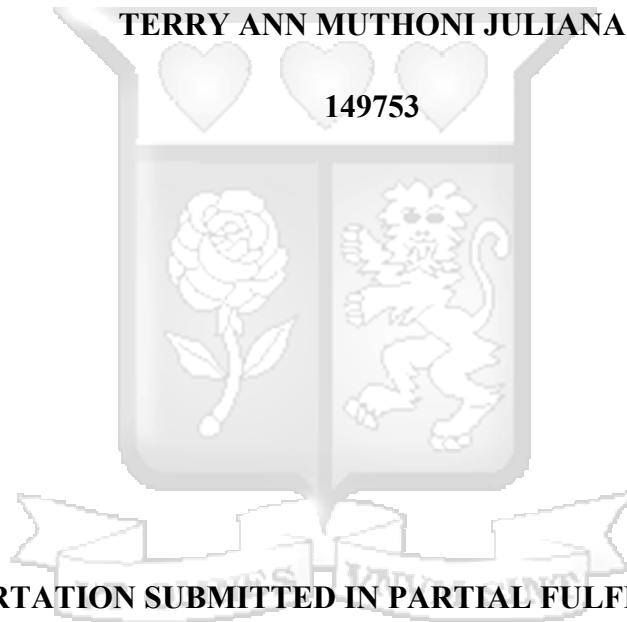


**EMPLOYEES MOTIVATION AND SELECTION OF RETIREMENT
OPTIONS AMONG CIVIL SERVICE EMPLOYEES IN NAIROBI CITY
COUNTY, KENYA**

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NAIROBI, KENYA

FEBRUARY 2025

DECLARATION

I declare that this work has not been previously submitted and approved for the award of a degree by this or any other university. To the best of my knowledge and belief, this dissertation contains no material previously published or written by another person except where due reference is made in the paper itself.

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Approval

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ABSTRACT

Whereas the Kenyan pension industry has reported steady growth over time in terms of the assets under management, the uptake of retirement options in civil service employees in Kenya is low. Many working adults still prefer saving through other channels like banks, SACCOs and collective investments rather than pension schemes. This research investigated the influence of motivation on the selection of retirement preparation options among civil service employees in Nairobi County, Kenya. The study integrated Vroom's Expectancy Theory of Motivation and the Life-Cycle Hypothesis (LCH) Theory to examine how perceived future benefits, belief in reward systems, and the value of rewards impact retirement planning decisions. The primary objective was to investigate how these motivational factors influence employees' selection of various retirement preparation options. To achieve this, the study used structured questionnaires to collect primary quantitative data from a target sample of 384 civil service employees based in Nairobi County. The final sample was 294, representing a response rate of 76.5%. The data analysis employed a multiple regression model to examine the relationships between the motivational factors and the selection of different retirement options. The results indicated that perceived future benefits had a significant positive effect on the selection of retirement preparation option. Additionally, the findings from this study showed that belief in reward systems also had a significant positive effect on the selection of retirement preparation options. Lastly, the findings from this research indicated reward value had a significant positive effect on the selection of retirement preparation options. The findings from this study can help policymakers, such as the Retirement Benefits Authority (RBA), the Treasury, Union of Kenya Civil Servants (UKCS), and the Public Service Commission (PSC), formulate policies, procedures and regulations to increase the selection of retirement preparation options by employees in civil service, which should focus on improving perceived benefits of retirement preparation options, belief in reward systems, and the reward value of retirement preparation options. Based on the findings from this research, it is recommended for managers of government agencies to adopt practices to improve the perceived future benefits of retirement planning, belief in the retirement planning, and reward practices. These practices can help improve the selection of retirement preparation options.

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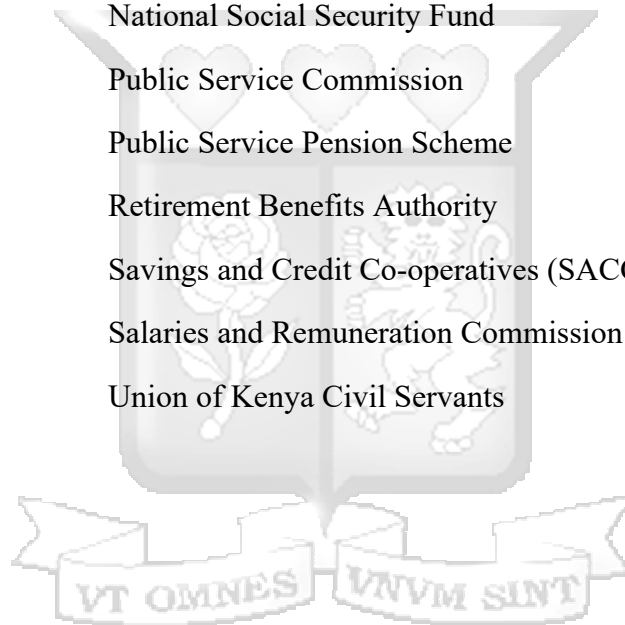
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LIST OF ACRONYMS

HSA	Health Saving Account
IRA	Individual Retirement Accounts
IRBS	Individual Retirement Benefits Schemes
KES	Kenyan Shilling
LAPFUND	Local Authorities Provident Fund
LCH	Life-Cycle Hypothesis
LAPTRUST	Local Authorities Pension Trust Fund
ORBS	Occupational Retirement Benefits Schemes
NSSF	National Social Security Fund
PSC	Public Service Commission
PSPS	Public Service Pension Scheme
RBA	Retirement Benefits Authority
SACCOs	Savings and Credit Co-operatives (SACCOs)
SRC	Salaries and Remuneration Commission
UKCS	Union of Kenya Civil Servants



DEFINITION OF TERMS

Employee Motivation

For this study, employee motivation was defined as the level of effort that they put towards a task, especially if they believe that their efforts will lead to better performance and rewards (Guven, 2019).

Belief in Reward Systems

Belief in reward system was defined as employee's perception that investing time and resources in retirement options will indeed lead to expected rewards, such as financial security or higher returns (Frank et al., 2012).

Perceived Future Benefits

Perceived future benefits expectancy was defined as the belief among civil servants that their active engagement in planning and investing in retirement options will effectively enhance their financial security in retirement (Seijts et al., 2014).

Reward Value

Reward value was defined as the attractiveness of the financial security provided by engaging in various retirement preparation options (Allen et al., 2013)

Retirement Options

Retirement options was operationalized in terms of six retirement schemes offered by organizations including individual retirement accounts (IRAs), real estate investments, stock market investments, annuities, life insurance products, and health savings accounts (HSAs) (Brown & Weisbenner, 2013; Beshears et al., 2015).

CHAPTER ONE

INTRODUCTION

This chapter presents an introduction to the topic of this research. The elements covered in this chapter include the background that conceptualizes the variables and the context of the study, the statement of the problem, research objectives and questions, significance and scope of the study.

1.1 Background of the Study

Retirement options, such as defined contribution plans, involve regular contributions by employees and sometimes employers into retirement accounts, which allows employees to have direct control over their retirement savings (Dorfman, 2015). This contrasts with defined benefit schemes, which are based on an employee's earning history, tenure, and age, and do not offer the same level of individual discretion or control over investments. Numerous benefits of retirement preparation for employees have been documented in the literature including facilitating early retirement, increased average life expectancy, being able to meet the high medical expenses in old age, fulfilling one's retirement goals, maintaining the current lifestyle, financial independence, and diversifying income sources (Frank et al., 2012). Retirement preparation options can enable people to retire early rather than waiting for a certain age to retire. In addition, retirement planning alleviates the financial stress associated with retirement at old age, which can in turn increase one's life expectancy (Anantharaman & Chuk, 2019).

For organizations, retirement preparation options have been linked to sustainability and growth of firms (Dorfman, 2015). Offering employees with retirement preparation options helps in attracting and retaining top talent, especially in the competitive job market of today. Retirement preparation options can serve as incentives to attract top-performing employees (Guyen, 2019). These options reduce financial stress of employees; thus, increasing their productivity. Retirement preparation options can also lessen the firm's overall tax burden and enhancing the firm's reparation (Vermeer et al., 2012).

Despite the benefits of retirement preparation options for employees and organizations, their uptake is low, especially among civil service employees. The

uptake of retirement planning schemes in Kenya remains low since employees still prefer other savings avenues like SACCOS and banks. While the Kenyan pensions industry has witnessed consistent growth in terms of assets under management, from KES 403 billion in 2011 to KES 1574 billion in 2021, only 12% of adult Kenyans in the labor force are saving for their retirement using retirement planning schemes (Cytonn, 2022). This shows the low uptake of retirement preparation options in Kenya. As result, organizations need to devise ways of increasing the uptake of these retirement options.

Employee motivation constitutes one of the potential strategies that organizations can use to increase the selection of retirement preparation options (Dorfman, 2015). This view is based on the assumption that the more employees value an outcome (retirement options), the more they are motivated to achieve it as outlined in Vroom's expectancy theory (Dirks & Ferrin, 2014). While studies on the factors that influence the selection of retirement options has been done, there seems to be scarce studies focusing specifically on the influence of motivation on the selection of retirement options, particularly with a focus on civil service employees; thus, the need for the present research.

The relationship between employee motivation and the selection of retirement preparation options is central to this study. Motivation, as conceptualized through Vroom's Expectancy Theory, serves as a critical driver influencing the effort employees invest in preparatory financial decisions (Gerhart & Fang, 2014). Specifically, constructs such as perceived future benefits, belief in reward systems, and reward value directly affect employees' willingness to engage with various retirement preparation options (Lloyd & Mertens, 2018). Perceived future benefits enhance the perceived utility of retirement planning by linking proactive financial behavior to long-term security (Seijts et al., 2014). Similarly, belief in reward systems ensures that employees trust the mechanisms and outcomes of their chosen options, such as pensions or investments, thereby fostering commitment (Dirks & Ferrin, 2014). Reward value increases the attractiveness of these options by aligning them with personal goals like job satisfaction or career growth (Gerhart & Fang, 2014). The study integrates these motivational constructs to explore their impact on the selection of retirement preparation options, emphasizing the dynamic interplay between individual perceptions, organizational incentives, and financial planning outcomes.

This relationship provides the framework for understanding how to enhance the uptake of retirement preparation options among civil service employees, ultimately addressing both individual and organizational financial security goals.

Strengthening employee motivation to select retirement options is not only a matter of individual financial security but also a national economic imperative. Higher engagement with retirement schemes reduces the dependency on government-funded social security programs and promotes economic stability. Moreover, organizations that encourage retirement options benefits from higher employee productivity, improved job satisfaction, and a stronger employer brand (Guyen, 2019).

This study seeks to address the gap in understanding the motivational factors influencing the selection of retirement preparation options among civil service employees in Nairobi City County. The findings can provide actionable recommendations for policymakers, employers, and financial institutions to improve uptake and ultimately enhance financial security for civil service employees.

1.2 Statement of the Problem

The uptake of retirement options in civil service employees in Kenya is low (Akwimbi, 2020; Amurono, 2024). Whereas the Kenyan pension industry has reported steady growth over time in terms of the assets under management from KES 403.2 billion in 2011 to KES 1574 billion in 2021, Amurono (2024) reports that the uptake of retirement options is still low. Only 12% of the adults in the Kenyan labor force have saved for their retirement using retirement benefits scheme (Amurono, 2024). Many working adults still prefer saving on other channels like banks, SACCOs and collective investments rather than pension schemes. The low uptake of retirement options threatens the financial security of employees after retirement (Rukwaru, 2019). In addition, the low uptake of retirement options adversely affects the reputation of employers in that they appear not to be doing enough to secure the future of their current employees during retirement. In addition, the problem of low-uptake affects the government in terms of increased expenditures on social security for the elderly due to inadequate retirement planning (Akwimbi, 2020). Therefore, the proposed study

will focus on examining the influence of motivation on the selection of retirement options among civil service employees in Nairobi City County, Kenya.

