

EFFECTS OF NON-FINANCIAL COMPENSATION STRATEGIES ON  
MANAGER'S MOTIVATION IN KENYA: A CASE STUDY OF THE  
PYRETHRUM BOARD OF KENYA.

BY

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## DECLARATION

This research project is my own original work and has not been submitted to any other university.

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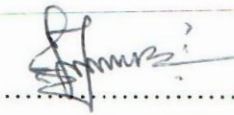
## APPROVAL OF THE PROJECT

This research project has been submitted for examination with our approval as University supervisors.

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## **ABSTRACT**

This study focused on the implications of Human Resources compensation strategies/schemes on manager's motivation at Pyrethrum Board of Kenya. A majority of employers emphasize more on Economic/financial rewards to compensate their employees whilst making little effort in the non-financial compensation rewards preferred by managers. The implication of this has been reduced motivation amongst managers at work and general apathy. The study, therefore examined the extent to which the current compensation schemes adopted by the Board were responsive enough in meeting individual managers motivation needs. It sought to identify the manager's compensation preferences and to assess the extent of preferences met by the existing compensation schemes. This was a case study research, based on a structured Likert 5-point Scale based Questionnaire. It obtained information from a population of 63 managers, at the level of Heads of Department and their Deputies. Descriptive and inferential statistics were used to analyze and present the data using a computer- based statistical package for the Social Sciences (SPSS). The data was then presented in the form of tables, averages, median, mode and standard deviation. Chi tests were done. The results of the study showed that managers have significant compensation preferences that form the basis for the goals that they seek to satisfy in the employment set-up. Therefore a system of individual incentives on rewards should be considered, and this should be expanded to not only financial rewards but also to other non-financial items that equally lead to greater motivation. There is need to analyze the total employment situation for any conflicting expectancies between the managers and the organization rewards with a view to ensuring equity, fair play and basing employee reward on performance and merit as emphasized in the Porter and Lawler model. However, the study noted that the sample size drawn was too small to generalize these findings across the entire manufacturing industry in Kenya.

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## CHAPTER ONE

### INTRODUCTION

#### 1.0 Background Information

Issues of employee compensation have been of concern to the Pyrethrum Board's management, necessitating the need for a study in this area of employee motivation. This is with the intent of increasing the level of employee output, innovation and creativity to meet the ever-changing customer tastes and preferences. The question of what motivates workers to perform effectively is not an easy one to answer, (Dessler G., 1994). The difficulty here is that researchers involved have had to make assumptions about the motives for behavior that they have observed or recorded. There is therefore, always an element of subjectivity, in any judgements made about motivation (Cole, G.A.,1997). Motivation however, forms the basis for the goals that people as employees seek to satisfy in the work place (Schiffman and Kanuk, 1996; Chung, 1977). Motivation is thus a common denominator that links together the attainment of both individual and organizational goals.

The theories so far developed have viewed compensation in these broad terms to incorporate both intrinsic and extrinsic rewards. The extrinsic rewards are handled through salary and wage administration, while those of intrinsic nature are handled through aspects of organization structure, job content, recognition and opportunity for promotion, (Belcher D.W. 1974; Carrel and Kuzmits, 1986). Thus, we need to translate this theory into usable programs in organizations. The programs should aim at identifying the different needs of the employees in question, the incentives available for use by the organization and then matching these individual needs with the organizational incentives. When incentives are applied to arouse the goal-directed behavior in an organization, they

become rewards (Chung 1977). From such a viewpoint, the organization develops schemes for compensation, containing the programs and systematic arrangement of the combination of elements that are connected with the rewards to the employees.

The link between motivation theory and the practice of management is crucial to management's success. People are the greatest single asset available to an enterprise after information and technology. In administering rewards, scholars have found differences in the values attached to different compensation items in the schemes under use. This has led to research into individual preferences, which have been found prevalent amongst managers, (Lewen and Louser 1973; White 1973). It has thus been suggested that the issue of compensation be treated as an art as much as it is a science (Carrel and Kuzmits 1986; White 1973).

The aspect of science is seen in its systematic and scientific treatment of subjects, while that of art is seen in the differential treatment of employees with respect to their preferences for different items in the compensation scheme.

This study therefore focused on a particular/single-manufacturing sector in Kenya - The Pyrethrum Board of Kenya and tried to examine the various forms of compensation employed by the organization and their effects on worker motivation and productivity.

### **1.1 Pyrethrum Board of Kenya**

The Pyrethrum Board of Kenya came into existence by an Act of Parliament. The History of the Industry dates back to 1935 when the Pyrethrum crop from the species *Chrysanthemum Cinerariefolium*, was first introduced into the region by the early

colonial settlers as a raw material for the manufacture of Insecticides used in the control of crawling and flying insects in the households, Agriculture, Veterinary and industrial application, (Casida, J. E, 1995). To date, Kenya is both a leading producer of the crop in the world and also has the biggest processing plant in East and Central Africa. Kenya accounts for 70% of all Pyrethrum traded in the world market annually (PBK 2001 annual Report). The crop has been a major source of income for over 200,000 family units who earn over kshs.2 billion from the crop annually. It has also been a major source of foreign exchange earnings for the country.

The Board is the overall body entrusted with the responsibility of promoting and sustaining Kenya's Pyrethrum production and Industrial growth and also serves as the National agency for handling, processing and marketing of the Pyrethrum crop and its products on behalf of farmers. The Board is governed by two sets of Legislation; Pyrethrum Act Cap 340 (Revised Edition 1991) and the State Corporation Act Cap 446 (Revised Edition 1987) of the Laws of Kenya. This has given it monopoly powers. However the monopolistic status enjoyed by the Board is now changing in response to the changes in the competitive business climate encompassing liberalization. The Board has put in place strategic programs to meet the challenges poised by liberalization including those relating to compensation.

In its Vision and Mission statements, the Board indicates that, other than embracing the Total Quality Management (TQM) approach to its customers, it will strive to adequately and appropriately compensate its highly skilled employees to motivate them. (PBK Business Strategy, 2001). This study, therefore, sought to establish how committed the Board has been to its vision/mission in as far as its compensation scheme is concerned.

## **1.2 Statement of the Problem**

This study investigated the problem of low motivation amongst the managers of the Pyrethrum Board of Kenya. Low motivation has been due to the Board's management leaning more towards the financial aspects and thereby neglecting the non-financial issues and those intrinsic aspects of compensation. This led to general apathy to duty and excessive part-leave and sick-off to create a breather in their daily routine.

A preliminary observation indicated that professionals and upper level management received a salary or some sort of time-based pay to satisfy extrinsic needs. These needs and desires were of financial, security, social, intrinsic and status nature.

## **1.3 Objectives of the study**

This study broadly sought to examine the extent to which the current compensation schemes adopted by the Board were responsive enough in meeting individual managers' motivation needs. Specific objectives of the study were: -

- (i) To identify the manager's financial and non-financial compensation preferences.
- (ii) To assess the extent to which the non-financial preferences had been met by the existing compensation schemes.
- (iii) To examine the effect of non-financial compensation schemes on a manager's motivation.

## **1.4 Hypotheses of the study**

- (i) There is no significant difference in the manager's preferences between financial and non-financial compensation schemes.

- (ii) The non-financial compensation schemes do not significantly influence the manager's motivation.
- (iii) The existing compensation schemes have no reference to the non-financial rewards preferred by the managers.

### **1.5 Significance of The Study**

No study had been conducted on the compensation preferences of managers in Kenya before. This had been because the field of Human Resources management was relatively new in Kenya. The approaches that had been used in guiding Pyrethrum Board's compensation decision of salary surveys, service reviews and collective Bargaining agreements seemed to have been very silent on aspects on intrinsic motivation. Most of these approaches had leaned more towards the financial aspects like salary, contribution to the retirement schemes, general insurance cover on the job, whilst the other non-economic aspects of compensation were ignored.

It had been pointed out that the company should have accessed its manager's needs and determined those compensation items truly demanded and which led to relevant employment outcomes. This should have led to the development of a flexible compensation system in the organization.

The study therefore focused on the non-financial aspects of motivation that sought to satisfy the intrinsic needs which had not been adequately addressed by the Board's management. Therefore, the study was to make a significant contribution to the existing literature on this subject in:

- (i) Filling the existing gap on manager's compensation preferences and those

schemes in place, a step, which was to guide the direction that future research in these areas, was to take.

- (ii) Enhancing the development of strategic Human Resources policies that were individual manager based with regard to compensation.
- (iii) Academically, this study was expected to contribute to the existing literature in the field of Human Resources Management in general employee motivation. It should act as a stimulus for further research to define and/or extend the present study, especially in Kenya.

### **1.5.1 Scope and Limitation of the Study**

#### **1.5.1.1 Scope**

The study was designed to determine the compensation preferences of managers at Pyrethrum Board of Kenya and the extent to which these preferences were met by the existing compensation schemes. The study covered all the Departments in the Pyrethrum Board, a sub-sector in the Agricultural Industry. The aspects of Human Resource compensation functions studied were intrinsic motivators to employees i.e. recognition, time off, a piece of action, favorite work, advancement, freedom, personal growth and prizes to the best employees.

#### **1.5.1.2 Limitations**

The findings from this study cannot be used to generalize the compensation approach adopted by other players in other sub-sectors within the agricultural industry. But the Human Resources practitioners with the intent of varying the compensation modes in their organizations to enhance motivation amongst their employees could use the lessons learnt from this experience.



## 1.6 Definition of Terms

Compensation; Belcher (1974) defines compensation as taking a broader scope to refer to not only the extrinsic rewards such as salary and benefits but also to intrinsic rewards such as recognition, chance for a promotion and more challenging job opportunities. Dessler (1994) on the other hand indicates that compensation focuses on the wage and salary administration aspects of compensation to indicate that it covers both financial incentives and fringe benefits. For the purpose of this study, compensation will refer to the pay and other fringe benefits given to employees, based on either time or an agreed piece rate. This has to be guided by such basic considerations as legal requirements, union influences, compensation policies, equity and its impact on pay rates. These pay rates are established in a systematic way through the following steps:

Conducting a salary survey; Determining the worth of each job through job evaluation to identify the compensable job factors; grouping similar jobs into grades; Pricing each pay grade and Fine-tuning pay rates.

Human Resource Compensation function: Is the art of managing the exchange between employees and organizations in which each gets something in return for giving something. It involves managing a compensation plan that strives to reward employees in accordance with their contribution to the firm and it provides Incentives for continued and improved performance, (Belcher, 1974).

Compensation preferences;

These are the choices that one would make due to his/her expectations on the several items considered in their compensation. These choices will be made on the basis of the relative importance attached to the various types of rewards in both financial and non-Financial categories.

Compensation schemes; This has been taken to refer to the programs used by the Board containing both financial and non-financial rewards to the managers. It covers the basic salary, fringe benefits, the perquisites and the characteristic of the organization's management depicted in the organization's structure and climate.

Wages; Wage is the remuneration paid to the labour engaged in production. The term wage refers to the hourly rate paid to blue collar workers (e.g. production and maintenance employees).

Salaries; Is the direct financial payments in the form of incentives, commission and bonuses. It refers to the weekly or monthly remuneration paid to the white-collar workers (Clerical, administrative and professional employees).

Perquisites; Is the other form of indirect compensation like Insurance, paid vacation, paid holiday, food services, credit unions and recreation membership.

Motivation; Refers to the drive and effort to satisfy a want or a goal. It is the drive towards an outcome, and satisfaction is the outcome already experienced. (Koontz, 1994)

**Motivators;** Are the things that induce an individual to perform. They are identified rewards or incentives and sharpen the drive to satisfy the wants.

**Rewards;** Rewards for work includes all those things that the employee receives as a consequence of the employment exchange. In systems terms they represent inputs to employees from the organization in exchange for outputs from employees in terms of contributions.

To both parties, the outputs must exceed inputs if the systems are to survive and achieve their goals. Employees must perceive their rewards as greater than their contributions and organizations must perceive contributions provided by employees as more than the rewards they give to them. These rewards may be classified as financial and Non-financial.

**Intrinsic Rewards;** These are compensation rewards in the form of employee recognition through events like employee of the month awards, certificates, citations, trophies of achieving important goals, club membership, job description, job title, public praise, congratulatory letters, publicly announced bonuses and praises, status symbols e.g. better office, car and designated parking. They are rewards that internalize feelings of achievement that spur an employee to greater and sustainable motivation or long lasting motivation.

**Extrinsic Rewards;** This is in the form of money reward i.e. salary benefits such as Retirement benefit schemes, medical cover Insurance policies e.t.c. These are rewards that do not influence the internal feelings of an employee and their effect on motivation are limited and short lived.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Compensation

Different scholars have variously defined compensation. (Belcher, 1974, Carrel and Kuzmit 1986), observed that compensation takes a broader scope to refer not only to extrinsic rewards such as salary and benefits but also to intrinsic rewards such as recognition, chance for a promotion and more challenging job. (Singh and Nzuve, 1992, and Dessler, 1994) who focussed on the wage and salary administration aspects of compensation indicated that it covers both financial incentives and non-financial aspects.

