Influence of Recognition Schemes on Employee Performance in Large Commercial Banks in Nairobi City County in Kenya

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Abstract

Recognizing excellent performance openly builds motivation within the entire organization. It is acknowledged that employee recognition has contagious effects. When an employee witnesses others being rewarded for good performance, it becomes a chain reaction. The study sought to determine the effect of recognition schemes on employee performance. Cognitive Evaluation Theory on Recognition Schemes was used to inform the study. The study adopted a descriptive research design. Descriptive statistics was chosen since it utilizes data collection and analysis techniques that yield reports concerning the measures of central tendency, variation, and correlation. The combination of its characteristic summary and correlation statistics, along with its focus on specific types of research questions, methods, and outcomes necessitated the choice of this design. The study adopted a positivism philosophy. The target population was 22,856 employees working in the six selected Commercial Banks in Nairobi City County composed of both clericals and Management staff. Krejcie and Morgan sample size determination table was used to derive a sample of 377 respondents. Primary data was collected using structured questionnaires that had both close ended and open-ended questionnaires. Quantitative data were analyzed using SPSS. The study conducted various tests including normality test,

multicollinearity, stationarity, heteroscedasticity and autocorrelation tests. Factor analysis was carried out among corresponding questions to allow formation of factors with the highest Eigen values. Test of hypothesis was done at 95% confidence interval. The study established a positive and significant relationship between recognition schemes and employee performance ($r=0.666$, $p=0.000$), the alternate hypotheses was not rejected. Based on the findings, the study concluded that recognition has a positive and significant effect on employee performance. The researcher recommends that management Commercial Banks should embrace recognition schemes as recognition schemes develops a strongly enthusiastic team and critical source of inspiration for others. Continuous recognition of exemplary employee creates a culture of recognition tied to accomplishment and employee growth. To grow and nurture culture of recognition clear criteria for recognizing employee is required. Recognition creates a deep-rooted and long-term ownership among the employees for the organization.

Keywords; *Recognition Schemes, Employee Performance, Commercial Banks & Nairobi City County, Kenya.*

1.0 Introduction

1.1 Background of the Study

Organizations that have the motivational systems comprising employee recognition and appreciation in place have recognized that it leads to higher employee morale and performance levels than even incentives. Unlike incentives, recognition creates a deep-rooted and long-term ownership among the employees for the organization. Recognizing excellent performance openly builds motivation within the entire organization. It is acknowledged that employee recognition has contagious effects. When an employee witness others being rewarded for good performance it becomes a chain reaction. This spurs other employees to repeat positive actions so that their work will also be appreciated (Khan, Zari & Khan, 2011).

Performance recognition is a strong driver of employee engagement—a key objective of high-performing companies around the world. As a result, performance recognition improves relationships between managers and employees, increases levels of individual and company-wide innovation, and encourages employees to maximize their output and productivity. When provided frequently and informally, recognition for ongoing effort is highly effective at increasing employees' confidence in their skills and standing within the company, as well as improving their relationships with managers (Nelson, 2005; Gostick & Elton, 2007). Recognition for beyond performance should be provided less frequently and more formally in order for it to 'mean more' in recipients' eyes. However, when provided appropriately, this type of recognition goes a long way toward encouraging employees to increase innovation and customer service.

Tessema, Ready and Embaye (2013) contend that employees are likely to be motivated to improve their performance with non-monetary rewards such as employee recognition. Recognition is the acknowledgement, appreciation or approval of the positive accomplishments or behaviors of an individual or team (Tessema, Ready & Embaye, 2013). According to Gostick and Elton (2007), recognition refers to praise or a personal note acknowledging achievements including small gestures that are important to employees. Moreover, giving gifts and awarding certificate to high achievers in an organization are some of the aspects of recognition schemes that stimulate employees to put extra efforts in the assigned task. Employee recognition can boost productivity

and increase satisfaction. Gostick and Elton (2007) argue that when employee recognition is conducted properly, it can increase profitability, step up customer service levels, heighten employee engagement and satisfaction.

