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RELATIONSHIP BETWEEN TOTAL REWARD MANAGEMENT SYSTEMS AND EMPLOYEE ENGAGEMENT: A CASE STUDY OF BAMBURI CEMENT LIMITED, KENYA

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Abstract

Purpose: The study aimed at examining the relationship between total reward management systems and employee engagement at Bamburi Cement Ltd in Kenya.

Methods: This study adopted a descriptive design to establish the relationship between total reward systems and employee engagement at Bamburi Cement Limited. The workforce at the Athi-River Plant was recorded at 200 employees from different departments. Stratified random sampling was used to select sample size from the population. The researcher chose respondents in supervisory level as well as front line staff and distributed 60 questionnaires. The researcher selected a pilot group of six people from the population to test the reliability of instrument. Statistical data analysis was done using Statistical Package for Social Sciences tool (SPSS) and excel to help the researcher describe the data and determine the extent of relationships. Data was presented using tables, graphs and figures to answer the research questions posed for the study.

Results: Regression results revealed that compensation, benefits, personal and professional development and work environment had positive and significant effect on employee engagement at Bamburi Cement Limited. This means that an increase in a better work environment led to an improvement in employee engagement.

Unique contribution to theory, practice and policy: The study recommended Bamburi Cement limited maintain and enhance formulation, and implementation of policies concerning compensation.

Keywords: *Total reward management systems, employee engagement, Bamburi Cement Limited, Kenya*

1.0 INTRODUCTION

1.1 Background of the Study

In recent years there is a lot of attention and interest on total reward which encompasses recognition, work life balance, learning and development, benefits as well as compensation. Total reward has replaced compensation and benefits. Aon Hewitt 2012 Total Reward Survey defines total rewards as “everything an employee gets from the employer that they find rewarding” (i.e. compensation, benefits, environment, learning and development). Due to compensation, a lot of businesses have had to find alternative ways of motivating their employees. Rewarding through wages and benefits year on year is becoming difficult for organizations due to the high cost and this has resulted into a lot of study on reward in order to examine the alternative options and their effectiveness.

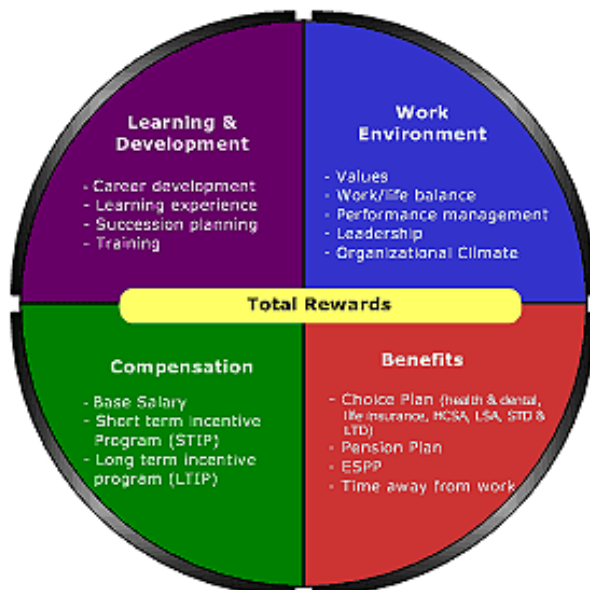


Figure 1 The Total Reward System (Armstrong & Brown)

Variable pay system rewards employees based on performance. Benefits such as health care and insurance have a hefty price tag (Gerhart & Rynes, 2003). Employees value learning and development but the organization mainly feels the real essence of this component when it enables workers to acquire skills that result in innovative products and services that rival competition (Barney & Wright, 1998). Stajkovic and Luthans, 2003 said that organizations should mix and match different reward components with the aim of enhancing engagement.

The main element that enables organizations to earn competitive edge are its human resource. It is therefore important for it to attract talented people and ensure they retain them as well as equip them with all that is required to ensure that they acquire the necessary skills required to enable the organization come up with innovative products and services that can effectively rival with

those of competition as well as ensure their needs are met so that they are continuously motivated and engaged.

A positive work environment has the effect on employees as it causes them to be engaged. The ideal environment according to the model, comprises of a total reward strategy that is well formulated through consideration of external influences such as labour market, economics and many more in order to define the business and human resource strategy. The fact that people are different and are motivated by different things, means that the organization has to come up with the right mix of rewards to address this diversity. Organizations use engagement as a term that embraces everything that they would want to address with regard to employee behavior and contribution in terms of job performances, organizational citizenship and discretionary effort and commitment. The significance of the concept of engagement is at the core of employer/employee relationship and the importance attached to this notion has intensified recently in association with the rise of total reward concepts. It is high on the reward agenda of a number of leading organizations. Reward done well can drive engagement throughout the organization.

The dominant definition of engagement which informs published academic research is that to do with an individual's relationship to their job activities which causes them to experience a multi-dimensional psychological feeling (Bailey, 2015). Recent diary studies (Kuhnel, 2012; Petrou et al, 2012; Sonnentag, 2012) have suggested that engagement can be said to be a state since it can change depending on environment factors after conducting tests and finding fluctuations in engagement levels during the working period of employees. Engagement may be considered team work is involved or even directed to people's work tasks (Salanova, 2005; Schaufeli and Salanova, 2011). Engagement throughout the world has been found to be a critical level (Hewitt, 2013); Gallup, 2013; Hay Group, 2013; Mindset Management Programs, 2014). The picture is not good either in South Africa where statistics show that 43% of workers have thought of leaving the jobs while 80% are already disengaged. Worldwide South Africa employees are considered to be amongst the highest disconnected employees (Rothmann, 2015).