Compensation in terms of pay is therefore given to employees, based on either time or an agreed piece rate. This has to be guided by such basic considerations as legal requirements, union influences, compensation policies and equity, and its impact on pay rates. The compensation schemes are established in a systematic way through the following steps:

- a) Conducting a salary survey.
- b) Determining the worth of each job through job evaluation to identify the compensable job factors.
- c) Grouping similar jobs into grades.
- d) Pricing each pay grade and
- e) Fine-tuning pay rates.

These key steps about pay schemes make compensation very important for they help establish a company's culture by rewarding business activities, behaviors and values that senior managers hold dear. An extensive review of literature indicates that important work related variables leading to job satisfaction include challenging work, interesting job

assignments, equitable rewards, competent supervision, and rewarding careers, (Kreitner and Kinicki, 1998). Employees desire compensation systems that they perceive as being fair and commensurate with their skills and expectations, (LeBlanc and Hulvey, 1998).

Pay, therefore, is a major consideration in Human Resources management because it provides employees with a tangible reward for their service, as well as a source of recognition and livelihood. Both managers and scholars agree that the way compensation is allocated among employee's sends a message about what management believes is important and the types of activities it encourages. Furthermore, for an employer, the payroll constitutes a sizeable operating cost. In manufacturing firms, compensation is seldom as low as 20% of total expenditures, and in some service enterprises, it often exceeds 80%. (Bohlander, G, 2001). Strategic compensation scheme therefore is essential so that pay can serve to motivate employee's production and sufficiently keep labour costs at an acceptable level.

Studies on Human Resource compensation have tended to explain the main motivators that employees look for in accepting a job offer and satisfying their varied needs and desires. The needs may be economic, social, recognition or status needs. Therefore the satisfaction of these economic needs occupy an important place in an employee's priorities. (Saleemi, N. A, 1997). Managers are therefore responsible for providing an environment that is conducive to performance as a result of the effectiveness of their compensation programs. Compensation and the principles that govern its administration in employment are based upon the theory of motivation. Koontz and Weihrich (1994) define motivation as a general term that applies to the entire class of drives, desires, needs and wishes and similar forces.

Koontz postulates that motivation is an internal state in a person, which causes clusters or objects or outcomes to be sought by individuals. On the other hand, (Chung, 1977) described motivation as a term that refers to goal directed behaviour. This goal directed behavior, is characterized by the process of selecting and directing certain actions, among voluntary activity to achieve goals. He noted that human behaviour can be classified into three major categories, namely: Motivated behaviour which is characterized by persistent goal orientation; frustrated behaviour which is aroused when goal directed behaviour is interrupted; and physiological reflexes which are automatic responses to external stimuli. This distinction is necessary for the purpose of defining the scope of motivational study. The concern of this study is the goal directed behaviour.

It is, therefore, imperative that policies with regard to wage salary administration and supplementary benefits to employees should form a vital component of human resources strategy of an organization. Satisfactory compensation schemes will not only enable an organization to attract capable and competent persons, but also retain the best for long periods. Further more, the compensation items sustain the occurrence of the preferred behaviour/action in an individual.

Lack of motivation to employees is like running an engine without fuel, (LeBoeuf, 1989). Compensation and the principles that govern its administration in an employment situation are based upon the theory of motivation, (Koontz and Wehrich 1994). From a management's perspective, a person might have a high job satisfaction perspective but a low level of motivation for the job, or the reverse might be true. Understandably, the probability exists that highly motivated persons with low job satisfaction will look for

other options. Likewise, people who find their positions rewarding but are being paid considerably less than they desire or think they deserve, will probably search for other jobs (Koontz, 1994). From this paradox, Human Resources managers should be diligent with the way they handle employee-related issues on compensation.

The study of motivation is thus a complex task since it deals with many factors that influence goal-directed behaviour. Motivated behaviour is not only influenced by an individuals characteristics e.g. needs, interest, attitude and goals, but also organization conditions i.e. task managerial practices and organization climate, (Saleemi, 1997). To be able to discern this complex subject, a need arises for a conceptual framework that will try to examine the effects of these individuals and organization variables on work motivation.

## **2.2 The Nature Of Motivation:**

There are four major theories of motivation. These are the Needs, equity, reinforcement and expectancy theories. Human beings have various needs and behave accordingly. Therefore, many researchers in the area of human behaviour, in their attempt to explain motivation have developed theories based on the concept of needs. The four of the most popular need theories as they relate to motivation will be mentioned briefly: (1) Maslow's hierarchy; (2) Alderfer's ERG; (3) McClelland's needs theory; and (4) Herzberg's two-factor theory. Each theory proposes and describes a specific set of needs that individuals have.

The theories also differ as to the ways through which unfulfilled needs influence motivation.

a) **Maslow's Hierarchy of Needs:**

In 1935, Abraham Maslow began to develop the first and one of the most popular and well-known motivation theories. He stated that individuals have five needs. He arranged the needs in a hierarchy from the most basic level to the highest; Physiological, Safety, Belongingness, Love, esteem, and self-actualization. (Maslow, 1954). *Physiological needs* refer to the most basic needs an individual has. These include at minimum, a person's requirement for food, water, and shelter. In Organizations, such needs may be viewed broadly. For example, for some workers, the ability to care for their children might be included among these basic physiological needs. The wages and salaries individuals receive for working, as well as supplementary benefits, often addresses these most basic needs. Physiological needs, then motivate individuals to perform so that they will continue to be employed and will thus continue to have their needs satisfied.

*Safety needs* refer to a person's desire for security or protection. This type of need translates most directly into a concern for both short and long term job security. Safety needs for employees are guaranteed by offering pension benefits to motivate them to produce and to remain with the organization. Also some organizations guarantee employment to workers. *Belongingness and love needs* focus on the social aspects of work as well as non-work situations. Some individuals desire affectionate relationships or regular interaction with others. Organizations meet these social needs by providing opportunity for social interactions, such as regular off breaks, organized sports or other recreational opportunities. Increasingly, organizations encourage workers to perform their jobs as members of work teams, which provide work-related opportunities for meeting as members of work team, (Hoerr 1989).



*Self esteem* needs on the other hand refer to a person's desire to master his or her work, demonstrate competence and accomplishments, build a reputation as an outstanding performer, and hold a position of prestige. Some employers motivate their employees by giving them Plush offices as their performance increase, designated car park, titles to reflect prestige or public recognition for good performance, through "Employee of the Month" awards.

*Self-actualization needs* reflect individuals desire to grow and develop to their fullest potential. Individuals often want the opportunity to be creative on the job, or they may want autonomy and responsibility. Organizations try to motivate these individuals by offering them challenging positions as well as opportunities to advance in the organizations. This is with the aim of creating an opportunity for managers to leave a legacy or monument for remembrance.

*Prepotency of Needs:* Maslow ordered the five basic needs in a hierarchy from the basic physiological needs up through safety, belonging and love, esteem, and self-actualization. In his scheme, the lowest unsatisfied need becomes the prepotent, or most powerful and significant need. The Individual acts to satisfy that prepotent need first. Once satisfied, that need no longer motivates. (Richard, and Semler, 1998).

Once the Physiological needs are satisfied, the individual then seeks to satisfy needs at the next level – the esteem needs. For this person, pay will not motivate performance, unless it increases esteem; but promotions, or other changes in job title or status that satisfy esteem needs, are likely to motivate. Maslow recognized that the hierarchy of needs could, under certain circumstances, vary in order. He noted, for example, that

some people may value self-esteem, over Love, autonomy over other needs, or Physiological needs over all others. Some may value higher-order needs (esteem or self-actualization) over lower-order ones (physiological safety or security) (DuBrin, 1997). In addition, higher needs can be distinguished from Lower ones in that as Maslow suggests, higher needs develop later, require less immediate gratification, causes, less stress, depend more on the environment for their existence, and are less tangible and observable. He suggests that, for maximum output of top level managers, the organization should focus its reward schemes on the higher level needs. This is on the assumption that the lower level needs will have been adequately met through the extrinsic rewards, (Gardner, 1998).

#### *Research Support:*

The popularity of Maslow's theory of Motivation stems primarily from its simplicity and Logic. Thus individuals are motivated to satisfy either lower-order needs, or higher-order needs. This observation would separate employees into two groups. (1) Those for whom extrinsic motivation – Motivation by factors outside the job itself, such as pay, job title, or tenure – is most appropriate, and (2) those for whom intrinsic motivation – motivation by factors within the job, such as creativity, autonomy and responsibility – is most appropriate (Gardner, 1998). Therefore Maslow's work forms the bulk of studies undertaken on Human Motivation. Others on the needs theory are like Alderfer who re-organized Maslow's needs hierarchy into three levels of needs: (1) Existence (2) Relatedness and (3) Growth, (Alderfer, 1972). On the other hand, McClelland and his associates, beginning in the 1950s, focused on needs similar to the higher order needs identified by Maslow's theory. They stressed a Universal hierarchy of needs, the research of McClelland emphasizes that there are certain needs that are learned and socially

acquired as the individual interacts with the environment. McClelland's needs theory is concerned with how individual needs and environmental factors combine to form three basic human motives; the need for achievement, the need for power, and the need for affiliation.

Fredrick Herzberg and his associates' view of motivation, complement that of the other needs theorists (Koontz et al 1993). They suggest that *Motivators* – feature of a job's content including responsibility, autonomy, self-esteem and self-actualization opportunities – are factors that satisfy higher – order needs, motivate a person to perform better. *Hygiene factors* – factors that can meet physiological, security, or social needs, including physical working conditions, salary, company policies and practices, benefits, and other features of a job content – satisfy lower-order needs and prevent dissatisfaction. Thus, for Herzberg, two independent outcome continuum exist: (1) No satisfaction – satisfaction, and (2) Dissatisfaction – no dissatisfaction, rather than a single dissatisfaction – satisfaction continuum. Unlike the other needs theories, the two-factor theory focuses on increasing overall satisfaction, rather than relying simply on meeting individual needs. It is primarily the “Motivators” that serve to bring about the kind of job satisfaction and the kind of improvement in performance that industry is seeking from its work force (Chung 1977).

Other theories of motivation are like the *Equity theory*, which assumes that, people assess their performance and attitudes by comparing both their contributions to work and the benefits they derive from it. To the contributions and benefits of a “Comparison Other” whom the person selects – who in reality may be like or unlike the person. Work on this theory is credited to Adams, (Milkovich and Newman 1999).

**b) The Incentives/Reinforcement theory.**

*Reinforcement theory* on the other hand is the idea that human behaviour can be explained in terms of the previous positive or negative outcomes of that behaviour. People tend to repeat behaviors that they have learned will produce pleasant outcomes, (Koontz and Wehrich, 1993). Behavior that is reinforced will be repeated; behavior that is not reinforced will not be repeated. The incentive theorists turn their attention to the external factors that influence behaviour as opposed to behavioral causative in the internal state of needs.

They are interested in finding contingency relationships between behaviour and its consequences, rather than trying to explain why behaviour is energized and how it is directed once it is energized. They work on the premise that behaviour is a function of its consequences (i.e. reward or punishment) and also people behave well to receive rewards and avoid punishment. Thus according to these theorists, by manipulating the potential consequences or incentives, one can control the behaviour of other people.

These theorists define the term Incentive as an external stimuli that influences the behaviour of employees or the condition in jobs that are capable of influencing or altering behaviour. Organizations have a variety of incentives that induce and influence their employee's behaviour. Employees are induced to Organizations for pay, job security and for professional growth. The incentives or conditioning theory begins with the proposition that behaviour is driven by needs. If the needs are satisfied by a particular action, that behaviour tends to be repeated. In this particular case, it can be said that positive reinforcement of the behaviour occurs through satisfaction of needs.

**c) Cognitive Theory**

The cognitive theories describe individual differences in responding to the external and internal behavioral determinants. As indicated earlier, there is no average person, and so differences in reaction to motivation incentives will occur dependent upon, individuality of people due to their personalities, different roles assumed by people, diversity of social Systems, perceptual differences and human dignity, (Koontz, 1994).

**d) Expectancy theory:**

Lastly, the Expectancy theory attempts to explain behaviour in terms of an individual's goals and choices and the expectations of achieving these goals (Cole, 1997). It attempts to clarify the differences between individual and organizational goals. According to Steers and Porter (1979), it is a cognitive theory of motivation that attempts to identify relationships among variables in a dynamic state as they affect individual's behaviour. The theory departs from the content theories in that it depicts a process of cognitive variables that affect individual differences in work motivation (Luthans, 1992).

