. Similarly, the findings supported Abdirahman *et al.* (2018) observation that work-life balance was positively related to employee performance. According to Larasati and Hasanati (2019), companies that care about employee well-being in their personal and professional lives can influence employee engagement in the company. Further, the findings agreed with Mungania (2017) assertion that organizations that help people achieve a better work-life balance are more effective.

Table 4.24: Effect of Work Life Balance on Employee Performance

Model Summary

Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.337[a]	.113	.112	.69669

a. Predictors: (Constant), Work Life balances

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	30.949	1	30.949	63.763	.000[b]
	Residual	242.200	499	.485		
	Total	273.149	500			

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	2.820	.141		19.977	.000
	Work Life balances	.342	.043	.337	7.985	.000

a. Dependent Variable: Employee Performance

4.9.5 Moderating Influence of Motivation on the Relationship between Reward Management Practices and Employee Performance

The sixth objective for the study was to determine moderating influence of motivation and the effect of reward management practices on employee performance in the state corporations in Kenya. This was through the hypothesis $H0_6$: Motivation has no significant moderating influence on the relationship between reward management practices and employee performance in the state Corporations in Kenya. The study first determined the moderating effect of motivation on each of the reward management practices (financial rewards, employee benefits, non-financial rewards, and work life balance benefits). This was through development of sub hypotheses.

4.9.6 Moderating influence of Motivation on the Relationship between Financial Rewards and Employee Performance

This was through the sub-hypothesis $H0_7$: Motivation has no significant moderating influence on the relationship between financial rewards and employee performance in the state corporations in Kenya. The hypothesis was tested through Stepwise regression analysis. In step one, financial rewards were regressed on employee performance. In step two, financial rewards were regressed on motivation. In step three the interaction term between financial rewards and motivation was introduced. The moderation effect is confirmed when the effect of interaction term is statistically significant.

The result in Table 4.25 on the moderating effect of motivation on the relationship between financial rewards and employee performance was computed using three steps. In model one the result shows that the association between financial rewards and employee performance was moderate and significant (R= .371[a,] R^2=0.138, F=79.586, P-value<0.05). In model two (R= .427[a,] R^2=182, F=111.006, P-value<0.05) which was moderate and significant.

In model three (R= .836[a,] R^2=0.699, F=577.639, P-value<0.05) which is strong and significant, suggesting a moderating effect in model three after an interaction term is introduced. The value of the interaction term (FR * Mt) had a significant influence (β= .514, t=22.444, P<0.05) thus confirming a moderation effect of motivation. Therefore, the null hypothesis that motivation has no significant moderating influence on the relationship between financial rewards and employee performance of state Corporations in Kenya was rejected.

The findings are in line with previous studies like Mokhniuk, (2016) who found that for employee performance to be achieved, motivation should play a center role which can be in form of monetary rewards. This argument was further echoed by Waqas and Saleem (2014) that for employees to engage fully, motivation is key both in terms of monetary and non-monetary rewards.

Table 4.25: The Moderation Results of Motivation on Financial Rewards and Employee Performance

Model Summary

Model		**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Change Statistics**				
						R Square Change	**F Change**	**df1**	**df2**	**Sig. F Change**
1	Financial Rewards	.371[a]	.138	.136	.68709	.138	79.586	1	499	.000
2	Financial rewards, Motivation	.427[a]	.182	.180	.76920	.182	111.006	1	499	.000
3	Financial rewards, Motivation interaction	.836[a]	.699	.698	.30150	.699	577.639	2	498	.000

ANOVA

Model			Sum of Squares	df	Mean Square	F	Sig.
1	Financial rewards	Regression	37.572	1	37.572	79.586	.000[b]
		Residual	235.577	499	.472		
		Total	273.149	500			
2	Financial rewards, Motivation	Regression	65.678	1	65.678	111.006	.000[b]
		Residual	295.240	499	.592		
		Total	360.919	500			
3	Financial rewards, Motivation interaction	Regression	105.020	2	52.510	577.639	.000[b]
		Residual	45.271	498	.091		
		Total	150.291	500			

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	2.646	.146		18.119	.000		
	Financial rewards	.421	.047	.371	8.921	.000	1.000	1.000
2	(constant)	1.840	.163		11.257	.000		
	Financial rewards, Motivation	.557	.053	.427	10.536	.000	1.000	1.000
3	(constant)	.928	.072		12.928	.000		
	Financial rewards, motivation interaction	.514	.023	.610	22.444	.000	.818	1.222

4.9.7 Moderating Influence of Motivation on the Relationship between Employee Benefits and Employee Performance

This was through the sub-hypothesis $H0_8$: Motivation has no significant moderating influence on the relationship between employee benefits and employee performance in the state corporations in Kenya. The hypothesis was tested through Stepwise regression analysis. In step one, employee benefits were regressed on employee performance. In step two, employee benefits were regressed on motivation. In step three the interaction term between employee benefits and motivation was introduced. The moderation effect is confirmed when the effect of interaction term is statistically significant. The result in Table 4.26 on the moderating effect of motivation on the relationship between employee benefits and employee performance was computed using three steps.

In model one the result shows that the association between employee benefits and employee performance was moderate and significant (R= .480[a], R^2=0.230, F=149.040, P-value<0.05). In model two (R= .448[a], R^2=200, F=125.10, P-value<0.05) which was moderate and significant. In model three (R= .523[a], R^2=0.273, F=93.669, P-value<0.05) which is strong and significant, suggesting a moderating effect in model three after an interaction term is introduced. The value of the interaction term (EB * Mt) had a significant influence (β= .393, t=8.785, P<0.05) thus confirming a moderation effect of motivation. Therefore, the null hypothesis that motivation has no significant moderating influence on the relationship between employee benefits and employee performance of state Corporations in Kenya was rejected. The findings of this study are also supported by the findings of other scholars. For instance, Danish and Usman (2010) postulated that motivation in terms of recognition and other employee benefits are key in enhancing employee performance. Khan, Farooq, and Khan (2010) also indicated that motivation influences how employee benefits are viewed to bring about employee performance.

Table 4.26: The Moderation Results of Motivation on Employee Benefits and Employee Performance

Model Summary

Model		R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics: R Square Change	F Change	df1	df2	Sig. F Change
1	Employee Benefits	.480[a]	.230	.228	.64923	.230	149.040	1	499	.000
2	Employee benefits, Motivation	.448[a]	.200	.199	.76046	.200	125.103	1	499	.000
3	Employee benefits, Motivation interaction	.523[a]	.273	.270	.63132	.273	93.669	2	498	.000

ANOVA

Model			Sum of Squares	df	Mean Square	F	Sig.
1	Employee Benefits	Regression	62.820	1	62.820	149.040	.000[b]
		Residual	210.328	499	.421		
		Total	273.149	500			
2	Employee benefits, Motivation	Regression	72.347	1	72.347	125.103	.000[b]
		Residual	288.572	499	.578		
		Total	360.919	500			
3	Employee benefits, Motivation interaction	Regression	74.665	2	37.333	93.669	.000[b]
		Residual	198.483	498	.399		
		Total	273.149	500			

Coefficients

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	T	Sig.	Collinearity Statistics Tolerance	VIF
1	(Constant)	2.080	.153		13.555	.000		
	Employee Benefits	.502	.041	.480	12.208	.000	1.000	1.000
2	(constant)	1.550	.180		8.624	.000		
	Employee benefits, Motivation	.539	.048	.448	11.185	.000	1.000	1.000
3	(constant)	1.766	.160		11.041	.000		
	Employee benefits, motivation interaction	.393	.045	.375	8.785	.000	.800	1.251

4.9.8 Moderating Influence of Motivation on the Relationship between Non-Financial Rewards and Employee Performance

This was through the sub-hypothesis $H0_{10}$: Motivation has no significant moderating influence on the relationship between non-financial rewards and employee performance in the state corporations in Kenya. The hypothesis was tested through Stepwise regression analysis. In step one, non-financial allowances were regressed on employee performance. In step two, non-financial allowances were regressed on motivation. In step three the interaction term between non-financial allowances and motivation was introduced. The moderation effect is confirmed when the effect of interaction term is statistically significant.

