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Reward Systems and Employee Performance in the Print Media Sector In Kenya

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Abstract

Purpose: The purpose of this study was to establish the influence of reward systems on employee performance in the media industry in Kenya.

Methodology: The study used an explanatory research design. The population of this study was the employees of 4 daily newspapers namely daily nation, standard, people daily and the star. The total number of employees was 980 broken down into 26 managers, 104 supervisors and 850 other staff. The sample size was 105. Data was collected by use of questionnaires. The questionnaires consisted of structured closed ended statements. Data was analyzed mainly by use of descriptive and inferential statistics. Descriptive statistics included mode, mean, median, standard deviation. Inferential statistical techniques like correlation and regression coefficients were used to draw causal relationship between the various reward system and performance. Data was presented by use of graphs, pie charts and tables.

Results: The study findings indicate that extrinsic reward improved performance of employees, the intrinsic reward to a large extent is a contributory factor to employee performance, organization reward is crucially important and indispensable factor to employee performance while team based reward systems encouraged free riding and stifle individual performance.

Unique contribution to theory, practice and policy: The study recommended that print media industry sector should get to know their employees well so that they can employ the right motivational strategy. In addition, the study recommends that in order to enhance employees' motivation and performance, print media sector should adopt a more contingent reward system which includes awards and fringe benefits to the employees. The management should come up with a clear cut reward system that ensures that all employees are rewarded appropriately.

Keywords: *extrinsic reward, intrinsic rewards, organization based reward, team based reward*

1.0 INTRODUCTION

Reward system is one of the strategies used by Human Resource Managers for attracting and retaining suitable employees as well as facilitating them to improve their performance through motivation and to comply with employment legislation and regulation. As a result of these pressures, HR managers seek to design reward structures that facilitate the organizations strategic goals and the goals of individual employees. Reward systems are very crucial for an organization (Maud, 2001). Rewards include systems, programs and practices that influence the actions of people. The purpose of reward systems is to provide a systematic way to deliver positive consequences. Fundamental purpose is to provide positive consequences for contributions to desired performance (Wilson, 2003).

Desired performance can only be achieved efficiently and effectively, if employee gets a sense of mutual gain of organization as well as of himself, with the attainment of that defined target or goal (Hafiza, Jamsheed and Zaman, 2011). An organization must carefully set the rewards system to evaluate the employee's performance at all levels and then rewarding them whether visible pay for performance of invisible satisfaction. The concept of performance management has given a rewards system which contains; needs and goals alignment between organization and employees, rewarding employee both extrinsically and intrinsically. The system also suggests where training and development is needed by the employee in order to complete the defined goals. This training or development need assessment of employee gives them an intrinsic motivation (Hafiza, Jamsheed and Zaman, 2011).

In Kenya the management of individual performance within organizations has traditionally centered on assessing performance and allocating reward, with effective performance seen as the result of the interaction between individual ability and motivation. It is increasingly being recognized that planning and an enabling environment have a critical effect on individual performance, with performance goals and standards, appropriate resources, guidance and support from the managers all being central (Hakala, 2008). Human resource policies and practices indeed do affect organizational as well as individual performance. Job satisfaction for example, has for a long time been seen as key to affecting business performance as well as commitment. In addition researchers have also identified motivation as the mediating mechanism and some identify trust and morale. In spite of more recent attention to commitment, motivation is still considered to be an important influence to performance (Hakala, 2008).

Over the past five years, decreasing sales volumes and downward pressure on unit selling prices have hampered the print media industry profit margins. Further crippling the industry, printing requires substantial capital investments in new technology to remain competitive, even at times of excess capacity. In the five years to 2012, the number of firms operating in this industry is expected to fall an average of 2.2% annually to 26,176. Industry consolidation has allowed the larger printers to adopt more efficient equipment while slashing employment and wages. These trends were exemplified when Quad/Graphics acquired World Color Press in July 2010. The company subsequently closed several plants and reduced its employee headcount by 2,200. Plant closures have caused industry employment to fall at an average of 4.5% annually to 463,904 employees in the five years (Abuoga and Mutere, 2012).

The Printing industry is projected to continue its decline in the five years to 2017, though at a slower pace. Revenue is forecast to contract at an average rate of 1.8% per year and total \$69.9 billion in 2017. Substitutes to commercially printed material, such as online media and advertising, will continue to adversely affect industry activity. The industry will also continue to

struggle as digital media replaces paper products. In order to adapt to declining demand, printers will diversify into cross-media products, including multimedia layout and design (Munayi, 2003).

1.2 Problem Statement

In a world where people have become more and more demanding about their lives and surroundings, the reward system could be used to motivate employees by satisfying these demands and thus helping increase their performance. However, there is no established reward system that can be applied in every sector thus leading to optimal performance. This is because employees working in different sectors are subjected to different conditions and experience varying challenges. Therefore, a reward system that is successful in one sector may not necessarily be successful in another sector. In order to create an optimal reward system for a particular sector, there is need to have a better understand of what really motivates them and what does not. This study wishes to identify the reward systems used in the print media industry and their effect on employee performance.