1.2 Statement of the Problem

Numerous studies, such as performance measurement, compensation, and organizational performance have been conducted in various surveys. However, the aspect of total reward management strategies and its effect on employee engagement has not been studied at Bamburi Cement Ltd. This study seeks to close this research gap by investigating the effect of total reward aspects of compensation, benefits, personal and professional development and work environment on employee engagement. Researchers and practitioners are turning to the total reward concept when discussing the link to employee engagement precisely because it does appear to combine the financial incentive and the non-financial, intrinsic aspects of rewards, which can be difficult to separate in practice, and which both appear to require consideration when looking for improvements in employee engagement.

Finding the right fit of employee is very important to organizations especially in the current business environment of the winner takes it all causing a lot of challenges for many businesses

especially if they are not competitive. In the current economic context, finding innovative ways to drive employees is very important to organizations (Giancola, 2007; HayGroup, 2015; Nienaber, 2010). Engagement is seen as an exchange relationship by The HayGroup (2015). The leadership of Bamburi Cement recognizes that the company's vision of being a market leader in Eastern and Central Africa only effectively be achieved through employees who are engaged and are therefore keen to address issues that will lead to the improvement of the situation. There has been a lot of continued complains from staff that the level of reward does not equate to the corresponding effort they put day to day to ensure the organization's level of performance is sustained at a certain level or even surpassed. BCL has witnessed high revenues and success over the past years. It can be assumed that this success has been a result of high productivity of the employees which has been made possible because of high staff engagement. However, the company has lost its market share to competition. As much as competition can be considered as a driver to this trend, there has been a strong feeling that staffs are not as engaged. The study sought to investigate the effect of the total reward aspect of pay and incentives, benefits and career growth and development on employee engagement.

1.3 Specific Objectives

- a) To determine the effect of compensation on employee engagement at Bamburi Cement Ltd.
- b) To establish the impact of benefits on employee engagement at Bamburi Cement Ltd.
- c) To investigate whether personal and professional development influences employee engagement at Bamburi Cement Ltd.
- d) To determine the effect of work environment on employee engagement at Bamburi Cement Ltd.

2.0 LITERATURE REVIEW

2.1 Expectancy Theory

This theory is supported by Victor H. Vroom who introduced the notions of valence and instrumentality. The theory says that people will usually behave in a certain manner when they know that the behavior will result in a certain outcome. This means that when there is a certain act performed, then a particular outcome will be realized. Valence can be said to be valued outcomes. People can therefore value certain outcomes better than others depending on whether they were positive or negative (Shin-Rong and Chin-Wei 2012). Positive outcomes have high value as opposed to negative outcomes. This concept of expectancy therefore is part of the cognitive process that drives engagement through motivation. The outcomes that an individual values positively will drive him to behave in a certain way. The individual also expects that behavior will result into positive outcome. On the concept of instrumentality, Vroom suggested that additional outcomes are realized due to certain behavior. Expectancy and valence are therefore related to how certain conduct can result to a specific outcome while instrumentality has to do with achieving more outcomes due to a certain behavior.

Vroom's Expectancy theory is the most widely used theory for the purposes of compensation and motivation. Vroom's Expectancy theory is the most widely used theory for the purposes of compensation and motivation. Expectancy theory and equity theory both come under the Process Motivation theory. Although all of these theories provide great insight into behavior at organizations and how to engage people, they lack research findings and are continued to be tested. However, Victor Vrooms Expectancy theory has a lot of research backing about its validity and its most used theoretical framework for work engagement related studies as compared to needs or goal setting theories. Vroom's Expectancy theory says that people are motivated when they have a self-belief on their skills, belief in the promises of the management about getting the reward and the personal value they place on a specific reward. The self-belief on skills is called "Expectancy", belief in getting the reward is "Instrumentality" and value on the reward is the "Valence. Everyone places a different value on a certain reward. To some pay is of more value than other rewards and to others more intrinsic rewards like recognition, achievement etc. are of more value. Employer should take a personal interest in his employees to know them better so that he can identify which reward he values most Fleming (2007).

Although all of these theories provide great insight into behavior at organizations and how to engage people, they lack research findings and are continued to be tested. However, Victor Vrooms Expectancy theory has a lot of research backing about its validity and its most used theoretical framework for work engagement related studies as compared to needs or goal setting theories. Vroom's Expectancy theory says that people are motivated when they have a self-belief on their skills, belief in the promises of the management about getting the reward and the personal value they place on a specific reward. The self-belief on skills is called "Expectancy", belief in getting the reward is "Instrumentality" and value on the reward is the "Valence".

