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ROLE OF MOTIVATION ON EMPLOYEES' PERFORMANCE: A CASE OF KENYA COMMERCIAL BANK IN WESTERN REGION

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Abstract

Strategic motivation is key for the functioning of any organization; employees who are motivated are most likely to give their best which will lead to improved performance of the company while employees who are less motivated are likely to perform below set standards. In developing countries such as Kenya with working conditions not very attractive, demotivated employees consist a large percentage. Based on the facts above, this study assessed the role of motivation on employee performance: a case study of KCB Bank Kenya Limited. Data was sourced from KCB Bank Kenya Limited employees in western Kenya region, websites, publications and annual reports. The researchers employed qualitative techniques as well as quantitative techniques such as stratified sampling. Data for the study was collected using questionnaires while content analysis was used to analyze the data that was collected from the field. During the study, descriptive research design was used and the study targeted a population of 781 employees working in KCB Bank in Western Kenya. By using Stratified and random sampling the researchers came up with a sample size of seventy (78) respondents. The results of the study indicated that strategic employee bonuses, strategic employee promotions and strategic employee recognition indeed enhanced employee performance significantly. Most employees felt that the bank had not embraced the above strategies fully and some employees felt left out of the current schemes/strategies implemented by the bank. As regards strategic employee staff bonuses, it was evident that beyond doubt it enhanced employee performance in the bank. Managers thus need to grasp the key components of strategic staff bonuses. It is only by grasping this concept that they can bring about continual high performance in their workers. On strategic employee promotions, the study gave valuable insight on the influence of strategic employee promotions on employee performance. Managers need to provide growth opportunities in order to better motivate today's workers. In addition, strategic employee promotion, strategic employee recognition and strategic employee staff bonuses were key effective motivators. The research recommends that management should provide employees with opportunities for promotions implement various forms of employee recognition and improve its employee bonuses schemes.

Keywords: employee staff bonuses, employee performance, employee promotions, employee recognition, Kenya

INTRODUCTION

Businesses in Kenya today are facing a number of challenges that have threatened their competitive positions. Drastic changes in the competitive market environment especially in the competitive banking sector have made Human Resource function role to change and HR now plays a strategic role for the success of organizations. Institutions that do not commit their energy, time and efforts in attracting and retaining top level talents find themselves in a worse position as opposed to their peers as their competitors outdo them in employing their human resources strategically for the success of their businesses. More than ever before, both in the globally and local stage, competition has increased and hence for organizations to remain relevant they must become more adaptable, as well as resilient, more agile, and customer-focused to succeed. In addition, with the changing dynamics over time in the business environment, the Human Resources has to adapt with time to become a strategic partner, a champion and supporter of employees and their welfare as well as a change mentor within the organization(Cole, 2004). So that success is achieved, HR must be a business driven function with a deep insight into the company's vision and have the capacity to effect major decisions and policies. Generally, the focus of today's HR Manager is on strategic personnel retention and development of talent. Motivation is an invaluable aspect and important instrument managers have for inspiring the employees. By motivating the employees, management creates 'desire to work' which is necessary for the achievement of organizational goals (Chhabra, 2010).

Employee dissatisfaction and work related attitudes have reached high alarming levels in the world. In most developing countries Kenya being one of them where working conditions are less not the best the situation is wanting. This research sought to find out how motivation can meet the challenges of workplace diversity such as employee satisfaction, how organizations can properly motivate their work force through proper management of their human resources which will ultimately lead to increased profitability for the banks and increased efficiency in banks (Halepota, 2005).

Guest and Conway, (2005) suggested based on a survey on employee welfare and emotional convention that managers who failed to motivate and improve the performance of employees under them are the primary causes of motivational challenges in public organizations in Kenya. The saying that people leave managers, not organizations, suggests that the organizations concerned, failed to train managers responsible to understand the role they play in motivating people managing their performance effectively(Chhabra, 2010**).** Human resource in banks is facing a big challenge of pushing managers to motivate and develop employees. Increasing employee motivation is key to boosting work effectiveness and employee output that may be realized by making employees satisfied with their jobs and increasing employees' job-related well-being. Embraced, motivation leads to improved efficiency and profitability.

Statement of the Problem

In the view of Halepota (2005), motivation is key for proper functioning of any organization; demotivated employees will not do their best and the company’s performance would be at its best. This is evident in Kenya where in recently the banking sector has been hit with a number of challenges such as frauds from customers and staff, theft and mismanagement. The major question therefore is what contributes to this unfortunate situation in Kenya? Banks are also facing low staff productivity and high staff turnover amid increased competition among themselves and stretched targets for staff to achieve and some of them are collapsing while others are recording losses. Customers are also living in fear over the safety of their deposits. There are many factors that would have led to such situations; for instance some have argued that issues of motivation, incentives, political interferences, mismanagement and conflicts play a primary role. On the other hand, low salaries, low rent subsidies may have led to the situation. The low level staffs also complain of inadequate facilitation to their fieldwork. It is for this reason the research is carried out to find out the factors that could lead to such challenges. The major question that this research was concerned with was how employee performance could be enhanced against the number of motivational challenges in banks. The study therefore sought to establish role strategic motivation plays on employees' performance of Kenya Commercial Bank in Western region.

RESEARCH OBJECTIVES

General objective

To establish how motivation affects employee performance in KCB Bank Kenya Limited.

Specific objectives

The following objectives were used in this study:

i. To determine the effect of employee staff bonuses on performance in KCB Bank Kenya Limited.
ii. To assess the influence of employee promotions on employee performance in KCB Bank Kenya Limited.
iii. To establish the role employee recognition plays on employee performance in KCB Bank Kenya Limited.