The result in Table 4.27 on the moderating effect of motivation on the relationship between non-financial rewards and employee performance was computed using three steps. In model one the result shows that the association between non-financial rewards and employee performance was moderate and significant (R= .541[a,] R^2=0.292, F=206.249, P-value<0.05). In model two (R= .526[a,] R^2=277, F=191.205, P-value<0.05) the relationship was moderate and significant. In model three (R= .558[a,] R^2=0.311, F=112.47, P-value<0.05) the relationship was strong and significant, suggesting a moderating effect in model three after an interaction term is introduced.

The value of the interaction term (NFR * Mt) had a significant influence (β= .492, t=10.428, P<0.05) thus confirming a moderation effect of motivation and therefore the hypothesis that motivation has no significant moderating influence on the relationship between non-financial rewards and employee performance of state Corporations in Kenya is rejected. Waqas and Saleem (2014) concluded that non-financial rewards give employees a sense of motivation in terms of belonging to perform better in their respective roles.

Table 4.27: The Moderation Results of Motivation on Non-financial Rewards and Employee Performance

Model Summary

Model		R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
						R Square Change	F Change	df1	df2	Sig. F Change
1	Non-financial rewards	.541[a]	.292	.291	.62234	.292	206.249	1	499	.000
2	Non-financial rewards, Motivation	.526[a]	.277	.276	.72313	.277	191.205	1	499	.000
3	Non-financial rewards, Motivation interaction	.558[a]	.311	.308	.61468	.311	112.473	2	498	.000

ANOVA

Model			Sum of Squares	df	Mean Square	F	Sig.
1	Non-financial rewards	Regression	79.882	1	79.882	206.249	.000[b]
		Residual	193.267	499	.387		
		Total	273.149	500			
2	Non-financial rewards, Motivation	Regression	99.984	1	99.984	191.205	.000[b]
		Residual	260.935	499	.523		
		Total	360.919	500			
3	Non-financial rewards, Motivation interaction	Regression	84.991	2	42.495	112.473	.000[b]
		Residual	188.158	498	.378		
		Total	273.149	500			

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.906	.143		13.331	.000		
	Non-financial rewards	.583	.041	.541	14.361	.000	1.000	1.000
2	(constant)	1.271	.166		7.653	.000		
	Non-financial rewards, Motivation	.652	.047	.526	13.828	.000	1.000	1.000
3	(constant)	1.728	.149		11.577	.000		
	Non-financial rewards, motivation interaction	.492	.047	.456	10.428	.000	.723	1.383

4.9.9 Moderating Influence of Motivation on the Relationship between Work Life Balance Benefits and Employee Performance

This was through the sub-hypothesis that $H0_{11}$: Motivation has no significant moderating influence on the relationship between work life balance benefits and employee performance in the state Corporations in Kenya. The hypothesis was tested through Stepwise regression analysis. In step one, work life balance benefits were regressed on employee performance. In step two, work life balance benefits were regressed on motivation. In step three the interaction term between work life balance benefits and motivation was introduced. The moderation effect is confirmed when the effect of interaction term is statistically significant.

The result in Table 4.28 on the moderating effect of motivation on the relationship between work life balance benefits and employee performance was computed using three steps. In model one the result shows that the association between work life balance benefits and employee performance was moderate and significant ($R= .337^{a,}$ $R^2=0.113$, $F=63.7$, P-value<0.05). In model two ($R= .557^{a,}$ $R^2=.310$, $F=224.533$, P-value<0.05) which was moderate and significant and in model three ($R= .423^{a,}$ $R^2=0.179$, $F=54.413$, P-value<0.05) which is moderate and significant, suggesting a moderating effect in model three after an interaction term is introduced. The model also depicted that 31% of the total variation in employee performance was due to a combination of the reward management practices and motivation strategies.

The value of the interaction term (WLBB * Mt) had a significant influence ($\beta= .167$, $t=3.360$, $P<0.05$) thus confirming a moderation effect of motivation. Therefore, the hypothesis that motivation has no significant moderating influence on the relationship between work life balance benefits and employee performance of state Corporations in Kenya was rejected. Aguenza and Som (2018) and Caillier (2013) indicated that work life balance is key in employees' motivational factors for their productivity to be achieved.

Table 4.28: The Moderation Results of Motivation on Work Life Balance Benefits and Employee Performance

Model Summary

Model		R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
						R Square Change	F Change	df1	df2	Sig. F Change
1	Work life balance benefits	.337[a]	.113	.112	.69669	.113	63.763	1	499	.000
2	Work life balance benefits, Motivation	.557[a]	.310	.309	.70628	.310	224.533	1	499	.000
3	Work life benefits, Motivation interaction	.423[a]	.179	.176	.67092	.179	54.413	2	498	.000

ANOVA

Model			Sum of Squares	df	Mean Square	F	Sig.
1	Work life balance benefits	Regression	30.949	1	30.949	63.763	.000[b]
		Residual	242.200	499	.485		
		Total	273.149	500			
2	Work life balance benefits, Motivation	Regression	112.003	1	112.003	224.533	.000[b]
		Residual	248.915	499	.499		
		Total	360.919	500			
3	Work life balance benefits, Motivation interaction	Regression	48.985	2	24.493	54.413	.000[b]
		Residual	224.163	498	.450		
		Total	273.149	500			

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.820	.141		19.977	.000		
	Work life balance benefits	.342	.043	.337	7.985	.000	1.000	1.000
2	(constant)	1.433	.143		10.010	.000		
	Work life balance benefits, Motivation	.651	.043	.557	14.984	.000	1.000	1.000
	(constant)	2.434	.149		16.342	.000		
3	Work life balance benefits, motivation interaction	.167	.050	.164	3.360	.001	.690	1.450

4.9.10 Moderating Influence of Motivation on the Relationship between Reward Management Practices and Employee Performance

This was through the overall hypothesis $H0_{12}$: Motivation has no significant moderating influence on the relationship between reward management practices and employee performance in the state corporations in Kenya. The hypothesis was tested through Stepwise regression analysis. In step one, reward management practices were regressed on employee performance. In step two, reward management practices were regressed on motivation. In step three the interaction term between reward management practices and motivation was introduced. The moderation effect is confirmed when the effect of interaction term is statistically significant.

The result in Table 4.29 on the moderating effect of motivation on the relationship between reward management practices and employee performance was computed using three steps. In model one the result shows that the association between reward management practices and employee performance was significant ($R = .551^{a,}$ $R^2=0.303$, $F=217.433$, $P\text{-value}<0.05$). In model two ($R = .628^{a,}$ $R^2=394$, $F=324.570$, $P\text{-value}<0.05$) which was significant and in model three ($R = .555^{a,}$ $R^2=0.308$, $F=111.087$, $P\text{-value}<0.05$) which is significant, suggesting a moderating effect in model three after an interaction term is introduced. The value of the interaction term (RMP * Mt) had a significant influence ($\beta= .666$, $t=10.316$, $P<0.05$) thus confirming a moderation effect of motivation. Therefore, the hypothesis that motivation has no significant moderating influence on the relationship between reward management practices and employee performance of state corporations in Kenya was rejected.

The study is concurred by several researchers. For instance, Pathomphatthaphan *et al.* (2021) describe pay as one of the most significant variables in explaining job performance and satisfaction. Abdifatah *et al.* (2015) found that cash bonuses were listed as the most preferred incentive but however offering cash bonus exclusively does not seem to impact much on performance, those who get the reward are slightly more satisfied than those who do not had little impact on organization's performance. Ogbogu (2017) established that motivation is critical for improving employee performance and is a driving force in total organizational effectiveness. Additionally, the findings supported the assertion by Gachengo and Wekesa (2017) that motivation has a statistically significant impact on worker performance.