Managers need to be honest and objective about what they can provide as a reward and to whom they can provide. Otherwise employees will be in state of confusion and won't be engaged. Everyone places a different value on a certain reward. To some pay is of more value than other rewards and to others more intrinsic rewards like recognition, achievement etc. are of more value. Employer should take a personal interest in his employees to know them better so that he can identify which reward he values most (Armstrong 2009). Equity theory suggests that increasing workload without increasing perceived rewards may result in feelings of unfairness, negatively impacting on employee motivation and engagement.

analysis was done using Statistical Package for Social Sciences tool (SPSS) and excel to help the researcher describe the data and determine the extent of relationships. It involved first editing and coding the questionnaires, tabulating the data, and then performing several statistical computations including absolute and relative (percentages) frequencies, measures of central tendency and dispersion (mean and standard deviation). Data was presented using tables, graphs and figures to answer the research questions posed for the study.

4.0 RESEARCH FINDINGS AND DISCUSSIONS

4.1 Response Rate

A total of 57 out of 60 questionnaires were properly filled. The response rate was 95% and is considered very good. Based on these assertions from renowned scholars, Mugenda and Mugenda (2003), a response rate of 50% is adequate for analysis and reporting, a rate of 60% is generally good while response above 70% is excellent. Thus, the response rate of 95% under this study was very good.

Table 1: Response Rate

Response	Frequency	Percent
Returned	57	95%
Unreturned	3	5%
Total	60	100%

Source: Author (2017)

4.2 Demographic Characteristics

4.2.1 Gender of the respondents

The respondents were asked to indicate their gender. Majority of the respondents were men who represented 61% of the sample while 39% were female. Being in the manufacturing sector, this data tentatively implies there is a bias for male workers which is usually the norm in many factories. This disparity suggests that decisions and policies concerning rewards were likely to be skewed towards the welfare of male staff.

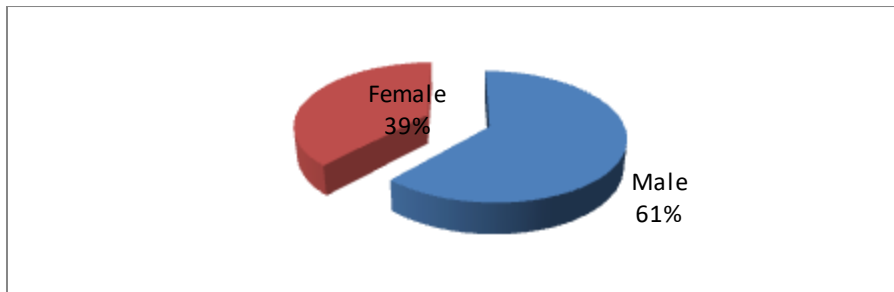


Figure 3: Gender of Respondents

4.2.2 Age of the respondents

Majority of the respondents who were 48% were between 31-40 years while 32% were between 41-55 years while 20% was between 21-30 years. This may seem that the organization is capable of retaining people who have acquired skills over the years which is a key component of efficiency. The high number of new college graduates means the organization has a future since every company's survival depends on the future generation.

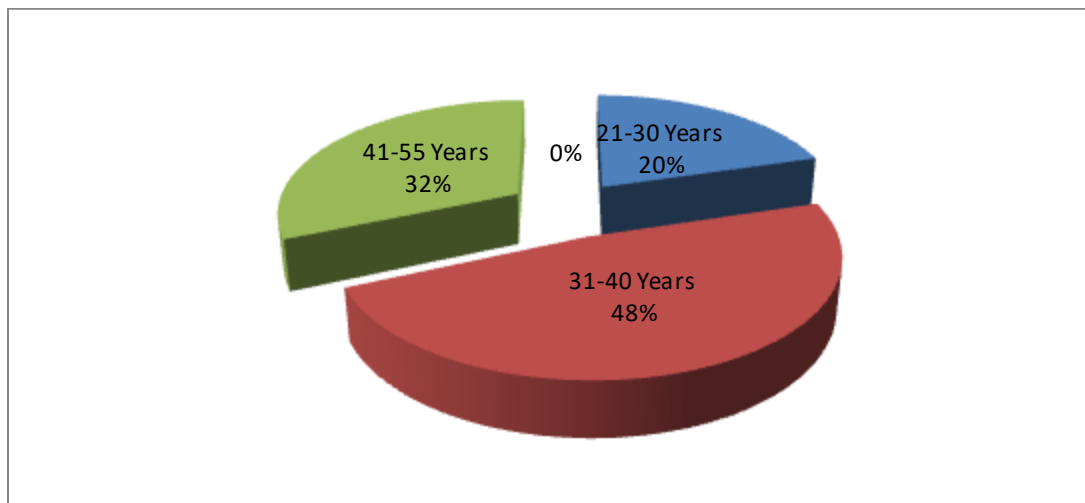


Figure 4: Age of Respondents

4.2.3 Marital status of the respondents

Results in figure 6 show that 67% of the respondents were married while 33% of the respondents were not married. This would be important in determining whether the type of reward strategies chosen by employees would be driven by the fact that they have families and the reward preferred would offer some sort of security and safety.

