

EFFECT OF REWARD ON EMPLOYEE ENGAGEMENT AND COMMITMENT AT RIFT VALLEY BOTTLERS COMPANY

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ABSTRACT

One way that has been lauded for enhancing employee engagement is the use of rewards. In any organization, it is important to put in place an effective reward system that would cater for the needs of its human resource. The reward system offered in different companies may come in various and concrete forms. These may either be monetary or non-monetary, tangible or intangible, physical or psychological, and are offered to the employees as compensation for the productive work they execute. It is with argument in mind that the study sought to find out empirically the possible effects of reward on employee engagement and commitment, at Rift Valley Bottlers Company in Eldoret Town. The objectives of the study were: to find out the effects of pay programmes on engagement and commitment of employees at Rift Valley Bottlers; to investigate the effects of employee benefits on engagement and commitment of employees at Rift Valley Bottlers; to determine whether non-financial rewards affects employee engagement and commitment at Rift Valley Bottlers. The study adopted a descriptive survey design to investigate the effect of reward on employ engagement in Rift Valley Bottlers Company. The target population of the study consisted of the staff from key departments such as: the Human Resources Department, Finance Department, Production Department, Sales and Marketing Department and Distribution Department. The research instruments that were used in this study for data collection were

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questionnaires and the data collected was both quantitative and qualitative. After the data collection, questionnaires were checked for completeness and data were coded for easy input. Percentages, means and standard deviation and frequencies were used to facilitate easy analysis and understanding of the data. Several factors contributed to employees' engagement and commitment at the place of work. However, the contribution of these factors varied in strength and appeal to workers. Promotion opportunities, health benefits, job relevant training and interaction with colleague workers freely have the strongest contribution to engagement and commitment at Rift Valley Bottlers Company. Since career development is crucial for retaining staff, the company should invest in staff training. However, opportunities for upward mobility should be identified or created to enable employees take up higher roles to utilize gained skills. In addition, job-rotation should be encouraged and where no openings for promotion exist, then job-enrichment should be pursued by the employer. Rift Valley Bottlers should undertake remuneration survey. Based on the findings of the survey, the company should review the remuneration of employees with the view of raising workers' engagement and commitment levels; and Studies of employee engagement should be replicated in other industries.

Key Words: *direct financial benefits, engagement and commitment, indirect financial benefits, non-financial benefits*

INTRODUCTION

Reward refers to everything the employee perceives to be of value resulting from the employment relationship and includes all types of rewards, direct and indirect, as well as intrinsic and extrinsic. The typical components of reward which make up the levers employers can resort to in order to motivate, engage and retain staff are, pay, benefits, learning and developments, and working environment (Armstrong, 2006). Reward is born as a means to help businesses to satisfy their most important needs which are to attract, retain, motivate and engage staff, not just by means of salary increases, golden handcuffs and the like, but in a more effective way capable of producing long-lasting results. The aim of reward therefore, is to maximize the positive impact that a wide range of rewards can have on motivation, job engagement, organizational commitments and job satisfaction (Manus and Graham, 2003). Cascio (2010) reports that there are three major changes in company philosophies concerning pay and benefits including increased willingness to reduce the size of workforce; to outsource jobs and to restrict pay to control costs of wages/salaries and benefits, less concern with pay position relative to competitors but rather with what the company can afford, and implementation of programs to encourage and reward performance, thereby making pay more variable. Employees need to be encouraged to 'go above and beyond' standard job-task descriptions by showing support, distributing fair and consistent reward that take into account the changing needs of employees, and ensuring that they understand that the incentive system can be to their advantage if they engage in discretionary service behaviours (Payne and Weber, 2006).

Rewards steps beyond the perimeters of compensation, remuneration and benefits terminology where emphasis is placed on pay and other settlements which carry a monetary value to a new almost anything could be construed to mean a return to employees for exhibiting desirable behaviour, from a cash bonus or health care benefit to employee involvement in decision making, increased role responsibility, autonomy, access to more interesting work and other factors relating to the nature of work itself and environment in which it is carried out. A reward system is the world's greatest management tool (Rehman, Khan & Lashari, 2010). If an organization rewards a certain employee behavior whether good or bad, that is what the organization will get more of (Nelson & Peter, 2005). Every organization has some form of reward system. For instance people correspond positively to verbal praise and praise in the right moment creates loyalty and affinity (Ngala & Odebero, 2009).

According to a UNDP report (2006), Reward and incentive systems are therefore fundamental in developing capacities and translating developed capacities into better motivation and engagements. The paper argues that, a reward and engagement based policy which involve some monetary component would attract Management talent by providing rewards that motivates a larger group of people. These rewards can be given in various forms which include profit sharing schemes, stock options and recognition programs among others. Lusthaus (2002) says that profit

sharing is a strategy of creating a pool of monies to be disbursed to employees by taking a stated percentage of a company's profit. The idea behind this scheme is to reward employees for their contributions to a company's achieved profit objective.