1.2 Statement of the Problem

Employees ought to be recognized in order to unleash their full potential. According to Aktar, Sachu and Emran (2012) motivation is the key of a successful organization to maintain the continuity of the work in a powerful manner and help organizations to survive. Motivated employees are more likely to stay, increase the organization productivity and reduce the cost of recruitment and training (Apeyusi, 2012).

Recognition is one of the important elements to motivate employees for contributing their best effort (Karami, Dolatabadi & Saeed, 2013). Murphy (2015) stresses that reward management influences performance by recognizing and rewarding good performance and by providing incentives to improve it. However, reward management is both complex and problematic and very susceptible to outside influences such as economic environments, culture and individual employee preferences. What is applicable, effective and performance enhancing for one employee or team may not have the same effects on other employee's in similar circumstances.

Despite, the challenge to administer best reward system, when valued rewards are used to motivate and have the high possibility of resulting in the exertion of efforts to achieve high levels of performance (Doreen & Nkrumah, 2013). As such, commercial banks have to devise a proper recognition schemes that will enable them meet their employees' expectations. These recognition schemes prompt them to drive the target in an enthusiastic manner that translate to an improvement in the performance of commercial banks. Therefore, this current study seeks to ascertain the influence of recognition schemes on employee performance in Commercial Banks, in Nairobi City County in Kenya.

1.3 Objective of the Study

The objective of the study was to investigate the influence of recognition schemes on employee performance in large Commercial Banks, in Nairobi City County in Kenya.

1.4 Research Hypothesis

H_1: Recognition Schemes have a positive significant influence on employee performance in large Commercial Banks in Nairobi City County in Kenya..

2.0 Literature Review

2.1 Theoretical Review: Cognitive Evaluation Theory on Recognition Schemes

Cognitive evaluation theory is one of the contemporary motivation theories, which explains the relationship between intrinsic and extrinsic motivation (McLaughlin, 2015). The theory was established in response to numerous empirical studies that showed negative effects of the introduction of some of the extrinsic rewards on intrinsic motivation (Deci & Ryan, 2008). Earlier, it was believed that intrinsic motivation was totally independent of extrinsic motivation. However, the research findings affirmed that they were connected with each other. Therefore, psychologists and organizational behaviorists arrived on the conclusion that with the use of extrinsic motivation, it eventually diminishes the intrinsic motivation, which was present (Meer, 2013).

The Cognitive evaluation theory developed by Deci and Ryan (1985) claims that two processes have an influence on the change in intrinsic motivation: change in perceived competence and change in perceived locus of causality. According to Grant and Berry (2011) the perceived locus of causality, refers to individual's self-determination (autonomy). When a person is intrinsically motivated the locus of causality is within himself. However, when a person receives external rewards, one begins to perceive that he is doing the activity for the external rewards, so the perceived locus of causality changes from within an individual to the external reward leaving one with less intrinsic motivation. On the same note, Filak and Sheldon (2008) argue that when the extrinsic rewards are offered, the individual loses control on the task. This loss of control results in lower intrinsic motivation.

According to Llopis-córcoles (2013) the higher the perceived competence of an individual to perform a given task, the higher his/her intrinsic motivation. People are intrinsically motivated to perform activities which make them feel competent and self-determining. Therefore rewards or feedback such as recognition can affect their intrinsic motivation by affecting their feeling of competence and self-determination (Vansteenkiste, Simons, & Soenens, 2005). Rewards or feedback that strengthen these feeling enhance intrinsic motivation and feedback that weakens these feeling decreases intrinsic motivation (Vansteenkiste, Van den Broeck, & Neyrinck, 2007). According to Meer (2013) presence of extrinsic rewards changes the perception of the individual. This changes the reasons a person was performing the task, leading to a shift from intrinsic motivation to extrinsic motivation. The author further argues that when the focus of the individual changes so does also the motivation.

Meer (2013) contends that not all extrinsic motivators decreases intrinsic motivation. Some extrinsic rewards such as praise, encouragement and appreciation increases the intrinsic motivation. The author further encourages use of recognition schemes to motivate employees to continue improving their performance. This theory supports the variable recognition scheme by asserting that recognition boosts employee's motivation to put extra effort since it affects the feeling of competence and self-determination.