While studies on the selection of retirement options exist, conceptual, contextual and methodological gaps have been found in the literature with respect to the factors that influence the uptake of retirement options. The concept of selection of retirement options and the determinants of their selection varies across studies in terms of their conceptualization and operationalization (Vermeer et al., 2012; Robertson-Rose, 2021). The methodologies used by studies on the selection of retirement options also vary, which include explanatory designs (Guyen, 2019), descriptive designs (Anantharaman and Chuk, 2019), and qualitative approaches including phenomenology (Robertson-Rose, 2021) and grounded theory (Holzmann, 2014). Moreover, the contexts of existing research on the selection of retirement options also vary with most studies conducted in Western contexts (Robertson-Rose, 2021; Vermeer et al., 2012). There are scarce studies conducted in the Kenyan context that has a markedly different regulatory and cultural environment compared to Western contexts. Due to the identified conceptual, contextual and methodological gaps, the proposed research will examine the influence of employee motivation on the selection of retirement options by civil service employees in Nairobi City County, Kenya.

1.3 Main Objective of the Study

The main objective of the study was to evaluate the influence of employee motivation on the selection of retirement options among civil service employees in Nairobi City County, Kenya.

1.3.1 Specific Objectives of the Study

The specific objectives of the study are as follows:

- i. To assess the influence of perceived future benefits on the selection of retirement options among civil service employees in Nairobi County, Kenya.
- ii. To evaluate the influence of the belief in reward systems in the selection of retirement preparation options among civil service employees in Nairobi County, Kenya.
- iii. To investigate the influence of reward value on the selection of retirement preparation options among civil service employees in Nairobi County, Kenya.

1.4 Research Questions

The following are the research questions for this study:

- i. What is the influence of perceived future benefits on the selection of retirement options among civil service employees in Nairobi County, Kenya.
- ii. What is the influence of the belief in reward systems in the selection of retirement preparation options among civil service employees in Nairobi County, Kenya.
- iii. What is the influence of reward value on selection of retirement preparation options among civil service employees in Nairobi County, Kenya.

1.5 Significance of the Study

1.5.1 Significance to Policymakers

This study was of considerable value to policymakers, such as RBA and the Treasury, Union of Kenya Civil Servants (UKCS), and the Public Service Commission (PSC), in terms of increasing the uptake of retirement options. The findings from this research might help these policymakers formulate policies, procedures and regulations to increase the selection of retirement preparation options by employees in civil service. Policymakers may benefit from insights into employee motivations for diverse retirement strategies, informing the creation of supportive policies that enhance retirement security for civil servants.

1.5.2 Significance to Practice

Managers of public service organizations might also benefit from this study's recommendations in terms of motivation practices that they can adopt to encourage employees to take up retirement options. The recommendations from this study might help managers of these organizations to implement effect practices to enhance employee motivation in terms of improving perceived benefits of retirement preparation options, belief in reward systems, and the reward value of retirement preparation options, which can in turn enhance the selection of retirement options. Pension fund managers might receive valuable information on what drives employees

to engage with different retirement preparation options. This understanding can guide the development of tailored investment options that better meet the needs of civil servants.

1.5.3 Significance to Theory

Academics may find the study's contributions to the limited context-specific literature on retirement planning within Sub-Saharan Africa valuable, particularly in enriching the academic discussions on pension management and retirement security. The results from this study will lead to a better understanding of the influence of motivation on the selection of retirement options in the Kenyan context, especially among civil service employees. In addition, this study could form the basis for future studies on the selection of retirement options.

1.6 Scope of the Research

The conceptual scope of this study was to examine the influence of employee motivation on the selection of retirement options. While there are several concepts of employee motivation, this study only focused on perceived future benefits, belief in reward system and belief in reward system. The retirement options that were examined in this study were IRAs, real estate investments, stock market investments, annuities, life insurance products, and HSAs. The target population of this research civil service employees in Nairobi City County. According to SRC (2023), Nairobi City County has the highest number of civil service workers, estimated at approximately 32099 civil servants, which constituted the population for this study. The methodological scope of the proposed study was quantitative, using descriptive cross-sectional research design. The unit of analysis in this research was the civil service employee.

1.7 Chapter Summary

This chapter has presented an introduction to the topic of this research. The elements covered in this chapter include the background that conceptualizes the variables and the context of the study, the statement of the problem, research objectives and questions, significance and scope of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The review of literature in this section is intended to provide insights into what is known of the study objectives through interrogation of academic findings and theories on the topic of interest. The section is thus structured into four main sub-sections – theoretical foundation, empirical literature, research gap and finally, conceptual framework.

2.2 Theoretical Review

This section presents the theories that were used to inform the current research. The anchoring theory was Vroom's expectancy theory while the supporting theory was Life-Cycle Hypothesis (LCH) theory. The postulation, criticism and the link between these theories and the study variables are discussed in the following subsections.

2.2.1 Vroom's Expectancy Theory

Vroom's expectancy theory was proposed by psychologist Vroom (1964) in his work on motivation. This theory postulates that people's behaviour emanates from conscious choices among alternatives that serve to minimize pain and maximize pleasure; therefore, motivation is directly linked to expectations that one's efforts will produce their desired goals. Furthermore, this theory holds that if an individual values an outcome, their motivation to achieve the outcome will be high. The higher the effort out in an outcome, the higher likelihood of being satisfied with the outcome. Vroom's theory centres around three constructs – expectancy, instrumentality, and valance – to explain the link between performance, effort and motivation. Expectancy speaks to the extent to which a person is willing to exert themselves towards the attainment of a goal (Vroom, 1964). Instrumentality speaks to the relation between the effort and the reward; the person in question gauges the extent to which the effort is likely to result in the promised outcome (Vroom, 1964). Finally, valance, relates to the value that the person in question assigns to the promised outcome (Vroom, 1964). Vroom's theory will be the anchoring theory for this study.

Vroom's theory has a number of strengths including being a comprehensive model, providing an individualized approach to motivation, strong predictive power in explaining employee motivation, and flexible application across industries and contexts (Lloyd & Mertens, 2018). This theory is comprehensive and takes into consideration multiple factors that influence motivation, including outcomes, performance and effort, and their interlinkages. This theory also acknowledges that people have varying expectations and perceptions regarding the association between outcomes, performance and effort (Min et al., 2020). In addition, Vroom's theory has been studied and validated in research as well as organizational settings that have demonstrated its strong predictive power in explaining employee motivation. Despite these strengths, the limitations of Vroom's theory include the assumption of rationality and disregard for contextual factors. This theory assumes that people are rational decision-makers, which is not often the case since biases, emotions and other social factors can influence employee behaviours (Lloyd & Mertens, 2018). In addition, this theory overlooks the effect of contextual factors, like leadership style and organizational culture, on employee motivation.

Notwithstanding these limitations, Vroom's theory will be the anchoring theory that forms the basis for the independent variable of employee motivation. The constructs of the independent variable. Perceived future benefits was based on the concept of expectancy in Vroom's theory (Vroom, 1964). In this study, perceived future benefits expectancy was defined as the belief among civil servants that their active engagement in planning and investing in retirement options will effectively enhance their financial security in retirement (Min et al., 2020). The construct of belief in reward system was based on the concept of instrumentality in Vroom's theory (Vroom, 1964). For this study, belief in reward system was defined as employee's perception that investing time and resources in retirement options will indeed lead to expected rewards, such as financial security or higher returns (Lloyd & Mertens, 2018). The construct of reward value was based on the concept of valence in Vroom's theory (Vroom, 1964). For this study, reward value was defined as the attractiveness of the financial security provided by engaging in various retirement preparation options. In summary, the theory was used to operationalize the concept of motivation in this study.

2.2.1 The Life-Cycle Hypothesis (LCH) theory

The Life-Cycle Hypothesis (LCH) was originally put forth by economists Franco Modigliani and Richard Brumberg in the 1950s (Modigliani & Brumberg, 1954). This theory posits that individuals plan their consumption and saving behaviors based on their expected lifetime income and financial needs. Since its inception, the LCH has undergone several refinements. Originally designed to explain aggregate savings rates, the theory has evolved to incorporate varying income profiles, financial literacy, and other variables like varying rates of return (Ganic & Mamuti, 2020). According to the LCH, if individuals perceive their pension as an important component of lifetime wealth, they would be motivated to contribute more during periods of high income (Modigliani & Brumberg, 1954). Agency problems, such as mistrust in pension fund management, could also be better understood through this lens (Eisenhardt, 1989).

The LCH theory has numerous strengths, including providing a comprehensive explanation for understanding savings and consumption behavior across individual's lifespan, providing a long-term perspective of individual's savings and consumption behavior, and a strong predictive power (Ganic & Mamuti, 2020). This theory also takes into consideration a person's expectations, preferences, and income levels across their life stages. However, one main criticism of the LCH is its assumption of rational and forward-looking behavior (Martini & Spataro, 2024). The theory often presupposes stable income over one's life, which is not universally applicable (Ganic & Mamuti, 2020). Moreover, it does not account for inherited wealth or alternative saving goals like education or leaving an inheritance (Martini & Spataro, 2024).

For this study, the Life-Cycle Hypothesis offered a useful framework for understanding the economic incentives behind pension contributions. This theory was used to form the basis for the dependent variable – the selection of retirement options among civil service employees in Nairobi City County. The LCH theory, thus, served as among the potential definers of the basis for separation of options among many in selection of augmenting retirement preparation options.

This study employs Vroom's Expectancy Theory and the Life-Cycle Hypothesis (LCH) Theory to frame the relationship between motivation and the selection of

retirement preparation options. The conceptual framework is anchored on these theories, as both provide complementary perspectives on the decision-making processes underlying retirement preparation behaviors.

Vroom's Expectancy Theory (1964) focuses on the motivational aspects influencing employee decisions. The theory's core constructs—expectancy, instrumentality, and valence—are aligned with the independent variables of the conceptual framework. Specifically, expectancy informs the construct of perceived future benefits, highlighting how employees' belief in the effectiveness of their efforts motivates engagement in retirement planning. Instrumentality aligns with the construct of belief in reward systems, emphasizing the perceived relationship between retirement preparation efforts and tangible outcomes such as financial security. Valence is reflected in the construct of reward value, focusing on the attractiveness of retirement preparation options and their alignment with employees' personal and professional goals. Thus, the conceptual framework operationalizes Vroom's constructs to examine how motivation influences the selection of retirement preparation options.

The Life-Cycle Hypothesis (Modigliani & Brumberg, 1954) complements Vroom's theory by providing an economic perspective on retirement preparation. This theory posits that individuals plan their consumption and savings based on expected lifetime income and financial needs, emphasizing the importance of long-term financial planning. The dependent variable—selection of retirement preparation options—is directly linked to the LCH, which underscores the need for individuals to make preparatory investments to ensure financial security in retirement. By integrating the LCH, the conceptual framework accounts for how employees prioritize different retirement options based on their life stages, income stability, and perceived financial adequacy.

Together, these theories provide a robust foundation for the conceptual framework, linking motivational constructs to the economic rationale behind retirement preparation decisions. The integration of Vroom's Expectancy Theory and the LCH ensures that the framework captures both the psychological and financial dimensions of retirement planning. This comprehensive approach enables the study to examine how motivational factors influence employees' engagement with various retirement

preparation options, ultimately bridging gaps in existing literature and contributing to both theory and practice.

2.3 Conceptual Review

2.3.1 Employee Motivation

Frank et al. (2012) defined motivation as employees' consideration of contributing to their retirement accounts. For Dorfman (2015), motivation refers to the extent to which employees are inspired to enroll in a retirement scheme. Motivation has also been defined as the commitment that employees have towards retirement planning and their retirement goals. In addition, Vermeer et al. (2012) defined motivation as how employees visualize their retirement and the degree to which they are prepared to retire. Anantharaman and Chuk (2019) provided a general conceptualization of employee motivation as the internal intrinsic drive to put the needed action and effort towards work-related tasks. For this study, employee motivation was defined as the level of effort that they put towards a task, especially if they believe that their efforts will lead to better performance and rewards (Güven, 2019).

In this study, employee motivation was operationalized using three constructs including the perceived future benefits, belief in reward system and belief in reward system. Perceived future benefits is based on the concept of expectancy in Vroom's Expectancy theory, which refers to an individual's belief about the likelihood that their efforts will lead to the achievement of desired goals (Vroom, 1964). In this study, perceived future benefits expectancy was defined as the belief among civil servants that their active engagement in planning and investing in retirement options will effectively enhance their financial security in retirement (Seijts et al., 2014). The indicators that were used to measure perceived future benefits in this study are self-efficacy, perceived control, goal difficulty and clarity, past performance, and task complexity (Schwarzer & Jerusalem, 2014; Parker et al., 2017; Seijts et al., 2014; Shaffer & Postlethwaite, 2012; Wood & Bandura, 2019).

