



RELATIONSHIP BETWEEN EMPLOYEE REWARDS AND EMPLOYEE PERFORMANCE IN PUBLIC SCHOOLS IN MACHAKOS COUNTY, KENYA

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ABSTRACT

The purpose of this study was to establish the relationship between rewards and employee performance in public secondary schools in Machakos County, Kenya. The specific objectives of the study were to determine to what extent remuneration, working conditions, fringe benefits and career advancement influence employee performance. The study was based on the Equity Theory of motivation, Expectancy Theory and Two Factor Theory. The target population comprised of 175 employees in public secondary schools in Machakos County. They all participated in the study. The study adopted a descriptive survey research design. A questionnaire was used to collect data from the respondents. The collected data was analyzed and presented by use of tables. Regression analysis was used to test the relationship between rewards and employee performance. The findings were that the respondents were not adequately rewarded for the work done. The researcher's recommendation was that there was need for the school management and TSC to be trained and sensitized about the value of having performance based rewards systems and the importance of involving employees in rewards decision making. The education stakeholders should not only reward employees but also reward them based on the rewards they value. This will make them satisfied thus improving their performance.

Keywords: Remuneration, Working Conditions, Fringe Benefits, Career Advancement, Employee Performance

INTRODUCTION

Employee's performance is well-defined as the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost and speed (Walton, 2014). Bernardin (2013) defined performance as the record of results produced on a given job functions or activities within a definite time or period. Employee performance is also defined as behavior that accomplishes results (Armstrong and Taylor, 2014).

Employee performance is a multi-dimensional concept that consists of two aspects, the behavioral (process) aspect and the outcome (result) aspects (Armstrong and Taylor, 2014). The behavioral aspect is derived as what people do at work, while the outcome aspect on the other hand is derived as the results of the person's behavior (Sonnentag et al, 2008).

The accomplishment of any organization has directly been linked to the satisfaction of workers which also affect their performance. Job dissatisfaction on the other hand has been linked with deprived organizational outcomes (Djabatey, 2012). Employees' effective performance is critical for the growth of an organization. To achieve effective performance, it is the organization's best interest to maintain a firm and satisfied workforce. Fuchs, Kronenberg, Kühne and Rieder, (2016) noted that some if not all the organizations want to have the best human resources in order to achieve their purposes and gain competitive advantage over other organizations. However, this can only be possible when they have satisfied employees. This satisfaction comes from being rewarded for work done. These satisfied employees apply more personal efforts and work harder to achieve organizational objectives. Lyria (2015) asserts that continuous and improved employee performance and satisfaction is achieved through effective reward systems. An organization that strives at achieving employee satisfaction through provision of adequate rewards ensures high employee morale and commitment and minimal cases of absenteeism

and turnover. The crux of employee satisfaction is one of the major criteria for establishing a healthy organizational environment (Jung, & Yoon, 2015).

Reward is the compensation which an employee takes home from an organization in exchange for the service rendered by the employee or as the return for work done (Lin, 2007). While reward systems according to Szilgyi (2003) are outcomes or events in the organization that satisfy work related needs. A reward system is successful when the staff interprets its policies as being fair, consistent and relevant (Tella, Ayeni & Popoola, 2007).

Human resource aspects can always be optimally utilized through rewards, specifically by using various tactical techniques in rewarding. A reward should usually be something valuable, and appreciated by the receiver. Rewards serve to build a better employment deal, employee retention and to reduce turnover. The principal goal of rewarding is to increase people's willingness to work in an organization which in return enhances productivity. Most people integrate "rewards", with salary increments or bonuses, but this is only one kind of reward, extrinsic reward. Schneider et al (2011), argues that effective employee rewards help change their attitudes towards organizational tasks by giving them the motivation to work harder and improving performance.

Employee's performance is defined as the achievement of a given task varied against existing known standards ranging from accuracy, completeness, cost and speed (Walton, 2014). Bernardin (2013) on the other hand, defined performance as the record of outcomes fashioned on specified job functions or activities during a definite time period. Although an employee's job performance relies on some combination of ability, effort and opportunity, it can be valued in terms of outcomes or results produced. Employee performance can also be defined as the employees' outcome and/or contribution in reference to the attainment of set goals (Herbert, John & Lee 2000).

Machakos County is one of the 47 counties in Kenya. It was set up in 1952 and was the country's first administrative headquarters. It has eight constituencies which include: Machakos Town, Mavoko, Masinga, Yatta, Kangundo, Kathiani, Matungulu and Mwala. Machakos Town is the administrative capital of the County and derives its legal mandate from the Local Government Act (Cap 265) of the laws of Kenya.

Statement of the Problem

The performance of administrators, teachers and support staff influence crucial management decisions (Sonntag et al, 2008. However, performance in schools is not only influenced by the administration, but also by the teachers, support staff and learners.). Performance in schools may be assessed in terms of how close schools come to accomplishing the objectives and also how students perform in Kenya Certificate of Secondary Education (KCSE) examinations.

However, the issues of rewards and employee performance within the educational sector has been a dominant debate by all stakeholders countrywide (Nyongesa, Sewe and Nganga, 2012). The Daily Nation (2014) pivoted the value of a teacher as a facilitator and an agent of change in the society but at a price. It stated that for teachers and other school employees to mold students into good future leaders, their rewards must be reasonable.

