

THE IMPACT OF DIRECT FINANCIAL REWARDS ON EMPLOYEE ENGAGEMENT IN TERTIARY INSTITUTIONS IN RIVERS STATE

¹Akubom, Otami and ²Dr. W.O. Olori

^{1,2} Department of Management, University of Port Harcourt, Nigeria.

Abstract

This study examines the extent to which direct financial rewards would lead to employee commitment in tertiary institutions in Rivers state. The population of this study includes senior staff of three universities in River state namely; University of Port Harcourt, Rivers State University and Ignatious Ajuru University of Education with a total of 5,437 senior staff. Our test of hypothesis was done using simple regression. The results show that there is a significant relationship existing between direct financial rewards and employee engagement. The study further recommends that management should ensure that a coordinated system is put in place to ensure people are remunerated based on their input towards the system. Those who have done much should be rewarded and celebrated while those who have done below average should be encouraged to work harder.

Keywords: *Direct financial reward, employee engagement, tertiary institutions, Rivers state, senior staff.*

Introduction

When employees experience engagement, a number of positive outcomes occur. Some of the outcomes of engagement link to other employee affective responses to work. For example, Kahn (1990) found that more engaged employees had higher employee participation in company programs, retention, receptiveness to change, and loyalty (Kular, Gatenby, Rees, Soane, & Truss, 2008). In addition, employee engagement has also been found to be related to less role conflict and stress; cynicism about the organization and its goals; and more sense of control over one's work environment; confidence in the future of the organization; sense of self-confidence in the ability to make change happen in the organization; willingness to learn and experiment; willingness to stay with the company (lower turnover or higher retention), etc.

Ulrich & Brockbank (2005) have elaborated their understanding by referring to 'engaged employees' as those who 'work with a passion and feel a profound connection to their company and drive innovation and move the organization forward'. In the UK, the CIPD (2007) refers to it as 'passion for work' and the willingness to go the extra mile. Employee engagement as 'the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performance (Lawler, 2003). Others have noted the centrality of 'vigor' in the idea of engagement – that is, feelings of strength and emotional energy in the workplace (Kular, et al 2008). Shaw (2005) defined engagement as 'translating employee potential into employee performance and business success'. This means changing the way employees perform 'by utilizing the tools in the armoury of internal communication professionals'.

Employees would always give their maximum when they have a feeling of trust that their efforts will be rewarded by the management (Magjuka & Baldwin, 1991). There are many factors that affect employee performance like working conditions, worker and employer relationship, training and development opportunities, job security, and company's overall policies and procedures for rewarding employees, etc. Among all those factors which affect employee performance, motivation that comes with rewards is of utmost importance. Motivation is an accumulation of different processes which influence and direct our behavior to achieve some specific goal (Mahaney, Lederer, 2006). Rewards can be direct financial or indirect financial; direct financial rewards are tangible rewards and these rewards are external to the job or task performed by the employee. External rewards can be in terms of salary/pay, incentives, bonuses, promotions, job security, etc. Indirect financial rewards are intangible rewards or psychological rewards like appreciation, meeting the new challenges, positive and caring attitude from employer, and job rotation after attaining the goal. According to Mutunga (2009), there are two basic types of rewards, financial and non-financial, and both can be utilized positively to enhance performance behaviors of employees. Financial rewards mean pay-for-performance such as performance bonus, job promotion, commission, tips, gratuities and gifts etc. Non financial rewards are non monetary/non cash and it is a social recognition such as acknowledgement, certificate, and genuine appreciation etc. The non financial rewards are also called materials award (Serino, 2002). Desired performance can only be achieved efficiently and effectively, if employee gets a sense of mutual gain of

organization as well as of himself, with the attainment of that defined target or goal. An organization must carefully set the rewards system to evaluate the employee's performance at all levels and then rewarding them with whether visible pay for performance of invisible satisfaction. The concept of performance management has given a rewards system which contains; needs and goals alignment between organization and employees, rewarding employees both direct financially and indirect financially. The system also suggests where training and development is needed by the employee in order to complete the defined goals.

Theoretical Framework

The theoretical framework for this study is drawn from equity theory.