LITERATURE REVIEW

Theoretical Framework

Douglas McGregor: Theory X/Theory Y

MacGregor propose two different theories, that is theory Y and theory X to explain the behavior of employees. According to Macgregor; manager's assumption about their employees can affect their motivation. This theory proposes two alternatives and different views to see the human being: Theory X managers believe that workers dislike their job and have little willingness to work. Thus, the managers have to come up with clear instructions and supervisions to make employees work. However, this leads to mistrust among employees. Therefore, according to Mac Gregor actions of employees have to be followed and those responsible rewarded, punished or penalized. Thus, theory X managers believe in the use of intimidation, threats to motivate employees. This theory creates a punitive atmosphere and workers are restricted and it limits creative thinking. This theory is relevant in disclosing the reasons behind staff who have

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resigned due to issues with management. The staff ably worked with specific managers but they were not able to work with others and therefore opted to resign.

Based on Theory X the employee is viewed as majorly negative, lazy, resistant to change and unlikely to motivate. Thus a controlled environment with strict rules, threats and punishments is produced. Effectively employees in an organization with such tend to perform less effectively, have low productivity and produce aggressions and conflicts (Bolman *et al.*, 1997).

Theory Y managers believe that employees can perform well in appropriate work environments. The theory suggests that employees can work, get job satisfaction from the physical and mental work they do. Workers are motivated to do a job to get that satisfaction that comes with successfully completing that job. It views employees as responsible people who don't need to be supervised but would rather take part in decision making and not be shadowed constantly. Theory Y is based on the employees' individual goals and efforts, the organization tends to give employees room for attaining individual goals and for personal growth and development through giving the employees enhanced job involvement and independence/autonomy. The employees, are thus viewed as positive with a big desire for individual growth. Thus, management strives to make the employee happy with their work and performance (Bolman *et al.*, 1997; Matteson 1999). Thus, these theories are good examples of a good positive approach of management, of developing an organization as well as how to improve an organization's culture.

MacGregor talks about two different kinds of employees, namely: lazy and ambitious employees. The lazy employees are represented by theory X while the hardworking and ambitious employees are represented by theory Y. Consequently, it's the role of the management to motivate the lazy employees to increase performance in the organization they serve. This is in line with Geogopalaus path Goal theory of motivation which indicates that if an employee sees high productivity as the way towards attaining his individual goals, he will pursue high productivity and thus become highly productive. On the other hand, if the employee thinks that low productivity leads to him attaining his own individual goals he/she will become a low producer who will thus need to be motivated.

Thus from the discussions on the various motivational theories above, it is evident that the concept of employee motivation has been an area of critical concern to the many authors who have researched on the subject and it also points to the fact that employee motivation forms the core competence of an organization's competitive position. Skinner who said that any behavior that is rewarded tends to be repeated was in support of this view. In recent times, scholars and researchers seem to agree that important string that distinguishes employee's motivated behaviors from other behavior is that it is goal directed behavior (Bindra; 2000)

Frederick Herzberg: Motivation-Hygiene Theory

It was in the year 1959 that Herzberg, Mausner and Snyderman did a research concerning motivation to work. These scholars picked similar companies located in Pittsburgh Industry area. After interviewing approximately 200 engineers and accountants working for those companies in

Pittsburgh successfully they developed a theory from this research concerning hygiene factors, which according to them were necessary for the employee to experience but do not motivate workers to work. Fredrick Herzberg’s theory proposed that job dissatisfaction and job satisfaction are autonomous of each other. The scholars revealed that there were motivators that mostly are intrinsic for example promotion, decision making, position of taking responsibility and well as employee recognition. These were deemed to motivate the work force to perform exemplary well

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Elsewhere, the researchers identified hygiene factors which though they did not lead to job satisfaction, their absence it was noted may lead to job dissatisfaction. A few examples of these factors included supervision, company policies and procedures.

The theory suggests that employees are not satisfied with low level needs such as salary, but rather high level needs such as self-realization, recognition and personal growth. Flexible company policies, opportunities for growth would motivate employees as suggested by Herzberg. Herzberg's theory is based on how the employees relate to their work environment. He argues that the intrinsic factors such as recognition do actually motivate employees while extrinsic factors only soothe or appease employees. According to him, there exists motivators on one hand and hygiene factors on the other. Thus, he said, that workers get motivated when they are more responsible for their work. He proposes that managers ought to give employee more authority over their work as well as give the employees direct and individual feedback to help motivate them and so that they connect with their work. (Wirralmet, 2007). In addition, Herzberg proposes that the work should have sufficient challenges to the employees that their full abilities are utilized. That is if the job is less challenging to the employee and the employee is not utilizing his full potentials, an employee with less qualification/skill should be given that job. (Shah and Shah, 2007).

