Effects of Rewards Strategies on Employee Performance of Farm Concern International, Kenya

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ABSTRACT

The ability to offer fair reward is vital to management if they are to attract, motivate and retain their good employee performance. Farm Concern International (FCI) has been operating different reward system to its employees in different programmes. This has resulted in low overall performance. In order to increase overall performance, FCI management adopted a new strategy of a central reward system where employees were rewarded uniformly. However, the effect of this reward strategy on employee performance has not yet been documented. Therefore, the study's general goal was to identify the effects of rewards strategies on the performance of employees in FCI. In particular, it sought to establish the effects of monetary rewards, non-monetary rewards, promotion schemes and recognition on employee performance in the organization. The study was guided by three theories namely; the Maslow's Hierarchy of Needs, Expectancy and Equity Theory. The researcher targeted FCI employees who are categorized as senior staff, middle-level staff and the support staff. Case study design was adopted for the study that also targeted 152 employees of FCI. The census technique was used due to the small study population. The data was collected using pretested questionnaires that contained both open ended and closed ended items. Data was analyzed using descriptive and inferential statistics aided by Statistical Package for Social Scientists (SPSS) version 22.0. The findings revealed that, first, most employees were not content with their pay and also there was uncertainty on whether the current monetary rewards in the firm led to improved employee performance. Second, it was revealed that the non-monetary rewards being employed in the firm were favorably received and were spurring employee performance. It was also established that the promotion schemes in the firm were instrumental in improving employee performance. Lastly, it was established that recognition strategies as currently practiced in the firm were having a considerable outcome on employee performance. The study recommends that management should adopt performance-based pay, by compensating employees based on their productivity and job performance which is expected to motivate employees more and to align their behaviour towards improving performance and output. The study also recommends that training should be offered to employees to transfer information from the experts to the employees so as to enhance knowledge, attitudes and/or skills, which as a result would enable the employee to better perform a current task or job.

Key Words: *Rewards Strategies, Employee Compensation, Employee Performance, Farm Concern International*

1. INTRODUCTION

Most employers have attempted to adequately reward their employees for services rendered. However, rewards vary greatly in content and size across the countries and this partly explains why in some countries there arise disagreements between management and employees. According to Armstrong and Brown (2009), reward management revolves around preparation and execution of policies and strategies that aim to be aligned along with the organization values that are channeled towards fair reward system, with equity and in agreement with reliability. The maintenance of reward practices and various designs as well as their implementation allows one to review motivation by evaluating each employee performance and how it assists an organization to improve its position. Therefore, reward management revolves around strategies that are established to promote salary increment, management of payment and its structure as well as the benefits that are allocated to an employee as a recognition method.

Reward is a return for a service rendered, an act performed to strengthen approved behavior and equates to achievement. There are monetary rewards which covers the basic need of survival, a feeling of stability and consistency and acknowledgement. These are the basics of Maslow's Hierarchy of needs, these are the lower level needs. Non-monetary benefits, however, are in most cases individual in nature and psychological rewards for self-efficacy, competence. They are associated with the feeling of enjoyment after a successful completion of a challenging task, social interactions and even enjoyment found in the workplace and are considered higher level needs in the needs hierarchy (Bratton.et al 2007). Organizational policies and practices that are based on employee reward assist in motivating and thereby contributes to employee retention which is an additional benefit to the company. However, if employees are not rewarded constantly, they tend to be demotivated and this can have a great impact on retention rate of employee's commitment and their performance at the workplace. From a broad perspective, performance can be interpreted as the end-point of various elements within the workplace environment. Performance is therefore a multi-faceted aspect involving a close interaction of various factors including working conditions, supervisory inputs, compensation, workers satisfaction and status. In this regard, performance is a result and not necessarily a cause it is itself.

