

**PERFORMANCE MANAGEMENT IN RELATION TO REWARD AND TRAINING
AMONG CO-OPERATIVE INSURANCE COMPANY OF KENYA LIMITED
EMPLOYEES IN NAIROBI**

By

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\ Research Project Submitted in Partial Fulfillment of the Requirement* for the Award of
Post Graduate Diploma in Human Resource management
University of Nairobi

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DECLARATION

I hereby declare that this project is my original work and has not been submitted to any other institution for academic credit.

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This project has been presented for examination with my approval as university supervisor

Signed

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DEDICATION

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DEDICATION

l o Paola my daughter

a c k n o w l k d g k m e m s

Sincere gratitude to my supervisor, Dr. Anne Asscy. for her professional guidance which has made it possible for me to complete this project.

to Fr. Salvatore Schirru for his support and encouragement throughout the course of this programme.

to Roberto for his patience with me during the course of this work.

ABSTRACT

Managing employees' performance facilitates the effective delivery of sales incentive plans. A common misconception among supervisors is that behaviors and activities are the same as results. This study aimed at evaluating levels of performance amongst the trained and untrained employees of the Cooperative Insurance Company Ltd.

The study employed a stratified sampling approach which aimed at targeting a population of 110 employees of Cooperative Insurance Company Nairobi. The researcher administered 60 questionnaires to employees of Cooperative Insurance Company Ltd. Both primary and secondary data were collected. Analysis was done with aid of the Statistical Package for Social Sciences (SPSS) package. Descriptive statistics generated such as percentages, and mean were presented in tables, pie charts and figures.

The study findings were that there was no major difference in performance management between trained and untrained among employees at Cooperative Insurance Company Ltd. as all the groups were treated to the same provisions such as regular training and evaluation. The study also found that the highly rewarded employees had greater job satisfaction and personal responsibility than the lowly rewarded employees at The Cooperative Insurance Company Ltd. This could be attributed to the higher salaries and better working stipulations. The study also found that employee training and enhanced reward levels lead to improved quality of work and also that it supported the company's business mission and vision. The study recommends that for effective performance management at The Cooperative Insurance Company Ltd. the management need to regularly offer training to its employees as it helps to improve individual, teams, and corporate performance in terms of output quality, speed and overall productivity. Training is a process which is planned to facilitate learning so that people can become more effective in carrying out aspects of their work.

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ACRONYMS

H.R.M	Human Resource Management
CMC	Cooperative Insurance Company Ltd.
KNFC	Kenya National Federation of Cooperatives

CHAPTER ONE

1.0 Introduction

1.1 Background of the Study

Management is often claimed as the area of human Resource Management, which can make the greatest impact on organizational performance. The use of management processes has also been viewed as an important part of the strategy process. Management has received new emphasis today due to the increasing competition, which has forced organizations to examine in detail the contribution of various parts of the business and to widespread restructuring initiatives, used to align organizations more closely with the market place, which have involved decentralization to business units and profit centres (Duncan & Robbins. 1998).

Performance management can be defined as a systematic and integrated approach to delivering sustained success to organizations by improving the performance of people who work in them and by developing the capabilities of team and individual contribution (Armstrong and Hiron 1998). The main purpose of performance management is to link individual objectives and organizational objectives and bring about that individuals obey their importance worth for enterprise. Additionally, performance management tries to develop skills of people to achieve their capability to satisfy their ambitiousness and also increase the profits of a firm (Ogley. 1999).

Reward is a compensation or payment that an organization pays to an employee for the skill, time and effort put in for the benefit of the organization (Dyer. 1971). Reward levels deals with the assessment of relative job values where people are paid for their performance, competences or skills. These are also used in developing of appropriate organizational culture, underpinning core values and increasing motivation and commitment of employees. According to Graham (2001), reward levels are led by business needs but the underlying philosophy must recognize that employees are stake holders in the organization, thus their needs must also be addressed and their views should be respected.

Training is the use of systematic and planned instruction and development activities to promote learning. It is an integrated approach to delivering sustained success to organization

by improving the performance and developing capacity of the people that work in them. It helps to develop both individuals and teams within the organization (Iruas, 1967), Training activities are at the heart of organizational growth. Training is seen as a valuable tool and an investment in the organization that helps to improve profitability, reduce costs and increase employee motivation, commitment and effectiveness, in recent years, training has come to be influenced by the extent of global competition and technological development.

Cooperative Insurance Company (CIC) was started as a wing of KNH (Kenya National federation of Cooperatives). Initially it operated as an insurance agency on commission basis with the then Kenya National Assurance Company Limited. The federation in collaboration with Scandinavian co-operative insurance advisors prepared by-laws of the agency. This saw the approval and registration of Cooperative Insurance Services (limited by the Commissioner for Cooperative Development in 1970. The same year it started operation as an independent body and no longer as a department of KNPC. In 1978 it changed its status from insurance service to what is known today as the Cooperative Insurance Company of Kenya limited.

The change of name was both symbolic and strategic as it marked the start of a re-positioning process of the Company in the market place as it adopted a marketing orientation in all its operations. It began its business on 10th December 1978 and traded as CIS for 20 years. There was a newly introduced concept at The Cooperative Insurance Company Ltd. where employees had to sign a performance contract or Performance agreement at the beginning of each year which was to give them the guidelines they were expected to operate within throughout the year. This helps employees to know what is expected of them at a given time. This exercise proved to be effective in the sense that it helped the management in identifying training needs of individual employees. The pay structure was also developed at this point.

L2 SIMtemi'il of tlu- Problem

Managing employees' performance facilitates the effective delivery of sales incentive plans
A common misconception among supervisors is that behaviors and activities are the same as

results. I bus. an employee may appear extremely busy, but not be contributing at all toward the goals of the organization (Boland, 2000). Performance management identifies organizational goals, results needed to achieve those goals, measures of effectiveness or efficiency (outcomes) toward the goals, and means (drivers) to achieve the goals. This chain of measurements is examined to ensure alignment with overall results of the organization (Kloot. 2000).

I typical concerns expressed about performance management arc that it seems extraordinarily difficult and often unreliable to measure phenomena as complex as performance. People point out that today's organizations are rapidly changing, thus results and measures quickly become obsolete. They add that translating human desires and interactions to measurements is impersonal and even heavy handed (Rosen. 1989). Reward and training should be applicable to performance in a current or anticipated task, providing all the necessary learning. By improving employees' ability to perform tusks required by the organization, reward and training allows better use to be made of human resources and further gives employees a mastery over their work, leading to improved performance (Graham and Bennett. 2001). Research studies have been carried out within organizations on performance management in relation to training and rewards. However, no study has been earned out in Cooperative Insurance Company .This study thus aimed at examining the effect of performance management in relation to training and reward levels among employees at the Cooperative Insurance Company Ltd.

