

## **Effectiveness of Various Monetary Incentive Structures in Influencing Staff Productivity at the Kenya National Library Service (KNLS)**

*Amondi Judy Winnie Jael<sup>1\*</sup>, Gwademba Goudian<sup>1</sup>*

<sup>1</sup>*Kenyatta University, Po Box 43844-00100 Nairobi, Kenya*

\* *Correspondence email: [judyjael@gmail.com](mailto:judyjael@gmail.com)*

### **Abstract**

This study investigates the effectiveness of various monetary incentive structures in influencing staff productivity at the Kenya National Library Service (KNLS). Despite implementing different incentive schemes, KNLS has experienced a persistent decline in productivity among library staff, prompting an examination of how these incentives affect motivation and performance. The primary objectives of the study were to examine the impact of salary increases on staff productivity at the Kenya National Library Service (KNLS) and to assess the effectiveness of salary bonuses in enhancing staff productivity at the Kenya National Library Service (KNLS). The significance of this research lies in its potential to inform strategic decision-making within KNLS, offering insights that can enhance staff motivation and overall library services. The research is grounded in Herzberg's Two-Factor Theory and Vroom's Expectancy Theory, which emphasize the need for incentives to align with employee motivations and expectations. This study contributes to the field of library and information science by providing a framework for understanding the relationship between incentive structures and staff productivity, ultimately guiding organizations in enhancing workforce performance and service delivery. The study used a mixed-methods research design, combining quantitative surveys and qualitative interviews to collect data from a target population of 85 public librarians, yielding a 96% response rate. Findings revealed varying perceptions of monetary incentives, with profit-sharing plans rated most positively, while performance-based pay was viewed as less effective. The study's conclusions indicate that while the current incentive framework has a moderate impact on productivity, it requires refinement to better align with employee expectations. Recommendations include developing tailored incentive programs, revising performance-based pay structures, and increasing focus on non-monetary incentives to enhance motivation.

**Keywords:** *Kenya National Library Service, Monetary incentives, Motivation, performance bonuses, Salary increases, Staff productivity*

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## **1.0 Introduction**

The effectiveness of monetary incentive structures in influencing staff productivity has been widely researched globally, with numerous studies demonstrating their importance in enhancing performance across sectors. Globally, monetary incentives, such as bonuses, profit sharing, and commissions, have been shown to improve productivity by motivating employees to achieve organizational goals (Sonnentag & Frese, 2020). In developed economies, firms have employed diverse monetary reward structures, including performance-based incentives, to foster a productive and competitive workforce. Such incentives aim to align employees' goals with organizational objectives, creating a sense of ownership and accountability.

Regionally, in Africa, the effectiveness of monetary incentives is context-specific. Research suggests that while monetary incentives may improve productivity, other non-monetary factors, such as job security, recognition, and organizational culture, often play a significant role in motivating employees. In East Africa, for instance, public sector organizations have been experimenting with different monetary reward structures to address low productivity and employee retention. However, the success of such strategies remains mixed, with concerns about sustainability and staff's long-term motivation.

Locally, at the Kenya National Library Service (KNLS), the role of monetary incentives in driving staff productivity has not been extensively studied. KNLS, a state agency responsible for providing public library services, faces unique challenges, including limited resources and budgetary constraints, which may affect its ability to offer competitive monetary

rewards. Despite this, it is important to understand how different monetary incentive structures could influence staff productivity at KNLS and whether these incentives would be sufficient to improve performance in the public sector context in Kenya.

### ***Statement of the problem***

Employee productivity in public libraries, particularly in developing countries such as Kenya, remains a critical concern due to limited resources and financial constraints. While monetary incentives such as salary increases and bonuses are commonly used to motivate employees, their effectiveness in the public sector remains unestablished. In public institutions such as the Kenya National Library Service (KNLS), it is important to understand how these incentive structures influence the productivity of library staff, who play a crucial role in promoting literacy and access to information in communities.