Equity theory (Adams, 1965) draws from exchange, dissonance, and social comparison theories in making predictions about how individuals manage their relationships with others. Four propositions capture the objectives of the theory; firstly, individuals evaluate their relationships with others by assessing the ratio of their outcomes from and inputs to the relationship against the outcome/input ratio of a comparison with others. Secondly, if the outcome/input ratios of the individual and comparison with others are perceived to be unequal, then inequity exists. Thirdly, the greater the inequity the individual perceives (in the form of either overreward or underreward), the more distress the individual feels (Hatfield, & Sprecher, 1983). Fourthly, the greater the distress an individual feels, the harder he or she will work to restore equity and, thus, reduce the distress. Equity restoration techniques include altering or cognitively distorting inputs or outcomes, acting on or changing the comparison with others, or terminating the relationship. The theory's distress prediction is based upon the assumption that individuals are equally sensitive to equity; that is, the general preference is that outcome/input ratios be equal to that of the comparison with others. This premise has been termed the "norm of equity" (Greenberg, 1979), and both laboratory studies (Adler, 1935) and field research (Carrell & Dittrich, 1976) show support for the norm. Yet, research into reward allocations (i.e., how individuals distribute outcomes among receivers) has identified other norms that appear to contradict the norm of equity.

Carrell & Dittrich (1978) for example, suggested three distribution rules that an individual might employ when allocating outcomes to others: (a) the contribution (equity) rule, where others are rewarded outcomes in proportion to their inputs; (b) the needs rule, where others are rewarded based upon their legitimate needs, and (c) the equality rule, where others receive equal outcomes irrespective of their individual inputs. These distribution rules, as Andrews (1967) indicated, suggest that different norms govern the allocation of rewards. Also, a number of studies (e.g., Greenberg, 1978) have shown that allocators do not universally adhere to the equity norm when distributing outcomes to others. Thus, evidence suggests that the norm of equity has important exceptions, at least in terms of how one allocates to others. Despite the absence of research into norms that receivers employ when evaluating their own outcomes, research on individual differences also suggests exceptions to the norm of equity. These exceptions include both demographic variables such as sex (Austin & McGinn, 1977), age (Hook & Cook, 1979), and nationality (Weick, Bougon, & Maruyama, 1976), and personality traits such as the Protestant Work Ethic (Greenburg, 1979),

Machiavellianism (Blumstein & Weinstein, 1969), and interpersonal orientation (Merton, et al, 1983). Major and Mess, et al. (1973) indicated in their review of individual differences in justice behavior (i.e., reward distributions and reactions to injustice), the effects of individual differences also vary according to whether experimental subjects are allocating outcomes to themselves and/or others, or whether they are simply reacting to inequitable treatment from others.

The notion of individual differences in regard to equity has received little systematic attention in the organizational behavior literature. In fact, two reviews of equity theory (Mowday, 1983) have underscored the value of examining individual differences in equity research. Yet Major and Deaux (1982) concluded that much of this research is "scattershot" and "opportunistic" relying heavily on easily identifiable demographic variables and involving ex post facto reasoning from results.

Direct Financial Rewards

Direct financial compensation is most widely known and recognized form of compensation. Most sought after by workers, direct compensation is the money which is paid directly to employees in exchange for their labor. This includes everything from hourly wages, to set salaries, bonuses, tips and commissions (Allen & Kilmann, 2001).

Ulrich & Brockbank (2005) indicates, for money to motivate, merit pay rises must be at least seven percent of base pay for employees to perceive them as motivating and to catch anybody's attention. Recent studies, for example by Jeffrey and Schaffer (2007) on the four methods of motivating employees indicated that money rated the second among lower-level employees. Such evidence demonstrates that money may not be the only motivator, but it's difficult to argue that it doesn't motivate. Another stream of analyses points out that people never rate money as their main motivator, most achievements are reached for reasons other than money, and it is a factor that attracts people but does not play a big role in retaining and motivating.

Jeffrey and Schaffer (2007) point out, salary and other hygiene factors yielded dissatisfaction and only motivators directly influence motivation beyond the psychological neutral level. In a recent survey, by (Serino, 2002) direct financial reward played a critical role in attracting talented employees, but they have only a short term impact on the motivational levels of employees. Kohn, quoted by Armstrong (2007) challenge what he calls the behaviorists dogma about money and motivation. He claims that, no controlled scientific study has found a long-term enhancement of the quality of work as a result of any reward system. Slater, quoted by Armstrong (2007) also argued that the idea that everybody wants money is propaganda circulated by wealth addicts to make them feel better about their addiction.