Pierce (2000) is of the view that performance is always a function of motivation and ability. Motivation comprises what drives employees to like and to perform their duty with ease and rewards been a significant role. Today, businesses implement strategic management of their operations with the view of improving performance in other departments that is sales, accounting, finance, and marketing. In a world where change cannot be prevented, organizations need to be flexible so as they can respond to any change. A growing drawback for all employers, however, is the need to find and attract the best employees; this includes offering a competitive wage. According to Bishop (1987), a reward system implemented in an organization is significantly influenced by pay which also affects employee performance but all these depends on the organizational structure and size. Due to the competitive nature of the working environment, organizations seek to achieve a sustainable balance between performance, loyalty and commitment of their employees. Reward aims at providing a flexible and cost- effective means of providing rewards fairly between the good and poor performers. There has been controversy in the same due to subjectivity associated with a rating of individual employee performance.

Armstrong (2007) identifies two types of rewards including non-monetary and monetary. From his perspective, employees are motivated through bonuses as a form of monetary rewards to continuously commit their efforts to the organization to meet their daily needs. Allowance: they are the benefits that employees benefit for the employer. This is achieved when one is working; allowances may include house allowance, car allowance, and medical allowance. Therefore, allowance is given to an employee by an employer as a short-term appreciation for improved performance, and achieving organizational goals. Salary increment: on the other hand, may happen systematically after a specified period of time, improved academic qualifications, attainment of new skills from training, or after promotion and is therefore associated with recognition for employee hard work. Monetary rewards are therefore important in motivating employees to develop their competence and skills as it helps the organization to increase employee's performance.

Non-monetary rewards involves the benefits that a company might offer to employees to influence their good performance at work place. Cosby (2001) states that people do not work for money. They go to work for it, but once the salary has been honored, their concern is appreciation. Non-monetary rewards are a good tool for motivating the employees; they help build employee and employer respect, loyalty and can maintain good employees. Non-monetary include; training the employees in the organization on the new technology to perform their duties. Career development the organization may offer to educate the employee so that they may be able to perform better in the organization. Also through recognition of employees who have perform well in the organization. Rewards can be powerful motivators and significant interventions for improving employee performance and satisfaction (Armstrong, 2010). The purpose of employee reward practices and policies is to help attract and motivate high qualified people. Getting it wrong can result to negative results on the performance, commitment and morale of employees. Rewarding workers by the employer as a result of increased performance can give the workers an incentive to perform better and become more productive. Due to A good reward system improves attendance and can also result to non-absenteeism in the workplace. Improve retention that increases employee engagement and improve attitude toward the organization.

According to Appleby (1994) promotion provide an employee with an improved status. If promotion is done from within, it can likely bring about good performance. Promotion from within, places high value on the importance of the organization on employees and if properly done will strengthen employee morale. In most instances, the promotion comes with higher benefits which attracts higher societal status as well as privileges and as such could motivate the employee. Job opportunities are not necessarily evaluated by employees on the basis of pay but also on consideration of other potential benefits of working with the organization such as career advancement opportunities, promotion and professional growth. Putting into consideration that different organizations have their ways of designing their rewards system, it becomes a crucial activity for an organization to ensure that it has the best reward system. This is important in order to avoid being outdone in today's competitive world in terms of attracting the best employees and hence enhancing performance.

Performance-based reward systems are always considered as being the most effective in enhancing productivity, however, they are also marred with challenges since performance is for the most part relative and set performance standards might not always match with employees' capabilities. Performance is affected by the rewards that the employee gets. In a situation where rewards are present and they are given to the employee accordingly, then there are chances of performance improvement being very effective in comparison to a situation where an employee receives less or no rewards. The reward package differs from one organization to the other depending on the level or even the activities of the organization. For example, organizations dealing with sales and marketing are likely to include commissions as one of their benefits while those involved in production may tend to exclude commissions from their compensation package (Armstrong, 2007).