Several studies on reward and employee performance have been conducted. These studies include, Ajila and Abiola (2004) who examine that intrinsic rewards are rewards within the job itself like satisfaction from completing a task successfully, appreciation from the boss, autonomy, etc, while extrinsic rewards are tangible rewards like pay, bonuses, fringe benefits and promotions. The study found that reward package matters a lot and should be a concern of both the employers and employees and employers should put in place appropriate incentive plan that will encourage workers to be more purposeful and improve their performance. The study therefore recommended that organization should consider the needs and feelings of its work force and not just over look them in order to safe guard industrial harmony. Filipkowski and Johnson (2008) examined the relationships between measures of job insecurity, organizational commitment, turnover, absenteeism, and worker performance within a manufacturer. A positive relationship was found between job insecurity and intentions to turnover, and a small negative correlation was found between measures of job insecurity and organizational commitment. The study recommended that the higher union representation should improve the use of high performance working system resulting in stagnated performance.

Local studies such as Mbaya (2012) dwelt on Effects of reward and compensation systems on employee performance within the national museums of Kenya. The study found out that the reward and compensation systems had effects both positive and negative on employee performance that included increased efficiency and effectiveness, productivity and morale on the positive side; while labor turnover, reduced productivity and work performance are effects on the negative side. Njanja, Maina, Kibet and Njagi (2013) did a study on effect of Reward on Employee Performance a Case of Kenya Power and Lighting Company Ltd in Kenya. The findings of the study showed that cash bonus has no effect on employee performance. It is evident that so far no study has focused on the reward systems and employee performance in the media industry. Hence, this study seeks to fill this gap.

1.3 Research Objective

- i. To establish the effect of extrinsic reward on employee performance in print media sector in Kenya

- ii. To assess the effect of intrinsic rewards on employee performance in the print media sector in Kenya
- iii. To determine the effect of organization based reward on employee performance in the print media sector in Kenya
- iv. To establish the effect of team based reward on employee performance in print media sector in Kenya

2.0 LITERATURE REVIEW

2.1 Theoretical Review

Frederick Herzberg's Motivators and Hygiene Factors Theory

Frederick Herzberg had close links with Maslow and believed in a two-factor theory of motivation. Herzberg (1966) likewise argued that there were certain factors (motivators) that management could introduce that would directly motivate employees to work harder. And there are other factors (hygiene factors) that would de-motivate an employee if not present but would not in themselves actually motivate employees to work harder. Guest (1995) explained that motivators are more concerned with the actual job itself. For instance how interesting the work is and how much opportunity it gives for extra responsibility, recognition and promotion. While hygiene factors are factors which 'surround the job' rather than the job itself. For example a worker will only turn up to work if the management has provided a reasonable level of pay and safe working conditions but these factors will not make him work harder at his job once he is there (Guest, 1995).

It is believed that businesses should motivate employees by adopting a democratic approach to management and by improving the nature and content of the actual job through certain methods. Some of the methods managers could use to achieve this are: 1) Job enlargement – workers being given a greater variety of tasks to perform (not necessarily more challenging) which should make the work more interesting. 2) Job enrichment - involves workers being given a wider range of more complex, interesting and challenging tasks surrounding a complete unit of work. This can only be done if workers are better trained to up-skill their knowledge. The provision of training to workers is an important aspect of the managerial tool kit management has at its disposal to improve motivation which give a greater sense of achievement and thereby improve organization performance. 3) Empowerment means delegating more power to employees to make their own decisions over areas of their working life (Herzberg, 1966; Quick, 1980).

The critic to this theory is that, worker will only turn up to work if the management has provided a reasonable level of pay and safe working conditions but these factors will not make him work harder at his job once he is there (Guest, 1995). Furthermore, this theory concentrates only on the satisfaction side, and forgotten to link employees' performance and productivity (Roderick, 2004). Nevertheless, this theory has been providing recommendation for improving job satisfaction and rewards to workers, and therefore it provides a practical course of action for employee performance at workplace.

This theory is relevant to this study in that it has addressed organization based rewards which is among the variables addressed by this study. This is supported by the fact that this theory argues that businesses should motivate employees by adopting a democratic approach to management and by improving the nature and content of the actual job through certain methods such as job

enlargement. . In the print media industry the HR should adopt organization based rewards systems that will help motivate the employees and thus resulting to improved performance.

Valence, Instrumentality, Expectancy (VIE) Theory

Instead of focusing merely on individual needs, VIE (Valence, Instrumentality, Expectancy) theory looks at the role of motivation in the overall work environment. The theory, which was conceived by Victor Vroom, argues that people are motivated to work when they believe that their efforts in the workplace will result in a desired outcome. Vroom assumed this belief is threefold (Robbins & Judge, 2008). Expectancy: one's expectation that exerting a given amount of effort will lead to good performance. Instrumentality: individual's confidence that good performance will be rewarded.