Armstrong (2007) further argued that, a closer look on how employees are motivated indicates that it becomes disturbingly clear that the more you use rewards to motivate, the more employees tend to lose interest in whatever they had to do to get the rewards. The more reinforcing the reward is, the more it erodes intrinsic interest. Therefore, various devices can be used to get employees to do something, but that is a far cry from making people want to do

something in this regard, nonmonetary rewards apply. Theorists therefore point out the value of challenging jobs, feedback, cohesive work teams and other nonmonetary factors as stimulants to motivation which should never be left out when addressing the subject of motivation in the workplace.

Goodman & Friedman (1968) also contends that employees do work for money but they work even more for meaning in their lives. Where there is no meaning of work, there is greater loss of loyalty and commitment and pay should therefore not substitute for a working environment high on trust, fun, and meaningful work. The above simply mean, money should be used in conjunction with other motivating factors in order to win the attention of employees. However, according to Greenberg (1979), in a much publicized study, Gupta and her colleagues analyzed thirty-nine studies conducted over four decades and found that cold-hard cash motivates workers whether their jobs are exciting or mundane in labs and real world settings alike. But the research team acknowledges that money is not the only factor that concerns employees noting that beyond a certain point higher salaries will make employees happier, but it will not buy better performance and motivation (Goodman & Friedman, 1968). Still, Gupta warns that employers who dole out small merit raises-less than seven percent of base pay –may do more harm than good. According to her, small raises can actually be dysfunctional in terms of motivation because employees become irritated that their hard work yielded so little. Therefore there are mixed feelings among scholars on whether money has a positive or negative impact on motivation and such a question can only be addressed through an empirical study.

Concept of Employee Engagement

As a concept that has developed over time, engagement has been defined in numerous, often inconsistent, ways in the literature, so much so that the term has become ambiguous to many and it is rare to find two people defining it in same way (Graen, 2008). It has variously been conceived as a psychological or affective state (e.g. commitment, involvement, attachment etc.), a performance construct (e.g. role performance, effort, observable behaviour, organisational citizenship behavior, etc; (Harter, 2000) or an attitude. Some even relate the concept to other specific constructs such as altruism or initiative (Harter, Schmidt, Hayes, 2002) and little consensus has been reached in the literature as to which of these definitions is the definitive, or at least, ‘best-fit’ model of engagement. The importance of defining terms such as engagement was highlighted by Harter (2000), who suggested that different meanings that are read into the term result in considerable variation in what is being measured, which ‘produces a series of contradictory and non-replicable studies’

The notion of employee engagement is a relatively new one, one that has been heavily marketed by human resource (HR) consulting firms that offer advice on how it can be created and leveraged. Academic researchers are now slowly joining the fray, and both parties are saddled with competing and inconsistent interpretations of the meaning of the construct. Casual observation suggests that much of the appeal to organizational management is driven by claims that employee engagement drives bottom-line results. Indeed, at least one HR consulting firm (Hirschfeld & Field 2000) indicates that they ‘‘have established a conclusive,

compelling relationship between engagement and profit-ability through higher productivity, sales, customer satisfaction, and employee retention.” Some practitioners view engagement as having evolved from prior research on work attitudes, directly implying that this newer concept adds interpretive value that extends beyond the boundaries of those traditions. We agree with this thought and hope to show why we agree in what follows. Although compelling on the surface, the meaning of the employee engagement concept is unclear. In large part, this can be attributed to the “bottom-up” manner in which the engagement notion has quickly evolved within the practitioner community. This is not an unfamiliar stage in the incremental evolution of an applied psychological construct.

To some, engagement and satisfaction are linked directly if not regarded as completely isomorphic. Thus, Hirschfeld & Thomas, (2008) explicitly referred to their measure (The Gallup Work Place Audit) as “satisfaction-engagement” and defined engagement as “the individual’s involvement and satisfaction as well as enthusiasm for work”. The Gallup survey items tap evaluative constructs traditionally conceptualized as satisfaction facets, including resource availability, opportunities for development, and clarity of expectations. Perhaps even more directly, some practitioners (Glen, 2006) measure engagement as direct assessments of satisfaction with the company, manager, work group, job, and work environment characteristics. Others distinguish between an affective, or emotional, component of engagement and rational or cognitive elements, linking the emotional component to job satisfaction. Thus, Samuel (1978) suggested that “the emotional factors tie to people’s personal satisfaction and the sense of inspiration and affirmation they get from their work and being part of their organization”.