One objective of organization is profitability. The success of the organization depends on the employee's performance and one of the most effective ways to increase business performance and profits is to increase the performance improvement from the lowest level of employees in the organization to senior management by creating a well-rounded approach of reward system to all employees (Al-Ahmadi 2009). Puttrif and Robhrer (1995) explain that employee performance is defined as it focuses directly on the employee output by assessing the number of units of acceptable quality produced by an employee in manufacturing environment within a specific time period. Rewarding employee performance is an important tool in motivating employees via influencing their behaviour and attitudes. Moreover, both monetary and non-monetary benefits have an essential role in appealing to the employment of new employees and th retention of quality ones into the organization's workforce. It would be plausible for the management to include bonuses which are linked to various performance measures, recognition of high-performing employees, according them higher status as well as assigning the employees more responsibility (Armstrong, 2010). Eventually, when employee performance and reward system is managed effectively, the organization's objectives, missions, and strategic plans will correspond with individual employees'' objectives. Furthermore, through the use of results, behaviors and actions identified during a performance appraisal, the organization will be in a better position to set clear performance expectations and objectives.

2. STATEMENT OF THE PROBLEM

The ability to offer fair reward is vital to the management if they are to attract, motivate and retain good employees and encourage high performance. Local studies on rewards such as Njagi (2003) who conducted a survey of the application of reward management principles in the Kenyan Commercial Banking Industry and Orlale-Njenga (2008) who carried out a study on employee reward management practices in the Kenya Local Government Sector the case of the City Council of Nairobi have indeed linked rewards with employee performance. Particularly, non-monetary rewards were found to lead to motivation and effectiveness of the workforce while non-monetary rewards contributed largely to job satisfaction. However, these studies did not have an in-depth look at the circumstances surrounding the reward system and the strategies used to address them. Moreover, the studies did not examine the effects of the reward strategies on employees' performance. In the case of Farm Concern International, Kenya, operating a differential reward system where it subjects its employees in different reward programmes has been suspected to result in low employee performance. In programmes where reward systems were better, the employees were reportedly motivated resulting to good performance. On the contrary, employees in low reward programmes appeared not to be motivated and performed poorly. Therefore, in order to increase overall performance, the management of FCI replaced the differential reward strategies with a central reward system where employees were rewarded uniformly. However, the result of the new strategy has not been well documented and as such it was unclear whether the centralized reward system had any effect on employee performance. This, therefore, motivated the need for the present study to examine the effects of rewards strategies on employee performance focusing on Farm Concern International, Kenya.

3. OBJECTIVES OF THE STUDY

The general objective of the study was, therefore, to examine the effects of rewards strategies on employee performance focusing on Farm Concern International, Kenya.

With the view of achieving its aim, this study's specific objectives include:

i. To investigate the how various monetary rewards impact on employees performance in Farm Concern International

ii. To evaluate the effects of staff appraisal on employee performance in Farm Concern International

iii. To investigate the effects of promotion schemes on the performance of employees in

Farm Concern International

iv. To identify the impacts of recognition on the performance of employees in Farm Concern International

4. THEORETICAL REVIEW

4.1 Expectation Theory

The Expectancy Theory was developed in 1964 by Victor H. Vroom. Expectancy theory argues that the strength of a tendency to act in a certain way depends on the power of an expectation that the act will be followed by a given outcome and on the attractiveness of the outcome to the individual (Vroom,1964). Here, attractiveness is the importance that the individual places on the potential outcome that can be achieved on the job. This theory posits that individuals such as employees will often tend to act or perform to given extent on the basis of the expectation that, that act has a given pleasant outcome that will follow. Three variables are often linked to the expectancy theory. First, there is the effort performance linkage to expectance which entails the probability individuals perceive in line with the notion that when they exert a given level of effort, they will eventually perform as expected. Second, there is the linkage between performance rewards and instrumentality (Robbins et al., 2013). This linkage or relationship focuses on the belief that individuals eventually attain the desired outcome when they perform at a given level. Third, there is the relationship between valence and attractiveness. This stipulates the importance placed by individuals on the rewards that a given job is likely to afford them.