The construct of belief in reward system is based on the concept of instrumentality in Vroom's theory, which is the perceived relationship between performing a particular behavior and achieving a desired outcome (Vroom, 1964). For this study, belief in reward system was defined as employee's perception that investing time and resources

in retirement options will indeed lead to expected rewards, such as financial security or higher returns (Frank et al., 2012). Belief in reward system was measured the following indicators - perceived organizational support, trust in leadership, equity sensitivity, feedback quality, clarity of performance standards (Anseel, Lievens, & Levy, 2015; Baard, Rench, & Kozlowski, 2014; Dirks & Ferrin, 2014; Kurtessis et al., 2017; Sweeney & McFarlin, 2015).

The construct of reward value is based on the concept of valence in Vroom's theory, which is concerned with the value an individual places on the expected outcomes of their efforts (Vroom, 1964). For this study, reward value was defined as the attractiveness of the financial security provided by engaging in various retirement preparation options (Allen et al., 2013). The Sub-constructs that were used in operationalizing the variable are as follows: job satisfaction, career growth opportunities, work-life balance, recognition and, social status, financial incentives (Allen et al., 2013; Gerhart & Fang, 2014; Grant & Shin, 2012; Judge & Kammeyer-Mueller, 2012; Ng et al., 2015).

2.3.2 Retirement Options

Retirement preparation options are diverse financial strategies and tools that individuals engage with during their working years to plan and secure their financial well-being post-retirement. These options offer flexibility and personalization in retirement planning, addressing employees' unique financial goals, risk tolerance, and future income needs (Dorfman, 2015). In the current study, the dependent variable, the selection of retirement preparation options, was operationalized to include six key schemes commonly offered by organizations: individual retirement accounts (IRAs), real estate investments, stock market investments, annuities, life insurance products, and health savings accounts (HSAs). The choice of these six retirement preparation options was informed by existing literature, which highlights their popularity, distinct benefits, and relevance in diverse retirement planning strategies.

2.3.2.1 Individual Retirement Accounts

Individual Retirement Accounts (IRAs) are tax-advantaged savings plans designed to help individuals build a retirement fund. Contributions to IRAs are either tax-deductible (traditional IRAs) or grow tax-free (Roth IRAs), depending on the account

type (Choi et al., 2009). These accounts allow individuals to invest in a variety of assets such as stocks, bonds, or mutual funds, providing flexibility and control over investment choices. The primary advantage of IRAs lies in their tax benefits, which enable savers to grow their retirement funds more efficiently (Brown & Weisbenner, 2013)

Brown and Weisbenner (2013) identify IRAs as a widely used option that offers tax advantages and flexibility in savings and investment decisions, appealing to employees seeking to grow their retirement funds efficiently.

2.3.2.2 Real Estate Investments

Real estate investments involve purchasing properties with the expectation of generating income through rentals or capital appreciation over time. This option provides retirees with tangible assets and potential passive income, making it a preferred choice for individuals seeking stable and predictable cash flows in retirement (Frank et al., 2012). Real estate also acts as a hedge against inflation, as property values typically increase over time. However, the high upfront costs and management requirements are notable challenges (Kwasi et al., 2022). Real estate investments are recognized as a dual-purpose option, providing tangible asset appreciation and potential rental income, which is especially attractive to retirees who value stable passive income streams (Frank et al., 2012).

2.3.2.3 Stock Market Investments

Stock market investments involve purchasing shares in publicly traded companies with the aim of generating long-term growth through capital gains and dividends. These investments can yield higher returns compared to other options, though they carry greater risks due to market volatility (Beshears et al., 2015). Employees often include stocks in their retirement portfolios to take advantage of compound growth, especially when they have a longer time horizon before retirement (Anantharaman & Chuk, 2019). Stock market investments, while associated with higher risk, are documented to yield higher returns over time, which makes them a valuable choice for employees with long-term investment horizons (Beshears et al., 2015).

2.3.2.4 Annuities

Annuities are financial products that provide retirees with a steady stream of income for a specified period or for life in exchange for a lump-sum payment or periodic contributions. These products are particularly beneficial for individuals concerned about outliving their savings (Brown & Weisbenner, 2013). Fixed annuities offer guaranteed payments, while variable annuities fluctuate based on the performance of underlying investments. Annuities serve as a reliable retirement option, especially in mitigating longevity risk (Beshears et al., 2015). Annuities offer the security of a guaranteed income stream throughout retirement; thus, addressing concerns about outliving retirement savings (Brown & Weisbenner, 2013).

2.3.2.5 Life Insurance Products

Life insurance products with an investment component, such as whole life or universal life insurance, offer dual benefits of financial protection and cash value accumulation. These policies allow individuals to grow their investments while ensuring that beneficiaries are provided for in case of unforeseen events (Allen et al., 2013). The cash value can be accessed during retirement, serving as an additional source of funds for retirees (Brown & Laschever, 2012). This makes life insurance a versatile option in retirement planning. Life insurance products with investment components, such as whole life or universal life policies, provide dual benefits of financial protection and cash value accumulation, supporting retirement security (Beshears et al., 2015).

2.3.2.6 Health Savings Accounts

Health Savings Accounts (HSAs) are tax-advantaged accounts that individuals can use to save for medical expenses. Contributions to HSAs are tax-deductible, and withdrawals for qualified medical expenses are tax-free, making them a cost-effective way to manage healthcare costs in retirement (Lee & Painter, 2013). After age 65, funds in HSAs can also be withdrawn for non-medical expenses without penalty, though they are subject to income tax. This flexibility makes HSAs a valuable retirement savings tool (Guyen, 2019). HSAs, though primarily designed for medical expenses, can also be leveraged as a versatile retirement savings tool, offering tax advantages and flexibility in withdrawal for various expenses post-retirement (Guyen, 2019).

The conceptualization of these retirement preparation options aligns with the study's focus on understanding motivational factors influencing active participation in financial planning. By selecting options that span diverse financial goals—such as income replacement, asset accumulation, and risk management—this study captures the range of strategies that employees may prioritize. The justification for these measures lies in their prevalence in retirement literature and their alignment with the broader objectives of retirement planning, which emphasize financial security, independence, and the ability to maintain a desired lifestyle post-retirement (Choi et al., 2009).

In this study, the operationalization of retirement preparation options draws on prior empirical research that employed similar constructs. For instance, Choi et al. (2009) and Beshears et al. (2015) used survey items to evaluate employee preferences for retirement savings plans, investment vehicles, and financial products. Drawing from this approach, the study developed survey items to assess employees' engagement with the six selected retirement preparation options. These measures ensure that the construct is both comprehensive and grounded in established literature

2.3.3 Civil Service Employees in Nairobi City County, Kenya

The context of this research was civil service organizations in Nairobi City County, Kenya. Kenya has about 970,000 civil service employees (Salaries and Remuneration Commission [SRC], 2023). Nairobi City County has the highest number of civil service workers, estimated at approximately 32099 civil servants, which will constitute the population for this study.

Retirement options among civil service employees are regulated by the Retirement Benefits Authority (RBA), which serves as the regulatory body tasked with overseeing how retirement benefits schemes are established and managed in Kenya. In Kenya, civil service employees have access to numerous retirement options, including the Public Service Pension Scheme (PSPS), National Social Security Fund (NSSF), County Pension Scheme (CPS), Local Authorities Provident Fund (LAPFUND), Local Authorities Pension Trust Fund (LAPTRUST), Occupational Retirement Benefits Schemes (ORBS), and Individual Retirement Benefits Schemes (IRBS) (Amurono, 2024). Despite the availability of numerous retirement options for civil service employees, the uptake of these schemes is low. The uptake of retirement planning

schemes in Kenya remains low since employees still prefer other savings avenues like SACCOS and banks. While the Kenyan pensions industry has witnessed consistent growth in terms of assets under management, from KES 403 billion in 2011 to KES 1574 billion in 2021, only 12% of adult Kenyans in the labor force are saving for their retirement using retirement planning schemes (Amurono, 2024). Therefore, this study sought to examine the influence of employee motivation the selection of retirement options among civil service sector employees in Nairobi City County, Kenya.

2.4 Empirical Review

This section aims to review empirical literature pertinent to the objectives of the study, which focus on how various motivational factors influence the selection of retirement options. The focus of this literature review was on perceived future benefits, belief in reward systems and reward value.

2.4.1 Perceived Future Benefits and Selection of Retirement Options

For this study, the variable of perceived future benefits was based on the concept of expectancy in Vroom's theory. Expectancy refers to an individual's belief about the likelihood that their effort will lead to achieving desired retirement preparation options (Vroom, 1964). This belief encompasses the perception that proactive planning and investment in retirement strategies will yield significant future financial benefits. In this study, perceived future benefits expectancy was defined as the belief among civil servants that their active engagement in planning and investing in retirement options will effectively enhance their financial security in retirement (Murari et al., 2021). This belief in retirement planning can be influenced by various factors, including people's ability to make informed retirement planning decisions, control over their retirement planning, clear and achievable retirement planning goals, past experiences with investment, and ability to understand and manage retirement investment options (Murari et al., 2021).

The link between perceived future benefits and the selection of retirement options has been reported in international literature. For instance, Ricci and Caratelli's study (2017) delves into the intersection of financial literacy, trust in financial systems, and retirement planning using a descriptive cross-sectional survey design. Conducted within the European context, this research underscores the critical role that trust in

financial institutions and systems plays in influencing individuals' decisions regarding retirement savings. The study found that higher levels of financial literacy are associated with a greater trust in the retirement system, which in turn encourages more robust and proactive retirement planning.

In their simulation analysis of the German pension system, Fehr et al., (2012) examined the implications of variable retirement age policies on pension savings. Their findings highlight the flexibility such policies offer, allowing individuals to better align their retirement age with personal and financial readiness, which can lead to optimized retirement outcomes. The study's context is particularly relevant given the aging population in Germany and the need for pension systems that adapt to changing demographic and economic landscapes.

Moffatt and Heaven (2017), using a qualitative phenomenological approach, explore personal narratives surrounding the uncertainty of transitioning into retirement, with a particular focus on the UK. Their qualitative approach provides deep insights into the personal fears, hopes, and expectations that individuals navigate as they approach retirement. The study illustrates the profound impact of uncertainty on retirement planning, showing how individuals' anticipation of future needs influences their choice of retirement strategies. Brown and Weisbenner (2013) demonstrated that offering flexibility and customization options in pension plans, such as allowing employees to choose their contribution levels or investment options, increased participation rates and engagement with the plans

Holzmann's (2014) global overview of pension systems identifies key trends, challenges, and reforms in pension planning across different countries. This broad review, using panel data, helps to contextualize the various pension systems' adaptability to demographic changes and economic pressures. Holzmann discusses the essential elements that make pension systems more resilient and responsive to the needs of an aging population, such as sustainability, adequacy, and coverage.

Anantharaman and Chuk (2019), using panel data analysis, examined the impact of governmental accounting standards on the funding of public-sector pensions in the United States. Their findings highlight significant improvements in the transparency and accountability of pension reporting, which in turn affects public trust and the perceived reliability of pension funds. This study is crucial as it links systemic changes

in pension fund management and reporting to individual trust and confidence in the pension system, thereby influencing decisions about additional pension contributions and other retirement preparations. This research underscores the importance of robust regulatory frameworks in fostering a climate of trust that encourages more active and informed participation in retirement planning.

In Nigeria, Abass and Temidayo (2022) investigated the influence of risk attitudes on the selection of pension plans among civil servants in Lagos State. Abass and Temidayo (2022) used a descriptive cross-sectional survey design. The findings revealed that risk averse civil servants preferred defined benefit pension plan whereas risk seeking civil servants preferred defined contribution pension scheme. Abass and Temidayo (2022) concluded that civil servants should be given the liberty to select the class of pension plan that they prefer; thus, underscoring the importance of giving employees control over their investment choices.

In Ghana, an experimental study by Kwasi et al. (2022) provided evidence showing the influence of perceived benefits on the selection of retirement plans. This study investigated the factors influencing the willingness of cocoa farmers in Ghana to participate in pension schemes. The findings showed that the willingness to contribute to a pension scheme was positively influenced by the attributes of the pension scheme, including the low premium, shorter payment method and a high pay amount. Essentially, participants were more likely to enroll in schemes that they perceived to be more beneficial.