Research Hypothesis

H01 There is no significant relationship between direct financial reward and employee engagement.

Methodology

This study adopted a quasi experimental research design because the research elements are not within the control of the researcher. This is because of the social factor inherent in the humans under study. The population of this study includes senior staff of three universities in River state namely; University of Port Harcourt, Rivers state university and Ignatius Ajuru University of Education with a total of 5437 senior staff (as shown in table 1). Test of hypothesis was done with simple regression so as to ascertain the cause effect relationship.

Table 1 Population

University	Senior Staff strength
University of Port Harcourt	2852
Rivers state university	1800
Ignatius Ajuru University of Education	785
Total	5437

Sample Size Determination

The sample size would be determined using Taro Yamene Formula as stated below:

$$n = \frac{N}{1+N(e)^2}$$

where n = sample size
 N = Total population
 e = Tolerable error (0.05)

$$n = \frac{5437}{1+5437(0.05)^2}$$

$$n = \frac{5437}{13.595}$$

$$n = 400$$

Data Analyses and Findings

Table 2. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.726 ^a	.527	.525	2.972

a. Predictors: (Constant), Direct_Fin_Reward

Here our model summary shows that a regression coefficient achieved for the model is 0.726 which is strong, and a coefficient of determinant of 0.527 which implies that 52.7% of our independent variable account for the outcome of our dependent variable.

Table 3 ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2975.446	1	2975.446	336.954	.000 ^b
	Residual	2675.617	303	8.830		
	Total	5651.062	304			

a. Dependent Variable: Employee_Engagement

b. Predictors: (Constant), Direct_Fin_Reward

In table 3, we also realize that our ANOVA has a p-value of 0.000 which is less than alpha of 0.05. To this end, we reject the stated null hypothesis.

Table 4 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	5.661	1.027		5.513	.000
Direct_Fin_Reward	.851	.046	.726	18.356	.000

a. Dependent Variable: Employee_Engagement

Table 4 also confirms table 2 above. It shows a regression coefficient of 0.726 which is very strong and a p-value of 0.000 which is also less than 0.05. Therefore, we reject the stated null hypothesis.

Conclusion

In this study, we have empirically analyzed the extent to which direct and indirect financial rewards can relate with employee low turnover, minimal absenteeism and higher performance. From the responses received from our respondents, we realized 151 copies of questionnaire from University of Port Harcourt, 103 copies of questionnaire from Rivers State University and 47 copies of questionnaire from Ignatius Ajuru University. We also realized that we had 181 male and 120 female respondents. More of our respondents were married while the least were divorced. Furthermore, more of our respondents had master's degree while the least had Ph.D. For our test of hypothesis, we also realized that the tested null hypothesis had positive correlation coefficient and p-values less than 0.05 alpha level. Therefore, the null hypothesis was rejected. This implies that direct financial reward significantly relates with employee engagement in tertiary institutions.

Therefore, university management has a role to play in determining effective reward systems that would meet the requirements of employees within their working environment. This is because every employee within the organization weighs the amount of energy put into his or her work vis a vis the perceived rewards from institutions. If institutions are mindful of these facts, they would realize that the human resource within the organization is the key resource while every other resources are secondary. The study is also an eye opener to the fact that institutional factors cannot be overlooked such as culture, structure, etc. These factors play a major role when it comes to ensuring that the right persons are in the right offices at the right time, doing the right things. Thus, ensuring that the right thing is done would lead to a significant result in employee engagement.

Recommendations

- i. University management should ensure that direct financial rewards are not the only means of motivating staff, there should be other non-financial benefits as well as indirect financial benefits so that employees would be motivated to stay and have low turnover.
- ii. Secondly, there should be a coordinated system put in place to ensure people are remunerated based on their input towards the system. Those who have done much should be rewarded and celebrated while those who have done below average should be encouraged to work harder.
- iii. In order to create a sense of belonging within the workplace, management should ensure that time books are automated and employees who are known for their punctuality are celebrated.
- iv. As much as the organizations can, each week should begin with an introduction of the best staff for the previous week. This introduction should indicate the indices used in rating such employees as the best for that week. It could be through attendance, work performance, etc.