Employees who are engaged in their work and committed to their organizations give companies crucial competitive advantages including higher productivity and lower employee turnover. Thus, according to Vance (2006) it is not surprising that organizations of all sizes and types have invested substantially in policies and practices that foster engagement and commitment in their workforces. Though different organizations define engagement differently, some common themes emerge. These themes include employees' satisfaction with their work and pride in their employer, the extent to which people enjoy and believe in what they do for work and the perception that their employer values what they bring to the table. The greater an employee's engagement, the more likely he or she is to "go the extra mile" and deliver excellent on-the-job performance. In addition, engaged employees may be more likely to commit to staying with their current organization. Clearly, engagement and commitment can potentially translate into valuable business results for an organization (Vance, 2006).

Mutunga (2009) did a research on the factors that contribute to the level of employee engagement in the telecommunication industry in Kenya at Rift Valley Bottlers Kenya. It was concluded that several factors contribute to engagement but, salary and benefits was the largest contributor. Wambugu (2010) conducted a study on the relationship between employee commitment and job performance at the Kenya Institute of Surveying and Mapping. Mwangi (2011) carried out a research on the utilization of emotional intelligence and transformational leadership for employee engagement in public universities in Kenya. The results established that emotional intelligence impacts employee engagement significantly through the competencies in self awareness, social awareness, self management and social management. Maluti, Warento, & Shiundu, (2011) carried out a study on the impact of employee commitment on retention in state financial corporations in Kenya. The results indicated that there was no significant impact of employee commitment on employee retention. Kamau (2012) carried out a research on the factors that influence organizational commitment of employees at Kenya plant health inspectorate Service Corporation. From the findings, the significant factors influencing organizational commitment in Kenya Plant Health Inspectorate service were education, duration of service and job category.

STATEMENT OF THE PROBLEM

Numerous surveys and experience of HR professionals have shown that while employees are concerned about how to earn more pay and enjoy attractive conditions of service, employers on the other hand would be striving to cut costs so as to post impressive profit at the end of the accounting period (Milkovitch and Newman, 2004). Meanwhile, studies have shown that provision of rewards has been resulting in employees' increased interest in the job, enthusiasm

and increased productivity at work and absence of motivators has been the other way round (Mathis & John, 2003). Over recent years, the concept of employee engagement has gained tremendous impetus in the industry, yet the academic community has been slow and late in studying it, leading to a lack of research. Rigorous tests of the theory underlying the topic is thus limited (Macey & Schneider, 2008). Most of the existing practitioner literature, although voluminous, is opinion based, with employee engagement linking only to its positive consequences. Evidence-based research with theoretical underpinnings is meagre, and thus, little research validates the claims that consulting firms and operators make (Shuck & Wollard, 2010). How well an organization rewards its workers in order to achieve their mission and vision is of paramount concern. This was the case with Rift Valley Bottlers Limited Eldoret. Records from the company showed that no scientific research had been conducted in the company in relation to effects of rewards on employee engagement despite the fact that there was a high turnover ratio, reduced morale at work, productivity not at its best, absenteeism being the order of the day, threats for holding demonstrations or strikes being prevalent. It is to this effect that this study endeavoured to find out empirically the possible effects of reward on employee engagement and commitment, at Rift Valley Bottlers Company in Eldoret Town.

GENERAL OBJECTIVE

The study's main objective is to investigate the effect of rewards on employee engagement and commitment at Rift Valley Bottlers, Kenya.

SPECIFIC OBJECTIVES

1. To find out the effects of direct financial benefit on engagement and commitment of employees at Rift Valley Bottlers.
2. To investigate the effects of indirect financial benefits on engagement and commitment of employees at Rift Valley Bottlers.
3. To determine whether non-financial rewards affect employee engagement and commitment at Rift Valley Bottlers.

LITERATURE REVIEW

Social Exchange Theory

One of the most famous theories related to employee engagement is social exchange theory (SET). SET explains responsibilities are created through interactions and between parties who are in state of collective interdependence. Basic principle of SET is relationship develop overtime in to expectation, trustworthy and mutual commitment as long as both parties accepted by some rules of exchange. The rules of exchange involve mutuality rules so that the movements of one party would lead to reaction by the second party. Let's suppose, when employees are given by economic and other resources from their employers, they feel appreciative to respond in kind and recompense employers. This is identifying as employee engagement of two way

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relationship between employee and employers. One way is from the side of employees to repay their employers through level of job engagement. That is employees will engage in their jobs according to organization objectives and in response they will get benefits or resources from employers. Organizations should bring employees fully in to their job characters or roles and allocate higher amount of physical, cognition and emotional resources. It is a philosophical method for employees to reply to employer actions. It is most difficult for employees to change their level of performance; therefore, employees would exchange their engagement for benefits and resources given by organization.