Table 4.29: The Moderation Results of Motivation on Reward Management Practices and Employee Performance

Model Summary

Model		**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Change Statistics**				
						R Square Change	**F Change**	**df1**	**df2**	**Sig. F Change**
1	Reward Management Practices	.551[a]	.303	.302	.61746	.303	217.433	1	499	.000
2	Reward Management Practices, Motivation	.628[a]	.394	.393	.66199	.394	324.570	1	499	.000
3	Reward Management Practices, Motivation interaction	.555[a]	.308	.306	.61586	.308	111.087	2	498	.000

ANOVA

Model			Sum of Squares	df	Mean Square	F	Sig.
1	Reward Management Practices	Regression	82.899	1	82.899	217.433	.000[b]
		Residual	190.250	499	.381		
		Total	273.149	500			
2	Reward Management Practices, Motivation	Regression	142.239	1	142.239	324.570	.000[b]
		Residual	218.680	499	.438		
		Total	360.919	500			
3	Reward Management Practices, Motivation interaction	Regression	84.266	2	42.133	111.087	.000[b]
		Residual	188.882	498	.379		
		Total	273.149	500			

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.455	.169		8.593	.000		
	Reward management practices	.743	.050	.551	14.746	.000	1.000	1.000
	(constant)	.296	.182		1.632	.103		
2	Reward management practices, Motivation	.973	.054	.628	18.016	.000	1.000	1.000
	(constant)	1.432	.169		8.454	.000		
3	Reward management practices, motivation interaction	.666	.065	.494	10.316	.000	.606	1.650

4.9.11 Overall Moderating Effect Regression Analysis

The study established whether motivation has a significant moderating influence on the relationship between reward management practices and employee performance in the state corporations in Kenya. There were two models for the two proposed equations where one represents influence of reward management practices without motivation as a moderator and another one with a moderator.

The results in Table 4.31 shows that in the first model the influence of reward management practices (Financial Rewards, Employee Benefits, Non-Financial rewards, Work Life balance benefits) is significant (their R squared was 0.303, implying that all the reward management practices jointly explain 30.3% of employee performance with 69.7% being explained by other factors not considered in the model.

In model two, when motivation as a moderating variable is added R increases from .551 to .555 and R squared increases from .303 to .308. This implies that the influence to employee performance increased thus implying that motivation has a significant influence on the relationship between reward management practices and employee performance in the state Corporations in Kenya. Further the study carried out the Analysis of Variance (ANOVA) to determine the goodness of fit of the model in determining how reward management practices influence employee performance and also when motivation as a moderating variable is introduced.

The results shows that the F-value for the first model was 217.433 and 111.087 for the second model and p-values less than 0.05 threshold implying that the model is significant in predicting how reward management, motivation and employee performance relate. The study further determined the significance of the coefficients. Table 4.30 shows the regression coefficients for the influence of reward management practices on employee performance in state Corporations in Kenya and the influence of motivation as a moderating variable. According to Chepkwony and Oloko (2014), effective reward practices require the development, implementation, management, and evaluation of the reward strategy to discern the best way of applying reward practices and creating value. The rewards may also include commissions and bonuses issued after attainment of designated objectives or after a period (Longino, 2020).

Atambo *et al.* (2019) conducted a descriptive approach based on a correlation design to establish the relationship between employee incentives as an independent variable and employee performance as a dependent variable. The outcomes of the study indicated that employee incentives had a significant role in enhancing performance at individual and organizational levels. According to Akomolafe *et al.* (2018) incentives are offered to encourage and reimburse some employees for their effort beyond the expected and normal performance. The use of employee allowances spurs the worker's contributions beyond the normal standard of expectation.

Table 4.30: Overall Model Summary for Moderating Effect of Motivation

Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.551[a]	.303	.302	.61746
2	.555[a]	.308	.306	.61586

Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	82.899	1	82.899	217.433	.000[b]
	Residual	190.250	499	.381		
	Total	273.149	500			
2	Regression	84.266	2	42.133	111.087	.000[b]
	Residual	188.882	498	.379		
	Total	273.149	500			

Coefficients[a]

Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	1.371	.169		8.127	.000
	Financial Rewards	.014	.054	.012	.256	.004
	Employee Benefits	.174	.057	.166	3.026	.003
	Non-Financial Rewards	.356	.056	.330	6.405	.000
	Work Life balances	.047	.047	.046	.995	.002
	Motivation	.078	.042	.089	1.837	.003
	Financial rewards* Motivation	.514	.023	.610	22.444	.000
	Employee benefits* Motivation	.393	.045	.375	8.785	.000
	Non-financial rewards* Motivation	.492	.047	.456	10.428	.000
	Work life balance* Motivation	.167	.050	.164	3.360	.001

a. Dependent Variable: Employee Performance

4.10 Summary of the Hypotheses Test

Table 4.31 shows a summary of the test of hypotheses of the influence of financial rewards, non- financial rewards, employee benefits and work life balance benefits on employee performance in the state corporations in Kenya.

Table 4.31: Summary of Test of Hypotheses

Hypotheses	Beta Value	T-Value	P-Value	Decision
$H0_1$: Financial rewards have no statistically significant influence on Employee Performance in the State Corporations in Kenya.	.421	8.921	.000	Rejected
$H0_2$: Employee benefits significantly influence Employee Performance in the State Corporations in Kenya.	.502	12.208	.000	Rejected
$H0_3$: Non-financial rewards have no statistically significant influence on Employee Performance in the State Corporations in Kenya.	.583	14.361	.000	Rejected
$H0_4$: Work life balance benefits have no statistically significant influence on Employee Performance in the State Corporations in Kenya.	.342	7.985	.000	Rejected
$H0_5$: Motivation has no statistically significant moderating influence on the relationship between reward management practices and employee performance of in the state corporations in Kenya.	.666	10.316	.000	Rejected

4.11 Optimal Model

The study aimed at establishing the effect of reward management practices on employee performance in state corporations in Kenya. The independent variables included financial rewards, employee benefits, non-financial rewards, and work life balance benefits. The study also tested the moderating effect of motivation on the relationship between each reward management practices and employee performance. Objective one was to determine the influence of financial rewards on employee performance in state corporations in Kenya. This was guided by the model represented as; $Y_i = \beta_0 + \beta_1 X_1 + \varepsilon$. Where: Y_i is Employee Performance; X_1 is Financial Rewards; β_0 and β_1 are the coefficients of determination and ε is the error or disturbance term to represent omitted variables. Based on the outcomes of the results of the regression analysis as presented in Table 4.21, the model became $Y_i = 2.646 + .421X_1 + 0.047$. The model depicts that when financial rewards is kept constant, employee performance represented by Y_i is at 2.646 units and when financial rewards are added employee performance changes by 0.421 units which translates to 42.1%.

The second objective was to determine the influence of employee benefits on employee performance in state Corporations in Kenya. This was guided by the model; $Y_i = \beta_0 + \beta_1 X_2 + \varepsilon$. Where: Y_i is Employee Performance; X_2 is employee benefits; β_0 and β_1 are the coefficients of determination and ε is the error or disturbance term to represent omitted variables. After the regression analysis results as presented in Table 4.22, the model became $Y_i = 2.080 + .502X_2 + 0.041$. This model implies that when employee benefits is constant, employee performance is at 2.080 and a unit increase in employee benefits adds 0.502 units (50.2%) on employee performance. This is a moderate contribution of employee benefits to employee performance.