Many theorists believe that the lack of any provision in conditioning on the incentive theory of cognition, that is, the subject perceiving or knowing the connection between his or her behaviour and the reward or punishment, limits its applicability. Expectancy theory for this matter is intended to remedy this shortcoming. The expectancy theory attempts to explain the cognitive process in which people select, organize and interpret sensory stimulation into meaningful picture of their own work environment and choose a set of behavioral alternatives instrumental to the attainment of their own goals. Thus it emphasizes the importance of perceptual variables moderating the relationship between stimulus and response and postulates motivation as a goal-directed behavior involving an

active process of evaluating the valence of outcomes and expectancy of goal attainment.

The valence refers to the attractiveness of an outcome or the strength of an individual preference for a particular outcome and includes such terms as value, incentive, attitude and expected utility. In order for the valence to be positive, the person must prefer attaining the outcome to not attaining it. A valence of zero occurs when the individual is indifferent and the expectancy refers to the likelihood that an action leads to an outcome (Luthans, 1992). The theory extends to indicate that individuals should be viewed as thinking, reasoning beings that have beliefs and anticipations concerning future events in their life. It posits that human behavior to a considerable extent is a function of the interactive processes between the characteristics of an individual (such as personality traits, attitudes, needs and values) and his/her perceived environment (such as supervisors style, job or task requirements and organization climate, (Steers et al 1979). Bennett (1977) pointed out that, the individual's behavior will reflect self-selected goals and what the person has learned or believes will help achieve them. And as Robbins (1986) observed, the theory includes three variables, namely:

- (i) Attractiveness – which is the importance that the individual places on the potential outcome or reward that, can be achieved on the job. This considers the unsatisfied needs of the individual.
- (ii) Performance reward linkage- which is the degree to which the individual believes that performing at a particular level will lead to the attainment of a desired outcome.
- (iii) Effort – performance linkage –, that is the perceived probability by the individual, that exerting a given amount of effort will lead to a reward.

Accordingly, the theory postulates several inherent steps, which are analyzed in the form of the following questions:

- i. What perceived outcomes does the job offer the employee? The outcomes may be positive as: pay, security, companionship, trusts, fringe benefits, a chance to use talents/skills, congenial relationships. On the other hand, employees may view the outcomes as negative as; fatigue, boredom, frustration, anxiety, and harsh supervision threat of dismissal. However the critical issue here is not reality which is irrelevant but what the individual employee perceives the outcome to be regardless of whether or not their perceptions are accurate.
- ii. How attractive do employees consider these outcomes? Are they valued positively, negatively or neutrally? This is an internal issue of the employee and thus considers their personal values, personality and needs.
- iii. What kind of behaviour must the employee produce in order to achieve these outcomes? The outcomes are not likely to have any effect on the individual employee's performance unless the employees knows clearly and unambiguously what he/she must do in order to achieve them.
- iv. How does the employee view his/her chances of doing what is asked of her?

These observations thus present expectancy theory as a contingency model that holds to the view that there is no universal principle for explaining every ones motivation. And so leads to the need to understand the individual's goals with regard to:

- a) The linkage between effort and performance
- b) The linkage between performance and rewards and
- c) The linkage between the rewards and the individual goal satisfaction

This theory bring out four premises, the most relevant one being that people have preferences (or valences) for various outcomes or incentives that are potentially available to them. Vroom is major proponent of the expectancy theory of motivation. He suggests that people are motivated to reach a goal if they think that the goal is worthwhile and can see that their activities will help them achieve the goal. Studies conducted by Porter and Lawler, to further on expectancy theory, have come up with many variables on motivation. They argue that performance is a function of ability, the perception of the task required, and effort. Effort is influenced by the value of rewards and the perceived effort-reward probability. Performance accomplishment, in turn, is related to rewards and satisfaction. (Cole, 1997). The essential elements of Vroom's idea have come to be called "Expectancy theory". The crux of this theory is that motivated behaviour is a product of two key variables:

- a) The valence of an outcome for the individual and,
- b) The expectancy that a particular acts will be followed by a predictable outcome.

Thus the basic formula designed by Vroom can be stated as follows:

$$\text{FORCE (Motivation)} = \text{VALENCE} \times \text{EXPECTANCY}. \text{ (Cole, 1997).}$$

Vroom's ideas have been persued by numerous other theorists to the extent that in a recent review of motivation theory, Lawler and Porter developed a model, which attempted to address two major issues.

- a) What factors determine the effort a person puts in a job?
- b) What factors affect the relationship between efforts and performance.

The variables selected by Lawler and Porter were; effort, the value of the reward, the probability that reward depends on effort, performance, abilities and role perceptions.



### **2.3 The Conceptual Framework.**

In summary, having revisited earlier works on Motivation, i.e. the needs, Equity, cognitive, Reinforcement and Expectancy Models, the study will focus on the expectancy theory and apply the Porter-Lawler Model to the study of Manager's Motivation. To understand the complicated behaviour of man at work, we need a conceptual framework concerning the effects of both individual and organizational variable on work motivation. This conceptual framework will serve as a vehicle, not only for explaining motivational behaviour, but also for providing manager's with a tool to promote behaviour in organizations.

This study bases its analysis on the expectancy theory approach and in particular the Porter and Lawler model, which emphasizes employee compensation, pegged on individual's performance. Porter and Lawler noted that, on working out a compensation scheme, rewards should be based on performance. This performance reward relationship is desirable not only at corporate level but also at individual level, (Porter and Lawler, 1968). The model of the two gentlemen considers the relationship between effort-performance-reward for each individual and introduces the importance of having individuals perform jobs for which they have proper skills, abilities and traits.

Porter and Lawler modified and built upon Adam's Equity and Vroom's expectancy theories of motivation also termed as process theories of motivation. Their proposition is that managers are able to control employee's behaviour by linking the occurrence of the desired behaviour to some form of reward, thereby ensuring predictability norms of behaviour and achievement of organization objectives. (Bohlander, 2001).

The major principles in the Porter and Lawler model to succeed, is that, performance must be measured accurately and systematically so that rewards can be distributed fairly. If this is not done fairly expending necessary effort to do the job will seem senseless to employees. Managers must also value their rewards both intrinsic rewards, which are part of the job and occur when they perform work, such as a sense of self-actualization and accomplishment and extrinsic rewards administered by owners and management of the organization. Examples here would be job security improved working conditions and fringe benefits.

There must also be a meaningful difference in rewards between high and low performers. If there are no meaningful differences, higher performers will lose motivational interest and probably cut back on their performance. Managers must also believe that good performance will be linked to achievement of the preferred rewards and that an organization hopes all employees will consider long term costs and opportunities although the reward is geared towards short term results. It is however, clear that although these principles have their own limitations, it is evident that there is now and always has been some relationship between motivation and reward systems.

#### **2.4 The Human Resource Perspective to Motivation.**

Many scholars in human resource management (for example, Tyson and York, 1997) have postulated an approach to the understanding of motivation that is premised upon the philosophy of the behavioral sciences. They approach the concept of motivation from the viewpoint of work and human activities. As Tyson et al 1997) have observed, work and its management are human activities, which are set in motion, carried out, continuously supervised, monitored and assessed by people who are constantly interacting with each

other. It is this perspective that suggests that human factors are crucially important for managers to be aware of as well as have a broad knowledge of human behaviour, including even their own.

This perspective extends further to include the aspects of human features and attributes and holds that human beings share certain common features such as physical and mental characteristics. These are the attributes that link all the members of the species thus producing common patterns of behavior. It is on the basis of this that all human beings have physiological and basic needs commonly concerned with survival (i.e. food, shelter, security. Reproduction, affection, group membership, etc) and unlike animals also reveal a high range of needs concerned with making sense of what might otherwise be a meaningless world. These needs show themselves in the form of exploratory, self-fulfilling activities of many and varied forms. In consequence a common feature of all human behaviour is that it is goal directed as the members of the species are driven to satisfy their needs.

While still emphasizing on the human similarity, the view also presents human beings as being dissimilar in many aspects that are accounted for by the unique combination of their genetic and environmental factors. Every human is physically distinctive from all other humans at birth. Thereafter everyone is subjected to a unique pattern of environmental influences produced by the accumulative and distinctive features of a particular family, sex, religion, role, education, race, and epoch. This is also a constantly changing process with the result that all of us are being continuously shaped and modified by new experiences and relationships. These differing factors of heredity and environment produce an individual uniqueness, which has important consequences.

Even as we grow physically and develop mentally, the general process of satisfying needs and making sense of the world, we are subjected to the socializing influences of other people with whom we have most contact. These produce individual differences and dissimilarities which Graham and Bennett (1998) have dealt with in three headings as:

### **I      Physique.**

This are described as the attributes of the body, its size and shape, its speed and strength of movement, the efficiency of its senses. These are basically determined by heredity though they can be developed or suppressed by upbringing and training.

### **II     Intelligence.**

This is the capacity to make effective use of the intellect, which is the sum total of the mental functions of understanding, thinking, learning, observing, problem solving and perceptual relationships. It is sometimes called the mental ability.

### **III    Personality.**

It is the sum total of the various qualities that are shown in behaviors. Even though this definition taken literally includes intelligence and physique, the term is usually taken to include above all, emotions, motivation, interests and social qualities. This condition of common human similarity and individual dissimilarity has a significance for the problems of interpersonal relationships and hence for personal management. This comes in the area of perception, which is affected by individual's external environment and the person's background. These affect the information processing mechanisms of individuals, which is in turn used as a basis for judgements, decisions and actions.

## 2.5 Motivational Programmes.

Chung (1977) comes out prominently in his work on motivation by pointing out that motivational theories cannot be put into practice until they are translated into workable programmes. He observed that understanding these theories helps to explain and predict motivational phenomena, but it does not prescribe how managers should behave in dealing with motivational programmes in their organizations. The fundamental difference between theory and a motivational programme is that a theory describes a phenomenon, while a motivational programme specifies a course of action; the former is based on a positivism while the latter takes a normative approach. The relationship between them is mutually inclusive in that an understanding of theories becomes a necessary initial step for developing sound action programmes. In developing workable motivational programmes, he postulated a guideline, which should be considered. First, work motivation depends on the motivational commitment of an employee; a manager or an organization does not have direct control over an individual's motivation. However the organization can influence the behaviour of its employee through organizational incentives, intrinsic as well as extrinsic, which involves the following strategies:

- (i) An effort should be made to match organizational incentives to the needs of employees. This will not only enhance the incentive value but also result in greater employee satisfaction.
- (ii) Organizational rewards should be related to task performance. Typing task performance to rewards individually or collectively, will not only increase the value of performing the task, but also insure the mutual dependency of achieving individual as well as organizational goals.

- (iii) The corollary to this second strategy is that of probability of obtaining rewards should be challenging but attainable. If it is either too pessimistic or optimistic to attain, it will lose its incentive value.

The second guideline is the fact that there are a number of organizational properties that can be applied to generate organizational incentives. These organizational properties can be classified into three major categories:

- (i) Extrinsic or substantive – to include pays, working conditions and job security.
- (ii) Social or Interactive – to include groups norms, trust and openness, risk taking behaviour and supervision.
- (iii) Tasks or job – to include job enlargement, job enrichment, and flexible working hours.

The application of these should aim at attaining a fit between the Individual characteristics and organizational properties, so as for the organization and its members to maintain mutually reinforcing relationships. Motivational problems will however arise when there is lack of fit between the individual needs/goals and the organizational characteristics. Consequently, a guideline has been developed in the form of a chart that combines the needs, incentives and Programmes so as to match the individual needs and organization characteristics as in Table 3 below: -

**Table 1: Theoretical match of the needs with the incentives and the appropriate motivational programs.**

NEEDS	INCENTIVES	MOTIVATIONAL PROGRAMES
GROWTH ORIENTED NEEDS	EFFECTIVE INCENTIVES	MOTIVATION THROUGH WORK SYSTEMS
– Self Actualization	– Growth Opportunity	– Flexible Working Hours
– Achievement	– Challenge	– Job Enlargement
– Competence	– Job Content	– Job Enrichment
RELATION-ORIENTED NEEDS	INTERACTIVE INCENTIVE	MOTIVATION THROUGH AFFECTIVE INTERACTION
– Affiliative	– Social Reinforcers	– Structural design
– Companionship	– Work Group	– Leadership process
– Competition	– Leadership	– Group Process
– Power and Status	– Supervision	– Organizational Climate
EXISTENCE NEEDS	SUBSTATIVE INCENTIVE	MOTIVATION BY FINANCIAL INCETIVES
– Security	– Job Security	– Incentive pay
– Safety	– Pay	– Salary
– Physiological	– Fringe benefits	– Bonus
	– Working Conditions	– Fringe Benefits
		– Stock Options

Source: Chung (1977)

Even though other scholars have not followed the chart approach, yet it is discernible from the contributions of Steers et al 1979), Robbins (1986), Luthans (1992) and Bennett (1997) that they are supportive of this categorization of the various motivation elements by Chung (1977). Thus this chart has been adopted because of its relevance to this study in classifying needs into different categories and then matching each with the right incentives and programmes to administer the incentive. Further it has taken care of both the intrinsic and extrinsic aspects of motivation (Herzberg 1959), as well as the economic and non-economic rewards as suggested by Belcher (1974) covered under the compensation section.