In Kenya, Omwombo (2022) investigated the factors that influenced the uptake of a pension saving scheme by informal traders in Nairobi City County. The descriptive cross-sectional design was adopted in this study. The study showed the design of the pension scheme and traders' attitudes towards the scheme significantly influenced its uptake. The design of the scheme in terms of the perceived benefits had a positive effect on its uptake. From this findings, Omwombo (2022) stressed the importance of increasing awareness on the benefits of pension savings scheme.

2.4.2 Belief in Reward Systems and the Selection of Retirement Options

The construct of belief in reward system is based on the concept of instrumentality in Vroom's theory, which is the perceived relationship between performing a particular

behavior and achieving a desired outcome (Vroom, 1964). For this study, belief in reward system was defined as employee's perception that investing time and resources in retirement options will indeed lead to expected rewards, such as financial security or higher returns (Lloyd & Mertens, 2018). Belief in retirement options can be influenced by various factors including support from the organization in retirement planning decisions, trust in the organization's leadership that it offers reliable advice regarding retirement planning, believing that retirement benefits will match efforts, receiving feedback regarding retirement planning, and clear communication regarding retirement investments (Min et al., 2020).

The relationship between belief in reward systems and the selection of retirement options has been demonstrated in the literature. Baard et al. (2014), using a narrative review methodology, present a comprehensive review on the impact of clear performance standards on work outcomes, highlighting that well-defined performance criteria are crucial for improving job satisfaction and overall performance. This study synthesizes findings from various disciplines to argue that when performance expectations are clear, employees are more motivated and engaged, which directly influences their satisfaction with their job and associated benefits, including retirement options. Employees who trust that their contributions to retirement plans will be rewarded are more likely to diversify their retirement savings and engage in planning behaviors that enhance their future financial security.

Gerhart and Fang (2014) adopted a descriptive cross-sectional survey to examine the role of individual financial incentives in motivating employee performance, noting that monetary rewards significantly influence employees' behaviors and commitment to an organization. Their study reviewed various empirical research findings to argue that financial incentives, when perceived as fair and attainable, can enhance performance and loyalty, which extends to financial planning for retirement. The study primarily focused on direct performance-related pay but less so on how these financial incentives impact long-term planning like retirement. The findings showed that understanding that their contributions are not only acknowledged but also rewarded can lead employees to invest more in their retirement plans, particularly in options that offer greater returns or security, such as private equity or real estate investments.

Anseel et al. (2015), using a narrative review, provided a nuanced look at how feedback-seeking behavior is influenced by self-motives, which includes how employees perceive and react to feedback about their performance. Their study integrates findings from organizational behavior and social psychology to show that employees who actively seek and value feedback are more engaged and perform better. This study showed that employees who receive regular, positive feedback about their contributions might be more inclined to invest in retirement options that they perceive as rewarding and beneficial to their long-term financial goals.

Ng et al. (2015) conduct a meta-analysis to identify factors that predict career success, emphasizing the role of job performance and organizational commitment. Their findings indicate that career growth opportunities significantly influence employees' perceptions of their success and satisfaction within their roles. This study revealed that understanding that their career success is recognized and rewarded can motivate employees to select retirement preparation options that they believe will maximize their long-term benefits and security.

The role of organizational leadership in influencing the uptake of retirement options has also been demonstrated in the literature. An experimental study by Choi et al. (2009) revealed that organizational leaders can influence the selection of retirement options through communication and education. This study revealed that effective leaders communicate the importance of retirement options to employees to help them understand the need to plan for their financial future. Leaders can also educate employees on available retirement options that are available at the organization. In another study by Dörr and Heß (2018), it was recommended that leaders set the tone and prioritize employees' long-term financial security and wellbeing, which send a message that enrolling in retirement options is valued and encouraged by the organization. Dörr and Heß (2018) demonstrated that leaders can also lead by example by actively participating in retirement options themselves to illustrate their commitment to long-term financial planning. By investing in their own retirement, employees can model such behaviours and view retirement options as valuable.

In the United States, an experimental study by Beshears et al. (2015) provided evidence showing the positive influence of organizational support and resources in influencing the selection of retirement options. Beshears et al. (2015) showed that

providing employees with accesses to the needed support and resources to make informed decisions regarding their retirement planning positively influenced their uptake of these schemes. In particular, the study showed the positive effect of offering financial education workshops, access to financial advisors, and resources designed to assist employees in navigating their retirement options.

In Nigeria, a descriptive study by Fiiwe (2020) demonstrated the positive effect of communication strategies on the selection of retirement options. Fiiwe (2020) showed that organizational communication that emphasize the importance of communication planning as well as the benefits of pension schemes can increase participation in these schemes among employees. In another study, Obasa (2022) demonstrated the positive effect of leadership behaviour, especially showing concern for employees' wellbeing, on their decision to participate in retirement options.

2.4.3 Reward Value and Selection of Retirement Options

The construct of reward value is based on the concept of valence in Vroom's theory, which is concerned with the value an individual places on the expected outcomes of their efforts (Vroom, 1964). For this study, reward value will be defined as the attractiveness of the financial security provided by engaging in various retirement preparation options. Reward value of participating in retirement options can be influenced by job satisfaction, career growth opportunities, work-life balance, recognition and, social status recognition, and financial incentives (Min et al., 2020). Financial security of retirement schemes is a crucial aspect that influences individuals' decisions to participate in such schemes. The financial security of these schemes can be influenced by various factors including funding adequacy, performance of the investment, oversight and governance and their long-term sustainability (Lloyd & Mertens, 2018).

The link between reward value and the selection of retirement options has been examined in the existing literature. In a systematic review paper that included studies from across the globe, Gerhart and Fang (2014) explore how financial incentives directly influence employee performance, noting that well-structured financial rewards can significantly impact individuals' motivations and organizational commitment. They argue that understanding the specific attributes of financial rewards that

employees value can enhance performance and investment in long-term benefits, including retirement plans.

An explanatory study by Judge and Kammeyer-Mueller (2012), conducted in the United States, provide a comprehensive review of how job satisfaction impacts employee attitudes towards work and subsequent behaviors related to job performance and engagement with organizational benefits. Their research highlights that higher job satisfaction often correlates with a greater appreciation for and participation in workplace benefits, including retirement plans. Employees who are satisfied and see their work environment positively are more likely to engage in and value comprehensive retirement options provided by their employers.

Choukhmane (2019), using a panel data design, examined the impact of default options in retirement savings plans, demonstrating how default settings can significantly influence savings behavior, often leading to passive participation. This research is rooted in behavioral economics and investigates how retirement savings behavior can be affected by the structural design of pension plans. The study focuses on the impact of defaults but less on how active choices driven by perceived reward values influence retirement planning. The findings of this study showed that while default options can guide behavior, the perceived value of opting into more proactive and potentially rewarding retirement options can significantly influence an employee's decision to enhance their retirement preparations.

Allen et al. (2013) explored the relationship between work-family conflict, flexible work arrangements, and their impact on job satisfaction and retention, suggesting that benefits improving work-life balance are highly valued by employees. Utilizing descriptive survey data, this study focuses on how flexible work arrangements can enhance employee satisfaction and influence their engagement with organizational benefits. While the study provides insights into work-life balance benefits, it could extend these findings to how these benefits influence retirement planning decisions. This study is relevant in demonstrating that benefits perceived to add significant value to employees' current work-life balance can encourage similar perceptions towards retirement benefits. Employees who value their work-life balance benefits are likely to engage more actively with retirement preparation options that they perceive as beneficial and aligned with their long-term goals.

The link between job satisfaction and the uptake of retirement schemes was reported in a Danish study by Andersen et al. (2018), which employed a correlational design. The findings from this study showed a positive relationship between job satisfaction and attitudes towards retirement schemes. Andersen et al. (2018) recommended the adoption of organizational initiatives to enhance employee satisfaction in order to enhance the uptake of retirement schemes.

2.6 Research Gaps

Although studies on the selection of retirement options exist, conceptual, contextual and methodological gaps have been found in the literature with respect to the factors that influence the uptake of retirement options. The concept of selection of retirement options and the determinants of their selection varies across studies in terms of their conceptualization and operationalization (Vermeer et al., 2012; Robertson-Rose, 2021). The methodologies used by studies on the selection of retirement options also vary, which include explanatory designs (Guyen, 2019), descriptive designs (Anantharaman and Chuk, 2019), and qualitative approaches including phenomenology (Robertson-Rose, 2021) and grounded theory (Holzmann, 2014). Moreover, the contexts of existing research on the selection of retirement options also vary with most studies conducted in Western contexts (Robertson-Rose, 2021; Vermeer et al., 2012). There are scarce studies conducted in the Kenyan context that has a markedly different regulatory and cultural environment compared to Western contexts. Due to the identified conceptual, contextual and methodological gaps, the proposed research will examine the influence of employee motivation on the selection of retirement options by civil service employees in Nairobi City County, Kenya.

Table 2.1 Gaps in research

Study	Focus of the study	Findings	Research gap	Focus of the current study
Abass and Temidayo (2022)	To investigate the influence of risk attitudes on the selection of pension plans among civil servants in Lagos State, Nigeria	The findings revealed that risk averse civil servants preferred defined benefit pension plan whereas risk seeking civil servants preferred defined contribution pension scheme	Contextual and conceptual	This study focused on the influence perceived future benefits, belief in reward systems, and reward value on the selection of retirement options. The context of this study was Nairobi City County, Kenya
Choi et al. (2009)	The role of organizational leadership in influencing the uptake of retirement options	Organizational leaders can influence the selection of retirement options through communication and education	Contextual and conceptual	This study focused on the influence perceived future benefits, belief in reward systems, and reward value on the selection of retirement options. The context of this study was Nairobi City County, Kenya
Ricci and Caratelli (2017)	The link between perceived future benefits and the selection of retirement options in a European context	The study found that higher levels of financial literacy are associated with a greater trust in the retirement system, which in turn encourages more robust and proactive retirement planning.	Contextual and conceptual	This study focused on the influence perceived future benefits, belief in reward systems, and reward value on the selection of retirement

				options. The context of this study was Nairobi City County, Kenya
Moffatt and Heaven (2017)	To explore personal narratives surrounding the uncertainty of transitioning into retirement, with a particular focus on the UK	The study illustrates the profound impact of uncertainty on retirement planning, showing how individuals' anticipation of future needs influences their choice of retirement strategies	Contextual, conceptual and methodological	This study focused on the influence perceived future benefits, belief in reward systems, and reward value on the selection of retirement options. The context of this study was Nairobi City County, Kenya. This study was conducted using a descriptive cross-sectional design.
Anantharaman and Chuk (2019)	To examine the impact of governmental accounting standards on the funding of public-sector pensions in the United States using panel data analysis	The findings highlight significant improvements in the transparency and accountability of pension reporting, which in turn affects public trust and the perceived reliability of pension funds.	Contextual, conceptual and methodological	This study focused on the influence perceived future benefits, belief in reward systems, and reward value on the selection of retirement options. The context of this study was Nairobi City County, Kenya. This study was conducted using a descriptive cross-sectional design.

Kwasi et al. (2022)	the influence of perceived benefits on the selection of retirement plans using an experimental design	The findings showed that the willingness to contribute to a pension scheme was positively influenced by the attributes of the pension scheme, including the low premium, shorter payment method and a high pay amount	Contextual, conceptual and methodological	This study focused on the influence perceived future benefits, belief in reward systems, and reward value on the selection of retirement options. The context of this study was Nairobi City County, Kenya. This study was conducted using a descriptive cross-sectional design.
Omwombo (2022)	To investigate factors that influenced the uptake of a pension saving scheme by informal traders in Nairobi City County	The study showed the design of the pension scheme and traders' attitudes towards the scheme significantly influenced its uptake. The design of the scheme in terms of the perceived benefits had a positive effect on its uptake	Conceptual	This study focused on the influence perceived future benefits, belief in reward systems, and reward value on the selection of retirement options.
Baard et al. (2014)	To present a comprehensive review on the impact of clear performance standards on work outcomes, using a narrative review methodology, present a	Well-defined performance criteria are crucial for improving job satisfaction and overall performance	Contextual, conceptual and methodological	This study focused on the influence perceived future benefits, belief in reward systems, and reward value on the selection of retirement options. The context of this study was Nairobi City County, Kenya. This study was conducted using a descriptive cross-sectional design.

