

**THE INFLUENCE OF REWARD SYSTEM ON ORGANIZATIONAL
PERFORMANCE IN PUBLIC PRIMARY TEACHER TRAINING COLLEGES IN
NAIROBI ZONE, KENYA.**

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of Master of Arts Degree in Project Planning and Management of the University of
Nairobi.**

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DECLARATION

This project is my original work and has not been presented in any other University or college for award of degree.

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L50/77375/2012

This research project has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

This work is dedicated to my loving husband Joseph Muuo who really encouraged and supported me throughout the course as well as to my dear children; Victor Muthoka and Gloria Mumo for their love, patience and understanding while I was undertaking the course. May God Almighty bless you.

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LIST OF ABBREVIATIONS

BPR	Business Process Reengineering
BSC	Balanced Score Card
ISO	International Standards Organizations
PTE	Primary Teacher Examination
TQM	Total Quality Management
TR	Total Reward
TRS	Total Reward Strategy
US	United States
QWL	Quality work life

ABSTRACT

This study was set to investigate the influence of reward system on organizational performance in the public Primary Teacher Training Colleges in Nairobi Zone, Kenya. The study was guided by five objectives namely: to determine the extent to which employees' compensation influence organizational performance, examine the extent to which employees' performance recognition influences organizational performance, establish the relationship between benefits to the employees and organizational performance, examine the extent to which skill development provided to the employees influence organizational performance and establish the relationship between a conducive work environment for the employees and organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya. The study adopted several theories such as Maslow hierarchy of needs, Expectancy theory and Adams Equity theory and a conceptual frame work to support the theory. It also adopted a descriptive survey research design. The target population was all public Primary Teacher Training Colleges in Nairobi Zone, Kenya and the sample size which was determined by Yamane Formula was 134 respondents from four Colleges. The administrators were selected purposively and the teaching and non teaching staffs were selected randomly. Data was collected using questionnaires and the instruments were tested for reliability through split half method. Its reliability coefficient correlation after correcting to full test using spearman Prophecy formula was 0.82. Items in the instruments were carefully examined if they had content validity through expert judgment by the supervisor. The instruments were administered to the respondents by the researcher. Completed questionnaires were collected immediately. Data analysis involved descriptive statistical analysis, summarized and presented in tables showing frequencies and percentages and inferential statistics was used to test to establish the relationship between the Independent variables and dependent variable. The study has revealed that reward system is an important aspect in an organization as it influences organizational performance. The employees seem dissatisfied with the compensation scheme in their institutions. There also exists uneven distribution of recognition awards in the institutions. The benefit package for the employees was not attractive and opportunities for skill development were offered. The working environment was conducive however the working facilities were inadequate. The study recommends that the top management in organizations should design a compensation system which would drive, reinforce and sometimes alter the culture in a way that the organization's goals are supported and have different types of pay systems which relate to performance. The organization management should design recognition programmes that have a purpose of keeping employees motivated and productive. The top management should design a cafeteria-style benefit plan on incentive system which caters for the differing needs of the employees. The study suggests further research to be done on establishing the kind of rewards the employees expect from managers so as to perform better, whether employees Teacher Training Colleges are treated in a way that they expect, establish the impact of reward system on staff turnover and establish factors that influence performance in any organization.

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

A reward system articulates an institution's overall plan for the rewards it will offer in exchange for the excellent work and commitment of its faculty and staff. The actual statement can be concise or detailed. There are components of rewards, each of which includes programs, practices, elements and dimensions that collectively define an organization's strategy to attract, motivate and retain employees. These components are: compensation, benefits, work-Life, performance recognition, skill development (Worldatwork, 2007) and the components represent the "tool kit" from which an organization chooses to offer and align a value proposition that creates value for both the organization and the employee. An effective reward system results in satisfied, engaged and productive employees, who in turn create desired business performance and results.