### 2.5.1 COMPENSATION MODELS

As Belcher (1974) observed, compensation is interpreted in most occasions as involving an exchange between employees and organizations in which each is getting something in return for giving something. As such then, scholars from different streams of orientation ranging from economist, psychologists to sociologists have studied compensation from different vantage points thereby postulating different models of compensation. These models have been described as:

- a) The Economic transaction
- b) The psychological transaction
- c) The sociological transaction
- d) The political transaction, and
- e) The ethical transaction

#### a) **The Economic Transaction View**

This view holds that compensation represents a transaction between man and organization involving the employment contract. In this regard then, pay becomes the price that the organization pays for employing a factor of production. In this sense, payment for employment serves as an economic transaction governed by the same logic as any other purchase in which the purchaser attempts to obtain the greatest quantity and the highest quality for his/her money. The worker is also selling his services to obtain income and that, he holds out for the highest price he is able to command. These transactions are supposed to set the price in terms of the demand of purchasers and the supplies of the skills and to allocate the scarce economic resource (labour) to the employment where it has most value.



This view has been argued against along the following dysfunctional areas resulting from this perspective:

- a) It focuses on the organization and the economy rather than the individual employees, a view, which places the organization as purchaser of labour thus being the active decision-maker and the individual given a passive role.
- b) It limits compensation to economic rewards only, a view that ignores the non-economic rewards thus making the transaction to be incompletely analyzed.
- c) It assumes that labour services are what organizations purchase and those individuals are passive instruments in the transaction.

These shortcomings have given way for the development of the other four mentioned models.

#### **b) The Psychological Transaction View**

This view sees employment as representing a psychological transaction or contract between Man and the Organization in which the individual exchanges certain desired types of behaviors for pay and other sources of job satisfaction.

Thus the situation faced by the employee, their needs, perceptions and attitudes determine the behaviour. The contract between the individual and the organization thus attains reality through the eye of the beholder. So rewards offered by an organization enter the contract only if the individual perceive them as relevant. These rewards should then be offered to individuals by organizations to promote certain types of behaviour. But which rewards motivate what kinds of behaviour and how they operate are functions of perception and attitudes.

c) **The Sociological Transaction View**

This view presupposes that man lives in a universe of events and objects endowed with meanings by man himself through social definitions couched in language. He learns these meanings along with language and solidifies them through association's in-groups important to him. The individual derives his plans of actions from the roles he plays and various statuses he occupies in the groups, which he feels, identified with as reference groups. Motivation is thus embedded in the attitudes, values and roles of individuals in various groups.

d) **The Political Transaction view**

This view posits that compensation represents a political transaction involving the use of power and influence. Organizations, unions, groups and individual employees all exert power to influence or change the transaction. Union exerts influence at the time the contract is bargained and during the life of the contract through the grievance procedure. Organizations exert power in the same situation and in addition some choose to be wage leaders and thus become major forces in the labour markets. Within organizations, groups exert power to obtain a more favorable transaction for themselves. As they acquire more differentiated but interdependent units, more and more individuals acquire power to influence the employment transaction.

e) **The Ethical Transaction View.**

This school holds that compensation represents an ethical transaction which is seen with the repeated appeals for fairness seen in such phrases as 'fair day's pay', 'the just wage' and 'group iniquities'. The emphasis is justice, fairness and equity in matters of compensation. Equity is viewed from the eyes of the beholder, and so it means that one

party to a transaction cannot define what is equitable for the other. Each must decide for himself. These five models give an implication of the diversity of compensation in that even though it can be variously viewed as an economic, psychological, sociological, political or ethical exchange, yet it is all these and more than any one of them. This points at three issues of concern in compensation, namely: Employee contributions, Incentives and organizational rewards.

### **2.5.2 Employee Contributions.**

Contributions represent outputs from employees to the organization in exchange for rewards. To the organization, contributions represent inputs from employees in exchange for outputs to employees in the form of rewards. The employee contributions can be of different types as:

- (i) Job related contributions – which relate to the nature of the job in terms of difficulty and importance. These are obtained from job evaluation efforts aimed at bringing out the compensable job factors. This gives the basis for equal pay for equal work.
- (ii) Performance contributions – which measure contributions to the employment exchange in terms of performance in the job. It is these that give the basis for rate ranges and incentive plans that takes into account differential performance matched with differential pay. These are reinforced by performance targets and performance appraisal schemes.
- (iii) Personal contributions – which relate to personal traits not required by the organization. But equity theory holds that a number of these potential contributions may be recognized and considered relevant to the employment exchange, which might make it necessary to be considered as a determinant of equity. These contributions are: age and

seniority; sex and place; personal appearance; lifestyle; adaptability, commitment, cooperation, creativity, initiative, judgement and reliability, self improvement efforts; and acceptance of responsibility, efforts expended, education, intelligence, job knowledge.

### **2.5.3 INTEGRATING PREFERENCES WITH COMPENSATION DECISIONS**

Employees demonstrate different preferences to different compensation packages. Singh and Nzuve (1992) pointed that different employees will demonstrate different preferences to the rewards they want due to certain acts of personal values and goal that they seek to fulfill in their work. This, plus the contributions of the expectancy theories has given several implications to the design of compensation schemes. And as has been pointed out clearly by Chung (1977), Steers and Porter (1979), Robbins (1986), Luthans (1992) and Bennett (1997) the management of any organization should put into consideration the following facts.

1. That individual possesses different preferences for outcomes and different perceptions of the relation between effort and rewards and that they will be motivated differently. These differences should be incorporated in the salary and wage administration, job design through job enlargement, rotation, enrichment, goal setting and job engineering.
2. Efforts should be made to determine what reward each employee values.
3. Analyze the total employment situation for any conflicting expectancy between the employee and the organization offering as well as checking the system for equity.
4. Align the organization's offering with what the employee wants, and
5. Create organizational flexibility to accommodate the individual differences.

Several points have been advanced in favor of the need to integrate these preferences into compensation policies, which involve around five considerations. The first is the fact that compensating employees for what they give the organization is to some extent as much an art as it is a science (Carrel and Kuzmits, 1986). White (1973) observed that the more systematically and scientifically the subject of compensation is treated, the more cold and inhuman it seems. To avoid this problem it has to be accepted that there are two sides to it namely: the individual and the organization, and that unless the organization is open with the individual and gets his full support, the scheme so developed may be tainted with suspicion. Thus the organization has to provide what the individual values as relevant and important.

The second is in the link between organizational compensation and the employee productivity and job satisfaction. Even though studies show very little correlation between productivity and satisfaction, yet Dunn and Stephens (1972) have used the Porter-Lawler model to show that rewards that are perceived as equitable can sometimes satisfy needs. High levels of productivity on the other hand can sometimes lead to both intrinsic and extrinsic rewards.

Thirdly, the huge expenditure incurred by companies for salaries and benefits warrants the assessment of the employee needs and determining which of the compensation items are truly demanded (Carrel and Kuzmits, 1986).

The fourth is the need to recognize and consider those employment outcomes considered relevant by the employees. Evidence indicates that the more the employees value a reward, the more weight it carries in motivating both membership and performance. Thus

organizations should be aware of the range of rewards that may be provided to employees and the preferences that they have for those rewards (Belcher, 1974).

The last consideration lies in the need to give the employees freedom of choice of rewards. Williams and Luthans (1992) pointed that research evidence in environmental and social psychology indicates that the freedom to choose from among courses of actions, outcomes or situations can have powerful effects on the way people feel, think and behave. For example, studies have found that the elderly in institutionalized settings experience improved health and lower mortality rates when they are encouraged to make a greater number of choices concerning day to day events affecting them. Other studies using both animal and human subjects have found that freedom of choice is motivational as well as desirable to recipients and choice leading to increased perceptions of control, has reinforcing properties. There is some agreement that choice occurs when individuals perceive themselves as the agent who selects from options of similar attractiveness and indeterminacy exists as to which option will yield the optimal outcome, Pelmutter and Monty (1977). Swanack (1998) also pointed that the present generation of employees is better educated and informed than any other previous generation. He/she makes demands and has expectations, demonstrates an inherent need to be respected and at least in part to have a say in his /her destiny.

The consideration of these points has led to the prevalence of flexible compensation Schemes in organizations. As Carrel and Kuzmits (1986) have observed, different employee needs and desires have formed the basis for different preferences.

As a result, organizations have responded to these by developing flexible compensation

plans that are called Cafeteria Systems approach. This approach has been supported by Byars and Rue (1979), Belcher (1974) and Zedeck (1977), who have pointed that these are necessary to satisfy the needs of different executives and help ensure maximum return for their executive compensation systems. Belcher (1974) pointed that the above postulated integration can be reinforced and sustained, by broadening the organization view of the employment equation. Thus make a greater variety of the employment exchanges, responding with different reward packages for separate employees groups which should vary by occupational and demographic factors and offering employees more choices in determining their reward packages.

However, as some scholars have pointed, such integration may not be easily realized in organizations. This may result from several inhibiting factors as:

- (i) As McBeath and Rands (1956) observed, compensation issues fall under the few critical decisions that are made and influenced by a small number of people in organizations. These are the same people who control the commercial destiny of the company and whose value may be of a different order from all those who are subordinate to them.
- (ii) Very closely related to the above point is the existence of lay theories of motivation among people and some managers that often cloud the extent of their understanding of the manager's compensation desires on those of the target people. These are rampant in agency relationships thus bringing into the picture perceptual differences; conscious choices made and long term preferences. In a series of four experiments, Heath (1999) found a significant evidence of these lay theories existing among managers with regard to:

- (i) Extrinsic incentive biases connected to perceptions and stereotypes.
- (ii) Self-serving biases due to differences in information processing among people.
- (iii) Lay theories effects in the evaluation of incentive programs and framing of fixed incentive programs to other.

Belcher (1974) postulated the possibility of the existence of a perceived discrepancy between the organization compensation policy and the employee. This discrepancy can emanate from three sources. The first is contrasts between comparisons made by organizations and those by the individuals, while the second is the predisposition of the parties to the interpretation of the employment exchange. The organization sees it as purely an economic exchanges whereas the individual sees it in his own self-concept. The third arises from a discrepancy between (1) the amount of reward received and the amount of the employees' desire and (2) the amount of the contribution recognized by the organization and the amount by which the employees wish to be recognized.

#### **2.5.4 Previous Research in Kenya.**

Isolated studies on manager's motivation have been undertaken. These studies have focused majorly on the financial rewards. Musomba (1993) studied motivational factors that affect performance among managers of Kenya Railways. Detho (1988) on the other hand studied the sufficiency of workmen's compensation amounts. Kimutai (1993) studied the managerial attitudes towards participative decision making in state owned firms. Kilika, (1999) performed an analysts of manager's compensation preferences at Co-operative Bank. Kimathi, (2000), studied employees attitudes towards promotion on merit at Kenya college of communications Technology. Other studies that have been conducted in the country are those on salary surveys, collective bargaining agreements



and civil service salary reviews which may not be treated as scientific studies, yet they deserve a mention, due to their immense contribution to compensation issues in the country. These two studies have looked at the structures of salaries and terms of service as guided by legal requirements, industry competitiveness and economic issues like the cost of living inflation index. These studies date back to pre-independence times, while the survey date back to as early as 1977 (salary and fringe benefits survey, 1977; Civil Service Salary Review Report, 1990; Kenya Social Government Workers Union CBA, 1993 and the Kenya Salary survey, (1998).

It is to be noted that compensation, as a factor in employee motivation theory has been treated in both general and specific terms. But as indicated by Chung, (1977) he gave an insight into other areas of study on motivation as being the needs, incentives and motivational Programmes. He had indicated that previous studies had focused on financial rewards and legal consideration while neglecting the non-financial variable as suggested by Belcher (1974).

Miller et al (1998) conducted studies on the cross-cultural differences in what is valued and what motivates workers. They indicate that failure to recognize these values of culture could ultimately lead to employee resistance and ineffectiveness.

The focus of this study has therefore been on the effects of Human Resource compensation strategies on manager's motivation and in particular the study looks at both Financial and Non-financial reward schemes that can be used to complement each other and enhance manager's motivation and commitment to duty. Secondly the study sought to establish the extent to which the existing schemes have met manager's preferences.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Study design**

This was a case study of the Pyrethrum Board of Kenya managers. The study was designed to take the nature of a conclusive research with the objective of providing information that was to help Executives make rational decisions on compensation strategies. It used a structured questionnaire to obtain information that sought to study the manager's behaviour and preferences towards the different compensation aspects available in the organization.

#### **3.2 The Population**

The population for the study included all the management staff of the Pyrethrum Board of Kenya. The Board is composed of 9 Departments with a staff establishment of 632 employees. 197 are management staff, while 435 are unionisable employees. The study population thus comprised the 197 management staff of Pyrethrum Board of Kenya.