The expectancy theory works in several ways, first, the strength or level of an individual's motivation towards performing a given task directly correlates with the level of believing that the individual has the capability to realize goals set for him/her. Second, the employee on the basis of instrumentality notion has to believe that after achieving the given goal, he or she will be adequately rewarded by the requisite departments or organization (Robbins et al., 2013). Third, based on valence or attractiveness notion, the individual has to believe that the stated reward will eventually satisfy individual goals. The key issues concerning valence is that the right criteria should be employed in judging employees' performance in achieving the desired outcomes. In addition, the employees' personal review on the chances they have towards achieving the desired goals is very important. Employees should view themselves as capable of, or having a high probability of achieving or successfully attaining the desired levels of performance.

4.2 Equity Theory

Equity Theory was developed by J. Stacey Adams in 1963 and is primarily based on employees' comparisons with others. The equity theory claims that in most cases, employees do compare the reward a given job situation gives them in relation to their input in the job, comparing the input-outcome ratios of other employees relevant to their job type and level. It thus becomes imperative to understand how employees perceive their input-outcome ratios when deciding on the plausible ways to motivate or reward those (Robbins et al., 2013). A state of equity will always exist when employees perceive that their input-output ration is equal to those of other employees relevant to their levels. This does not present issues when it comes to rewarding the employees. However, whenever employees perceive that there is a given level of inequity in input- outcome ratio, there are several actions they likely will take including, distorting their own inputs or outcomes or those of others. It is highly likely that when employees realize they are over-rewarded or under-rewarded they will behave in a way that will eventually induce other employees to change their input-outcome ratios.

In situation where employees perceive they are over-rewarded, they will be motivated and thus will put more effort in their work (Robbins et al., 2013). Eventually, these employees might act in ways that other employees will perceive they are under-rewarded which may result in tension or a reduction in the other employees' performance. In situations that employees feel under- rewarded, they might employ less effort in their work resulting in reduced levels of production while in cases where employees perceive they are over-rewarded, they feel more motivated to work harder (Robbins et al., 2013). Additionally, under-rewarded employees may decide to quit their jobs or the over-rewarded employees cause other employees to quit their jobs. Moreover, the equity theory has its own inherent problems. This theory leaves several core issues unclear. Such issues include how employees define their inputs and outcomes as well as those of others. Another key issue left unclear by this theory is how employees combine outcomes and inputs as well as weigh them to come up or arrive at totals (Robbins et al., 2013). Moreover, the theory does not explain how these factors change over time. Despite the limitations of the equity theory, it rides on an impressive research support, offering crucial insights into employee reward systems.

4.3 Maslow's Hierarchy of Needs Theory

In motivation and reward theories, Maslow's Hierarchy of Needs Theory is the best-known cited theory. Abraham Maslow proposed this theory in 1943. In this theory, Maslow claims that for every human being, a hierarchy of five needs exists (Maslow, 2013). These five need categories include lower order and higher order needs. The lower order needs are physiological needs and safety needs. On the other hand, higher order needs include the social needs, self-actualization needs, and esteem needs. In the context of rewards, needs entails internal states that make certain outcomes appear attractive? For example, money in Maslow's theory would essentially satisfy lower needs and motivate employees to work harder aiming at higher needs. In most cases, employees fight for money as a security need, provision of clothing, food, and shelter while on the other hand, money could act as a self- esteem need capable of giving the individual a sense of self-worth.

It is instructive for managers to understand that as each of the employee's need is substantially satisfied, another need becomes dominant. Therefore, at no time will every need be fully gratified as well as no substantially satisfied need motivates (Maslow, 2013). In motivating employees, it is highly recommended that the manager understands the employee's position in the hierarchy and focusing on rewarding the employees by satisfying needs at that level or a level immediately above the employee's level. This theory has an intuitive logic as well as it is easy to understand. Despite its intuitive logic, this theory is rarely validated by research since it lacks empirical substantiation (Maslow, 2013).