However, empirical studies have shown Herzberg’s theory to have some weaknesses. Thus, other scholars and researchers based on separate studies have disagreed and opposed those theories. (Examstutor, 2007). It is even more problematic with Herzberg’s theory regarding those employees who do not show a particular interest in motivating factors such as career advancement and growth. (Dubrin, 2002).
In spite of that, Herzberg’s theory provides a unique approach towards worker motivation and it remains a key factor as a motivation theory(Dubrin, 2002).
Herzberg’s theory can be used in an organization for a manager who wants to motivate his/her employees. The manager would therefore for instance execute the following activities: compensate employees sufficiently, adopt company polies that are flexible and connect more with their employees. The manager, as well, would need to embrace employee recognition and give the employees specific opportunities to gain more experience, knowledge and skills.
Herzberg added on to the understanding of the difference between motivational and maintenance factors in job situation. Thus more people were able to distinguish between “motivators” and “hygiene factors”. He put it clearly that hygiene factors contributed no motivation to the employees, but the absence of these factors may lead to employee dissatisfaction. A few job

conditions would basically lead to dissatisfy employees when they are not provided, but their presence does not necessarily motivate employees significantly. In some instances, many managers think that such factors are motivators. These are called maintenance factors in job since they are beneficial so as to maintain an important standard of satisfaction among the work force. Among others these factors may include, organization policy and administration, technical supervision, interpersonal relations with supervision, interpersonal relations with peers, salary, job security and many more. On the other hand, motivational factors may include achievement, recognition, advancement, work itself and possibility of growth.

Herzberg theory and Maslow models were similar in a significant way. A deep look into Herzberg's model reveals that he suggests that some employees may have achieved a standard of social and economic progress that for them now higher level needs of Maslow (esteem and self-actualization) are the basic motivators. Such needs could be for example esteem and self-actualization.It is important to note that these employees still must satisfy the lower level needs for maintenance of their current state. Thus, as suggested elsewhere money might still motivate operative employees and some managerial employees (Chhabra 2010: p11.7-11.8)

Empirical Review

Extrinsic motivation is related to 'tangible rewards' such as bonuses and such rewards are often determined at the organizational level and may be largely outside the control of individual managers (Mullins 2005)

According to Ukaejiofo(2013) while researching on CreditWest Bank Cypress found out that almost 20% of employees would prefer cash rewards as an incentive to their performance. Bonus schemes have been one of the ways banks have used to offer incentives to employees. Ukaejiofo(2013) notes that though the strategy is thought of as sound, it has its advantages and disadvantages. For example, questions arise as to how employees will receive it and whether it befits the company. There is also need to highlight its benefits to employees and it may not necessarily be a long term solution to issues of employee performance.

In recent surveys bonuses are considered to be a positive strategy that can provide motivation; that may also increase employee's identification with a company and align employees with the operational objectives of the company. There are different types of bonus schemes. Profit sharing is a simple to formulate and rewards people equally without considering their individual performance. It has the advantage of bringing the feeling of 'working together'; however, hardworking employees feel that they are carrying the non-performers(Dubrin, 2002).

Scholars define Bonus Schemes as a form of bonus scheme builds trust between the employee and the employer and brings a sense of shared culture. In cases where teamwork and collective responsibility is essential, this form of scheme is most appropriate. However, in specialized organizations such as the creative industry it may discourage the performers. However, in large organizations, such a scheme may lead to high administrative costs and figures may not add up. Small amounts of bonuses may not meet the objective of motivating employees(Pettinger,2002).

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Individualized bonus schemes are normally practiced in commission based industries such as selling and employees are rewarded for meeting or exceeding their targets. This is done individually or sometimes within a small team. Research has shown that the advantage of this scheme is that it builds a performance based culture. However, it requires a high level of management and administration. Companies will pay varying bonuses based on the company's financial performance(Chhabra 2010.

Ukaejiofo(2013) states that surveys that have been conducted have indicated that a majority of respondents consider promotions to be a very important factor in job motivation. Today's knowledge workers also demand growth opportunities from their work place. These workers value new knowledge and skills. Companies that can provide these growth opportunities reap huge benefits of having a motivated workforce with improved skills. He also asserts that managers need to understand that challenging work and opportunities for growth go hand in hand. According to Lauren Cannon (2012) employees who feel that they had scanty opportunities for growth feel less motivated while those workers who feel they got opportunity for personal growth perform to their full abilities. Usually, before being promoted, the employee is subjected to interviews, screening and on the job training to ensure that they can handle the added responsibilities. A promotion can be in terms of designation, enhanced salary or other benefits. For instance, an accountant may be promoted to a principal accountant in the public service. As well, in other organizations promotions come with salary increases depending on the sector the employee is in. In other organizations, promotions come with other benefits such as being given a company car.

In most of the private sector, the senior management has the discretion to give promotions to employees without undergoing many procedures and screening. However, mostly in the public and in the academia employees undergo many procedures and screening to ensure that there is no bias.

Fredrick Herzberg (2003)suggests that employees who are awarded by a higher responsibility may feel more accountable and as such they aim and strive to meet the challenges of the new higher position in the organization they are in.

Surveys conducted by Sirota consulting firm in 2012 revealed that 51% of employees were satisfied with recognition after a job well done. The survey covered 89 countries across the world and involved two million, five hundred thousand people. Thus employee Recognition is an effective strategy of improving employee engagement and it can impact almost every aspect of the business in an organization. Studies have also shown that employee recognition leads to motivation, improves morale of employees and even leads to retention of employees. However, a poorly designed employee motivation program can lead to demotivated employees and an organization can lose even good employees.

According to (Pettinger,2002) a critical part of process of developing self-esteem and self-worth lies in the nature and levels of recognition accorded to the achievement of particular goals. The need to recognition itself therefore becomes a drive. Individuals tend to pursue goals that will be recognized and valued by those whose opinions and judgments are important to them: family, friends, peers and social groups, as well as work organizations.

Dissatisfaction occurs when this recognition is not forthcoming. (Pettinger,2002)

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Employee recognition can be top down where a superior recognizes employee contributions. In other cases, organizations celebrate employee appreciation day by holding events that recognize employees. Also, there is peer to peer recognition, managers and co-workers recognize employees.