Valence: the belief that the offered reward/outcome will satisfy a desirable need or wish of the individual. The motivational effect will then depend on the combination of these three beliefs, i.e. the level of confidence one has in the fulfillment of all three stages. Greenberg and Baron (2003) suggest that managers strengthen the linkage between employees' expectations and actual result. In congruence with the three stages of VIE theory, they first call employers to enhance the possibility that employees' efforts will lead to good performance. This can be achieved by taking care of staff growth and advancement, or more specifically by training. Second, they recommend managers to administer a rewarding and recognition system which is directly linked to performance. And third, this system should be flexible to ensure that it is positively valent to employees. The main deficit of Vroom's theory is that it gives the impression that people act on a rational basis after assessing the situation and the potential outcomes. Only in real life seldom do people hold complicated calculations as VIE theory suggests. More often humans make decisions with limited rationality and let emotions play a significant role in their decisions (Landy & Coote, 2010)

This study anchored on the theory of Fredric Herzberg's Motivators and Hygiene Factors Theory. This theory argues that there are certain factors (motivators) that management could introduce that would directly motivate employees to work harder. For example in print media sector a worker will only improve their performance if the management has provided a reasonable level of pay and safe working conditions. Print media should motivate employees by adopting a democratic approach to management and by improving the nature and content of the actual job through certain methods such as Job enlargement, job enrichment and delegating more power to employees (Empowerment).

2.2 Empirical Review

Saeed, Nayyab and Lodhi (2013) investigated the relationship between rewards and employee performance in Technical Education Authority of Pakistan. The study used a descriptive research design. Sample of 300 was selected by using random sampling approach. Data was collected through questionnaires and response rate of questionnaires is 80 percent. Data was analyzed using descriptive statistics, Pearson's coefficient of correlation and linear regression. Results proved that extrinsic rewards does not have much substantial influence on performance of employee, influence of intrinsic rewards on employee performance is moderate and substantial. In addition, intrinsic and extrinsic rewards had different influences on performance of employee, intrinsic rewards have higher impact on employee performance than extrinsic rewards in Technical Education Authority of Pakistan.

Gohari, Ahmadloo, Boroujeni and Hosseinipour (2013) sought to assess the relationship between rewards and employee performance. The study focused on 77 filled up survey questionnaires by different employee types from two Malaysian tourism companies. Overall, the statistical results revealed that although all reward types (including intrinsic and extrinsic types) have a direct positive relationship with employees performance based on the correlation test, three types (appreciation, fringe benefits, and bonus) lose their importance when they are considered in a more comprehensive model including other rewards. Further, the findings revealed that internal rewards have more powerful effects on employees' performance than the extrinsic rewards.

Ozutka (2012) examined reward systems and TQM relevant literature. After related literature review, reward practices have been handled as organizational based rewards. In the sample, which consists of 217 businesses that operate in Turkish manufacturing industry and apply TQM, organization based reward practices of firms on people results were analyzed. The results of this survey were analyzed through descriptive analysis, ANOVA and MANOVA analyses. Results revealed that application level of organization based rewards in Turkish manufacturing industry is not high. In addition, the study identified that intrinsic rewards have a significant influence on employee results; however extrinsic rewards did not have a significant influence on employee results in Turkish manufacturing industry.

Mulera (2012) aimed at determining the perceived influence of team based reward systems on employee motivation in Barclays Bank of Kenya head office. This was a descriptive survey. The population of the study was the staff of Barclays Bank of Kenya at the head office which has a population of 883 employees. The sample size was 88 employees which constitutes 10 percent of the population. Random sampling was used to select employees from the different departments. Primary data was collected using a questionnaire; the use of a questionnaire has been selected because it is structured and provides accurate information from the respondents. The data was analyzed using descriptive statistics such as mean, mode, median, standard deviation and frequency. This was then presented using graphs, pie charts and tables. This study established that the employees were not encouraged to use their own judgement when doing their job. Involving employees in decision making motivates them to work harder.