Armstrong and Murlis (1994:23) believe that organizations should implement reward systems that encompass both financial and non-financial aspects as this would ensure the satisfaction of different employees' needs, thus, increasing levels of employee commitment and performance. Non-financial remuneration systems include factors such as recognition, promotion, increased responsibilities, and personal growth. These endeavors are aimed at motivating employees through satisfaction of their esteemed needs and accomplishing organizational goals as the success of the organization is linked to human capital. According to Shields (2007:30), reward management is not solely concerned with financial rewards. It is also concerned with non-financial rewards such as recognition, communication, work environment, training and career development. The financial rewards range from base pay, pay for performance, pay for skills and competencies, and indirect financial rewards such as

benefits.(Shields2007),further notes that individuals are motivated by different factors, but employers usually use money as a strategy for retaining employees.

An organization's success lies in a motivated workforce as highly motivated employees strive to produce at the highest possible level and exert greater effort than employees who are not motivated (Bagraim, 2006:70). Daft and Marcic (2007:475) also believe that employee motivation, organizational performance, and profits are interconnected and cannot be separated. The most talented and innovative employees are not solely motivated by financial rewards such as money, but seek satisfaction from their work.

Several authors outline performance related-pay among key factors that contribute to the development of innovations. According to Laursen (2002), reward system design can help to modify the Organization's culture. It is a mechanism that can be used by managers to communicate desired behaviors to organizational members. Managers who complain about lack of motivation in their subordinates should consider the possibility that the reward systems they have installed are paying off for behavior other than what they are seeking. Philips (2007) identified compensation among the critical levers to help change the corporate culture.

In case all preconditions are satisfied rewards are real indicators of what an organization wants to achieve in the future. Kerr and Slocum (2002) were of the approach that the reward system can be a powerful means for influencing an organization's corporate culture. Reward system is a primary method of achieving control as it defines the relationship between the organization and the individual members by specifying the terms of exchange. According to

Gallini and Scotchmer (1999), a system of prizes is the best possible mechanism for eliciting innovation “if the size of the prize could be linked to the social value” of the innovation. It can be argued that the corporate culture that will support innovation can be influenced and shaped by reward strategy. Each firm has a specific corporate culture that was developed over time under the influence of key employees, owners and even customers. As mentioned previously, corporate culture is one of the key factors that stimulate innovation in a firm. The key question here is what mechanism relates corporate culture and reward systems and initiates innovation in a firm. The creation of corporate culture that promotes innovation starts with reward systems because wanted behaviors will be rewarded and thus employees will be motivated to repeat such behaviors. Highly innovative organizations deftly manage the subtleties of reward and punishment, (Tushman and Nadler 1986).

Employers face challenges of choosing rewards that respond to individual needs and improving the profits and financials of the organization. Tschohi (2009:1) states that globally, the economy is in a dismal state and companies are downsizing and freezing salaries in order to survive. Tschohi (2009:2) further suggests alternative remuneration strategies, which are less costly such as employee recognition, better career programmes, improved organizational communication, and job enrichment programmes.

It is therefore on the basis of these components of reward system of an organization that the researcher aimed to investigate the influence of reward system on organizational performance.

1.2 Problem Statement

In spite of diverse definitions, structures and functions mentioned by academicians and administrators, there still is a trend that reward system will move along because of the standards which have not been unified and have been improving and perfecting. Rewards is

one of the important elements to motivate employees for contributing their best effort to generate innovation ideas that lead to better business functionality and further improve company performance both financially and non-financially. Edward and Christopher (2006) have mentioned that people do not automatically come to work, continue to work, or work hard for an organization. We see that people need motivation to share and fulfill the organization's vision. Undoubtedly, reward strategy and systems are the mechanisms that make this happen. Since 1980s, many research and studies have been done on the reward aspect in other countries especially in the United States and China (Edward and Christopher, 2006; Lee and Wong, 2006; Paul, 1981; Sarin and Mahajan, 2001). However, few researchers have started to focus their study in the area of impact of reward system on organizational performance. Reward system can be a strong managerial tool that can enhance increased organizational performance and realization of organizational goals. However many organizations especially in public Primary Teacher Training Colleges have not perceived this great value so as to optimize its use for the purpose of achieving organizational goals. It is on the basis of this that the researcher aimed at establishing the influence of reward system on organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya.

