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Employee Motivation Strategies and Performance of the
Commercial State Corporations in Kenya



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Employee Motivation Strategies and Performance of the Commercial State Corporations in Kenya

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ABSTRACT

Purpose: The general objective of this study is to examine the influence of employee motivation strategies on performance of the commercial state corporations in Kenya. Specifically, the study sought to assess the influence of work-life balance policies on performance of the commercial state corporations in Kenya and to establish the influence of employee reward system on performance of the commercial state corporations in Kenya. This study was guided by Conservation of Resources (COR) Theory and Equity Theory.

Methodology: This study used a cross-sectional survey design. The study targeted a total of 184 respondents comprising of employees working the human resource department in commercial state corporations in Kenya. The study adopted Yamane (1957) to determine the appropriate sample size. Hence, the sample size of the study was 126 respondents. In this study, primary data was collected using a semi structured questionnaire. This study used closed-ended questions to collect the data. The researcher collected questionnaires, code them, and enter them into the Software Package for Social Sciences (SPSS version 26) for analysis. The descriptive statistical techniques of frequency, mean, and standard deviation was used to analyze the quantitative data acquired. Inferential statistics including regression and correlation analysis was used in the study. Pearson correlation coefficient was used for testing associations between the independent and the dependent variables. A multiple regression model was used to test the significance of the influence of the independent variables on the dependent variable.

Findings: The study concludes that work-life balance policies have a positive and significant influence on performance of the commercial state corporations in Kenya. In addition, the study concludes that employee reward system has a positive and significant influence on performance of the commercial state corporations in Kenya.

Unique Contribution to Theory, Policy and Practice: Based on the findings, the study recommends that the management of commercial state corporations in Kenya should strengthen and modernize their employee reward systems by adopting a performance-based approach that fairly links rewards to measurable individual and organizational outcomes.

Keywords: *Employee Motivation Strategies, Work-Life Balance Policies, Employee Reward System, Commercial State Corporations*

Background of the Study

Commercial state corporations are government-owned entities established to operate in commercial markets with the primary goal of generating profit while delivering goods or services (Varma, 2020). They are typically created to manage strategic industries or essential services, such as energy, transportation, or communications, where government oversight is considered beneficial for national interests or economic stability (Sulistyaningsih & Hung, 2022). Commercial state corporations play a crucial role in the economic development and stability of a country. One of their primary functions is to provide essential goods and services in sectors where private investment may be limited due to high capital requirements or lower profit margins (Siddiqui & Rida, 2020). By operating in areas like transportation, energy, and water supply, these corporations ensure that critical infrastructure and services are accessible to the population, often at affordable prices. Their presence helps prevent monopolistic practices and supports equitable development across different regions (Mukwasani, *et al*, 2022). Additionally, commercial state corporations contribute to job creation and skill development. As large-scale employers, they provide direct employment opportunities and promote industrial growth by sourcing materials and services locally (Lake, Sirah & Woldetensay, 2021). These corporations also generate government revenue through taxes and dividends, reducing the reliance on foreign aid or borrowing. In times of economic uncertainty, they can act as stabilizing forces by maintaining service delivery and employment levels when private businesses may scale back (Ackah, 2020).

Moreover, commercial state corporations can be used as instruments of policy implementation. Governments often use them to drive national development goals, such as rural electrification, industrialization, or technological advancement (Mutuyimana & Sikubwabo, 2024). Because they operate under government oversight, they can align their objectives with broader social and economic strategies. However, to fulfill their role effectively, these corporations must be managed with transparency, efficiency, and accountability to avoid issues such as corruption, mismanagement, or political interference (Anele, 2022).

Employee motivation strategies are techniques and practices that organizations use to inspire and encourage employees to perform at their best and remain committed to their work. These strategies can include both intrinsic and extrinsic motivators, such as offering competitive salaries and benefits, providing recognition and rewards for good performance, creating opportunities for career development and advancement, and fostering a positive and supportive work environment (Mona & Mwasiaji, 2023). Effective communication, employee involvement in decision-making, and establishing clear goals and expectations also play a critical role in motivating employees. By implementing these strategies, employers can boost productivity, improve job satisfaction, and reduce turnover rates (Anyieni & Atambo, 2020).

Work-life balance policies are essential for maintaining employee well-being and productivity. These policies may include flexible working hours, remote work options, paid time off, and support for family responsibilities (Ongalo & Tari, 2022). When employees are able to manage their personal and professional lives effectively, they experience less stress and burnout, leading to higher job satisfaction and performance. A well-structured reward system comprising bonuses, promotions, recognition, and other incentives reinforces positive behavior and encourages high performance (Musangi, Ngui & Senaji, 2023). This study seeks to examine the influence of employee motivation strategies on performance of the commercial state corporations in Kenya.

Commercial State Corporations (CSCs) in Kenya are government-owned enterprises that operate with the primary objective of generating profit while providing goods and services to the public. These corporations play a key role in the Kenyan economy by contributing to national income, creating employment opportunities, and supporting the development of strategic sectors such as energy, transport, finance, and agriculture (Mona & Mwasiaji, 2023). Unlike purely service-oriented government agencies, CSCs are expected to be self-sustaining and to operate efficiently under commercial principles, similar to private sector businesses. These entities are established by Acts of Parliament or under the Companies Act, and they are typically overseen by the relevant government ministries, along with regulatory oversight from the State Corporations Advisory Committee (SCAC) and the National Treasury (Anyieni & Atambo, 2020). Examples of well-known CSCs in Kenya include Kenya Power and Lighting Company (KPLC), Kenya Ports Authority (KPA), Kenya Pipeline Company (KPC), and Kenya Airways. Their strategic importance often justifies government ownership, particularly in sectors where private investment may be inadequate or where national interests are at stake (Ongalo & Tari, 2022).