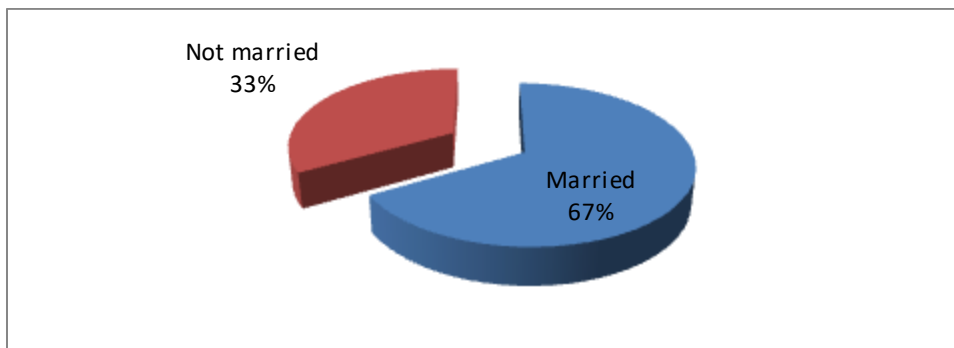


Figure 5: Marital status of Respondents

4.2.4 Education level of the respondents

Results in figure 7 show that 56% of the respondents had their level of education being graduate level, 20% had diploma qualification while 18% had post graduate. Secondary level was smallest at 6%. This implies that the respondents were capable of understanding the study and give responses to the questions administered.

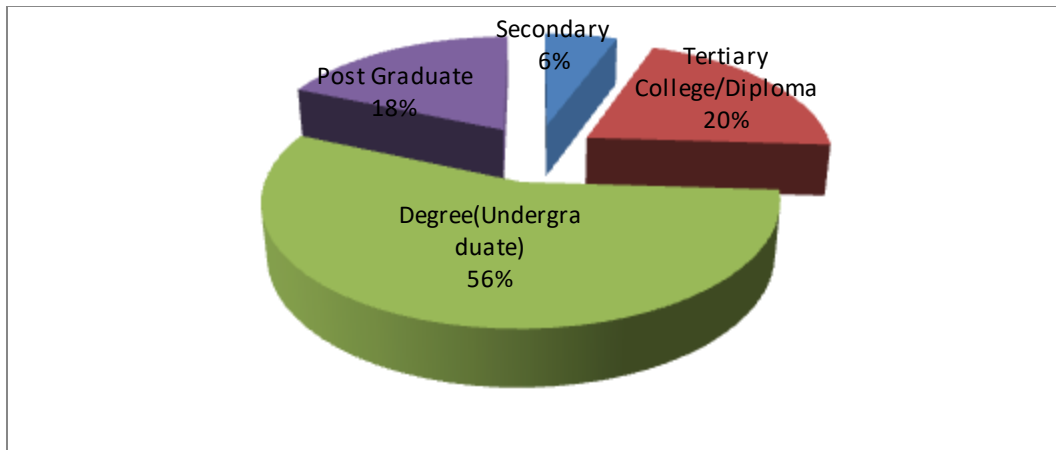


Figure 6: Level of Education of Respondents

4.3 Descriptive Statistics

4.3.1 Compensation

The responses were rated on a five likert scale as presented in Table 2. Majority of 85.9% (49.1%+36.8%) respondents agreed with the statement that the level of increment and merit pay they receive is reasonable and matches output. Ninety four point eight per cent agreed with the statement that cash bonus is commensurate with the performance. Ninety six point five per cent agreed that they are motivated by the pay received. Ninety six point five per cent (96.5%) agreed that their current compensation package plays a role in retaining talent. Eight six per cent (86%) agreed that the current base pay matches job output. Eighty seven point eight per cent (87.8%) agreed that they are knowledgeable on the current pay system in place within the organization. Sixty six point seven per cent (66.7%) agreed that the package of compensation is well managed. Seventy nine per cent (79%) agreed that the managers of compensation packages are well trained to do so. Seventy three point seven per cent (73.7%) agreed that they understand the Hay Job Grading methodology. Seventy one point nine per cent (71.9%) agree that when better remunerated it increases engagement while another 71.9% agreed that variable pay motivates to achieve more.

On a five point scale, the average mean of the responses was 4.18 which means that majority of the respondents agreed with most of the statements; however the answers were varied as shown by a standard deviation of 0.81.

Table 2: Compensation

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Dev
The level of increment and merit pay I receive is reasonable and matches output.	1.80%	1.80%	10.50%	49.10%	36.80%	4.18	0.83
My cash bonus is commensurate with my performance	1.80%	1.80%	1.80%	47.40%	47.40%	4.37	0.77
I am motivated by the pay I receive	0.00%	1.80%	1.80%	52.60%	43.90%	4.39	0.62
My current compensation package plays a role in retaining talent	1.80%	1.80%	0.00%	49.10%	47.40%	4.39	0.75
My current base pay matches my job output	3.50%	1.80%	8.80%	47.40%	38.60%	4.16	0.92
I am knowledgeable on the current pay system in place within the organization	1.80%	1.80%	8.80%	40.40%	47.40%	4.30	0.84
The package of compensation is well managed	1.80%	0.00%	31.60%	38.60%	28.10%	3.91	0.87
The managers of compensation packages are well trained to do so	0.00%	0.00%	21.10%	50.90%	28.10%	4.07	0.70
Employees are well informed and involved in the formulation, discussion and implementation of policies concerning compensation	1.80%	0.00%	17.50%	49.10%	31.60%	4.09	0.81
The compensation packages are well defined and explained to employees	1.80%	0.00%	17.50%	31.60%	49.10%	4.26	0.88
I understand the Hay Job Grading methodology used in my organization.	0.00%	0.00%	26.30%	35.10%	38.60%	4.12	0.80
When I'm better remunerated it increases my engagement.	1.80%	0.00%	26.30%	36.80%	35.10%	4.04	0.89
Variable pay motivates me to achieve more.	0.00%	0.00%	28.10%	35.10%	36.80%	4.09	0.81
Average						4.18	0.81