Social exchange theory shows why employees become engage and disengage with their jobs and employers. When organization provides resources to their employees, they feel appreciative to repay the employers with excessive level of engagement. According to Kahn's definition, employee feels thankful and keeps themselves more intensely in to job role performance as compensation they receive from their employers (Saks, 2006). It increases the trustworthiness and trusting relationship. Consequently, employees with higher level of engagement are likely to be in good quality relations with their organizations and would likely to report positive behavior and objectives towards employers. On the other hand, when employers become unsuccessful to provide these benefits or resources to workforce, they are more likely to disengage to their job roles. Consequently, the extent to cognitive, emotional and physical resources that an employee need for performance is contingent on economic and socio-emotional resources received from employers (Saks, 2006, p.603). The literature explained the importance of employee job engagement. According to Xanthopoulou et al (2007), the organizational productivity depends upon employee happiness or wellbeing. When wellbeing is positive and operationalize, it would have a positive impact on employee engagement that enable employee to perform according to organizational standards and objectives. Social exchange theory was used to explain how responsibilities created through interactions between parties, who are in state of collective interdependence, accept some form of exchange, are engaged and committed in an organization. The interdependence here was the relationship between the employer and the employee, and, how they accept the three forms of exchange under study.

Burnout Theory of Engagement

Another model of employee engagement theory came from burnout literature which explains, "It is the positive antithesis of burnout while burnout involves erosion of engagement with one's job" (Maslach & Leiter, 2000). They further explained six areas of work life that are clue to engagement and burnout. Workload, control, rewards and recognition, community and social support, perceived fairness and values. They explained further that job engagement is connected with a sustainable workload, feelings of choice and control, appropriate recognition and reward, a supportive work community, fairness and justice and meaningful and valued work. May et al (2004, cited in Kular et al), supports Maslach (2001) and stated that, the concept of meaningful

and valued work is connected with employee engagement and therefore, it is necessary to study the idea of meaning. Employees view about meaning regarding job place are connected to their engagement level and performance. Normally employees seek meaning from their job and until employees attempt to give them a meaningful environment. According to the research outcomes many employees practice a greater search of meaning in their jobs than in their daily life. The reason might be because they spend more time in jobs than other activities of their lives. According to (Kular et al., 2008) for higher level of employee engagement with their jobs, there should be some purpose that associates employees to an passionate and expressive level so they can promote their particular and individual objective (Kular et al, 2008), However, both Kars and Maslach models indicates psychological conditions that these are important for employee engagement but not fully explicated why employees will reply to these conditions with changing degree of engagement. Given that burnout theory is strongly related to healthy outcomes in an organisation, the theory was used to possible consequences of burnout against engagement and commitment.

