

INFLUENCE OF COMPENSATION PROGRAMS ON ORGANISATIONAL CITIZENSHIP BEHAVIOUR AMONG EMPLOYEES OF KENYA WOMEN MICROFINANCE BANK LIMITED

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# INFLUENCE OF COMPENSATION PROGRAMS ON ORGANISATIONAL CITIZENSHIP BEHAVIOUR AMONG EMPLOYEES OF KENYA WOMEN MICROFINANCE BANK LIMITED

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## ABSTRACT

The study conducted as an attempt to determine the influence of compensation programs on citizenship behavior among employees in KWFT. Specifically the study aimed; to evaluate the influence of guaranteed pay on citizenship behavior among employees in KWFT and to determine the influence of variable pay on citizenship behavior among employees in KWFT. The research design used for the study was a case study. There were 822 employees currently working with the bank. The sampling frame was all the employees who had been permanently employed by KWFT. A sample size of 269 employees was used for this study and respondents were picked using simple random sampling. The study used questionnaires in collecting primary data. The questionnaire comprised of both closed and open-ended questions. SPSS (version 23.0) computer software aided the analysis and this involved the use of frequencies and percentages and means. The results of data analyzed were presented in form of tables that showed numerical values in rows and columns. The study found that employees agreed with the forms of compensation in KWFT and also agreed that basic salary needed to be revised and increased. The study also found that employees agreed that they were satisfied with the forms of compensation in KWFT. The study concluded that taking all independent variables at zero, a unit rise in guaranteed pay influenced citizenship behavior and a unit rise in variable pay influenced citizenship behavior influenced citizenship behavior. This inferred that citizenship behavior was mostly trailed by guaranteed pay and variable pay and services having the least influence. The study recommended that, to ensure organizational citizenship behavior, basic salary needed to be revised and increased, seniority allowances need to be paid to all staff, pay structures needed to be based on individual input, salary needed to match with that of other organizations and competence related allowances need to be introduced in the bank. The study further recommended that better communication and stronger networks should be created in the organization to facilitate accurate information transfer and improve efficiency among employees.

Keywords: Guaranteed Pay, Variable Pay, Citizenship Behavior, Employees in KWFT

## INTRODUCTION

The business environment in the 21<sup>st</sup> century has been characterized by cut-throat competition. This is as a result of globalization, advances in technology and well informed or empowered clients. For organizations to compete on a global scale, to satisfy needs and expectations of customers and adapt to the changing nature of jobs, enterprises tend to hire employees who go beyond tasks and roles defined in their job description (Dienesch, 2014). These behaviours include pro-social behaviors, extra-role behaviors and organizational citizenship behavior. Organizational citizenship behaviour (OCB) is vital to the survival of organizations worldwide (Spector 2007). Chahal and Mehta (2010) define organizational citizenship behavior as anything that employees choose to do, spontaneously and out of their own accord, which often lies outside of their specified contractual obligations. It is behavior that goes beyond the basic requirements of the job and is to a large extent discretionary and beneficial to the organisation. Organisational citizenship behaviour influences organization's overall performance. The interest in studying these behaviours has increased substantially over the past decades. Organisational citizenship behaviour has been considered as a helping behaviour which is neither written as rules nor as guide for decision on rewards. It is an extra-role behaviour (Post & Mason, 2009). Organizations put in place schemes that ensure their employees are not lured by their competitors. These schemes include insurance schemes, retirement benefits and ownership of company stocks (Locke, 2010). There are some forms of compensation which are legally provided to employees such as workman's compensation.