2.2 Empirical Review

Nelson (2012) advances that managers need to be in constant contact with the employees inorder to be in position to determine what they value most and then find ways to act systematically on those desired forms of recognition and rewards as they perform well. This suggests that managers need to vary the forms of recognition, adding new things, experimenting with them, and eliminating others that have run their course and are no longer motivating to employees. When managers are timely, sincere, and specific in thanking employees when they have done good work, it will maintain credibility in the recognition process (Nelson, 2012).

Even though incentive and recognition motivate the employees in an organizational perspective they have different locus of causality, extrinsic and intrinsic respectively. Whereas monetary rewards clearly have external locus of causality, recognition has internal locus of causality (Khan, Zari, & Khan, 2011). There is a school of thought that argues that application of monetary incentives can actually serve to destroy the intrinsic motivation that may otherwise exist in a work setting. Given this, it is not astounding that many organizations now use non-financial plans to recognize desired employee behaviours.Research shows that both financial and non-financial rewards have an impact on an employee motivation and job satisfaction (DeCenzo & Robbins, 2010). According to Khan, Zari, and Khan (2011), employees not only want good extrinsic
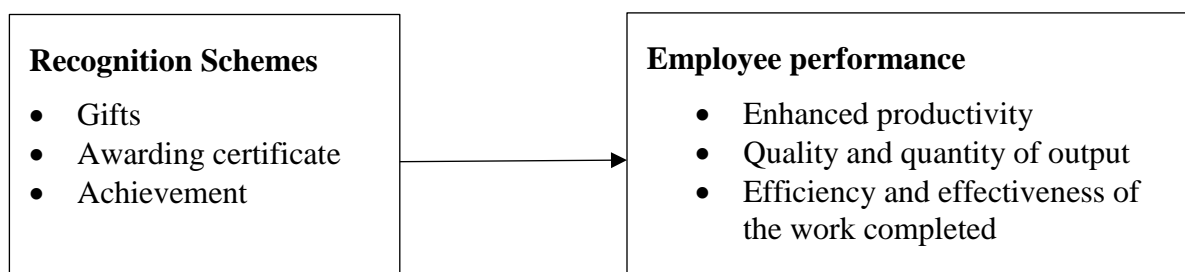
compensation but also want to be praised and valued for their effort in an organization. Tessema, Ready and Embaye (2013) contend that employees are likely to be motivated to improve their performance with non-monetary rewards such as employee recognition. Recognition is the acknowledgement, appreciation or approval of the positive accomplishments or behaviors of an individual or team (Tessema, Ready, & Embaye, 2013). According to Gostick and Elton (2007), recognition refers to praise or a personal note acknowledging achievements including small gestures that are important to employees.

There are many ways employees can be recognized or appreciated. It can be set up on a formal basis or informally used by team leader or supervisor in managing individual employee or team behaviour. Also it can be administered on public or one-on-one private level, verbally or writtern (Luthans & Stajkovic , 2015). Recognition can include letters or postcards, memory items (a plaque or mug) that last longer than cash, nonmonetary awards that have trophy value, lunch with managers/supervisors, a picture displayed in a prominent place, having a room or hallway named after the employee, posting names (employee of the week or month) in the organization's notice board or website, a video rental certificate, a coffee card, an event ticket, or a candy bar.

Organizations that have the motivational systems comprising employee recognition and appreciation in place have recognized that it leads to higher employee morale and performance levels than even incentives. Unlike incentives, recognition creates a deep-rooted and long-term ownership among the employees for the organization. Recognizing excellent performance openly builds motivation within the entire organization. It is acknowledged that employee recognition has contagious effects. When an employee witnesis others being rewarded for good performance it becomes a chain reaction. This spurs other employees to repeat positive actions so that their work will also be appreciated (Khan, Zari, & Khan, 2011).