The third objective was to determine the influence of non-financial rewards on employee performance in state corporations in Kenya. This was guided by the model; $Y_i = \beta_0 + \beta_1 X_4 + \varepsilon$. Where: Y_i is Employee Performance; X_4 is non-financial rewards; β_0 and β_1 are the coefficients of determination and ε is the error or disturbance term to represent omitted variables. After the regression analysis results as presented in Table 4.23, the model became $Y_i = 1.906 + .583X_4 + 0.041$. The model implies that a unit change in non-financial rewards leads to 0.583 (58.3%) change in employee performance and that when non-financial rewards are constant, employee performance is at 1.906 units.

The fourth objective was to determine the influence of work life balance benefits on employee performance in state corporations in Kenya. This was guided by the model; $Y_i = \beta_0 + \beta_1 X_5 + \varepsilon$. Where: Y_i is Employee Performance; X_5 is work life balance benefits; β_0 and β_1 are the coefficients of determination and ε is the error or disturbance term to represent omitted variables. After the regression analysis results as presented in Table 4.24, the model became $Y_i = 2.820 + .342X_4 + 0.043$. The model implies that a unit change in work life balance benefits leads to 0.342 (34.2%) change in employee performance and that when work life balance benefits are constant, employee performance is at 2.820 units.

The fifth objective was to determine the moderating influence of motivation on the relationship between reward management practices and employee performance in state corporations in Kenya. This was guided by the model; $Y_1= \beta_o + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5$ *($M \times\beta_1X_6 + \beta_2X_7 + \beta_3X_8 + \beta_4X_9 + \beta_5X_{10}) + \varepsilon$.…………. after moderating effect of Motivation

Where: Y_i is Employee Performance

X_1 is Financial Rewards

X_2 is Non – Financial Rewards

X_3 is Employee Benefits

X_4 is Work Life Balance Benefits

X_5 is Financial Rewards* Motivation

X_6 is Employee Benefits * Motivation

X_7 is Non – Financial Rewards * Motivation

X_8 is Work life Balance Benefits * Motivation

M= Moderating Variable (Motivation)

ε= Error term

β = the beta coefficients of independent variables

After the regression analysis results as presented in table 4.30 (coefficients) and table 4.31 (interaction term), the model became $Y= 1.371 + 0.014X_1 + 0.174X_2 + 0.356X_3 + 0.047X_4 + 0.666(0.014X_5 + 0.174X_6 + 0.067X_7 + 0.356X_8 + 0.047X_9)$.

The model implies that employee performance represents 1.371 units in absence of reward management practices. However, when financial rewards, employee benefits, non-financial rewards and work life balance benefits are added each contributed 0.014(1.4%), 0.174 (17.4%), 0.356 (35.6%) and 0.047 (4.7%) respectively on the joint effect model. However, when a moderator variable (Motivation) is added the interaction term becomes 0.666 units implying that motivation adds 66.6% on each unit contributed by each reward management practices on employee performance in state Corporations in Kenya.

The optimal model is therefore:

$$\mathbf{Y = 1.371 + 0.356X_4 + 0.174X_2 + 0.047X_5 + 0.014X_1}$$

Where;

X_4 is non-financial rewards and

X_2 is employee benefits,

X_5 is work life balance benefits,

X_1 is financial rewards.

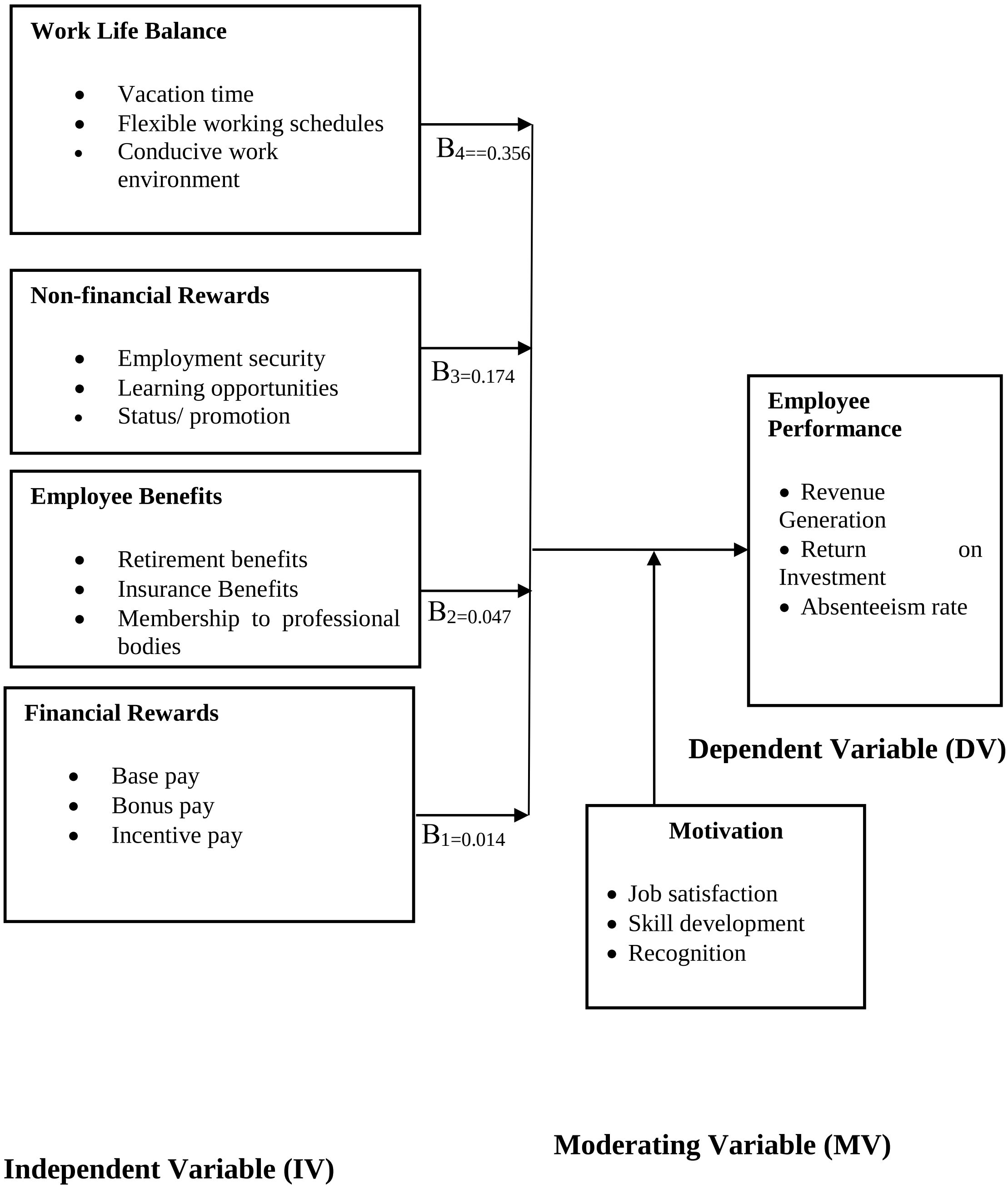

Figure 4.5: Revised Conceptual Framework

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The study sought to establish the influence of reward management practices on employee performance in the state corporations in Kenya. This chapter presents a summary, conclusion and recommendations of the study findings. The conclusion relates directly to the research objectives and hypotheses. The recommendations were derived from the discussion of the study findings and conclusion.

The chapter also presents suggested studies that could be carried out in future to extend knowledge in this area. The field data obtained to address each of the objectives was presented in chapter four showing the frequencies in percentages, characteristics of the variables through descriptive statistics and effect of the independent variables on the dependent variable.

