

Effects of Monetary Rewards on the Performance of Legal Practitioners at the Attorney General's Office in Nairobi

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Abstract: The office of the Attorney is coming under lots of pressure to deliver on their mandate. Several factors constrain the Attorney General's Office to establish and enhance policies to improve in their performance. Despite the fact that a lot of money is spent to hire qualified employees and other staff, little attention has been given to workers perception towards their performance at Attorney General's Office. The study generally investigates the effect of monetary rewards on the performance of legal practitioners at the Attorney General's office in Nairobi. The study used descriptive research design. The population for this study consisted of 175 State Counsels or legal practitioners at Office of Attorney General. The study used proportionate stratified sampling method to ensure that all cases are well represented. The study adopted a 30% sample size representation of the total population targeted which resulted to a sample size of 56 respondents. Data was collected using questionnaires. Analysis of data was carried out using descriptive statistics and inferential analysis. The study established that monetary rewards had a positive significant influence on employee performance. The study concluded that monetary reward has a significant effect in terms of motivating employees and promoting teamwork that will enormously improve organizational performance thus lead to the organization to achieve its objectives. The study recommended that monetary reward system to be enforced to enhance the performance of the legal practitioners through giving better pay, bonuses, allowances, insurance, incentives, promotions and job security.

Keywords: Monetary rewards, Employee Performance, Human Resource Management Intervention

I. INTRODUCTION

Value creation by resource provider is crucial for organization's employee performance. According to Danish and Usman (2010), employees in an organization are the most crucial assets since they contribute effectively to an organization's successful operation. The current legal environment is featured with faster and diverse change; finance to cater for the welfare of the employees has to be resumed to enhance security and motivation by the organization (Malik, Ahmad, Gomez & Ali, 2011). Likewise, legal industry needs to bring together, resume and improve their stakeholders. In the developing world, the modern market competition has brought about dynamic impacts for organizations and people (Hafiza, Shah, Jamsheed & Zaman, 2011). That is why for legal firms to have enabling environment, it's good to train and secure experienced human resources. Therefore, the area of employee management has

become strategic and proactive in creating more dynamic working environment (Brewstar, 2004).

The effective development of human resources in order to reach the objectives of the organization is very important. Without the development of human resources as a strategic resource within the company, it will be difficult to achieve the long-term strategic future of the organization (Anlesinya, Bukari & Eshun, 2014). Khan (2015) indicates that, there is an increasing demand to develop effective and efficient human resource development practices to improve the competence of the workforce and for the enhancement of organizational effectiveness. Therefore, it can be argued that development of human resources enhances organizational effectiveness by attracting, identifying, and retaining employees with knowledge, skills, and abilities.

Kuria and Nzuve (2015) indicate that management efforts and extra input in enhancing performance Kenyan state law office was an essential motivational factor towards improving employees' performance and suggested that public sector in Kenya in general needs to sustain the rewarding processes and procedures to keep employees motivated in the work place. Employee's performance is the job related activities expected of workers and how well those activities are executed. This involves all aspects that directly or indirectly affect and relate to the work of the employees. Therefore, it is clearly evident that if the manager is to improve performance of work in an organization, attention must be given to the effective implementation of human resource management interventions.

Monetary rewards can improve employee motivation and performance because they are commonly used as a mechanism to increase productivity and efficiency by providing employees with a motivation or goal. Employers frequently use monetary benefits to encourage employees to meet their objectives and many leaders use monetary incentives to motivate employees who are already content with their jobs (Armstrong, 2014). Bateman and Snell (2017) observe that it is possible that lower level employees whose needs fall under lower order needs according to Maslow's hierarchy of needs can be highly motivated by monetary rewards depending on how these financial rewards are administered. Therefore, it can be argued that monetary reward plays a big role in satisfying the social security and

physiological needs of an individual employee hence improve its performance.