METHODOLOGY

Research Design

This study used a research design that combines descriptive research and quantitative research. This is because information was collected using questionnaires from a sample of individuals. Quantitative research design was suitable for this study as the quantitative data obtained measured the strengths of the relationships between the independent variables and dependent variable. According to Babbie (2010) quantitative research designs is employed to establish the relationship between an independent variable and a dependent variable. The use of descriptive research design enabled to describe the relationship between employee motivation and employee performance, that is, how the independent and dependent variables interact with each other. It also helped in collecting information that was easily converted to quantitative data.

Target population

The target Population was all the 781 employees of KCB Bank Kenya Limited and management in Western Kenya Region.

Table 1: Target Population

Category of Staff	Target Population
Management	129
Supervisors	161
Clerks	385
Support staff	106
Total	781

Sampling Procedure and sample size

The probability sampling technique was used. To be specific the researcher used both stratified and random sampling to select the respondents, whereby stratified was used to group respondents into homogeneous group and then random sampling was used to select respondents from each stratum. A sample in a research study is that part of a population (group) from which information is obtained while sampling refers to the process of selecting individuals who will take part in a research study(Mora &Kloet, 2010). Sampling is used for research purposes where the target population is more than a hundred respondents. This study uses census method because the target population was less than the minimum a hundred respondents for sampling method to be adopted and therefore a sample size of 78 was considered. The sample size was 78 respondents which represented 10% of the target population. According to Kasomo (2007), when the population is above 1000, then 10% is representative.

Table 2: Sample size

Category of Staff	Target Population	Sample size
Management	129	13
Supervisors	161	16
Clerks	385	39
Support staff	106	10
Total	**781**	**78**

Research instrument

Questionnaires and interview schedules were issued randomly to the KCB Bank Kenya Limited staff. The questionnaires were formulated with both open and closed ended questions to enable effective data collection filled in the questionnaire. Each respondent was given enough time to respond to questions. Questionnaires totaling to 78 were administered to employees and interview schedules were used to collect information from key informants

Validity

Orodho (2009) defines validity of a test as a measure of how well a test measures what it is supposed to measure while reliability is a measure of how consistent the results from a test are. Validity is the degree to which results obtained from analysis of the data actually represent the phenomenon under investigation and reliability as the consistency in producing a reliable result. To enhance validity, the researcher exposed the instruments to experts in research for judgment. I used my supervisors to validate the questionnaires and interview schedules used in this research project.

Reliability

Reliability refers to the consistency that an instrument demonstrates when applied repeatedly under similar conditions (Kerlinger, 1978). The reliability of the research instruments was established by the researcher before analysis and consequent presentation. To assess the reliability of instruments, split-half technique was used. The research instruments were divided into two groups by placing all the odd-items together and all the even-numbered items together. The scores for odd–numbered sub-set were computed separately and correlated with the computed even-numbered sub-set. Data with a high split-half reliability had a high correlation coefficient of 0.8.

Data collection procedures

The questionnaire was administered using a drop and pick later method. Questionnaires were issued randomly to staff. The questionnaires were formulated with both open and closed ended questions in order to enable effective data collection filled in the questionnaire. The secondary data was obtained from the written materials which included journals, magazines, relevant past studies and other relevant books. This enabled the researcher to compare the data from the questionnaires with the written materials. This enabled effective data collection and analysis from the institution. The research did not involve research assistants. The researcher was solely 1involved in the research.

Data analysis and presentation

The data collected from the respondent was analyzed using content analysis. Content analysis is the systematic qualitative description of the composition of the objects or materials of the study. It involved observation and detailed description of objects, items or things that comprise the object of study.

This approach was more appropriate for the study because it allowed for deep, sense detailed accounts in changing conditions, thus the qualitative method was suitable for this research since this research was conducted within the environment where implementation initiative occurred.

All the quantitative data collected will be analyzed using the Statistical Package for Social Sciences (SPSS). The model below will be used in this study

$Y= \beta_0+ \beta_1+X_{1\,+}\ \beta_2+X_2+ \beta_3+X_3 + \beta_4+X_{4+}\ e$

Where

Y= performance in KCB Bank Kenya Limited.

X_1= strategic employee staff bonuses

X_2= strategic employee promotions

X_3= strategic employee recognition

$\beta_0\ \beta_1\ \beta_2\ \beta_3$ = regression equation coefficients

e= error term of the regression equation parameters

The variables will be assigned weights or Likert scale factors that will enable the researcher to establish the relationship between variables and related description of this relationship among the variables.

RESULTS AND DISCUSSIONS

Response Rate

The questionnaires were distributed to 78 respondents who are all employees of the KCB Bank in western Kenya region, from which sixty two (65) respondents responded and the questionnaires collected while three (3) were not returned. That represented 83.33% response rate which was considered good for the research. That response rate was representative and harmoniously conformed to Mugenda and Mugenda (1999) suggestion that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. The high response rate was possible due to proper co-ordination with the top management and employees of the KCB Bank and is adequate for analysis and reporting.

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Profile of Respondents

In this section, the demographic data of the respondents is clearly presented and the data thus presented was based on the respondents 'gender, age, level of education and their occupation.

Respondents' Gender

To establish the gender of the respondents, they were asked to indicate their gender.