4. CONCEPTUAL FRAMEWORK

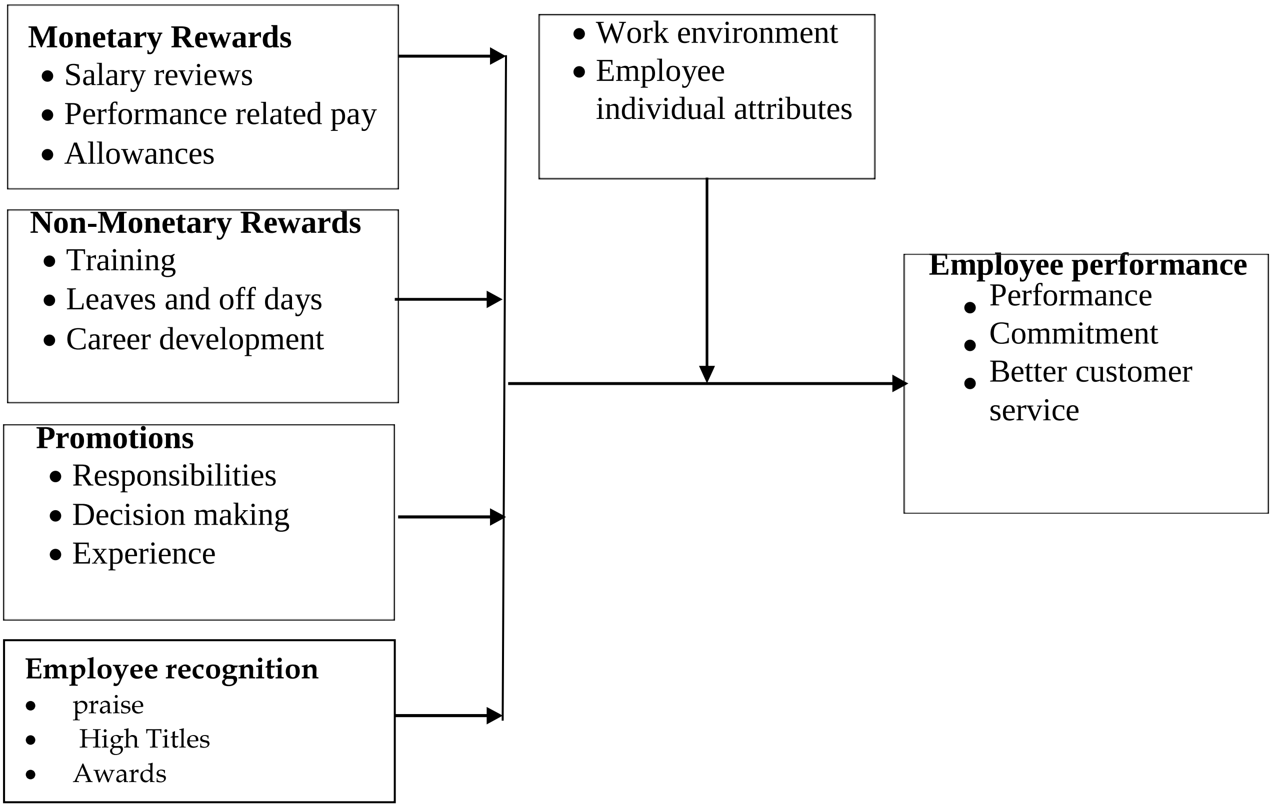

Figure 1: Conceptual Framework

According to the conceptual framework in Figure 1, the harmonized monetary reward instituted by organizations are also expected have a bearing on the employee performance such as increasing the level of concentration in the workplace. Similarly, harmonized non- monetary rewards as a reward system are expected to influence the employee performance especially by influencing the level of gratification derived from the work experience. Employee performance is also expected to be affected by harmonized promotions schemes where promotion is associated with a rise in pay, perks and level of responsibility in the organization. Last, the work environment and the employees individual attributes are also expected to shape employee performance by determining the extent to which the workplace is enabling for the workers to carry out their duties as expected.