Further questions posed on what extent compensation had on work engagement and 70.2% agreed that a well-designed incentive policy/package would drive employees to be motivated and deliver more (cash bonus, piece rate pay, sales commissions). Seventy seven point two per cent (77.2%) agreed that a competitive increment pay drives employees to deliver more and to be engaged. Seventy three point seven per cent (73.7%) agreed that a competitive salary would

enable the organization to recruit and retain the talent it needs. Seventy three point seven per cent 73.7% agreed that a well-designed incentive policy/package would drive employees to be motivated and deliver more (cash bonus, piece rate pay, sales commissions). Seventy eight point nine per cent (78.9%) agreed that a competitive increment pay drives employees to deliver more and to be engaged while 77.2% agreed that a competitive salary would enable the organization to recruit and retain the talent it.

On a five point scale, the average mean of the responses was 4.06 which means that majority of the respondents were agreeing with most of the statements; however the answers were varied as shown by a standard deviation of 0.84.

Table 3: Compensation and Work engagement

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Dev
A well designed incentive policy/package would drive employees to be motivated and deliver more (cash bonus, piece rate pay, sales commissions).	0.00%	0.00%	29.80%	38.60%	31.60%	4.02	0.79
A competitive increment pay drives employees to deliver more and to be engaged.	0.00%	0.00%	22.80%	42.10%	35.10%	4.12	0.76
A competitive salary would enable the organization to recruit and retain the talent it needs.	1.80%	1.80%	22.80%	45.60%	28.10%	3.96	0.87
A well designed incentive policy/package would drive employees to be motivated and deliver more (cash bonus, piece rate pay, sales commissions).	1.80%	0.00%	24.60%	38.60%	35.10%	4.05	0.88
A competitive increment pay drives employees to deliver more and to be engaged.	1.80%	0.00%	19.30%	36.80%	42.10%	4.18	0.87
A competitive salary would enable the organization to recruit and retain the talent it needs.	1.80%	1.80%	19.30%	47.40%	29.80%	4.02	0.86
Average						4.06	0.84

4.3.2 Benefits

The results are presented in table 4 below and show that 68.40% (36.8%+31.6%) of the respondents agreed that they were satisfied with the current employee benefits offered at the

organization. Eight point seven per cent (80.7%) agreed that the benefits provided help to improve the quality of life for my family and myself. Seventy five point four per cent (75.4%) agreed that the current benefits provide a level of financial security. Sixty eight point four per cent (68.4%) agreed that the current benefits play a role in retaining talent. Sixty eight point four per cent (68.4%) agreed that they are motivated by the benefits provided at the organization. Seventy seven point seven per cent (77.2%) agreed that the current benefit package is competitive in comparison to other organizations within the manufacturing industry. Seventy point two per cent (70.2%) agreed that the benefits that received are commensurate to their performance. Seventy three point seven per cent (73.7%) agreed that the organization has a menu-driven benefits mix that allows employees from different generations to build a package that fits their needs while 68.4% agreed that they are aware and fully understand the employee benefits offered.

On a five point scale, the average mean of the responses was 3.96 which means that majority of the respondents were agreeing with most of the statements; however the answers were varied as shown by a standard deviation of 1.07.

Table 4: Benefits

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Dev
I am satisfied with the current employee benefits offered at the organization.	5.30%	3.50%	22.80%	36.80%	31.60%	3.86	1.08
The benefits provided help to improve the quality of life for my family and myself.	5.30%	1.80%	12.30%	49.10%	31.60%	4.00	1.00
The current benefits provide a level of financial security.	5.30%	3.50%	15.80%	38.60%	36.80%	3.98	1.08
The current benefits play a role in retaining talent.	5.30%	1.80%	24.60%	38.60%	29.80%	3.86	1.04
I am motivated by the benefits provided at my organization.	5.30%	1.80%	24.60%	29.80%	38.60%	3.95	1.09
The current benefit package is competitive in comparison to other organizations within the manufacturing industry.	5.30%	1.80%	15.80%	35.10%	42.10%	4.07	1.07
The benefits that I receive are commensurate to my performance.	5.30%	1.80%	22.80%	29.80%	40.40%	3.98	1.09
My organization has a menu-driven benefits mix that allows employees from different generations to build a package that fits their needs.	5.30%	1.80%	19.30%	38.60%	35.10%	3.96	1.05

I am aware and fully understand the employee benefits offered.	5.30%	1.80%	24.60%	29.80%	38.60%	3.95	1.09
Average						3.96	1.07