References

- Adams, J. S. (1963). Toward an understanding of inequity. *Journal of Abnormal and Social Psychology*, 67, 422-436.
- Adams, J. S. (1965). Inequity in social exchange. In L. Berkowitz (Ed.), *Advances in experimental social psychology* 2(1) 22-33
- Adler, A. (1935). The fundamental views of individual psychology. *International Journal of Individual Psychology*, 1(1), 5-8.
- Allen R.S., & Helms M.M., (2001). Reward Practices and Organizational Performance” *Compensation & Benefits Review*, 33, 74-80.
- Allen, R.S., & Kilmann, R.H. (2001). The Role of the Reward System for a Quality Management Based Strategy, *Journal of Organizational Change Management*, 14 (2), 10- 127.
- Andrews, I. R. (1967). Wage inequity and job performance: An experimental study. *Journal of Applied Psychology*, 51, 39-45.
- Ansbacher, H. L., & Ansbacher, R. R. (Eds.) (1956) *The individual psychology of Alfred Adler*. New York: Basic Books.
- Armstrong, M. (2006). *A Hand Book of Human Resource Management Practice*, 10th edition London: Kogan Page at work. *Academy of Management Journal*, 3(3) 692-724.
- Austin, W., & McGinn, N. C. (1977). Sex differences in choice of distribution rules. *Journal of Personality*, 45, 379-394.
- Austin, W., & Walster, E. (1974) Participants' reactions to equity with the world. *Journal of Experimental Social Psychology*, 10, 528-548.
- Barclays Bank of Kenya Limited, (2013). [http://www. Barclays Bank of Kenya.co.ke](http://www.BarclaysBankofKenya.co.ke), accessed on 28th April 2013.
- Best, R. G., Stapleton, L. M., & Downey, R. G. (2005). Core self-evaluations and job burnout: the test of alternative models. *Journal of Occupational Health Psychology*, 10, 441-451.SS.
- Blau, P. M. (1964). *Exchange and power in social life*. New York: Wiley.
- Blumstein, P. W., & Weinstein, E. A. (1969). The redress of distributive justice. *American Journal of Sociology*, 74, 408-418.
- Burke, R. J., & Cooper, C.L. (2004). *Leading in turbulent times*. Oxford, UK: Blackwell Publishing.

- Callahan-Levy, C. M., & Mess6, L. A. (1979). Sex differences in the allocation of pay. *Journal of Personality and Social Psychology*, 37, 433-446.
- Campbell, J. P., & Pritchard, R. D. (1976). Motivation theory in industrial and organizational psychology. In M. D. Dunnette
- Carrell, M. R., & Dittrich, J. E. (1976). Employee perceptions of fair treatment. *Personnel Journal*, 55, 523-524.
- Carrell, M. R., & Dittrich, J. E. (1978). Equity theory: The recent literature, methodological considerations and new directions. *Academy of Management Review*, 3, 202-210.
- Chartered Institute of Personnel and Development (2006). *Working Life: Employee Attitudes and Engagement*, London: CIPD.
- Chartered Institute of Personnel and Development (2007). *How Engaged are British Employees?* London: CIPD.
- Coles, R. (1977). *Privileged ones*. Boston: Little, Brown.
- Erez, A., & Judge, T. A. (2001). Relationship of core self-evaluations to goal setting, motivation, and performance. *Journal of Applied Psychology*, 86, 1270-1279.
- Evans, R. (2001). *The Human Side of School Change; Reform, Resistance, and the Real- life Problems of Innovation*, San Francisco, CA: Jossey-Bass.
- Farr, J. L. (1976). Incentive schedules, productivity, and satisfaction in work groups: A laboratory study. *Organizational Behavior and Human Performance*, 17, 159-170.
- Finn, F. H., & Lee, S. M. (1972). Salary equity: Its determination, analysis, and correlates. *Journal of Applied Psychology*, 56, 283-292.
- Gallup (2006). 'Gallup study: engaged employees inspire company innovation: national survey finds that passionate workers are most likely to drive organisations forward', *The Gallup Management Journal*, <http://gmj.gallup.com/content/24880/Gallup-Study-Engaged-Employees-Inspire-Company.aspx> Garrow V (unpublished), *Staff Engagement: Summary Literature Review*.
- Gergen, K. J., Morse, S. J., & Gergen, M. M. (1980). Behavior exchange in a cross-cultural perspective. In H. C. Triandis & R. W. Breslin (Eds.), *Handbook of cross-cultural psychology* (Vol. 5, pp. 121-154). Boston: Allyn and Bacon.
- Ghiselli, E. E., Campbell, J. P., & Zedeck, S. (1981). *Measurement theory for the behavioral sciences*. San Francisco: Freeman.