According to Olivier and Venter's (2013) research in schools indicated that most schools performed poorly because members of staff were dissatisfied with their salaries, especially considering the after-hours input which their jobs demand and how negatively their salaries compare with those of other employees in the private sector and other government departments. In the years 2012, 2013, 2014 and 2015, strikes among Kenyan teachers paralyzed learning in almost all public schools due to teachers being given unsatisfactory rewards for work done.

Lack of satisfactory employee performance due to insufficient rewards was cited as the possible major cause of the continuous teacher's strikes crisis in many countries, Kenya being no exception (Harris, 2001). A report by Kenya Secondary School Heads Association (KSSHA), (Machio, 2011) also noted that in the year 2008 alone, more than six hundred secondary school employees left teaching for other jobs citing poor pay and conditions of service as the main reasons. Such attrition decreases the manpower capacity for the existing employees thus reducing their effectiveness, productivity and efficiency. Since the ratio between teachers and students is not balanced. This has led to low employees' performance in public secondary schools and hence the education stakeholders need to solve the problem urgently.

Karanja (2009) carried out a study on the effects of rewards on Employee Performance in Cooperative Bank Headquarters in Nairobi County. The study found that motivation, creativity, job satisfaction and team work had a positive and substantial effect on employee performance. This study is different from the present study in its focus and scope. In this study job satisfaction was taken as a factor of employee performance with the researcher focusing on the effect of satisfaction on elements of performance. However, in this study, the researcher focused on the effect of employee rewards on employee performance.

On the other hand, Cherotich (2012) evaluated the effects of total reward on job performance among Bank employees in Nakuru Municipality. She found that there was a significant relationship between job performance in the banking sector and rewards. Additionally, the correlation between rewards and absenteeism, lateness and turnover were negative whilst relationship with job performance was positive. This study fixated on occupation performance in the banking sector while the researcher's study will focus on employee performance in the education sector.

Given the research gap in the above studies the researcher sought to carry out a study on the relationship between employee rewards and employee performance in the education sector in Kenya. Although several studies had been conducted on rewards and performance in Kenya, there was no evidence of a study focusing on the same in Machakos County. It is against this background that the researcher embarked to investigate the relationship between employee rewards and employee performance with special reference to public secondary schools in Machakos County in order to fill the existing knowledge gap.

Purpose of the Study

The purpose of the study was to determine the relationship between employee rewards and employee performance in Public schools in Machakos County, Kenya. The specific objectives were:-

- To identify the effect of remuneration on employee performance in Public schools in Machakos County, Kenya.
- To determine the relationship between fringe benefits and employee performance in Public schools in Machakos County, Kenya.
- To assess the effect of working conditions on employee performance in Public schools in Machakos County, Kenya.
- To establish the effect of career advancement on employee performance in Public schools in Machakos County.

LITERATURE REVIEW

Theoretical Orientation

Expectancy Theory

This theory was established by Vroom in 1964 and it clearly illustrates the mechanisms of effort that can result into the desired satisfaction and the appropriate rewards. The expectancy theory proposes that employees are more likely to be motivated to perform when they have a perception that there is a strong relation between their

performance and the reward they obtain (Mendonca, 2002). According to Robbins (2003), expectancy theory is defined as the strength and appeal of employees' expectation of the outcome produced by performance. This means that the attractiveness of anticipated reward for given input will determine an employees' motivational soundness as stated by this theory and whether that reward corresponds to the employees' personal goals.

The expectancy theory also illustrates the link between performance and expectations and is given in two dimensions. One aspect is the expectation of an employee to get a reward equal to the input on the organization and the other one is the expectation of the organization of an output by the employee to be equal to the reward given (Porter & Lawler, 1973). This theory also tends to further explain the slight balance relationship between reward management and employee performance as seen where each depends on each other such that the performance depends on reward and vice versa.

Robbins (2003) explained that there are three relationships; effort - performance, performance - reward and rewards - personal goals which will direct one's behavior. Further, the expectancy theory predicts that an employees' level of motivation is subject to the attractiveness of the rewards sought and the prospect of obtaining those rewards (Bohlander & Snell, 2007). This thus turns out to be the basis on which reward management thrives in using rewards to optimally influence employee performance. Vroom further expounds on the projected satisfaction an employee optimism to get from the outcome or reward.

As per Vroom, the three aspects; Expectancy, Instrumentality and Valence combination can create a driving force which will in turn motivate a person to put effort and achieve a level of satisfaction to be rewarded in the end. Expectancy therefore would be derived as certainty that one's sweat will result in fulfilment of desired

performance goals. Employees have different expectations and levels of confidence about what they are capable of doing, hence the government and school management must discover what resources, training, or supervision they require.

Instrumentality is therefore well-defined as the belief that a person will receive a recompense if the performance expectation is achieved. This reward may present itself in the form of a salary increment, promotion, recognition or sense of achievement. The government must therefore guarantee that promises of rewards are fulfilled.