In the European countries the same case applies for the federal governments. It is assumed that every employee has to be compensated for the work they do or services provided to an

Loss of income organization. should be compensated (Andrew &Kent, 2014). Employee compensation programs can also be looked at as either a tangible benefit or intangible. Tangible benefits include insurance, holiday packages, maternity leaves, pension, bonuses and share of profits. Intangible compensation is in form of promotions, letters of appreciation and being provided with nice looking offices. Organizations worldwide have been subject to externally imposed reforms utilizing tools such as financial incentives and performance targets (Renosafadarani, 2014). Individuals within organizations work beyond their formal contracts of employment described as Organizational Citizenship Behaviour (OCB) to further organizational interests. Given the organisational reform and the subsequent contextual changes in the way in which organizations are managed and funded the present study theorizes that OCB directed towards the organization may be crowded out (Suliman & Majid, 2013). Although people from different cultures have been in contact with each other since ancient times, the influence of culture on organizational phenomena only began to receive attention in the late 1970s and in the 1980s (Sorensen & Feldman, 2010). Prior to that, organizational research was mostly conducted on western samples, as a result of which, generalizations and conclusions were based on western findings. However, organizational theories that have been developed and tested in western cultures are not necessarily sufficient to explain organizational phenomena in other cultures, such as Turkey. For example, research in the Northern American context has defined continuance commitment as an employee's calculation of costs and benefits of remaining in the organization (Keith & McWilliams, 2015).

In Africa, employee compensation programs are a significant issue in organizational management (Stolp, 2013). Compensation program is likely to provide employees of all levels with feelings of fulfillment, achievement and even pleasure with their job. Such feelings can make people more productive, creative and therefore more satisfied with the job. The feeling of job satisfaction can strengthen the commitment and loyalty of employees with the organization. Over the years, a considerable amount of literature has been developed, which seeks to improve understanding of compensation programs and the extent to which they influence levels of employees' commitment, motivation and eventually, organization citizenship behavior (Hui, 2012). Williams and Anderson(2010) asserted that there is an increased emphasis on people as a key source of competitive advantage, and many managers try to comprehend the complexities of rewarding people at work so that they can gain employee organizational citizenship behaviour. Employee citizenship is critical for African businesses. In order to elevate Kenya to the next competitive landscape, organizations require employees' cooperation, benevolence, selfsacrifice and extra effort (Ooko, 2010). Engaging the right employees in the right behaviors is vital for organizations to manage the turbulent business environment. The role and importance of trust and perceptions of fairness in this relationship has not been explored sufficiently. The attitudes of Kenyans towards the labor market, their jobs and organizations have also not received much attention in research. Royalty (2010) observed that OCBs are important for organisational efficiency, effectiveness, innovation, and adaptability within diverse organisations. OCBs are beneficial for Kenyan organizations in ways that extend beyond a direct contribution to group or organisational performance. This researcher further argues that OCB also contributes by making organisations attractive place to work (Kiarie, 2013).

KWFT is a microfinance institution (MFI) with nationwide operations in Kenya, providing savings and loan products to more than 600,000 clients (KWFT, 2016). KWFT (the "Company") focuses exclusively on financial services to women and is operating mainly through group lending. The Company and its parent company, Kenya Women Holding, an established and reputable NGO, have been providing loans to poor women in Kenya since 1981. KWFT is the largest regulated women only serving institution in Africa and the leading deposit taking microfinance institution in Kenya with over 60% market share (KIPPRA, 2014). The institution targets low income women as an entry and contact point to their families with the objective of alleviating poverty through provision of innovative savings and credit products tailored to meet customer needs. This is in line with KWFT's vision of being the Women Financial Solutions Provider with a difference and mission of partnering with women in their creation of wealth.

# Statement of the Problem

KIPPRA (2014) report indicates that reduced employee performance due to low or lack of compensation programs has led to the decline in the growth of the economy from an average GDP growth rate of 0.3 % in the year 2014 (KNBS, 2015). According to banking survey conducted in the year 2010 job retention in the industry was rated at 65% with staff turnover at 55%. The findings were that employees in the industry preferred their ideas being implemented and efforts recognized through promotions and fair compensation programs. The findings also rated confidence and trust in leadership at 45% and that employees being informed on occurrences was rated at 45%. According to Ooko (2010), these could result to lack of commitment towards the job and the organization. Employees could also engage in unproductive activities which would not benefit the organization. According to Kiarie (2013) such negligent behaviours were a reflection of a political environment and as such

employees find it difficult to put extra effort towards the organization.