- Glen C (2006). 'Key skills retention and motivation: the war for talent still rages and retention is the high ground', *Industrial and Commercial Training*, 38(1), 37–45.
- Goodman, P. S. (1974). An examination of referents used in the evaluation of pay. *Organizational Behavior and Human Performance*, 12, 170-195.
- Goodman, P. S., & Friedman, A. (1968). An examination of the effect of wage inequity in the hourly condition. *Organizational Behavior and Human Performance*, 3, 340-352.
- Graen GB (2008). 'Enriched engagement through assistance to systems' change: a proposal', *Industrial and Organisational Psychology*, 1, 74–75
- Greenberg, J. (1978). Allocator-recipient similarity and the equitable division of rewards. *Social Psychology*, 41, 337-341.
- Greenberg, J. (1979). Protestant ethic endorsement and the fairness of equity inputs. *Journal of Research in Personality*, 13, 81-90.
- Greenberg, J. S., & Westcott, D. R. (1983). Indebtedness as a mediator of reactions to aid. In J. D. Fisher, A. Nadler, & B. M. De Paulo (Eds.), *New directions in helping* (Vol. 1, pp. 85-112). New York: Academic Press.
- Hallberg UE, Schaufeli WB (2006). 'Same same but different? Can work engagement be discriminated from job involvement and organisational commitment?', *European Psychologist*, 11(2), 119–127.
- Harter JK (2000). 'Managerial talent, employee engagement, and business- unit level performance', *Psychologist Manager Journal*, 4(2), 215–224.
- Harter JK, Schmidt FL, Hayes TL (2002). 'Business- unit- level relationship between employeea satisfaction, employee engagement, and business outcomes: a metaanalysis ', *Journal of Applied Psychology*, 87(2), 268–279.
- Heintzman R, Marson B (2006). People, service and trust: links in the public sector service value chain, Canadian Government Executive, www.hrmaagr.gc.ca/veobe/publications/atricle_e.asp
- Hewitt Associates (2004). Hewitt Associates study shows more engaged employees drive improved business performance and return, Press Release, May.
- Hirschfeld RR, Field HS (2000). 'Work centrality and work alienation: distinct aspects of a general commitment to work', *Journal of Organisational Behavior*, 21, 789–800.
- Hirschfeld RR, Thomas CH (2008). 'Representations of trait engagement: integration, additions and mechanisms', *Industrial and Organisational Psychology*, 1, 63–66.

- Hook, J. G., & Cook, T. D. (1979). Equity theory and the cognitive ability of children. *Psychological Bulletin*, 86, 429-445.
- Huesmann, L. R., & Levinger, G. (1976). Incremental exchange theory: A formal model for progression in dyadic social interaction. In L. Berkowitz & E. Walster (Eds.), *Advances in experimental social psychology* (Vol. 9, pp. 191-230). New York: Academic Press.
- J. D. Fisher (Eds.). *New directions in helping* (Vol. 2, pp. 13-44). New York: Academic Press.
- Jeffrey, S.A., and Schaffer, V. (2007), *The Motivational Properties of Tangible Incentives, Compensation and Benefits Review*, May-June, 44-50.
- Jenkins, G. D., Jr., & Lawler, E. E. III (1981) Impact of employee participation in pay plan development. *Organizational Behavior and Human Performance*, 28, 111-128.
- Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal*, 33, 692-724.
- Kahn, W. A. (1992). To be full there: psychological presence at work. *Human Relations*, 45, 321-349.
- Kahn, W.A. (1990). Psychological conditions of personal engagement and disengagement.
- Kerr, J. and Slocum, J. W. (1987). *Managing Corporate Culture Through Reward System*.
- Ketter, P. (2008). 'What's the big deal about employee engagement?', *American Society for Training & Development*, January: 45-49.
- Kohn, A. (1993). *Punished by Rewards*, Boston, MA: Houghton-Mifflin.
- Krebs, D. (1970). Altruism-an example of the concept and a review of the literature. *Psychological Bulletin*, 73, 258-302.
- Kular, S., Gatenby, M., Rees, C., Soane, E., & Truss, K. (2008). *Employee engagement: A literature review*. Unpublished manuscript, Kingston Business School, Kingston University, Surrey, UK.
- Kular, S., Gatenby, M., Rees, C., Soane, E., & Truss, K. (2008). *Employee engagement: A literature review*. Unpublished manuscript, Kingston Business School, Kingston University, Surrey, UK.
- Lawler (2003). *Treat People Right*. San Francisco: Jossey-Bass.
- Leventhal, G. S. (1976). *Fairness in social relationships*. Morristown, NJ: General Learning Press.