2.3 Conceptual Framework

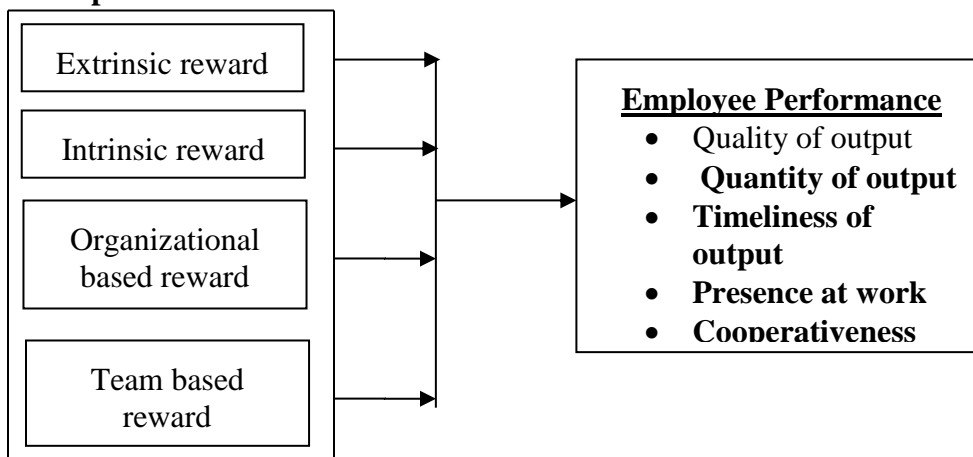


Figure 2.1: Conceptual Framework

3.0 RESEARCH METHODOLOGY

This study adopted an explanatory research design. The population of this study was the employees of 4 daily newspapers namely daily nation, standard, people daily and the star. The total numbers of employees are 980 broken down into 26 managers, 104 supervisors and 850 other staff. Stratified random sampling technique was used to determine the sample size. The target sample was 10% of the population. This study used primary data and secondary data. A pilot study was conducted in order to establish the validity and reliability of data collection instruments. This study used both construct validity and content validity. Ten questionnaires were piloted by issuing them to employees who were not included in the final study sample. Statistical Package for Social Sciences (SPSS) computer software was used to produce both descriptive and inferential statistics. A multiple linear regression model was used to test the significance of the influence of the independent variables on the dependent variable.

4.0 RESULTS AND DISCUSSIONS

4.1 Response Rate

The number of questionnaires that were administered was 105. A total of 84 questionnaires were properly filled and returned. This represented an overall successful response rate of 80% as shown on Table 1.

Table 1: Response Rate

| Response | Frequency | Percent |
|--------------|------------|-------------|
| Returned | 84 | 80% |
| Unreturned | 21 | 20% |
| Total | 105 | 100% |

4.2 Bio-Data Analysis

4.2.1 Gender Composition of Respondents

The study sought to establish the gender spread of respondents.

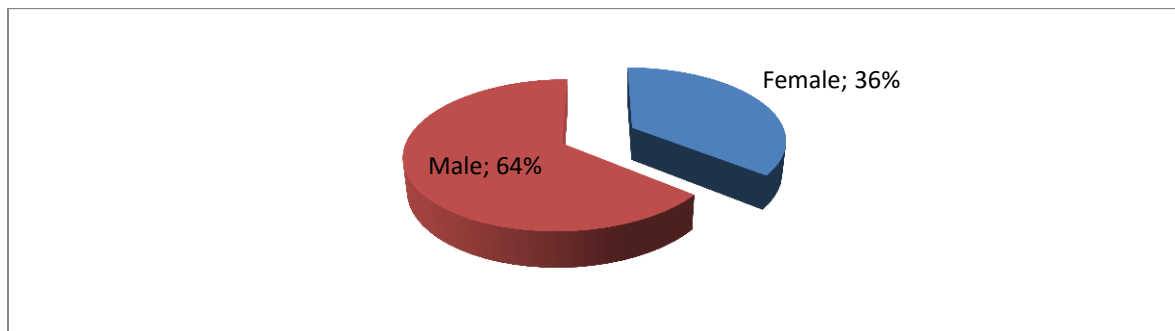


Figure 1: Gender

Results on figure 1 above shows that majority of the respondent as shown by 64% indicated that they were males whereas 36% of the respondents were females. Thus there was a significant gender disparity amongst the respondents and the indication is that the print media sector has a male dominated work environment.

4.2.2 Position in Employment

The respondents were asked to indicate their position in employment. Table 2 shows that a majority of 77.4% (65/84) of the respondents indicated that they were in the other levels which are non-supervisory and non-managerial, 14.3% (12/84) of the respondents indicated that they were in the supervisory level of management while 8.3% (7/84) of the respondents indicated that they were in the managerial level of management. This is an implication of an ideal ratio of managers to staff in the Print Media Industry.

Table 2 Position in Employment

| Position | Frequency | Percent |
|--|-----------|-------------|
| Managers | 7 | 8.3% |
| Supervisory | 12 | 14.3% |
| Other Levels (non managerial, non supervisory) | 65 | 77.4% |
| Total | 84 | 100% |

4.2.3 Level of Education

The study further sought to establish the education level of the respondents. The responses on this question are depicted in figure 2. A majority of 56% of the respondents reiterated that they had acquired University education, 27 % college, while 17 % of them had post graduate education. This implied that the respondents had attained higher education.