According to Central Bank of Kenya annual report (2010), KWFT is faced with a decrease in productivity, increased customer complaints, competition for customers, inefficiency in operation and high staff turnover. This led to the bank rating drop from position 5 in 2014 to 7 in 2015 in Kenya bank performance rating index. According to the report, employees were faced with altruism issues in that employees were not motivated in discharging their duties efficiently and tackling the work related problems. Lack of team work was also witnessed among KWFT staff. The report furthers asserts that conscientiousness issues have been observed like; lateness at work, lack of professionalism while discharging their duties, delayed attendance to customers leading to long waiting time.

Sportsmanship issues were also observed like unwillingness to tolerate less than expected, complaining and finding faults within the staff. Courtesy in KWFT had also deteriorated as a result of employee's disrespectful behaviours by creating work-related problems with others. The above issues on KWFT's OCB have influenced the banks effectiveness by reducing co-worker and managerial productivity, leading to high employee turnover and reduced performance (Central Bank of Kenya Annual Report, 2010). It is on this basis that the study was therefore conducted as an attempt to ascertain if the compensation programs package offered meets the financial individual needs of the employees and at the same time to establish the influence it has on organisational citizenship behaviour.

## **Research Objectives**

The main purpose of the study was to determine the influence of compensation programs on organizational citizenship behavior among employees in KWFT. The specific objectives were:-

- To evaluate the influence of guaranteed pay on organisational citizenship behavior among employees in KWFT
- To determine the influence of variable pay on organisational citizenship behavior among employees in KWFT

#### LITERATURE REVIEW

## **Theoretical Review**

## **Efficiency Wage Theory**

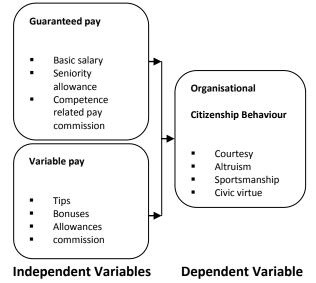
Efficiency wage theory was composed by Polachek and Siebert (1993). The idea of the efficiency wage theory is that it may benefit firms to pay workers a wage higher than their marginal revenue product. The argument is that paying workers a higher wage may lead to increased productivity from the worker. If a worker gets a relatively higher wage, he may feel more loyal and devoted to the company. With a higher wage, he may also fear being made unemployed and so will work harder to make sure he keeps his job. Therefore, although the firm pays more, they get more productivity from their workers. Efficiency Wage Theory underpinned the first variable which is on guaranteed pay. According to this theory, Armstrong (2012) is of the opinion that firms will pay more than the market rate because they believe that high levels of pay will contribute to increases in productivity by motivating superior OCB, attracting better candidates, reducing labor turnover and persuading workers that they are being treated fairly. Sheridan (2012) asserts that, social factors are equally important in motivating workers. Therefore, the need for adequate remuneration system cannot be overstated. A well administered system of wage and salary payment will not only reduce the incidence of disruptive laxity and low morale, but will also go a long way in achieving OCB. Armstrong (2012) observes that, compensation programs management system is an integral part of the human resource management approach to managing people since it is strategic in the sense

that it addresses longer term issues relating to how people should be valued for what they do and what they achieve. The research study will emphasize on the efficiency wage theory, for it reflects that, OCB among employees will only perform effectively if at all the organization takes into consideration their request and needs. This was as a result of increment of the salary and the award of the incentives and the compensation programs to the employees.