Valence is the worth an individual bases on the rewards of an outcome, which is founded on their desires, goals, values and sources of motivation. Thus, the government and the school management must discover what rewards employees' value. Schaufeli et al. (2002) stated that valued employee rewards are important in order to exhaust non-performance this is because satisfactory rewards are directly proportional to employees' performance.

Therefore, according to Vroom (1964), efforts into a job can result into performance if an individual believes that performance is achievable and would result into a reward. This is because employees are more motivated when they have a strong belief that performance will lead to desired rewards. Also as stated by Ballentine (2003), the main focus of reward is to recognize excellent job performance, deliver feedback, and make it simpler to get work done and to encourage employees to be more productive.

From the above, it is clear that the Expectancy theory clarifies that at any given state, the amount and variety of rewards that are obtainable to the employees is directly proportional to the probability that additional effort will be applied in attaining the set objectives in the optimism of getting the desired rewards (Bodden,2008). Cole (2004) agrees with this and explains that Vroom biases on the factors that are intricated in inspiring an employee to put

an effort in doing something since this is the basis of motivation hence performance.

This theory is related to this study because much of the employees' performance is attributed to their expectations of getting rewarded from work done. This however relies on the assumption that high performance results into high rewards but if performance and output are high and rewards are very low, this will therefore reduce performance. Therefore, an upsurge in employee rewards leads to a gain in employee performance.

Anitha (2011)in his study also indicated that employees will be more content and thus perform best if they get what they expect since job satisfaction relates to inner feelings of employees. This theory therefore contributes to the current study in that it highlights how employees are drawn to make decisions as regards their performance due to the rewards put in place. It also proposes that motivation is based on how much one desires something and what one is likely do to get it (Bodden, 2008).

The expectancy theory further supports the government to understand the relationship between employee rewards and employees' performance. Since employees believe that rewards given may lead to advanced commitment to their work, then the government can enhance this by provision of required employee rewards thus leading to improved employees' performance in public secondary schools.

Hertzberg Two Factor Theory

Frederick Hertzberg (1974), in the two-factor theory suggested that work could serve as a main source of employee satisfaction hence performance. He recognized the influences that contribute to each dimension as motivators and Hygiene. The motivators are inherent factors that influence satisfaction based on contentment of higher level needs such as achievement, recognition and opportunity for growth.

The hygiene factors are extrinsic variables such as work environments, pay, and interpersonal relationships that must be complied with to prevent dissatisfaction. Herzberg's theory distillates on the significance of internal job factors as motivating forces for employees. He wanted to create the opportunity for employees to take part in planning, performing and evaluating their work (Schultz et al., 2010). The contents of the theory have been widely accepted as relevant in motivating employees to give their best in organizations. Research studies by Boehm & Lyubomirsky (2008) and Eastman (2009) also consistently affirm that intrinsic motivation is favorable in producing inventive work, while extrinsic motivation is the other way round.

Most organizations frequently use financial rewards to prevent employee dissatisfaction and to motivate employees, though it may not be the finest strategy in the long run (Mossbarger and Eddington, 2003). Deeproose (2014) had stated that "while the existence of money may not be the best motivator, the absence of it is a solid de-motivator". In addition, financial rewards are weighty not only in terms of their instrument value as a medium of exchange, but also an extremely palpable means of recognizing an individual's worth, improving self-esteem, symbolizing status and achievement (Armstrong, 2006).

According to Mishra and Dixit (2013), financial and non-financial rewards and benefits are highly interrelated with employee's performance in an education rewards system. There being a positive relationship between employees' rewards and performance, this results to job satisfaction among employees. Furthermore, job fulfillment leads to success and feelings of achievement, happiness, enthusiasm and feeling of fulfillment during the employment term (Kaliski, 2007). The study of Latif, Shahid, Sohail & Shahbaz (2011), revealed influential factors contributing to job satisfaction and dissatisfaction of college employees of Faisalabad district in Pakistan. The results showed that college employees are more content and thus performed best with these rewards; pay, job

security, promotional opportunities, family and work life balance. Therefore, if the government wants to increase employees' job satisfaction, it should be concerned with the nature of the work itself, which includes, the opportunities it offers employees for gaining status, assuming responsibility and achieving self-realization. On the other hand, if it wishes to reduce discontent, then it must pay attention to the job environment, which includes policies and workforce then it must work on both sets of job factors.

This theory is supported Maslow's hierarchy which is a commonly used theory in psychology proposed by Abraham Maslow. In his book, *Motivation and Personality* (1954) Maslow referenced the terms "self-transcendence", "self-actualization", "esteem", "love/belonging", "safety", "physiological" to illustrate the different motivations. The most important levels of needs are at the bottom, and the higher ones at the top. According to Maslow, employees are motivated by displeased needs which have to be pleased before higher needs are to be addressed. If we correspond Maslow's Hierarchy of Needs theory with employee motivation, a manager has to strive to motivate his subordinates by satisfying their lower level needs first before he attempts to address the sophisticated ones, or the employee will be demotivated. Maslow's hierarchy of needs also postulated that employees' performance is improved when their desires are met. One of the methods to meet employees' needs is through rewards systems. When employees' feel adequately motivated through rewards, they tend to perform much better than those who are not.