1.3 Purpose of the study

This study was useful in evaluating levels of performance amongst the trained and untrained employees of the Cooperative Insurance Company 1.td.

1.4 Objectives of the Study

- To Examine the difference in performance management between trained and untrained among employees at Cooperative Insurance Company Ltd

- ii To investigate the difference in performance management between highly and lowly rewarded among employees at the Cooperative Insurance Company Ltd
- iii. To analyze the joint effect in performance management due to training and reward levels among employees at the Cooperative Insurance Company Ltd

1.5 Research Questions

The research questions of the study were;

- i. What difference is there in the performance management between trained and untrained employees at cooperative insurance company?
- ii. What is the difference between performance management of highly and lowly rewarded employees at cooperative insurance company?
- III. How does both training and reward levels affect performance management at Cooperative Insurance Company?

1.6 Significance of the study.

This study was of great benefit and help to different stakeholders as outlined below;

Top management of Co-operative Insurance: They will use the result of the study to determine ways and means of training and rewarding their employees to enhance performance.

Employees: The result of the study will assist the individual employees in understanding their performance management contracts to facilitate their training needs analysis which will in turn enable their career development thus improving their reward levels.

Organization as a whole: If the results of the study will be implemented, it will help improve the overall productivity of the organization by employees knowing what is expected of them thus developing the required skills.

To the government: The government can use the results of the study to improve on related issues such as Performance Management Contracts and training policies

Competitors: The competitors of Cooperative Insurance can also use the result of the study to improve on issues that affect them and have been addressed by the study.

To academicians: The result of the study will be used by others as a reference point for their studies. The study will also make recommendations for further studies

1.7 Delimitation and Assumptions

The study was guided by the following delimitations:

- The study was limited to specific areas in Performance Management in relation to training and reward levels.
- The study was limited to Cooperative Insurance company in Nairobi head quarters only.

1.7.2 Assumptions

- Since the study covers only one company. The Cooperative Insurance Company Ltd the conclusions of the study may not be used to generalize other companies.
- The researcher was to be given access to material relevant to this study at The Cooperative Insurance Company Ltd.
- That all respondents would respond to the questionnaires and recognize the benefit of this study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the analysis of what experts have written about performance management, training and reward levels. At a glance this chapter looks at the performance management, training and reward levels under the following sub headings.

2.2 Performance Management

According to Armstrong et al (1998), performance management is the systematic and integrated approach to delivering sustained success to organizations by improving the performance of people who work in them and by developing the capabilities of team and individual contributions. It consists of a systematic approach to the management of people using performance, goals, measurements, feedback and recognition as a means of motivating them to realize their maximum potential. Performance management embraces all formal or informal methods adopted by an organization and its management to increase commitment of individuals towards corporate effectiveness. Performance management is concerned both with improving results and quality of working relations (Bourne, et al. 2003)

Performance management began to receive attention at the turn of the 20th century through the work of F.W. Taylor and the scientific management movement. Although well mentioned, use of quantitative measures to understand and increase productivity at work ran into problems with the inept application of otherwise useful concepts. Taylor (1964) was of the opinion that work measurement was just part of scientific management and should not be regarded as an end in itself. The Hawthorne studies carried out by Leta Mayo and others in the 1920s also revealed that even apparently objective measures of performance were prone to influence by subjective factors and social control.

According to Bourne et al. (2003), a key aspect of performance management is Performance measurement. Whatever the process being driven with performance management, clear and concise measures are required in order to properly define the desired goals. Most performance management systems fail to achieve the desired goals of the process owner or project sponsor because goal measurement is ambiguous, not specific enough, poorly communicated or because results cannot be measured effectively. In the business environment, the typical approach is to create "smart goals," those which are specific, measurable, achievable, relevant, and timely.

Graham and Hcnnet (2001) are of the view that it is necessary to specify the quality and quantity of work which should be attained by the holder of a job. The most frequent use of performance standards is found in appraisal and training, to assess the employees in their normal work. It is necessary to have a criterion against which to compare actual performance.

According to Armstrong (2003), performance management has the following aims: Vertical integration: that is linking of business team and individual objectives; Functional integration: where it helps to link up functional strategies in different parts of the business; Human resources integration: linking of different aspects of HRM especially organizational development, HR development and reward to achieve a coherent approach to the management and development of people; and the integration of individual needs with those of the organization as far as this is possible.

According to Ayaro (2003), Performance management has the following aims: Establish resources to profitable performance; To establish current level of performance and seek ways to improve it; to identify employees' potential and develop it; To create a rational link between performance and rewards; and to streamline business processes for greater efficiency.

Managing employee or system performance facilitates the effective delivery of strategic and operational goals. There is a clear and immediate correlation between using performance management programs or software and improved business and organizational results (Bounie, et al. 2003). For employee performance management, using integrated software,

rather than a spreadsheet based recording system. may deliver a significant return on investment through a range of direct and indirect sales benefits, operational efficiency benefits and by unlocking the latent potential in every employees work day i.e. the time they spend not actually doing their job, Benefits may include: Direct financial gains: growth in sales, reduced costs; Motivated workforce: creates transparency in achievement of goals, improves the high confidence in the bonus payment process; Improved management control: flexible, responsive to management needs and helps audit/compliance with legislative requirements (Lewin, 1971).

According to Armstrong (2003) performance management has some key activities which include: Role profile: in this, key results areas and competency requirement are agreed upon. Performance contract: which defines expectations of what the individual has to achieve in the form of objectives, how performance will be measured and the competencies needed to deliver the required result. This could be defined as performance planning stage Personal development plan: which set out the action people intend to take to develop themselves in order to extend their performance in specified areas, This is the performance development stage.

Managing performance throughout the year This is the stage in which action is taken to implement the performance agreement and personal development plan as individuals carry on with their day-to-day work and their planned learning activities. It includes a continuous process of providing feedback on performance, conducting informal progress reviews, updating objectives and where necessary dealing with performance related problems and counseling. Performance review: This is the formal evaluation stage. It takes place over a period of time covering achievements, progress and problems as the basis of revised performance.