CSCs are expected to maintain high standards of corporate governance, transparency, and accountability. However, many of them have faced challenges such as mismanagement, corruption, financial inefficiencies, and political interference. These problems have led to calls for reforms, including privatization, restructuring, and performance-based management contracts (Musangi, Ngui & Senaji, 2023). To address these issues, the Kenyan government has in recent years taken steps to improve governance through enhanced oversight, financial audits, and the appointment of qualified professionals to boards and management teams. Despite these challenges, Commercial State Corporations remain vital to Kenya's socio-economic development (Mumbi & Makori, 2021). With improved management and regulatory reforms, CSCs have the potential to deliver quality services, generate revenue for the government, and drive industrial growth. Balancing profitability with public interest remains the central challenge in ensuring that these corporations fulfill their mandates effectively (Mona & Mwasiaji, 2023).

Statement of the Problem

Over the years, the performance of Commercial state corporations in Kenya has been declining over the years. These organizations often grapple with bloated wage bills, inefficient operations,

poor governance, and political interference (Ongalo & Tari, 2022). For instance, Kenya Airways, one of the largest state-owned enterprises, saw its market capitalization plummet from KSh 98.6 billion in 2017 to KSh 21.7 billion in 2020—a 78% decline. This was largely due to operational inefficiencies and the impact of external shocks such as the COVID-19 pandemic (Musangi, Ngui & Senaji, 2023). Similarly, Kenya Power reported a staggering drop of 83.3% in its market value, falling to just KSh 2.9 billion within the same period. These losses are compounded by issues such as rampant electricity theft, delayed government payments, and outdated infrastructure. Such financial instability makes it difficult for these corporations to invest in innovation, expand operations, or adequately compensate and motivate employees, thus reinforcing a cycle of underperformance (Mumbi & Makori, 2021).

State corporations in Kenya also struggle to maintain or grow their market share in the face of stiff competition from more agile and customer-focused private firms. As of 2022, a mere five firms—Safaricom, East African Breweries Limited (EABL), KCB Group, Equity Bank, and Co-op Bank—accounted for an overwhelming 77.23% of the total market capitalization at the Nairobi Securities Exchange (NSE) (Mona & Mwasiaji, 2023). This reflects a highly concentrated market where public corporations find it difficult to compete, primarily due to bureaucratic delays, lack of innovation, and insufficient marketing strategies. The dominance of these private sector players limits opportunities for state-owned firms to attract new customers, improve their brand reputation, or offer competitive pricing. Without deliberate strategies to improve efficiency and service delivery, these public enterprises risk further marginalization in the marketplace (Anyieni & Atambo, 2020).

Customer satisfaction is another significant challenge for commercial state corporations in Kenya. Many of these institutions are plagued by slow service delivery, poor communication, and outdated service models, which frustrate clients and damage public trust. While some have made commendable improvements—like the Kenya Medical Research Institute (KEMRI), which achieved an 80% satisfaction score in its 2024 survey—others remain severely underperforming (Ongalo & Tari, 2022). The National Cereals and Produce Board (NCPB), for example, continues to face complaints about poor storage facilities, procurement inefficiencies, and inconsistent service. These problems not only deter customers but also diminish the institution's relevance and effectiveness in fulfilling its mandate. Low customer satisfaction often reflects deeper organizational issues such as demotivated staff, unclear service standards, and lack of accountability—areas that could benefit directly from improved employee motivation strategies (Musangi, Ngui & Senaji, 2023).

Employee motivation strategies are crucial drivers of organizational performance. When employees are well motivated they are more likely to exhibit higher levels of commitment, efficiency, and innovation (Mumbi & Makori, 2021). Various studies have been conducted in different parts of the world on employee motivation strategies on organization performance. For instance, Mona and Mwasiaji (2023) conducted a study on the influence of employee motivation

strategies on the performance at the central organization of trade unions. Anyieni and Atambo (2020) investigated the role of employee motivation on employees' performance and Ongalo and Tari (2022) assessed on the effect of employee motivation strategies on organizational performance. However, none of these studies focused on work-life balance policies and employee reward system on performance of the commercial state corporations in Kenya. To fill the highlighted gaps, the current study sought to examine the influence of employee motivation strategies (work-life balance policies and employee reward system) on performance of the commercial state corporations in Kenya.