Beshears et al. (2015)	To examine the influence of organizational support and resources in influencing the selection of retirement options in the United States	The results showed that providing employees with accesses to the needed support and resources to make informed decisions regarding their retirement planning positively influenced their uptake of these schemes	Contextual, conceptual and methodological	This study focused on the influence perceived future benefits, belief in reward systems, and reward value on the selection of retirement options. The context of this study was Nairobi City County, Kenya. This study was conducted using a descriptive cross-sectional design.
Gerhart and Fang (2014)	To explore how financial incentives directly influence employee performance	The results show that understanding the specific attributes of financial rewards that employees value can enhance performance and investment in long-term benefits, including retirement plans.	Contextual, conceptual and methodological	This study focused on the influence perceived future benefits, belief in reward systems, and reward value on the selection of retirement options. The context of this study was Nairobi City County, Kenya. This study was conducted using a descriptive cross-sectional design.

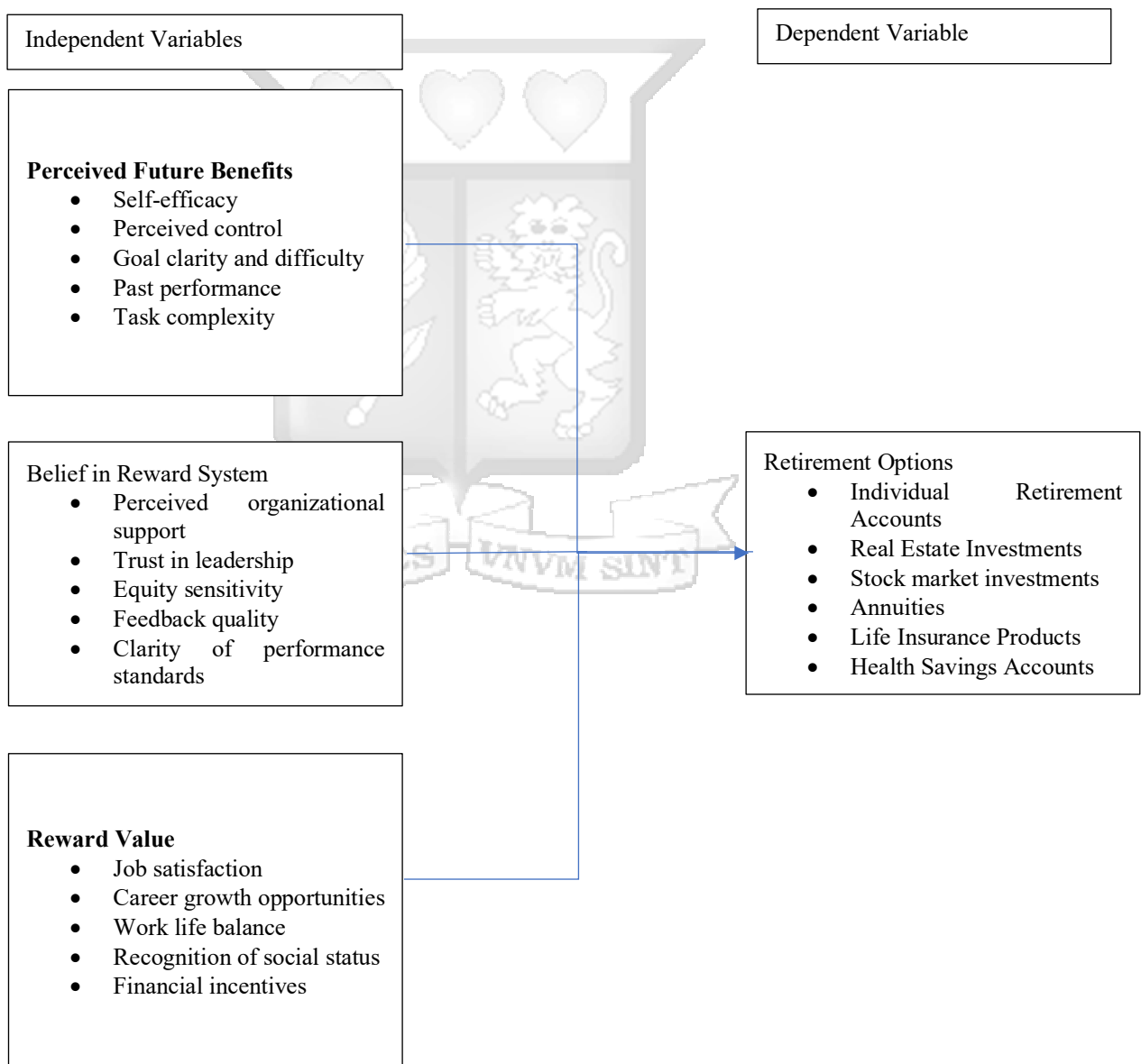
Source: Researcher (2024)

2.7 Conceptual framework

The conceptual framework of the study provides as systematic depiction of the interrelation of the constructs considered in the study. This section therefore aims to show how the dependent variable, augmenting retirement preparation options, and the independent variable, motivation of employees are related. The conceptual framework for the study is thus presented in Figure 2.1.

Figure 2.1: Conceptual Framework

Figure 2.1: Conceptual Framework



Source: Researcher (2024)

2.8 Operationalization of variables

The foregoing section has provided a description of the constructs of interest to the current study and their interrelationship. Table 2.2 provides a summary of the manner through which the constructs are operationalized to address the objectives of the current study.

Table 2.2 Operationalization of variables

Table 2.2 Operationalization of variables

Variable	Indicators	Measurement	Literature source	Questionnaire Items
Perceived Future Benefits	Self-Efficacy	Five-point Likert scale	Schwarzer & Jerusalem (2014)	Section B
	Perceived Control	Five-point Likert scale	Parker & Johns, G. (2017)	
	Goal Difficulty and Clarity	Five-point Likert scale	Seijts et al. (2014)	
	Past Performance	Five-point Likert scale	Shaffer & Postlethwaite (2012)	
	Task Complexity	Five-point Likert scale	Wood & Bandura, (2019)	
Belief in reward system	Perceived Organizational Support	Five-point Likert scale	Kurtessis et al. (2017)	Section B
	Trust in Leadership	Five-point Likert scale	Dirks & Ferrin (2014)	
	Equity Sensitivity	Five-point Likert scale	Sweeney & McFarlin (2015)	
	Feedback Quality	Five-point Likert scale	Anseel et al. (2015)	
	Clarity of Performance Standards	Five-point Likert scale	Baard et al. (2014)	
Reward value	Job Satisfaction	Five-point Likert scale	Judge & Kammeyer-Mueller (2012)	Section
	Career Growth Opportunities	Five-point Likert scale	Ng et al. (2015)	
	Work-Life Balance	Five-point Likert scale	Allen et al. (2013)	

Variable	Indicators	Measurement	Literature source	Questionnaire Items
	Recognition and Social Status	Five-point Likert scale	Grant & Shin (2012)	
	Financial Incentives	Five-point Likert scale	Gerhart & Fang (2014)	
Retirement Options	Individual Retirement Accounts (IRAs)	Five-point Likert scale	(Choi et al., 2009; Beshears et al., 2018).	Section E
	Health Savings Accounts (HSAs)	Five-point Likert scale	Lee & Painter (2013)	
	Real Estate Investments	Five-point Likert scale	Brown & Laschever (2012)	
	Stock Market Investments	Five-point Likert scale	Beshears et al. (2015)	
	Annuities	Five-point Likert scale	Beshears et al. (2015)	
	Life Insurance Products	Five-point Likert scale	Brown & Laschever (2012)	

Source: Researcher (2024)

2.9 Chapter Summary

This chapter has discussed the theoretical as well as the empirical literature on the selection of retirement options. Moreover, the research gaps have also been outlined. The conceptual framework and the operationalization of variables have also been presented.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter aims to articulate the approaches taken to address the study objectives. The chapter aims to shed light on the philosophy used, research design, the population and sampling approaches that will be utilized to get the data necessary to address the study objectives. Also discussed in this section are the analysis procedures, measures taken to ensure quality research, and ethical concerns addressed in conducting of the study.

3.2 Research philosophy

A research philosophy is a belief system or set of assumptions about the nature of knowledge and how it can be discovered, guiding the methodology and methods used in research. The four research philosophies are positivism, interpretivism, pragmatism, and critical realism (Bell et al., 2022). Positivism assumes an objective reality measurable through scientific methods, emphasizing structured research and quantitative data. Interpretivism, on the other hand, highlights the subjective nature of reality, using qualitative methods to explore individual meanings and social phenomena (Bougie & Sekaran, 2019). Realism combines positivism and interpretivism, acknowledging an independent reality while interpreting social contexts through mixed methods. Pragmatism focuses on the research problem, employing practical methods without committing to a single philosophy, valuing both subjective and objective knowledge. Critical realism recognizes the influence of social structures and power dynamics, aiming to uncover underlying mechanisms and promote social change (Bell et al., 2022). Understanding these philosophies helps researchers ensure their methods align with their research goals, providing coherence and rigor to their approach.

This study employed the positivism research philosophy. Positivism philosophy should be used when research aims to measure and analyze observable, objective reality through scientific methods, making it ideal for quantitative research, natural

sciences, predictive studies, large-scale surveys, and controlled experiments. This approach is particularly suitable for collecting and analyzing numerical data to identify patterns, relationships, or test hypotheses, in order to provide objective and replicable results (Bougie & Sekaran, 2019). It is also effective in business research where data is collected from large samples in order to generalize findings. Positivism is also ideal for maintaining objectivity, reliability, and validity, aiming for results that can be generalized and replicated. Positivism has been employed in similar studies on the selection of retirement options (Akwiwimbi, 2020; Amurono, 2024).

3.3 Research design

Research design refers to the strategy used to address objectives through the collection, interpretation, analysis, and discussion of data (Bougie & Sekaran, 2019). The current study applies a descriptive cross-sectional research design. A descriptive cross-sectional design should be used in research scenarios where the aim is to capture and describe the characteristics of a population at a single point in time (Chatterjee & Simonoff, 2013). It can also be used to investigate relationships between variables using statistical techniques. Cross-sectional research does not require variables to be manipulated. According to Creswell (2014), descriptive correlation design allows for the description of trends in a dataset and the inferencing of the nature of relationship between the variables under study. This approach is similar to that taken by Njuguna (2010) in investigating pension contributions in Kenya. The current study sought to understand the trends in augmenting retirement preparation options in pension funds, and motivation of employees. The study also sought to address the issue of employee motivation as a determinant of retirement preparation options; a correlational approach was therefore appropriate in addressing these concerns (Easterby-Smith et al., 2021).

3.4 Population of the Study

A population refers to the totality of entities to which study findings are generalizable (Greener, 2008). A sample is a representative subset of the population and is used to obtain findings that can then be generalized to the population (Greener, 2008). The current study focuses on civil service pension contributors in Kenya. The population of the study is therefore 923,000 government employees covered under the National Treasury and Economic Planning pension department (SRC, 2023). Civil servants are significant contributors to pension funds, and understanding their motivations for

augmenting retirement preparation options can offer insights into the broader functioning and efficiency of public pension systems (SRC, 2023). Given the particular challenges of pension systems in Kenya, including underfunding and delayed disbursements, the study's findings could be critical for policy formulation and implementation.

3.5 Sampling

The study adopted judgmental sampling as the primary sampling technique. Judgmental sampling, also known as purposive sampling, was chosen because it allows the researcher to deliberately select participants who are most likely to provide relevant and valuable data based on their characteristics and experience (Easterby-Smith et al., 2021). In this study, the target population was civil service employees in Nairobi City County, who are uniquely positioned to provide insights into the selection of retirement preparation options due to their access to structured retirement schemes such as the Public Service Pension Scheme (PSPS) and National Social Security Fund (NSSF). The technique was deemed appropriate to ensure that the sample consisted of respondents with direct experience and engagement in retirement planning, thereby enhancing the reliability and relevance of the findings (Raju & Prabhu, 2019).