Studies done indicate that people who feel appreciated are more positive about themselves and their ability to contribute. Thus employee recognition can boost productivity and increase satisfaction (Nelson, 2005; Gostick & Elton, 2007). Gostick and Elton (2007) argue that when employee recognition is conducted properly, it can increase profitability, step up customer service levels, heighten employee engagement and satisfaction. While Nelson (2005) claims that recognition leads to improved communication (employees are more likely to offer solutions and new ideas), better cooperation, decreased absenteeism and turnover. Luthans and Stajkovic (2015) allude that under classic behavioral management on reinforcement theory, recognition is classified as a natural reinforcer. They further affirm that recognition is treated as universally applicable and if provided on a contingent basis in managing employee behavior, can be a very powerful reinforcer to improve performance.

2.3 Conceptual Framework

Recognition Schemes	Employee performance
• Gifts • Awarding certificate • Achievement	• Enhanced productivity • Quality and quantity of output • Efficiency and effectiveness of the work completed

Figure 1: Conceptual Framework

3.0 Research Methodology

This study adopted positivism research philosophy and a descriptive research design. the target population was 22,856 employees working in the six selected Commercial Banks in Nairobi City County composed of both clericals and Management staff. The study sampling frame comprised of six commercial banks in Kenya entailing both the management and clerical staff. The study will used a stratified sampling technique to obtain 377 respondents. Primary data was obtained from the respondents using structured questionnaire. A Likert scale of 1 to 5 (1= Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 =Agree, 5 = Strongly Agree) was were presented for answering by respondents.

Cronbach's alpha was used to test the reliability of the measures in the questionnaire (Cronbach, 1995). Data analysis was done using SPSS. The study conducted normal distribution test for the dependent variable for normality distribution. The particular descriptive statistics used included frequencies and percentages while the particular inferential statistics included Pearson correlation analysis and regression. Correlation analysis was used to establish either positive or negative relationships between the variables. The following diagnostic tests were conducted prior data regression analysis. Multicollinearity was tested using variance inflation factor VIF. The test for autocorrelation was performed to establish whether residuals are correlated across time (autocorrelation).

The regression model that was used is;

$$Y = \beta_0 + \beta_1 X + \varepsilon$$

Where:

Y = Employee Performance

X = Recognition Schemes

β_1 = Coefficient of the variable

ε = Error term

4.0 Results and findings

4.1 Descriptive Statistics

The objective was to establish the influence of Recognition Schemes on employee performance in large Commercial Banks in Nairobi City County. Numbers 4 & 5 (agree and strongly agree) were grouped together as agree, 1 & 2 (strongly disagree and disagree) were grouped as disagree while 3 was undecided. The results of this study are as depicted in table 1.

Table 1: Recognition Schemes

Statement	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Mean	S.D
The organization acknowledges and appreciate exemplary employees by giving them gifts	2.6%	12.5%	26.8%	43.8%	14.3%	3.6	1.0
Exemplary department and employees are awarded certificates and their names are displayed in the notice board	2.6%	21.0%	40.1%	27.2%	9.2%	3.2	1.0
The organization recognizes achievement of employees	0.4%	2.2%	10.0%	71.0%	16.4%	4.0	0.6
My organization has a well-defined criteria to recognize employees	1.1%	8.2%	18.2%	57.2%	15.2%	3.8	0.8
My manager and supervisor usually appreciate any work I do well timely and sincere	0.4%	7.4%	11.4%	62.0%	18.8%	3.9	0.8
Recognition and appreciation increases my morale to put extra effort than normal when doing my duties assigned	0.4%	1.8%	9.2%	63.7%	24.9%	4.1	0.7
Recognition for exemplary performance is very important to me	0.0%	3.7%	4.4%	71.3%	20.6%	4.1	0.6
Seeing my colleague being appreciated spurs me to perform better	0.0%	3.3%	7.3%	66.3%	23.1%	4.1	0.7
Recognition schemes enhances employee performance	0.0%	2.9%	4.8%	70.2%	22.1%	4.1	0.6
Employees are happy about the recognition programs in my organization	0.0%	4.1%	14.4%	65.6%	15.9%	3.9	0.7

The respondents were asked whether the organization acknowledges and appreciate examplary employees by giving them gifts. The result shows that majority of 58.1% (14.3% + 43.8%) agreed, 26.8% were undecided, 12.5% disagreed and 2.6% strongly disagreed. This is an indication that Commercial Banks give gifts to their employees to appreciate them for their contribution in the growth of the organization.

