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Relationship Between Reward Systems and Employee Performance in Large Commercial Banks in Nairobi City County in Kenya: Moderating Effect of Organizational Culture

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Abstract

Organizational culture has been considered as critical aspect to organizations. Organizational culture has a pervasive effect on an organization because it defines who its relevant employees, customers, suppliers, and competitors are, and how to interact with these key actors. The study sought to establish the moderating effect of organizational culture on the relationship between reward systems and employee performance in large Commercial Banks in Nairobi City County in Kenya. The reward systems included financial rewards, fringe benefits, recognition schemes and career progression. Cognitive Consistency Theory 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. Test of hypothesis was done at 95% confidence interval. The study found out that Organizational culture was a significant moderating variable for financial rewards 0.02<0.05 and recognition schemes at 0.02<0.05. However, organizational culture did not have a significant moderating effect on fringe benefits 0.24>0.05 and career progression 0.32>0.05. The study recommends policy makers should come up with the policies that supports the culture of involving all employees and stakeholders since organizational culture since it has ability to shape organization's capacity for and receptiveness to change as well as the ability to shape the speed and efficiency with which things are done.

Keywords; *Reward Systems, Organizational Culture, Employee Performance, Commercial Banks & Nairobi City County, Kenya.*

1.0 Introduction

1.1 Background of the Study

Organization culture is recognized as an important factor that enhances organization's effectiveness and success (Flamholtz & Randle, 2011). According to Al-Adaileh and Al-Atawi (2011) organizational culture is one of the essential factors that affect the efficiency and productivity of a firm. Omondi (2014) emphasizes that, in the corporate world today, no organization will go on with its mission and last in the world of competition without maintaining a strong advantageous culture. If a strategy defines where a company wants to go, culture determines how it gets there. Culture, therefore, becomes the determinant of organizational performance.

In an entrepreneurial culture members of the organization identify opportunities and risks based on their perceptions of the internal and external organizational environment, integrate available resources, and bring in other individuals to enable them to undertake creative and innovative ventures (Lin, McDonough III, Lin, & Lin, 2013). Bounded delegation leaders also foster innovation by creating a sharing culture that facilitates interaction and information sharing among individuals across the organization (Ghina & Permana, 2010). According to Omondi (2014) some elements of culture in an organization encourages employees to put extra effort to improve their performance. Among them are visible cultural symbols like the size of one's office or pictures of employees placed at the entryways. The pictures make employees feel recognized as part of those who make the organization thrive, hence they put more effort in their duties. Therefore, a supportive culture as articulated by Uddin and Luva (2013) is considered as a motivational instrument which promotes the employees to perform smoothly and ensures better productivity.

Reward systems such as financial rewards, fringe benefits ,recognition schemes and career progression are important elements to motivate employees for contributing their best effort in order to generate innovative ideas that lead to better business functionality and further improvise company performance both financial and non-financially (Aktar, Sachu, & Emran , 2012). Karami, Dolatabadi and Saeed (2013) contend that appropriate, effective and timely reward increases employees and managers' motivation. Researches and experience regarding the concept of performance reinforcement have proved that effective and timely rewards can be regarded as a motivation to increase employees' productivity and spirit (Pratheepkanth, 2011; Aslam, 2015).

1.2 Statement of the Problem

Organizational culture is important in enhancing organizational performance. Therefore, there is need to promote a culture of urgency, teamwork, trust and aligning organizational aspirations with the corporate objectives (Byrne & Hochwarter, 2012). Although organizational culture has been correlated with performance, it has received relatively inadequate empirical investigation especially in commercial banks (Mckinono, 2003). In Kenya, different commercial banks are guided by different cultural standards and norms that are shared by both the employees and customers. These differences which constitute organizational culture are quite evident due to the fact that different banks serve a variety of clientele. As a result, this has a pervasive effect on the performance of the banks because it spells out who its legitimate employees and other stakeholders are alongside the way they should interact with these key actors (Njugi & Agusioma, 2014).

Lorraine, Dorai and Zubair (2011) investigated the influence of organizational culture on performance management in insurance industry. The results established some link between organizational culture and performance management. However, the study reported that different types of organizational cultures had different levels of acceptance of performance management. In Nigeria, Aluko (2004) studied the perceived effect of culture on performance of textile companies. Using both qualitative and quantitative methodologies, the study reported that despite the kind of cultural backgrounds, workers appeared to have affirmative beliefs about work, organizational principles and personal attitudes. Therefore, this study sought to establish the moderating effect of organizational culture on the relationship between reward systems and employee performance in large Commercial Banks in Nairobi City County in Kenya.