CONCEPTUAL FRAMEWORK

Independent Variables

Dependent variables

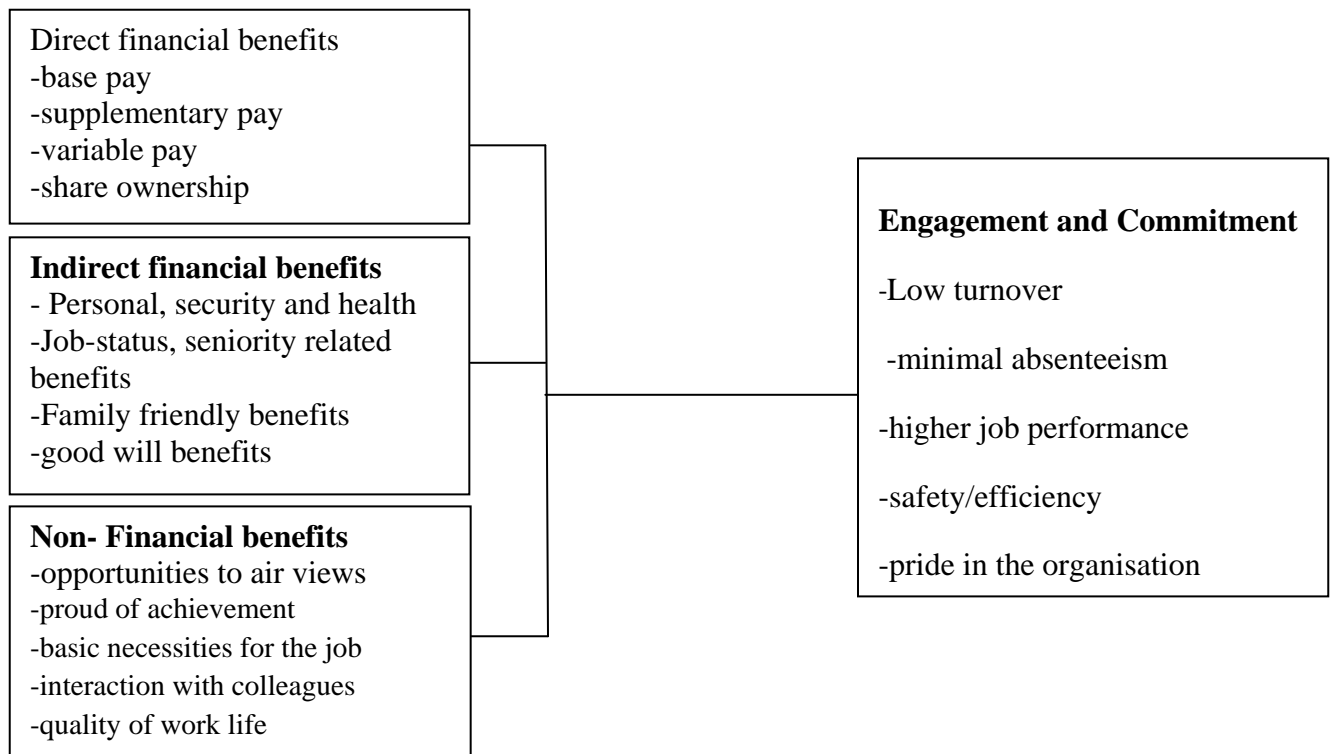


Figure 1: Conceptual framework

Source: Self conceptualization by the Researcher (2015)

In this research, as the conceptual framework showed, there were two variables under investigation. The independent variable was reward while the dependent variable was engagement. For purposes of this study, the constructs considered for reward were direct financial benefits, indirect financial benefits and non financial benefits. The constructs considered for the dependent variable included: low employee turnover, minimal absenteeism, high job performance, and job satisfaction.

Direct financial benefits

The subject of reward is vast and continually evolving, in short it has been described as a ‘bundle of returns offered in exchange for a cluster of employee contributions’ (Bloom and Milkovich 1996). This is a rather loose definition and shades little light on what form ‘returns’ might take or what contribution employees might make to reap such returns. Usefully, the definition does, however, capture the multiplicity of returns and that possible employees’ contribution can be numerous and eclectic.

Examples include competitive salaries, pay raises, merit bonuses, and such indirect forms of payment as compensatory time off (Mahaney and Lederer 2006: 43). Firms are able to improve worker productivity by paying workers a wage premium- a wage that is above the wage paid by other firms for comparable labor. A wage premium may enhance productivity by improving nutrition, boosting morale, encouraging greater commitment to firm goals, reducing quits and the disruption caused by turnover, attracting higher quality workers and inspiring workers to put forth greater effort (Goldsmith, Veum and Darity 2000: 352). As a result, people are attracted to well-paying jobs, extend extra effort to perform the activities that bring them more pay, and become agitated if their pay is threatened or decreased (Stajkovic and Luthans 2001: 581). Financial rewards are used to show that the company is serious about valuing team contributions to quality. The monetary rewards consist of a cash bonus allocated to each team member. The team bonus would be given separately from the salary. On the other hand, team rewards must be used in ways that avoid destroying employees’ intrinsic motivation to do their job. The need for continuous improvement requires employees to be innovators; devising novel solutions that improve a work process or that delight the customer. The use of extrinsic rewards that are tightly linked to team performance may teach team members to become money hungry and undermine their intrinsic interest in the work itself (Balkin and Dolan 1997).

Extrinsic rewards can be monetary or non monetary. The monetary is usually a variable compensation separated from the salary. It is received as a consequence for extra ordinary performance or as an encouragement and it be either individually based or group based. The conditions to obtain this reward should be set in advance and the performance needs to be measureable. For a reward system to be ideally motivational the reward should satisfy a number of criteria: It should have value, should be large enough to have some impact, should be

understandable, be timely, the effect should be durable, and should also be cost efficient (Merchant, 2007).

According to Lawler, (2003) if the compensation system is designed to distribute rewards in relation to differences in performance, it is essential that the organization implement a PA system. This will enable the managers identify the good performers and reward them or those employees who have potential for growth and future development. Performance Appraisal would not work if linked to a reward and remuneration system that employees do not trust or support (Stockley, 2009). Employees will only support the reward system if constant reviews are made periodically in their favor and if they are involved in setting goals for performance pays such as commissions and bonuses and when pay policies are communicated openly. This will boost their morale and will always look forward to work and deliver selflessly to the organization.