According to Prajapati(2015) gifts are send to corporate employees to boost their morale. They are given in order to encourage and entice staff to work harder. Majority of the employees work to improve their way of living, therefore, to push them to put extra effort they have to be given incentives such as gift. These gifts are usually given on special day such as birthdays, anniversary or in any special festive event like new year, christmas or Diwali. Gifts are part of recognition schemes banks offer to reward their employees.

On the same note, the study sought to find out the opinion of the respondents as to whether examplary department and employees are awarded certificates and their names displayed in the notice board. A majority of 40.1% were undecided, 9.2% strongly agreed, 27.2% agreed, 21% disagreed and 2.6% strongly disageed. The result shows that displaying of examplary performing departments or employees on the organization notice board is rarely done. Recognizing employee is an important way of rewarding workers because it boosts their self-esteem and positive self-image.

According to Luthans and Stajkovic (2015) one way of recognizing employee is by displaying a photo or name of the employee of the week or a month in the organization's notice board or website. To ascertain whether Commercial Banks recognize their employees another opinion was sought to find out if the organization recognize achievement of the employees. The result showed that majority of 87.4% agreed, 10% were undecided, 2.2% disagreed and 0.4% strongly disagreed. This is an indication that Commercial Banks recognize their employees for their achievement.

Biro (2015) alludes that recognition is one of the most powerful form of reward because it speaks to the employee in a language of meaning and personal context rather than generic financial rewards. Recognition brings the department or whole organization to celebration of an employee accomplishment. This boost morale among other employees to strive to excel in their assigned task so that they can be recognized. Continuous recognition of exemplary employee creates a culture of recognition tied to accomplishment and employee growth. To grow and nurture culture of recognition clear criteria for recognizing employee is required.

Respondents were asked whether their organization has a well-defined criteria to recognize employee. A majority of 72.4% % agreed, 18.2% were undecided, 8.2% disagreed and 1.1% strongly disagreed. This is an indication that Commercial Banks have established a criteria for what makes a person eligible for recognition. Heathfield(2017) asserts that consistency, clarity and fairness is very important in employee recognition. People need to see equal likelihood of being recognized if one makes similar contribution to previously recognized individual in order to be motivated to do the same.

The study further sought to find out from the respondents whether their manager and supervisor usually appreciate any work they do well, timely and sincere. A majority of 80.8% agreed, 11.4% were undecided, 7.4% disagreed and 0.4% strongly disagreed. The outcomes indicate that managers and supervisors in Commercial Banks in Kenya have embraced recognizing examplary performance. Nelson (2012) advances that managers need to be in constant contact with the employees inorder to be in position to determine what they value most and then find ways to systematically recognize desired forms of behaviour. Nelson further alludes that when managers are timely, sincere and specific in thanking employees when they have done good work, it will maintain credibility in the recognition Schemes.

An opinion was also sought as to whether recognition and apprecition increase employee morale to put extra effort than normal when doing their duties assigned. Amajority of 88.6% agreed, 9.2% were undecided, 1.8% disagreed and 0.4% strongly disagreed. This is an indication that recognition boosts morale of majority of the employees to work harder in Commercial Banks. Khan, Zari and Khan(2011) argue that employee recognition is a motivation system being practiced by many organization because it leads to higher employee morale and performance levels than other incentives.

Unlike other incentives, recognition creates a deep-rooted and long-term ownership among the employees for the organization. On the same line, Heathfield (2017) concurs that employee recognition reinforces and rewards the most important outcomes in an organization. Majority of the employees want their employer to see them as effective contributors in the organization. Therefore, recognition is very important to the workers. This is confirmed by the respondents' responses on the statement that recognition for exemplary performance is very important to them. Whereas majority of 91.9% agreed, 4.4% were undecided and 3.7% disagreed.