5.2 Summary of Major Findings

The study proposed five major objectives to answer the research questions that were considered suitable to address the problem of the study and depicted in the study conceptual framework. The objectives were achieved by testing five hypotheses. These hypotheses were derived from the following study objectives: To establish how financial rewards relate to employee performance in the state corporations in Kenya; to examine how employee benefits relate to employee performance in the State Corporations in Kenya; to investigate the relationship between non-financial rewards and employee performance in the State Corporations in Kenya; to assess how work life balance benefits relate to employee performance in the State Corporations in Kenya and to determine the moderating influence of motivation on the relationship between employee performance and reward management practice in the State Corporations in Kenya. The study used descriptive and explanatory research designs and targeted 6 respondents from the 123 sampled state corporations totaling to 738. Data was analyzed by use of SPSS and presented through percentages, means, standard deviations and frequencies. Quantitative data was analyzed using descriptive and inferential statistics, while qualitative data was analyzed using content analysis.

5.2.1 Financial Rewards

The first objective of the study was to establish how financial rewards relate to employee performance in the state corporations in Kenya. The study established that majority of the respondents agreed that their organizations offered a basic pay as wages to the employees and that basic pay is competitive in relation to other organizations as well as similar for employees in same grades and performing similar jobs. However, the findings also noted that salary adjustment in the state corporations was not based on individual performance and that these organizations did not offer commission to the employees for revenue targets achieved according to the respondents' feedback.

The study further established that most respondents agreed that the financial rewards positively influence the levels of employees' performance. Financial rewards had significant motivating power since they symbolize power, security and provide a sense of accomplishment. Financial motivation therefore enables employees get a sense of financial security thus enabling them to perform well in their assigned duties. The regression results showed that the model was fit to be used in predicting employee performance and was statistically significant.

5.2.2 Employee Benefits

The second objective of the study was to examine how employee benefits relate to employee performance in the State Corporations in Kenya. The study established that majority of the respondents reported that their organizations offer benefits to employees, has established a retirement benefit scheme as well as offers medical insurance benefits scheme to employees. The study therefore summarizes that most state corporations are keen to offer benefits to the employees that include retirement benefits and medical cover. The respondents also pointed out that their organizations had staff welfare scheme that would be able to assist their employees in their social issues.

However, the study also noted that despite having a staff welfare scheme in the state corporations, it was noted that employees' needs were not met fully by the welfare schemes and that the organizations were bias when giving various facilities to their employees on different ranks in their job group. Majority of the respondents also agreed that employee benefits scheme boosts employee performance. Benefits contribute to attracting, retaining, and motivating employees.

The variety of possible benefits also helps employers align their compensation to the quality of employees they need. Social Security contributions, pensions and retirement savings plans help employees prepare for their retirement. Insurance plans help to protect employees from unexpected costs such as hospital bills. The regression results showed that the model was fit to be used in predicting employee performance and was statistically significant. The study therefore noted that employee benefits have a positive influence on employee performance.

5.2.3 Non-Financial Rewards

The third objective of this study was to investigate the relationship between non-financial rewards and Employee Performance in the State Corporations in Kenya. The study established that most of the state corporations offered learning opportunities to employees. The learning opportunities give employees a greater understanding of their responsibilities within their role and in turn build their confidence. This confidence enhances their overall performance to the benefit the organization. The findings further noted that the organizations offered employment security to employees, opportunities for promotion to employees who excel in their performance as well as positive recognition to employees for job well done. When an organization recognizes employees' efficiency, it taps into the best way to motivate them and bring out their hidden talents.

The study therefore observes that recognition provides the desired results and therefore organizations need to commit the required attention. Managers need to create goals and action plans that recognize the behaviors and accomplishments to guide on rewards within the organization. The regression results showed that the model was fit to be used in predicting employee performance and was statistically significant.

5.2.4 Work life Balance Rewards

The fourth objective of the study was to assess how work life balance benefits relate to Employee Performance in the State Corporations in Kenya. The study established that state corporations in Kenya offer conducive working environment to employees one of them being by offering annual leaves and offs to their employees. The biggest benefit of annual leave is the positive effect it has on the employee mindset. By taking breaks, employees get opportunity to re-energize mind and body. After a break, employees are less stressed and can be able to manage work responsibilities more effectively.

Additionally, the findings noted that state corporations in Kenya recognize work life balance programs. Enhancement of work life balance fosters a healthier work and life balance for employees which improve employee motivation. However, the study also noted that despite benefits of work life balance, most organizations hardly budgeted for work life programs. The study also noted that organization did not offer flexible working schedules to employees. State Corporations need to adopt flexi working hours backed with measurable performance contracts to monitor employee performance. These results indicate that state corporations in Kenya need to set aside budget for work life balance benefits to the employees to increase their productivity. The regression results showed that the model was fit to be used in predicting employee performance and was statistically significant.

5.2.5 Motivation

The fifth objective of the study was to determine the moderating influence of motivation on the relationship between employee performance and reward management practice in the State Corporations in Kenya. From the findings, the study established that motivation positively influences the employee performance. Employee motivation increases employee commitment, improves employee satisfaction and subsequently efficiency.

When employees are motivated to work, they will generally put their best effort in the tasks assigned. The findings also noted that the reward management practices in the organization have a positive influence on employee commitment and ultimately employee performance. These results indicate that extrinsic and intrinsic motivation are addressed through financial reward, benefits and satisfying employees' psychological needs through provision of interesting and challenging work opportunities for personal and professional development are recognized by employees as tools of motivation for better productivity at their workplace. The study therefore noted that motivation of employees is a key aspect in determining performance of employees.

5.3 Conclusions

The study makes the following conclusions. The first hypothesis formulated was $H0_1$: There is no statistically significant influence of financial rewards on Employee Performance in the State Corporations in Kenya. This was tested through the simple linear regression analysis. The study found a relatively moderate relationship between financial rewards and employee performance. The overall model was statistically significant. This therefore depicts those financial rewards is key in determining performance of employees in state corporations in Kenya and thus the null hypothesis that there is no statistically significant influence of financial rewards on employee performance in the state corporations in Kenya was rejected. The participants suggested the following ways of improving administration of the financial rewards; they should be timely, employees should be allowed to suggest the kind of rewards, the reward should be publicized in the organization, clear thresh hold to be attained for one to qualify for the reward to be in place and that the salary adjustment should be based on individual performance.

The study further tested the effect of employee benefits on employee performance through hypothesis $H0_2$: there is no statistically significant influence of employee benefits on employee performance in the State Corporations in Kenya. The results in the model summary show that there exists a moderate relationship between the constructs of employee benefits and employee performance. Coefficient of determination implies that employee benefits construct influence employee performance. The results show that the overall model is significant. Further the coefficient shows a significant influence of employee benefits on employee performance. This implies therefore that employee benefits significantly influence employee performance and thus the null hypothesis that there is no statistically significant influence of employee benefits on Employee Performance in the State Corporations in Kenya was rejected. The respondents suggested the need to include health care and retirement plans in the employee benefits. They also suggested that employees who have served for long be considered for permanent terms to enable access to retirement benefits.

The study determined how non-financial rewards influence employee performance through a hypothesis $H0_3$: there is no statistically significant influence of non-financial rewards on employee performance in the State Corporations in Kenya. The results in the model summary suggests that there exists a strong relationship between non-financial rewards and employee performance. The results show that the overall model is significant and the coefficient also shows that non-financial rewards contribute significantly on employee performance. This implies that non-financial rewards significantly influence employee performance and therefore the null hypothesis that non-financial rewards do not significantly influence employee performance in the State Corporations in Kenya was rejected. The employees suggested that personal development is key in the organization, promotion of staff through merit and giving bonuses. The organization should not be quick to punish but rather encourage employees through rewards.

The study determined how work life balance influence employee performance through a hypothesis H04: there is no statistically significant influence of work life balance benefits on employee performance in the State Corporations in Kenya. The results shows that the overall model is significant and the coefficient also shows that work life balance contributes significantly on employee performance. The respondents suggested for flexible working hours, that employees should be given incentives such as vacations and off days to unwind. The other suggestion was that when an employee is out of office, they should be given time for their own issues without interference.