Merchant (2007) argues that people value money and therefore making money an important form of reward. Monetary reward systems can be classified into three main categories, performance based salary increases, short-term incentive plans, and long-term incentive plans. The latter two rewards are common on managerial levels and are often linked to performance during a specific time period. The first one is often considered to be the greatest motivational factor of them all. He further states that each and every organization gives salary increase to employees' at all organizational levels. This is normally a small portion of an employee's salary, but has a significant value due to its long-term perspective. Short term incentives in some form are however commonly used in organizations.

Merchant, (2007); Ngala & Odebero, (2009) argues that a cash bonus is usually based on performance measured on a time period of one year or less. Why a company primarily uses a variable pay is to differentiate it among the employees, so that the most successful employees will be rewarded. They further argue that, by recognizing the employee's contributions to the company it makes it easier for the organization to encourage excellent performance. They further argue that employees appreciate the possibility of receiving a reward for their performance. Using a variable pay can also be an advantage for the company in terms of risk-sharing. This means that the expense for compensation vanes more with company performance when the compensation is partly variable, making the cost lower when no profit is made and when there is as profit this can be shared with the employees.

Rewards based on performance measures over time periods larger than one year are long term incentive rewards. By using this, a company can reward employees for their outstanding work performance to maximize the firm's long-term value (Kreitner & Kinicki, 2008; Dawler, Andrews, & Bucklew, 2008). This also works to attract and retain key talented persons. A very popular type of long-term incentive is some form of a restricted stock plan. This reward in shares is given as a bonus to the employee; however, they can only be sold after certain time period. After for instance one year, the employee will be able to sell one fifth of the shares, after two

years he or she will be able to sell two-fifths and after three years three-fifths etc. This is a way to retain competence within the company, not to motivate employees, since if they choose to end their employment before the fifth year; they will lose the remaining parts. Some firms take this even further by withdrawing the shares you already received.

Over and above base pay further decisions may be made concerning supplementary payments attributable to skill, or performance, for example, overtime, danger or dirt money, shift premiums, bonuses or commissions. Dominant reward terminology refers to supplementary payments which are consolidated into base payments as forms of contingent pay and those that are non-consolidated as elements of base pay (Armstrong 2002).

Indirect Financial Benefits

Doyle (2010) on the contrary proposes that there are types of employee benefits provided by the company but the employer is not required to offer them and likewise the employee is not entitled to receive them. They are offered at the discretion of the employer and covered in labour agreement. They vary from one organization to the other. These may include hazard pay, health care, maternity, paternity and adoption leave, paid holidays, pay raise, severance pay, sick leave, termination, vacation leave, work breaks and meal breaks.

Gale (2002) suggests that employees who are injured or become ill in the job are covered by the organization compensation laws. Subsequently, the employers should possess workers compensation insurance. The benefits include payment for lost wages and medical bills. These are paid in portion, normally two-thirds of salary. The organization should also have sponsored disability program. It should provide additional disability coverage. Donata (2011) proposes that some organizations have social security disability. However, one must have worked in jobs covered by social security.

Wright (2004) prefers to consider these benefits in four distinct groupings: Personal, security and health benefits: for example, pension sick pay, life cover, medical insurance and loans; Job-status or seniority related benefit: for example company car, holiday leave, sabbaticals; Family friendly benefits: for example, child care facilities, nursery vouchers, enhanced maternity /paternity/parental leave arrangements; Social or 'goodwill' or life style benefits: for example, subsidized canteen, gym/ sports facilities, discounts, and dry cleaning. He further alludes that benefits can be voluntary, affording employees the choice whether to 'opt in' and use them according to their personal needs and their financial positions. Should employees elect to purchase benefits such as child care vouchers, circle-to-work scheme loan, life cover or pension contributions, arrangements tend to be set for deductions to occur at source. This can attract tax advantages for the employees.

Wright, (2004) argues that flexible benefits schemes or 'cafeteria benefits' so named because of the choices presented to employees have been around for a number of years however not

prevalent. He says that the basic premise of a flexible scheme is that, employees can spend up to a point limit of a cash total, purchasing benefits from a defined menu. Cafeteria schemes may comprise fixed(inflexible, core) benefits and flexible ones (so called 'core plus' scheme) offer complete freedom of choice to the maximum cash value/points value. In other schemes pre-packaged sets of benefits may be on offer to employees; these schemes are referred to as modularised benefits.

Most firms implementing TQM have traditionally relied heavily on intrinsic rewards. For example, it is common for them to reward employees for their quality efforts with certificates, letters of appreciation, or merchandise, often in conjunction with celebrations like luncheons or special quality-related events. It is also typical for them to have some sort of system for employees to make quality improvement suggestions (Allen and Kilmann 2001b). Some firms have changed their performance appraisal systems to focus on developing employees to get better in the future. Quality accomplishments are even considered in the promotion decision. Rewards that involve things other than money or pay-related issues often invoke feelings of accomplishment of self-worth from employees who have done a quality job (Allen and Kilmann 2001).