5. RESEARCH METHODOLOGY

The researcher conducted the study using a descriptive survey design. According to Mugenda and Mugenda (2003), the survey used members of the population as the main source of data which it used in determining the effect of the variables on the population. The descriptive survey is designed to obtain precise information concerning the status of phenomenon (Kothari, 2004).The unit of study is what is referred to as a population in the study; it refers to all the characteristics which will be used in making some inferences while a sample population refers to the carefully selected members of the target population who serve as a representative section of that population (Cooper & Schindler, 2008). The target population in this study consisted of all employees in F.C.I who number 152.

Due to the small number of the entire study population and its easy accessibility, the census method was employed. The census method is designed to collect information from each and every member of the population (Mugenda & Mugenda 2003). It enables the researcher to gather sufficient information to assist in analysis and arriving at accurate results. Questionnaires were used as the main instruments of data collection in the study. The questionnaire was both closed and open-ended. The use of the open-ended questions was aimed at providing the respondents with the opportunity to freely express their personal views and opinions regarding the study variables and the intended objectives. However, the use of the close ended question was aimed at controlling responses that gave rise for quantitative analysis. There were two main sections of questions; General information and Job information.

The collected data obtained was subjected to cleaning and editing before coding and analysis. The Likert scales which were mainly used in the closed ended questions were implemented in the development of numerical codes ranging from a point scale of 1 to 5. This was aimed at showing the magnitude of the constructs that were being tested in the study. The codes were then analyzed using a computer programme of the 21.0 version of the Statistical Package for Social Sciences (SPSS). Mixed methods were used so that the study can relate qualitative data to quantitative data. Inferential statistical methods as well as descriptive methods were used in analyzing the data. Means and standard deviations were used in the descriptive analysis to describe the population characteristics. However, Pearson's chi-square was used in the inferential statistics in determining the correlation between the study variables. The significance of the model was also tested using ANOVA (analysis of variance). The study used a 95% confidence level. To test the extent by which a variable changes due to the change of another variable was determined using regression analysis. Multiple linear regression models were used in the study as the study's main statistical models:

$$Y = \alpha + \beta_1\chi_1 + \beta_2\chi_2 + \beta_3\chi_3 + \beta_4\chi_4 + \beta_5\chi_5 + \varepsilon$$

Where:

Y = Employee performance;

α = The Y intercept;

χ_1 = Monetary Rewards;

χ_2 = Non-Monetary Rewards;

χ_3 = Promotions;

χ_4 = Employee recognition;

ϵ = error term

6. RESEARCH FINDINGS

To determine both the significance of the relationship between the variables and the degree of their association, a correlation analysis was performed. Table 1 provides a summary of the results obtained from the correlation analysis.

Table 1: Correlation Analysis

		Monetary Rewards	Non-Monetary	Promotion Schemes	Recognition	Employee Performance
Non-Monetary	Pearson Correlation	0.176	1			
	Sig.(2-tailed)	0.142				
Promotion Schemes	Pearson Correlation	0.048	0.423	1		
	Sig. (2-tailed)	0.688	0.241			
Recognition	Pearson Correlation	-0.008	0.518	0.191	1	
	Sig. (2-tailed)	0.95	0.2	0.094		
Employee Performance	Pearson Correlation	.226*	. 622**	.508**	.353*	1
	Sig. (2-tailed)	0.009	0	0	0.024	
	N	111	111	111	111	81
***. Correlation is significant at the 0.01 level (2-tailed).*						

The first correlation was done to establish the extent by which monetary rewards affected on employee performance in Farm Concern International. The results in Table 4.8 shows that the relationship between the two variables was significant ($r = 0.226$, $p < 0.05$). However, the coefficient of correlation from Pearson's product moment indicated that the relationship between the variables was weak but positive. This suggested that the firm had not put much emphasis on competitive remuneration and as a result, this was having a weak contribution on employee performance. This result is consistent with that of Harunavamwe and Kanengoni (2013) who found a weak impact of money as a motivator of employees' performance in South Africa. However, the findings could be explained by the observed fact that most of the employees were not satisfied with the compensation schemes. the findings could be further explained by Mehta (2014) whose study in Pakistan revealed that an increase in monetary rewards positively affected employee performance ($r=.654$) and job satisfaction ($r =.810$), with the strong correlations being attributed to factors which vary from individual to individual whether the employee is working in private sector or public sector.