1.3 Objective of the Study

The objective of the study was to establish the moderating effect of organizational culture on the relationship between reward systems and employee performance in large Commercial Banks in Nairobi City County in Kenya.

1.4 Research Hypothesis

H_1: Organizational culture has a moderating effect on the relationship between reward system and employee performance in large Commercial Banks in Nairobi City County in Kenya.

2.0 Literature Review

2.1 Theoretical Review: Cognitive Consistency Theory

Cognitive Consistency Theory developed by Leon Festinger and Kurt Lewin in 1951 proposes that people are motivated to change and act consistently with their beliefs, values and perceptions when there is psychological inconsistency or disagreement between two pieces of information (White, 2015). The conflict between the inconsistent factors produces dissonance. The person begins to doubt previously held rationales, beliefs or values. These doubts produce uncomfortable feelings and may interfere with the ability to act. The resolution of the dissonance occurs when one factor is seen as more attractive than the other. Prior to the resolution of the dissonance, the dilemma between the conflicting factors prevent action. When dissonance is resolved, the person is able to act in accordance with the more attractive factor because beliefs, values and perceptions agree with the behavior (Stanwick, 2014).

According to Gawronski and Strack (2012) dissonance is aroused in an individual when a person possesses two cognitive elements (information) about himself or his environment and where one is the opposite of the other. While Saltzman (2010) argues that the discomfort of dissonance occurs when things fall out of alighnment, which leads an individual to try to achieve a maximum practical level of consistency in his/her world. Dissonance arouses tension and motivates individuals to seek ways of reducing the dissonance. The greater the magnitude of the existing dissonance, the greater is the motivation. The more important the cognitions are, the greater the magnitude of the dissonance. Some means for reducing dissonance include: behavioral change, addition to evidence justifying one's decision, changing one's attitude about one's act, and distorting the information.

Festinger (1957) contends that people have a strong innate desire for consistency. Additionally, Festinger argues that people have a motivational drive to reduce inconsistency to maintain a balance and minimize confusion. In line with this, Saltzman (2010) notes that organizations have a strong need for consistency. He further argues that an organization that makes maximal use of consistency in its performance from a product standpoint (uniformity of product to zero defects), from a customer service standpoint (customers have a similar experience each and every time they interact with the organization), and from an employee management standpoint will outperform their competitors. Therefore, there is need to apply cognitive consistency theory in the workplace because consistency can help organizations maximize performance. This will involve pointing out inconsistencies to motivate employees, fix problems and improve processes (Duggan, 2017).

According to the consistency theory, organizations tend to be effective because they have strong cultures that are highly consistent, well-coordinated and well integrated (Muya & Wesonga, 2014). Employee behavior is rooted in a set of core values and leaders and followers are skilled at reaching an agreement even when they have differing views. This type of consistency is a powerful source of stability and internal integration that results from a common mindset and a high degree of conformity. Consistency in a firm refers to the extent to which organizational culture fits with its external environment. When an organization cannot adapt to changes in the external environment, its strong culture hampers its adjustment to the change. This in turn, results in the decay of the organization. Hence, strong culture only exerts positive impacts on organizational performance when there is consistency between organizational culture and the external environment.

According to Thuku, Abiero and Juma (2013) consistency can be operated as the similarity between the profile of current culture and the profile of preferred future culture. The present culture is defined as the perception of what an individual thinks organizational culture is. While the preferred future culture is defined as the perception of what an individual thinks organizational culture should be in order to achieve better performance in the future. The theory supports the variable organization culture by postulating that when a firm has a strong culture that is consistent and well-coordinated to fit to the external environment, employees will work harder to improve their performance.

2.2 Empirical Review

Organizational culture is recognized as an important factor that enhances organization’s effectiveness and success (Flamholtz & Randle, 2011). According to Al-Adaileh and Al-Atawi (2011) organizational culture is one of the essential factors that affect the efficiency and productivity of a firm. Omondi (2014) emphasizes that, in the corporate world today, no organization will go on with its mission and last in the world of competition without maintaining a strong advantageous culture. If strategy defines where a company wants to go, culture determines how it gets there. Culture, therefore, becomes the determinant of organizational performance. Ndwiga (2012) affirms this fact, noting that if the culture of an organization is weak, it does not matter how great the strategy is, the execution will be adversely affected. Ndwiga further contends that it is unfortunate many organizations spend a lot of money on hardware rather than investing in creating a high-performance culture, which is the software that drives the business.