Herzberg theory is applicable in the present situation of employee performance in public secondary schools in that, physical and emotional needs of employees do not change. It mentions two factors that affect work performance, that is, extrinsic rewards which contains salary and promotion and intrinsic factors which comprise of praise and recognition. Therefore, in this research, rewarding public secondary school employees' in

terms of both intrinsic and extrinsic rewards would be expected to have positive effect on work performance.

The Equity theory

John Stacey Adams, came up with the Equity Theory on job motivation in 1963. The Equity theory assumes that employees seek to strike a balance between inputs or efforts and results or rewards received or anticipated. Outcomes consist of salary, base pay, incentives, benefits, working conditions, or anything acknowledged in exchange for services. Inputs encompasses education or proficiency, effort expended, and additional contributions employees believe should be rewarded (Day, 2015). Equity is measured by relating the ratio of contributions (or input) and reimbursements (or rewards) for each employee. There are two forms of equity; these are distributive equity and procedural equity. Distributive equity is deals with the fair-mindedness with which people feel they are rewarded in harmony with their contribution and in comparison, with others. While procedural equity is troubled with the observations employees have about the fairness with which company procedures in areas such as performance appraisal, promotion and discipline are being operated (Armstrong, 2001).

This theory is anchored on three principles of fairness to perception imposed to organization settings (Gary, 2000). These key philosophies include distributive justice or the perception of equality of a distinct outcome. Procedural justice, or the fairness of the procedures used to regulate one's outcome and lastly, interactional justice which is the perception that employees have to be treated with dignity and fairness. According to Maicibi (2003), the employees expect rewards or outcomes to be broadly proportional to their effort. This infers that in a school system where rewards are consistently provided, the employees tend to put in more efforts in terms of performance.

In organizations, reward may be perceived in terms of recognition and support, career opportunities, or remuneration. According to Hofmans (2012), equity

theory deliberates reward in comparison to others. He also stated that perceptions of inequities results into stress; the more the feeling of inequity the higher the level of stress. Pointedly, Landy and Conte witnessed that when equity theory is experienced among employees, predictions of under-performance usually can be confirmed when inequity is induced the opposite goes for over-performance which is witnessed when employees are overpaid (as cited in Hofmans, 2012).

Based on a study done by Kim, Edwards & Shapiro (2014), workers always form an impression on whether they are given fair treatment in their work place or otherwise, which influence greatly on their level of performance. This indicates that an employee that perceives equity in the workplace may have a tendency to increase the level of performance otherwise the employee may tend to decreases performance level (Banks, Patel & Mola 2012). Component equity is related to employee performance according to Bell and Martins (2012) including input and output on how employee react to the given situation.

This theory is supported by the Social justice theory which suggests that social exchanges are perceived as fair when people sense that their contributions are in balance with their rewards. Research discovered that individuals would accept a certain amount of prejudice in outcome distributions, provided they perceive the procedures that led up to those outcomes were fair (Cropanzano & Konovsky, 1991). Procedural justice describes the phenomena of perceived fairness in the allocation process. Leventhal (1976) recognized seven procedural categories that individuals can use in order to determine the equality of organizational processes. These include procedures for selecting agents, setting basic rules, gathering information, decision making, pleasing decisions, safeguarding employee privileges, and changing procedures. An individual's awareness of biased practices in any one of the seven factors can lead to perceptions of injustice. Since the publication of Leventhal's model, researchers have clearly illustrated the

existence of two justice factors: a distributive factor associated with the fairness of distribution of outcomes, and a procedural factor associated with the fairness of the means used to determine the outcomes (Torrington et al, 2008).

This theory is a significant tool for organizations to assess employee satisfaction, the relationship between motivation and productivity and how to increase motivation to better each organization's goals and objectives. This theory is useful to this study because employees perceive equity as fairness of rewards in relation to one's education, experience, efforts and time used. For instance, the use of common criteria of promotion of all employees regardless of fundamental differences is seen as in effect, unfair, thus reducing the morale of some employees especially the ones who work in schools that are historically disadvantaged in terms of categorization.

Empirical Review

Remuneration and employee performance

Remuneration as reward is a major factor that influences employee performance (Kreitner and Kinicki ,2006). According to Shafiq and Naseem (2011), poorly designed compensation package may result to employee job dissatisfaction and thus nonperformance. This can be broadly alienated into two, which is, wages and salaries. Wages and salaries are well-defined as the monthly payments that employers pay their employees for services rendered based on contractual agreements (Boselie, Dietz & Boon, 2015).

Salaries are payments or compensation to permanent employees, or long serving contractual employees, while wages are payments to casual or short-term contractual employees (Pratheepkanth, 2011). Boselie et al., (2015) argue that salaries and wages have the capability to place an organization at a competitive level if the level of salaries and wages obtainable by the organization are more competitive compared to what is being offered by other industries.

Fringe Benefits and employee performance

Fringe benefits are also called perquisites and are either provided by the employer on his own motion or they are the result of a collective bargaining agreement or state legislative. Burke (2006) stated that fringe benefits or top up allowances are additional payments paid to the employees over and above the basic pay and also act as substitutes for wages.