The study also sought to establish if employees' performance and non-monetary rewards had a significant relationship in Farm Concern International. Table 4.8 which shows the results obtained from the correlation analysis indicates that there existed a significant relationship ($r = 0.622$, $p < 0.05$) which also indicated that the variables had a strong positive correlation. This finding implies that the firm had put considerable emphasis on non-monetary rewards and it was being strongly reflected in employee performance. This finding agrees with those of Harunavamwe and Kanengoni (2013) whose study among shop workers in South Africa found that non-monetary rewards had a strong effect of on the motivation of lower-level employees ($r = .607$, $p < 0.01$). Similar findings were arrived at by Waqas and Saleem (2014) whose study among different firms in Pakistan found that organizational performance was significantly influenced by non-monetary rewards ($\beta = .56$, $p<.01$). A correlation analysis to determine whether promotion schemes significantly affected employee performance in Farm Concern International shows a relationship exists ($r = 0.503$, $p < 0.000$). The coefficient of correlation of Pearson's product moment suggests that the two variables had a strong positive relationship. This indicates that the current promotion policies were instrumental in encouraging employee performance in the firm. These findings concur with those of Khan et al. (2012) who established that there is a positive correlation between the perceived employees' performance and an organization's promotion practices. They also agree with Tausif (2012) who found a strong relationship of non-monetary rewards with employee performance. Finally, the significance of the relationship between recognition and employee performance in Farm Concern International was determined through a correlation analysis. Table 4.8 shows the results obtained from the correlation analysis indicating the relationship was indeed significant ($p < 0.05$, $r = 0.353$). The results illustrate that a moderate and positive relationship exists between the two variables. Hence, it can be implied that that the firm's management only moderately applied the recognition strategy to encourage employee performance. This finding reflects the views Gupta and Kumar (2012) who asserted that employee recognition significantly affected their level of job satisfaction and eventually translated to higher performance rates.

The use of the multivariate regression analysis was with the primary purpose of determining how the dependent and independent variables related with each other and their level of significance. The analysis aimed at identifying how the dependent variables were influenced by the independent variables and the collective association between the two types of variables. This was also aimed at determining the extent by which the dependent variable was influenced by each independent variable to determine the level of significance of each factor. Table 2 shows the model summary of the results.

Table 2: A Model Sample of Multiple linear regression analysis

R	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	
.777[a]	0.604	0.599	3.20119	
a. Predictors: (Constant), Monetary rewards, Non-Monetary rewards, Promotion Schemes, Recognition				

Table 2 shows the results of the R value obtained, in which $r = 0.777$ represented the correlation coefficient of the model whose order value > 0. This illustrates that the incorporation of many variables improved the model when analyzing the impacts of rewards strategies on employee performance in Farm Concern International. The adjusted r^2 value of, $r = 0.599$, also indicates that the multiple linear regression model could explain for approximately 60% of the variations in employee performance in the firm. To identify the independent variables that were mostly responsible for effective devolution in the area, the beta value was used.

Table 3: Summary of Multiple Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	4.647	4.69		1.991	0.005
Monetary Rewards	0.218	0.106	0.174	1.061	0.013
Non-Monetary	0.531	0.086	0.507	4.671	0.01
Promotion Schemes	0.497	0.109	0.433	3.238	0
Recognition	0.295	0.128	0.268	1.782	0.007
a. Dependent Variable: Employee Performance					

Table 3 shows results indicating that the most effective rewards strategies affecting employee performance in Farm Concern International was non-monetary rewards ($\beta = 0.507$, $p < 0.05$). This was followed by promotion schemes, recognition and monetary rewards in that order. The beta values for these variables; 0.433, $p < 0.05$; 0.268, $p < 0.05$ and 0.174, $p < 0.05$ respectively illustrate a corresponding change of the dependent variables equal to the number of standard deviations when the respective standard deviation of the independent variable changes by one.