## **Perception Theory**

The cognitive dissonance theory by O'Brien (1968) accounts attitude changes when people's behaviors are inconsistent with their original attitudes which are clear and important to them; while the self-perception theory is used when those original attitudes are relatively ambiguous and less important. Daryl Bem (1965, 1972) proposed the perception theory as an alternative to the cognitive dissonance theory in explaining how attitudes are shaped. The second variable was on variable pay which was linked to Perception Theory. According to Ramlall (2010) individuals may respond to what they perceive to exist rather than reality itself and react accordingly. Thus they may behave in ways to conform to what they perceive to be there. According to Mobley (2015), politics within organizations should be studied in relations to how people think rather than what is actually there. This means that when employees perceive unfairness in processes and procedures as well as with the distribution processes within their organizations; they are more likely to respond with certain behaviors. Individuals within the same environment may however respond differently to what they perceive as reality within the organization. That is to one person the organizational climate may be fair and just whilst to yet another person in the same organization, the organizational climate may be unfair. Thus for different individuals, politics should be studied in relations to what they think. For instance the different gender may perceive their organizational climate differently. To men, the organizational climate could be less political while to females, the climate may be political or unfriendly. These different perceptions of individuals may inform their attitude towards their colleagues, their supervisors and their organization as a whole. According to Martin (2010) if employees perceive that an inequity exists, they are likely to withhold some of their contributions, either consciously or unconsciously, to bring a situation into better balance gives an example that, if someone thinks he or she is not getting enough pay (output) for his or her work (input), he or she will try to get that pay increased or reduce the amount of work he or she is doing. On the other hand, when a worker thinks he or she is being paid too much for the work he or she is doing, he or she tends to increase the amount of work. Not only do workers compare their own inputs and outputs; they compare their input/output ratio with the input/output ratio of other workers. If one work team believes they are doing more work than a similar team for the same pay, their sense of fairness will be violated and they will tend to reduce the amount of work they are doing.

#### **Conceptual Framework**





## **Guaranteed Pay**

According to Gruber and Madrian (2015) guaranteed payments to partners are payments that are guaranteed to be made to a partner irrespective of whether the partnership makes a profit or not. According to Kennedy (2010), money is an important factor in motivating people as we live in a money motivated world. There is not one shared of evidence for the allege turning away from material rewards. Kraiger (2011) further points out that antimaterialism is a myth, no matter how much it is extolled. Monetary rewards in terms of guaranteed pay have so much importance that if no proper attention is paid to them or ignoring them will act as a demotivator.

## Variable Pay

According to Jantan (2010), variable pay is employee compensation program that changes as compared to salary which is paid in equal proportions throughout the year. Variable pay is used generally to recognize and reward employee contribution toward company productivity, profitability, teamwork, safety, quality, or some other metric deemed important. According to Capplan and Teese (2013) tips is a compensation program or payment that an employee is paid as a result of an achieved task to satisfaction besides his normal pay. According to Aluchio (2009) tips is a consideration to people fairly, equitably and consistently in accordance with their value of service offered. According to Lyness and Heilman (2013) tipping levels depended with how satisfied the issuer feels in relation to the output offered.

# **Organisation Citizenship Behavior**

According to Kennedy (2010) the first conceptualization of OCB suggested two separate dimensions namely altruism, behavior that is directly and intentionally aimed at helping a specific person, and generalized compliance, a more impersonal sort of conscientiousness, more of a 'good soldier' or 'good citizen' syndrome of doing things that are 'right and proper' but for the sake of the system rather than for specific persons. Gruber and Madrian (2015) proposed an expanded OCB-model with five dimensions consisting of altruism, courtesy, conscientiousness, civic virtue, and sportsmanship. The definition of altruism remained much as it was and describes behaviors that have the effect of helping a specific other person with an organizationally relevant task or problem. Courtesy comprises employee behaviors aimed at preventing work-related problems that would otherwise occur for coworkers. Conscientiousness describes behaviors that go well beyond the minimum role requirements indicating that employees accept and adhere to the rules and procedures of the organization. Civic virtue relates to behavior indicating that employees responsibly participate in, are involved in, or are concerned about the life of their organization. Sportsmanship is defined as an employee's willingness to tolerate less than ideal circumstances without complaining and making problems seem bigger than they actually are.

Kraiger (2011) identified several different dimensions and behavioral elements of the citizenship behavior domain. A conceptualization of OCB by Williams and Anderson (1991) on the basis of the target or direction of the behavior narrows them all to two dimensions: OCB-I (behaviors directed toward individuals; example Barnes and Jones (2012), altruism and courtesy) and OCB-O (behaviors directed toward the organization; example Silzer and Church (2010) conscientiousness, civic virtue, and sportsmanship).