#### **3.3 Sample size**

The sample size selected was 63 management staff drawn from 9 departments in the organization. (See appendix ii). This size was selected to cushion against non-responses so that at least a minimum sample size of 30 or more as a representative was obtained. (Daniel and Terrell, 1975). The sample frame was from the employee's directory of 2002.

#### **3.4 Sampling Method and Procedure.**

The study adopted both a purposive and stratified random sampling technique. The universe to be sampled was divided (stratified) into groups (departments) that were

mutually exclusive and included all the items in the universe. A simple random sample was then chosen independently from each group or stratum. A stratified random sampling method was therefore used in this study. The data was to be collected from a cross-section of Pyrethrum Board's managers based on seniority strata.

Three strata namely: Heads of Department, Deputy Heads and supervisor formed the sampling frame from which representatives were randomly selected. The sample ratio per strata was 1:2:4 respectively. Since there were nine departmental heads, all of them were chosen thus representing the first ratio. On the second ratio, the reference group was the deputy heads whose number varied. In this case, the researcher simply chooses two representatives from the employee directory 2002 at random from each stratum. The same method applied to the last ratio of 4, representing supervisors.

### **3.5 Data.**

Data on non-financial and financial compensation for the manager's was used to derive the results. The manager's were stratified into three homogeneous classes in terms of cadre. The manager's opinion on economic rewards, membership rewards, non-financial job rewards, fringe benefits, characteristic of the job and perquisites schemes were ranked from 1 strongly disagree to 5 strongly agree. The data was thereafter analyzed using statistical analysis method. The statistical Package for the Social Sciences (SPSS) and Microsoft Excel software were used during the analysis.

### **3.6 Data Collection Method.**

The study used primary data obtained by using a structured questionnaire, which sought to obtain information on the respondent's attitudes and opinions of the individual

manager's preferences. A pre-tested questionnaire was administered to the respondents by mail and personal delivery by the researcher assisted by an assistant. The respondents were then left to fill the instrument. This was later collected for the purposes of analyzing the relationship between manager's compensation preferences and the existing compensation schemes. There were few cases of non-response from certain managers, who had a perceived stereotype that irrespective of their responses, nothing was likely to be implemented at the Board without the top managers embracing change and adopting a business culture.

### **3.7 Data Collection Instruments.**

The items in the questionnaire covered areas that had been operationalized as Compensation preferences and Compensation schemes. Part I and II of the questionnaire related to both the preferences and the scheme. Under each of these items, the questionnaire was split into sub sections with each containing an item that was specific to the sub-headings as:

- (i) Financial rewards
- (ii) Non-financial rewards

The questionnaire was self administered to the respondents from the office of the Human Resources Manager to whom the purpose of the inquiry had been explained in advance. The respondents were then left alone to complete it for collection at an agreed date. In each section of the questionnaire, an average value was obtained representing the importance the employee attached to the issues at stake (1 for least important and 5 for most important). Part 2 was rated between 1 (strongly disagree) to 5 (strongly agree) (See appendix 1)

### **3.8 Data Analysis Techniques**

The data was analyzed using descriptive and inferential statistical tools of non-parametric statistics such as the mean, the mode, median and standard deviation; Chi-square test of Association and Chi-square test of independence. Fischer's T-test was employed to test the hypothesis to establish the preferred compensation schemes. The mean aggregate tested the manager's level of satisfaction. The statistical results obtained formed the basis of rejection or acceptance of the Hypothesis in question. The confidence level of tests was at 95%.

## CHAPTER FOUR

### DATA ANALYSIS AND DISCUSSION

#### 4.1 Introduction

This chapter presents an analysis of the findings of this study. The population was far from being uniform due to demographic differences of seniority in management, occupation and their stations. The geographical scope was limited to Nakuru area, which forms the Headquarters of the company. The data obtained from the respondents was by use of a predetermined questionnaire and was based on 51 respondents out of the 63 who were sent the questionnaires, thus representing 80.95% of the sample size and 25.88% of the total population of all the manager's in the Board.

Table 2: RESPONDENTS BY MANAGEMENT LEVEL.

Level	Number	Percentage.
Senior Managers	6	11.76
Middle Level managers	16	31.37
Lower managers	29	56.86
<b>Total</b>	<b>51</b>	<b>100</b>

*Source: Field Data, 2003.*

The percentage distribution took the shape of a pyramid depicting a functional design in existence at the Board. The top manager's are few followed by the middle level managers who form a sizeable population and the bulk of the managers being in the low-level management cluster.

## 4.2 Descriptive Statistics

From the data collected from the field on employee preferences, the computed means for the 51 respondents was 4.03 with a standard deviation of 0.23. This implied that out of the maximum score of 5, the employees showed a high preference on the need to improve their items of compensation. This was equally confirmed with a small value of 2.3 as the standard deviation. (See appendix v on the respondent's score on preferences).

On respondent's score on employee's opinion on existing schemes, the employees had a mean score of 2.3 with a standard deviation of 0.25. This implies that they are in agreement that the existing compensation scheme elicits very low motivational effect on their performance. An indication that they don't address appropriately their needs. (See appendix VI on respondent's scores on opinion). The respondents were equally analyzed at different levels of seniority. The findings were as follows; senior managers score on preferences were 3.83 with a standard deviation of 0.5 followed by the middle level managers with an average mean of 4.0 with a standard deviation of 0.28. The low-level managers had a mean of 4.18 with a standard deviation of 0.19. The implication of the above scenario is that the preference levels among the managers in the organization vary. This when further analyzed indicate that manager's preferences on compensation items vary as they move along the ladder of seniority. (See appendix ix on preference score by managers in their different levels of seniority). The scores exhibited in the grand mean show a progression from a mean of 3.49 to 4.59, whose implication being that the non-financial compensation schemes are preferred most beside the salary as shall be evidenced, in the subsequent analysis.

### 4.3 TESTING FOR THE ASSOCIATION BETWEEN PREFERENCES AND SENIORITY.

Table 3: Expected counts on preferences for managers with a mean of 3.5 and above

Compensation items	Snr. Managers	Middle level	Lower level
1	2	12	17
2	4	14	25
3	6	15	28
4	5	14	28
5	5	15	28
6	5	14	27
7	0	6	9
8	5	16	21
Total	32	106	183

$H_0$ : There is no association between the manager's preferences and their level of seniority.

$H_A$ : There is an association between the manager's preferences and their level of seniority.

To test this Hypothesis, the mean score by each respondent to each of the mentioned items were computed. Only those who scored a mean of 3.5, which was considered as the landmark mean, and above were considered to have a significant preference for the items and so were included.

(See appendix iii for the computation of chi-square value).

Level of significance was 95%, Two tailed tests.

$X^2$  Sample =4.1218

$X^2$ Critical (0.05, 14)=5.629.

Since  $X^2$  Sample <  $X^2$  Critical, we fail to reject the  $H_A$ .

There was a significant association between the seniority of managers and the Compensation items.



Finding reveal that preferences differ for different items of compensation and that the non-financial rewards are relatively more preferred to the financial one as the managers move up the ladder.

This finding revealed that the preferences for managers vary for the different items of compensation at different levels. This concurs with the conclusions arrived at by other studies done elsewhere by Edward Lawler, John Lloyds and Maslow (1954). They found out that as manager's advance in an organization and once their physiological needs have been met by relatively adequate pay, their lower level needs decrease in importance. Their needs for affiliation esteem, and self-actualization tend to increase. The above scholars insisted, however, that the upward movement of needs prominence resulted from upward movement in the management levels and not the satisfaction of lower order needs (Koontz, 1994).

#### 4.4 TESTING THE DEPENDENCE OF RESPONDENT

**Table 4: Opinion and level of seniority**

Management Level	ITEMS OF COMPENSATION				Total
	Strong Disagree	Disagree	Neither	Agree	
Senior Managers	1	3	2	0	6
Middle Level	2	7	7	0	16
Lower Level	1	17	9	2	29
Total	4	27	18	2	51

H<sub>O</sub>: There is no association between items of compensation and management level.

H<sub>A</sub>: There is an association between items of compensation and management level.

(See appendix IV for the computation of chi-square).

Level of significance was 95%, a two-tailed test.

$X^2$  Sample = 4.19

$X^2$  Critical (0.05,6) = 1.237

Since  $X^2$  Sample >  $X^2$  Critical, we fail to reject the  $H_0$ .

The manager's opinions towards the existing schemes of compensation are not dependent on their seniority in the management. The Chi-square test of association between the items of compensation and management levels, showed that there is a significant difference. The computed chi-test ranged within the zone mark in which the managers are indifferent. According to Luthans (1992), when the managers are indifferent, then the managers value and expected utility of the existing schemes is zero. This raises the motivational concerns when the managers neither support nor oppose the current scheme of compensation and points at attitude related behaviour such as job satisfaction and organizational commitment.

The other issue that strongly comes out of the above finding is how responsive enough are the compensation design formulators to the needs of the managers. It is presumed that they are acting on a misinformed premise, thus not providing the real compensation items that elicit the appropriate motivational responses from the managers. The implication of this is designing a scheme that is irrelevant.

#### 4.5 TESTING FOR THE DIFFERENCE BETWEEN OPINION AND THE SCHEMES.

Table 5. Difference Between Opinion and The Schemes.

ITEMS OF COMPENSATION	RESPONSE				TOTAL
	STRONGLY DISAGREE	DISAGREE	NEITHER DISAGREE	AGREE	
ECON.JOB REWARDS	14	25	10	2	51
ECON.MEMBERSHIP REWARDS	12	23	14	2	51
NON-FINANCIAL JOB REWARDS	1	5	22	32	60
FRINGE BENEFITS	12	28	3	4	47
JOB CHARACTERISTICS	6	19	20	14	59
PERQUISITES	22	7	12	10	51
TOTAL.	67	107	81	64	319

$H_0$ : There is no significant difference between the preferences of the manager's and their opinion towards the existing schemes for compensation.

$H_A$ : There is a significant difference between the manager's and their opinion towards the existing schemes for compensation.

Level of significance was 95%, a two tailed-test.

$X^2$  Sample=122.113.

$X^2$  Critical (0.05,15)=7.261.

Since  $X^2$  Sample >  $X^2$  Critical, we fail to reject the  $H_0$ .

There is a significant difference between the manager's compensation preferences and their opinion towards the current existing compensation schemes. The significance level

computed at  $X^2$  122.113 stood at 0.00 showing a high significance level. The role that perception plays in the generation of preferences and evaluation of compensation equations cannot be ignored. There is no global preference set for judging the compensation schemes in whose absence these preferences are generated on line by processes that are vulnerable to bias. Moore (1999), indicated that for them to be better, more information has to be provided and in addition other alternatives and standards by which to judge relevant options. In the population sampled therefore, they don't have options with which to compare the existing schemes and the preferred preferences of the managers. Thus the poor content of comparison could have contributed to the low opinion score by the managers.

**4.6 TESTING FOR THE DIFFERENCE IN THE MANAGERS PREFERENCES BETWEEN FINANCIAL AND NON-FINANCIAL COMPENSATION SCHEMES.**

Table 6: Difference In The Managers Preferences Between Financial And Non-Financial Compensation Schemes.

	N	Mean	S.D	Std. Error	95% confidence Level for mean		Min	Max
					Low bound	Upper bound		
1	F 918	3.65	1.38	0.046	3.56	3.74	1	7
2	NF 1428	4.28	1.001	0.026	4.23	4.33	1	5
Total	2346	4.03	1.207	0.025	3.99	4.08	1	7

Table 7: Anova scores

	Sum of squares	d.f	Mean square	F	Probability value or significance
Between groups	223.88	1	223.88	164.49	0.00
With groups	3190.32	2344	1.36		
Total	3414.20	2345			

$H_0$ : There is no significant difference in the manager's preferences between financial and non-financial compensation schemes.

$H_A$ : There is a significant difference in the manager's preferences between financial and non-financial compensation schemes.

We reject the  $H_0$ . Hypothesis, since probability is less than 5%, using F Test ( $P < 0.05$ ).

The score on the financial compensation schemes are significantly lower than the non-financial compensation schemes at ( $P < 0.05$ ), using the least scores difference. This indicates that there is a significant difference between financial and non-financial compensation schemes. The non-financial schemes would be like the structuring of the

job/tasks to create challenging opportunities to enhance creativity, the nature of supervision, opportunity for growth and availing tools for trade. The respondents therefore scored highly on the non-financial schemes, giving the impression that these items were lacking in their current scheme, yet they were the most preferred by the managers.

There is no trick to motivating others. It requires a clear, unbiased undertaking of the situation at hand, deep insight into the vagaries of human nature at both the individual and the group levels, the establishment of opportunities and reasonable expectations and goals and the construction of a balanced set of financial and non-financial incentives. It requires in other words, hard thinking and hard work. When an organization is under strain or in a crisis, the challenge -and the stakes -become that much higher, (HBR, 2003).