2.3 Employee Training as result of changing environment

According to Bramley (1970), training is a process which is planned to facilitate learning so that people can become more effective in carrying out aspects of their work. According to Armstrong (2000) training is a systematic modification of behaviors through learning which

occurs as a result of education instruction development and planned experience. According to Training Journal, (May 2002), training is a life long learning which has the aim of improving knowledge, skills and competences of employees within a personal, civic, social and employment related perspective According to Cowling & Mailer (1998). training is a Continuing investment in the most valuable of all our national resources- people

Munyao (2006) postulates that an organization's decision whether or not to train its workers affects the overall economy, even if the firm does not factor the economy into its decision. If all firms within an industry fail to train their workers, the whole economy suffers Hence, training workers is a type of public good, a category that encompasses a broad range of social dilemmas. Employees face a similar dilemma in their choice of how much to contribute to the overall productivity of the organization.

A changing environment that affects performance management could affect the baseline benefits and the costs of training, for example, the introduction of a new technology may render past training more or less useful. If the introduction is gradual, the industry can adapt to it smoothly. If the introduction is sudden, the change may be very disruptive. The changes in performance management affects the operations of employees and the trained employees may partially lose their advantage over the employees who have not been trained (Emerald, 2007). Employees who have not been trained are assumed to be unaffected, thus firms that train will perform better on average than ones that do not. If the changing performance management lessens the benefits of training, the likelihood that the firms will train decreases, but as long as the rate of performance management loss is not too high, industries that train will accrue higher utilities on average than ones that do not. If the performance management changes abruptly, the effort on trained employees can be sudden and large, for instance, if the employees were trained to exploit one technology, they may not have the set of skills necessary to deploy a radically new one (Iruax and Carkhuff, 1967).

According to Cowling & Mailer (1998) the aims of training are as follows. Basic understanding of a job or function that the job holds. Provision of skills to carry out the job. for example, someone working at the customer care will require not only knowledge to deal

with complaints but also the key behavioral skills of the likely interaction, developing specialist knowledge, for example, knowledge about particular customers who are key account holders within the organization and broadening knowledge of the business where one develops knowledge into the wider context beyond an individual job or function. This helps to increase commitment to the goal and mission of the organisation as a whole.

Training helps to improve individual, teams, and corporate performance in terms of output quality, speed and overall productivity. It improves operational flexibility by extending the range of skills possessed by an employee (multi-skilling). Moreover, it attracts high quality employees by offering the trainees learning and development opportunities, increasing their level of competence and enhancing their skills thus enabling them to gain higher reward and progress within the organization (Armstrong, 1990). Again, training increases the commitment level of employees by encouraging them to identify with the mission, vision and the objective of the organization

Training helps manage change by increasing the understanding of the reason for change and providing people with the knowledge and skills that they need to adjust to new situations. It helps provide high level of services to shareholders who include clients, employees, shareholders, management, and suppliers thus improving the image of the company (Munyao, 2006). According to Graham & Hannell (1995) training has the following benefits: Greater productivity and quality of end products, less scrap or spoiled work, adaptability to new methods, less need for close supervision, fewer accidents and greater job satisfaction showing itself in lower labour turnover and less absenteeism.

This is a very important point in the training; if the evaluation process is left out then the whole process will be a total flop. According to David & Hartley (1973). when evaluation has not yet been done, though instruction may have ended, the training process has not yet run its full cycle.

According to Carrell, Kuzmit and Elrcrt (1982) evaluation has two main aims: To test whether or not a particular method of instruction has succeeded and to use the outcomes of

evaluation to improve the existing training situation. This helps to point out the ways of achieving objectives* more effectively and may lead to considerable future saving in time and cost. According to Trances, Koland, and Bee (1997) training evaluation is earned out for a wide range of purpose which can be categorized generally under four main areas, that is; to assess the effectiveness of the overall course and the trainer-training methods, to improve the quality of training in terms of the delivery, to justify the course, that is, prove that the benefit outweighs the cost, and to justify the role of training for budget purpose in cutback situations.

It is important to evaluate training in order to assess its effectiveness in producing the learning outcomes as specified when the training intervention was planned and indicate where improvements or changes are required (Armstrong. 2003). To make training even more effective, four levels of training evaluation have been suggested by Kirk (1994).

Reaction level: It measures how those who have participated in the training have reacted to it. Evaluating learning: This measure to what extent the learning objective was attained, what skills were developed or improved, how much knowledge was acquired and the extent to which attitude have been changed in the desired direction. Evaluating behavior this is the extent to which knowledge, skills and attitude have been translated from classroom to work place. Time should be allowed to see some positive change in behavior. Evaluating result: This provides a basis for assessing the benefit of training against the cost incurred for the same. It has to determine the extent to which fundamental objectives of training have been achieved.



2.4 Reward Levels

According to Cowling & Mailer (1998) reward is a compensation or payment that an organization pays an employee for the use of their skills, time and effort for the benefit of the organization. According to Armstrong (2003) reward is a consideration to people fairly, equitably and consistently in accordance with their value to the organization. It deals with the design, implementation and maintenance of reward practices that are geared to the improvement of organizational, team, and individual performance. Reward levels deal with the assessment of related job values where people are paid for their performance, contribution and skills (Armstrong & Murlis 1998).

According to Armstrong & Murlis (1998) reward levels have various aims which include; Supporting the achievement of the organization's strategic and short term objectives by ensuring that it has the skilled, competent, motivated and committed workforce it needs; Help to communicate organizational values and performance expectations; Supporting culture management and change by matching pay culture to organization culture and ensure reward level underpins the existing or desired organization culture; Driving and supporting desired behaviors by indicating what sort of behavior will be rewarded and how this will be done; Promoting continuous development through competence related and skill based pay schemes; Competing in the employment market by paying competitive rates which attract and retain quality employees; Motivating all members of staff through the use of a combination of financial and non-financial rewards; Promoting team work through the use of team pay, encouragement of multi-skilling and by rewarding collaborative behaviors (Mutchall, 2006).

According to Beardwell & Holden (2001) reward level has the following aims; To help employees put more effort when they believe that good performance will lead to the achievement of the desired reward, to make sure that the reward is directly related to and reflects the effort they put into their job hence quality of the work and to help management to link clearly and visibly reward levels and performance.

According to Michael Armstrong (2003) reward levels have the following benefits: It can be used to meet particular challenges and circumstances, it helps to attract and retain valuable and critical talent from the labour market. It enhances profitability, that is, there is a direct link between employee's motivation and product/service quality.