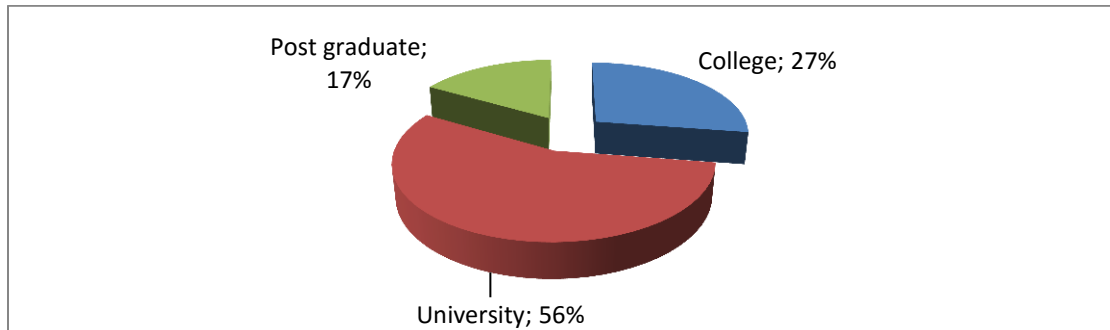


Figure 2: Education level

4.2.4 Years of Employment in Media Industry

The respondents were told to indicate the number of years they had worked with the Print Media Sector.

Table 3 Years of Employment

| Years in Employment | Frequency | Percent |
|---------------------|-----------|-------------|
| less than 1 year | 15 | 18% |
| 2 to 5 years | 36 | 43% |
| 6 to 10 years | 21 | 25% |
| Over 10 years | 12 | 14% |
| Total | 84 | 100% |

Table 3 above shows that majority 43% of the respondents indicated that they had worked with Media Sector for a period of between 2-5 years, 25 % of the respondents indicated they had worked with the Print Media Sector for a period between 6-10 years, 18 % of the respondents indicated that they had worked with the Print Media Sector for less than one year and 14% of the respondents indicated that they had they had worked with the Print Media Sector for over 10 years. In addition, the implication of the largest range being 2-5 years is that there the rate of turnover is very high in the print media sector.

4.3 Descriptive Findings and Analysis

4.3.1 Extrinsic reward and employee performance

Results on table 4 show that majority 51.2% of the respondents indicated that financial incentives (pay satisfactions dimensions) had significant effect on employee's performance, 88.1% of the respondents felt that bonuses offered to employee contributed to an improvement in performance, 58.4% of the respondents indicated that social climate at work contributed to employee performance while 54.8% of the respondents agreed that allowances offered to employee contributed to an improvement in performance. The mean of the responses was 3.35 which show that the respondents were agreeing on most of the statements while the standard deviation was 1.06 which indicates that the answers received were varied as they were dispersed far from the mean. These findings disagree with those in Ojokuku and Sajuyigbe, (2009) who found out that financial incentives (pay satisfactions dimensions) had significant effect on employee's performance. He discovered that extrinsic reward was the leading motivating factor and financial incentives had a de-motivating effect among employees.

Table 4: Extrinsic reward

| Statement | SD | D | N | A | SA | Mean | Std Dev |
|--|-------|-------|-------|-------|-------|------|---------|
| Financial incentives (pay satisfactions dimensions) have significant effect on employee's performance. | 0.0% | 14.3% | 34.5% | 39.3% | 11.9% | 3.49 | 0.88 |
| Promotion at work contribute to employee performance. | 6.0% | 26.2% | 27.4% | 34.5% | 6.0% | 3.08 | 1.04 |
| Bonuses offered to employee contribute to an improvement in performance. | 2.4% | 0.0% | 9.5% | 32.1% | 56.0% | 4.39 | 0.85 |
| Fringe benefits have significant effect on employee's performance. | 16.7% | 32.1% | 26.2% | 14.3% | 10.7% | 2.70 | 1.22 |
| Social climate at work contribute to employee performance. | 3.6% | 13.1% | 25.0% | 41.7% | 16.7% | 3.55 | 1.03 |
| Job security at work contribute to employee performance. | 13.1% | 25.0% | 29.8% | 27.4% | 4.8% | 2.86 | 1.11 |
| Indirect forms of payment as compensatory time off contribute to an improvement in performance. | 4.8% | 25.0% | 27.4% | 34.5% | 8.3% | 3.17 | 1.05 |

| Statement | SD | D | N | A | SA | Mean | Std Dev |
|---|------|-------|-------|-------|-------|-------------|-------------|
| Allowances offered to employee contribute to an improvement in performance. | 2.4% | 25.0% | 17.9% | 39.3% | 15.5% | 3.40 | 1.10 |
| AVERAGE | | | | | | 3.35 | 1.06 |

4.3.2 Intrinsic Rewards and Employee Performance

Results of table 5 indicate that 48.8% of the respondents agreed that appreciation and recognition plays a vital role in increasing employee's performance, 48.8% of the respondents agreed that commitment of employees is based on rewards and recognition, 58.3% of the respondents agreed that delegation of duties among the employee enhanced employee performance, 77.4% of the respondents felt that praise from superiors and co-workers enhanced employee performance, 70.2% of the respondents indicated that feelings of self-esteem improved employee performance, 71.4% of the respondents agreed that personal satisfaction improved employee performance, 51.2% indicated that satisfaction from completing a task successfully enhanced employee performance, 59.6% indicated that allowing the employee to set short-term and long-term goals for himself or herself improve employee performance, 47.6 disagreed that support and guidance of supervisors and other superiors enhance employee performance while 51.2% disagreed that opportunities for career growth and other professional development enhance employee performance. The mean of the responses indicated from the results was 3.28 which show that the respondents were agreeing on most of the statements while the standard deviation was 1.04 which indicates that the answers received were varied as they were dispersed far from the mean. These findings agree with those in Fairbank and Williams (2001) who argued that providing employees with intrinsic rewards had the potential to enhance creative performance; many managers continued to emphasize the use of extrinsic rewards (e.g., monetary incentives and recognition) in an effort to stimulate their employees' creativity. Praise and recognition were the most efficient intrinsic reward that enhances employee's performance.