The fifth objective of the study was to determine the moderating influence of motivation on the relationship between employee performance and reward management practice in the State Corporations in Kenya. From the findings, the study concluded that motivation positively influences employee performance. Employee motivation increases employee commitment, improves employee satisfaction and subsequently efficiency. The respondents indicated the need to recognize and reward even the small contributions as this motivates the employee to improve. Further, the organization should plan and offer free learning opportunities for personal development, this motivates the employee for individual performance which eventually positively enhances organizational performance.

Finally, the respondents noted that employees are encouraged to work harder and better if they are aware that their wellbeing is taken seriously by their employer and that their career and self-development are being nurtured and taken care by the organization. Reinforcements of rewards or consequence play a major role in shaping the behaviors that people learn, unlearn or relearn. Therefore, state corporations need to continuously budget for performance rewards to encourage more and better productivity from the employees.

5.4 Recommendations

Based on the conclusions of the study, it is recommended by this study that the management of state corporations as well as other organizations in Kenya should ensure that when conducting salary adjustment, they should consider an individual's performance and expertise. Salary increment should be done on merit basis and should be free from favoritism. Salary increments and review of benefits should be done annually to cushion employees on the cost of living and to remain competitive.

By doing this, it will promote healthy competition among the employees as each will strive to work harder and give result to receive better pay or increase in their salary. Moreover, the management needs to set aside a budget to provide for commission and rewards to employees upon achieving set targets. Rewards in monetary form play a huge role in motivating employees to improve their performance. Employees expect a certain level of monetary rewards for their organizational contribution.

Pay constitutes a quantitative measure of an employee's worth and companies need to provide attractive and equitable pay. The study established that despite having a staff welfare scheme in the state corporations, it was noted that employees' needs were not met fully by the welfare schemes. The organizations were bias when giving various facilities to their employees on different ranks in their job group. The study therefore recommends that management of state corporations in Kenya need to be keen on putting up a system that will offer equal and fair assistance on staff welfare despite the employees' job positions in the organization. Additionally, organizations need to investigate the amount given for welfare to the staff so that it is reasonable and will bring back the employee to the position he or she was before the occurrence of a misfortune.

The study indicated that most of the state corporations in Kenya offered learning opportunities to employees. The findings further concluded that these organizations offered employment security to employees as well as opportunities for promotion to employees who excel in their performance. Based on the conclusions, the study recommends management of State Corporation in Kenya to develop programs of sponsoring the top performing employees to pursue further studies of their interest as a way of encouraging continued improved performance. Further, state corporations should come up with initiatives aimed at involving the employees in decision making as this will enable the management to understand what makes their employees perform or underperform.

The study concluded that most state corporations in Kenya recognized work life balance programs, however, these organizations hardly budgeted for the work life programs. The study therefore recommends that work life programs should be established with proper guidelines for fair and equal access and assistance, the programs should be provided in the budget. Offering gym facilities to employees provides a healthy lifestyle and counters stress. Organizations can also offer childcare facilities so that the parents can work comfortably without worrying about their children and hence maximum concentration at workplace that would lead to better productivity.

The study concluded that motivation positively influences the employee performance. Employee motivation increases employee commitment, improves employee satisfaction as well as employee efficiency. When employees are motivated to work, they will put their best effort in the tasks that are assigned to them. Performance management should be a full objective cycle leading to rewards and sanctions, a budget to be set aside to support the process. The study hence recommends that state corporations should improve on factors such as performance, experience and competence of employees when rewarding its employees. Rewards should also be based on qualifications attained by employees as it motivates them to work harder.

The study also recommends that state corporations in Kenya needs to establish a reward management policy system and involve employees in determining acceptable and affordable rewards based on achievement of performance targets and the organization's ability to pay or provide for these rewards. This can be done in liaison with the government agencies such as Salaries and Remuneration Commission, Public Service Commission, State Corporations Advisory Committee, or the Department of Personnel Services Management.

5.5 Areas for Further Research

The study focused in state corporations in Kenya. Similar research in other industries like manufacturing, hospitality, aviation industry, universities among others should be conducted to validate the results of this study and identify challenges and prospects of reward management practices in those sectors. Such a study would also increase the empirical knowledge in the subject matter while also extending the generalizability of the study findings. Further it is recommended that a comparison study be carried out for the state corporations and the private sector. The findings from the study will be used to determine the bridging principle in the management of human resources and corporate performance.

A study needs to be conducted to establish the combination of various strategies that would optimize employee performance especially the proportion to which the techniques are to be used. This is because the study has realized that optimal employee performance depends on systematic and harmonized use of several techniques such as reward management, on the job training as well as other Human Resource practices related to employee performance. Such a study should thus come up with the desirable mix of all the techniques for optimum employee performance. It is also recommended that a study be carried out to ascertain the validity of the state corporations' mandates in the changing socio economic and technological age. This will help to ascertain whether the mandates guiding the organizations are still valid or have been overtaken by the seasons which hinder application of best human resource practices.

Different results could be obtained by maybe using other measures such as customer satisfaction since state corporations are mostly involved in service delivery to the public. Further, a future study should be done to establish the other factors that influence employee performance other than reward management practices. A study on work life balance in the millennial technology era to be conducted and the academic institutions to design curriculums that meet the demands of the changing times. Further, comparative studies between the countries in the east Africa community to be conducted to provide more knowledge and insights on this field of employee performance and rewards.

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APPENDICES

Appendix I: Introduction Letter

REGINA W. KAMWENJI,

P.O. BOX 36942 – 00200,

NAIROBI.

Dear Respondent,

RE: INFLUENCE OF REWARD MANAGEMENT PRACTICES ON EMPLOYEE PERFORMANCE IN THE STATE CORPORATIONS IN KENYA

I am a post graduate student at Jomo Kenyatta University of Agriculture and Technology pursuing a PhD in Human Resource Management. I am carrying out research on the above topic in reference, in partial fulfillment of the requirements for the award of the degree.

Your organization has been identified to participate in this study and this is therefore to humbly request your co-operation in completing the attached questionnaire. The questions seek your opinion the reward and compensation practices in your organization and the extent to which they affect employee performance. Kindly note that you are not required to personally identify yourself. The information you will provide will be treated with utmost confidentiality and will be used for academic purposes only.

Thank you for your participation in this study and may God bless you in your endeavors.

Yours Faithfully,

REGINA W. KAMWENJI.

Appendix II: Consent Form

Informed consent

My name is **Regina Wairimu Kamwenji**, I am a postgraduate student from JKUAT. I am conducting a study on "**REWARD MANAGEMENT PRACTICES AND EMPLOYEE PERFORMANCE IN THE STATE CORPORATIONS IN KENYA**". The information will be used for academic purpose only.

Procedures to be followed

Those who will participate in this study are those who have worked for more than 6 months in the given state corporations and those who will consent and are willing to take part in the study. Participation in this study will require that I ask you some questions on the research topic. I will record the information from you in a questionnaire.

You have the right to refuse participation in this study. Please remember that participation in the study is voluntary. You may ask questions related to the study at any time.

You may refuse to respond to any questions and you may stop participating at any time. You may also stop being in the study at any time without any consequences to the services you receive from this organization now or in the future.

Discomforts and risks

Some of the questions you will be asked are on intimate subject and may be embarrassing or make you uncomfortable. If this happens, you may refuse to answer these questions if you choose so. You may also stop the participation at any time.

Benefits

If you participate in this study, you will help us to learn how to adopt reward management practices that can improve the organization towards service delivery and overall performance. You will also benefit from knowing the different reward management practices which will help you know more about them and also if you are found to have a problem you will be advised.

Confidentiality

The interviews and examinations will be conducted in a private setting within the organization. Your name will not be recorded on the questionnaire. The questionnaire will be kept in a locked cabinet for safe keeping. Everything will be kept private. Care and protection of your data will also be done too through limiting the processing of personal information to what is absolutely essential for the study. Proper storage of personally identifiable data and limiting access to the main investigator or approved research assistants and coding data will be done as early as possible and the ultimate arrangement of the code linking data to individual subjects.