According to Beardwell & Holden (2001) reward levels have the following benefits:

To increase the motivation levels of employees, to encourage certain behaviors e.g. good customer care service, creativity, and innovation, to help in recruitment and selection, that is, rewarding highly those employees that you want to retain in the organization and to weaken the trade union power because pay levels are on individual basis and not as a group

Work rewards often are conceptualized as being of two types intrinsic and extrinsic, on the basis of the functions they serve. This functional differentiation has as its roots the conceptualization of human needs arranged in hierarchical levels of prepotencies with different types of rewards seen as satisfying different levels of needs (Machari, 2006). Intrinsic rewards can best be thought of as satisfying lower-order needs while extrinsic rewards can be thought of as satisfying higher-order needs such as self esteem and self actualization. Most theories of motivated work behavior deal with the processes by which rewards energize, sustain, and direct behavior. A common theme among such theories is that work behavior can be motivated by many different rewards, including pay, praise, promotion, alleviation of boredom and a sense of accomplishment (Machelle, 2006).

According to Beardwell & Holden (2001) reward level can be put into four categories as follows : Individual payment by result: these schemes directly reward the outcomes of the performance of an individual e.g. commission based pay; Collective payment by result, these schemes directly reward the output of a group, section, department or the company; Collective bonus schemes: incentives are based on company profit. An example of this is profit sharing schemes; Performance related pay: incentives schemes are based on the assessment of performance and/or competences.

2.5 Summary

While performance management is very vital in the modern labour market it is important to monitor its introduction very carefully and regulating it especially after its first years of operation. The results should be given as feedback to all concerned and analyzed to assess the need for any amendments to the process or further training requirements. Training is a very vital aspect in any organization that has hope for the future. In today's world it has to be systematic and carried out very often otherwise there will be a risk of not meeting future manpower needs within the organization.

Reward is what any organization intends to do to compensate people during the process of achieving an organization's main objectives. It helps to compensate people fairly, equitably and consistently in accordance with their value to the organization. It is one way through which employees are motivated within the organization. This has a direct effect on the retention rate of employees in various organizations.

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CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The purpose of this study was to evaluate levels of performance amongst the trained and untrained employees of the Cooperative Insurance Company Ltd. In this chapter, the research design, target population, data collection methods and data analysis were covered.

3.2 Research Design

Research design is the plan and structure of investigation so conceived as to obtain answers to research questions. The plan is the overall scheme or program of the research. Schindler and Cooper (2003) define the descriptive study as one that is concerned with descriptions of phenomena or characteristics associated with a subject population (finding out who, what, when, where and how of a topic). Descriptive study describes the existing conditions and attitudes through observation and interpretation techniques (Schindler and Cooper, 2003). Descriptive research design was therefore adopted.

3.3 Target Population

A population is an entire group of individuals, events or objects having common characteristics that conform to a given specification (Mugenda & Mugenda, 2003). Our target population was III) employees of Cooperative Insurance Company Nairobi headquarters who included Senior managers, junior manager and employees.

3.4 Sample Design and Sample Size

Sampling is the process of selecting a number of individuals for a study in such a way that the individual selected represents the large group from which they are selected (Mugenda & Mugenda, 2003: 260). The study employed the stratified sampling approach which Schindler (2003) asserts that divides the population into sub populations and uses systematic sampling on each stratum. The researcher first set the representative percentage sample for each stratum which were 50% for both senior and junior managers and 50% for employees. Then the researcher came up with the intended sample per stratum; X. 15 and 37 senior and junior and employees

respectively. A list of names of all employees was requested from the Human Resource Manager. All names were then tabulated per stratum and a number assigned to each name in duplicate. The researcher then put one set of name in a pot and a target sample was randomly selected among the numbers in the pot. The numbers were then matched against the name of the respondent for each stratum. The researcher booked an appointment with the sampled individuals for the purpose of collecting data.

Figure 3.1: Sampling Frame

Department	Population	Percentage	Sample
Senior managers	16	50%	8
Junior managers	30	50%	15
Employees	74	50%	37
Total	110	100%	60

Source: Author 2009

3.4.2 Sample Size

A sample size has a specific level of certainty called the level of confidence. The precision of estimate of the population or tolerable level of accuracy for any estimate made from the sample is called the confidence interval or margin of error. According to Kothari (1990), researchers normally work to a confidence level of 95% and a margin error of between 3% and 5%. The sample size is the part of the target population that was selected by the researcher for the purpose of data collection. The researcher administered 60 questionnaires to employees of Cooperative Insurance Company Ltd.

3.5 Data Collection

Data collection is gathering empirical evidence in order to gain new insights about a situation and answer questions that prompt undertaking of the research. Primary and secondary data were types of data collected. The study employed open-ended questionnaires which were personally administered. The researcher interviewed the employees. This method has the advantage of being flexible and was aimed at capturing any information not covered in the questionnaires.

3.6 Data analysis

The research was both quantitative and qualitative in nature. This implies that both descriptive statistics and inferential statistics were employed. Once the data was collected, it was first coded according to the themes researched on the study. Analysis was done with aid of the Statistical Package for Social Sciences (SPSS) package. Descriptive statistics generated such as percentages, and mean were presented in tables, pie charts and figures. Qualitative data from open questions were analyzed as nominal data and presented in prose

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.0 Introduction

This chapter provides statistical presentation and analysis of the data collected. The data has been presented in tables and figures with summaries being given. The objective of this chapter is to explain the data rather than draw conclusions and interpretations. Out of 60 questionnaires, 55 of them were returned correctly and the researcher attained a 92 percent response rate.

4.1 Background Information

4.1.1 Age

In this area of study the aim was to determine the various age groups of the respondents. Data is as shown in the table below.