Table 5: Intrinsic Rewards

| Statement | SD | D | N | A | SA | Mean | Std Dev |
|--|------|-------|-------|-------|-------|------|---------|
| Appreciation and recognition plays a vital role in increasing employee's performance | 3.6% | 15.5% | 32.1% | 38.1% | 10.7% | 3.37 | 0.99 |
| Commitment of employees is based on rewards and recognition | 4.8% | 25.0% | 21.4% | 41.7% | 7.1% | 3.21 | 1.05 |
| Delegation of duties among the employee enhance performance | 2.4% | 11.9% | 27.4% | 39.3% | 19.0% | 3.61 | 1.01 |
| Praise from superiors and co-workers enhance employee performance | 2.4% | 10.7% | 9.5% | 48.8% | 28.6% | 3.90 | 1.01 |
| Feelings of self-esteem improves employee performance | 0.0% | 13.1% | 16.7% | 50.0% | 20.2% | 3.77 | 0.92 |
| Personal satisfaction improves employee performance | 2.4% | 11.9% | 14.3% | 58.3% | 13.1% | 3.68 | 0.93 |
| Satisfaction from completing a task successfully enhances performance | 3.6% | 15.5% | 29.8% | 45.2% | 6.0% | 3.35 | 0.94 |

| | | | | | | | |
|---|-------|-------|-------|-------|-------|-------------|-------------|
| Allowing the employee to set short-term and long-term goals for himself or herself improve employee performance | 4.8% | 20.2% | 15.5% | 41.7% | 17.9% | 3.48 | 1.15 |
| Support and guidance of supervisors enhance performance | 13.1% | 34.5% | 26.2% | 17.9% | 8.3% | 2.74 | 1.15 |
| Opportunities for career growth enhance employee performance | 14.3% | 36.9% | 20.2% | 22.6% | 6.0% | 2.69 | 1.15 |
| AVERAGE | | | | | | 3.28 | 1.04 |

4.3.3 Organization Based Reward and Employee Performance

The result in Table 6 shows that 76.2% of the respondents agreed that motivated employees are more productive towards organizational goals, 82.2% of the respondents felt that the highly motivated employees served as the competitive advantage for any company, 69.1% of the respondents indicated that motivated employees were more efficient towards organizational goals, 73.8% agreed that motivated employees were more willing to work towards organizational goals, 66.7% felt that motivated employees were creative toward organizational goals, 78.5% of the respondents indicated that motivated employees participated in decision making toward organizational goals, 71.4% indicated that co-workers and peers recognized employees who were making a difference toward organizational goals, 84.5% of the respondents agreed that motivated employees were more dedicated toward organizational goals while 81.0% felt that organization based reward motivated employees to compete for promotions. The mean of the responses indicated from the results was 3.91 which show that the respondents were agreeing on most of the statements while the standard deviation was 1.11 which indicates that the answers received were varied as they were dispersed far from the mean. The findings concur with those in Rizwan and Ali (2010) and Entwistle (2007) who argued that if an employee performs successfully, it leads to organizational rewards and as a result motivational factor of employees lies in their performance. The highly motivated employees serve as the competitive advantage for any company because their performance leads an organization to well accomplishment of its goals).

Table 6: Organization Based Rewards

| Statement | SD | D | N | A | SA | Mean | Std Dev |
|---|------|-------|-------|-------|-------|------|---------|
| Motivated employees are more productive towards organizational goals | 7.1% | 9.5% | 7.1% | 27.4% | 48.8% | 4.01 | 1.27 |
| The highly motivated employees serve as the competitive advantage for any company | 2.4% | 9.5% | 6.0% | 77.4% | 4.8% | 3.73 | 0.80 |
| Motivated employees are more efficient towards organizational goals | 4.8% | 15.5% | 10.7% | 38.1% | 31.0% | 3.75 | 1.19 |
| Motivated employees are more willing to work towards organizational goals | 2.4% | 14.3% | 9.5% | 28.6% | 45.2% | 4.00 | 1.16 |
| Motivated employees are creative toward organizational goals | 6.0% | 16.7% | 10.7% | 40.5% | 26.2% | 3.64 | 1.21 |
| Motivated employees participate in decision making toward organizational goals | 6.0% | 9.5% | 6.0% | 32.1% | 46.4% | 4.04 | 1.21 |

| | | | | | | | |
|--|------|-------|-------|-------|-------|-------------|-------------|
| Co-workers and peers recognize employees who are making a difference toward organizational goals | 6.0% | 10.7% | 11.9% | 23.8% | 47.6% | 3.96 | 1.26 |
| Motivated employees are more dedicated toward organizational goals | 3.6% | 7.1% | 4.8% | 59.5% | 25.0% | 3.95 | 0.96 |
| Organization based reward motivate employees to compete for promotions | 1.2% | 9.5% | 8.3% | 63.1% | 17.9% | 3.87 | 0.86 |
| AVERAGE | | | | | | 3.91 | 1.11 |