Table 3: Distribution of Respondents Gender

Gender	Frequency	Percentage
Male	43	66.15
Female	22	33.85
Total	65	100.0

A large percentage 43 (66.15%) of the local members were female while 22(33.85%) of the respondents were male an indication that gender bias is an issue in financial institutions.

Classification of Respondents by Age

The information in table 4 shows the number of responses by age. From the table shown, most of the respondents 15 (20.07%) were aged between 18-25 years and 26-35 years which accounted for 19(29.23%) in both cases of the total respondents. This finding indicates that 24.61% are between 36-45 years. This shows that majority of the employees in KCB bank within the region were youths. The data shows that employees of the KCB bank are relatively young and hence deemed as energetic and hence could positively be involved in achieving the organization's strategic observation.

Table 4: Distribution of Respondents by Age

Age Group	Frequency	Percentage
18-25	15	20.07
26-35	19	29.23
36-45	16	24.61
46-55	10	15.38
Over 56 years	05	7.69
Total	65	100.0

Classification of Respondents by Level of Education

Table 5: Respondents' Education levels

Level of Education	Frequency	Percentage
Secondary Certificate	15	23.07
College Diploma	15	23.07
University Degree	25	38.46
Total	**65**	**100.0**

Table 5 shows that a big fraction of the respondents 25(38.46%) attained undergraduate degree level of education, 15(23.07%) of the respondents had secondary education and college diplomas while 10 (15.38%) of the members had a postgraduate university degree. The data indicated that most of the banks managers, supervisors and clerks had high level of education which could enable them contribute to their effective performance and productivity. The higher the education levels of an individual the better management of financial institutions.

Years Respondents have been working with KCB Limited

The study sought to establish the numbers of years respondents have been working with KCB Limited. Majority of the respondents that is, (38.46 %) have worked with the bank for 16 years and above. The remaining few (7.69%) have worked between the year ranges of 1-5 years. This means in any case that majority of the KCB bank employees are entitled to and have received strategic motivational packages in one way or the other if only it is awarded on the basis of time scale.

Table 6: Years Respondents have been working with KCB Limited

Experience (years)	Frequency	Percentage
1-5	05	7.69
6-10	10	15.38
11-15	20	30.77
16 and above	25	38.46
Total	65	100.0

The Designation of employees of KCB bank in Western Kenya

The findings on the designation of employees of KCB limited revealed four different titles and they are support staff, clericals, supervisors and managers/manageress. The respondents of the study consist of 13.39% managers, 20% supervisors, 38.46% being clerical staff and the remaining 10.7% support staff.

Table 7: Designation of employees of KCB bank

Category of Staff	N	%
Management	10	13.39
Supervisors	13	20.00
Clerks	30	38.46
Support staff	07	10.77
Total	65	100

Employee Staff Bonuses on performance in KCB Bank Kenya Limited

The study sought to assess the influence of strategic employee promotions on employee performance in KCB Bank Kenya Limited.

Whether employees receive bonuses from the KCB bank

The researcher sought to establish whether employees receive bonuses from the KCB bank. The findings are as shown in table 8

Table 8: Strategic employee Staff Bonuses

Staff Bonuses	Frequency	Percentage
Yes	43	66.15
No	22	33.85
Total	65	100.0

A large percentage of the respondents 66.15% indicated that they are given bonuses while 33.85% were of the contrary opinion. Most of the respondents expressed the concern that the strategic staff bonuses offered at the end of the year was not sufficient to the work they do and the amount given was on a downward trend. Majority of respondents were of the opinion that bonuses motivate them to perform at work.

These findings concurred with a study by Robert (2005) strategic employee staff bonuses are a cash reward method used to motivate employees to enhance their performance in the work that they do. The research revealed that strategic staff bonuses indeed affect employee performance. It calls for employers to offer competitive strategic staff bonuses in order to motivate their employees.

Perceptions of respondents towards the effect of employee staff bonuses on employee performance

The study sought perceptions of respondents towards the effect of strategic employee staff bonuses on employee performance. The results are as shown in table 9

Table 9: Effect of employee staff bonuses

Perceptions	Frequency	Percentage
Higher bonuses for management	30	38.46
Junior staff poorly motivated	13	20.00
Bonuses increase performance	10	13.39
Prefer all employee bonuses	07	10.77
Total	65	100

The study revealed that most of the respondents 38.46% were of the opinion that management staff receives relatively higher bonuses as opposed to the junior employees, thus the bonuses were skewed in favour of management staff. The junior category which formed the majority of the working population in the bank is either poorly motivated or not motivated at all. However, from the statistics that were available 13.39% of the respondents said that profit sharing bonuses in the bank would enhance their performance and would prefer it as a motivating factor. On the other hand, 10.77% of the respondents said that they prefer all employee bonuses and that they

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would enhance their performance and would prefer it as a motivating factor. Despite the large percentage of employees preferring this strategy, the bank does not practice it.

Table 10: Effectiveness of employee bonuses

Level of effectiveness	Frequency	Percentage
Very effective	10	15.38
Effective	25	38.46
Fairly effective	15	23.08
Ineffective	12	18.46
Not sure	03	6.61
Total	65	100.0

The respondents were asked whether individualized strategic bonuses were effective in enhancing employee performance. Majority of the respondents 38.46% said that individualized staff bonuses as practiced in the bank was effective their performance and would prefer it as a motivating factor, 23.08% said that it was fairly effective, 18.46% said it was ineffective and only 15.38% were of the opinion that it was very effective. The findings further indicated that KCB branches in Western Kenya practiced individualized employee bonuses whereby strategic staff bonuses are paid according to staff performance ratings of their balanced scorecards. Those with a higher rating are paid higher bonuses while the poorest performers in the balanced scorecards do not receive any bonuses.