Contact information

If you have any questions or clarification you may contact the researcher on 0722960605 or the JKUAT.

Participant's statement

The above information regarding my participants in the study is clear to me. I have been given a chance to ask questions and my questions have been answered to my satisfaction. My participation in this study is entirely voluntary. I understand that I will still get the same treatment whether I decide to leave the study or not and my decision will not change the relationship I will receive from the organization at any other time.

Code of participant………………………

Signature or thumbs print ………………. Date…………………….

Investigator`s statement

I, the undersigned, I have explained to the volunteer in a language she/he understands, the procedures to be followed in the study and the risks and benefits involved.

Name of interviewer…………………

Interviewer signature …………………… Date …………………………

Appendix III: Debrief Form

JKUAT-KENYA

"REWARD MANAGEMENT PRACTICES AND EMPLOYEE PERFORMANCE IN THE STATE CORPORATIONS IN KENYA".

Thank you for your participation in this research study. For this study, I did not withhold any information from you or provide you with incorrect information about any aspects of the study or your participation. Now that your participation is completed, I confirm and describe that there is no withheld or incorrect information to you and hence I provide you with the opportunity to make a decision on whether you would like to have your data included in this study.

Right to withdraw data

You may choose to withdraw the data you provided prior to debriefing, without penalty or loss of benefits to which you are otherwise entitled. Please initial below if you do, or do not, give permission to have your data included in the study:

I give permission for the data collected from or about me to be included in the study.

………………………………………………………………

I do not give permission for the data collected from or about me to be included in the study.

……………………………………………………………..

If you have questions

The main researcher conducting this study is **REGINA WAIRIMU KAMWENJI**, a graduate, at the JKUAT. Please ask any questions you have now. If you have questions later, you may contact 0722960605. If you have any questions or concerns regarding your rights as a research participant in this study, you may contact the JKUAT.

Your signature below indicates that you have been debriefed, and have had all of your questions answered.

______________________	______________________	_________
Name of Participant	**Signature**	**Date**
______________________	______________________	_________
Name of Researcher	**Signature**	**Date**

Please sign both copies, keep one and return one to the researcher.

Appendix IV: Questionnaire

THESIS TITLE: REWARD MANAGEMENT PRACTICES AND EMPLOYEE PERFORMANCE IN THE STATE CORPORATIONS IN KENYA

SECTION 1: DEMOGRAPHIC INFORMATION

1. Name of the Organization ……………………………………………………
2. Gender

Male ☐

Female ☐

(Tick where applicable)

3. Category of employee

Operational ☐

Scientific ☐

Technical ☐

Administrative ☐

(Tick where applicable)

4. Age of respondent

20 – 25 years ☐

26 –30 years ☐

31 – 35 years ☐

36 – 40 years ☐

41 – 45 years ☐

46 - 50 years ☐

Above 51 years ☐

(Tick where applicable)

5. Highest Level of Education

Certificate ☐

Diploma ☐

Bachelor’s Degree ☐

Master’s Degree ☐

PhD ☐

(Tick where applicable)

Others (specify) ……………………………………………………………………

6. Length of service

Below 1 year ☐

1 – 5 years ☐

6 – 10 years ☐

11 – 15 years ☐

16 – 20 years ☐

21 - 25 years ☐

Above 26 years ☐

(Tick where applicable)

7. Position held …………………………………………………

8. Duties and responsibilities

……………………………………………………………………………………

……………………………………………………………………………………

……………………………………………………………………………………

……………………………………………………………………………………

SECTION II: INFORMATION ON REWARD MANAGEMENT PRACTICES AND EMPLOYEE PERFORMANCE IN THE STATE CORPORATIONS IN KENYA.

The following statements relate the way in which you perceive the reward management practices in your organization. For each statement, you are asked to mark an X in the box that best describes your response where;

1 is strongly disagree

2 is disagree

3 is neither agree nor disagree (Neutral)

4 is agree

5 is strongly agree

FINANCIAL REWARDS

This refers to pay or earnings and include basic pay as wages or salary as well as bonuses, conditional or variable pay, commission or overtime payments that an organization gives to reward its employees. You are requested to provide an objective opinion that best describes your responses in the following statements by marking X.

		Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
		1	2	3	4	5
1.	The organization offers a basic pay as wages to the employees					
2.	The basic pay is competitive in relation to other organizations					
3.	The basic pay is similar for employees in same grades and performing similar					

	jobs					
4.	The organization adjusts salaries based on the cost-of-living adjustment guidelines					
5.	The Organization offers salary adjustment based on individual performance					
6.	The Organization offers commission to the employees for revenue targets achieved					
7.	The Organization offers overtime payments for extra hours worked					
8.	The organization offers contingent pay to the employees					
9.	The organization offers bonus pay to employees as recognition for job done well					
10.	The financial rewards positively influence the levels of employees' performance.					

9. Suggest the possible ways of improving administration of the financial rewards in the organization.

………………………………………………………………………………………
………………………………………………………………………………………
………………………………………………………………………………………

EMPLOYEE BENEFITS

This is any form of compensation provided by the organization other than wages or salaries that are paid in full or part by the employer. You are requested to provide an objective opinion that best describes your responses in the following statements by marking X.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
1.	The organization offers benefits to employees					
2.	The organization has a retirement benefit scheme					
3.	The percentage contributory rate to the retirement scheme is competitive					
4.	The organization offers a medical insurance benefits scheme to employees					
5.	The medical insurance scheme limit meets the medical requirements of the employees					
6.	The organization has staff welfare scheme					
7.	The welfare scheme meets employees demands when need arises					
8.	The organization facilitates membership to professional bodies					
9.	The facilitation is across all employee cadres					
10.	The organization offers tuition reimbursements to staff					
11.	The employee benefits scheme boosts employee performance					

10. Suggest possible ways in which employee benefits can be improved in the organization.

…………………………………………………………………………………………

…………………………………………………………………………………………

…………………………………………………………………………………………

NON – FINANCIAL REWARDS

These rewards encompass the psychological rewards which stem from the work that people do and their working relationship. You are requested to provide an objective opinion that best describes your responses in the following statements by marking X.

		Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
		1	2	3	4	5
1.	The organization gives positive recognition to employees for job well done					
2.	The organization offers employment security to employees					
3.	The organization offers learning opportunities to employees					
4.	The organization offers opportunities for promotion to employees who excel in their performance					
5.	The non- financial rewards offered acts as incentives to employees to improve performance					
6.	The organization encourages opportunities to form personal relationships.					
7.	The learning opportunities are equally accessed by the employees					

8.	Promotion opportunities are fair and based on merit					
9.	The personal relationships do not jeopardize the employee performance					
10.	Employees do not construe employment security as a scape goat to under performance					

11. Suggest possible ways in which employees' allowances can be improved in the organization.

…………………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………

WORK LIFE BALANCE

These are benefits and programs that enable an employee to engage in work while at the same time meet family commitments and obligations. You are requested to provide an objective opinion that best describes your responses in the following statements by marking X.

		Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
		1	2	3	4	5
1.	The organization recognizes work life balance programs					
2.	The organization offers vacation time to employees					
3.	Employees sent on vacation register improved performance					
4.	The organization offers flexible					

	working schedules to employees					
5.	Employees on the flexible working schedules register improved performance					
6.	The organization offers conducive work environment to employees					
7.	The work life balance benefits contribute positively to employee performance					
8.	The financial costs associated with provision of these benefits is not a strain to the organization					
9.	The organization has set aside a budget for work life balance benefits					
	Kindly provide data for your organization based on the following indicator:					
		2011	**2012**	**2013**	**2014**	**2015**
1.	The organization's annual budget for the work life benefits programs (Kshs)					

12. Suggest possible ways in which work life balance benefits can be improved in the organization

…………………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………………………

MOTIVATION

This is the desire and willingness of a person to expend effort to reach a particular goal or outcome. You are requested to provide an objective opinion that best describes your responses in the following statements by marking X.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
1.	The reward management practices in the organization have a positive influence on employee satisfaction and ultimately employee performance.					
2.	The reward management practices in the organization have a positive influence on employee skill development and ultimately employee performance.					
3.	The reward management practices in the organization have a positive influence on employee recognition and ultimately employee performance.					
4.	The organization's reward management practices are guided by a policy					
5.	The extrinsic motivation factors have a positive influence on employee performance					
6.	Employee do not construe lack of extrinsic motivation factors as a scape goat to under performance					
7.	The motivation positively influences the employee performance					

8.	The organization sets aside a budget for employee development programs					
Kindly provide data for your organization based on the following indicators:						
		2011	**2012**	**2013**	**2014**	**2015**
1.	The organization's annual budget for employee development programs (Kshs)					
2.	The annual labor turnover index in the organization (%)					

13. Suggest possible ways in which motivation as a factor of reward management and employee performance can be improved

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EMPLOYEE PERFORMANCE

This is the effectiveness and efficiency to which employees of a given organization carry their day-to-day duties to achieve the desired goals of the organization. You are requested to provide an objective opinion that best describes your responses in the following statements by marking X.

		Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
		1	2	3	4	5
1.	The work performed by employees is of high quality					
2.	The work performed by employees is of high quantity					
3.	Employees in the organization usually					

	meet deadlines while accomplishing their tasks					
4.	Employee performance positively impacts on the return on investment					
5.	The employees in the organization achieve their specified targets					
6.	The rate of absenteeism by employees in the organization is low					
7.	Employees in the organization are creative and innovative					
8.	The employees in the organization are encouraged to appraise themselves					
9.	Employees in the organization are aware of the organizational objectives, mission, vision and objectives of the organization					
10.	The organization rewards the stakeholders arising from improved employee performance.					
Kindly provide data for your organization based on the following indicators:						
		2011	**2012**	**2103**	**2014**	**2015**
1.	The Organization's annual performance rating (%)					
2.	The organization's annual net revenues (Kshs)					
3.	The organization's annual return on investment (%)					
4.	The Organization has set aside a budget for performance rewards (Kshs)					

15.Suggest ways in which employee performance can be improved in the organization

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Thank you for taking time to fill this questionnaire.

Appendix V: Sampling Frame

Name of State Corporation Category: Service	Sample size (Questionnaires distributed)
1. Kenya Electricity Transmission Company	6
2. Water Services Regulatory Board	6
3. Geothermal Development Company	6
4. Water Services Trust Fund	6
5. Kenya Tourist Authority	6
6. Higher Education Loans Board	6
7. Kenya Accountants and Secretaries National Examination Board	6
8. Kenya National Coordinating Agency for Population and Development	6
9. Constituency Development Fund	6
10. Lake Victoria Water Services Board	6
11. Rift Valley Water Services Board	6
12. Privatization Commission of Kenya	6
13. Agricultural Development Corporation	6
14. Kenya Medical Supplies Agency	6
15. Local Authorities Provident Fund	6
16. Youth Enterprise Development Fund	6
17. Moi Teaching and Referral Hospital	6
18. Northern Water Services Board	6
19. Kenya Veterinary Vacancies Production Institute	6
20. Rural Electrification Authority	6
21. Kenya National Library Service	6
22. National Water Conservation and Pipeline Corporation	6
23. Lake Victoria North Water Services Board	6
24. Sports Stadia Management Board	6
25. National Council for people with disabilities	6
26. Kenya Institute of Curriculum Development	6
27. National Commission of gender and Development	6
28. Kenya Yearbook Editorial	6
29. Kenya Institute of Special Education	6
30. Kenya National Bureau of Statistics	6
31. Coast Water Service Board	6
32. Kenya Forest Service	6
33. National Aids Control Council	6
34. Brand Kenya Board	6
35. Athi Water Services Board	6

36. Kenya ICT Board	6
37. Bomas of Kenya	6
38. National Council for Children Services	6
39. Kenya National Highways Authority	6
40. Tana Athi Water Services Board	6
41. Kenyatta National Hospital	6
42. Public Sector Accounting Board	6
43. National Council for Population and Development	6
44. State Corporations Advisory	6
45. Kenya Electricity Generating Company	6
46. Kenya Seed Company	6
47. Kenya Tea Development Authority	6

Name of State Corporation **Category: Regulatory**	**Sample size** **(Questionnaires distributed)**
1. Kenya Film Board	6
2. Kenya Plant Health Inspectorate Services	6
3. Export Promotion Council	6
4. National Campaign against Drug Abuse Authority	6
5. Tea Board of Kenya	6
6. Kenya Copyright Board	6
7. Horticultural Crops Development Authority	6
8. Kenya Bureau of Standards	6
9. Kenya Sugar Board	6
10. Kenya Marine Authority	6
11. Kenya Coconut Development Authority	6
12. Cotton Development Authority	6
13. Sacco Societies Regulatory Authority	6
14. Insurance Regulatory Authority	6
15. Energy Regulatory Commission	6
16. Kenya Coconut Development Authority	6
17. Kenya Marine Authority	6
18. National Irrigation Board	6
19. Kenya Dairy Board	6
20. Retirement Benefits Authority	6
21. Communication Commission of Kenya	6
22. Catering and Tourism Development	6
23. Levy Trustees	6
24. Capital Markets Authority	6
25. National Environment Management Authority	6
26. Kenya Civil Aviation Authority	6

Name of State Corporation Category: Research	Sample size (Questionnaires distributed)
1. Coffee research foundation	6
2. Kenya school of government	6
3. Kenya medical research institute	6
4. Kenya forestry research institute	6
5. Kenya Industrial Research and Development Institute	6
6. Kenya Agricultural Research Institute	6
7. Kenya Veterinary Vaccines Production	6
8. Tea Research Foundation of Kenya	6
9. Kenya Sugar Research Foundation	6

Name of State Corporation Category: Tertiary	Sample size (Questionnaires distributed)
1. Kenyatta University	6
2. Bondo University College	6
3. Kisii University College	6
4. Narok University	6
5. Meru University College of Science and Technology	6
6. Maseno University	6
7. South Eastern University College	6
8. Masinde Muliro University of Science and Technology	6
9. Dedan Kimathi University College	6
10. Kabianga University College	6
11. Moi University	6
12. Machakos University	6
13. Chuka University	6
14. Masai Mara University	6
15. Pwani University	6
16. Kenya Polytechnic University College	6
17. Multimedia University College	6
18. Mombasa Polytechnic University College	6

Name of State Corporation **Category: Commercial**	Sample size (Questionnaires distributed)
1. Kenya Airports Authority	6
2. Postal Corporation of Kenya	6
3. National Oil Corporation	6
4. Agro Chemical and Food Company Ltd	6
5. Kenya National Trading Corporation	6
6. Kenya Pipeline Company	6
7. Kenya Electricity Generating Company	6
8. Kenya Wine Agencies	6
9. Kenya Power and Lighting Company Ltd	6
10. Nzoia Sugar Company	6
11. South Nyanza Sugar Company	6
12. Kenya Safaris Lodges and Hotels	6
13. Kenya Ports Authority	6
14. Nyayo Tea zone Development Corporation	6
15. Kenyatta International Convention Centre	6
16. National Housing Corporation	6
17. Kenya Literature Bureau	6
18. Jomo Kenyatta Foundation	6
19. Kenya Railways Corporation	6
20. Kenya Broadcasting Corporation	6
21. East African Portland Cement	6
22. Kenya Reinsurance corporation	6
23. Kenya Trade Network	6

Total number of State Corporations 123   Total questionnaires distributed 738