Objectives of the Study

General Objective

The general objective of this study is to examine the influence of employee motivation strategies on performance of the commercial state corporations in Kenya

Specific Objectives

- i. To assess the influence of work-life balance policies on performance of the commercial state corporations in Kenya
- ii. To establish the influence of employee reward system on performance of the commercial state corporations in Kenya

Theoretical Framework

A theory is a group of concepts and ideas used in the explanation of events and other things, particularly the ones based on general principles independent of the event to be explained. The theoretical review gives an introduction of the theories that are used to express the reason for the existence of the research. In addition, a theoretical review provides the main variables that affect the phenomenon under study and points out the need to consider the effect of these variables under different circumstances (Sahal & Bett, 2022). This study was guided by Conservation of Resources (COR) Theory and Equity Theory

Conservation of Resources (COR) Theory

Conservation of Resources (COR) Theory, developed by Stevan E. Hobfoll (1989), is a psychological model that focuses on how individuals strive to acquire, maintain, and protect valuable resources (Alwedyan, 2021). Resources in this context refer to anything that an individual values, such as personal characteristics (e.g., self-esteem, competence), social support, time, money, energy, and material possessions. The central premise of COR Theory is that people are motivated to protect their resources because the loss of these resources can have negative psychological and physical consequences, while the gain of resources can lead to positive outcomes (Aljaf & Sadq, 2022). The theory suggests that stress occurs when individuals perceive a threat to their resources, experience actual resource loss, or fail to gain sufficient resources to cope with life's demands. In particular, COR Theory emphasizes the impact of resource loss over

the potential for resource gain. According to Hobfoll, resource loss is more significant and damaging than resource gain (Varma, 2020). This is because the depletion of resources can lead to a vicious cycle, where individuals who experience loss are more vulnerable to further losses, which in turn leads to increased stress and decreased well-being. On the other hand, those who have a surplus of resources are better equipped to handle challenges and are less likely to experience stress (Sulistyaningsih & Hung, 2022).

Another key aspect of COR Theory is the concept of "resource caravans," which refers to the idea that resources tend to cluster together in individuals' lives. For example, someone with strong social support may also have better mental health, increased financial stability, and access to more opportunities (Siddiqui & Rida, 2020). These interconnected resources work together to create a buffer against stressors, making it easier for individuals to adapt to or recover from difficult situations. Furthermore, Hobfoll emphasizes the importance of resource investment, where individuals who actively invest in maintaining or acquiring resources (such as building social networks or enhancing skills) are more likely to protect themselves against stressors and thrive in the face of adversity. COR Theory also highlights the role of individual differences in how people perceive and respond to resource loss or gain (Mukwasani, *et al*, 2022). Personal characteristics such as personality, prior experiences, and coping styles can influence the way a person evaluates the significance of a resource loss and their ability to recover from it Lake, (Sirah & Woldetensay, 2021). Additionally, the theory suggests that environmental and contextual factors, such as social support systems, work conditions, or economic circumstances, can either amplify or mitigate the effects of resource loss and gain (Ackah, 2020). This theory was used to assess the influence of work-life balance policies on performance of the commercial state corporations in Kenya.

Equity Theory

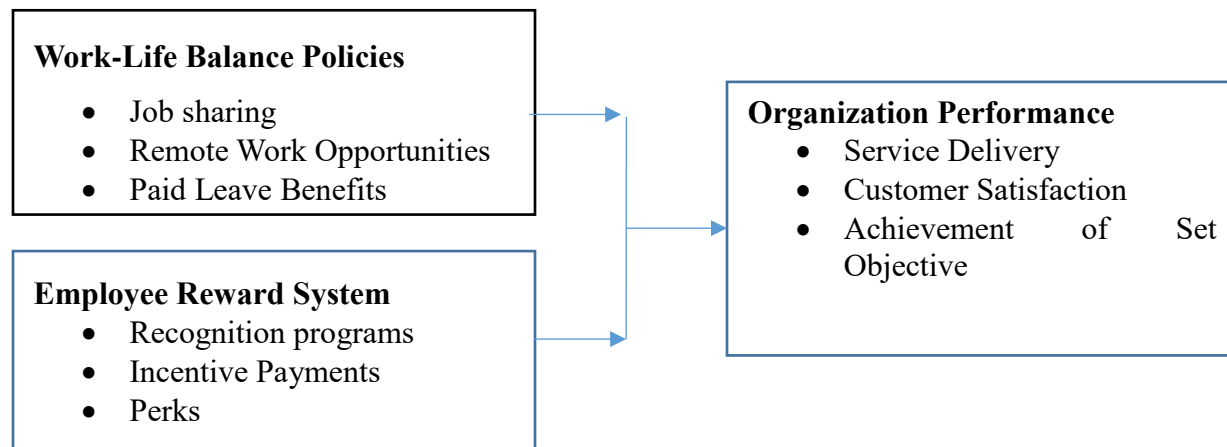
Equity Theory is a psychological framework that explains how individuals assess fairness in social exchanges and relationships, particularly in terms of the balance between inputs and outcomes (Mutuyimana & Sikubwabo, 2024). Developed by John Stacey Adams (1963), the theory suggests that people are motivated by a desire to maintain fairness and justice in their relationships, both in the workplace and in personal life. According to Equity Theory, individuals compare the ratio of their own inputs (such as effort, time, skills, and resources) to the outputs (such as rewards, recognition, or compensation) they receive (Anele, 2022). This ratio is then compared to the ratio of others in similar situations. If an individual perceives an imbalance—where their input/output ratio is lower or higher than that of others—feelings of inequity arise, potentially leading to dissatisfaction, resentment, or changes in behavior to restore fairness (Mona & Mwasiaji, 2023).