Table 4.1 Age group

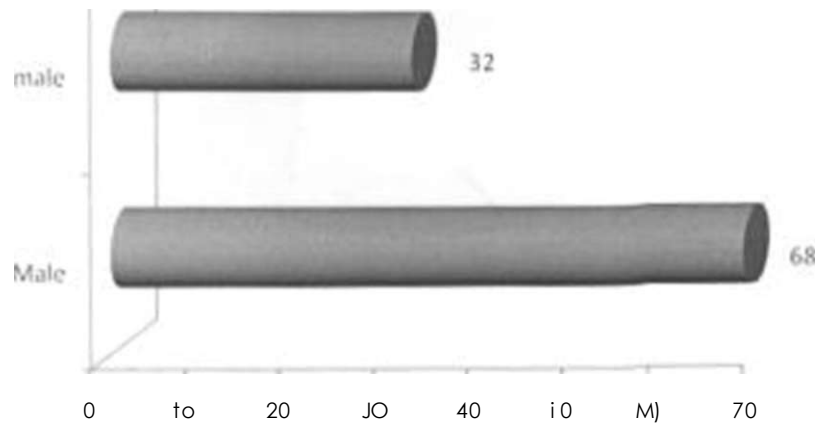
	freq	percentage
21 to 25 yrs	21	38
26 to 30 yrs	30	54
31 to 35 yrs	3	6
Over 36 yrs	1	2
Total	55	100

Data presented in the table above shows that majority of the respondents were aged between 26 to 30 years (54 percent) while 38 percent were aged between 21 to 25 years. 6 percent were aged between 31 to 35 years while only 2 percent were aged over 36 years.

4.1.2 Gender

In this section, the aim was to establish the gender of the respondents. The figure below shows the results.

Figure 4.1 Gender

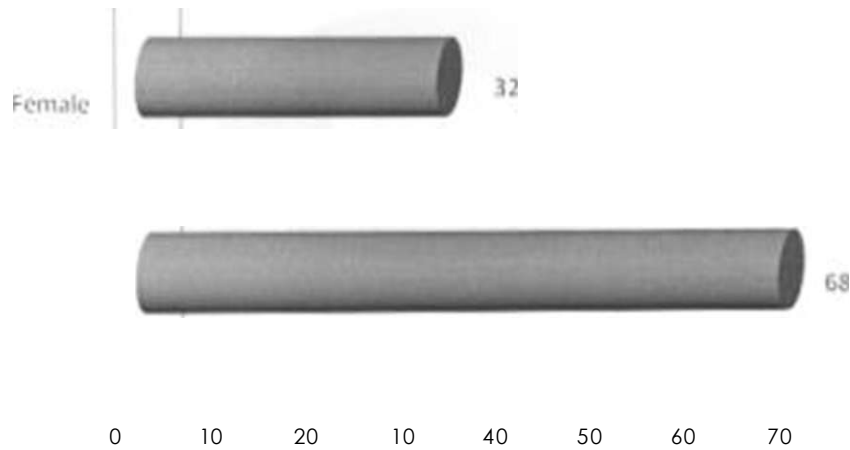


Results from the figure shows that a majority of the respondents were male (68 percent) while 32 percent were female. It can be concluded that males were the dominant respondents in the study.

4.1.2 Gender

In this section, the aim was to establish the gender of the respondents. The figure below shows the results.

Figure 4.1 Gender

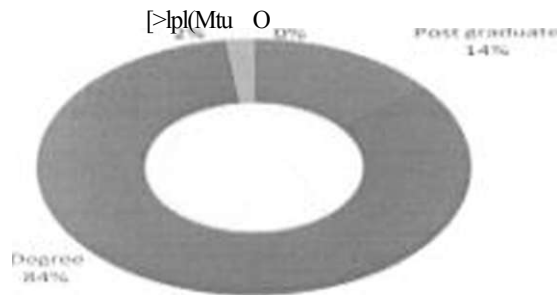


Results from the figure shows that a majority of the respondents were male (>8 percent) while 32 percent were female. It can be concluded that males were the dominant respondents in the study.

4.1.3 Education level

The study proceeded to establish the education level of the respondents. The results are as shown in the figure below.

Figure 4.2 Education level



The figure above shows that a majority of the respondents were degree level graduates consisting of 84 percent while 14 percent were of postgraduate level of education. Only 2 percent were of diploma level of education. None of the respondents had attained an O level of education only.

4.1.4 Years working in current department

In this section, the aim was to establish the number of years that the respondents had worked in their current departments.

Table 4.2 Years working in current department

	Freq	Percentage
0 to 2 yrs	8	15
3 to 5 yrs	30	55
6 to date	17	30
Total	55	100

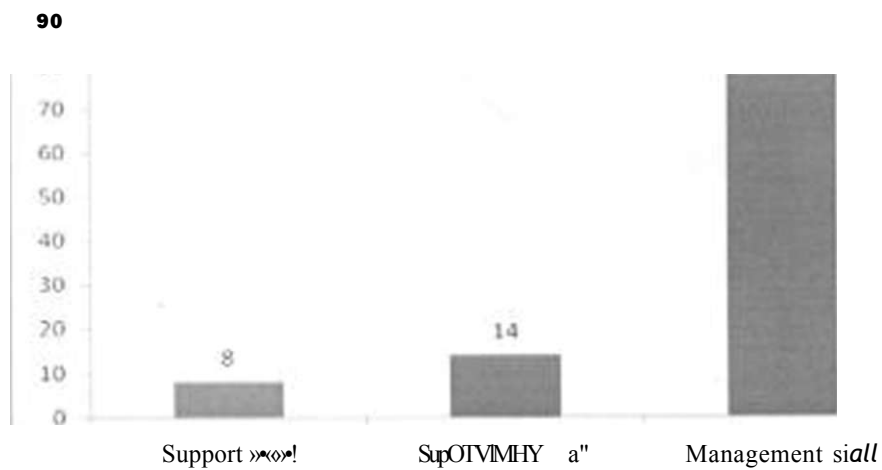
The table above shows that most of the respondents had worked in their current departments for a period of 3 to 5 years (55 percent), while 30 percent had worked for a period of 6 years

and above. Only 15 percent of the respondents had worked in their current departments for a period of 0 to 2 years.

4.1.5 Designation

In this area of study, the study aimed at establishing the designation of the respondents. The figure below shows the results.

Figure 4.1 Designation

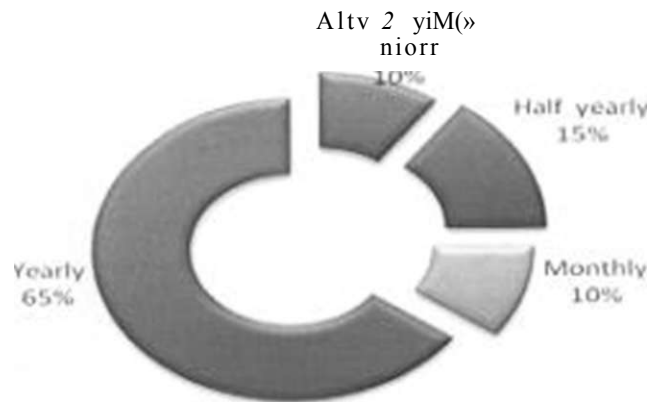


In the figure above, the results show that a majority of the respondents were management staff (78 percent) while 14 percent were in the supervisory staff level. 8 percent were support staff.