Firms are most likely to initiate team based programs when they are trying to attain some corporate objectives, such as quality enhancement (Magjuka and Baldwin 1991). Intrinsic rewards are used to provide recognition to a team for making a quality contribution. Team members may be awarded a plaque at an awards dinner to celebrate their success. Tokens of appreciation such as jackets, hats, or shirts with the team's name on it may be given in recognition for meeting a quality goal. These intrinsic rewards help reinforce team identity and esprit de corps. In addition, intrinsic rewards can be very reinforcing to team members because these rewards can be consumed immediately, unlike extrinsic rewards that are likely to be used to pay off debts or be put in the bank for future use (Balkin and Dolan 1997).

Non financial

According to Brown and Armstrong, (1999) Reward can also be non financial or relational. For example, praise, thanks, opportunities to develop skills and recognition awards such as 'employee of the month/year', 'going the extra mile'. Awards are often publicly acknowledged ceremonies and/or company newsletters and notice boards thus communicating to the wider workforce the employee behaviour the organisation values and is prepared to reward. Non financial also include the general quality of working life (QWL). For example, the work environment, flexibility, work-life balance, managerial style/ attitude, job-role autonomy and responsibility plus opportunities for employee involvement and employee voice; collectively this may be termed the work 'experience' Perkins and White (2008).

According to Milsome (2001), non-financial recognition has a variety of schemes from the range of informal, impromptu and formal structured based. This includes sending thanks to the

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employees or writing formally to record their thanks to recognize employee(s); An appreciation in public meeting regarding the efforts; Appreciating in organizational newsletter or at special dinner gathering; declaring Employee of the month or year; Holidays tour and travelling and Meal for the individual and his/her partner and home appliances or domestic goods.

McAdams (1995) says recognition programmes involve rewards of both kinds i.e.monetary as well as non-monetary nature. Modes of recognition may consist of socialreinforcers, such as making mention in the company newsletter; plaques or letters ofcommendation; travel prizes; or extra time off, and even the verbal appreciation privately or publically etc. These findings are in line with the findings of Brun and Dugas (2008)who contend that, for the beneficiary, recognition represents a reward experienced primarilyat the symbolic level; however, it may also envisage emotional, practical or, financial valueto any extent.

McAdams (1995) joins the chorus of Serino (2002) and Stajkovic and Luthans (2003) which claims that non-cash recognition awards are not only more motivating but arealso economical compared to cash incentives. In his research on some 600 firms, McAdamsfound that cash incentives, no doubt, enhanced sales performance by 13% but only throughadditional 12% cost. In contrast, non-financial recognition based rewards alsoenhanced sales performance to the same level but against cost of only 4 percent. Jeffrey& Schaffer (2007) had almost similar conclusions out of their research who found thatnon-financial recognition based rewards are not only motivationally superior to cashrewards but also, from the employer perspective, they are favoured since the employerdoes not need to pay out any cash, which is a scarce resource in most organizations. Not only is non-cash recognition costeffective,it's a crucial piece of keeping employees engaged.

Saunderson (2004) identifies the essential nature of employee recognition as a vectorof motivation, a component of meaningful work, an agent of personal development, andcentre for workplace mental health. Research findings of Brun et al. (2003)show that dearth of sense of recognition among the workforce in the organizations signalsrisk of psychological distress and, in the result, an antagonism towards the management.Evans (2001) says that managerial recognition of the employee performance is one of themost salient sources of employee engagement and mobilization and plays cardinal role inorganizational change and continuity towards success.

RESEARCH METHODOLOGY

Research Design

The study adopted a descriptive survey design to investigate the effect of reward on employ engagement and commitment in Rift Valley Bottlers Company. This type of design is quite appropriate for gathering information, summarizing, presenting and interpreting for the purpose of clarification (Orodho, 2002).

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Population

The target population of the study shall consist of the staff of the Human Resources Department, Finance Department, Production Department, Sales and Marketing Department and Distribution Department. Human Resource Department comprised 5 staff members, Finance department comprised 10 staff members, Production department comprised 20 staff members, Operations department comprised 35 staff members and sales and marketing department comprised 70 staff members, falling under different job groups. The study population was therefore 140 employees falling under different job groups

A sample size of 30% respondents; equivalent to 38 members of staff in the five departments was randomly selected to participate in the study. This number was considered sufficient since it was above the recommended 30% which is generally regarded the minimum sample size. A simple random sampling method within each department was employed so as to give each staff a chance to participate in the study

Data collection

The research instrument used in this study for data collection was the questionnaires. A questionnaire was chosen because it was less expensive and did not consume a lot of time. This method was also selected with due consideration to the busy schedule of most of the respondents, the questionnaire allowed respondents to complete them at their convenient time

The researcher obtained an introduction letter from Jomo Kenyatta University of Agriculture and Technology. Thereafter, the researcher obtained consent from the RVBL to administer the questionnaires. The researcher visited each of the sampled departments and personally administered the questionnaires. The respondents were guided on how to respond to the questions and were assured of confidentiality of all the information they gave. They were then given the questionnaires to fill and return within seven days.