Hendriks (2006) argues that there is no univocal definition of organizational culture. The reason for different definitions according to Hendriks (2006) is because organizational culture has the traits of an umbrella term and that several authors emphasize different aspects. However, despite the lack of congruence, it is important to give some of the definitions given by different authors. According to Islam, Ahmed and Hasan (2011) organizational culture is the shared, basic assumptions that an organization learns while coping with the environment and solving problems of external adaptation and internal integration that are taught to new employees as the correct way to solve those problems. Imran (2014) defines organization culture as a set of mutual morals that assist organization members comprehend organization operative and managing organization change and review. While Tong (2014) considers culture as a framework for groups of people to work within in order to reconcile dilemmas and solves problems, which is manifested at regional or national level.

Each organization has its own culture, which gradually develops overtime to reflect the organization's identity in two dimensions: visible and invisible (Al-Alawi et al.,2007). The visible dimension of culture is reflected in the espoused values, philosophy and mission of the firm that guide the daily operations of an organization. While the invisible dimension lies in the unspoken set of values that guides employees' actions and perceptions in the organization. Both visible and invisible culture influences performance of an organization (Kathiravelua, Mansorb, & Idrisd, 2014).

According to Rehman and Nawaz (2016) the key to good employee performance is a strong culture within the organization. He further maintains that due to differences in organizational culture, same strategies do not yield the same results for two organizations that are operating in the same industry and within the same location. A strong positive culture can make an individual who performed averagely achieve brilliant performance. Whereas culture that is negative and weak may only demotivate an outstanding employee to underperform and end up with no achievement at all. On the same note Nag (2015) contends that depending on the type of culture that is created in an organization, it can have a positive or negative effect on employee performance. Nag argues that in an organizational culture where employees are considered an integral part of the growth process of the organization, it fosters employee commitment towards the organization. They align their goals and objectives with those of the organization and feel responsible for the overall well-being of the organization. As their efforts are in turn appreciated by the management and suitably rewarded, they have immense job satisfaction. In such organizational cultures, the employees are committed to achieving their goals and thus have a positive effect on the overall performance of the organization.

On the other hand in organizations, where managers are not facilitators but taskmasters, employees live with fear and distrust and work is nothing but a boring chore. Since they are not involved in the overall organizational goals, they do not understand the implications of their tasks and hence may not be committed to achieving them. An organization where there is no cooperation between different departments ends up having employees working towards undermining the efforts of the other departments which is detrimental to the overall health of the organization (Nag, 2015).

A study done by Thuku, Abiero and Juma (2013) revealed that there is a relationship between organizational culture and employee performance. Moreover, it was revealed that market culture is the most dominant aspect that affects employee performance as the organization exists solely to do business and make profits with only few attention on the employee. According to Omondi (2014) some elements of culture in an organization help to encourage high employee job performance. Among them are visible cultural symbols like the size of one's office or pictures of employees placed at the entryways. The pictures make employees feel recognized as part of those who make the organization thrive, hence they put more effort in their duties. Therefore a supportive culture as pointed out by Uddin and Luva (2013) is considered as a motivational instrument which promotes the employees to perform smoothly and ensures better productivity.