The performance of employees can be evaluated through performance evaluation (Armstrong, 2010). Performance evaluation is done to ensure development of the organization activity and productivity for employees. Appraisal of employees' performance in an organization is a mechanism through which a firm can improve its performance. In addition, employees' activity assessment acts as a measure to provide guidance on areas of improvement by undertaking training needs analysis. According to Khan (2010), exposure and enhancement, assessment, insurance and employee interaction influences activity of a firm. Evaluation of performance of employees offers channels of enhancing workers performance through vibrant process of outlining and evaluating objectives in lines with firm purpose (Furnham, 2004). Employees of an organization need to be inspired and their performance enhanced.

II. STATEMENT OF THE PROBLEM

Office of Attorney is coming under lots of pressure in order to deliver their constitutional mandate. Several factors constrain Attorney General's Office to establish and enhance policies to increase in their work. Despite the fact that a lot of money is spent to hire qualified litigants lawyers and other staffs, little attention has been given to workers perception towards their performance at Attorney General's Office. The main challenge human resource office at Attorney General Office faces is aligning itself with the needs of the office (OAG, 2018). The biggest hurdles for human resource are an inadequate common ideology in relation to the staffs' activities and HRM interventions in the Attorney General's Office. The State Law Service and Judiciary Strategic Plan Act, 2013 – 2017 sets out priorities and define long term goals of the office.

The strategic plan aims to introduce major reforms to ensure proper utilization of available resources. The legal industry has changed over the last two decades due to provision of specialized legal services and constant acquisition of legal services as from 2008 where global market faced a credit crunch. According to a survey conducted in 2014, several organization managers gave reports on high pricing competition, practice efficiency, recognition of the legal service, competition from non-traditional legal service provider and non-hourly billing arrangement as permanent reforms in the legal landscape placing demand on law firms to develop strategies enhance employee performance (Clay & Seeger, 2015). The strategic plan 2013-2017 indicates one of the challenges that the office faces relates to performance of employees.

Various scholars have suggested strategies for enhancing performance in corporate governance (Corsello, 2012; Nilsson & Ellstrom, 2012). In the study, Corsello (2012) appreciate the importance for effective relation between legal service intervention strategies and work of legal firms. Equally,

studies conducted by Kuria and Nzuve (2015) on performance of state law office revealed that operational aids and capability in promoting work is the main components to enhance the employee's work. Kiguru (2017) in her study examined strategies influencing performance in commercial law firms in the country. The research established the existence of demographically effective reliance of development plans and the performance of the commercial law firms.

Studies of factors influencing employee work performance have been done both locally and internationally, but little had been done on HRM interventions influencing employee work performance of State Counsels at Attorney General office and legal firms in the country; hence the research question: how does monetary rewards influence performance of employees in Kenya legal industry?.

III. LITERATURE REVIEW

Theoretical Literature Review

The study was guided by Herzberg Two- Factor Theory. Herzberg (1959) developed two factor model of dissatisfiers and satisfiers as a result of investigating reasons for job displeasure and fulfillment among engineers and accountants. The theory assumed that employees are capable of communicating the working conditions that make them dissatisfied or satisfied with their work (Armstrong, 2010). Basically, this defines factors that would lead to an employee being satisfied or dissatisfied at work. Herzberg (2003) indicated that inherent elements caused job fulfilment while external factors explains job dissatisfaction. What people want in their jobs is the basis of the theory (Harpaz, 1990). Herzberg, posed the question "what do you want in your job" the answers to this question made him conclude that there are factors making theory jobs dissatisfying that does not necessarily mean the job is satisfying (Armstrong, 2010). There are two major categories of satisfiers hygiene and motivators (Herzberg, 2003). Intrinsic factors are the motivators that nourished psychological growth as well as development, these include work itself, promotions, recognition and challenging responsibility (Wilson, 2010; Ajila & Agiola, 2004). Extrinsic factors are the hygiene factors that are defined by the working condition (Armstrong, 2010). The extrinsic factors include reward structure, working conditions, organization policy, levels of supervision as well as job security (Bhattacharyya, 2009). Extrinsic rewards have significantly impacted on employee motivation as opposed to intrinsic rewards that do not significantly influence employee motivation (Herzberg, 2003).