Gupta (2014) states that key employee allowance benefits include house rent allowance, health allowance, travel allowances, legal benefits, insurance, medical benefits, provident funds, gratuity funds, pension funds, superannuation benefits in the form of group linked insurance scheme, accident and death compensation while on duty, statutory funds (wage deductions), and leave with pay. There are also other unique allowances given at a consistent interval at a definite time by the organization. These special allowances include but are not limited hardship allowance in remote area, overtime, phone allowances, meals, commissions education allowance, company cars which are positively related to employee performance. Additionally, Hina, Zamir, and Nudrat (2014) indicate that allowances are given to retain the best talent in the organization and should scale as per the position of the employee in the organization.

Employee Recognition and employee performance

Employees not only want good extrinsic compensation on the work but also want to be celebrated and appreciated for the efforts they put in on the work (Kauffmann, 2013). According to Robbins (2001) recognition is defined as acknowledgement, approval and genuine appreciation not phony praise. He further asserts that recognition is mostly displayed through appreciation and praise.

Praise could be shown in the organization newsletter or in meetings. When managers decide to meet and recognize employees for exemplary

performance more, it plays a vital role in enhancing employees' performance (Torrington & Hall, 2006). When employees see other employees being recognized and praised for the efforts they have put it becomes an instant chain reaction; these employees repeat positive actions so that their work will also be appreciated.

Career Advancement

Career advancement constitutes an investment that the organization puts in the employee by providing him or her with new skills, greater competencies and confidence. It habitually leads to work that is more intrinsically rewarding (Ongori & Agolla, 2009). It is a mutual benefit process because it provides important outcomes to both employer and employee (Wright et al., 2005). The employees benefit by going through larger satisfaction about their ability to achieve results while the organization gains by having more productive and skilled employees. It entails generating opportunities for promotion within the organization and also provides opportunities for training and skill development (Prince, 2005).

Conferring to Kreisman (2002), availability of training opportunities and career programs are key interest to organizations. Therefore, if an organization fails to recognize the employees' needs and desire to grow, then career advancement becomes a key cause for resignation. The above researcher recommends that human resource management should articulate policies that put emphasize on employee development and training so as to retain the desirable talent for effective performance. One of the methods they recommend is for organizations to constantly create opportunities for personal advancement and growth (Hay Group, 2007).

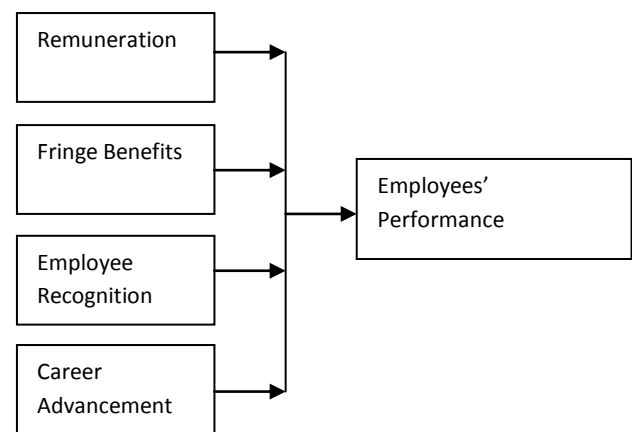
Employee Performance

High performance is a footstep towards the achievement of organizational ambitions and responsibility. Performance is defined by Walton (2014) as the achievement of definite tasks against

prearranged or known standards of accuracy, completeness, cost and speed. Armstrong (2006) also defines performance as the development of quantified objectives. Performance is not only about what employees achieve but also how they achieve it.

Frese and Sonnentag (2001) opined that an employees' performance is extremely important for an organization as a whole and the employees in it. Organizations need vastly performing employees so as to meet their objective at the end of the day and in return deliver the products and services they are specialized in and finally to achieve the desired competitive advantage. Hashim (2000) concurs and advocates that the degree of employee performance is the willpower of financial profitability and growth attributed to the individual employee as a contribution to the organization. This is supported by Berridge (2001) who maintains that the shared measures assets, return on equity and return on sales can be attributed to each employee as a contribution.

Conceptual Framework



Independent Variables Dependent Variable

Figure 1: Conceptual Framework

Source: Author [2018]

METHODOLOGY

The study used descriptive research designs to regulate the relationship between the dependent and the independent variables and to establish any

association between them. Descriptive research design facilitates the understanding of the characteristics allied with a subject population (Cooper and Schindler, 2006). Machakos County had three hundred and fifty one (351) Public secondary schools. However, the target population of this study consisted of thirty five (35) schools which was roughly 10% of the public schools in Machakos County. In each of the schools five respondents were selected. This included the school principal, the deputy principal, senior teacher, the Bursar and the head of the support staff. Primary data was collected using questionnaires which had only closed ended questions. Data was analyzed using descriptive and inferential statistics with the assistance of Statistical Package for Social Sciences (SPSS) version 24.0. The multivariate regression equation was formulated as follows:

$$Y = \alpha + \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$$

Y = dependent variable (employee performance)

β_0 = Constant

$\beta_1, \beta_2, \beta_3, \beta_4$ = Beta Coefficients of the determinants of employee performance

X_1 = Remuneration

X_2 = Fringe benefits

X_3 = Employee recognition

X_4 = Career advancement

ϵ = Error term

β_1 to β_3 , are the coefficients of the variables, and e = the estimated error of the regression model.