The study further sought opinion of the respondents as to whether witnessing their colleague being appreciated spurs them to perform better. The result shows that a majority of 89.4% agreed, 7.3% were undecided and 3.3% disagreed. This is an indication that employee recognition has a contagious effect to majority of Commercial Banks staff. According to Khan, Zari and Khan(2011) recognizing excellent performance openly builds motivation within the entire organization. When an employee sees others being rewarded for good performance, it becomes a chain reaction. This spurs other employees to repeat positive actions so that their work will also be appreciated.

Respondents were aslo asked to give an opinion as to whether recognition schemes enhance employee performance. A majority of 92.3% agreed, 4.8% were undecided and 2.9% disagreed. The result shows that majority of the respondents are of the view that employee recognition enhances employee performance. This is in tandem with Nelson (2005) who contends that employee recognition can boost productivity and increase satisfaction. In support of this,Gostick and Elton (2007) argue that when employee recognition is conducted properly, it can increase profitability, step up customer service levels, heighten employee engagement and satisfaction.

Finally on recognition scheme respondents were asked to give an opinion as to whether they were happy about recognition programs in their organization. 81.5% agreed, 14.4% were undecided and 4.1% disagreed. The result potrays that Commercial Banks employees are happy with the recognition schemes being offered. This is recommendable for Commercial Banks management to have ensured employees are happy with recognition schemes available. Long(2017) alludes that ensuring employees feel recognized and valued for their work should be the top priority for any organization. In line with this,Kelly(2017) argues that one of the simplest approaches to achieving staff longevity is the implementation of an employee recognition scheme. This is consistent with Bob Nelson who advanced that, "People may take a job for more money, but they often leave it for more recognition". It is therefore, very important to offer effective recognition schemes inorder to retain employees as well as increasing organization productivity.

Overall, the average mean of the responses was 3.9 which means that majority of the respondents were agreeing to the statements in the questionnaire. The standard deviation was 0.7 meaning that the responses were clustered around the mean response.

4.2 Correlations Analysis

Correlation analysis was carried out to detect the association between the dependent variable, employee performance and the independent variable of recognition schemes as shown in table 2.

Table 2: Correlation Analysis

Variable		Employment Performance	Recognition Schemes
Employment Performance	Pearson Correlation	1.000	
	Sig. (2-tailed)		
Recognition Schemes	Pearson Correlation	.605**	1.000
	Sig. (2-tailed)	0.000	
**. Correlation is significant at the 0.01 level (2-tailed).			

The results in table 2 indicated that recognition schemes was positively and significantly associated to employee performance($r=0.605$, $p=0.00<0.05$).

4.3 Diagnostic Tests

The study conducted various tests and these tests included test for normality, test for multicollinearity, unit root test, heteroscedasticity test and test for autocorrelation

4.3.1 Test for Normality

To test the normality of turnover intention (dependent variable) was done by use of Kolmogov-Smirvov test. The hypothesis was tested at a critical value at 0.05, where the rule is that reject H0 if the probability (P) value is less than 0.05 or else fail to reject. The dependent variable should be normally distributed because the study was analyzed using a multiple regression model where the condition of normality must be satisfied (Quataroli & Julia, 2012).

Table 3: Test for Normality

	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Employment Performance	0.106	273	0.000	0.954	273	0.000
Recognition Schemes	0.103	273	0.000	0.951	273	0.000

Table 3 indicates that using the of Kolmogov-Smirvov and Shapiro-Wilk test of normality, variables data are normal since the p-values are 0.000 which are below 0.05 for the variables and thus we reject the null hypothesis (H0) and accept the alternative hypothesis (H1). The study concluded that recognition schemes and Employment Performance are normal in distribution and hence subsequent analysis could be carried out.