Some scholars even suggest a uni-dimensional concept of OCB since the relationships among the dimensions are generally high and there seem to be no meaningful differences in relationships with predictors across dimensions. Even though scholars hold different views with respect to the dimensionality of OCB, Frazis and Loewenstein (2013) five dimension taxonomy has been the subject of the greatest amount of empirical research. On the other hand, Prendergast and Topel (2014) argue that managers often have difficulty with differentiating between altruism and courtesy and tend to view these two dimensions as part of a single helping behavior dimension. The study operationalized altruism and courtesy by one overall helping dimension. Moreover, Steers and Porter (2013) suggest sportsmanship and civic virtue overlap with the construct of organizational loyalty, which is particularly important in today's work environment, where commitment and loyalty seem to be in decline. Therefore, employees' sportsmanship and civic virtue are represented by loyalty behavior towards the organization.

Royalty (2010) conscientiousness dimension remains as it is describing conscientious employee behaviors. Capplan and Teese (2013) therefore suggested that it is no longer useful to require that OCB must be extra-role behaviours. Rather, he suggests that it be defined more in line with the concept of contextual performance and redefined OCB as contributions to the maintenance and enhancement of the social and psychological context that supports task performance. The more contemporary definition of OCB includes work-oriented behaviours which are behaviours that are prescribed by role and directed at the organisation. Contemporary researchers support the notion that organizational citizenship behaviors should be conceptualized as a global concept that includes all positive work behaviours, both in-role and extra-role behaviours, directed at the organization (Aluchio, 2009).

## **Empirical Review**

# **Guaranteed Pay and OCB**

According to Barnes and Jones (2012), economic incentives are becoming rights rather than a way of compensation programs. Employees'

commitment is enhanced more if an attractive compensation system is instituted in the organization. Human resources should be seen as an investment and not a cost by organizations for they are accountable for productivity, operating machines and putting into motion all the activities (planning, organizing, staffing, directing and controlling) that make organizations vibrant and successful. Human resource is part of business management and it helps in sourcing for the right compensation system. Therefore, it is important to ensure a guaranteed pay that depicts an organization's appreciation of its human resource contributions.Fink (2008) defines basic pay as the amount of remuneration received for a specific job. Edwin (2013) observes that salaries and wages are known to be an important, but multifaceted, multidimensional forecaster of OCB. According to Silzer and Church (2010) pay levels have various aims which include; supporting the achievement of the organizations strategic and short term objectives by ensuring that it has the skilled, competent, motivated and committed workforce it needs: help to communicate organizational values and performance expectations; supporting culture management and change by matching pay culture to organization culture and ensure reward level underpins the existing or desired organization culture; driving and supporting desired behaviors by indicating what sort of behavior will be rewarded and how this will be done; promoting continuous development through competence related and skill based pay schemes; competing in the employment market by paying competitive rates which attract and retain quality employees; motivating all members of staff through the use of a combination of financial and non-financial rewards; Promoting team work through the use of team pay, encouragement of multi-skilling and by rewarding collaborative behaviors (Sackett & Lievens, 2008). Stephen (2011) states that organizational citizenship behavior has been proven to be improved by basic pay. He proposes that workers with high salaries could still be discontent if they dislike their basic pay. Furthermore, Cascio (2013) states that discrimination in terms of lack of credit and poor basic pay contributes to worker organisation citizenship behavior problems. Bell (2015) proposes that a raise in basic pay only acts as a and short-term motivator management consequently has to consider alternative ways to raise levels of organisation citizenship behavior. According to Frazis and Loewenstein (2013) seniority allowance is one of the most powerful methods of rewarding people. Seniority allowance is fast becoming its own compensation program.

It is the basic requirement for creating a positive work culture in the organization. The employees need to know not only how well they achieved their objectives or carried out their work but also that their achievements are appreciated. Motivating employees through seniority allowance is one of the most effective and costefficient means to reinforce an organization's culture. Seniority allowance improves employee performance. It rewards the individual behaviors that collectively help a company attain its financial objectives and retain its top performers. Seniority allowance is recognized as one of the key factors related with OCB among employees (Prendergast & Topel, 2014). According to Feather (2008), levels of pay is based on long standing structures that were created long time ago and have been updated since then in response to movements in markets rates and inflation and through negotiations. Yellen (2014) states that pay levels evolve; they are not planned or maintained systematically. Rates are fixed by managerial judgment of what is required to recruit and retain people. They may be adjusted to individuals or collective pressures for increase or up grading. According to Yamashita (2011) this may result in a chaotic and illogical pay structure which is inequitable, lead to inconsistent and unfair pay decisions and is hard to understand, expensive to maintain and the cause of dissatisfaction and demotivation. The second element of compensation