Focusing on Nairobi County makes logistical sense, as the city is not only the capital but also the administrative and financial hub of Kenya, housing a large number of civil servants. With an estimated total number of 923,000 civil service workers (SRC, 2023), the study has a robust base population from which to draw a representative sample, calculated using Cochran's formula to be 384 respondents. This sample size is statistically sufficient to offer insights that are generalizable to the larger population of civil servants in Kenya, thus fulfilling the foundational criteria of both 'population' and 'sampling' as outlined by Jayasundara (2023). The total number of civil service workers is estimated at 923,000 (Mutua, 2022). The sample for the study is thus calculated from this figure using Cochran's formula below:

$$z^2 * p(1 - p) / (1 + ((z^2 * p(1 - p)) / e^2 N))$$

Where Z is the Z value, p-proportion with considered attribute and q the proportion without the same, and finally, e, is the error term.

With a z-value of 1.96

Error term of 0.05

$N = 923,000$

And p and q values of 0.5, the sample size is as follows

$$z^2 * p(1 - p) = 384.16$$

The target sample size for this study was 385.

3.6 Data Collection methods

Primary data was collected in this research structured questionnaires. The questionnaire consisted of three sections. Section A gathered information relating to respondents' profile. Section B consisted of questions on employee motivation. Section C had questions on the selection of retirement options. The items in the questionnaire were presented using a Likert scale that ranges from 1 (strongly disagree) and (5) strongly agree.

An online strategy was adopted when administering the questionnaires. The questionnaires will be distributed to civil servants in Nairobi City County using Google Forms.

3.7 Research Quality

Research quality speaks to two aspects of research – validity and reliability. The two concerns are addressed in the current study. Internal validity refers to the assessment of whether study variables are assessed and captured through the study data (Morse, 2016). First, the questionnaire was developed under the direction of a supervisor at Strathmore University. Secondly, a pilot study with 20 civil service employees was used to improve the validity of the questionnaire. The pilot study participants were required to comment on the understandability of the data under assessment (Raju & Prabhu, 2019). Findings from their feedback were used to edit the collection. External validity refers to the extent to which a study's findings can be generalized to the population of the study. This concern was addressed using verified and appropriate statistical tools in the collection and analysis of the data to be collected.

Reliability focuses on the consistency of the results (Schindler, 2022). For this study, the questionnaire was designed using a simplified language to ensure that respondents

do not misinterpret questions. In addition, the internal consistency coefficient for the questionnaire was after collecting data using Cronbach's alpha. A Cronbach's alpha coefficient of at least 0.7 is deemed acceptable by Schindler (2022). For Bell et al. (2022), a Cronbach's alpha should be at least 0.6 to be considered satisfactory. For this study, Schindler's (2022) criterion of <0.7 was adopted to determine reliability. Table 3.1 shows the Cronbach's alpha for the variables.

Table 3.1: Reliability Statistics

Variable	Cronbach's Alpha Coefficient	Number of Items	Interpretation
Perceived Future Benefits	0.981	5	Reliable
Belief in Reward Systems	0.978	5	Reliable
Reward Value	0.975	5	Reliable
Selection of Retirement Preparation Options	0.978	6	Reliable

Source: Researcher (2024)

3.8 Data Analysis

The data analysis process involved both descriptive and inferential statistical techniques to address the research objectives. The first step in the analysis was data cleaning and preparation, which included checking for completeness and consistency in the responses received from the structured questionnaires. The data was then coded and entered into Statistical Package for the Social Sciences (SPSS) software for analysis.

Descriptive statistics, including means and standard deviations, were used to gauge respondents' level of agreement with the statements provided in the questionnaire. These statements were measured on a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). This approach provided a comprehensive summary of the respondents' perceptions regarding the independent variables (perceived future benefits, belief in reward systems, and reward value) and the dependent variable (selection of retirement preparation options).

Inferential statistics were applied to assess the relationships between the variables. Pearson's correlation analysis was used to determine the strength and direction of the relationships between motivational factors and the selection of retirement preparation options. Multiple linear regression analysis was then employed to evaluate the influence of each independent variable (perceived future benefits, belief in reward systems, and reward value) on the dependent variable. The regression equation was formulated as follows:

$$SRPO = \beta_0 + \beta_1 PFB + \beta_2 BRS + \beta_3 RV + \epsilon$$

Where SRPO = selection of retirement preparation options, PFB = perceived future benefits, BRS = belief in reward systems, RV = reward value.

3.9 Ethics in research

The current study addressed concerns of confidentiality, anonymity, informed consent, and ethical clearance. Confidentiality was addressed through ensuring that no client-identifying details are collected in the data collection stage. All study responses were further be anonymized to ensure that they cannot be traced back to their original respondents. Informed consent was sought from each participant prior to their engagement with the questionnaire and all respondents were informed of the voluntary nature of engagement. Approval for the study was further be sought from NACOSTI and the Strathmore University Ethics board to ensure that due process is observed. Finally, all responses were kept under lock-and-key accessible only to the researcher.

3.10 Chapter Summary

This chapter has discussed methodology used in this study. In particular, this chapter has discussed the research philosophy, research design, study population, sampling, data collection, data analysis, research quality, and ethical considerations.

CHAPTER FOUR

PRESENTATION OF RESULTS

4.1 Introduction

The aim of this study was to investigate the influence of motivation in selection of retirement preparation options among civil service employees in Nairobi County, Kenya. The specific aspects of motivation that were studied in this research included perceived future benefits, belief in reward systems and reward value. This chapter presents the findings of this research in line with the objectives of this study. The organization of this chapter is as follows: response rate, respondents' demographic information, descriptive statistics, inferential statistics, and summary of the chapter.

4.2 Response Rate

Three hundred and eighty-four (384) questionnaires were distributed to respondents, out of which 294 were returned. This equals to a response rate of 76.5%, which according to Schindler (2022), is adequate to proceed with the analysis of the data.

Table 4.1: Response Rate

Questionnaires	Frequency	Percent
Issued	384	100%
Returned	294	76.5%
Not returned	90	23.5%

Source: Researcher (2024)

4.3 Respondents' Demographic Information

The only demographic information that was collected from respondents was their current position in the organization, which was categorized into frontline employees, junior management and top management. The majority of the respondents were in junior management (39%, n = 114), followed by top management (34%, n = 99), and lastly frontline employees (28%, n = 81). Table 4.2 presents these findings.

Table 4.2: Respondent’s Demographic Information.

		Frequency	Percent
Current Position in the Organization	Frontline Employee	81	28%
	Junior Management	114	39%
	Top Management	99	34%
	Total	294	100%

Source: Researcher (2024)

4.4 Descriptive Analysis

The descriptive statistics for the variables in this study are presented in this section using means and standard deviation.

4.4.1 Descriptive Statistics for Perceived Future Benefits

The first objective of this research was to examine the influence of perceived future benefits on the selection of retirement preparation options among civil service employees in Nairobi County, Kenya. Respondents were asked to indicate their level of agreement/disagreement on statements relating to perceived future benefits. The findings indicated that respondents agreed that they are confident in their ability to make informed retirement investment decisions (Mean = 3.32, Standard Deviation = 3.32), have significant control over the success of their retirement investments (Mean = 3.29, Standard Deviation = 1.284), find goals associated with their retirement planning to be clear and achievable (Mean = 3.32, Standard Deviation = 1.272), their past investment experiences positively influence their confidence in making future retirement investments (Mean = 3.44, Standard Deviation = 1.133), and that they are capable of understanding and managing the complexities associated with retirement investment options (Mean = 3.44, Standard Deviation = 1.195). The average score or future perceived benefits was 3.3612 (Standard Deviation = 1.20895). Table 4.3 presents the descriptive statistics regarding the perceived future benefits.

Table 4.3: Descriptive Statistics for Perceived Future Benefits

	N	Mean	Std. Deviation
I feel confident in my ability to make informed retirement investment decisions.	294	3.32	1.372
I believe I have significant control over the success of my retirement investments.	294	3.29	1.284
I find the goals associated with my retirement planning clear and achievable.	294	3.32	1.272
My past investment experiences positively influence my confidence in making future retirement investments.	294	3.44	1.133
I am capable of understanding and managing the complexities associated with retirement investment options.	294	3.44	1.195
Average Score for Perceived Future Benefits Score	294	3.361	1.20895
		2	

Source: Researcher (2024)

For perceived future benefits, the overall mean score was 3.36 with a standard deviation of 1.21. This suggests that, on average, respondents were neutral to slightly positive regarding their confidence in making informed retirement investment decisions and their belief in the clarity and achievability of retirement planning goals. The standard deviation indicates moderate variability in responses, implying that while many respondents shared similar perceptions, there were some differences in confidence and belief levels across the sample.

4.4.2 Descriptive Statistics on Belief in Reward Systems

The second objective of this study was to examine the effect of belief in reward systems on the selection of retirement preparation options among civil service employees in Nairobi County, Kenya. Respondents were asked to indicate their level of agreement/disagreement on statements relating to their belief in reward systems. The analysis revealed that respondents agreed that that they feel supported by their organization in making decisions about retirement planning (Mean = 3.30, Standard Deviation = 1.287), trust that the leadership in their organization offers reliable advice on retirement planning (Mean = 3.39, Standard Deviation = 1.2), believe that rewards from their retirement investment will be commensurate with their efforts (Mean = 3.37, Standard Deviation = 1.245), the feedback that they receive about their retirement planning efforts helps them to make better investment decisions (Mean = 3.50,

Standard Deviation = 1.067), and that the criteria for successful retirement investments are clearly communicated to them (Mean = 3.34, Standard Deviation = 1.333). The average score for belief in reward systems was 3.3701 (Standard Deviation = 1.19152). Table 4.4 shows the descriptive statistics for belief in reward systems.

Table 4.4: Descriptive Statistics for Belief in Reward Systems

	N	Mean	Std. Deviation
I feel supported by my organization in making decisions about retirement planning.	294	3.30	1.287
I trust that the leadership in my organization offers reliable advice on retirement planning.	294	3.39	1.200
I believe that the rewards from my retirement investments will be commensurate with my efforts.	294	3.37	1.245
The feedback I receive about my retirement planning efforts helps me make better investment decisions.	294	3.50	1.067
The criteria for successful retirement investments are clearly communicated to me.	294	3.34	1.333
Average score for Belief in Reward Systems	294	3.3701	1.19152

Source: Researcher (2024)

For belief in reward systems, the overall mean score was 3.37 with a standard deviation of 1.19. This result implies that respondents generally agreed, on average, that their organizations provided support and feedback for retirement planning. However, the variability reflected by the standard deviation suggests some disparity in how employees perceive organizational support and trust in leadership regarding retirement rewards.

4.4.3 Descriptive Statistics on Reward Value

The third objective of this research was to investigate the effect of reward value on the selection of retirement preparation options among civil service employees in Nairobi City County. Respondents were asked to indicate their level of agreement/disagreement with statements relating to reward value. The descriptive

analysis showed that agreement among respondents that their satisfaction with the current job increases their motivation to plan for retirement (Mean = 3.34, Standard Deviation = 1.211), opportunities for career advancement makes them more interested in planning comprehensively for retirement (Mean = 3.45, Standard Deviation = 1.175), a good work-life balance enhances their willingness to engage in retirement planning (Mean = 3.11, Standard Deviation = 1.435), recognition of their efforts at work motivates them to invest wisely for retirement (Mean = 3.13, Standard Deviation = 1.365), and that financial incentives provided by their employers significantly impact their retirement planning decisions (Mean = 3.49, Standard Deviation = 1.141). The average score for reward value was 3.3027 (Standard Deviation = 1.21231). Table 4.5 presents these descriptive statistics.

Table 4.5: Descriptive Statistics for Reward Value

	N	Mean	Std. Deviation
My satisfaction with my current job increases my motivation to plan for retirement.	294	3.34	1.211
Opportunities for career advancement make me more interested in planning comprehensively for retirement.	294	3.45	1.175
Having a good work-life balance enhances my willingness to engage in retirement planning.	294	3.11	1.435
Recognition of my efforts at work motivates me to invest wisely for retirement.	294	3.13	1.365
Financial incentives provided by my employer significantly impact my retirement planning decisions.	294	3.49	1.141
Average score for Reward Value	294	3.3027	1.21231

Source: Researcher (2014)

For reward value, the overall mean score was 3.30, with a standard deviation of 1.21. These findings indicate that respondents were generally neutral to slightly positive regarding the perceived value of retirement planning, including job satisfaction, career growth opportunities, and financial incentives. The moderate variability in responses suggests differing levels of satisfaction and perceived value among employees.