Therefore the first non-financial motivational approach would be to confront reality, then set high aspirations, and finally to march pragmatically from reality to aspiration. Then provide a way for manager's participation and contribution to decision making in the organization. The other non-financial compensation approach is to adhere to simple values, things like honesty, fairness and generosity. Also strive to motivate others by asking them never to compromise their standards or values. Also effective communication should be enhanced.

The managers should know what the organization expects of them, and what the future holds. Messages on company vision, corporate goals and inspiration should be repeated in a variety of forms. The organization should provide an enabling environment where managers can try things that feel personally risky. The top managers who make much

money should not forget people at the lower level. If the top managers make the other cadre of manager's feel cared for, the entire organization will feel inspired and motivated. These are some of the non-financial motivational strategies that are likely to inspire managers in this organization, (HBR, 2003).

#### 4.7 SCORES ON MANAGERS PREFERENCES ON NON-FINANCIAL COMPENSATION SCHEMES

Table 8. Managers Preferences On Non-Financial Compensation Schemes

Compensation schemes	Managers			Mean
	Senior	Middle	Lower	
Econ. Membership	3.53	4.13	3.98	3.97C
Non-financial rewards	4.17	4.34	4.39	4.35B
Performance rewards	4.42	4.69	4.57	4.59A
Membership non-financial	4.33	4.44	4.28	4.35B
Motivational Strategies	4.11	4.45	3.91	4.11C
	4.11B	4.41A	4.25B	4.28

H<sub>0</sub>: The non-financial compensation schemes do not significantly influence the manager's motivation.

H<sub>A</sub>: The non-financial compensation schemes significantly influence the manager's motivation.

Level of significance is 95%, a two tailed test was performed.

We reject the H<sub>0</sub> at (P or  $\alpha$  =0.05) using the LSD, (Least score difference).

There is no interaction between the management levels and the compensation schemes, i.e. the compensation schemes do not depend on the management level. The implication is that the non-financial compensation schemes have not been differentiated to cater for the

various levels of managerial seniority. They appear to be uniform. Schemes on performance non-financial rewards are different from the rest of the schemes. Items on Economic Membership rewards and motivational strategies have the same effect on employees motivation, while the non-financial job rewards and membership non-financial rewards are the same but different from the former. The implication of the above finding is that, the performance non-financial rewards with a mean of 4.59 should be focused on more in this organization. The management should work out on its employment Schemes to enable employee's chart out their strategies of growth and progression.



## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **5.1 INTRODUCTION**

This chapter discusses and summarizes the findings of the study as they relate to the objectives of the study. It also includes the implications and limitations of the study as well as suggestions for further research. The study sought to analyze manager's compensation preferences and the extent of these preferences met by the existing compensation schemes in the Board. It is imperative that organizations should assess regularly the needs of their managers, the compensation items truly demanded by them and those employment outcomes relevant to them. This in turn should form a basis for the development of motivational Programmes that matches these needs of the managers with the incentives in use by the organization.

This view helped develop the instrument that was used to obtain the preferences of managers to various compensation items of both intrinsic and extrinsic nature. The response obtained from those managers was detailed in the preceding chapter. This chapter undertakes to discuss that data in response to the objectives and Hypotheses of the study, and give an implication of the findings to both the scholars and Human Resource Practitioners.

#### **5.2 SUMMARY OF THE MAJOR FINDINGS**

The findings showed that the manager's have several needs, which form the basis for their preferences. This needs differ for the different items of compensation and that the non-financial rewards are relatively more preferred to the financial ones.

There is however a weak association between these preferences and the seniority levels of the managers.

This preference is attributable to the fact that the sample was drawn from only one organization, and further the geographical scope covered was that of Nakuru, in the Rift valley province. There was no much diversity with respect to the demographic composition of the respondents. The demographic variables in reference here were like the age, gender, ethnicity, education, profession, political affiliation, club membership and professional association, societal roles and assumption patterns were not looked at. In terms of motivation theory, it is to be noted that, the managers have varied dominant needs, some of which are interdependent with others while the rest being independent.

These needs among the managers form the basis for what they seek to be compensated for i.e. being members of the organization. Their performance in contributing to the success of their organizational goals, their capital developmental needs while in the organization, their status in the organization, their careers, security, their participation and their seniority in the organization.

The above variables indicate that manager's have varied needs that go beyond the scope of that which is covered by the salary surveys. While the salary survey outlines only the economic rewards, the managers showed preferences to a greater variety of needs of non-financial nature in addition to the financial ones that the survey covered. This results compared favorably with those of White (1973) and Heath (1999), on compensation, where preferences have been expressed for non-financial aspects of compensation. In the same breath, these variables tend to agree that the diversity needs of the manager's ranges

from basic existence needs to higher order needs as pointed out by Abraham Maslow. It is also notable that the managers also seek to satisfy their status needs, prestige and power. It is to be noted that the variety of needs preferred by managers in this study tend to lie within the broad categorization of the needs approach by Alderfer and McClelland as existence, affiliation and growth (Alderfer, 1972). The comparison of the needs, in the four theories of motivation, by Clayton and the theoretical chart that matches the needs, to the incentives of the substantive, interactive and Effectance in the Literature review, could guide in the development of programs for use in motivating the managers in the organization.

The second objective of the study sought to find out the relevance of the existing schemes of compensation in view of the identified preferences of the managers. The Chi-square test of the difference between the manager's preferences and their opinion towards the existing scheme showed that there is a significant difference at ( $P < 0.05$ ). According to Luthans (1992), when the managers are indifferent, then the managers value and expected utility of the existing scheme is zero. This raises motivational concerns when the managers neither support nor oppose the current scheme of compensation and points at attitude related behaviour such as job satisfaction and organizational commitment.

### 5.3 CONCLUSIONS.

This then leads us to the conclusion that the schemes in the existence at the Board of Kenya are irrelevant and inadequate because of the following underlying reasons:

- (i) The designers of the scheme are not aware of the range of the needs exhibited by those manager's who are supposed to benefit from the contents of the scheme. Since no study has been conducted before in the Board on the preferences, the designers have simply based the schemes on assumptions. This is an indication that the planning and execution of activities in the organization is unidirectional/top down approach with no input from the bottom. This approach subjects the scheme to many biases linked to the existence of the theories among the designers of the scheme as was suggested by Heath (1999).
- (ii) The existing scheme at the Board on the other hand is dependent upon external advice from consultants notably the Federation of Kenya Employers. Their surveys have thus limited their scope to cover only economic incentives and rewards. This approach limits the scope of the compensation equation from its broad meaning to the narrow definition that covers salary and wage administration only. Jeffrey (1998) pointed out that this narrow view often lands the designer into a dangerous myth about compensation that people work for money. The findings of the study revealed that managers prefer equally other non-financial compensation items that cater for their intrinsic needs of motivation.
- (iii) Mismatch between the managers needs and characteristics and in the incentives being used. As pointed out in the earlier studies on compensation, such a

mismatch can lead to motivational problems, the evidence of which is the nature of the attitude, the managers have towards the current existing schemes.

- (iv) The existence of certain inhibiting factors like the compensation scheme designer's work in an environment shrouded with mystery and seclusion. This in turn leads to the narrow view of the employment equation, through the small numbers of those beneficiary managers from participating in the compensation decision.
- (v) Lastly, the role that stereotypes and perceptions play in the generation of preferences and evaluation of the compensation schemes cannot be over emphasized. There exists no global preference set that can guide in developing of compensation schemes. In the absence of the above, we are prone to bias. To guard against bias, the designers should avail more room for suggestions from the target user group and in addition, other alternatives and standards by which to judge opinion must be provided. In the case of the population sampled for this study, no options with which to compare the existing scheme was availed and therefore such biases emanating from such a poor context of comparison could have contributed to the low opinion score by the managers.

#### **5.4 IMPLICATION OF THE FINDINGS.**

From the above discussions, several issues of concern to both Pyrethrum Board's management and the Human Resource practitioners came up. The concerns could be summed up in the following manner:

- (i) It should be noted that managers have significant preferences to compensation items, and that they have significant needs that form the basis for the goals that they seek to satisfy in the employment set-up. Therefore, organizations should be better placed to understand the behaviour of its managers since they have been hired to create wealth/profits for their shareholders through their intellectual input, (HBR 2003). However, since the association of these preferences and the needs with the demographic variables used of seniority has not been adequately explained, future research efforts could explore this area and seek to explain through demographic variables, the nature of this association.
- (ii) Also in the literature review, it was noted that there are differences among the managers as to what they prefer for their compensation. Jeffrey (1998), pointed out that a system of individual incentives to reward the difference may have to be considered.
- (iii) Compensation of managers has been understood through the narrow view that has leaned more towards the economic transaction view, thus neglecting other valued non-financial incentives and rewards. This has raised the need to expand the compensation view not to forms only on monetary rewards but also on other non-monetary rewards that equally lead to greater motivation and output of managers.
- (iv) Notably, there is a need to analyze the total employment situation for any conflicting expectancies between the managers and the organization rewards with a view to ensuring equity, fair play and basing the employee reward on performance and merit as emphasized in the Porter Lawler model. This calls for the alignment of the organizations offering with what the managers want, and the

the alignment of the organizations offering with what the managers want, and the flexibility of the organization to accommodate any differences. Compensation schemes ought to try to align managers interests by, for example, requiring the ownership of real stock with extended holding period, (HBR 2003).

## 5.5 RECOMMENDATIONS.

There is a need to improve the attitude of the managers towards the existing schemes. This could be enhanced, by treating compensation as an art as much as it is a science. This is by resulting to democratic approaches by designing the scheme, in ways that gives the managers a better perception of the higher degree of their control over their compensation. Therefore for compensation schemes designers, they need to re-balance the elements of manager's compensation items and tie them more closely to the organization vision and annual business performance and long term financial results that will create real shareholder value over time. Future Research efforts by scholars might want to carry on with this work on preferences from the point reached by this study. Such research can look at:

- The Behavioral variables that will capture demographic attributes of the manager to better explain the relationships of preferences and the demographic variables. Among this are the behavioral causative of values, attitudes and perceptions.
  
- Assessment of the willingness of both employees and the managers to adopt flexible compensation systems.



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## Appendix 1: RESEARCH QUESTIONNAIRE

### INTRODUCTION

You are kindly requested to answer the following questions in the three parts of the questionnaire. Do not write your name on the form.

#### PART ONE

The questions herein are about the importance you attach to the various items of financial rewards, fringe benefits and other non-economic incentives deemed suitable for a compensation scheme. Please read section A and tick 1 for the least important and 5 for the most important item. Repeat the same procedure for sections B, C, D, E, F, G and H. If there are other rewards which you feel should be included and which are not listed below, please write them in the space for others.

#### Section A: The importance to you of the various economic job rewards and incentives.

1.	The basic salary	1	2	3	4	5
2.	The consolidated salary	1	2	3	4	5
3.	Profit sharing plans	1	2	3	4	5
4.	Payment deferred into the future	1	2	3	4	5
5.	Employee stock option and ownership plan	1	2	3	4	5
6.	Executive bonus plans	1	2	3	4	5
	Others (specify).					

#### Section B: The importance to you of the various economic membership rewards.

7.	Career progression rewards after qualification	1	2	3	4	5
8.	Payments for seniority and seniority related Rewards	1	2	3	4	5
9.	Executive treatment in things like office space, Parking lots and furnishings	1	2	3	4	5
10.	Contributions for membership to professional And social organizations.	1	2	3	4	5
11.	Payment for employee insurance and Employee stock purchase plans	1	2	3	4	5
12.	Payments for employee loan associations (PARETO), home financing and Pension	1	2	3	4	5
	Others (specify).					

#### Section C: The importance to you of the various non-financial job rewards.

13.	A job with challenging tasks	1	2	3	4	5
14.	A job with opportunity for growth	1	2	3	4	5
15.	Working with challenging colleagues	1	2	3	4	5
16.	Working in a job with intellectual interest And professional prestige	1	2	3	4	5
17.	Working with congenial colleagues	1	2	3	4	5
18.	A job that gives one the opportunity to Lead others	1	2	3	4	5
	Others (specify).					

**Section D: The importance to you of the various fringe benefits.**

19.	Loan entitlements	1	2	3	4	5
20.	Retirement schemes	1	2	3	4	5
21.	Life assurance, medical and funeral Assistance schemes	1	2	3	4	5
22.	Educational assistance and scholarships	1	2	3	4	5
23.	Anniversary awards and bonus like Christmas bonus and year end bonus	1	2	3	4	5
24.	Overtime, holiday and weekend premiums	1	2	3	4	5

Others (specify).

**Section E: The importance to you of the various performance non-financial rewards.**

25.	Opportunity for promotion	1	2	3	4	5
26.	Participation in problem solving	1	2	3	4	5
27.	Opportunity to set performance goals	1	2	3	4	5
28.	Responsibility, autonomy, freedom and Independence	1	2	3	4	5
29.	Feeling of self control and identification With the Boards goals	1	2	3	4	5
30.	Self respect and esteem	1	2	3	4	5

Others (specify).