Table 4: Summary of ANOVA results

	Sum of Squares	df	Mean Square	F	Sig.
Regression	440.192	4	110.048	14.978	$.000^b$
Residual	778.817	106	7.3473		
Total	1219.01	110			

The results obtained from the ANOVA which was used to test the association between the independent variables and dependent variables and summarized in Table 4.10 illustrate the existence of a significant discrepancy between means of effective rewards strategies and employee performance in Farm Concern International. ($F_{o'} = 14.978 > F_c = 2.49$; $p = 0.000$; df = 4, 110; $\alpha < 0.05$). These findings are consistent with the results obtained from the regression analysis model in Table 4, and suggests that the regression model was indeed valid. Therefore, the resulting model is

Employee Performance = 4.647 + .218 Monetary Rewards + .531 Non- Monetary Rewards + .497 Promotion Schemes + .295 Recognition

Or $Y = 4.647 + .218 X1 + .531 X2 + .497 X3 + .295 X4$

These findings are consistent Gupta and Kumar (2012) postulation that employee performance is positively related to promotion. These findings lead to the suggestion that reward strategies as currently being implemented in the firm had a positive outcome on employee performance in the firm. According to Armstrong (2010), employee motivation through rewards is important in influencing their behavior and attitudes.

7. CONCLUSIONS

It is evident from the findings that there are important aspects associated with rewards strategies being used to encourage employee performance in Farm Concern International. With regard to the first objective it was established most employees were not content with their pay and also there was uncertainty on whether the current monetary rewards in the firm led to improved employee performance. Second, as concerning the second objective, it was evident that the non-monetary rewards being employed in the firm were favorably received and were spurring employee performance. It was also established in relation to the third objective that the promotion schemes in the firm were instrumental in improving employee performance. Lastly, with regard to the fourth objective, it was established that recognition strategies as currently practiced in the firm were having a considerable outcome on employee performance. Thus, it can be concluded that all the rewards strategies identified in this study were indeed significant in all aspects and led to on employee performance in Farm Concern International.

8. RECOMMENDATIONS

Based on the above findings of the research, the following recommendations would be made;

With regard to the first objective, the study recommends that management should adopt performance-based pay, in which employees are compensated on the basis of their performance as an element of organizational pay structure, as this would help in motivating employees to commit much of their efforts on improving their individual output, behaviour, and performance. This would help in enhancing employees' efforts and improving the quality of the workforce, motivate employees to continuously improve their contributions, and attract better talents of the employees. In relation to the second objective, the study recommends that the firm should expand and better facilitate its non-monetary reward schemes so as to encourage improved employee performance. Training should be offered to employees to transfer information from the experts to the employees so as to enhance knowledge, attitudes and/or skills, which as a result would enable the employee to better perform a current task or job.

With regard to the third objective, the study recommends that employee performance appraisal should be performed over a given period of time with organizational objectives taken into consideration so as to facilitate better promotion outcomes; this is because an appraisal can assist the supervisor or manager in influencing and directing the performance of employees. The evaluation is equally important to those who are evaluating as well as those being evaluated. To the evaluators, it would provide them with information on goal setting while to those being evaluated, it would provide them with a performance target for their behaviour by indicating exactly what aspects of behaviour are important enough for management to measure. This can influence the amount of effort employees put into their performance once it is made clear that effort increases performance and ultimately rewards.

With regard to the fourth and final objective, the study recommends that managers should recognize employees effectively, with clear and effective means of recognition, the actions and behaviors that they want to see will often be repeated. An effective employee recognition system should be simple, immediate, and powerfully reinforcing and at the same time ensure fairness, clarity and consistency are applied. It is therefore important that organizations establish clear criteria for what makes an employee eligible for recognition.

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