4.2 Incidence of training

The study proceeded to establish the number of times that the institution took its employees for training. The figure below shows the results.

Figure 4.4 Incidence of training

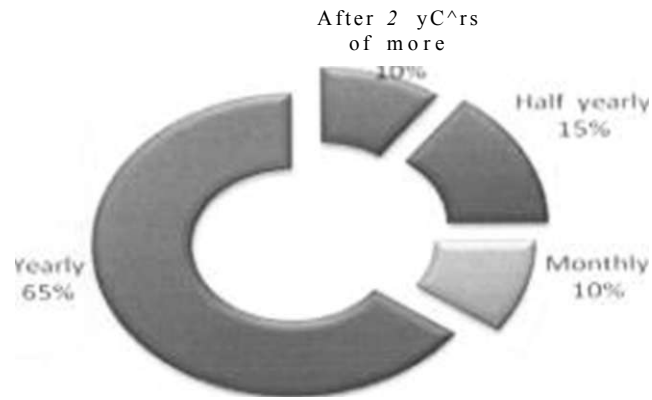


Data presented in the figure above shows that most of the employees were taken for training on yearly basis (65 percent). 15 percent of the employees were taken for training on half yearly basis while 10 percent were taken for training on monthly basis and alter two years or more.

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Figure 4.4 Incidence of training

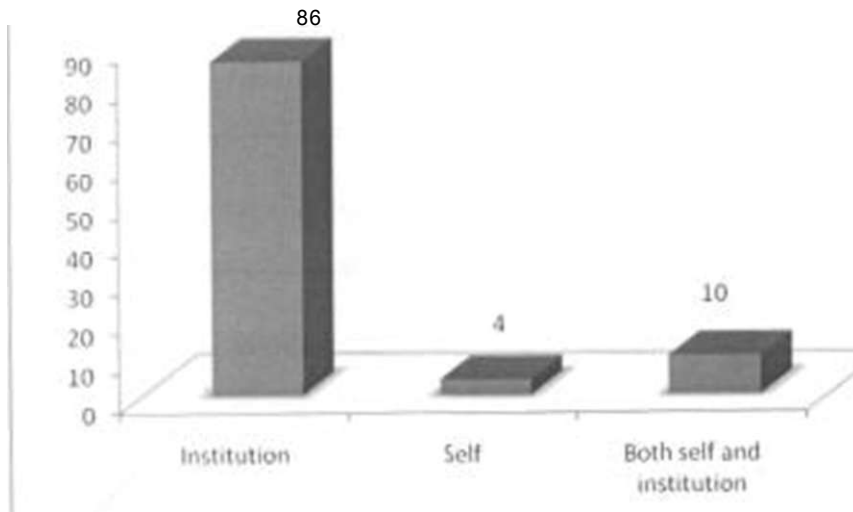


Data presented in the figure above shows that most of the employees were taken for training on yearly basis (65 percent). 15 percent of the employees were taken for training on half yearly basis while 10 percent were taken for training on monthly basis and after two years or more.

4.2.1 Parties responsible for training.

In this area of study, the aim was to establish the person responsible for paying for the employee training. The results are as represented in the figure below.

Figure 4.5: Who pay* for training

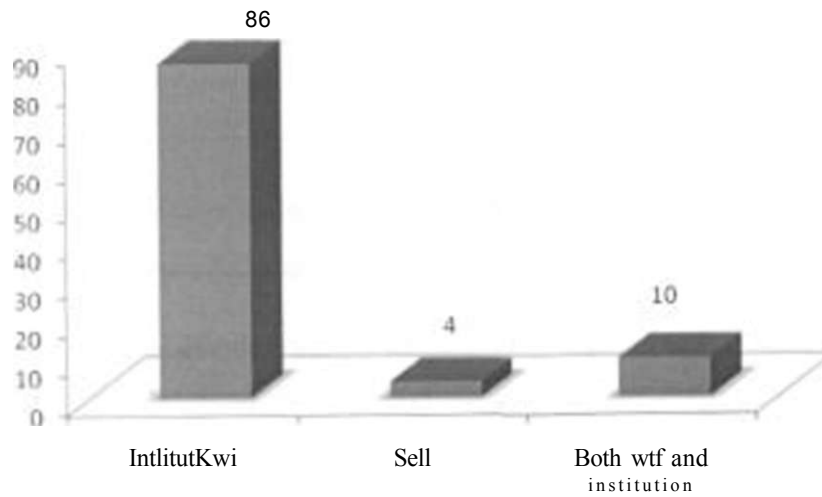


The results from the figure above shows that most of the training was paid for by the institution (86 percent) while 10 percent agreed the payment was done by both the self and the institution. However 4 percent of the respondents cited that payment of the training was done by the employee themselves.

4.2.1 Parties responsible for training.

In this area of study, the aim was to establish the person responsible for paying for the employee training. The results are as represented in the figure below.

Figure 4.5: Who pays for training



The results from the figure above shows that most of the training was paid for by the institution (86 percent) while 10 percent agreed the payment was done by both the self and the institution. However 4 percent of the respondents cited that payment of the training was done by the employee themselves.

4.2.3 Evaluation after training

In this area of study, the aim was to establish whether the employees were evaluated after training.

Table 4.3 Evaluation after training

	Freq	Percentage
Yes	44	80
No	11	20
fotal	55	100

As shown in the table above, 80 percent of the respondents were evaluated while 20 percent cited that they were not evaluated.

4.3 Effects of employee training

The aim of the study in this section was to determine the various effects of employee training on employees. Data was analyzed using a Likert scale of a scale of 1 = No effect to 4 = No idea. The data was then presented in percentages and mean scores.