Despite the widespread use of financial rewards to boost productivity, recent studies suggest that their impact may vary by organizational context and employee expectations (Purvis et al., 2022). Moreover, salary increases, while providing long-term financial stability, may not always sustain motivation or improve performance (Bender et al., 2022). Similarly, bonuses, though effective in the short term, may not have a lasting impact on employee engagement (Kopp & Heidemeier, 2023). This research seeks to address the gap in understanding how these monetary incentives influence productivity in the unique setting of KNLS, providing insights into how incentive structures align with the specific needs of public librarians in Kenya.

**Purpose of the study**

The primary purpose of the study was to assess the effectiveness of various monetary incentive structures in influencing staff productivity at the Kenya National Library Service (KNLS).

**Objectives**

- i. To examine how salary increases affect staff productivity at the Kenya National Library Service (KNLS).
- ii. To determine the effectiveness of salary bonuses in enhancing staff productivity at the Kenya National Library Service (KNLS).

**Research questions**

- i. What is the effect of salary increases on staff productivity at the Kenya National Library Service (KNLS)?
- ii. How effective are salary bonuses in enhancing staff productivity at the Kenya National Library Service (KNLS)?

**Scope**

This study examined the effectiveness of salary increases and bonuses as monetary incentive structures for staff productivity at the Kenya National Library Service (KNLS) in Migori County. The research encompassed public librarians directly involved in library services, examining their perceptions and experiences with these incentives. The study employed structured questionnaires and qualitative methods, including interviews with library staff and management. It covered the past three years, enabling analysis of recent trends and their implications for enhancing staff productivity in public libraries in Kenya's unique context.

**Significance of the study**

The findings from this study can guide strategic decision-making at the Kenya National Library Service by offering valuable insights into aligning incentive mechanisms with the specific needs and motivations of library staff. Moreover, the research contributes to the field of library and information science by shedding light on the relationship between incentive structures and staff productivity. Consequently, it serves as a valuable resource for organizations worldwide seeking to enhance staff performance and, by extension, improve the overall impact of library services on the communities they serve.

*“The findings from this study provide significant insight into employees' perceptions of monetary incentive structures at the Kenya National Library Service (KNLS)”*

**Literature review**

Salary increases and bonuses are widely recognized as critical financial incentives that motivate employees and enhance productivity across sectors. A salary increase is a permanent raise in an employee's base pay, often tied to performance evaluations or tenure. According to Burke and Ng (2021), salary increases can significantly affect employee satisfaction and retention, as they reflect an organization's long-term commitment to its workforce. Salary increases not only motivate employees by providing financial security but also foster

loyalty, leading to sustained productivity over the long run.

On the other hand, salary bonuses are one-time payments awarded for performance or specific achievements. Bonuses are viewed as performance-based rewards that incentivize short-term goals. They are often tied to specific targets or company performance, creating a direct link between effort and reward. Research by Kopp and Heidemeier (2023) suggests that bonuses can increase employee motivation and engagement by reinforcing the link between individual contributions and organizational success. Bonuses offer flexibility because they can be adjusted based on organizational needs or financial performance, making them an attractive tool for performance management.

However, both salary increases and bonuses have limitations. While salary increases provide long-term financial benefits, they may lose motivational value over time (Bender et al., 2022). Similarly, bonuses, while effective in the short term, may not sustain motivation once the reward is given. Therefore, combining both incentives may offer a balanced approach, fostering long-term commitment through salary increases and boosting short-term productivity with bonuses.

***Theories of the study***

The two theories used in the study were Herzberg's Two-Factor Theory and Vroom's Expectancy Theory.

***Herzberg's Two-Factor Theory (Motivation-Hygiene Theory)***

Motivators and hygiene factors are two distinct sets of factors that affect employee motivation and satisfaction, according to Herzberg's Two-Factor Theory, also known as the Motivation-

Hygiene Theory. According to Herzberg, job satisfaction and higher productivity stem from motivators such as achievement, recognition, responsibility, and personal development. These elements are inherent to the work and provide workers with a strong sense of drive and fulfillment. However, while they are necessary to avoid employee discontent, hygiene factors such as pay, job security, working environment, and corporate rules do not always inspire workers. While improving hygiene factors may lead employees to reach a neutral level of satisfaction, poor hygiene can cause workplace discontent (Herzberg, 1968).