Further questions posed on what extent benefits had on work engagement and 75.5% responded with great extent that employees would be more motivated and engaged if they had a benefits mix that allows them to choose a benefit package. Sixty three point one per cent (63.1%) responded with a great extent when employees receive good healthcare, retirement pension they feel valued and are more productive at work while 78.9% responded with great extent that involvement of employees in the formulation of the benefit structure and policy has an effect on engagement. On a five point scale, the average mean of the responses was 3.95 which means that majority of the respondents were of a great extent with most of the statements; however the answers were varied as shown by a standard deviation of 1.08

Table 5: Benefits and Work Engagement

Statement	Not at al	Little Extent	Moderate Extent	Great Extent	Very Great Extent	Mean	Std. Dev
Employees would be more motivated and engaged if they had a benefits mix that allows them to choose a benefit package based on what they value most at different life stages.	5.30%	3.50%	15.80%	40.40%	35.10%	3.96	1.07
When employees receive good healthcare, retirement pension they feel valued and are more productive at work.	5.30%	3.50%	28.10%	33.30%	29.80%	3.79	1.08
Involvement of employees in the formulation of the benefit structure and policy has an effect on engagement.	5.30%	3.50%	12.30%	33.30%	45.60%	4.11	1.10
Average						3.95	1.08

4.3.3 Personal and Professional Development

The results are presented in table 6 and show 70.2% (21.1%+35.1%) of the respondents agreed that personal and professional development systems at the organization enable me to manage my own career. Seventy five point five per cent (75.5%) agreed that personal and professional development systems at the organization provide me with the tools and opportunities to enhance my skills and capabilities. Seventy five point four per cent (75.4%) of the respondents agreed that personal and professional development systems put in place at the organization enhance employee engagement. Seventy five point four per cent (75.4%) agreed that personal and professional development systems in place play a role in retaining talent at the organization. Sixty eight point four per cent (68.4%) of the respondents agreed that the organization has a policy that governs career growth for staff. Eight two point five per cent (82.5%) agreed that the organization discusses career plans with employees before decisions are taken on what is appropriate for both parties. Seventy one point nine per cent (71.9%) agreed that the organization's management provides regular training on all cadres of staff to enhance their engagement. Fifty four point four per cent (54.4%) of the respondents agreed that they see a future in a higher level role in my organization while 80.7% of the respondents agreed that the direct supervisor takes interest in my career.

On a five point scale, the average mean of the responses was 3.96 which means that majority of the respondents were agreeing with most of the statements; however the answers were varied as shown by a standard deviation of 1.03.

Table 6: Personal and Professional Development

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Dev
Personal and professional development systems at the organization enable me to manage my own career.	5.30%	3.50%	21.10%	35.10%	35.10%	3.91	1.09
Personal and professional development systems at the organization provide me with the tools and opportunities to enhance my skills and capabilities.	5.30%	3.50%	15.80%	35.10%	40.40%	4.02	1.09
Personal and professional development systems put in place at the organization enhance employee engagement.	5.30%	3.50%	15.80%	42.10%	33.30%	3.95	1.06
Personal and professional development systems in place play a role in	5.30%	3.50%	15.80%	33.30%	42.10%	4.04	1.10

retaining talent at the organization.								
The organization has a policy that governs career growth for staff.	3.50%	5.30%	22.80%	36.80%	31.60%	3.88	1.04	
The organization discusses career plans with employees before decisions are taken on what is appropriate for both parties.	1.80%	3.50%	12.30%	42.10%	40.40%	4.16	0.90	
The organization's management provides regular training on all cadres of staff to enhance their engagement.	3.50%	3.50%	21.10%	36.80%	35.10%	3.96	1.02	
I see a future for myself in a higher level role in my organization.	3.50%	3.50%	38.60%	26.30%	28.10%	3.72	1.03	
My direct supervisor takes interest in my career.	3.50%	1.80%	14.00%	54.40%	26.30%	3.98	0.90	
Average						3.96	1.03	

Further questions posed on what extent personal and professional development had on work engagement and 75.5% responded with a great extent that professional and leadership training are provided. Seventy seven point two percent (77.2%) responded with a great extent there is existence of clear career path that is discussed. Eighty point seven per cent (80.7%) responded with great extent that there are performance management systems that allow for progression/growth in career. Seventy seven point two per cent (77.2%) responded with great extent that there are career development opportunities through mentoring, secondment and succession planning while 57.9% responded with great extent they believe that personal and professional development has an effect on engagement. On a five point scale, the average mean of the responses was 3.94 which means that majority of the respondents were of a great with most of the statements; however the answers were varied as shown by a standard deviation of 1.00.