It was also noted during the research, that managers' pay increment was pegged on their performance in the yearly balanced scorecard ratings. Wilson (1994), argues that the performance management process is one of the primary elements of the total reward system. It is the process that impacts performance between wages or salaries and provides the basis on which individual results are measured and calculated.

The respondents were asked to state what will make them stay in their current job. The findings are as shown in table 11

Table 11: What will make employees stay in their current job

Response	Frequency	Percentage
Further training opportunities	15	20.07
Compensation and monetary rewards	19	29.23
Promotion to higher positions	16	24.61
Stability of my work	10	15.38
Potential growth in the organization	05	7.69
Total	65	100.0

The findings indicated that majority of the employees 29.23% there continued stay was because of compensation and monetary rewards, 24.61% was due to Promotion to higher positions, 20.07% due to further training opportunities, 15.38% due to stability of my work and lastly 7.69% potential growth in the organization.

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Influence of employee promotions on employee performance

The second objective was to establish influence of strategic employee promotions on employee performance.

A good number of the respondents agreed that strategic employee promotions would sufficiently enhance their performance and they prefer the strategy as a means of motivating them.

Whether employee promotions influence employee performance

The study sought to find out whether strategic employee promotions influence employee performance. The findings are as shown in table 12

Table 12: Whether employee promotions influence employee performance

Response	Frequency	Percentage
Yes	43	66.15
No	22	33.85
Total	65	100.0

It was established that a large number 66.15% had been promoted and it sufficiently enhance their performance while 33.85% of the respondents said that they have never received any promotion. Most employees believe that promotion to a higher position would sufficiently enhance their performance and they prefer the strategy as a means of motivating them.

Also a higher salary would sufficiently enhance employee performance according to the research. 83.3% of the respondents agreed that a higher salary would sufficiently enhance their performance and they prefer the strategy as a means of motivating them.

As well, increased benefits would sufficiently enhance employee performance. This was supported by the fact that 83.3% of the respondents agreed that increased benefits would sufficiently enhance their performance and they prefer the strategy as a means of motivating them.

Extent to which employee promotions influence employee performance

The study sought to establish the extent to which of strategic employee promotions influence employee performance. The results are as shown in table 13

Table 13: Extent of employee promotions

Response	Frequency	Percentage
Very great extent	15	20.07
Great extent	19	29.23
Moderate extent	16	24.61
Less extent	10	15.38
Not sure	05	7.69
Total	235	100.0

The study found that strategic employee promotions were of importance in their performance and this was evident in how the respondents rated this factor. 20.07 % said employee promotions influenced their performance to a very great extent, 29.23% indicated that employee promotions influenced their performance to a great extent, 24.61% of the respondents indicated that strategic employee promotions influenced employee performance to a moderate extent, while 6.8% of the respondents indicated that strategic employee promotions influenced employee promotions to a less extent and lastly 6.0% were not sure. These findings reveal that strategic employee promotions influence employee performance to a very great extent.

Interviews with key informants indicated that currently in the bank, employee promotions are done based on the number of years' staff have worked in one cadre as well as a higher performance rating in the employee balanced scorecard improved chances of promotions. Promotions based on the number of years an employee has worked, the respondents said, discouraged especially young employees such as clerical staff who had to work for at least five years to be promoted to the next level.

The KCB bank employees would like to be promoted to ensure continuity and survival of the operations. This is in agreement with a similar study in Pakistan by Kalim Ullah Khan (2010) that study looked at rewards and motivation of employees in commercial bank. In the study, majority of the employees selected payment as the first motivation package which can affect their performance in the bank in Pakistan. This is true as in case of KCB bank in western Kenya region. Wilson (1994), argues that the performance management process is one of the primary elements of the total reward system. It is the process that impacts performance between wages or salaries and provides the basis on which individual results are measured and calculated.

Employee Recognition and performance

The study sought to establish whether employees of KCB bank in Western Kenya are recognized for their work. The results are as shown in table. 4.12

Table 14: Employee Recognition

Recognition	Frequency	Percentage
Yes	15	23.08
No	40	61.54
Not sure	10	15.38
Total	65	100.0

The findings show that majority of the respondents 23(61.54%) were not being recognized in their work, 15(23.08%) had received recognition and only 22(33.85) % of the respondents said there were not sure if they have ever been recognized at their place work.

The findings on strategic employee recognition is one of the three types where employees can be recognized from the top, by their peers and a day can be set aside to appreciate all employees. Generally speaking, recognition for work done is an internal form of motivation that provides an individual a sense of direction and appreciation (Nel et al, 2001). The respondent's perceptions are supported by Vroom (1964) who suggests that recognition leads to efforts and the efforts combined with employees' ability determine performance. This performance in turn leads to various outcomes.

Effect of Employee Recognition on employee performance

The study sought to rate the perceptions of respondents regarding the effect of strategic employee recognition on employee performance. The results are as shown in table 15

Table 15: Effect of Employee Recognition

Effect of Employee Recognition	Frequency	Percentage
Very High	11	24.44
High	06	13.33
Moderate	23	51.11
Low	03	6.67
Very Low	02	4.44
Total	45	100.0

The findings indicates that effect of strategic employee recognition in KCB bank within western Kenya were satisfactorily on employee performance. Majority of respondents, 51.11%, felt that effect of strategic employee recognition was to a moderate extent. Close to this group was another of 24.33% who regarded the effect as very high. To a higher extent, however, there were 13.3% high, 4.4% very low and 6.67% low. The findings are consistent with Worman (2008),in his article motivating employees without raising their pay confirmed that, employees are not motivated by money alone but when they accomplish something, they believe recognition from management is a good appreciation for that achievement. He further added that management hardly gives recognition because of insufficient financial resources. It is natural in an organizational setting for co workers see a colleague being applauded for the good job done; they will also work hard to get the same reward. It should not be seen as a negative challenge rather a positive one that will enhance performance.