The theory is applicable to human resources management intervention since it contributes in the elimination of dissatisfies that is hygiene factors. For instance, when there is peace in the work environment, it does not imply that this is a significant motivator. Therefore, intrinsic factors best explain employee motivation. Robbins and Judge (2007), argue that for employees to be motivated, there is need to avail choices

for advancement, recognition, challenging responsibility as well as personal growth. The theory is important to the study as it shows that inefficient reward system results to work force demotivation while efficient reward system in a good motivator.

Empirical Literature Review

Ekwochi and Okoene (2019) study examined the effect of monetary incentives on workers performance in organization. The study used ex post facto design as methodology. The analytical tool of the study was unit root test, descriptive statistics and ordinary least squares. The study found out that the study found out that directors remuneration have significant effect on the performance of organizations. The study also found out that salaries and wages affect the performance of coca cola bottling company.

A study by Zaraket and Saber (2017) investigated the impact of monetary reward on employee performance: Implications for Blue Collar Employees. The data for this study were collected using self-administered questionnaires from 250 employees working in the construction contracting and printing sectors in Lebanon. Multiple linear regression analysis was used in testing the relationship between variables. The hypotheses proposed to be tested through the research were verified. As expected, the results show a significant relationship between financial rewards and employee performance.

Ibrar and Khan (2015) study examined the impact of monetary reward on employee performance in Malakand Private School. Questionnaire is used as instrument and 100 questionnaires were used to check the respondent's opinion. Descriptive analysis, correlation and multiple regression tests were applied for data analysis. The study concludes that there is positive relationship between rewards (extrinsic and intrinsic) and employee's job performance. Most of the organizations implement rewards system to increase the job performance and job satisfaction.

IV. RESEARCH METHODOLOGY

The study used descriptive research design. The target population of the study was 175 respondents who comprised of State Counsels or legal practitioners at Office of Attorney General who were obtained from all the departments in the office of the Attorney General. The study used stratified sampling method and the respondents were selected using simple random sampling method. The sample size of the study was 56 respondents which represented 30% of the target population. Data was collected using questionnaires. A pilot study comprising of 10 respondents was done to assess the validity and reliability of the questionnaire. Validity was ensured through content, criterion and construct validity to make sure that the instruments measures what they are intended for. Cronbach's alpha reliability coefficient was used to test the reliability of the questionnaire. Quantitative data was analyzed using descriptive statistics such as mean and standard deviation and presented in form of tables and figures.

The study further carried out correlation analysis and multiple regressions to determine the effect between variables.

V. FINDINGS

The study sought to examine the effects of monetary rewards on the performance of legal practitioners at the attorney general's office in Nairobi. The findings are presented as follows

Table 1: Monetary Rewards

Statements	N	Mean	Standard Deviation
The office uses monetary rewards like per diem, incentives and bonus for motivation	56	4.57	0.43
The office uses other methods like recognition and promotion to motivate us	56	4.30	0.70
Value for money is key ininfluencing performance	56	4.39	0.61
Monetary rewards is the key motivator for every employee	56	3.88	1.12
As a state counsel, salary increment by small margins are dysfunctional in motivating employees as they don't reflect job done at the office	56	4.50	0.50
As a state counsel, money is an important enticement for motivating workers as money can buy many things desired	56	4.25	0.75
Aggregate Score		4.32	0.68

Source: Survey Data (2021)

The findings as presented in Table 1 shows that the respondents agreed that monetary rewards affects the performance of legal practitioners at the attorney general's office in Nairobi as represented by an aggregate mean score of 4.32 and standard deviation of 0.68. This finding is consistent with the findings of Chinyio, Suresh, and Salisu (2018), who investigated the effects of monetary rewards on public sector employees in construction: A case study of Jigawa state in Nigeria The findings revealed that allowances and gratuity motivated construction employees in Jigawa State's public sector, that salary, pension, and gratuity attracted them to the job, and that gratuity and pension influenced their retention. Gratuity had a significant impact on all four variables studied.