1.3 Purpose of the Study

The purpose of the study was to investigate the influence of reward system on organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya.

1.4 Objectives of the Study

The objectives of the study were to:

- 1) Determine the extent to which employees' compensation influences organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya.

- 2) Examine the extent to which employees' performance recognition influences organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya.
- 3) Establish the relationship between benefits to the employees and organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya.
- 4) Examine the extent to which skill development to the employees affect organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya.
- 5) Establish the relationship between a conducive work environment for the employees and organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya.

1.5 Research Questions

- 1) To what extent does employee's compensation influence organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya?
- 2) To what extent does employee's performance recognition influence organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya?
- 3) What is the relationship between benefits to the employees and the organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya?
- 4) To what extent does skill development to the employees influence organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya?
- 5) What is the relationship between a conducive work environment for the employees and organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya?

1.6 Hypotheses of the Study

The researcher in this study used a directional hypothesis;

- i. There is no significant relationship between employees' compensation on organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya.
- ii. There is no significant relationship between employees' performance recognition on organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya.
- iii. There is no significant relationship between benefits to the employees and organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya.
- iv. There is no significant relationship between employees' skill development on organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya.
- v. There is no significant relationship between conducive work environment for employees and organizational performance in public Primary Teacher Training in Nairobi Zone, Kenya.

1.7 Significance of the Study

The importance of the study cannot be underestimated since many parties will benefit from this study. For instance, the findings of this study may benefit the public Primary Teacher Training Colleges' administrators who will not only put the achievement of organizational goals first but also consider the employees monetary and non monetary values and needs. These findings may also help the top management to have knowledge on how to align reward practices to attain good organizational performance.

The researcher will also benefit from the research in that she will establish a clear understanding of the influence of reward system on organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya.

Other researchers may also use the findings from this study for further research in other similar or relevant area thus adding knowledge to the field of research.

1.8 Delimitations of the study

The study was confined to public Primary Teacher Training Colleges in Nairobi Zone, Kenya. It was also restricted to the administrators, teaching and non teaching staff in public Primary Teacher Training Colleges in Nairobi Zone, Kenya.

1.9 Limitations of the study

The study like many other studies was faced by a number of limitations in terms of scope and area of coverage among other variables. Due to time and financial constraints, it was not possible to cover a large area and only a reasonable sample of respondents was selected among the public Primary Teacher Training Colleges in Nairobi Zone, Kenya.

1.10 Assumptions of the study

The study was carried out based on the following assumptions;

- i. All respondents were to cooperate and provide reliable responses.
- ii. The educational background of the respondents to this study would enable them understand the terminologies used in the research instruments.
- iii. The biases and prejudices of the subjects were not to be so distinct that they would affect their responses to the items on the research instruments.

1.11 Definition of significant terms

Benefits-refers to programs an employer uses to supplement the cash compensation that employees receive (i.e. health, income protection, savings, retirement programs, provide security for employees and their families)

Career opportunities- involves the plan for employees to advance their career goals, it may include advancement into a more responsible position in an organization.

Compensation- refers to pay provided by an employer to an employee for services rendered (i.e. time, effort and skill) including both fixed and variable pay tied to levels of performance.

Development- refers to a set of learning experiences designed to enhance employees' applied skills and competencies.

Nairobi Zone- consists of four public Primary Teacher Training Colleges namely: Machakos Teachers' College, Kitui Teachers' College, Thogoto Teachers' College and Narok Teachers' College.