The theory outlines three primary reactions when inequity is perceived: under reward inequity, over reward inequity, and equity. In the case of under reward inequity, an individual feels that

they are receiving less than they deserve relative to others, which often leads to feelings of frustration, anger, or demotivation (Anyieni & Atambo, 2020). Conversely, over reward inequity occurs when someone perceives they are receiving more than they deserve, which might cause guilt or anxiety due to the imbalance. Ideally, equity is achieved when the input/output ratios are perceived as equal or fair, leading to satisfaction and motivation. In order to restore equity, individuals may attempt to adjust their inputs (e.g., reducing effort) or outcomes (e.g., seeking higher rewards), or they might even alter their perceptions of what is fair (Ongalo & Tari, 2022). In organizational settings, Equity Theory is crucial for understanding employee motivation and job satisfaction. When employees perceive that their contributions are fairly compensated and valued, they are more likely to feel motivated and committed to their work (Musangi, Ngui & Senaji, 2023). On the other hand, if they believe they are being treated unfairly in comparison to their peers, it can lead to decreased productivity, lower morale, and higher turnover rates. This theory encourages employers to create environments where fairness is maintained through equitable compensation, recognition, and opportunities for advancement (Mumbi & Makori, 2021). This theory was used to establish the influence of employee reward system on performance of the commercial state corporations in Kenya.

Conceptual Framework

Conceptual framework is a diagram showing the relationship between the independent variables and the dependent variable (Prabhat & Meenu, 2019). In this study, the independent variables are work-life balance policies and employee reward system while the independent variable is performance of the commercial state corporations in Kenya



Independent Variables

Dependent Variable

Figure 1: Conceptual Framework

Work-Life Balance Policies

Work-Life Balance Policies refer to organizational strategies, formal policies, and practices designed to enable employees to effectively manage the demands of their professional roles

alongside their personal and family responsibilities (Wöhrmann, Dilchert & Michel, 2020). These policies aim to reduce role conflict, minimize occupational stress, and enhance overall employee well-being, thereby improving job satisfaction, productivity, and organizational commitment. In the contemporary workplace, where job-related pressures often extend beyond traditional working hours, work-life balance policies are essential for fostering a healthy, sustainable, and supportive work environment (Tumusiime, 2023).

Job Sharing is a structured employment arrangement where two employees share the responsibilities and benefits of one full-time position (Mutheu, Kiflemariam & Ngui, 2020). This policy allows employees to work reduced hours while still contributing meaningfully to organizational goals. From a work-life balance perspective, job sharing reduces employee workload and time-related stress, enabling individuals to fulfill personal obligations such as caregiving, further education, or health management. By distributing tasks between two competent individuals, job sharing can maintain productivity levels while promoting flexibility and psychological relief among participants (Kamwenji, Ngugi & Kamaara, 2020).

Remote Work Opportunities encompass organizational provisions that allow employees to perform their job duties from locations outside the traditional office setting (Tuwei, 2020). This component of work-life balance policies recognizes the significance of spatial and temporal flexibility in modern employment. Remote work reduces commuting time, supports individualized work schedules, and facilitates the management of personal responsibilities during the workday. It is particularly valuable in reducing burnout, enhancing autonomy, and aligning work demands with personal circumstances, which collectively contribute to higher morale and employee retention (Islam & Ismail, 2020).

Paid Leave Benefits represent a category of entitlements that allow employees to take time off from work without loss of income. This includes annual leave, maternity and paternity leave, sick leave, and compassionate leave, among others (Emejulu, 2020). Paid leave plays a critical role in supporting work-life balance by providing employees with necessary time to attend to personal, family, and health-related matters without the added stress of financial insecurity. It promotes recovery, prevents exhaustion, and acknowledges the holistic needs of workers beyond their job functions (Omuya, 2020).

Employee Reward System

An employee reward system refers to a structured approach organizations use to recognize and compensate employees for their performance, contributions, and achievements (Islam & Ismail, 2020). This system can include both monetary rewards, such as salaries, bonuses, and allowances, and non-monetary rewards, such as recognition, career development opportunities, and employee appreciation programs. In the context of commercial state corporations in Kenya, an effective employee reward system is crucial for motivating staff, fostering loyalty, and enhancing job satisfaction. When employees feel that their efforts are acknowledged and fairly

rewarded, they are more likely to be committed, productive, and aligned with the organization's goals. A well-designed reward system, therefore, plays a vital role in driving organizational performance and long-term success (Emejulu, 2020).

Recognition programs are structured initiatives designed to acknowledge and appreciate employees' contributions, achievements, and efforts (Omuya, 2020). These programs can take various forms, such as "Employee of the Month" awards, public acknowledgments, certificates of appreciation, or even verbal praise during team meetings. In commercial state corporations in Kenya, recognition programs can be a powerful motivator as they foster a sense of value and belonging among employees. When employees feel seen and appreciated for their work, they are more likely to remain engaged, motivated, and committed to their roles. Recognition also strengthens organizational culture by promoting positive behaviors and encouraging continuous improvement (Ndungu, 2020).

Incentive payments are financial rewards given to employees based on their performance or achievement of specific goals (Mugaa, Guyo & Odhiambo, 2020). These payments can include bonuses, commissions, profit-sharing, or performance-based allowances. In the context of Kenyan state corporations, incentive payments serve as a direct and tangible form of motivation, encouraging employees to strive for excellence and meet or exceed their targets. When tied to measurable outcomes, these incentives not only boost individual performance but also align employee efforts with the broader organizational objectives, ultimately enhancing overall productivity and efficiency (Islam & Ismail, 2020).