4.4.4 Descriptive Statistics for Selection of Retirement Preparation Options

Selection of retirement preparation options was the dependent variable in this study. Respondents were asked to indicate the level of agreement/disagreement on statements regarding the selection of various retirement preparation options including individual retirement accounts, real estate investments, stock market investments, annuities, life insurance products, and health savings accounts. The analysis showed agreement among respondents in selecting individual retirement accounts (Mean = 3.36, Standard Deviation = 1.135), real estate investments (Mean = 3.45, Standard Deviation = 1.080), stock market investments (Mean = 3.36, Standard Deviation = 1.312), annuities (Mean = 3.45, Standard Deviation = 1.163), life insurance products (Mean = 3.62, Standard Deviation = 1.008), and health savings accounts (Mean = 3.32, Standard Deviation = 1.306). The average score for the selection of retirement preparation options was 3.4320 (Standard Deviation = 1.11285). Table 4.6 shows the descriptive statistics for the selection of retirement preparation options.

Table 4.6: Descriptive Statistics for Selection of Retirement Preparation Options

	N	Mean	Std. Deviation
Individual Retirement Accounts (IRAs)	294	3.36	1.135
Real Estate Investments	294	3.49	1.080
Stock Market Investments	294	3.36	1.312
Annuities	294	3.45	1.163
Life Insurance Products	294	3.62	1.008
Health Savings Accounts (HSAs)	294	3.32	1.306
RPO	294	3.4320	1.11285

Source: Researcher (2024)

For the dependent variable, selection of retirement preparation options, the overall mean score was 3.35 with a standard deviation of 1.22. This indicates that, on average, respondents moderately agreed with the statements regarding their engagement with various retirement preparation options, such as IRAs, real estate, and stock market investments. The standard deviation highlights variability in the extent of engagement, suggesting that while some employees actively participated in these options, others were less engaged.

4.5 Inferential Analysis

The inferential statistics that were used to analyze the data in this research were correlations, simple and multiple linear regressions. Specifically, Pearson's correlation was performed to determine the associations between the variables. Simple regression was used to examine the relationships between the individual independent variables and the dependent variable whereas multiple linear regression was to determine if perceived future benefits, belief in reward systems and reward value predicted the selection of retirement preparation options among civil service employees in Nairobi County, Kenya.

4.5.1 Correlations

Table 4.7 shows the correlation analysis. The findings show significant strong positive correlations between the selection of retirement preparation options and perceive future benefits ($r = 0.984$, $p < 0.05$), selection of retirement preparation options and belief in reward systems ($r = 0.874$, $p < 0.05$), and selection of retirement preparation options and reward value ($r = 0.986$, $p < 0.05$).

Table 4.7: Correlations

		Perceived Future Benefits Score	Belief in Reward Systems	Reward Value	Selection of Retirement Preparation Options
Perceived Future Benefits Score	r	1			
	p				
Belief in Reward Systems	r	.874**	1		
	p	.000			
Reward Value	r	.983**	.982**	1	
	p	.000	.000		
Selection of Retirement Preparation Options	r	.984**	.984**	.986**	1
	p	.000	.000	.000	

Source: Researcher (2024)

4.5.2 Regression Analysis

Simple and multiple regression analyses were performed to assess the relationship between motivation and the selection of retirement preparation options. These analyses are presented in the following subsections.

4.5.2.1 Regression Between Perceived Future Benefits and the Selection of Retirement Preparation Options

A simple linear regression was performed to assess the relationship between perceived future benefits and the selection of retirement preparation options. Table 4.8 shows the model summary with an R-square of 0.969. Table 4.9 presents the ANOVA summary showing a significant simple regression model ($F [1, 292] = 9055.785, p < 0.05$). The coefficients for the constant (0.387) and perceived future benefits were positive and significant ($\beta = 0.906, p < 0.05$) – See Table 4.10.

Table 4.8: Model Summary - Perceived Future Benefits and the Selection of Retirement Preparation Options

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.984 ^a	.969	.969	.19702
a. Predictors: (Constant), Perceived Future Benefits Score				

Source: Researcher (2024)

Table 4.9: ANOVA– Perceived Future Benefits and the Selection of Retirement Preparation Options

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	351.527	1	351.527	9055.785	.000 ^b
	Residual	11.335	292	.039		
	Total	362.862	293			
a. Dependent Variable: Selection of Retirement Preparation Options						
b. Predictors: (Constant), Perceived Future Benefits Score						

Source: Researcher (2024)

Table 4.10: Regression coefficients - Perceived Future Benefits and the Selection of Retirement Preparation Options

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		

1	(Constant)	.387	.034		11.371	.000
	Perceived Future Benefits Score	.906	.010	.984	95.162	.000
a. Dependent Variable: Selection of Retirement Preparation Options						

Source: Researcher (2024)

4.5.2.2 Regression Between Belief in Reward Systems and the Selection of Retirement Preparation Options

A second simple linear regression was performed to assess the relationship between belief in reward systems and the selection of retirement preparation options. Table 4.11 shows the model summary with an R-square of 0.968. Table 4.12 presents the ANOVA summary showing a significant simple regression model ($F [1, 292] = 8963, p < 0.05$). The coefficients for the constant (0.334) and perceived future benefits were positive and significant ($\beta = 0.919, p < 0.05$) – See Table 4.13.

Table 4.11: Model Summary – Belief in Reward Systems and the Selection of Retirement Preparation Options

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
2	.984	.968	.968	.19800
a. Predictors: (Constant), Belief in Reward Systems				

Source: Researcher (2024)

Table 4.12: ANOVA– Belief in Reward Systems and the Selection of Retirement Preparation Options

Model		Sum of Squares	df	Mean Square	F	Sig.
2	Regression	351.414	1	351.414	8963.288	.000
	Residual	11.448	292	.039		
	Total	362.862	293			
a. Dependent Variable: Selection of Retirement Preparation Options						
b. Predictors: (Constant), Belief in Reward Systems						

Source: Researcher (2024)

Table 4.13: Regression coefficients - Belief in Reward Systems and the Selection of Retirement Preparation Options

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
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		B	Std. Error	Beta		
2	(Constant)	.334	.035		9.640	.000
	Belief in Reward Systems	.919	.010	.984	94.675	.000

a. Dependent Variable: Selection of Retirement Preparation Options

Source: Researcher (2024)

4.5.2.3 Regression Between Reward Value and the Selection of Retirement Preparation Options

A third simple linear regression was performed to assess the relationship between reward value and the selection of retirement preparation options. Table 4.14 shows the model summary with an R-square of 0.972. Table 4.15 presents the ANOVA summary showing a significant simple regression model ($F [1, 292] = 10081.970, p < 0.05$). The coefficients for the constant (0.443) and perceived future benefits were positive and significant ($\beta = 0.905, p < 0.05$) – See Table 4.16.

Table 4.14: Model Summary – Reward Value and the Selection of Retirement Preparation Options

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
3	.986	.972	.972	.18702

a. Predictors: (Constant), Reward Value

Source: Researcher (2024)

Table 4.15: ANOVA– Reward Value and the Selection of Retirement Preparation Options

Model		Sum of Squares	df	Mean Square	F	Sig.
3	Regression	352.648	1	352.648	10081.970	.000b
	Residual	10.214	292	.035		
	Total	362.862	293			

a. Dependent Variable: Selection of Retirement Preparation Options
b. Predictors: (Constant), Reward Value

Source: Researcher (2024)

Table 4.16: Regression coefficients - Reward Value and the Selection of Retirement Preparation Options

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
3	(Constant)	.443	.032		13.979	.000
	Reward Value	.905	.009	.986	100.409	.000

a. Dependent Variable: Selection of Retirement Preparation Options

Source: Researcher (2024)

4.5.2.4 Multiple Linear Regression Analysis

A multiple linear regression was performed to determine if perceived future benefits, belief in reward systems and reward value can predict the selection of retirement preparation options among civil service employees in Nairobi County, Kenya. The regression model summary presented in Table 4.17 showed an R-square of 0.981, suggesting that perceived future benefits, belief in reward systems and reward value explain 98.1% of the variance in the selection of retirement preparation options. This value of R-square indicates that the predictive model is strong. The ANOVA summary for the regression presented in Table 4.18 showed a significant regression model ($F [3, 290] = 5031.129, p < 0.05$). The constant (0.359) was significant ($p < 0.05$). Perceived future benefits had a significant positive effect on the selection of retirement preparation option ($\beta = 0.260, p < 0.05$). Belief in reward systems also had a significant positive effect on the selection of retirement preparation options ($\beta = 0.286, p < 0.05$). Furthermore, reward value had a significant positive effect on the selection of retirement preparation options ($\beta = 0.374, p < 0.05$). Table 4.19 shows the regression coefficient. The final regression model developed from the findings of this study is given below:

$$SRPO = 0.359 + 0.260(PFB) + 0.286(BRS) + 0.374 (RV)$$

Where SRPO = selection of retirement preparation options, PFB = perceived future benefits, BRS = belief in reward systems, RV = reward value.

Table 4.17: Model Summary – Multiple Linear Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
4	.991 ^a	.981	.981	.15358

a. Predictors: (Constant), Reward Value, Belief in Reward Systems, Perceived Future Benefits Score

Source: Researcher (2024)

Table 4.18: ANOVA Summary – Multiple Linear Regression

Model		Sum of Squares	df	Mean Square	F	Sig.
4	Regression	356.021	3	118.674	5031.129	.000 ^b
	Residual	6.840	290	.024		
	Total	362.862	293			
a. Dependent Variable: Selection of Retirement Preparation Options						
b. Predictors: (Constant), Reward Value, Belief in Reward Systems, Perceived Future Benefits Score						

Source: Researcher (2024)

Table 4.19: Coefficients: Multiple Linear Regression

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
4	(Constant)	.359	.027		13.252	.000
	Perceived Future Benefits Score	.260	.048	.282	5.447	.000
	Belief in Reward Systems	.286	.047	.306	6.147	.000
	Reward Value	.374	.045	.408	8.305	.000
a. Dependent Variable: Selection of Retirement Preparation Options						

Source: Researcher (2024)

4.6 Chapter Summary

This chapter has presented the results obtained from this research. The findings show that perceived future benefits, belief in reward systems and reward value had a significant positive effect on the selection of retirement preparation options.

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The aim of this study was to examine the influence of motivation on the selection of retirement preparation among civil service employees in Nairobi City County. This chapter discusses the key findings obtained from this research with regard to the research objectives. The recommendations based on the findings are also presented. Lastly, the limitations of this study are acknowledged and recommendations for future research.

5.2 Summary of Key Findings

First, this study sought to assess the influence of perceived future benefits on the selection of retirement preparation options among civil service employees in Nairobi County, Kenya. With respect to this objective, the results indicated that perceived future benefits had a significant positive effect on the selection of retirement preparation option ($\beta = 0.260$, $p < 0.05$). Therefore, a unit increase in perceived future benefits can lead to an increase in the selection of retirement preparation options by 0.260 units. This result implies that improving perceived future benefits can increase the selection of retirement preparation options.

Secondly, this study sought to examine the effect of belief in reward systems on the selection of retirement preparation options among civil service employees in Nairobi City County. The findings from this study showed that belief in reward systems also had a significant positive effect on the selection of retirement preparation options ($\beta = 0.286$, $p < 0.05$). Hence, a unit increase in belief in reward systems can result in an increase in the selection of retirement preparation options by 0.286 units. The implication of this result is the selection of retirement preparation options can be increased by improving belief in reward systems.

Lastly, this research examined the effect of reward value on the selection of retirement preparation options in civil service employees in Nairobi City County. The findings from this research indicated reward value had a significant positive effect on the selection of retirement preparation options ($\beta = 0.374$, $p < 0.05$). This means that a unit

increase in reward value can lead to an increase in the selection of retirement preparation options by 0.374 units. The implication of this result is that improving the reward value can increase the selection of retirement preparation options.

5.3 Discussion of Key Findings

The findings obtained from this research are discussed in this section. The discussion compares the findings with the theories that guided this study and the findings reported in previous studies.