2.3 Conceptual Framework

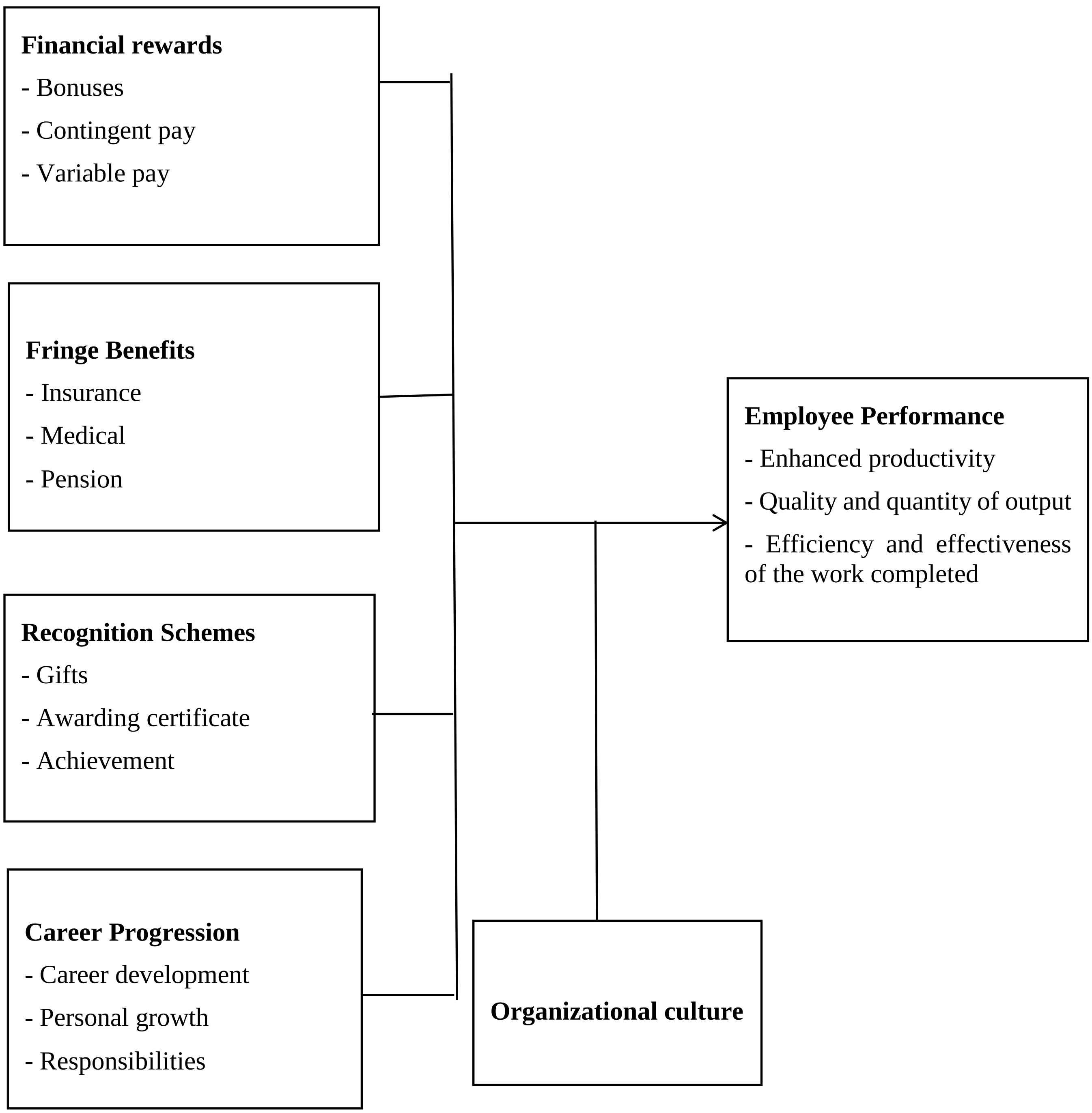

Figure 1: Conceptual Framework

3.0 Research Methodology

This study will 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 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;

$$\mathbf{Y = \beta_0 + \beta_1 X_1 {*} M + \beta_2 X_2 {*} M + \beta_3 X_3 {*} M + \beta_4 X_4 {*} M + €}$$

Where:

Y = Employee Performance.

X_1= Financial Rewards

X_2 = Employee Benefits

X_3 = Recognition Schemes

X_4 = Career Progression

M= Organizational Culture (Moderating variable)

$\beta_{1\ldots..4}$= Coefficients of the variables

ε= Error term

4.0 Results and findings

4.1 Descriptive Statistics

The objective was to establish the moderating effects of organizational culture 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: Organization Culture