**Section F: The importance to you of the various membership non-financial rewards.**

31.	Flexibility of the Board's Policies and procedure.	1	2	3	4	5
32.	The extent of decentralization and delegation Of authority	1	2	3	4	5
33.	Security on employment	1	2	3	4	5
34.	Predictability of life in the Board	1	2	3	4	5
35.	Adequacy of management development And training Programmes	1	2	3	4	5
36.	Participative and consultative decision making	1	2	3	4	5

Others (specify).

**Section G: The importance to you of the various perquisites.**

37.	A Board provided car	1	2	3	4	5
38.	First class travel accommodation	1	2	3	4	5
39.	Free/assigned parking privileges	1	2	3	4	5
40.	Membership to Board sponsored clubs And professional associations	1	2	3	4	5
41.	Paid travel for spouse	1	2	3	4	5
42.	Low interest loan facility	1	2	3	4	5

Others (specify)

**Section H: The importance to you of the various motivational strategies.**

43.	Existence of situations where you personally Must find solutions to problems.	1	2	3	4	5
44.	Opportunity to set moderate goals and Take moderate, thought-out risks.	1	2	3	4	5
45.	Work situations where you can get specific Feedback about how well you are doing.	1	2	3	4	5
46.	Work environment where you spent time Considering how to advance your career, How to do your job better, or how to Accomplish something important.	1	2	3	4	5

Others (specify).

**PART TWO**

The questions in this part are about your opinion towards the various aspects of the compensation schemes of your employer. Please read Section A and tick (□) for the appropriate response from strongly disagree to strongly agree. Repeat the same for Section B to H.

**Section A: Your opinion towards the Economic Rewards.**

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1. The amount of salary I am rewarded with is as adequate as I desire	1	2	3	4	5
2. The scheme allows me to share in the annual profits made by the Board	1	2	3	4	5
3. The scheme entitles me to stock ownership of the Board.	1	2	3	4	5
4. The scheme entitles me For stock option plans	1	2	3	4	5
5. The scheme entitles me Into some adequate share Of the bonus	1	2	3	4	5
6. The scheme entitles me Into reward payments Deferred into the future	1	2	3	4	5

**Section B: Your opinion towards membership rewards.**

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
7. My career progression After qualification has Been adequately Rewarded	1	2	3	4	5

8. My seniority in the Company has been Adequately rewarded With seniority payments	1	2	3	4	5
9. I have been given Executive treatment in Things like office space, Parking lots and Furnishing	1	2	3	4	5
10. My membership to Professional and social Organization has been Supported with the Relevant contributions	1	2	3	4	5
11. My employee insurance And stock purchase plans Have been adequately paid For.	1	2	3	4	5
12. My home financing and Pension payments have Been adequately met	1	2	3	4	5

**Section C: Your opinion towards the following non-financial job rewards.**

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
13. My job has got very Challenging tasks	1	2	3	4	5
14. My job gives me the Desired opportunities, For personal growth in The Board	1	2	3	4	5
15. My colleagues at work are very challenging	1	2	3	4	5
16. The job has very high Level of intellectual Interest and professional Prestige	1	2	3	4	5
17. My colleagues at work Are very congenial	1	2	3	4	5
18. The job gives me the Opportunity to lead others In the Board	1	2	3	4	5



**Section D: Your opinion towards the following fringe benefits.**

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
19. The scheme allows me Adequate loan Entitlement	1	2	3	4	5
20. The scheme gives me Sufficient retirement Benefits	1	2	3	4	5
21. The scheme gives me an adequate life Assurance, medical and The funeral assistance Cover I need	1	2	3	4	5
22. the scheme gives me an Adequate educational Assistance for myself and For children	1	2	3	4	5
23. The scheme entitles me for Anniversary awards, Christmas and year end Bonuses	1	2	3	4	5
24. The scheme entitles me To sufficient professional Benefits	1	2	3	4	5

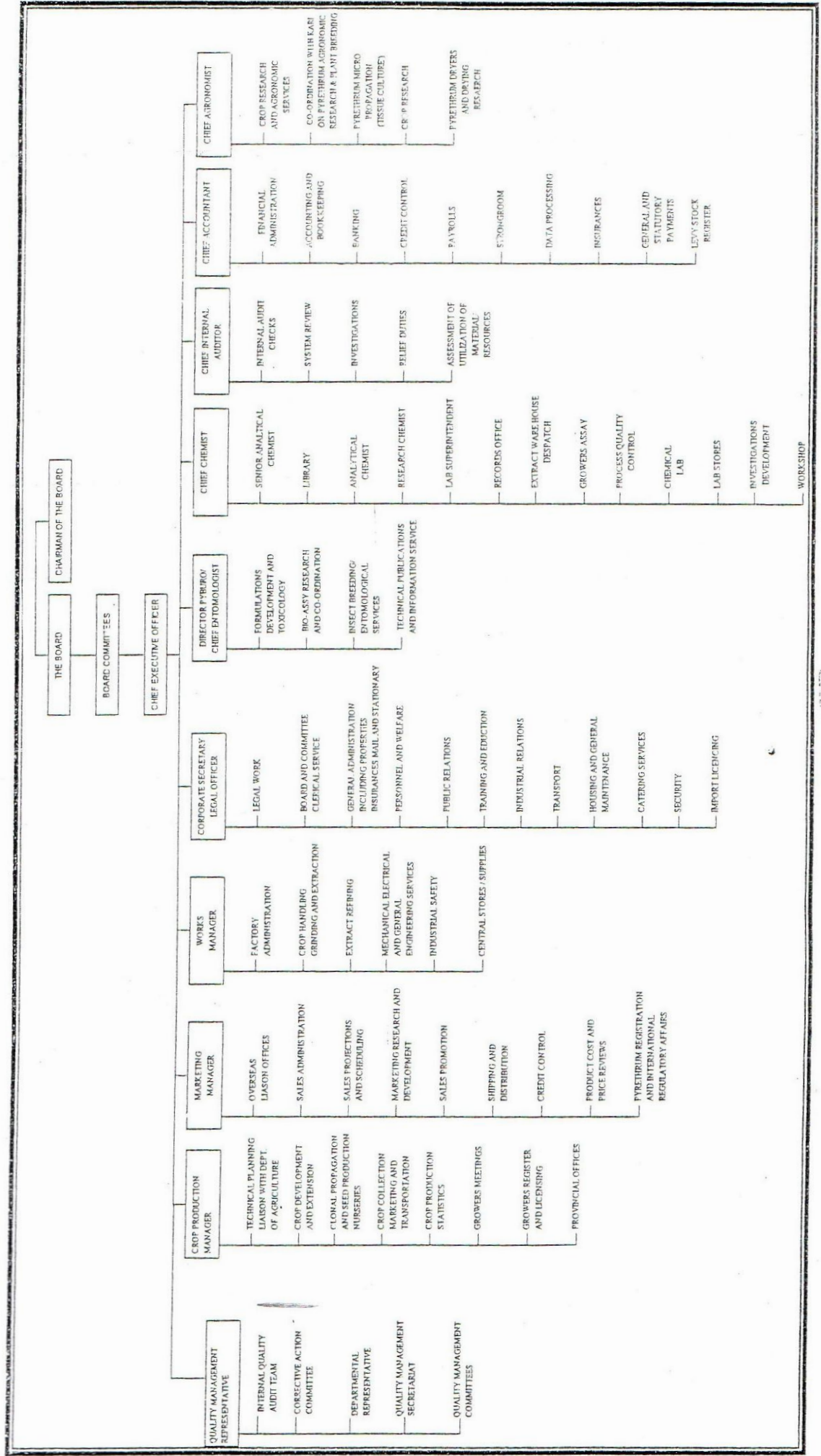
**Section E: Your opinion towards the characteristics of your job**

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
25. The job itself gives me Good opportunities for Advancement	1	2	3	4	5
26. The extent of Decentralization and Delegation of authority In the Board is very Adequate	1	2	3	4	5
27. My life in the Board is Very predictable	1	2	3	4	5
28. The management Development and Training Programmes are Very adequate	1	2	3	4	5
29. The degree of participation And consultative decision	1	2	3	4	5

30. Making is very adequate The internal status I'm Accorded by the Board Earns me a lot of external Prestige	1	2	3	4	5
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**Section F: Your opinion towards the various perquisites**

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
31. I am entitled to a Company provided car	1	2	3	4	5
32. I am entitled to and well Accorded free or assigned Parking privileges	1	2	3	4	5
33. I am entitled to the Board's Sponsored club membership	1	2	3	4	5
34. I am entitled to the Boards Sponsored professional Organization	1	2	3	4	5
35. I am entitled to a paid Travel for my spouse	1	2	3	4	5
36. I am adequately entitled To interest free loans	1	2	3	4	5



**Appendix iii: Computation of the Sample Chi-square Value of Association between preferences and Seniority.**

O	E	$(O-E)^2$	$(O-E)^2/E$
2	3.09		0.38
12	10.24		0.3
17	17.67		0.03
4	4.29		0.02
14	14.20		0.00
25	24.51		0.01
6	4.88		0.25
15	16.18		0.09
28	27.93		0.00
5	4.69		0.02
14	15.52		0.15
28	26.79		0.05
5	4.79		0.01
15	15.85		0.05
28	27.36		0.01
5	4.59		0.04
14	15.19		0.09
27	26.22		0.02
0	1.5		1.5
6	4.95		0.22
9	8.55		0.02
5	4.19		0.16
16	13.87		0.33
21	23.94		0.36
			$X^2=4.1218$

**Appendix IV: Computation of chi-square for the difference between opinions and the schemes.**

Chi-square Test.

Expected counts are printed below observed counts.

Strongly disagree	Disagree	Neither	Agree	Total
14 10.71	25 17.11	10 12.95	2 10.23	51
12 10.71	23 17.11	14 12.95	2 10.23	51
1 12.6	5 20.13	22 15.24	32 12.04	60
12 9.87	28 15.76	3 11.93	4 9.43	47
6 12.39	19 19.79	20 14.98	14 11.84	59
22 10.71	7 17.11	12 12.95	10 10.23	51
67	107	81	64	319

$$\begin{aligned}
 \text{Chi-sq} &= 1.010 + 3.642 + 0.672 + 6.623 + \\
 & 0.155 + 2.030 + 0.085 + 6.623 + \\
 & 10.681 + 11.368 + 3.004 + 33.104 + \\
 & 0.459 + 9.496 + 6.688 + 3.126 + \\
 & 3.297 + 0.032 + 1.681 + 0.395 + \\
 & 11.896 + 5.971 + 0.070 + 0.005 = 122.113 \\
 \text{DF} &= 15, \text{P-VALUE} = 0.00
 \end{aligned}$$

**Appendix v: Respondents score on preferences**

RESPONDENT NUMBER	MEAN SCORE	STANDARD DEVIATION
1	3.98	0.83
2	4.13	1.15
3	3.61	1.08
4	4.02	1.36
5	3.96	1.26
6	4.35	1.08
7	4.61	0.77
8	2.83	1.39
9	4.33	1.08
10	3.63	1.27
11	3.89	1.12
12	3.41	1.27
13	4.07	1.44
14	4.33	1.16
15	3.39	1.36
16	4.61	1.02
17	4.02	1.04
18	3.76	1.02
19	3.50	0.89
20	3.98	1.36
21	3.74	1.44
22	4.50	0.78
23	4.24	1.10
24	4.48	0.78
25	3.70	1.38
26	3.93	1.37
27	4.13	1.29
28	4.59	0.65
29	4.41	1.38
30	3.78	1.15
31	4.15	1.30
32	3.39	1.42
33	4.07	1.54
34	3.20	1.45
35	4.28	1.17
36	4.15	1.01
37	4.61	0.88
38	3.43	0.65
39	4.39	0.86
40	4.39	1.45
41	4.17	1.08
42	4.24	0.99
43	4.54	0.84
44	4.11	1.06
45	4.15	0.97
46	3.33	1.35
47	3.96	1.01
48	4.11	1.12
49	4.20	1.00
50	4.59	1.02
51	4.41	0.88
	4.03	0.23

**Appendix vi: Respondents score on opinion**

RESPONDENT NUMBER	MEAN SCORE	STANDARD DEVIATION
1	2.39	0.87
2	3.69	1.04
3	2.08	0.94
4	2.97	1.30
5	2.25	1.05
6	2.61	1.29
7	2.31	0.86
8	2.47	1.21
9	2.36	1.17
10	3.31	1.21
11	2.31	0.92
12	2.17	1.25
13	2.22	1.17
14	1.44	0.65
15	1.89	0.92
16	2.06	1.55
17	3.08	1.08
18	2.72	1.00
19	2.58	1.05
20	1.89	1.14
21	1.75	1.20
22	3.19	1.06
23	3.53	0.97
24	1.61	1.05
25	2.17	1.46
26	2.50	1.34
27	1.69	0.89
28	1.81	1.21
29	2.06	1.69
30	2.97	1.28
31	2.14	1.42
32	2.33	1.22
33	1.42	0.77
34	2.61	1.08
35	1.92	1.02
36	2.81	1.45
37	1.75	0.91
38	2.86	0.72
39	2.86	1.46
40	1.36	0.64
41	1.97	0.91
42	1.25	0.50
43	2.11	1.04
44	2.22	1.35
45	2.53	0.81
46	2.81	1.26
47	2.53	0.74
48	2.53	1.08
49	1.72	0.94
50	1.47	0.91
51	2.25	0.69
	<b>2.30</b>	<b>0.25</b>