Perks are additional non-wage benefits provided to employees beyond their regular compensation package (Emejulu, 2020). These may include health insurance, company-sponsored retreats, wellness programs, transportation allowances, on-site meals, or flexible work arrangements. In commercial state corporations in Kenya, offering attractive perks can significantly boost employee satisfaction and morale. Perks help create a supportive and rewarding work environment, reduce stress, and improve the overall quality of life for employees. When strategically implemented, perks can serve as an effective tool for attracting and retaining talent, while also driving higher levels of employee engagement and performance (Omuya, 2020).

Empirical Review

Work-Life Balance Policies and Organization Performance

Wöhrmann, Dilchert and Michel (2020) conducted a study on the effect of working time flexibility and work-life balance in Germany. The interviews lasted about 35min and focused on employees' working time, but they also covered other topics such as working conditions, socio-demographics, employment, and organizational characteristics, as well as aspects of health and well-being. Taken together, the study's findings highlight the importance of the design of flexible working time arrangements for improving employees' work-life balance. The study

concluded that employers should grant their employees a certain degree of working time autonomy while keeping organization-oriented working time requirements, such as changes of working time at short notice to accommodate operational demands, to a minimum.

Tumusiime (2023) conducted a study on the effect of promoting work-family balance as a strategy for optimizing female faculty productivity in Uganda's public universities. The article is based on a study, which was designed as an analytical cross-sectional survey because it was intended to analyse the nature of work-family balance, WWB and productivity of female faculty members as it was in its current. The study found that level of each of these variables was established by asking the selected female faculty members to use the Likert scale of responses ranging. The conclusions indicate that most of the selected female faculty members did not attain the desired level of work-family balance and WWB, and their productivity was suboptimal

Mutheu, Kiflemariam and Ngui (2020) conducted a study on the effects of work life balance practices on employees' job satisfaction: a case of Kenya Wildlife Service. The purpose of this study was to determine the effects of work life balance practices on job satisfaction of employees at Kenya Wildlife Service. The survey questionnaire was administered randomly to employees at the headquarter offices of Kenya Wildlife Service. Out of the 141 questionnaires distributed for this research, 105 questionnaires were returned giving a response rate. From the findings, the study established that work life balance practices positively impacted on job satisfaction of employees at Kenya Wildlife Service. Conclusions indicate that respondents were moderately satisfied with their jobs at the Kenya Wildlife Service and that supervisors encourage personal development.

Kamwenji, Ngugi and Kamaara (2020) conducted a study on the effect of Work-Life balance benefits and employee performance in the state corporations in Kenya. This study sought to establish the influence of work-life benefits on employee performance in state corporations in Kenya. The study used descriptive and explanatory research designs with a sample size of 642. The findings showed that work-life balance rewards moderately influence employee performance. The study concluded that most state corporations in Kenya recognized work-life balance programs; however, these organizations hardly budgeted for the work-life programs

Tuwei (2020) conducted a study on the effect of work life balance on service delivery in selected county referral hospitals in Kenya. The main purpose determined the effect of work-life balance on service delivery. Descriptive research design was adopted. The study targeted a population of 431 employees with a sample size of 367 respondents. The study findings showed that work life balance has significant and positive effect on service delivery. The study concluded that work life balance enhances service delivery.

Employee Reward and Organization Performance

Islam and Ismail (2020) conducted a study on the effect of ranking of employees' reward and recognition approaches: a Malaysian perspective. As stated before, people do not have equal

preference on a particular type of reward/recognition. To know the preference level on these ways, a survey was conducted in which 505 employees working at over 96 various Malaysian organizations participated. The present research intends to find out the specific reward and recognition approaches preferred by the employees working in various Malaysian organizations. The study concluded that one of the laws of Psychology says if you want someone to repeat a behavior, you should positively recognize the behavior immediately.

Emejulu (2020) conducted a study on the effect of employee rewards and its performance implication: a South Eastern Nigeria experience. The population of the study was 26,741 civil servants from South Eastern States of Nigeria. A sample size of 5136 was arrived at through the application of Borg and Gall method. The study revealed that there was a statistical significant relationship between employee recognition and performance in civil service in South East of Nigeria and that there was a statistical significant relationship between staff development and employee performance in civil service in South East of Nigeria. Sequel to this, it was concluded that reward systems has significant performance implication for civil servants.

Omuya (2020) conducted a study on the influence of compensation and rewards on employee performance in public universities in Kenya. The study sought to evaluate the influence of compensation and reward on employees' performance in public universities in Kenya. Descriptive survey research design was employed which allows the researcher achieve greater control of the study and to improve the validity of the study by examining the research problem. The target population included all the HR workers in selected public universities with a sample of 125 HR employees. The findings of the study showed that most of the respondents were not sure that recruitment and selection as an HRM practice has contributed to employee performance in public universities in Kenya. Based on the study findings the researcher concludes that employee performance can be influenced by proper adherence to recruitment and selection, employee training, work compensation and reward and employee relations practices and procedures.