Statement	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Mean	S.D
My organization has cultural values which create excitement and motivation	0.7%	4.4%	16.8%	55.7%	22.3%	4.0	0.8
My organization develops its employees human capability at all levels	2.2%	3.3%	16.5%	62.6%	15.4%	3.9	0.8
My organization gives rewards to employees who put extra effort in assigned task	2.2%	4.4%	18.0%	56.6%	18.8%	3.9	0.9
My organization has some strong positive attributes that an outsider would notice when they walk in	0.7%	3.7%	15.9%	63.5%	16.2%	3.9	0.7
The culture in my organization helps me to grow personally and professionally.	2.2%	4.1%	29.5%	46.5%	17.7%	3.7	0.9
My organization shows some gestures of recognition and appreciation for my efforts	1.8%	4.8%	11.8%	62.1%	19.5%	3.9	0.8
My organization‘s norms encourage cooperation, teamwork, and participation	0.4%	4.4%	13.7%	62.7%	18.8%	4.0	0.7
My organization places much value on employees working cooperatively towards the common goals of the organization	1.8%	2.6%	21.0%	57.0%	17.6%	3.9	0.8
My organization grants me greater autonomy and involves me in decision making	5.1%	11.4%	46.2%	27.5%	9.9%	3.3	1.0
There is clarity and continuity with respect to missions statement, vision,	0.7%	5.6%	28.3%	51.3%	14.1%	3.7	0.8

and core values of the organization	

Respondents were asked whether in their organization there are cultural values that create excitement and motivation. A majority of 78 %(22.3% + 55.7%) agreed, 16.8% were undecided, 4.4% disagreed and 0.7% strongly disagreed. This is an indication that Commercial Banks investigated in this study have cultural values that guide employees in their daily activities. This is in line with a study conducted by in Kenya by Omondi (2014) which underscored the importance of cultural values in fostering organization prosperity. On the same note, Flamholtz and Randle(2011) contend that organizational culture is an important factor that enhances organization's effectiveness and success. It is one of the essential factors that affect the efficiency and productivity of a firm. Ndwiga (2012) alluded that incase the culture of an organization is weak, it impart negatively on the execution of its strategies.

The respondents were asked whether their organization develops its employee's human capacity at all level. A majority of 78% agreed, 16.5% were undecided, 3.3 disagreed and 2.2 strongly disagreed. The result reveals that Commercial Banks endeavor to develop their employee human capacity at all levels. This correlates with a study conducted by Kelley (2012) which revealed that Commercial Banks in Kenya have programs that develop their employees' capacity to handle various responsibilities in the organization. Developing human capacity for future position in an organization is an advantageous culture that provides a competitive edge to the organization.

Respondents were asked whether their organization gives rewards to employees who put extra effort in assigned task. A majority of 75.4% agreed, 18% were undecided, 4.4% disagreed and 2.2% strongly disagreed. The results seem to suggest that Commercial Banks have organization culture of rewarding workers who put extra effort in duties assigned. This correlates with a research undertaken by Omondi (2014) that advanced that some aspects of culture in the organization spurs employees to enhance their performance. Applying ideas of skinner's operant conditioning theory, a reward act as a positive reinforcement to strengthen the behavior of putting extra effort in assigned task (Grimsley, 2016).

The study sought an opinion from the respondents as to whether their organization has some strong positive attribute that an outsider would notice when they walk in. A majority of 79.7% agreed, 15.9% were undecided, 3.7% disagreed and 0.7% strongly disagreed. This is an indication that most Commercial Banks have a unique culture an outsider can notice in his/her first day in the organization. The result are consistent with survey done by Maina(2016), which revealed that Commercial Banks in Kenya had unique organization culture that determined how things were done, employees were like-minded and held similar beliefs and values.

Respondent's opinion was sought as to whether culture in their organization help them to grow personally and professionally. A majority of 64.2% agreed, 29.5% were undecided, 4.1% disagreed and 2.2% strongly disagreed. This is an indication that organization culture moderately contributes to employee personal and professional growth. According to Odhiambo(2016) organizational culture can affect how employees set personal and professional objectives and execute duties to attain them. It influences the manner in which individuals subconsciously and consciously think, make decisions, the way they perceive, feel and act. It can thus be concluded that organizational culture in Commercial Banks influences how an employee grows personally and professionally.

The study also sought an opinion from the respondents as to whether their organization shows some gestures of recognition and appreciation for their effort. A majority of 81.6% agreed, 11.8% were undecided, 4.8% disagreed and 1.8% strongly disagreed. The findings suggest that Commercial Banks recognize and appreciate employees who put extra effort in accomplishing their responsibilities. This is consistent with earlier results of this study of recognition schemes, where majority agreed that they were happy with recognition schemes put in place by their organizations to reward employees' effort. On the same note, Kelly (2017) argues that one of the simplest approaches to achieving staff longevity is the implementation of an employee recognition scheme.