5.3.1 Perceived Future Benefits and The Selection of Retirement Preparation Options

The results from this study indicated that perceived future benefits positively affect the selection of retirement preparation options by civil service employees in Nairobi County. This result implies that improving aspects of perceived future benefits, such as self-efficacy, perceived control, goal clarity, past performance and task complexity of retirement preparation options can enhance their uptake. The findings from this study supporting the positive effect of perceived future benefits on the selection of retirement preparation options supports the propositions of the life cycle hypothesis (LCH) theory, which posits that if individuals perceive their pension as an important component of lifetime wealth, they would be motivated to contribute more during periods of high income (Modigliani & Brumberg, 1954). This result is also aligned with the expectancy concept of Vroom's Expectancy theory, which posits that people put effort in things that they expect to be rewarded. In the same way, if employees believe that retirement preparation options are beneficial to them, they are more likely to select these options.

The positive effect of the perceived future benefits reported in this study is also consistent which has been found in past studies. For instance, Choi and Metrick (2002) illustrated that that certain plan features, such as matching contributions and automatic enrollment, play a significant role in influencing employee behaviors toward their pension contributions. These features effectively simplify the decision-making process and enhance the perceived benefits of participating in pension plans. Similarly, Ricci and Caratelli's study (2017) found that higher levels of financial literacy are associated with a greater trust in the retirement system, which in turn encourages more robust and

proactive retirement planning. Fehr et al., (2012) showed that flexibility such policies offer, allowing individuals to better align their retirement age with personal and financial readiness, which can lead to optimized retirement outcomes. The study's context is particularly relevant given the aging population in Germany and the need for pension systems that adapt to changing demographic and economic landscapes. Moffatt and Heaven (2017) illustrated the profound impact of uncertainty on retirement planning, showing how individuals' anticipation of future needs influences their choice of retirement strategies. Anantharaman and Chuk (2019) showed that transparency and accountability of pension reporting enhances public trust and the perceived reliability of pension funds. These studies, together with the current study, show the positive effect of perceived future benefits of retirement preparation options on their uptake.

5.3.2 Belief in Reward Systems and the Selection of Retirement Preparation Options

The finding from this research demonstrated the positive effect of belief in reward systems on the selection of retirement preparation options by civil service employees in Nairobi City County. From this finding, it is apparent that improving perceived organizational support, trust in leadership, equity sensitivity, feedback quality and clarity of performance can increase the selection of retirement preparation options. This finding supports the propositions of Vroom's expectancy theory, especially the postulation that people's motivation is positively influenced by the degree to which they believe that the effort they put will yield good results (Parijat and Bagga, 2014). Therefore, the findings from the current research lends support to the concept of instrumentality in Vroom's theory.

In addition, the finding from this research showing the positive effect of belief in reward systems on the selection of retirement preparation option has also been demonstrated in past studies. Baard et al. (2014) showed that well-defined performance criteria are crucial for improving job satisfaction and overall performance. In the same vein, Gerhart and Fang (2014) noted that monetary rewards significantly influence employees' behaviors and commitment to an organization. Ricci and Caratelli (2017) demonstrated those higher levels of trust and financial understanding lead to more proactive and confident retirement planning. Anseel et al.

(2015) provided evidence showing that employees who actively seek and value feedback are more engaged and perform better. Ng et al. (2015) indicated that career growth opportunities significantly influence employees' perceptions of their success and satisfaction within their roles. Overall, the findings from the current research augments existing literature showing the positive effect of belief in reward systems in positively influencing employee behavior in terms of the selecting retirement preparation options.

5.3.3 Reward Value and the Selection of Retirement Preparation Options

The findings from this study also showed the positive influence of reward value on the selection of retirement preparation options in civil service employees in Nairobi City County. This result suggests that improving job satisfaction, providing career growth opportunities, work life balance, recognition of social status and providing financial incentives can increase the uptake of retirement preparation option. This finding validates the propositions of Vroom's expectancy theory, which holds that the motivation to engage in a given behavior is influenced how much people value the reward associated with the action or behavior (Parijat & Bagga, 2014). This study shows that the reward value associated with retirement preparation options have a positive influence on their selection. Therefore, this finding supports the valence concept in Vroom's expectancy theory.

The positive effect of reward value on the uptake of retirement options reported in the current study has also been found in past studies. Gerhart and Fang (2014) reported that understanding the specific attributes of financial rewards that employees value can enhance performance and investment in long-term benefits, including retirement plans. In another study, Judge and Kammeyer-Mueller (2012) reported that higher job satisfaction often correlates with a greater appreciation for and participation in workplace benefits, including retirement plans. In the same vein, Ricci and Caratelli (2017) provided evidence showing that a higher level of understanding of financial products correlates with a greater trust and more proactive engagement in these products. Allen et al. (2013) provided insights into work-life balance benefits influence retirement planning decisions. In general, the findings from the current study adds to the existing literature that support the positive effect of reward value on the selection of retirement preparation options.

5.4 Recommendations

This section discusses policy recommendations, managerial recommendations and theoretical recommendations.

5.4.1 Policy Recommendations

The findings from this study can help policymakers, such as the Retirement Benefits Authority (RBA), formulate policies, procedures and regulations to increase the selection of retirement preparation options by employees in civil service, which should focus on improving perceived benefits of retirement preparation options, belief in reward systems, and the reward value of retirement preparation options. To improve the perceived future benefits of retirement options, policymakers can focus on developing guidance for organizations to ensure that these retirement options are clear and that the process of their uptake should be simple. To increase employees' belief in retirement options, policies are needed in terms of transparency, equity and clear communication of retirement options. Policies are also needed in terms of reward value, which can focus on work-life balance and career development opportunities.

5.4.2 Managerial Recommendations

Based on the findings from this research, it is recommended for managers of government agencies to adopt practices to improve the perceived future benefits of retirement planning, belief in the retirement planning, and reward practices. These practices can help improve the selection of retirement preparation options. Some recommended practices to improve the perceived future benefits of retirement preparation options include improving self-efficacy, perceived control, goal clarity, past performance and task complexity of employees. To improve belief in reward systems, some managerial practices that can be adopted include providing organizational support, improving the trust of organizational leaders, providing feedback and clarity of retirement options. Additionally, the reward value can be increased by improving job satisfaction, providing career growth opportunities, work life balance, recognition of social status and providing financial incentives.

5.4.3 Theoretical Recommendations

The findings of this study lend support to the life cycle hypothesis theory and Vroom's theory. The results validate the concepts of instrumentality, valence and expectancy in Vroom's theory. The results also support the life cycle hypothesis theory, which posits that if individuals perceive their pension as an important component of lifetime wealth, they would be motivated to contribute more during periods of high income. In addition, the findings from this study expand existing literature on the role of motivation in influencing the selection of retirement options.

5.5 Study Limitations and Suggestions for Future Research

A limitation of this research is that it was conducted using civil service employees in Nairobi City County, Kenya. Therefore, future research can consider exploring the influence of motivation on the selection of retirement options in other contexts, such as private sector employees, in other counties, and even outside Kenya. In addition, the use of self-report data for this study introduces bias through socially-desirable responses from participants. To address this limitation, future studies can also use other methodological approaches, such as secondary data analysis, to determine the factors that influence the selection of retirement preparation options. Moreover, future qualitative studies are recommended to explore the lived experiences of employees who have benefitted from retirement options.

5.6 Chapter Summary

This chapter has presented the summary of key findings, discussion of results and managerial, policy and theoretical recommendations. In addition, the limitations of the current research have been outlined as well as recommendations for future studies.

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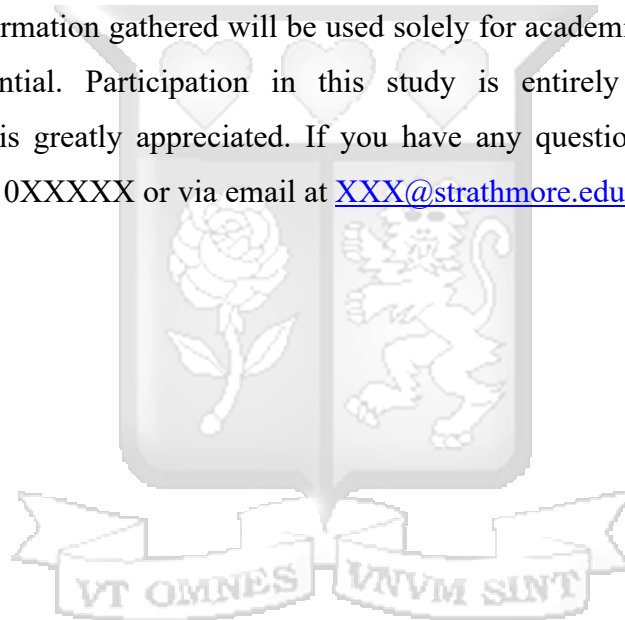
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APPENDICES

Appendix I: Letter of Introduction

I am a Master of Business Administration student at Strathmore University Business School conducting a research project titled " The Influence of Motivation in Selection of Retirement Preparation Options Among Civil Service Employees in Nairobi County, Kenya." This study involves gathering data for my final dissertation, which is a requirement of the program. The research aims evaluate the influence of employee motivation on the selection of retirement preparation options among civil service employees in Nairobi City County, Kenya. If you choose to participate, you will be asked to complete a questionnaire that will take approximately 5-10 minutes of your time. All information gathered will be used solely for academic purposes and will be kept confidential. Participation in this study is entirely voluntary, and your involvement is greatly appreciated. If you have any questions, please feel free to contact me at 0XXXXXX or via email at XXX@strathmore.edu.



Appendix II: Ethical Approval and NACOSTI License



6th June 2024

Ms Juliana TerryAnn,
juliana.muthoni@strathmore.edu

Dear Ms Juliana,

RE: The Influence of Motivation in Selection of Retirement Preparation Options among Civil Service Employees in Nairobi County, Kenya

This is to inform you that SU-ISERC has reviewed and **approved** your above **SU-masters** proposal. Your application reference number is **SU-ISERC2307/24**. The approval period is from **6th June 2024 to 5th June 2025**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used.
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 72 hours of notification.
- iv. Any changes anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 72 hours.
- v. Clearance for the export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.

Before commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and obtain other clearances needed.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Ambrose Rachier".

Mr Ambrose Rachier,
Chairperson; SU-ISERC

Appendix III: Research questionnaire

SECTION A: RESPONDENTS' PROFILE

1. What position do you currently occupy in your organization?

Frontline employee

Junior Management

Top Management

SECTION B: EMPLOYEE MOTIVATION SECTION

This section addresses employee motivation to engage in pension fund contributions.

Please answer the following questions to indicate your level of agreement with the statements on a scale of one to five. Kindly use the following guide:

(1 – strongly disagree; 2 – disagree; 3 – Neutral; 4 – agree

5 – Strongly)

	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
Perceived Future Benefits					
I feel confident in my ability to make informed retirement investment decisions.					
I believe I have significant control over the success of my retirement investments.					
I find the goals associated with my retirement planning clear and achievable.					
My past investment experiences positively influence my confidence in making future retirement investments.					
I am capable of understanding and managing					

the complexities associated with retirement investment options.					
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	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
Belief in Reward Systems					
I feel supported by my organization in making decisions about retirement planning.					
I trust that the leadership in my organization offers reliable advice on retirement planning.					
I believe that the rewards from my retirement investments will be commensurate with my efforts.					
The feedback I receive about my retirement planning efforts helps me make better investment decisions.					
The criteria for successful retirement investments are clearly communicated to me.					

	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
Reward Value					
My satisfaction with my current job increases my					

motivation to plan for retirement.					
Opportunities for career advancement make me more interested in planning comprehensively for retirement.					
Having a good work-life balance enhances my willingness to engage in retirement planning.					
Recognition of my efforts at work motivates me to invest wisely for retirement.					
Financial incentives provided by my employer significantly impact my retirement planning decisions.					

SECTION C: SELECTION OF RETIREMENT OPTIONS

This section addresses your selection of retirement preparation options. Please indicate the extent to which you agree that will select the following retirement preparation options. Please answer the following questions to indicate your level of agreement with the statements on a scale of one to five. Kindly use the following guide:

(1 – strongly disagree; 2 – disagree; 3 – Neutral; 4 – agree

5 – Strongly)

	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
Individual Retirement Accounts (IRAs)					
Real Estate Investments					

Stock Investments	Market					
Annuities						
Life Products	Insurance					
Health Accounts (HSAs)	Savings					

THANK YOU FOR YOUR PARTICIPATION