Ndungu (2020) conducted a study on the effect of rewards and recognition on employee performance in public educational institutions: a case of Kenyatta University, Kenya. A descriptive research design was used in the investigation of the effects of rewards and recognition on Kenyatta University staff performance. Stratified random sampling and purposive random sampling were used in sampling design. Questionnaire as research instrument was used and was distributed to 360 employees of Kenyatta University. Results showed significantly positive relationship between reward and recognition, with employee performance. In addition a very positive and significant relationship was also observed between job performance and the independent variables (extrinsic rewards, intrinsic rewards and financial rewards, recognition rewards, working environment and leadership styles). The conclusions of this study indicate that employees in Kenyatta University are less motivated by financial and recognition rewards and the variables contribute to a small extent in improving their job performance

Mugaa, Guyo and Odhiambo (2020) conducted a study on the influence of financial reward on employee performance in large commercial banks in Nairobi City County in Kenya. The study sought to determine the effect of financial reward on employee performance. Operant Conditioning Theory on financial rewards was used to inform the study. The study adopted 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 established a positive and significant relationship between financial reward and employee performance. The alternate hypothesis was not rejected. Based on the findings, the study concluded that financial reward has a positive and significant effect on employee performance

RESEARCH METHODOLOGY

Research Design

Research is a road map; the plan that specifies the intellectual framework to be followed in carrying out the research. Research design constitutes a blue print for collecting and analysing data (Cooper & Schindler, 2018). This study used a cross-sectional survey design. This is an observational design that enables the researcher to collect data to make inferences about a population of interest. It was employed to collect data on indicators that describe the variables, which was done through sampling of the respondents. Cross-sectional research designs provide a clear 'snapshot' of the outcome and the characteristics associated with it, at a specific point in time).

Target Population

The target population is a collection of research components that refers to all members of an actual or imaginary group of people, events, or objects to whom the findings should be applied (Prabhat & Meenu, 2019). It can also be described as the set of sampling units or cases that the researcher is interested in. The target population, according to Kothari (2019), is a physical representation that contains all the units that could be members of the sample. A population can alternatively be thought of as the whole collection of elements from which the study wants to draw conclusions. This study targeted commercial state corporations in Kenya. According to State Corporations Advisory Committee (SCAC) (2024), there is a total of 46 commercial state corporations in Kenya. The unit of analysis was therefore the 46 commercial state corporations while the unit of observation was employees working the human resource department. The study targeted a total of 184 respondents comprising of employees working the human resource department.

Table 1: Target Population

Category	Target Population
Human Resource Managers	46
Assistants	46
Junior Employees	92
Total	184

Sample Size and Sampling Procedure

A sample is a representative of certain known percentage, frequency distributions of elements' characteristics similar to the corresponding distributions within the whole population (Kasomo, 2019). The study adopted Yamane (1957) to determine the appropriate sample size. The sample size was as follows;

$$\text{Where: } n = \frac{N}{1 + Ne^2}$$

n= Sample size

N= Population size

e= margin of error 5%

Hence the sample size was as follows:

$$n = \frac{184}{1 + 184(0.05)^2}$$

$$n = \frac{184}{1.46}$$

$$n = 126$$

Hence, the sample size of the study was 126 respondents. Sampling technique is the method used to select a sample from study population (Cooper & Schindler, 2017). In this study, simple random sampling was adopted to select study sample. The advantage of simple random sampling is that it ensures every member of the population has an equal chance of being selected for the study (Yamane, 1967). Additionally, simple random sampling reduces sampling bias and produces representative samples that can be used to make inferences about the population (Kothari, 2019).

Table 2: Sample Size

Category	Target Population	Sample Size
Human Resource Managers	46	31
Assistants	46	31
Junior Employees	92	64
Total	184	126

Data Collection Instruments

There are several ways of collecting data which differ considerably in terms of money costs, time and other resources at the disposal of the researcher (Orodho, 2018). The choice of data collection instrument is often very crucial to the success of a research and thus when determining an appropriate data collection method, one has to take into account the complexity of the topic, response rate, time and the targeted population (Mwangi, 2015). Different tools are used to collect different types of data. There is primary data that is collected directly from the respondents; it is information that has never been collected while there is secondary data collection tools that are used to collect secondary data. In this study, primary data was collected using a semi structured questionnaire because they are cost effective and convenient to collect and summarise responses (Zikmond, 2019).

This study used closed-ended questions to collect the data. Closed-ended questions were used where respondents were restricted to direct their answers without further explanation while the open-ended questions sought respondent's views on variables being studied. The use of a semi structured questionnaire has also been adopted by Gitahi (2019), Sialala (2016) and Hassan (2017) in their studies.

Pilot Study

In social science research, the word "pilot study" has two meanings. It can refer to "feasibility studies," which are small-scale versions, or "trial runs," carried out in advance of a larger investigation (Polit & Beck, 2017). A pilot study, according to Kothari (2018), is an imitation and rehearsal of the main survey. A pilot study, on the other hand, might be used to test or try out a new research instrument (Gujarati, 2017). A pilot study could reveal areas where the major research project might falter, such as if research protocols aren't being followed or whether proposed methodologies or instruments are inadequate or overly complicated (Nassiuma, 2019). A pilot study of data collection instruments was conducted to check that the items in the questionnaire are stated clearly, have the same meaning for target respondents, and provide the researcher with an estimate of how long it takes to complete the questionnaire. According to (Green, 2018) It is utilized to improve the validity and relevance to the study objectives.