- Locke, E. A. (1976). The nature and causes of job satisfaction. In M. D. Dunnette (Ed.), *Handbook of industrial and organizational psychology* (pp. 1297-1349). Chicago: Rand Mc-Nally.
- Magjuka R. J & Baldwin T.T. (1991). Team-Based Employee Involvement Programs: Effects of Design and Administration, *Personnel Psychology*, 44 (4), 793-812.
- Mahaney, R. C.& Lederer, A.L. (2006). The Effect of Intrinsic and Extrinsic Rewards for Developers on Information Systems Project Success, *Project Management Journal*, 37 (4), 42-54.
- Major, B., &Deaux, K. (1982). Individual differences in justice behavior. In J. Greenberg & R. L. Cohen (Eds.), *Equity and justice in social behavior* (pp. 43-76). New York: Academic Press.
- Major, B., McFarlin, D. B., & Gagnon, D. (1984). Overworked and underpaid: On the nature of gender differences in personal entitlement. *Journal of Personality and Social Psychology*, 47, 1399-1412.
- Maluti, L. V., Warento, T. O., &Shiundu, J. O. (2011). Impact of Employee Commitment on Retention in State Financial Corporations in Kenya. *International Journal of Business and Public Management Vol. 2(2): 30-38.*
- Merton, V., Merton, K., & Barber, E. (1983). Client ambivalence in professional relationships: The problem of seeking help from strangers. In B. M. De Paulo, A. Nadler.
- Mess, L. A., Dawson, J. E., & Lane, I. M. (1973). Equity as a mediator of the effect of reward level on behavior in the prisoner's dilemma game. *Journal of Personality and Social Psychology*, 26, 60-65.
- Miner, J. B. (1980). *Theories of organizational behavior*. Hinsdale, IL: Dryden Press.
- Mosak, H. H. (1959). The getting type, a parsimonious social interpretation of the oral character. *Journal of Individual Psychology*, 15, 193-198.
- Mosak, H. H. (1971). Lifestyle. In A. G. Mikelly (Ed.), *Techniques for behavior change* (pp. 77-81). Springfield, IL: Thomas.
- Moschetti, G. J. (1979). Calculating equity: Ordinal and ratio criteria. *Social Psychology Quarterly*, 42, 172-176.
- Mottaz, C. J. (1985). The Relative Importance of Intrinsic and Extrinsic Rewards as Determinants of Work Satisfaction, *The Sociological Quarterly*, 26 (3), 365-385.

- Mowday, R. T. (1983). Equity theory predictions of behavior in organizations. In R. M. Steers & L. W. Porter (Eds.), *Motivation and work behavior* (3rd ed., pp. 91-113). New York: McGraw-Hill.
- Mutunga, C. N. (2009). Factors that contribute to the level of employee engagement in the telecommunication industry in Kenya: a case study of Rift Valley Bottlers Kenya. Unpublished MBA Research Project, University of Nairobi.
- Mwangi, C. I., (2011). Utilization of Emotional Intelligence and Transformational Leadership for Employee Engagement in Public Universities in Kenya Unpublished MBA Research Project, Jomo Kenyatta University of Agriculture and Technology.
- Orodho, J.A, & Kombo D.K. (2002). *Research Methods*. Kenyatta University Institute of Open Learning. Nairobi.
- Porter, L. W., & Lawler, E. E. III. (1968). *Managerial attitudes and performance*. Homewood, IL: Irwin. pp. 267-299). New York: Academic Press.
- Pritchard, R. D. (1969). Equity theory: A review and critique. *Organizational Behavior and Human Performance*, 4, 176-211.
- Pritchard, R. D., Dunnette, M. D., & Jorgenson, D. O. (1972) Effects of perceptions of equity and inequity on worker performance and satisfaction. *Journal of Applied Psychology*, 56, 75-94.
- Radinsky, T. L. (1969). Equity and inequity as a source of reward and punishment. *Psychonomic Science*, 15, 293-295.
- Reis, H. J., & Gruen, J. (1976). On mediating equity, equality and self-interest: The role of self-preservation in social exchange. *Journal of Experimental Social Psychology*, 12, 487-503.
- Reward Systems (2008). *Koala Consulting and Training*: Retrieved February 24,2012, from <http://www.koalacat.comiarchive/O16RewardSystems>.
- Romer, D. (1977). Limitations in the equity-theory approach: Toward a resolution of the "negative-inputs" controversy. *Personality and Social Psychology Bulletin*, 3, 228-231.
- Rosenhan, D. L. (1978). Toward resolving the altruism paradox: Affect, self-reinforcement and cognition. In L.G. Wispe (Ed.), *Altruism, sympathy, and helping* (pp. 101-114). New York: Academic Press.
- Rushton, J. P. (1980). *Altruism, socialization, and society*. Englewood Cliffs, NJ: Prentice-Hall.
- Rychlak, J. F. (1973). *Introduction to personality and psychotherapy*. Boston: Houghton Mifflin.