In today's work environment, this theory remains relevant as organizations seek to balance salary and benefits (hygiene factors) with opportunities for personal and professional growth (motivators) to maintain a productive workforce. By applying this theory, employers can recognize that while competitive compensation is essential, long-term productivity gains are more likely when employees are also motivated by intrinsic rewards, such as job enrichment and career development (Bauer & Erdogan, 2021).

***Vroom's Expectancy Theory***

According to Vroom's Expectancy Theory, employee motivation is driven by the belief that their efforts will produce the outcomes they want. Three fundamental elements underpin this theory: valence, instrumentality, and anticipation. The expectation that greater effort will yield better results is called expectancy. According to Vroom (1964), instrumentality is the belief that one will be rewarded for good performance, whereas valence is the importance assigned to the rewards one anticipates receiving. Employee motivation to meet company

objectives is higher when they believe their efforts will be rewarded with significant rewards.

In modern workplaces, Expectancy Theory remains a critical framework for understanding how rewards influence motivation. Research shows that clear communication of expectations, fair performance appraisals, and meaningful rewards can enhance employee engagement and productivity (Purvis et al., 2022). For instance, when employees perceive that promotions, bonuses, or salary increases are linked to their performance, they are more likely to work harder and remain committed to organizational objectives. The theory emphasizes aligning rewards with individual preferences and ensuring that employees feel confident that their efforts will lead to the desired outcomes

## 2.0 Materials and Methods

This study used a mixed-methods research design to examine the effectiveness of various monetary incentive structures in influencing staff productivity at the Kenya National Library Service (KNLS). Integrating quantitative and qualitative methods allowed for a comprehensive examination of the topic (Creswell & Creswell, 2017). Quantitative data were collected through structured questionnaires, focusing on incentive structures and their relationships to job satisfaction and self-reported productivity. This enabled the analysis of key variables, including monetary rewards, recognition, and professional growth opportunities, and their effects on staff productivity.

The study also incorporated qualitative insights through structured interviews with both public librarians and management personnel. These interviews provided in-depth perspectives on how incentive structures were perceived and implemented within the organization. To ensure

representation of both male and female personnel, a sample of 26 public librarians was selected using stratified random sampling from the target population of 85. Throughout the research process, data collection complied with ethical standards, including informed consent, confidentiality, and participant anonymity.

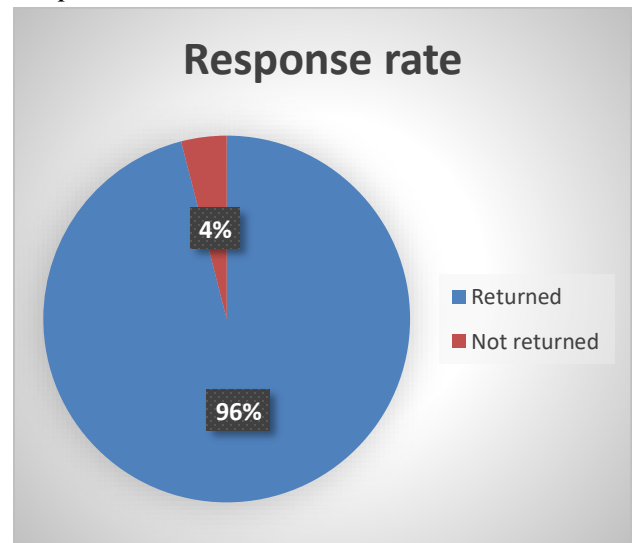
## 3.0 Results and discussions

### *Response rate*

Only 25 respondents returned completed surveys, representing a 96% response rate among the 26 distributed. According to Mugenda (2003), this response rate was adequate to conclude the study because it was representative of the entire region. According to the claim, the response rate was excellent, meaning it was extremely good, and the sampled respondents were able to analyze and draw conclusions from the data.

**Figure 1**

*Response Rate*



### *Demographic Data*

This is statistical information collected from participants in a study, providing insights into their characteristics, including age, gender,

education level, work experience, and job roles. Understanding the workforce's makeup and identifying patterns or trends that could affect the research findings requires this data.