The respondents strongly agreed on the statements that the office uses monetary rewards like per diem, incentives and bonus for motivation (M=4.57, SD=0.43) and that as a state counsel, salary increment by small margins are dysfunctional in motivating employees as they do not reflect job done at the office (M=4.50, SD=0.50). This finding is consistent with Khan, Daniyal, and Ashraf's (2020) study, which investigated the relationship between monetary incentives and job performance: the mediating role of employee loyalty. The statistical findings of this study show that monetary incentives are one of the major factors that cause employees to remain loyal to their organizations, which leads to increased job performance.

The respondents agreed on the statements that the value for money is key in influencing performance (M=4.39, SD=0.61), the office uses other methods like recognition and promotion to motivate us (M=4.30, SD=0.70) and that monetary rewards is the key motivator for every employee (M=3.88, SD=1.12). This finding is consistent with the findings of an empirical study conducted by Mehta (2018) on the impact of monetary rewards on employee performance and job satisfaction in Pakistan's insurance sector, which found that these monetary rewards have a significant impact on Employee Performance and Job Satisfaction. Employee performance and job satisfaction have improved as monetary rewards have increased.

Correlation Analysis

Table 2: Correlation Analysis

		Employee performance	Process Improvement
Employee Performance	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	56	
Monetary Rewards	Pearson Correlation	.736**	1
	Sig. (2-tailed)	.001	
	N	56	56

The results in Table 2 show that monetary rewards had a strong relationship with the performance of legal practitioners at the attorney general's office in Nairobi with a Pearson's r value of 0.736. This shows that monetary rewards offered by attorney general's office in Nairobi with employee performance are strongly correlated with their employee performance. This finding is according to the finding of a study by Zaraket and Saber (2017) investigated the impact of monetary reward on employee performance: Implications for Blue Collar Employees and the results show a significant relationship between financial rewards and employee performance.

Model Summary of Regression Analysis

Table 3: Model Summary of Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.578 ^a	.706	.697	1.510
a. Predictor: (Constant), Monetary rewards				

The adjusted R², also called the coefficient of multiple determinations, is the percent of the variance in the dependent explained uniquely or jointly by the independent variables. The result on adjusted R² indicates that monetary reward explain a factor of 0.706(70.6%) of the the performance of legal practitioners at the attorney general's office in Nairobi. This means that other variables not studied contribute 29.4% of performance.

Coefficient of Determination of the Variable

Table 3: Coefficient of the Variable

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.877	1.510		0.581	.000
	Monetary rewards	0.614	.191	.410	3.219	.002

Source: Survey Data (2021)

From the above regression model, holding the monetary rewards at constant, the employee performance at the office of Attorney General, Kenya would be at a factor of 0.877. The study also revealed that monetary reward influenced the employee performance at the office of Attorney General, Kenya to a very great extent at a factor of 0.614.

The resulting regression equation was $Y = 0.877 + 0.614X_1$

Where **Y** = Employee performance

X₁ = Monetary rewards

The findings in the Table 3 above revealed that monetary rewards had a positive and significant effect on employee performance at the office of Attorney General, Kenya as shown by t-value (t=3.219, p<0.05). This finding agree with the finding of Ekwochi and Okoene (2019) study that examined the effect of monetary incentives on workers performance in organization and found out that salaries and wages affect the performance of coca cola bottling company.

VI. CONCLUSIONS AND RECOMMENDATIONS FOR FURTHER STUDIES

The study concludes that reward system as a component of the HRM interventions influences employee performance. Monetary reward has a significant effect in terms of motivating employees and promoting teamwork that will enormously improve organizational performance thus lead to the organization to achieve its objectives. However, achievable targets need to be set to commensurate to the reward structure. This should be communicated in advance to employees so that they are aware whether it is a team or individual reward. It should be noted that team reward structure is not attractive to employees compared to individual reward

The study recommends that a monetary reward system to be enforced to enhance the performance of the legal practitioners through giving better pay, bonuses, allowances, insurance, incentives, promotions and job security. It is also recommended that monetary reward packages must be valuable to the employees and should be based on realistic and reliable standards. The monetary reward plan should be made clear to the employees so that they can simply determine personal cost benefits for different level of effort they put.

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