Respondents were asked to give their opinion as to whether their organization's norms encourage cooperation, teamwork and participation. A majority of 81.5% agreed, 13.7% were undecided, 4.4% disagreed and 0.4% strongly disagreed. The results indicate that Commercial Banks have organization culture that encourage cooperation, teamwork and participation among the employees. This resonates with results of a study conducted by Maina (2016), which revealed that Commercial Banks in Kenya were guided by values of consistency, adaptability, teamwork, effective communication and employees and a sense of identity that increased their commitment to work.

The study sought to find out whether Commercial Banks places much value on employees pull together towards the common goals of the organization. A majority of 71.6% agreed, 21% were undecided, 2.6% disagreed and 1.8% strongly disagreed. The findings indicates that Commercial Banks culture emphasize on employee working towards a common goal of the organization. Similarly, a study conducted by Kamaamia, (2017) revealed that Commercial Banks in Kenya had an organization culture that promotes teamwork towards realization of the organization goal. This ensured that the organization delivered their services to their customers timely and effectively resulting to improvement in the organization performance.

The study further sought opinion of the respondents as to whether their organization grants them greater autonomy and involves them in decision-making. A majority of 46.2% was undecided, 9.9% strongly agreed, 27.5% agreed, 11.4% disagreed and 5.1% strongly disagreed. This is an indication that Commercial Banks investigated rarely grants autonomy to employees to make decision unless those in management level. This is in line with a study conducted by Mwashighadi and Kising'u, (2017) which found that Commercial Banks in Kenya do not encourage individual decision making. This is unfortunate and employees should be empowered to make decisions in their areas of work to facilitate faster and effective execution of duties by staff.

Finally, on organization culture, the study sought respondents' opinion as to whether there is clarity and continuity with respect to mission statement, vision and core values of the organization. The result shows that a majority of 61.4% agreed, 28.3% were undecided, 5.6% disagreed and 0.7% strongly disagreed. This is an indication that Commercial Banks investigated moderately clarifies and adhere to their mission statement, vision and core values of their organization. A study conducted in Kenya by Jepkorir, Lagat and Ng'eno(2017) recommended that Commercial Banks should embrace co-ordination of all employees in order to attain their mission and vision statement and core value of the organization. It is unfortunate that Commercial Banks have not been successive to clarity their mission statement, vision and values of their organization. This area needs improvement as the culture of the organization.

Overall, the average mean of the responses was 3.7 which meant that majority of the respondents were agreeing to the statements in the questionnaire. The standard deviation was 0.8 meaning that the responses were clustered around the mean response.

4.2 Correlations Analysis

Correlation analysis was carried out to detect the association between organizational culture as a moderator between reward systems and employee performance as shown in table 2.

Table 2: Correlation Analysis

Variable		Employment Performance	Financial rewards	Fringe Benefits	Recognition Schemes	Career Progression	Organizational culture
Employment Performance	Pearson Correlation	1.000					
	Sig. (2-tailed)						
Financial rewards	Pearson Correlation	.403**	1.000				
	Sig. (2-tailed)	0.000					
Fringe Benefits	Pearson Correlation	.498**	.492**	1.000			
	Sig. (2-tailed)	0.000	0.000				
Recognition Schemes	Pearson Correlation	.605**	.382**	.549**	1.000		
	Sig. (2-tailed)	0.000	0.000	0.000			
Career Progression	Pearson Correlation	.648**	.444**	.724**	.542**	1.000	
	Sig. (2-tailed)	0.000	0.000	0.000	0.000		
Organizational culture	Pearson Correlation	.676**	.412**	.614**	.611**	.710**	1.000
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	

**. Correlation is significant at the 0.01 level (2-tailed).

The results in table 2 indicated that financial reward was positively and significantly associated to employee performance(r=0.403, p=0.00<0.05). Fringe benefits was positively and significantly associated to employee performance (r=0.498, p=0.00<0.05) while recognition schemes was positively and significantly associated to employee performance (r=0.605, p=0.000<0.05) career progression was positively and significantly associated to employee performance (r=0.648, p=0.000<0.05). The moderating effect of organizational culture was positively and significantly associated to employee performance(r=0.676, p=0.000<0.05).