Table 7: Personal and Professional Development and Work Engagement

Statement	Not at al	Little Extent	Moderate Extent	Great Extent	Very Great Extent	Mea n	Std. Dev
Professional and leadership training are provided.	3.50%	3.50%	17.50%	40.40%	35.10%	4.00	1.00
There is existence of clear career path that is discussed	3.50%	1.80%	17.50%	47.40%	29.80%	3.98	0.94

There are performance management systems that allow for progression/growth in career	5.30%	0.00%	14.00%	49.10%	31.60%	4.02	0.97
There are Career development opportunities through mentoring, secondment and succession planning	5.30%	1.80%	15.80%	43.90%	33.30%	3.98	1.03
I believe that personal and professional development has an effect on engagement	5.30%	1.80%	35.10%	29.80%	28.10%	3.74	1.06
Average						3.94	1.00

4.3.4 Work Environment

The results are presented in table 8 and show 73.7% (42.1%+31.6 %) responded with a great extent the job allows some level of autonomy. Sixty four point nine per cent (64.9%) responded with a great extent that concerns on employee work environment are taken seriously. Seventy nine point nine per cent (79%) were of great extent that they had a flexible working arrangement in place. Sixty three point one per cent (63.1%) responded with great extent that praise for a job well done from my supervisor encourages to perform my job better. Eighty point seven per cent (80.7%) responded with a great extent that when they get formal recognition from my supervisor, they feel engaged and increase performance while 78.9% responded with great extent that there are flexible work schedules that allow employees to meet family or personal commitments/emergencies.

On a five point scale, the average mean of the responses was 3.92 which means that majority responded with great extent in most of the statements; however the answers were varied as shown by a standard deviation of 1.07.

Table 8: Work Environment

Statement	Not at all	Little Extent	Moderate Extent	Great Extent	Very Great Extent	Mean	Std. Dev
Job allows me some level of autonomy	5.30%	3.50%	17.50%	42.10%	31.60%	3.91	1.06
Concerns on employee work environment are taken seriously	5.30%	3.50%	26.30%	36.80%	28.10%	3.79	1.07
We have a flexible working arrangement in place	5.30%	3.50%	12.30%	50.90%	28.10%	3.93	1.02

Praise for a job well done from my supervisor encourages me to perform my job better	5.30%	3.50%	28.10%	29.80%	33.30%	3.82	1.10
When I get formal recognition from my supervisor, I feel engaged and increase my performance.	5.30%	5.30%	8.80%	36.80%	43.90%	4.09	1.11
There are flexible work schedules that allow employees to meet family or personal commitments/emergencies	5.30%	3.50%	12.30%	45.60%	33.30%	3.98	1.04
Average						3.92	1.07

Further questionnaire were asked to what extent the aspects of work environment would affect engagement. Eighty four point two per cent (84.2%) responded with that flexible work schedules provide work/life balance. Seventy seven point two per cent (77.2%) responded with great extent that flexible work schedules reduce work life conflicts and have an effect on engagement. Seventy three point seven per cent 77.2% responded that meaningful and challenging work would have a great extent. Seventy nine point nine per cent (79%) responded recognition and appreciation of contribution by supervisor had a great extent. Sixty eight point four per cent (68.4%) responded that freedom to plan and work independently had a great extent while 84.2% responded that work co-operatively with supervisor and other team members had a great extent.

On a five point scale, the average mean of the responses was 4.05 which means that majority responded with great extent in most of the statements; however the answers were varied as shown by a standard deviation of 1.07.

Table 9: Work Environment and Work Engagement

Statement	Not at all	Little Extent	Moderate Extent	Great Extent	Very Great Extent	Mean	Std. Dev
Flexible work schedules (provide work/life balance)	5.30%	3.50%	7.00%	47.40%	36.80%	4.07	1.03
Flexible work schedules reduce work life conflicts and have an effect on engagement	5.30%	5.30%	12.30%	35.10%	42.10%	4.04	1.12
Meaningful and challenging work	5.30%	3.50%	14.00%	43.90%	33.30%	3.96	1.05
Recognition and appreciation of my contribution by my supervisor	5.30%	1.80%	14.00%	28.10%	50.90%	4.18	1.09

Freedom to plan and work independently	5.30%	3.50%	22.80%	29.80%	38.60%	3.93	1.12
Work co-operatively with supervisor and other team members	5.30%	1.80%	8.80%	47.40%	36.80%	4.09	1.01
Average						4.05	1.07

4.4 Inferential Statistics

4.4.1 Correlation Analysis

Table 10 below presents the results of the correlation analysis. The results revealed that compensation and employee engagement are positively and significant related ($r=.587$, $p=0.000$). The table further indicated that benefits and employee engagement are positively and significantly related ($r=0.738$, $p=0.000$). It was further established that personal and professional development and employee engagement were positively and significantly related ($r=0.530$, $p=0.000$). Similarly, results showed that work environment and employee engagement were positively and significantly related ($r=0.581$, $p=0.000$). This implies that an increase in compensation, benefits, personal development and work environment led to an improvement in employee engagement.

Table 10: Correlation Matrix

		Employee Engagement	Mean Compensation	Mean Benefits	Mean Personal development	Mean Work Environment
Employee Engagement	Pearson Correlation Sig. (2-tailed)	1.000				
Mean Compensation	Pearson Correlation Sig. (2-tailed)	.587**	1.000			
Mean Benefits	Pearson Correlation Sig. (2-tailed)	.738**	.508**	1.000		
Mean Personal development	Pearson Correlation Sig. (2-tailed)	.530**	0.189	.396**	1.000	
Mean Work Environment	Pearson Correlation	.581**	.464**	.646**	0.135	1.000

Sig. (2-tailed) .000 .000 .0000 0.318

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

4.4.2 Regression Analysis

The results presented in table 11 present the fitness of model used of the regression model in explaining the study phenomena.