Performance-refers to the alignment of organizational team and individual effort toward the achievement of business goals and organizational success it includes establishing expectations, skill demonstration, assessment, feedback and continuous improvement

Recognition- refers to acknowledges or gives special attention to employee actions, efforts, behavior or performance.

Rewards- Bratton and Gold (2003) define rewards as all the cash, non cash and psychological payments provided by an Organization to employees in return of their contribution.

Total Rewards-These are monetary and non monetary return provided to employees in exchange for their time, talents efforts and results which may be used to attract, motivate and retain employees.

1.12 Organization of the study

The study was organized into five chapters. Chapter one consists of the background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, research hypothesis, significance of the study, assumptions of the study, limitation of the study, delimitation of the study, definition of terms and organization of the study.

Chapter two contains literature review of relevant studies on the concept of reward, employee compensation, performance and recognition employee benefits, development and career opportunities, conducive work place, reward system and organizational performance, theoretical frame work and the conceptual framework of the study.

Chapter three consists of research methodology which include the research design, target population, sample and sampling procedure, research instruments, validity and reliability of research instruments, data collecting procedures and data analysis ,ethical issues and operational definition of variables.

Chapter four comprises of data analysis, presentations, interpretation and discussions. Chapter five comprises of the summary of findings of the study, conclusions and recommendations for further study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter contains the literature of the study and further brings out previous studies done on the research topic. It deals with the concept of rewards, components of reward system and their influence on organizational performance, reward system and organizational performance. A discussion follows on the theoretical perspective on reward system where the Maslow's need hierarchy theory, Expectancy theory and Adams Equity theory. The conceptual framework is then discussed where all the variables in the study are outlined.

2.2 The Concept of Reward System

Rewards presents all the tangible benefits and provisions an employee obtain as a part of 'employment relationship' as illustrated by Milkorich and Newman (2004)

Gross and Friedman(2004) identified that rewards are now more than archaic concept of receiving pay checks after a week , rather they embrace the holistic value scheme the employer recommends to the employee that includes compensation(consisting of base pay short and long term incentives),benefits(health issues, work life and other benefits) and careers(training and development, career progression)

According to Gross and Fried man(2004) a return on investment survey has taken the feedback about the definition of rewards from U.S employers as 46% respondents elaborate rewards as 'pay and benefits', whereas 21% consider rewards as 'pay, benefits and career'. By the year2003, merely 35% classified rewards as 'pay and benefits' whilst 29% more broadly define rewards as 'pay, benefits, and career.

Types of Rewards

Buch (2006) found in his study the concept of six sigma that indicates the four categories of rewards that is intrinsic, extrinsic, social and the organizational remuneration.

Intrinsic rewards refer to internal feelings of satisfaction, involvement, growth autonomy and self competence and individual experience during his or her career (Allen et al, 2004)

Extrinsic rewards are based upon organizational participation and performance. It is further categorized into direct and indirect form (West Over and Taylor, 2008). Larson (2003) considered the direct reward as a “small token of appreciation” while indirect refers to financial security and better future prospects.

Social rewards that are related to Alderfer’s social relatedness and affiliation (Alderfer 1972) are associated with team based projects that reinforce the employees to interact with peers in order to obtain the shared goal outcomes (Larson, 2003).

Organizational rewards according to (Larson, 2003) refer to the probability of increased profits and productivity; extensive training that streamlined the main business processes and good communication between the employees and the management.

Reward system illustrates the exchange relationship between the organization and employees. It defines the contributions from the employees and the responses an individual can expect to receive from the organization as a return for their performance (Kerr Slocum, 2005).

The purpose of reward systems is to motivate and reward the desirable behavior, (Rajagopalan and Finkelstein, 1992). Rewarding the excellent and outstanding performance is to appreciate contributions of employees and acknowledge their efforts publicly (Whitaker, 2010).According to (Lawler and Worley, 2006) because of reward system is needed to

motivate performance and encourage employees and organization to improve their skills and capabilities. Reward systems can be developed to motivate and improve both short term and long-term performance of an organization (Stonich, 1984).The use of total rewards bolsters the extrinsic and intrinsic motivation of employees to behave innovatively and creatively (Blackburn R. and Rosen B, 1993).Lee and Wong (2006) have found that reward does have an impact on the companies innovation performance.