Recognition strategies employed by the KCB bank

The study sought to established recognition strategies employed by the KCB bank. The results are as shown in table 16

Table 16: Employee Recognition strategies

Strategies	Frequency	Percentage
Top down Recognition strategy	40	61.54
Peer to Peer recognition	10	15.38
Employee appreciation day	15	23.08
Total	65	100.0

Majority of the respondents 61.54% indicated top down employee recognition strategy enhance employee performance. They were of the opinion that top down employee recognition would sufficiently enhance their performance and they prefer the strategy as a means of motivating them.

Further, the study revealed that 15.38% of the respondents were of the opinion that peer to peer recognition strategy enhanced employee performance. They agreed of the respondents said that peer to peer recognition was employed in enhancing their performance and they prefer the strategy as a means of motivating them.

It was also established that employee appreciation day was one of the strategy for employee recognition. Employee appreciation day would sufficiently enhance their performance and they prefer the strategy as a means of motivating them 4.4.5: Ranking the most valued recognition strategies

The respondents were asked to rank the preferred recognition strategies in their organization. The findings are as indicated in table 17

Table 17: Ranking the most valued recognition strategies

Valued recognition strategies	Frequency	Percentage
Development opportunities	32	62.22
Time off with Pay	12	17.78
Employee Award	14	13.33
Years of Service Awards	06	4.44
Appreciation of work done	05	2.22
Total	65	100.0

Research data show that development opportunities were most valued at 62.22% as a time off with pay preferred at 17.78%. Employee award and years of service awards were additionally used at 4.4 % and 13.33% respectively, while Appreciation of work done was least preferred at 2.22%. The bank practiced top down employee recognition where staff who had performed well were given awards such as branded merchandise as well as recommendation letters. However, it was noted that such recognition was not consistently done across the branches. Thus, the respondents urged all managers to embrace employee recognition. As well, the respondents said that there are staff who were top performers but had never been recognized which discouraged them.

Multiple Regression Analysis

The researcher sought to establish whether there was a significant relationship between the strategic motivation (independent variables) and the employee performance (dependent variable). In this regard, the researcher used multiple regression analysis model to determine whether there was a significant relationship between variables.

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Table 18: Multiple regression analysis of various variables used in this study.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	.556[a]	.310	.296	.608

a. Predictors: (Constant), Employee Recognition, Employee Promotion, Employee Staff Bonuses

The findings in the table above indicated, the model had R=556. This meant that motivation had a positive effect on employees' performance in KCB Bank Western Region.

The findings further revealed R Square of .310, which was adjusted to .296. This indicated that 31% of employee performance can be explained by motivation while the remaining 69% can be explained by other factors outside this study.

Table 19: ANOVA

Model:		Sum of Squares	df	Mean Square	F	Sig,
	Regression	25.165	3	8.388	22.718	.000[b]
1	Residual	56.125	152	.369		
	Total	81.290	155			

Dependent Variable: Employee Performance.

Predictors: (Constant) Employee Recognition, Employee Promotion, Employee Staff Bonuses The findings of the study indicated F=test value of 22.718, P<0.05. This meant the overall regression model was fit. This finding showed that role of motivation had a significant effect on employees' performance.

Table 20: Regression Coefficients

Model:		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	1.542	.303		5.086	.000
	Employee Staff Bonuses	.262	.103	.268	2.554	.012
1	Employee Promotion	.230	.099	.240	.2.312	.022
	Employee Recognition	.111	.083	.117	1.332	.185

a. Dependent Variable: Employees' performance

$Y=1.542+.262X_1+.23X_2+.111X_3$

The regression coefficients tables showed that holding other factors constant, employees, performance was 154.2%. Employee staff bonuses caused variation in employees' performance by 26.2% and the relationship was significant (P<.05), Employee promotion caused a variation of 23% and the relationship was significant (P<.05), and employee recognition caused variation in employees' performance by 11.1% but the relationship was insignificant (P>.05).

The findings indicates that there is a high significant relationship between strategic employee staff bonuses and employee performance with (with t statistic p value<0.002 <0.05). This indicates that strategic employee staff bonuses has an impact on employee performance. The findings also indicate that there is a significant relationship between strategic employee promotions and employee performance (with t statistic p value<0.003<0.05), strategic employee recognition variable was found to have a significant relationship with the employee performance (with t statistic p value<0.0035<0.05). Therefore in essence, strategic employee staff bonuses, strategic employee promotions and strategic employee recognition have influence on the employee performance in KCB in Western Kenya.

CONCLUSIONS AND RECOMMENDATIONS

Summary of Findings

The questionnaires were distributed to 78 respondents being manpower employed or working for the KCB Bank in western Kenya region, from which sixty two (65) respondents responded and the questionnaires collected while three (3) were not returned. This high response rate was achieved as a result of proper co-ordination with the top management and employees of the KCB Bank. This response rate is adequate for analysis and reporting.