Table 4.4 Effects of employee training

Effect	No effect	Reduced	Improved	No idea	Mean
Reduced number of alcoholics in your department.	12	49	31	8	2.5747
Number of employees remaining on duty all the time	11	16	64	9	3.001
Absenteeism in your department	5	20	69	6	3.002
Decline in corruption & unprofessional behavior	0	11	69	20	3.0005

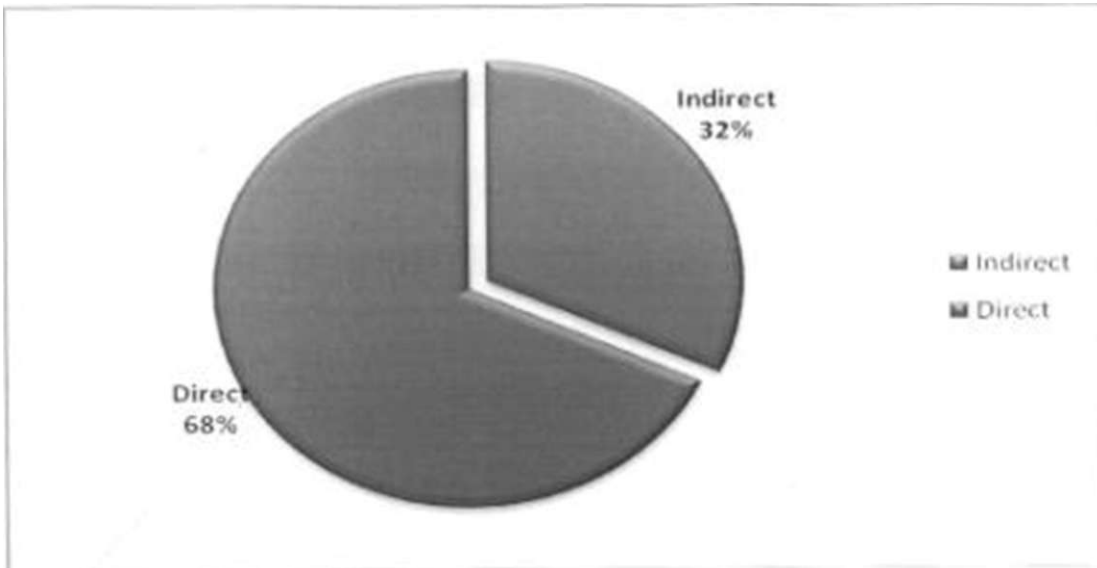
Attracts high quality employees	10	20	70	0	3.0214
Loyalty to your boss	0	19	71	10	3.1411
Fewer accidents' mistakes errors	1	15	75	9	3.2998
Training helps employees manage change	0	12	78	10	3.3287
Punctuality	0	10	80	10	3.6754
Greater job satisfaction	0	14	80	16	3.7545
Employee accountability	0	19	81	0	3.6884
Employee discipline	0	17	83	0	3.7990
Personal responsibility	0	15	85	0	3.8054

Data presented in the table above shows that majority of the respondents cited that employee training led to improved personal responsibility as was shown by a mean score of 3.805, employee discipline as was shown by a mean score of 3.799 and employee accountability as was shown by a mean score of 3.688. In addition, the respondents cited that training lead to reduced loyalty to the boss as was shown by a mean score of 3.141. The least cited effects that the respondents cited were that training lead to reduced number of absences in your department as was shown by a mean score of 2.5747, number of employees remaining on duty all the time as was represented by a mean score of 3.00 and absenteeism in your department as was shown by a mean score of 3.00(2).

4.4 Reward system

In this section, the aim was to establish the various reward systems employed at the company.

Figure 4.6: Reward system

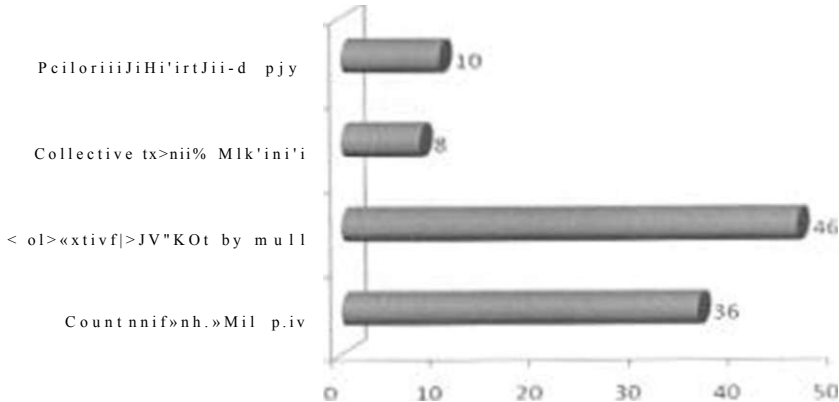


As shown in the figure above, majority of the respondents cited that the direct system was mainly employed at the company (68 percent) while 32 percent cited that indirect reward system was employed at the company.

4.5 Hi-nurd categoric* offered by the company

The study proceeded to indentify the various reward categories that were offered by the company. The figure below shows the results.

Figure 4.7 Reward categories offered by the company



Results from the figure above shows that the most common reward category that was used by the company was collective payment by result as was cited by a majority of 46 percent of the respondents followed by 36 percent who cited commission based pay. 10 percent cited performance related pay while 8 percent of the respondents cited collective bonus schemes.

4.0 Aims of Firms reward levels

In this section, the aim was to establish the various aims of firms of reward levels. Data was analyzed using a Likert scale of a scale of 1 - Very High extent to 5 = No idea. The data was then presented in mean scores and standard deviation.

Table 4.5 Aims of Firms reward levels

	Mean	Std deviation
Support business mission and vision	1.0234	0.201
Improved quality of work-	1.2345	0.124
Meeting productivity standards	1.2457	0.470
Supports desired behaviors among employees	1.2457	0.634
Positively motivate employee to achieve goals	1.2547	0.822
Make employees work in an organized manner	1.3452	0.467
Attracts and retains quality employees	1.5423	0.593
Act as a formal planning process	1.6458	0.124
Incorporate employee's ideals	1.94X7	0.633
Clear and effective communication	1.9870	0.593
Minimal supervision of employees	1.9875	0.822
Encourage employee in gaining new skill	2.0014	0.302
Timely reaction to a problem	2.1054	0.467
Make a positive contribution to meetings	2.1345	0.470
Encourage multi-tasking between several tasks	2.3124	0.772

Results from the table above show that most of the respondents agreed to a great extent that the major aims of firms rewards was to support business mission and vision as was shown by a mean score of 1.0234. improved quality of work as was shown by a mean score of 1.2345 and meeting productivity standards as was shown by a mean score of 1.2457. The respondents also moderately agreed that the aim of firm reward levels was to attract and retain quality employees as was shown by a mean score of 1.5423 and that it acted as a

formal planning process comprising of a mean score of 1.6458. The least cited aims of firm reward levels were to encourage multi-tasking between several tasks as was shown by a mean score of 2.3124, making a positive contribution to meetings as was represented by a mean score of 2.1345 and timely reaction to a problem as was shown by a mean score of 2.1054.