Measurement and reward systems communicate the performance achieved with employees and motivate them to appropriate action to help organization reach its strategic goal (Stonich , 1984).According to (Adams and Ferreira, 2008) the imbalance between employee's contributions and the returns of their performance cause employees tend to be unsatisfied with the workplace and not motivated. If the reward system is attractive and employees perceive they may get the records, they will change their behaviors and tend to exert more effort into their work in order to achieve the required performance (Jiang et al, 2009). Motivated employees are more willing to contribute vigor and dynamism to the organization. This subsequently brings significant improvement to the productivity and competitive advantages of the organizations (Hooi, 2007).

He also suggests that organization should recognize employee's satisfaction as a vital goal to achieve because it affects the organization's profitability, productivity, employee retention and customer satisfaction. It is believed that satisfied and motivated employees will generate better customer satisfaction and subsequently bring positive impact to the organizational performance (Banker et al, 2007).

According to (Reichheld et al, 1990) improved customer satisfaction implies reduced marketing expenses, less price elasticity and enhanced customer loyalty which in turn improves the financial performance of organizations. Performance measurement is one of the strategic management components which evaluate the results of resources utilization, as well as improvement in the organization performance. Non-financial measures on key business process such as product quality (Lakhal and Pasin, 2008), customer relationship management (Roger, 1996) and employee-oriented measures (Christina and Gursoy, 2009) are indirect leading factors of financial performance. The working paper by Hughes, Simpson, and Padmore (2007) shows there are inherent limitations in using only financial ratio analysis to assess small and medium sized company performance. Yet, Hashim (2000) make known that many literatures are suggesting financial profitability and growth is the most common measures of organizational performance; it is such as profit margin, return on assets, return on equity and return on sales (Robinson, 1982; Galbarith and Schendel, 1983), as well as the financial measures preferred by Malaysian manufacturing firms were sales, sales growth, net profit and gross profit. Despite the extensive literature favoring the use of non-financial measures such as Total Quality Management (TQM), Business Process Reengineering (BPR) and the Balanced Scorecard (BSC), Ruzita (2007) has indicated that financial measures such as sales revenue, operating income, sales growth, manufacturing costs, and cash flows are still important and receive more weight in the performance measurement systems in Malaysia context. In a more recent development of total reward strategy (Chen and Hsieh, 2006) have shown the trend of reward method is changing from a simplex to a multiplex context due to the rapidly changing environment. The adoption of reward system will help to retain the best worker and ensure the organization stay in a best position for future success.

Total rewards is a promising approach to employee rewards that has recently emerged from human resource management practice (Fischer, Gross and Friedman 2003).It is an approach

to rewards management which attempts a comprehensive inclusion of all the rewards people receive in the workplace. TR embraces the 'complete employee value proposition', including financial rewards such as pay, stock options and benefits; and non financial rewards such as training opportunities, interesting work and support for work life integration(Zingheim and Schuster 2001).

According to Armstrong and Stephen(2005) TR combines the transactional rewards that is tangible rewards related to pay and benefits as a result of transaction between the employee and employer and the relational rewards that are associated to work environment and learning and development. Thus it is true in saying that TR are considered the total sum of the cost of each component of reward package an employee gets from his or her organization as well as everything that an employee perceives valuable as a result of his or her employment relationship(Worldatwork,2000).

Total rewards are painstaking holistic approach that is beyond the focus on pay and benefits (Rumpel and Medcof 2006).Another prominent and broad definition by Worldatwork (2000) is that total rewards are mechanisms that usually employer uses in order to retain, stimulate and gratify employees.