is additional financial guaranteed pay which are related to OCB, skills, and experience. Special allowances may be paid and are described as variable pay if they are not consolidated into base pay, for example, pay of sales representatives on a commission only (Armstrong, 2012). Mobley, Griffeth, Hand and Meglino (2013), note that a good and attractive competence related pay is necessary for the employees in order to ensure OCB otherwise the unmotivated employees will not perform their tasks properly and will ultimately affect the company in a negative way which includes decrease in profitability. OCB is dependent on the employees who work for it, so in order to get the better and quality output, competence related pay as compensation programs contribute a lot in this part, so it is essential for organization's managers to make effective and attractive compensation programs to ensure OCB among employees (Huselid, 2014).

# Variable Pay and OCB

Ragins and Tharenou (2013) also asserts that tipping employees and issuance of gift certificates were major forms of compensation programs that employees identified with as a means of generating OCB with their employers and thus influencing their decisions to continue working for them. Wall (2013) identifies that many employees who do not get tips for work performed well or service offered would opt to leave an organization. Supporting this, Schneider and Locke(2013) indicates that while important, most employees rank tips as the highest OCB factor that could even help retain key employees when an organization is going through difficulties, implying that tips creates commitment and employees OCB. Keith and McWilliams(2015) findings show that getting the OCB of employees over the compensation programs that are being offered to them is a difficult task, organization has to learn to manage those things which create feelings of short of OCB among employees; Allowances in comparison of what the employees expect and how much they receive secondly is

comparing their compensation programs with other people of same jobs in the organization, overestimating his own performance as compared So allowances should be to his colleagues. designed in full justice by the management of what they are taking from employee and what they are giving to him for his input, and they should be fully defined to the employees so that there may not remain any chance of misconception & (Sorensen Feldman. 2010). According to Martin (2010) bonuses as a variable pay can be put into four categories as follows: individual achievement pay by result (these directly schemes compensate the outcomes of the OCB of an individual and include commission based pay), collective payment by result (these compensatory schemes directly result to OCB affecting the output of a group, section, department or the company), collective bonus schemes (incentives are based on company profit. An example of this is profit sharing schemes) and performance related pay which is based on the assessment of performance and/or competences.

A common adage in the staffing literature is that the best predictor of future behavior is past behavior (Jolliffe, 2015). This aphorism suggests that in making allowance decision an organization is likely to attach importance to a worker's past performance. The results of a survey conducted by Ehrenberg and Smith (2009) of managers from over 100 organizations support this assertion. These results are not surprising given that a employee past performance is likely to be seen as an indicator of the person's ability and OCB and the fact that most employers would find it difficult to argue that an individual who has not performed well in his or her current job merits a allowance.

## **RESEARCH METHODOLOGY**

The research design used for the study was a case study. This research design was applied by the use of both suitable qualitative and quantitative data. The intention was to evaluate the influence of compensation programs on organizational citizenship behavior among employees of Kenya Women Microfinance Bank. There were 822 employees currently working with the bank as captured from the Human Resource Department staff registry (KWFT, 2015). 269 employees were sampled assumed to be normally distributed who were picked using simple random sampling. This choice was made because it gave each item in the population an equal probability of being selected. This study used primary data collection in order to establish employee OCB situation as it is. The study used questionnaires in collecting primary data. Data obtained from the questionnaires was processed through editing and coding and then the data was entered into a computer for analysis using descriptive statistics with the help of Statistical Package for Social Sciences (SPSS) version 23.0.