4.3.2 Test for Linearity

Linearity assumes a straight-line relationship between the predictor variables and the criterion variable. This was assessed by examination of a scatter plot of independent variable against the dependent variable to measure if there is a straight-line relationship. The independent variable depicted a straight-line relationship with the dependent variable as shown in Figure 2.
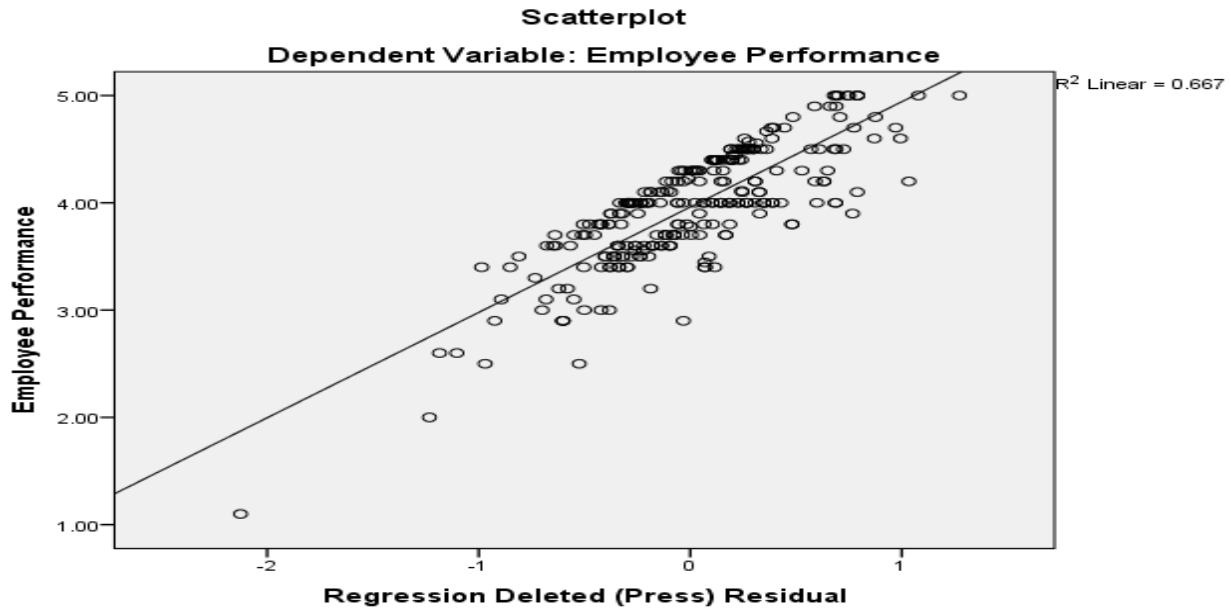
Figure 2: Linearity results

4.3.3 Test for Heteroscedasticity

Heteroscedasticity test was run in order to test whether the error terms are correlated across observation in the cross sectional data (Long & Ervin, 2000). The null hypothesis is that the data does not suffer from Heteroscedasticity since the p-value is greater than the 5%. The null hypothesis was not rejected at a critical p value of 0.05 since the reported value was 0.184>0.05. Thus, the data did not suffer from heteroscedasticity. The results in Table 4 indicate that the null hypothesis of constant variance is not rejected as supported by a p-value of 0.184.

Table 4: Heteroscedasticity Results

Breusch-Pagan / Cook-Weisberg test for heteroscedasticity		
Ho: Constant variance		
Variable: fitted values of Employee Performance		
chi2(1)	=	5.56
Prob > chi2	=	0.184

4.3.4 Test for Autocorrelation

In Table 5, the dependent variable must be independent and this was tested using Durbin-Watson (d) test which state that d=2 indicates that there is no autocorrelation. The value of (d) always lies between 0 and 4 where 0 indicates autocorrelation while above 1 indicates the residuals are interdependent, the results from the study presented 1.728 which indicates that the residuals are not autocorrelated.

Table 5: Durbin Watson test

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.722a	0.522	0.515	0.37816	1.728

4.3.5 Test for Multicollinearity

Multicollinearity is a statistical phenomenon in which two or more predictor variable in a multiple regression model are highly correlated, the undesirable situation where the correlations among the independent variables are strong. A set of variables is perfectly multicollinear if there exists one or more exact linear relationship among some of the variables. Tolerance of the variable and the VIF value were used where values more than 0.2 for Tolerance and values less than 10 for VIF means that there is no multicollinearity.