FINDINGS

Remuneration and Employee Performance

The study sought to establish the effect of remuneration on employee performance in public secondary schools in Machakos County. The respondents using a likert scale of 1 – 5 ranging from; 1 = Strongly Disagree (SD) to 5 = Strongly Agree (SA) were requested to indicate their level of agreement or disagreement with the statements. The results were summarized in Table 1.

Table 1: Remuneration and employee performance

	Mean	Std. Dev.
I am satisfied with my monthly pay.	1.74	1.04
If my salary is increased I would give extra time to students.	3.99	1.34
The salary for all employees should be improved to enhance performance.	4.50	0.72
The poor the pay, the more likely employees will be absent from school.	4.52	0.77
My salary has increased in the last two years.	2.20	2.08
I am given allowances for working extra hours.	2.17	1.15
Composite Mean	3.18	

Majority of the respondents agreed that remuneration greatly influenced employee performance in public secondary schools in Kenya. They pointed out that poor pay was the major contributor to school absenteeism. They felt that an increment in salary would motivate them to work harder with better results. Many pointed out that they had not had a salary increment in the last two years. They pointed out that they hardly got any allowances for the extra hours worked. Many of the respondents indicated dissatisfaction with the

remuneration received. They felt that their salaries needed to be improved. This would motivate them to perform better.

The importance of effective pay is supported by Chiu et al (2012) whose findings indicate that when an employee is paid well and on time for the services offered to the employer, it shows the employee that their existence in the organization matters and therefore motivated to achieve set targets. This is also in line with Akintoye's (2000) research when he asserted that money remains the

most significant motivational strategy for employee satisfaction. Katz and Sinclair, et al, (2005) further demonstrates in their study that motivational power of money remains the core fundamental aspect of employee performance above any other aspect in reward system. They further explained that money has the power to attract, retain, and motivate employees towards higher performance.

The study sought to establish the effect of fringe benefits on employee performance in public secondary schools in Machakos County. The respondents using a likert scale of 1 – 5 ranging from; 1 = Strongly Disagree (SD) to 5 = Strongly Agree (SA) were requested to indicate their level of agreement or disagreement with the statements. The results were summarized in Table 2.

Fringe Benefits and Employee Performances

Table 2: Fringe Benefits

Statement	Mean	Std Dev.
The health insurance premiums are affordable.	2.38	1.46
The health insurance is sufficient to cater for all my medical bills.	2.43	1.36
I would prefer the school to provide transport facilities to and from school rather than be given travelling allowance.	3.89	1.31
The travelling allowance provided is adequate for all my travelling expenses to and from school.	2.33	1.24
I would prefer to subscribe to a pension scheme of my choice rather than the one subscribed to me.	4.18	1.00
The premiums deducted towards the pension scheme are fair.	2.76	1.43
Composite Mean	2.995	

On whether or not fringe benefits affected employee performance, respondents felt that fringe benefits affect their general performance in that if they were offered adequate fringe benefits they were likely to perform better. This was in line with Milman, (2002), Goymour (2002), Hinkin (2000), whose studies cited inadequate fringe benefits as one of the reasons cited for poor performance in the education sector. Most of the respondents pointed out that some of the benefits such as the health insurance premiums were expensive and did not cater for all their medical bills. They felt the traveling allowance offered was inadequate and did not address their needs and they wished the schools would offer transport. Many respondents

felt that they would be comfortable to subscribe to a pension scheme of their choice rather than the one subscribed for them as indicated. In general, most of the respondents did not feel they had benefitted from any of the fringe benefits offered.

Employee recognition and Employee Performance

The study sought to establish the effect of employee recognition on employee performance in public secondary schools in Machakos County. The respondents using a likert scale of 1 – 5 ranging from; 1 = Strongly Disagree (SD) to 5 = Strongly Agree (SA) were requested to indicate their level of agreement or disagreement with the statements the results were summarized in Table 3.

Table 3: Employee recognition and Employee Performance

	Mean	Std. Dev
Employees are praised for work well done.	2.58	1.53
The school has an annual event where best performers are recognized.	3.50	1.51
Good performance is appreciated by management	3.03	1.08

The approval of desirable behavior is done in meetings	3.30	1.352
The schools foster good relations between the management and employees	3.51	1.22
Acknowledgement of employee achievement has fostered great performance.	3.00	1.561
Composite Mean	3.15	

Employee recognition seemed to be rare in most of the public secondary schools in Machakos County. Most of the respondents were unsure on whether they had ever been praised for work well done. However, they indicated that the schools had an annual event where best performers were recognized. They indicated that good performance was appreciated by management and that approval of desirable behavior was done in meetings. This was in line with Danish et al., (2010) whose study pointed out that reward and recognition programs

serve as the most contingent factors in keeping employees' self-esteem high and passionate.

Career Advancement and Employee Performance

The study sought to establish the effect of career advancement on employee performance in public secondary schools in Machakos County. The respondents using a likert scale of 1 – 5 ranging from; 1 = Strongly Disagree (SD) to 5 = Strongly Agree (SA) were requested to indicate their level of agreement or disagreement with the statements. The results were summarized in Table 4.