**Table 1**

*Gender of the respondents*

Category	Frequency	Valid percentage	Cumulative %
Male	13	52	52%
Female	12	48	48%
<b>Total</b>	<b>25</b>	<b>100</b>	<b>100%</b>

Table 1 shows that 48% of respondents were female and 52% were male. This suggests that most study participants were male.

**Table 2**

*Age bracket*

Category	Frequency	Percentage	Cumulative percentage
Below 35	6	24	24
36-55	12	48	72
Above 55	7	28	100
<b>Total</b>	<b>25</b>	<b>100.0</b>	

Table 2 indicates that 24% of respondents were younger than 35, 48% were between 36 and 55, and 28% were older than 55. This suggests that the majority of research participants were between 36 and 55, a dynamic population that might provide the company with efficient services.

**Table 3**

*Level of Education*

Category	Frequency	Percentage	Cumulative percentage
Diploma	7	28.0	28.0
Degree	14	56.0	84.0
Masters	4	16.0	100.0
<b>Total</b>	<b>25</b>	<b>100.0</b>	

Table 3 shows that 28% of respondents held a college diploma, 56% held a bachelor's degree, and 4% held a master's degree. These findings

***Gender of the Respondents***

The purpose of the study was to determine the participants' gender. The field response rate is shown in the table below.

***Age Bracket***

The purpose of the study was to determine the respondents' age range. Table 2 displays the field response rate.

***Level of Education***

The purpose of the study was to determine respondents' educational attainment. Table 3 displays the recorded field response rate.

indicate that most respondents were literate and had a solid educational foundation.

**Duration of Service**

The purpose of the study was to determine how many years the respondents had been employed

at KNLS. Table 4 displays the field response rate.

**Table 4**

*Duration of service*

Category	Frequency	Percentage	Cumulative percentage
Below 5	7	28.0	28.0
6-10 years	13	52.0	80.0
Above 10	5	20.0	100.0
<b>Total</b>	<b>25</b>	<b>100.0</b>	

According to Table 4, 52% of respondents had worked at KNLS for 6–10 years, while 28% had been there for 5 years or less. Although 20% of respondents had been employed for more than 10 years, a larger portion of respondents knew the company well and provided the data required for the study.

***Effectiveness of monetary incentive structures in influencing staff productivity***

The primary purpose of the study was to assess the effectiveness of various monetary incentive structures in influencing staff productivity at the Kenya National Library Service (KNLS). The results were presented in Table 4.4.1.

**Table 5**

*Monetary incentive structures in influencing staff productivity*

Incentive Structures	Strongly disagree	agree	neutral	disagree	Strongly disagree	Mean	std
Lump Sum bonuses encourage me to increase my productivity	5	10	7	2	1	2.36	1.02
Performance-based pay motivates me to work harder	8	10	4	2	1	2.12	1.07
Regular salary increments based on performance improve my motivation	4	9	8	3	1	2.52	1.02
Gift vouchers or other non-cash rewards are effective in enhancing productivity	3	6	10	4	2	2.84	1.08
Financial incentives improve overall job satisfaction	6	8	6	4	1	2.44	1.14
Commission or bonus schemes tied to specific goals are beneficial	7	10	5	2	1	2.20	1.06
Profit-sharing plans contribute positively to my work performance	2	5	10	6	2	3.04	1.04

The analysis of monetary incentive structures at the Kenya National Library Service (KNLS) reveals varying levels of perceived effectiveness among employees. Mean scores for the different incentive structures range from 2.12 to 3.04, with

Profit-Sharing Plans achieving the highest mean score, suggesting a relatively positive impact on work performance. In contrast, Performance-Based Pay received the lowest mean score, indicating that employees find it less effective at

motivating them than other incentives. These findings align with recent research highlighting the importance of aligning incentives with employee expectations to maximize effectiveness (Brewster et al., 2016; McLean, 2016).