- Saks, M. A. (2006). Antecedents and consequences of employee engagement. *Journal of Managerial Psychology*, 21, 610-619.
- Samuel, W. (1978). Toward a simple but useful equity theory: A comment on the Romer article. *Personality and Social Psychology Bulletin*, 4, 135-138.
- Saunderson, R. (2004). Survey Findings of the Effectiveness of Employee Recognition in the Public Sector, *Public Personnel Management*, 33, 3, 255-276.
- Schmidt, F. L., & Hunter, J. E. (1982). Two pitfalls in assessing fairness of selection tests using the regression model. *Personnel Psychology*, 35, 601-607.
- Serino, B. (2002). Non-cash Awards Boost Sales Compensation Plans, *Workspan*, 45, 8, 4-27
- Shapiro, E. G. (1975). Effect of expectation of future interaction on reward allocations in dyads: Equity or equality. *Journal of Personality and Social Psychology*, 31, 873-880.
- Shaw, K. (2005). *Employee Engagement: How to Build a High-performance Workforce*, Chicago, IL: Melcrum Publishing Limited.
- Shirom, A. (2003). 'Job-related burnout: A review', in J.C. Quick & L.E. Tetrick (Eds.), *Handbook of Occupational Health Psychology* (pp. 245–65). Washington, DC: American Psychological Association.
- Shuck, B., & Wollard, K. (2010). Employee engagement and HRD: A seminal review of the foundations. *Human Resources Development Review*, 9, 89-110.
- Singh, R. (1983). Leadership style and reward allocation: Does least preference co-worker scale measure task and relation orientation? *Organizational Behavior and Human Performance*, 32, 178-197.
- Society for Human Resource Management (2006). *SHRMSpecialExpertisePanels2006 trends report*. Alexandria, VA: Author.
- Stajkovic, A.D., and Luthans, F. (2003). Behavioral Management and Task Performance in Organizations: Conceptual Background, Meta-analysis, and Test of Alternative Models, *Personnel Psychology*, 56, 155-194.
- Swap, W. C., & Rubin, J. Z. (1983). Measurement of interpersonal orientation. *Journal of Personality and Social Psychology*, 44, 208-219.
- Telly, C. S., French, W. L., & Scott, W. G. (1971). The relationship of inequity to turnover among hourly workers. *Administrative Science Quarterly*, 16, 164-171.
- Ulrich, D. & Brockbank, W. (2005). *HR Value Proposition*. Cambridge, MA: Harvard Business Press.

- Vance, R. J. (2006). *Employee Engagement and Commitment: A guide to understanding, measuring and increasing engagement in your organization*, SHRM Foundation's Effective Practice Guidelines, SHRM Foundation.
- Wambugu, J. K. (2010). *Relationship between employee commitment and job performance: A study of the Kenya Institute of Surveying and Mapping (K.I.S.M)*. Unpublished MBA Research Project, University of Nairobi.
- Wruck, K. & Jensen M.C. (1998). The Two Key Principles Behind Effective TQM Programs, *European Financial Management*, 4 (3), 401-424.
- Xanthopoulou, D. Bakker, A. B., Demerouti, E., & Schaufeli, W. B. (2007). The role of personal resources in the job demands–resources model *International Journal of Stress Management* 14, 121-141.