4.3.4 Team Based Reward and Employee Performance

Results in Table 7 shows the effects team based reward on employee performance. 51.2% of the respondents agreed that team based reward systems encouraged free riding and stifle individual performance, rewarding the team as a whole allowed teams to become more productive and better attuned to the goals of the team and company as indicated by 55.9% agreed responses. The performance of high performing members was limited because they felt they were not receiving the full benefit of their contribution supported by the response level of 55.9%. 59.5% of the respondents indicated that building a spirit of teamwork and cooperation among co-workers reward encouraged behaviors conducive to teamwork, 69.1% indicated that employees received a bonus if the team met its time-of-service and self-pay collections targets while 78.5% agreed that their organizations had shifted their focus from individuals to teams over the past two decades. The mean of the responses indicated from the results was 3.48 which show that the respondents were agreeing on most of the statements while the standard deviation was 1.06 which indicates that the answers received were varied as they were dispersed far from the mean. These findings disagree with those in Heneman and Hippel (2005) who argued that team based reward systems encourage free riding, and stifle individual performance.

Table 7: Team-based Performance

| Statement | SD | D | N | A | SA | Me an | Std Dev |
|---|-------|-------|-------|-------|-------|-------|---------|
| Team based reward encourages behaviors conducive to teamwork | 14.3% | 17.9% | 32.1% | 17.9% | 17.9% | 3.07 | 1.29 |
| Team based reward systems encourage free riding and stifle individual performance | 2.4% | 17.9% | 28.6% | 38.1% | 13.1% | 3.42 | 1.01 |
| Rewarding the team as a whole allows teams to become more productive and better attuned to the goals of the team and company | 14.3% | 11.9% | 17.9% | 36.9% | 19.0% | 3.35 | 1.31 |
| Team based rewards alone can de-motivate both low and high performing members of teams | 7.1% | 39.3% | 19.0% | 31.0% | 3.6% | 2.85 | 1.06 |
| Low performing members are not motivated to perform because they rely on the efforts of others | 3.6% | 35.7% | 17.9% | 35.7% | 7.1% | 3.07 | 1.07 |
| The performance of high performing members is limited because they feel they are not receiving the full benefit of their contribution | 1.2% | 27.4% | 15.5% | 48.8% | 7.1% | 3.33 | 1.00 |

| | | | | | | | |
|--|------|-------|-------|-------|-------|-------------|-------------|
| Building a spirit of teamwork and cooperation among co-workers reward encourages behaviors conducive to teamwork | 3.6% | 23.8% | 13.1% | 38.1% | 21.4% | 3.50 | 1.18 |
| Employees receive a bonus if the team meets its time-of-service and self-pay collections targets | 2.4% | 6.0% | 22.6% | 40.5% | 28.6% | 3.87 | 0.98 |
| Our organizations have shifted their focus from individuals to teams over the past two | 3.6% | 8.3% | 9.5% | 58.3% | 20.2% | 3.83 | 0.97 |
| The team incentive is set up so that either everyone gets the incentive, or no one gets it | 7.1% | 20.2% | 29.8% | 26.2% | 16.7% | 3.25 | 1.17 |
| AVERAGE | | | | | | 3.48 | 1.06 |

4.4 Regression Model Specification and Estimation

Table 8 shows the fitness of the model identified above to determine the effect of reward system. The coefficient of determination also called the R^2 was 0.528. This means that the combined effect of the predictor variables (extrinsic reward, intrinsic rewards, organization based reward, team based reward) explains 52.8% employee performance.

Table 8: Model of Fitness

| Indicator | Variable |
|-------------------|----------|
| R | 0.726 |
| R Square | 0.528 |
| Adjusted R Square | 0.504 |

The results on analysis of variance in Table 9 indicate that the overall model was significant. This shows that the combined effect of extrinsic reward, intrinsic rewards, organization based reward and team based reward were statistically significant in explaining employee performance. This was demonstrated by a p value of 0.000 which is less than the acceptance critical value of 0.05.

Table 9: Analysis of Variance (ANOVA)

| Indicator | Sum of Squares | df | Mean Square | F | Sig. |
|------------|----------------|----|-------------|--------|-------|
| Regression | 28.870 | 4 | 7.217 | 22.054 | 0.000 |
| Residual | 25.854 | 79 | .327 | | |
| Total | 54.723 | 83 | | | |

The results in Table 10 present the regression of coefficients of the study. These results shows that there is a positive relationship between extrinsic reward, intrinsic reward, organizational based reward and team reward and employee performance as supported by beta coefficients of 0.319, 0.313, 0.124 and 0.426 respectively. This means an increase in either of the variables will positively increase employee performance. The analysis also yields results that show all variables used in the study are statistically significant as the probability (p) values were 0.000 which were not more than the conventional value of 0.05.