Table 4: Career Advancement

Statement	Mean	Std Dev.
The school offers opportunities for career advancement.	2.80	1.34
My school organizes training seminars with other schools for idea sharing.	3.50	1.35
My school sometimes sponsors me to participate in training or career development programmes.	3.10	1.48
I have received training in the past two years.	3.29	1.13
My school provides opportunity for staff coaching on regular basis.	2.33	1.24
Promotions are done on merit to foster employees' performance in schools.	3.94	1.29
Overall mean	3.16	

On career advancement, most of the respondents were unsure on whether they had been offered opportunities by the school to advance. Many had not received training in the past two years. They felt the schools did not give them opportunity for staff coaching on regular basis. However they were of the opinion that their school organize training seminars with other schools for idea sharing and that their schools should sometimes sponsor them to participate in training or career development programmes. However, most respondents agreed that promotions were done on merit. The same thought was shared by Katiyal et al., (2012) that employees seek fair promotion practices and

training policies and thus fair chances of promotion according to employee's ability and skills make employees more loyal to their work and become a source of pertinent workability for the employer.

Employee Performance

The study sought to assess employee performance in public secondary schools in Machakos County. The respondents using a likert scale of 1 – 5 ranging from; 1 = Strongly Disagree (SD) to 5 = Strongly Agree (SA) were requested to indicate their level of agreement or disagreement with the statements. The results were summarized in Table 5.

Table 5: Employee Performance

Statement	Mean	Std Dev.
I possess adequate skills to perform my duties effectively.	4.33	0.89

My school offers various trainings to improve my competency.	3.41	1.52
Employees in this school strive to achieve set annual objectives.	3.00	1.30
I get feedback on my performance.	3.20	1.35
The school emphasizes on high quality service.	4.00	1.19
The school's overall performance has improved in the last two years.	4.06	1.16
Overall Mean	3.7	

Most of the respondents agreed that they possessed adequate skills to perform their duties effectively as indicated by a mean of 4.33. These findings corroborated the findings of a research conducted by Frese and Sonnentag (2001) who opined that an employees' who poses adequate skills, knowledge, talents and relevant experience perform highly. This was important for an organization as a whole as it needs highly performing employees in order to meet its goals, missions and objectives. This would enable it to deliver the products and services they are specialized in and finally to achieve a competitive edge over other organizations in the industry.

They also strongly agreed that the school emphasized on high quality service by a mean score

of 4.00. Respondents agreed that the school's overall performance had improved in the last two years by a mean score of 4.06. Most respondents agreed that the school offered various trainings to improve their competency by a mean of 3.41. Respondents indicated that employees in their respective schools strive to achieve set annual objectives by a mean of 3.0. Most respondents agreed they got feedback on their performance standards with a mean of 3.20. The overall mean of 3.7 indicated that most respondents felt the overall performance was good. This was in line with (Hakala, 2008), who found out that motivation of employees serves as key to facilitate organization performance.

Correlation Analysis

Table 6: Correlations Coefficient

		X ₁	X ₂	X ₃	X ₄	y
X ₁	Pearson Correlation Sig. (2-tailed)	1				
X ₂	Pearson Correlation Sig. (2-tailed)	.126	1			
X ₃	Pearson Correlation Sig. (2-tailed)	.423**	.626**	1		
X ₄	Pearson Correlation Sig. (2-tailed)	.340**	.591**	.722**	1	
Y	Pearson Correlation Sig. (2-tailed)	.628**	.339**	.458**	.568**	1

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

X₁ = Remuneration; X₂= Fringe benefits, X₃ = Employee recognition, X₄ = Career advancement, Y= employee performance

The correlation summary indicated that the associations between each of the independent variables and the dependent variable were all important at the 95% confidence level. Hence, it was evident that remuneration and career advancement have a major effect on employee performance in public secondary schools in Machakos County while fringe benefits and employee recognition have minimal effects.

Multiple Regression Analysis

Table 7: Multiple Linear Regression Analysis Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.739 ^a	.547	.516	.55431

1. Predictors (Constant), Remuneration, Fringe benefits, Employee recognition and Career advancement employee performance rather than employee rewards.

Coefficient of determination that is the percentage variation determination in the dependent variable was supported by the variation in independent variables. The R Square in the study was 0.547 indicating that the predictor variables in the study which were: Remuneration, Fringe benefits, Employee recognition and career advancement affected 54.7 % of the change in the dependent variable which was employee performance. This means that there are other variables that affect

Multivariate regression analysis was used to determine the significance of the relationship between the dependent variable (employee performance) and all the independent variables (Remuneration, Fringe benefits, Employee recognition and Career advancement) pooled together. In order to explain the variation percentage in the dependent variable employee performance as explained by independent variable; the researcher used coefficient of determination that was obtained from the model summary.

Analysis of Variance

The study conducted an analysis to test the influence of employee rewards and employee performance in public secondary schools in Machakos County, Kenya. The findings of the overall model are shown below.

Table 8: Analysis of Variance (ANOVA)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	223.185	4	55.796	17.782	.003 ^b
Residual	185.128	143	3.138		
Total	408.313	147			

1. Dependent Variable: Performance.
 2. Predictors: (Constant), Remuneration, Fringe Benefits, Employee recognition, career advancement in public secondary schools in Machakos county. The p-value was 0.003 which was less than 0.05 indicating that the model term was significant at the 95% level of confidence. The regression model was therefore fit for data analysis.