A scholarly study has to show evidence for accuracy, generalizability and replication. These are the issues of validity and reliability of the study. The researcher established the reliability of the research instruments before proceeding to the field to collect data. The questionnaire was administered to the senior managers who were not involved in the final study. This was done to determine whether the instrument yield the data needed, identify the problems that the participants might encounter in responding to the items and to find out if items were clear or ambiguous.

During the pre-test, respondents were asked to complete the questionnaire. The researcher corrected and re-administered the questionnaire to the same respondents after two weeks. The results for the pre-test and post test studies were tested for reliability using the Cranach's alpha Coefficient ($\hat{\rho}$). If all of the questions exceed the conventional recommended cut-off of 70, then it is reliable to be used to collect data (Nunnally, 1978).

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Data Analysis and presentation

Data which was collected from the field was coded and cleaned to remove outliers or missing valuables and categorized manually according to the questionnaire items using frequency distribution tables and percentages. Simple descriptive statistics were used as they had an advantage over more complex statistics since they could easily be understood especially when making results known by a variety of readers.

The coded data was then transferred to the computer sheet and processed using the Statistical Package for Social Sciences (SPSS) version 11.5.

Frequency tables, bar graphs and pie charts were used to analyze the quantitative data. The responses to open ended (qualitative data) in form of phrases and words were organized followed by creating categories, themes and patterns related to research questions. This was analyzed and reported by descriptive narrative.

RESEARCH RESULTS

Direct Financial Drivers on Employee Engagement and Commitment

Assessment of the extent to which various factors stimulate levels of engagement and commitment of employees at Rift Valley Bottlers Company Limited was done using a five-point Likert scale.

From the findings it was observed that the mean were constant at 12.67 because the respondents were the same. The standard deviation ranged from 5.50-12.66 showing that, the variables were significantly different thus could be analysed. The results portray that promotion opportunities to a very large extent 66.79% influences the level of engagement of employees. Salary 23.68%, Satisfactory salary 31.58%, Promotion opportunities, Basis of payment 34.21%, Predictable salary increase 21.05%, Shares ownership schemes, had the level of influence of 2.64 % on level of engagement by employees. The findings of this study are a true reflection of the studies conducted by Mottaz 1985, Mahaney and Lederer 2006, who argued that pay elements include salary, promotions, pay rises, merit bonuses, and predictable salary increment. However, the findings differ significantly from studies done by Marchant (2007), Ngala&Odebero (2009), who posits that Cash bonuses are the leading driver of employee engagement and commitment. The findings too differ greatly with Goldsmith, Veum & Darity (2000), who argued that for employees to put more effort, reduce turnover, and be attracted to stay at the organisation, a wage premium was key. Indirect financial Benefits to Employee Engagement and commitment

From the findings, it was observed that the mean were constant at 9.5 because the respondents were the same. The standard deviation ranged from 2.08-11.79 showing that, the variables were significantly different thus could be analysed. The study reveals high level of employee engagement at Rift Valley Bottlers Limited. This is demonstrated by results which point out that

health benefits offered by Rift Valley Bottlers (28.95%) engaged employees to a very large extent. To a large extent (76.32%), educational benefits engaged the employees. 42.11% which was a moderate extent of the respondents said that, retirement benefits engaged them in the company. A similar percentage (42.11%) said too that family benefits offered at the company engaged them at the company. This finding is in agreement with studies done by Doyle, 2010, Gale (20002), Wright (2004) and Donata (2011), which hold that benefits can be grouped into three categories. That is, Personal, security and health. They agree that benefits invoke feeling of accomplishments of self-worth and hence likely to stay on in companies that offer better benefits. However, from the literature reviewed, no study had been made to show which benefit engaged employee the most. But from the above finding it is clear that, health benefits are the leading indirect financial benefit that engages employees the most in Rift Valley Bottling Company.