The lessons learned for improving both research design and data collection process get it done.es should be conclusively stated openly in the pilot study report. Because the pilot study is considered an essential component of the study protocol (Yin, 2019), the lessons learned from it is eventually be reflected in the design of the protocol and content (Riege, 2017).

Data Analysis and Presentation

The researcher collected questionnaires, code them, and enter them into the Software Package for Social Sciences (SPSS version 26) for analysis. The sort function was used to perform the initial screening. The data was based on the study's objectives and research hypothesis. The

descriptive statistical techniques of frequency, mean, and standard deviation was used to analyze the quantitative data acquired. The results were displayed using frequency distribution tables, which kept track of how many times a score or response appears.

Inferential statistics including regression and correlation analysis was used in the study. According to Saunders *et al.* (2017), correlation is a statistical tool that helps to determine the relationships between two or more variables. Cooper and Schindler (2019) indicate that correlation, as measured by a correlation coefficient, is the degree to which a linear predictive relationship exists between random variables. Pearson correlation coefficient was used for testing associations between the independent and the dependent variables. According to Wagana (2017), a correlation coefficient (r) has two characteristics, strength and direction. The strength of the relationship is indicated by how r tends toward 1, the maximum value possible. r is interpreted as follows; when $r = +1$ it means there is perfect positive correlation between the variables, when $r = 0$ it means there is no correlation between the variables, that is the variables are uncorrelated, when $r = -1$ it means there is perfect inverse correlation between the variables.

A multiple regression model was used to test the significance of the influence of the independent variables on the dependent variable. Regression analysis attempts to determine whether a group of variables together predict a given dependent variable and, in this way, attempts to increase the accuracy of the estimate (Mugenda & Mugenda, 2017). The use of regression model is ideal due to its ability to show whether a positive or a negative relationship exists between independent and dependent variables (Mason, Lind, & Marchal, 2019).

Statistical Model

The multiple regression equation model is illustrated below: -

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + e$$

Where:

Y is the dependent variable (Performance of the commercial state corporations in Kenya),

β_0 is the constant (Co-efficient of intercept)

β_1 , and β_2 are beta coefficients,

X_1 is work-life balance policies,

X_2 is employee reward system,

e is an error term

RESEARCH FINDINGS AND DISCUSSIONS

Descriptive Statistics Analysis

Work-Life Balance Policies and Organization Performance

The first specific objective of the study was to assess the influence of work-life balance policies on performance of the commercial state corporations in Kenya. The respondents were requested to indicate their level of agreement on statements relating to work-life balance policies and performance of the commercial state corporations in Kenya. The results were as presented in Table 3.

From the results, the respondents agreed that the organization provides opportunities for employees to work remotely or outside the traditional office setting ($M=3.842$, $SD= 0.635$). In addition, the respondents agreed that flexible working policies are clearly communicated and accessible to all employees ($M=3.829$, $SD=0.885$). Further, the respondents agreed that employees have the option to adjust their start and finish times to better suit their personal needs ($M=3.806$, $SD= 0.605$).

From the results, the respondents agreed that the organization supports varying work schedules without compromising productivity or team collaboration ($M=3.785$, $SD= 0.556$). In addition, the respondents agreed that job sharing is effectively managed to ensure continuity and quality of work ($M=3.761$, $SD= 0.873$). Further, the respondents agreed that employees are encouraged to consider job sharing as a viable option for balancing work and personal life ($M=3.748$, $SD= 0.696$).

Table 3: Work-Life Balance Policies and Organization Performance

	Mean	Std. Dev
The organization provides opportunities for employees to work remotely or outside the traditional office setting.	3.842	0.635
Flexible working policies are clearly communicated and accessible to all employees.	3.829	0.885
Employees have the option to adjust their start and finish times to better suit their personal needs.	3.806	0.605
The organization supports varying work schedules without compromising productivity or team collaboration.	3.785	0.556
Job sharing is effectively managed to ensure continuity and quality of work.	3.761	0.873
Employees are encouraged to consider job sharing as a viable option for balancing work and personal life.	3.748	0.696
Aggregate	3.795	0.708

Employee Reward System and Organization Performance

The second specific objective of the study was to establish the influence of employee reward system on performance of the commercial state corporations in Kenya. The respondents were requested to indicate their level of agreement on employee reward system and performance of the commercial state corporations in Kenya. The results were as shown in Table 4

From the results, the respondents agreed that the organization regularly recognizes employee achievements ($M=3.883$, $SD= 0.765$). In addition, the respondents agreed that recognition programs motivate employees to perform better ($M=3.876$, $SD=0.845$). Further, the respondents agreed that incentives encourage employees to exceed targets ($M=3.865$, $SD= 0.688$).

From the results, the respondents agreed that the incentive system is transparent and well understood ($M=3.848$, $SD= 0.788$). In addition, the respondents agreed that the organization offers meaningful perks that enhance job satisfaction ($M=3.828$, $SD= 0.686$). Further, the respondents agreed that employee perks meet the diverse needs of the workforce ($M=3.812$, $SD= 0.617$).