Table 4.10: Regression of Coefficients

| Indicator | Beta | Std. Error | t | Sig. |
|------------------|-------------|-------------------|----------|-------------|
| Constant | 0.847 | 0.543 | 1.561 | 0.122 |
| Extrinsic | 0.319 | 0.082 | 3.895 | 0.000 |
| Intrinsic | 0.313 | 0.074 | 4.212 | 0.000 |
| Organization | 0.214 | 0.108 | 1.988 | 0.050 |
| Team | 0.426 | 0.117 | 3.654 | 0.000 |

Employee Performance= 0.847 + 0.319 Extrinsic Reward + 0.313 Intrinsic Reward + 0.214 Organization Based Reward + 0.426 Team Based Reward

5.0 DISCUSSION CONCLUSIONS AND RECOMMENDATIONS

5.1 Findings

Objective one was to find out the effect of extrinsic reward on employee performance. The study findings indicate that extrinsic reward improved performance of employees. This was demonstrated by descriptive statistics that showed that majority of the respondents agreed that financial incentives (pay satisfactions dimensions) had significant effect on employee's performance, bonuses offered to employee contributed to an improvement in performance, social climate at work contributed to employee performance and allowances offered to employee contributed to an improvement in performance. This was also supported by a mean of 3.56.

Objective two was to assess the effect of intrinsic reward on employee performance. Results indicated that the intrinsic reward to a large extent is a contributory factor to employee performance. This was supported by the descriptive statistics where majority agreed that delegation of duties among the employee enhanced employee performance, praise from superiors and co-workers enhanced employee performance, feelings of self-esteem improved employee performance, personal satisfaction improved employee performance, satisfaction from completing a task successfully enhanced employee performance. This was also supported by a mean score of 3.28.

Objective three was to determine the effect of organization based reward on employee performance. Results indicated that the organization reward is crucially important and indispensable factor to employee performance. This was supported by the descriptive statistics where majority agreed that motivated employees were more productive towards organizational goals, highly motivated employees served as the competitive advantage for any company, motivated employees were more efficient towards organizational goals, motivated employees were more willing to work towards organizational goals, motivated employees were creative toward organizational goals, motivated employees participated in decision making toward organizational goals, co-workers and peers recognized employees who were making a difference toward organizational goals, motivated employees were more dedicated toward organizational goals, organization based reward motivated employees to compete for promotions. This was also supported by a mean score of 3.91.

Descriptive results on the fourth objective of the study identify the effect of team based reward on employee performance. This is represented by a majority of respondents who agreed that team based reward systems encouraged free riding and stifle individual performance, rewarding the team as a whole allowed teams to become more productive and better attuned to the goals of

the team and company, the performance of high performing members was limited because they felt they were not receiving the full benefit of their contribution, building a spirit of teamwork and cooperation among co-workers reward encouraged behaviors conducive to teamwork, employees received a bonus if the team met its time-of-service and self-pay collections targets, their organizations had shifted their focus from individuals to teams over the past two decades. This was supported by a mean score of 3.48.

5.2 Conclusions

Based on the findings of the study it can be concluded that the intrinsic rewards, extrinsic rewards, organization based reward and team based rewards are very vital for the employee's job performance and employee's job satisfaction. The study deduced that the print media sector use bonuses to individuals and teams, financial incentives and delegation of duties all of which have a great effect on employee motivation. The study also concludes that rewards affect motivation of employee and hence the performance of the print media sector and foster co-operation within the sector hence improved performance. Finally, it concludes that the employees are happy with the way rewards are administered by the management which help to enhance their performance.

5.3 Recommendations

Rewards have been known to have a positive effect on employee performance. However no reward system is perfect, this is because motivation is personal and what motivates one employee could be different from what motivates the next. Therefore, the human resource department in the print media sector should get to know their employees well so that they can employ the right motivational strategy. In addition, they should be objective when formulating management policies so as to ensure that the employees are satisfied.

In addition, the study recommends that in order to enhance employees' motivation and performance, the print media sector need to adopt a more contingent reward system which includes awards and fringe benefits to the employees. The management should come up with a clear cut reward system that ensures that all employees are rewarded appropriately. This will go a long way in enhancing their motivation making them perform well in their jobs.

5.4 Suggestions for Further Studies

The study investigated the relationship between reward system and employee performance in the print media sector in Kenya. The study recommends that further research should be done on the relationship between reward system and employee performance in other sectors of the economy. This is because different sectors have different reward systems and thus allowing for comparison.

Research can also be carried out to identify other factors which may affect employee performance but which have not been studied to determine their effect. Such findings can enhance performance of the employees and hence improve output of the entire sector.

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