Source: Field data, 2003

## STATEMENT SCORE

Appendix vii: preference statement scores by respondents per manager's cluster

STATEMENT NUMBER	SENIOR MANAGERS		MIDDLE MANAGERS		LOWER MANAGERS	
	MEAN	STD DEV	MEAN	STD DEV	MEAN	STD DEV
1	4.67	0.82	4.62	0.86	4.81	0.64
2	4.00	0.89	3.69	1.34	3.69	0.64
3	3.83	1.33	3.45	1.38	3.63	0.65
4	1.33	0.52	2.07	1.19	2.25	0.65
5	2.67	1.97	3.34	1.20	3.56	0.58
6	3.33	1.37	3.79	1.15	4.13	0.58
7	5.00	0.00	4.69	0.60	4.88	0.59
8	4.17	0.75	4.28	0.92	4.31	0.59
9	1.83	0.98	2.66	1.17	3.25	0.59
10	2.83	1.72	3.55	1.15	4.19	0.58
11	3.67	1.21	4.48	0.63	4.19	0.59
12	4.67	1.21	4.21	0.86	3.94	0.59
13	4.67	0.52	4.76	0.51	4.44	0.60
14	4.83	0.41	4.79	0.41	4.88	0.61
15	4.67	0.52	4.45	0.95	4.19	0.61
16	4.17	1.33	4.24	0.91	4.56	0.62
17	3.33	1.37	4.28	0.88	3.88	0.63
18	3.33	1.03	3.83	1.20	4.13	0.63
19	4.67	0.82	4.52	0.69	4.56	0.65
20	4.83	0.41	4.69	0.60	4.69	0.65
21	4.33	1.03	4.69	0.54	4.69	0.66
22	3.83	1.33	4.52	0.87	4.44	0.67
23	3.50	1.38	4.24	1.06	4.00	0.68
24	3.33	1.63	3.59	1.24	3.88	0.69
25	4.83	0.41	4.83	0.54	4.88	0.71
26	4.33	0.82	4.52	0.78	4.69	0.71
27	4.50	0.84	4.55	0.63	4.44	0.72
28	4.50	0.55	4.34	0.77	4.63	0.73
29	4.33	0.82	4.52	0.74	4.69	0.75
30	4.00	1.55	4.66	0.67	4.81	0.76
31	3.17	1.83	3.90	1.11	3.75	0.76
32	4.17	1.17	4.00	1.00	4.31	0.78
33	4.83	0.41	4.72	0.70	4.94	0.81
34	4.67	0.52	4.38	0.78	4.69	0.79
35	4.67	0.52	4.45	0.87	4.50	0.80
36	4.50	0.84	4.24	1.18	4.44	0.82
37	2.00	0.89	2.45	1.38	2.56	0.84
38	2.00	0.63	2.17	1.28	2.75	0.76
39	2.00	1.26	2.76	1.38	2.81	0.65
40	3.17	1.60	3.28	1.28	3.81	0.42
41	1.67	1.21	2.79	1.42	3.69	0.39
42	5.00	0.00	4.55	1.06	4.69	0.24
43	3.33	1.86	3.66	1.02	4.19	0.24
44	3.67	1.03	3.48	1.15	4.31	0.20
45	4.50	0.55	4.41	0.87	4.63	0.04
46	5.00	0.00	4.10	1.29	4.69	0.04
	<b>3.83</b>	<b>0.50</b>	<b>4.00</b>	<b>0.28</b>	<b>4.18</b>	<b>0.19</b>



## STATEMENT SCORES

## Appendix viii: Opinion statement scores by respondents per manager's cluster

STATEMENT NUMBER	SENIOR MANAGERS		MIDDLE MANAGERS		LOWER MANAGERS	
	MEAN	STD DEV	MEAN	STD DEV	MEAN	STD DEV
1	1.83	0.75	1.81	0.54	2.24	1.24
2	1.50	0.85	1.63	0.54	1.93	1.03
3	1.00	0.00	1.56	0.54	1.90	1.11
4	1.33	0.82	1.75	0.53	2.03	1.12
5	1.33	0.82	1.69	0.53	2.03	1.18
6	2.50	1.64	2.38	0.53	2.10	1.18
7	2.17	0.75	2.00	0.54	2.17	1.04
8	2.33	1.21	1.75	0.55	2.00	1.10
9	3.17	0.75	2.19	0.55	2.03	1.24
10	2.67	1.37	1.31	0.56	1.86	1.09
11	2.50	1.15	2.06	0.53	2.41	1.18
12	1.83	0.75	2.13	0.54	2.14	0.95
13	4.50	0.84	3.75	0.55	3.97	0.91
14	3.17	0.98	2.88	0.48	3.45	1.15
15	3.00	0.89	2.63	0.47	3.07	1.16
16	4.00	0.63	3.25	0.47	3.48	1.15
17	3.33	1.37	2.69	0.43	3.38	0.98
18	3.83	0.98	2.75	0.42	3.28	1.22
19	1.83	0.75	1.94	0.41	1.79	1.08
20	2.33	0.52	2.44	0.42	2.48	1.02
21	2.67	1.03	2.19	0.43	2.31	1.31
22	1.33	0.52	1.38	0.44	1.71	1.19
23	1.17	0.41	1.38	0.40	1.79	1.05
24	1.33	0.52	1.56	0.34	1.86	1.09
25	3.17	1.47	2.88	0.28	3.48	1.02
26	1.50	0.84	2.06	0.23	2.55	0.95
27	2.67	1.03	2.50	0.23	2.69	1.07
28	1.50	0.84	1.88	0.23	1.86	0.95
29	1.67	0.82	1.94	0.19	2.31	1.26
30	2.50	0.84	2.38	0.13	2.38	1.05
31	1.50	0.84	2.25	0.14	2.07	1.10
32	3.00	1.26	2.44	0.14	2.31	1.23
33	2.33	1.51	2.50	0.16	2.03	1.35
34	1.83	1.17	2.44	0.16	2.38	1.45
35	1.00	0.00	2.38	0.18	1.93	1.25
36	1.00	0.00	2.13	0.12	2.34	1.37
	<b>2.45</b>	<b>0.44</b>	<b>2.45</b>	<b>0.38</b>	<b>2.69</b>	<b>0.36</b>

**Appendix ix: Preference scores by managers in three clusters**

GRAND MEAN FOR ALL LEVELS OF MANAGEMENT

SENIOR MANAGERS

STATEMENT	30	31	32	33	34	35	MEAN	SD	MEAN	MEAN	MEAN	GRAND MEAN	SD
1	3.0	3.8	3.2	3.3	2.7	3.8	3.3	1.2	3.3	3.68	3.49	3.5	
2	3.5	3.8	2.7	3.5	3.2	4.5	3.5	1.0	3.5	4.13	3.98	3.9	
3	3.7	4.3	4.3	4.7	3.5	4.5	4.2	0.9	4.2	4.35	4.39	4.3	
4	3.7	4.3	3.5	5.0	3.2	4.8	4.1	1.1	4.1	4.38	4.38	4.3	
5	4.3	4.7	4.3	5.0	3.3	4.8	4.4	0.8	4.4	4.69	4.57	4.6	
6	4.5	5.0	3.0	4.8	4.0	4.7	4.3	0.9	4.3	4.44	4.28	4.4	
7	3.3	2.7	2.3	2.2	2.7	2.7	2.6	0.9	2.6	3.39	3.00	3.0	
8	4.4	4.4	3.9	3.9	3.3	4.3	3.8	0.7	3.8	4.32	3.87	4.0	
<b>MEAN</b>	<b>3.8</b>	<b>4.2</b>	<b>3.4</b>	<b>4.1</b>	<b>3.2</b>	<b>4.3</b>							
<b>SD</b>	<b>1.2</b>	<b>1.3</b>	<b>1.4</b>	<b>1.5</b>	<b>1.5</b>	<b>1.2</b>							

MIDDLE MANAGERS

STATEMENT	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	MEAN	SD
1	3	4	4	4	4	3	4	5	4	4	3	4	3	4	4	4	3.68	1.00
2	4	5	4	4	5	4	4	4	4	4	3	3	5	4	5	5	4.13	0.94
3	4	5	4	5	5	4	4	5	4	4	3	4	4	4	5	4	4.35	0.80
4	5	5	3	5	5	5	4	5	5	4	3	4	5	5	5	5	4.38	0.80
5	5	5	4	5	5	5	5	5	5	5	3	5	5	5	5	5	4.69	0.63
6	4	5	3	5	4	5	4	5	4	4	3	5	5	5	5	5	4.44	0.75
7	4	3	3	4	3	3	3	4	3	3	5	3	3	3	4	4	3.39	1.03
8	4	5	4	4	4	5	4	5	4	4	4	4	4	4	5	5	4.32	0.75
<b>MEAN</b>	<b>4.2</b>	<b>4.6</b>	<b>3.4</b>	<b>4.4</b>	<b>4.4</b>	<b>4.2</b>	<b>4.2</b>	<b>4.5</b>	<b>4.1</b>	<b>4.2</b>	<b>3.3</b>	<b>4</b>	<b>4.1</b>	<b>4.2</b>	<b>4.59</b>	<b>4.4</b>	<b>4.17</b>	
<b>SD</b>	<b>1</b>	<b>0.9</b>	<b>0.7</b>	<b>0.9</b>	<b>1.5</b>	<b>1.1</b>	<b>1.0</b>	<b>0.8</b>	<b>1.1</b>	<b>1.0</b>	<b>1.4</b>	<b>1.0</b>	<b>1.1</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>0.9</b>	

LOWER MANAGERS

STATEMENT	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	MEAN	SD
1	4	4	3	2	3	3	4	5	4	3	4	3	3	4	4	5	4	4	3	4	4	4	3	4	3	3	3	4	4	3.49	1.19
2	4	4	4	5	4	4	5	3	4	4	4	3	4	5	3	5	4	4	4	4	4	4	4	5	4	3	4	5	4	3.98	0.89
3	4	4	4	5	5	5	5	3	5	4	5	4	4	5	5	5	4	4	4	4	5	4	5	5	4	5	4	5	5	4.39	0.81
4	4	4	4	5	5	5	5	3	5	4	4	4	5	5	4	5	4	4	4	4	5	4	5	5	5	4	5	5	4	4.38	0.83
5	5	5	4	4	5	5	5	4	5	4	5	3	5	5	4	5	5	4	4	4	5	4	5	5	5	5	5	5	5	4.57	0.69
6	4	5	4	5	3	5	5	2	5	4	4	4	5	5	4	5	5	4	4	4	4	5	5	4	4	4	4	5	5	4.28	0.94
7	3	4	2	3	4	4	4	2	3	2	2	3	3	3	2	2	3	3	3	2	2	4	4	4	3	4	3	4	3	3.00	1.29
8	4	4	4	4	4	4	4	4	4	4	4	4	4	4	2	5	4	4	4	3	3	5	3	5	3	3	4	4	5	3.87	1.14
<b>MEAN</b>	<b>4</b>	<b>4.1</b>	<b>3.6</b>	<b>4</b>	<b>4</b>	<b>4.4</b>	<b>4.6</b>	<b>2.8</b>	<b>4.3</b>	<b>3.6</b>	<b>3.9</b>	<b>3.4</b>	<b>4.1</b>	<b>4.3</b>	<b>3.39</b>	<b>4.6</b>	<b>4.02</b>	<b>3.76</b>	<b>3.5</b>	<b>4</b>	<b>3.7</b>	<b>4.5</b>	<b>4.2</b>	<b>4.5</b>	<b>3.7</b>	<b>3.9</b>	<b>4.1</b>	<b>4.6</b>	<b>4.4</b>	<b>4.00</b>	
<b>SD</b>	<b>0.8</b>	<b>1.2</b>	<b>1.1</b>	<b>1.4</b>	<b>1.3</b>	<b>1.1</b>	<b>0.8</b>	<b>1.4</b>	<b>1.1</b>	<b>1.3</b>	<b>1.1</b>	<b>1.3</b>	<b>1.4</b>	<b>1.2</b>	<b>1.36</b>	<b>1</b>	<b>1.04</b>	<b>1.02</b>	<b>0.9</b>	<b>1.4</b>	<b>1.4</b>	<b>0.8</b>	<b>1.1</b>	<b>0.8</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.3</b>	<b>0.7</b>	<b>1.4</b>	