## FINDINGS AND DISCUSSION

A total of 196 completed questionnaires out of 269 administered were obtained from the respondents for the study, this represented 73% response rate. The study considered this percentage adequate. On gender of respondents, the study found that there were more females 69% than males 31%. This showed that both genders were represented in the study however there was gender disparity. On the age of the respondents, 40% of the respondents who were the majority were between 35 and 39 years, 22% were between 30 and 34 years, 16% were below 30 years, 13% were between 40 and 44 years, while 9% were 45 years and above. This was a result of the high number of support staff who responded to the study and according to the bank; the support staff were employed in their youthful stage. The study requested the respondents to indicate the period of time worked in the organization. 47% of the respondents who were the majority had worked

for a period between 4 to 5 years, 29% had worked for a period between 6 to 10 years, 15% had worked for a period between 1 to 3 years while 9% had worked for a period of over 10 years. The findings show that the respondents had vast experience and knowledge on the organization. On the level of education, 47% of

# the respondents who were the majority were bachelor degree holders, 39% held a post graduate diploma while 14% held a master's degree. This inferred that the respondents were literate and could respond to the questionnaire. This inferred that the respondents were learned and where employed on merit.

# **Guaranteed Pay**

#### **Table 1: Guaranteed Pay**

Statements	Mean	Std. Deviation
Basic salary needs to be revised and increased	4.01	.723
Seniority allowance should be paid to all staff	4.00	.861
The same salary and wage should be paid to every employee	3.71	.755
Pay structure should be based on individual input	4.05	.339
Salary should match what similar organizations	3.82	.563
Competence related allowances should be introduced in the bank	3.94	.219
Average	3.92	0.576

Table 1 showed that respondents agreed with the forms of compensation as employees of KWFT. This was shown by an average score of 3.92 in that; employees agreed that pay structures needed to be based on individual input as shown by a mean score of 4.05, employees agreed that basic salary needed to be revised and increased as shown by a mean score of 4.01, employees agreed that seniority allowance needed to be paid to all staff as shown by a mean score of 4.00, employees agreed that competence related allowances needed to be introduced in the bank as shown by a mean score of 3.94, employees agreed that salary needed to match with similar organizations as shown by a mean score of 3.82 and respondents agreed that the same salary and wage needed to be paid to every employee as shown by a mean score of 3.71.

From the above findings, employees were not fully satisfied with the various forms of guaranteed pay offered in the organization. These findings were supported by Kraiger (2011) who pointed out that monetary rewards in terms of guaranteed pay have so much importance that if no proper attention was paid to them or ignoring them would act as a demotivator.

## Variable Pay

The study requested the respondents to indicate their level of agreement on the following statements in relation to the influence of variable pay on OCB.

#### **Table 2: Variable Pay**

	Mean	Std. Deviation
Transport allowance	3.51	.952
House allowance should be introduced	4.02	1.288
Annual bonus	3.39	.137
Incentive bonus	3.44	1.049
Tips should be authorised and documented	3.93	.251
Average	3.65	0.735

Table 2 showed that respondents agreed that they were satisfied with the forms of compensation as employees of KWFT. This was shown by an average score of 3.65 in that; employees agreed that house allowance needed to be introduced as shown by a mean score of 4.02, employees agreed that tips needed to be authorized and documented as shown by a mean score of 3.93, employees agreed that they were satisfied with the transport allowance as shown by a mean score of 3.51, employees agreed that they were satisfied with incentive bonus as shown by a mean score of 3.44 and employees agreed that they were satisfied with annual bonus as shown by a mean score of 3.39. This means that employees were satisfied with the various forms of variable pay offered by the organization.

## **Organizational Citizenship Behavior**

# **Table 3: Organizational Citizenship Behavior**

	Mean	Std. Deviation
Employees are happy working in the current organization	3.59	.359
Employees feel a strong sense of belonging to the organization	3.61	.538
Scarcity of jobs is what keeps employees	3.90	1.043
Loyalty is what keeps employees at KWFT	3.41	.167
I give my time to help employees with work- related problems	3.66	.116
I support employees who have problems at work	3.62	1.066

These findings were in line with Aluchio (2009) who argued that variable pay was a consideration to people fairly, equitably and consistently in accordance with their value of service offered. The findings were also supported by Lyness and Heilman (2013) who pointed out that tipping level depended with how satisfied the issuer felt in relation to the output offered.