Learning and Development on Employees' Engagement

From the findings, it was observed that the mean were constant at 9.5 because the respondents were the same. The standard deviation ranged from 3-11.96 showing that, the variables were significantly different thus could be analysed. From the study learning component driver of employee engagement at Rift Valley Bottlers Company Limited as the Training on the relevant skills. This was demonstrated by results which pointed out that only training opportunities on the relevant skills offered by Rift Valley Bottlers Company (50.00 %) engaged employees to large extent. By a large extent regular training (28.95%) and to a smaller extent promotion within the next two years made employees to be engaged and committed in the company. The findings of this study are a true reflection of the social exchange theory. The theory adduces that, 'movement by of one party would lead to a reaction by the second party.' When employers allocate more physical, cognitive and emotional to employees, they will reciprocate or reply to employer's actions.

Non-Financial Benefits and Employees' Engagement

From the findings, it was observed that the mean were constant at 9.5 because the respondents were the same. The standard deviation ranged from 3-11.96 showing that, the variables were significantly different thus could be analysed. The results depicted above show that there is a high level of employee engagement at Rift Valley Bottlers Company Limited as per environment drivers. The results demonstrated that to the very large extent, interaction with colleagues at (50.00%) contributed the most in terms of engaging and committing the employees in the company. Opportunities to air views freely to a large extent (47.37%), moderately, 47.37% adequate space and to a small extent union activities at 52.63% influenced employees to be engaged and committed at the company. The findings of this study are a true reflection of the studies conducted by Saks (2006), who explained that, the organisational productivity and employee job engagement depended upon employee happiness and well being at the work place.

Kahn adds that employees feel happy and keep themselves more intensely in the job due to the work environment they are working in. The finding too resonates with Xanthopoulou (2009), who found out that, the well being of employees is positive and has a positive effect on employee engagement as it enables to perform according to organisational standards.

CONCLUSIONS

This study aimed at establishing the effect of rewards on employee engagement at Rift Valley Bottlers Company. The study focused on three engagement and commitment drivers. That was: direct financial benefits, indirect financial benefits and non financial benefits. The findings of the study revealed that research, several factors contribute to employees' engagement and commitment at the place of work. However, the contribution of these factors varies in strength and appeal to workers. Promotion opportunities, was identified as the leading direct financial driver in employee engagement. Health benefits, job relevant training and interaction with fellow workers freely, had the strongest contribution to engagement and commitment at Rift Valley Bottlers Company. This finding has a strategic implication for human resource managers and scholars. This is in agreement with Kahn's three psychological condition theories which explain the positive link between core self-evaluations and employee engagement. According to Kahn (1990), employee engagement develops when three psychological conditions are satisfied: psychological meaningfulness, psychological safety, and psychological availability. Psychological meaningfulness referring to the positive 'sense of return on investments of self in role performance'. It concerns the belief that work is worthwhile and meaningful enough to add value and significance to accomplishments at work. When employees believe that their work or roles are significant and fit to the goals and values of the self or the organization, they may bring themselves into this work, showing engagement (Brown & Leigh, 1996; Czarnowsky, 2008; Harter, Schmidt, & Hayes, 2002; Fredrickson, 1998; Maslach et al., 2001).

RECOMMENDATIONS

Based on the findings of the study, the following recommendations are proposed:

How organisation pay portrays their stance on reward and is in many ways a more strategic decision than how much to pay. Methods of pay progression at Rift Valley Bottlers Company should be informed by a clear notion of organisation value and strategic imperatives such that the 'right' individuals are recognized and rewarded for the 'right' behaviours. Where pay progression is concerned, sometimes pragmatic decisions, underscored by the lack of resources and expertise to design and manage more elaborate pay progression drives organisation to apply blanket solutions such as automatic annual increments linked to employee service across-the-board percentage pay increases. For some organisations the stakeholders involved in the particular employment relationship annual service-related increments and unified pay awards may signify equity, parity and transparency and therefore may be viewed more positively than

other means of salary progression. However, at RVB a new pay structure should focus on rewarding individual contribution and satisfactory performance tied into a new appraisal scheme.

Further recommended is Performance related pay (PRP). PRP links individual pay progression with employee performance. The promise of reward contingent and performance will incentivise employees to perform optimally thus raising individual performance and leading to improved levels of engagement. Within a PRP scheme, employee performance is typically assessed against pre-set targets or objectives. Often appraisal time, although a separate review meeting could be used to determine a PRP increase. PRP payments may be consolidated into base pay or paid as a bonus (variable pay).

On learning and development, the organisation may identify discernible skills or blocks of skills and arrange this in hierarchy to indicate skill levels and attach skills based pay. This provides employees with a direct link between their pay progressions and the skills they have acquired and use effectively. This will enhance satisfaction and thus engagement.

Team rewards involves linking pay increases to an assessment of performance at team rather than individual level. Team based pay at RVB, should be designed to reinforce collaborative working and team results. Pay for the achievement of team objectives or targets can be distributed as a fixed sum to all team members or calculated as a percentage of base salary. This encourages high performing, well rewarded members of a team to stay on and remain together.

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