For multiple regressions to be applicable there should not be collinearity among variables. Statistics used to measure multicollinearity include tolerance and variance inflation factor. From the findings, the all the variables had a tolerance values >0.2 and VIF values <10 as shown in Table 6. Indicating that there is no multicollinearity among the independent variable (recognition schemes)

Table 6: Multicollinearity test using Tolerance and VIF

Variable	Collinearity Statistics	
	Tolerance	VIF
Recognition Schemes	0.643	1.554

4.4 Regression Analysis

4.4.1 Fitness of Model

Regression analysis was conducted to determine whether there was a significant relationship between recognition schemes and employee performance. Table 7 presents the regression model on recognition schemes versus employee performance. As presented in the table, the coefficient of determination R Square is 0.366 and R is 0.605 at 0.01 significance level. The model shows that recognition schemes explain 36.6% of the variation in employee performance. This implies that there exist a positive significant relationship between recognition schemes and employee performance.

Table 7 Model Fitness for Recognition Schemes

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.605	0.366	0.363	0.43027

4.4.2 Analysis of Variance

The Analysis of Variance (ANOVA) result are shown in Table 8 The findings further confirm that the regression model of performance on recognition schemes index is significant for the data F=156.122, p<0.01) since p-values was 0.00 which is less than 0.05.

Table 8: Analysis of Variance for Recognition Schemes

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	28.904	1	28.904	156.122	.000
Residual	50.171	271	0.185		
Total	79.075	272			

Table 9 shows the coefficiency for recognition schemes. The fitted model from the result is Y= $\beta 0$ +$\beta_1 X_1$+ €

Y = 1.380 + 0.666X

This implies that a unit change in recognition schemes will increase employee performance by the rate of 0.666

Table 4.33: Recognition Schemes and Employee Performance

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	1.38	0.208		6.631	0.000
Recognition Schemes	0.666	0.053	0.605	12.495	0.000

Luthans and Stajkovic (2015) allude that under classic behavioral management on reinforcement theory, recognition is classified as a natural reinforcer. Therefore, if recognition schemes are applied consistently it can be a very powerful reinforcer to improve performance.

4.4.3 Hypothesis Testing for Recognition Schemes

The hypothesis to be tested was:

H1: Recognition Schemes have a positive significant influence on employee performance in large Commercial Banks in Nairobi City County in Kenya..

The hypothesis was tested by using simple linear regression and determined using p-value. The acceptance/rejection criteria was that, if the p value is less than 0.05, we reject the H1 but if it is more than 0.05, the H1 is not rejected. Therefore, the alternate hypothesis is that Recognition Schemes has a positive and significant influence on employee performance in large Commercial Banks in Nairobi City County in Kenya. Results in Table 9 shows that the p-value was 0.000. This was supported by a calculated t-statistic of 7.441 that is larger than the critical t-statistic of 1.96. The alternate hypothesis was therefore not rejected. The study therefore adopted the alternative

hypothesis that Career progression has a positive and significant influence on employee performance in large Commercial Banks in Nairobi City County in Kenya.

5.0 Conclusions

Based on the findings, the study concluded that recognition schemes has a positive and significant effect on employee performance in large Commercial Banks in Nairobi City County in Kenya. Recognition is one of the most powerful form of reward because it speaks to the employee in a language of meaning and personal context rather than generic financial rewards. Recognition brings the department or whole organization to celebration of an employee accomplishment. This boost morale among other employee to strive to excel in their assigned task so that they can be recognized. Continuous recognition of exemplary employee creates a culture of recognition tied to accomplishment and employee growth. To grow and nurture culture of recognition clear criteria for recognizing employee is required. recognition creates a deep-rooted and long-term ownership among the employees for the organization. When an employee sees others being rewarded for good performance it becomes a chain reaction. This spurs other employees to repeat positive actions so that their work will also be appreciated.

6.0 Recommendations

The researcher recommends that management Commercial Banks should embrace recognition schemes that could be implemented by existing banks to give them a competitive advantage and for the new banks in setting structures that support employee performance. Recognition schemes develops a strongly enthusiastic team and critical source of inspiration for others. Continuous recognition of exemplary employee creates a culture of recognition tied to accomplishment and employee growth. To grow and nurture culture of recognition clear criteria for recognizing employee is required. Recognition creates a deep-rooted and long-term ownership among the employees for the organization.

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