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary and conclusions derived from the findings in the previous chapter. The purpose of these conclusions is to answer the research questions. Finally, recommendations for management, and suggestion for future study are presented.

5.2 Summary and Discussions of the findings

5.2.1 Background information

The studies found that majority of the respondents were aged between 26 to 30 years (54 percent), while 3X percent were aged between 21 to 21 years. In addition, majority of the respondents were male (68 percent) while 32 percent were female.

The studies also revealed that majority of the respondents were degree level graduates consisting of 84 percent, while 14 percent were of postgraduate level of education. The study also asserted that most of the respondents had worked in their current departments for a period of 3 to 5 years (55 percent), while 30 percent had worked for a period of 6 years.

On the area of designation, the study found that the majority of the respondents were management staff (78 percent) while 14 percent were in the supervisory staff level.

5.2.2 Employee training

The study established that most of the employees were taken for training on yearly basis (65 percent). 15 percent of the employees were taken for training on half yearly basis. In addition, most of the training was paid for by the institution (86 percent) while 10 percent agreed the payment was done by both the self and the institution.

On impact of employee training, the study asserted that employee training led to improved personal responsibility as was shown by a mean score of 3.805, employee discipline as was

shown by a mean score of 3.790 and employee accountability as was shown by a mean score of 3.688.

5.2.3 Employee rewards

On the area of reward system, the study found that majority of the respondents cited that the direct system was mainly employed at the company (68 percent) while 32 percent cited that indirect reward system was employed at the company,

The study also established that the most common reward category that was used by the company was collective payment by result as was cited by a majority of 46 percent of the respondents followed by 36 percent who cited commission basal puy

On the topic of employee rewards most of the respondents agreed to a great extent that the major aims of the firms rewards was to support business mission and vision as was shown by a mean score of 1.0234, improved quality of work as was shown by a mean score of 1.2345 and meeting productivity standards as was shown by a mean score of 1.2457

5.3 Conclusion

The study concludes that there was no major difference in performance management between trained and untrained among employee at Cooperative Insurance Company Ltd as all the groups were treated to the same provisions such as regular training and evaluation.

The study also concludes that the highly rewarded employees had greater job satisfaction and personal responsibility than the lowly rewarded employee at The Cooperative Insurance Company Ltd. This could be attributed to the higher salaries and better working stipulations.

The study also concludes that employee training and enhanced reward levels lead to improved quality of work and also that it supported the company's business mission and vision.

5.4 Recommendation*

The study recommends that for effective performance management at The Cooperative Insurance Company Ltd. the management needs to regularly offer training to its employees as this helps to improve individual, team, and corporate performance in terms of output quality, speed and overall productivity. Training is a process which is planned to facilitate learning so that people can become more effective in carrying out aspects of their work.

5.5 Areas for further research

The study only covered performance management on employees at The Cooperative Insurance Company Ltd. More research needs to be done on other companies to bring out the comparative effect. In addition, more research needs to be carried out on employee motivation factors.

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APPENDICES

Appendix I: Questionnaire

I am a student at University of Nairobi pursuing a Post Graduate Diploma in Human resource Management. I am conducting a research to evaluate levels of performance amongst the trained and untrained employees of the Cooperative Insurance Company Ltd.

The research is undertaken as a partial fulfillment for the award of the Post graduate Diploma. The information obtained through research is purely for academic purposes and will be treated with utmost confidentiality. I will be glad if you can assist me attain this end by participating in the discussion or interview I am conducting.

Please fill in the questionnaire and tick wherever possible.

Employees Information

Part A: Personal Information

1. Age

21-25 Years	<input type="checkbox"/>	<input type="checkbox"/>	2(>-30 Years	<input type="checkbox"/>
31-35 Years	<input type="checkbox"/>	<input type="checkbox"/>	Over 36 Years	<input type="checkbox"/>

2. Sex: Male | Female

3. State level of education

Postgraduate	<input type="checkbox"/>
Degree	<input type="checkbox"/>
Diploma	<input type="checkbox"/>
O level certificate	<input type="checkbox"/>
A level certificate	<input type="checkbox"/>

4. How many years have you been working at your current department?

0 to 2 Years	<input type="checkbox"/>	3 to 5Years	<input type="checkbox"/>	6 to Date	<input type="checkbox"/>
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5. Which category best describes your position in the organization:

Support Staff Supervisory Staff Management Staff

Part B: The Difference in Performance Management between Trained and Intrained Employees

6. How often does the institution take its employees for training?

Yearly Half yearly
 Monthly After 2 years or more

Who pays for the training?

Institution
 Self
 Both self and institution

7. Are you evaluated after training?

Yes No

The following are some of the effect of employee training, a performance management strategy-

Tick the impact after training.

1- No effect 2- Reduced 3- Improved 4 -No idea

	1	2	3	4
Effect				
Punctuality				
Absenteeism in your department				
Number of employees remaining on duty all the time				
Attracts high quality employees				
Reduced number of alcoholics in your				

department.				
Greater job satisfaction	\			
Personal responsibility	\			
Employee accountability	W			
Decline in corruption & unethical behaviour	W			
Loyalty to your boss	\			
Employee discipline	\			
Training helps employees manage change		-		
Fewer accidents mistakes/errors	\			
	\			

Part C: The difference in performance management between highly and lowly rewarded employees

9. Which reward system do you prefer?

Direct Indirect

State the reasons

10. Which reward categories does the company offer?

Commission based pay

Collective payment by result

Collective bonus schemes

Performance related pay

The following is a benchmarking tool with which you can

compare the information provided will only be for the purpose of comparing the firms reward levels.

1- Very High extent 2-High extent 3-Moderate extent 4-Low extent 5-No idea

Tick all the questions, against each statement as applied to you. To what extent do you agree that reward will have an impact?

	1	2	3	4	5
Meeting productivity standards					
Positively motivate employee to achieve goals					
Make employees work in an organized manner					
Encourage multi-tasking between several tasks					
Encourage employee in gaining new skill					
Make a positive contribution to meetings?					
minimal supervision of employees					
Timely reaction to a problem					
Clear and effective communication					
Act as a formal planning process					
Incorporate employee's ideals					
Support business mission and vision					
Supports desired behaviors among employees					
attracts and retains quality employees					
Improved quality of work					