I take time out of my day to help train new employees	3.49	.292
I talk to other employees before taking actions that might affect them	3.52	.952
I share my knowledge and expertise with other employees	3.57	.288
I help out other team mates if someone falls behind in his/her practice	3.22	.137
I highly welcome and assist new employees in the firm	3.11	1.049
Average	3.51	0.546

Table 3 showed that respondents agreed to statements on organizational citizenship behavior as shown by an average score of 3.51. Respondents agreed that scarcity of jobs is what kept them to a great extent as shown by a mean score of 3.90, respondents agreed that they gave their time to help employees with work- related problems to a great extent as shown by a mean score of 3.66, respondents agreed that they supported employees who had problems at work to a great extent as shown by a mean score of 3.62, respondents agreed that they felt a strong sense of belonging to the organization to a great extent as shown by a mean score of 3.61, respondents agreed that they were happy working in the current organization to a great extent as shown by a mean score of 3.59 and respondents agreed that they shared their knowledge and expertise with other employees to a great extent as shown by a mean score of 3.57.

The study also found that respondents agreed that they talked to other employees before taking actions that affected them to a moderate extent as shown by a mean score of 3.52, respondents agreed that they took time out of their day to help train new employees to a moderate extent as shown by a mean score of 3.49, respondents agreed that loyalty is what kept employees at KWFT to a moderate extent as shown by a mean score of 3.41, respondents agreed that they helped out other team mates if they fell behind in their practices to a moderate extent as shown by a mean score of 3.22 and respondents agreed that they highly welcomed and assisted new employees in the firm to a moderate extent as shown by a mean score of 3.11.

These findings were supported by Aluchio, (2009) who stated that the more contemporary definition of OCB includes work-oriented behaviors which are behaviors that are prescribed by role and directed at the organization. Contemporary researchers support the notion that organizational citizenship behaviors should be conceptualized as a global concept that includes all positive work behaviors, both in-role and extra-role behaviors, directed at the organization.

# CONCLUSION AND RECOMMENDATIONS

The study found that employees agreed with the forms of compensation in KWFT and also agreed that basic salary needed to be revised and increased, seniority allowance needed to be paid to all staff, the same salary needed to be paid to every employee, pay structures needed to be based on individual output, salary needed to be matched with similar organizations and competence related allowances needed to be introduced in the bank.

The study also found that employees agreed that they were satisfied with the forms of compensation in KWFT. They also agreed to the transport allowances, annual bonuses, incentive bonuses, house allowances and that tips needed to be authorized and documented.

## **Conclusion of the Study**

The study concludes that guaranteed pay depicts an organization's appreciation of its human resource contributions as it is the amount of remuneration received for a specific job. Guaranteed pay levels have various aims which include; supporting the achievement of the organizations strategic and short term objectives by ensuring that it has the skilled, competent, motivated and committed workforce it needs: helps to communicate organizational values and performance expectation and supporting culture management and change by matching pay culture to organization culture.

The study also concludes that getting the OCB of employees over the compensation programs that are being offered to employees is a difficult task. The challenge is determining allowances in comparison of what the employees expect and how much they receive and comparing their compensation programs with other people of same jobs in the organization as well overestimating their own performance as compared to their colleagues.

## Recommendations

To ensure organizational citizenship behavior, basic salary needs to be revised and increased, seniority allowances need to be paid to all staff, pay structures need to be based on individual input, salary needs to match with that of other organizations and competence related allowances need to be introduced in the bank.

To ensure adequate commitment to the organization, the study recommends that employees need to be empowered to contribute to the overall planning of the organization and direction of the company as this enhances their organization citizenship behavior.

Because compensation is an important variable in predicting the organizational citizenship behaviors that can benefit KWFT organization, the study recommended that the management should ensure that the compensation was put as an important priority to encourage employees to be more spontaneous and willing to achieve the organizational goals.

## Suggestions for Further Research

A replication of this study should be carried out but this time using a larger sample, more time should be allocated to the same and a combination of more than one data collecting instruments should be used like interview and focus group discussions. These would help to counter check the information provided. Further this research was carried out in KWFT and the result findings generalized to the organization. Thus further research needs to be done on citizenship behavior among employees in other organizations to compare findings.

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