Table 4: Employee Reward System and Organization Performance

Statements.	Mean	Std. Dev
The organization regularly recognizes employee achievements.	3.883	0.765
Recognition programs motivate employees to perform better.	3.876	0.845
Incentives encourage employees to exceed targets.	3.865	0.688
The incentive system is transparent and well understood.	3.848	0.788
The organization offers meaningful perks that enhance job satisfaction.	3.828	0.686
Employee perks meet the diverse needs of the workforce.	3.812	0.617
Aggregate	3.852	0.732

Inferential Statistics

Inferential statistics such as correlation analysis and regression analysis were used to assess the relationships between the independent variables (work-life balance policies and employee reward system) and the dependent variable (performance of the commercial state corporations in Kenya).

Correlation Analysis

This research adopted Pearson correlation analysis to determine how the dependent variable (performance of the commercial state corporations in Kenya) relates with the independent variables (work-life balance policies and employee reward system).

Table 5: Correlation Coefficients

		Organization Performance	Work-Life Balance Policies	Employee Reward System
Organization Performance	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	110		
Work-Life Balance Policies	Pearson Correlation	.842**	1	
	Sig. (2-tailed)	.001		
	N	110	110	
Employee Reward System	Pearson Correlation	.883**	.217	1
	Sig. (2-tailed)	.000	.099	
	N	110	110	110

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

From the results, there was a very strong relationship between work-life balance policies and performance of the commercial state corporations in Kenya ($r = 0.842$, p value =0.001). The relationship was significant since the p value 0.001 was less than 0.05 (significant level). The findings are in line with the findings of Wöhrmann, Dilchert and Michel (2020) who indicated that there is a very strong relationship between work-life balance policies and organization performance.

Moreover, there was a very strong relationship between employee reward system and performance of the commercial state corporations in Kenya ($r = 0.883$, p value =0.000). The relationship was significant since the p value 0.000 was less than 0.05 (significant level). The findings are in line with the findings of Emejulu (2020) who indicated that there is a very strong relationship between employee reward system and organization performance.

Regression Analysis

Multivariate regression analysis was used to assess the relationship between independent variables (work-life balance policies and employee reward system) and the dependent variable (performance of the commercial state corporations in Kenya)

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.801	.642	.641	.10428

a. Predictors: (Constant), work-life balance policies and employee reward system

The model summary was used to explain the variation in the dependent variable that could be explained by the independent variables. The r-squared for the relationship between the independent variables and the dependent variable was 0.642. This implied that 64.2% of the variation in the dependent variable (performance of the commercial state corporations in Kenya) could be explained by independent variables (work-life balance policies and employee reward system).

Table 7: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	63.841	2	31.921	95.859	.000 ^b
1	Residual	35.604	107	.333		
	Total	99.445	109			

a. Dependent Variable: performance of the commercial state corporations in Kenya

b. Predictors: (Constant), work-life balance policies and employee reward system

The ANOVA was used to determine whether the model was a good fit for the data. F calculated was 95.859 while the F critical was 3.081. The p value was 0.000. Since the F-calculated was greater than the F-critical and the p value 0.000 was less than 0.05, the model was considered as a good fit for the data. Therefore, the model can be used to predict the influence of work-life balance policies and employee reward system on performance of the commercial state corporations in Kenya.

Table 8: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.305	0.080		3.813	0.000
	work-life balance policies	0.344	0.090	0.345	3.822	0.001
	employee reward system	0.385	0.101	0.384	3.812	0.000

a Dependent Variable: performance of the commercial state corporations in Kenya

The regression model was as follows:

$$Y = 0.305 + 0.344X_1 + 0.385X_2 + \varepsilon$$

According to the results, work-life balance policies has a significant effect on performance of the commercial state corporations in Kenya, ($\beta_1=0.344$, p value= 0.001). The relationship was considered significant since the p value 0.001 was less than the significant level of 0.05. The findings are in line with the findings of Wöhrmann, Dilchert and Michel (2020) who indicated that there is a very strong relationship between work-life balance policies and organization performance.

The results also revealed that employee reward system has significant effect on performance of the commercial state corporations in Kenya, ($\beta_1=0.385$, p value= 0.000). The relationship was considered significant since the p value 0.000 was less than the significant level of 0.05. The findings conform to the findings of Emejulu (2020) that there is a very strong relationship between employee reward system and organization performance

CONCLUSION AND RECOMMENDATIONS

Conclusions

The study concludes that work-life balance policies have a positive and significant influence on performance of the commercial state corporations in Kenya. Findings revealed that job sharing, remote work opportunities and paid leave benefits influence performance of the commercial state corporations in Kenya

In addition, the study concludes that employee reward system has a positive and significant influence on performance of the commercial state corporations in Kenya. Findings revealed that recognition programs, incentive payments and perks influence performance of the commercial state corporations in Kenya

Recommendations of the Study

The study recommends that the management of commercial state corporations in Kenya should strengthen the design and implementation of comprehensive work–life balance policies as a strategic driver of employee performance. This can be achieved by formalizing flexible working arrangements such as staggered working hours, hybrid work options where feasible, and structured leave policies that are consistently applied across departments.

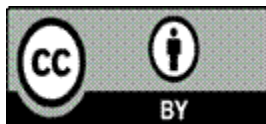
In addition, the study recommends that the management of commercial state corporations in Kenya should strengthen and modernize their employee reward systems by adopting a performance-based approach that fairly links rewards to measurable individual and organizational outcomes.

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