Effect of employee staff bonuses on employee performance in KCB Bank

The number one objective was to determine the effect of strategic employee staff bonuses on employee performance in KCB Bank Kenya Limited. Most respondents expressed the concern that the strategic staff bonuses offered yearly was not sufficient to the work they do and the amount given was on a downward trend. A bigger fraction of respondents were of the opinion that bonuses motivate them to perform at work.

A bigger percentage was agreeable that strategic employee bonuses indeed enhanced employee performance. On average, respondents favored strategic employee staff bonuses as a means of motivating them. The bank practiced individualized staff bonuses where staff were awarded bonuses according to their balanced scorecard yearly performance ratings. From the findings, profit sharing bonuses was rated highest as influencing employee performance and with such ratings the bank ought to consider it as part of their strategy in influencing employee performance. It was also noted that union sable employees did not receive any bonuses due to a labor dispute despite the significant role bonuses play in motivating them and the staff major contribution to the favorable performance of the bank in terms of profitability and service. This had resulted in a dip in the employees' motivation, thus there was need for management to act swiftly to resolve the dispute.

Influence of employee promotions on employee performance in KCB Bank

The second objective was to assess the influence of strategic employee promotions on employee performance in KCB Bank Kenya Limited. Regarding the effect of strategic employee promotions, on average most of respondents felt those strategic employee promotions would sufficiently influence their performance. The bank promoted its staff; however, there were staff members who had stayed in the same cadre as clerical staff or level of management for a long period ranging up to 20 years. Most of those, according to the study and considering the significance of strategic promotions would sufficiently be motivated if they were promoted.

It was established that majority the respondents had been promoted and it sufficiently enhance their performance while some of the respondents said that they have never received any promotion. Most employees believe that promotion to a higher position would sufficiently enhance their performance and they prefer the strategy as a means of motivating them.

Also a higher salary would sufficiently enhance employee performance according to the research. Most of the respondents positively identified with the fact that a higher salary would sufficiently enhance their performance and they prefer the strategy as a means of motivating them.

As well, increased benefits would sufficiently enhance employee performance. This was supported by the fact that 83.3% of the respondents agreed that increased benefits would sufficiently enhance their performance and they prefer the strategy as a means of motivating them.

Interviews with key informants indicated that currently in the bank, employee promotions are done based on the number of years' staff have worked in one cadre as well as a higher performance rating in the employee balanced scorecard improved chances of promotions. Promotions based on the number of years an employee has worked, the respondents said, discouraged especially young employees such as clerical staff who had to work for at least five years to be promoted to the next level

Influence of employee recognition plays on employee performance in KCB Bank

The study also established that strategic employee recognition influenced employee performance. Majority of respondents on average would sufficiently be motivated through employee recognition that is through either top down employee motivation, peer to peer recognition and employee appreciation day. It was noted that the bank sporadically rewarded its top performing employees through awards, for example snap awards, trips both local and international and giving them merchandise. However, there were staff who had never received any recognition despite having consistently been top performers at some levels. They thus felt not appreciated and were not motivated enough.

The findings on strategic employee recognition is one of the three types where employees can be recognized from the top, by their peers and a day can be set aside to appreciate all employees. Generally speaking, recognition for work done is an internal form of motivation that provides an individual a sense of direction and appreciation.

Conclusions

The conclusions that were made matched the findings discussed above and reflected the responses given by the respondents. They were based on the independent variables of the study that were; strategic employee staff bonuses, strategic employee promotions and strategic employee recognition. As regards strategic employee staff bonuses, it was concluded that indeed it enhanced employee performance in the bank. Managers thus need to grasp the key components of strategic staff bonuses. It is only by grasping this concept that they can bring about continual high performance in their workers.

On strategic employee promotions, our research gave us some valuable insight on the influence of strategic employee promotions on employee performance. Managers need to provide growth opportunities in order to better motivate today's workers. Without these opportunities for promotions, employees may not see the need to perform highly at work. Most employees at the clerical cadre were willing to get promotions to managerial positions, as well as those in managerial positions wanted to move from one level to the next.

We also concluded from the study that strategic employee recognition acted as a major factor boosting employee performance and that it is an effective motivator. Employees wanted and needed to feel that their contributions made a difference and strategic employee motivation was one way that would have satisfied those wants and needs.

Our research confirmed that the use of strategic employee promotions and strategic employee recognition can be very effective way to motivate employees, and the largest group of respondents agreed with the statement. In addition, when it comes to bringing out the best in employees, strategic employee promotion, strategic employee recognition and strategic employee staff bonuses were key effective motivators

Recommendations

Management needs to reward workers properly since it will motivate them to do a better job. The following recommendations will thus help to create a conducive environment for workers to perform in their work place.

There was need for the management at KCB Bank Limited to better their strategic employee bonuses schemes. For instance, an employee who had exceeded his/her performance targets by far, could be given bonuses of a relatively higher margin than the employee who has not met performance targets. Thus, the employee who has not met performance targets will strive to exceed the targets the following year, quarter or month.

From the analysis of the data gathered on the study, strategic employee promotions were found to be a major boost to employee performance. The research therefore recommends that the banks management should provide opportunities for promotion of employees. When employees will be expecting to be promoted, they will be committed to work and productivity will increase.

The study also revealed that strategic employee recognition is a major factor that boosts employee performance. A good employee recognition strategy would therefore contribute to motivate workers to offer their best. The researcher therefore recommends that management should implement the various forms of employee recognition yearly or quarterly to recognize top employees. The management should try and ensure that employee recognition is timely and focused on individual achievements by making recognition a priority utilizing the formal and informal methods.

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