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4.4 Regression Analysis

4.4.1 Moderation Effect of Organizational Culture

The objective was to establish the moderating effect of organizational culture on the relationship between reward systems and employees performance in large Commercial Banks in Nairobi City County in Kenya. All the independent variables were moderated by the variable organizational culture to give a composite. Results are presented in Table 3.

Table 3: Moderation Effect of Organizational Culture Results

	Unstandardized Coefficients						
Variable	**B**	**Std. Error**	**t**	**Sig.**	**Rsquared Before Moderation**	**Rsquared After Moderation**	**RSquared Change**
Financial rewards*Organizational Culture	-0.27	0.12	-2.34	0.02	16.2%	33.6%	17.4%
Fringe Benefits*Organizational Culture	-0.14	0.12	-1.18	0.24	24.5%	29.6%	5.1%
Recognition Schemes* Organizational Culture	-0.28	0.12	-2.43	0.02	36.6%	47.4%	10.8%
Career Progression*Organizational Culture	-0.10	0.10	-1.00	0.32	41.8%	47.7%	5.9%

The R^2 for financial rewards before moderation was 16.2% but after moderation, the R^2 increased significantly to 33.6%. This implies that organizational culture moderates financial rewards on employee performance. Further financial rewards was significance with P value 0.02<0.05. This implies that organizational culture moderates the relationship between the financial rewards and employee performance in large Commercial Banks in Nairobi City County in Kenya.

The R^2 for fringe benefits before moderation was 24.5% but after moderation, the R^2 increased insignificantly to 29.6%. Further financial rewards was insignificance with P value 0.24<0.05. This implies that organizational culture does not moderate the relationship between the fringe benefits and employee performance in large Commercial Banks in Nairobi City County in Kenya.

The R^2 for recognition schemes before moderation was 36.6% but after moderation, the R^2 increased significantly to 47.4%. This implies that organizational culture moderates recognition schemes on employee performance. Further recognition schemes was significance with P value 0.02<0.05. This implies that organizational culture moderates the relationship between the recognition schemes and employee performance in large Commercial Banks in Nairobi City County in Kenya.

The R^2 for career progression before moderation was 41.8% but after moderation, the R^2 increased insignificantly to 47.7%. Further career progression was insignificance with P value 0.32<0.05. This implies that organizational culture does not moderate the relationship between the career progression and employee performance, in large Commercial Banks in Nairobi City County in Kenya.

4.4.2 Hypothesis Testing for Financial Rewards

The hypothesis to be tested was:

H_1: Organizational culture has a moderating effect on the relationship between reward system and employee performance in large Commercial Banks in Nairobi City County in Kenya.

The hypothesis was tested by using multiple 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 H_1 but if it is more than 0.05, the H_1 is not rejected. Organizational culture was a significant moderating variable for financial rewards 0.02<0.05 and recognition schemes at 0.02<0.05. However, organizational culture did not have a significant moderating effect on fringe benefits 0.24>0.05 and career progression 0.32>0.05 as shown in table 3.

5.0 Conclusions

Based on the findings, the study concluded that organizational culture moderates financial rewards and recognition schemes on employee performance in large Commercial Banks in Nairobi City County in Kenya. Organizational culture is an important factor that enhances organization's effectiveness and success. It is one of the essential factors that affect the efficiency and productivity of a firm.the culture of an organization is weak, it impart negatively on the execution of its strategies. Programs that develop their employees' capacity to handle various responsibilities in the organization. Developing human capacity for future position in an organization is an advantageous culture that provides a competitive edge to the organization.

Organizational culture has the ability to shape organization's capacity for and receptiveness to change as well as the ability to shape the speed and efficiency with which things are done which has to do with the skills and competencies of the respective managers. Organizational culture can affect how employees set personal and professional objectives and execute duties to attain them. It influences the manner in which individuals subconsciously and consciously think, make decisions, the way they perceive, feel and act. Organization culture that encourage cooperation, teamwork and participation among the employees. Consistency, adaptability, teamwork, effective communication and employees and a sense of identity that increased their commitment to work.

6.0 Recommendations

The study recommends that management Commercial Banks should embrace organizational culture since it has ability to shape organization's capacity for and receptiveness to change as well as the ability to shape the speed and efficiency with which things are done. This further involves skills and competencies of the respective managers. Organizational culture have an effect on management styles within an organization. Policy makers should come up with the policies that supports the culture of involving all employees and stakeholders.

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