The variability in responses is reflected in the standard deviation scores, which range from 1.02 to 1.14. Higher standard deviations, observed for incentives such as Financial Incentives and Job Satisfaction, suggest diverse employee opinions about their effectiveness. This variability indicates that a one-size-fits-all approach to incentive structures may not be suitable, as different employees may respond differently to various incentives (Gerhart & Fang, 2014; Jansen et al., 2018). By contrast, lower standard deviations for Lump Sum Bonuses and Regular Salary Increments imply a more consistent perception of the effectiveness of these incentives among employees.

In addition, the analysis indicates that while some incentives, such as Profit-Sharing Plans, are perceived as more effective, others, such as Performance-Based Pay and Commission or Bonus Schemes, are viewed less favorably. To enhance employee productivity, KNLS should consider revising its incentive structures to reflect the specific needs and preferences of its staff. Incorporating insights from current literature, such as those from Brewster et al. (2016) and Jansen et al. (2018), can help design more effective and targeted incentive programs that align with employee expectations and improve overall performance.

#### **4.0 Conclusion**

The findings from this study provide significant insight into employees' perceptions of monetary incentive structures at the Kenya National

Library Service (KNLS). With a high response rate of 96%, the data provide a reliable representation of staff views on the effectiveness of salary increases and bonuses in influencing productivity. The demographic data reveal a balanced gender representation and a workforce predominantly aged 36 to 55, suggesting a relatively experienced group capable of delivering effective services.

The analysis of incentive structures showed varying effectiveness, with Profit-Sharing Plans receiving the highest mean score, while Performance-Based Pay was viewed less favorably. This variability in employee perceptions underscores the importance of tailoring incentive systems to diverse employee needs and expectations. The study's findings support Herzberg's Two-Factor Theory, as salary increases and bonuses serve as hygiene factors that can prevent dissatisfaction but may not inherently drive motivation without careful alignment with employee aspirations. Additionally, the results align with Vroom's Expectancy Theory, emphasizing that incentives must be perceived as equitable and achievable to enhance motivation. Ultimately, while the current incentive framework is considered moderately effective, there is clear evidence that further refinement is necessary to enhance employee productivity and satisfaction at KNLS.

#### **5.0 Recommendations**

The following are the study's recommendations:

**Tailored Incentive Programs:** The Kenya National Library Service (KNLS) should develop and implement incentive programs that align with the diverse preferences and motivations of its staff. Conducting regular surveys to gather employee feedback on the types of incentives

they value most could enhance program effectiveness and engagement.

**Performance-Based Pay Structure:** Given the lower employee effectiveness rating of performance-based pay, KNLS should reconsider its design. Enhancements could include clearer performance metrics, regular feedback sessions, and aligning bonuses with achievable, specific goals that align with employees' roles and responsibilities.

**Increased Focus on Non-Monetary Incentives:** According to the study, non-monetary rewards, such as recognition and opportunities for professional growth, may significantly impact employee motivation and productivity. KNLS should investigate ways to incorporate these rewards into its reward system to develop a more comprehensive strategy for motivating employees.

**Regular Review of Incentive Structures:** To ensure ongoing effectiveness, KNLS should conduct regular assessments of its incentive structures. This can involve analyzing productivity metrics alongside employee satisfaction surveys to adjust programs as needed and ensure alignment with organizational goals.

**Training for Management:** Providing management with training on the importance of motivation and employee engagement can empower them to implement these incentive

structures effectively. Best practices in communication, acknowledgment, and motivation techniques could be covered in training to create a positive work atmosphere.

**Promoting Work-Life Balance:** Cultivating a culture that supports it can also enhance productivity. Initiatives such as flexible work hours or wellness programs could help improve overall employee satisfaction and performance.

### ***Implications***

The study's recommendations have significant implications for the Kenya National Library Service (KNLS) and similar organizations. By developing tailored incentive programs, KNLS can enhance employee motivation, thereby improving job satisfaction and productivity. Revising performance-based pay structures to align with employee expectations can foster a more engaged workforce, while placing greater emphasis on non-monetary incentives can address diverse employee preferences, contributing to a positive work environment. Additionally, these changes may help reduce turnover rates, as motivated staff are more likely to remain in their positions. Ultimately, implementing these recommendations can lead to enhanced service delivery, increased efficiency, and a stronger overall impact of library services within the community, thereby fulfilling KNLS's mission more effectively.

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