Compensation, benefits, personal development and work environment were found to be satisfactory variables in explaining employee engagement. This is supported by coefficient of determination also known as the R square of 69.3%. This means that Compensation, benefits, personal development and work environment explain 69.3% of the variations in the dependent variable, which is employee engagement in at Bamburi Cement limited.

This results further means that the model applied to link the relationship of the variables was satisfactory.

Table 11: Regression of Coefficient

Variable	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
(Constant)	(0.847)	0.587		(1.443)	0.155
Compensation	0.458	0.162	0.257	2.820	0.007
Benefits	0.352	0.111	0.365	3.183	0.002
Professional Development	0.269	0.073	0.312	3.676	0.001
Work Environment	0.145	0.082	0.184	2.010	0.018

The optimal model was therefore;

The multiple regression model was laid as below.

$$Y = -0.847 + 0.458X_1 + 0.352X_2 + 0.269X_3 + 0.145X_4$$

Where:

Y = Employee engagement

X₁ = Compensation

X₂ = Benefits

X₃ = Professional development.

X₄ = Work environment

5.0 SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.1 Summary of Findings

The first objective of the study was to determine the effect of compensation on employee engagement in Bamburi Cement Limited. Regression results revealed that compensation had a positive and significant effect on employee engagement at Bamburi Cement Limited. This means that an increase in compensation led to an improvement in employee engagement. Findings showed that when employees are well remunerated, they became more engaged and that variable pay motivates them to achieve more. The study also revealed that employees strongly felt that a well designed incentive/package would drive them to be motivated and deliver more and that a competitive salary would enable the organization to recruit and retain talent. The symbolic meaning of money concerns how power as a result of money is viewed by society. In job situations, pay drives when it is seen to recognize and encourage a certain behaviour in relation to performance and is seen as fair and equitable.

The second objective of the study was to establish the effect of benefit on employee engagement. Regression results revealed that benefits had a positive and significant effect on employee engagement at Bamburi Cement Limited. This means that an increase in benefits led to an improvement in employee engagement.

The third objective was to investigate the effect of personal and professional development on employee engagement. Regression results revealed that personal and professional development had a positive and significant effect on employee engagement at Bamburi Cement Limited. This means that an increase in personal and professional development led to an improvement in employee engagement.

The fourth objective was to determine the effect of work environment on employee engagement. Regression results revealed that work environment had a positive and significant effect on employee engagement at Bamburi Cement Limited. This means that an increase in a better work environment led to an improvement in employee engagement.

5.2 Recommendations

The study recommended Bamburi Cement limited maintain and enhance formulation, and implementation of policies concerning compensation. A competitive pay increment is recommended to drive employees to deliver more and to be engaged. A recommended competitive salary would enable the organization to recruit and retain the talent it needs. Employers are continually challenged to develop compensation policies that will enable them to attract and satisfy their employees. The use of financial incentives in work performance is based on reinforcement theory which focuses on encouraging a certain behavior to achieve a certain target and the result is pay as money drives employees. It is important to carry out salary surveys as well as involve staff representative in the decision making process to ensure that all parties benefit from the process.

The study recommended Bamburi Cement limited that employees be allowed to choose available benefit package based on what they value most at different life stages. Employees have many needs all of which are continually competing against each other hence important to analyze different socio-demographic issues of the population to guide on the acceptable benefits that add value. To become more competitive, the organization must focus on every factor affecting their performance including the human factor with the goal of having in place a high performance workforce. The management can review which benefits do not have value addition and replace them with what employees seem to embrace more. This means that more resources will be driven where it is needed and reduced where it is not needed.

The study recommended Bamburi Cement limited to enhance performance management system that allow for progression/growth in career. Developmental assignments, along with support from direct and senior management, have the strongest positive relationship with organizational commitment as compared to other development practices of coaching, mentoring and training. By providing avenues for staff to increase their skills, knowledge and expertise, the organization demonstrate that they value their staff. This in response, impacts on the esteem of the employee causing them to be committed and become engaged.

The organization should create an engaging environment by supporting contributions from employees by listening to them and responding to their ideas and concerns. Even if formal rewards and recognition programs are in place, many employees are hungry for more day-to-day informal recognition. Employees tend to remember a single pat on the back from a co-worker or boss for long and creates strong partnerships. The study recommends that management creates a recognition program where employees are recognized and formally appreciated for achievements. It also recommends for a training program for all managers on how to appreciate, and or recognize staff with the ultimate goal of improving staff morale and motivation. It is also recommended that flexi-time be something that management can formally recognize and utilize to ensure employees can also attend to their personal life matters as well as contribute to the organization. This builds commitment since employees are more relaxed.

5.3 Conclusions

The study concludes that compensation, benefits, personal/profession development and work environment have an effect on employee engagement in Bamburi Company Limited. The study concluded that performance management systems should be tailored to the specific needs of each organization and reward systems that enhance employee performance, motivation and retention, creating a contemporary and complete performance and reward framework as it is critical for the success of an organization. There is no total reward 'silver bullet' that if fired, employees will be automatically engaged. Employee engagement and its links to reward need defining and understanding in each organizational setting. By paying greater attention to how total reward might be designed to fit the needs and character of employees, this research is in support that total reward provides some potential to build both higher levels of extrinsic and intrinsic motivation and higher levels of employee engagement.

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