Test for Coefficients

Table 9 presented the established extent to which employee rewards impact on employee

performance in public secondary schools in Machakos County, Kenya.

Table 9: Coefficients

Co-efficients ^a		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.036	1.820		.020	.984
	X1	.438	.082	.530	5.340	.000
	X2	.104	.111	.111	.930	.000
	X3	.136	.137	-.142	-.990	.003
	X4	.377	.117	.424	3.217	.002

a. Dependent Variable: y

The regression equation obtained was Equation:

$y = 0.036 + 0.438X_1 + 0.104X_2 + 0.136X_3 + 0.377X_4 + e$. the model holding all other factors constant, employee performance is measured by good employee rewards. The multiple regression model results showed that there was positive relationship between employee performance and employee rewards in public secondary schools in Machakos County, Kenya. Therefore, this implied that a single unit increase or decrease in any of the independent variables (remuneration, fringe benefits, employee recognition and career advancement) would result into a corresponding increase in employee performance in public secondary schools in Machakos County, Kenya.

CONCLUSION AND RECOMMENDATIONS

Through correlation and regression analysis, it was found that all of the independent variables were positively and statistically significant to employee performance. It therefore followed that deliberate efforts to improve the employee rewards by the government, school management would improve the productive and overall performance of employees in public secondary schools in Kenya.

These results were in accordance with the findings of a large number of researchers whose studies focused on employee rewards effect on employees'

performance (Khan, Farooq, & Khan, December 2010; Rasheed, Aslam, & Sarwar, 2010; Goodin, 2003; Nadia, Syed, & Humera, 2011; Ken, 2000; Khojasteh, 1993; Egwuridi, 1981). Since a lot of research has been done on the relationship between rewards and employees' performance, through these studies, it can be observed that there has been a consistent trend towards increase in performance level of employees through rewards (Nadia, Syed, & Humera, 2011; Ajila & Abiola, 2004; Pratheepkanth, 2011; Mahamuda Parvin & Nurul Kabir, 2011; Chandrakesar, 2011; Bosompem, Adjei Kwarteng, & Obeng-Mensah, 2012).

These findings were also in accordance with Herzberg (1959) theory which states that intrinsic factors tend to inspire individuals whereas existence of extrinsic factors prevents them from dissatisfaction. So, in order to increase employees' level of performance, they must be recognized for their work through promotions, salary rise, good working condition and receive appropriate fringe benefits.

Recommendations

With regard to remuneration factors, salary reviews should be done more frequently through benchmarking with similar institutions in the industry with growing market rate to ensure employees' salaries remain competitive and reflect the job needs and skills of the employees with other

employees' in different industries. The school management in schools needs to understand the economic, demographic and social forces that are driving changes in their schools. It is vital to understand the types of monetary rewards that have contributed to the improved performances of employees. It is also of great importance to determine the effects of non-monetary reward on employees' performance and thus calling for further research.

As regards employee recognition on employee's performance, the study approved that employee recognition affect employee performance given by multiple linear regression model which revealed that employee recognition positively affect employee performance and thus for each unit increase in employee recognition, employee performance increases. The study highly recommended that the Teachers Service Commission and school management should pay more attention to employee recognition in order to remain applicable and competitive in the labor market and service delivery while at the same time conform to the human resources best practice.

The present study focused on the fringe benefits offered within the employees of public secondary schools. Research results show that most of the employees are "moderately satisfied" with the fringe benefit system and thus further improvement would be welcomed. This is because increased sum of benefits would affect employees' motivation towards performance. The employees also should be allowed to choose the kind of fringe benefits that they consider the best, for example, most employees preferred to subscribe to a pension scheme of their choice rather than the one subscribed by their employers.

In Public Secondary Schools in Machakos County, training can be one of the best approaches for changing teacher's mind-sets. Schools management should decide to offer training programmes to employees on subjects such as teamwork, diversity,

emotional intelligence, quality circles, communication skills, or participative managements which are aimed at improving employees' performance.

Employees should be aware of the relationship between how they perform and the rewards they get. Organizations must apply performance management programs which would help a great deal in planning employee performance, monitor performance by effecting appropriate measuring tools. Rewards should be used as a method of strengthening good performance among employees as well as productivity. Hence reward systems should focus on reinforcing positive behavior. Employees could be compensated for working overtime, resourcefulness, cooperation, dependability, exceptional attendance, meeting deadlines or timeliness, productivity etc. Employers and managers should then design or formulate a system to measure or compute all these aspects so that rewards are then distributed appropriately.

Suggestion for further study

This study was conducted in one County. It is important for further studies to be carried out across the country for a broader perspective on the relationship between employee rewards and employee performance. The study was carried out in public secondary schools, it is therefore recommended that further studies be conducted in Private schools. This study focused on employee rewards as the factors that affect employee performance, other factors that might influence employee performance such as demographical and political factors affecting employee performance should also be considered. This research only revealed the link that exists between the rewards and teacher performance, there is need to determine the best rewarding methods in future studies.

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