Zingheim and Schuster (2001) reported that 'total reward' is supported by assumption that employees likely to work more than money. Watson and Singh (2005) contend that it takes more than merely cash to engage and retain high quality workforce. According to Giancola(2009) the 'total rewards' notion broadens the prior concept of 'total compensation' which usually address the high- priced benefit programs. Egan (2011) in her survey found the link between strategic and total rewards. She stated that exercising the total rewards may figure out the strategic approach to reward for many organizations. According to Armstrong and Murils (2004) organizations design reward strategies so as to facilitate their employees in

terms of implementing reward practices and policies to gain the business objectives. Reward strategy is the policy that provides specific directions for the organization to develop design programmes which will ensure it rewards the performance outcomes supporting the achievement of its business goals, (Armstrong, 2001).

Brown (2005) agreed and contends that reward strategy is a style of thinking and one can implement it to any problems regarding rewards just to get valuable outcomes. Reward strategies differ in nature as the distinct disposition of organizations. Same as organizations, employees too possess distinctive traits (Giancola 2008) in terms of their race, culture and ethnicity in determining rewards.

Subsequently, to be effective the strategy should capture the full set of rewards, both financial and non financial since the concept of total reward is based on the assumption that people work for more than money. (Jiang, 2009) shows that when total reward strategy is to be adopted, it must assure that employees' diverse needs must be well considered and will help the organization reach its performance expectation. Total reward strategy has to prop up on the whole the business strategy and it must be conversed to all employees (Lyons and Ben-ora 2002) and once the business strategy is devised, the companies determine how they will compete in the open market (Kaplan2007).

Gross and Friedman (2004) assert that total reward strategy always help organization on how effectively to manage the total costs of the whole reward package and then ultimately recommend attractive chances of the investment of reward dollars. According to (Jiang et al 2009) strategic process becomes supportive when an organization has to take some decisions and total reward strategy is not only liable to help in decision making but it also perks up the performance of employees and resolves the compensation predicament as well.

Gross and Friedman (2004) found that in order to maintain an effective ‘reward system’ it is vital to have quality information and analysis to make better decisions and also to evaluate the impact of those decisions. To be effective the total reward strategy should capture the set of rewards, both financial and nonfinancial. The concept of total reward is based on the assumption that people work for more than money. As Zingheim and Schuster (2001) report, high performing organizations offer what they refer to as a ‘better workforce deal’. ‘In the better workforce deal the organization and the employees meet halfway. The organization invests in people and the people meet it by learning new skills and competencies and performing to reach organizational goals. It is a positive deal, where both are winners.’

By rewarding employees based on results, performance-related pay creates stakeholder ship and a win-win relationship between the organization and its employees. The principles and the components of total reward are important in aligning reward with organizational strategy. According to Zingheim and Schuster (2007) senior management must consider six reward principles that will help in developing the total reward strategy which include; creating an optimistic and natural reward experience, supporting reward with business goals to craft a win-win partnership, extending ‘employees’ line of sight, integrating rewards, awarding employees ‘on going’ assessment with basic salary, aligning the ‘reward results’ with performance based salary. In his study (Silverman and Reilly, 2003) found that the better the fit between the approach to total reward and the business strategy, the more likely the reward scheme will be successful and effective. . Total Reward strategy is one of the easiest things a company can change in order to achieve desired results, although some other preconditions must be satisfied: full and open transparency regarding awards, the communication of the availability of the rewards, the criteria to be satisfied, and the identification of the award recipients.

According to (Worldatwork, 2006) there are five elements of total rewards, each of which includes programs, practices, elements and dimensions that collectively define an organization's strategy to attract, motivate and retain employees. These components are: compensation, benefits, work life, performance recognition, and skill development as shown in Figure 2 below. They also take into concern of the extend influences on a business such as legal or regulatory issues, cultural influences and practices and competition.(White, 2005) supports this by pointing out that a global reward approach requires balance degree of global consistency with the local practices and culture to ensure the success implementation of rewards programs both globally and locally.

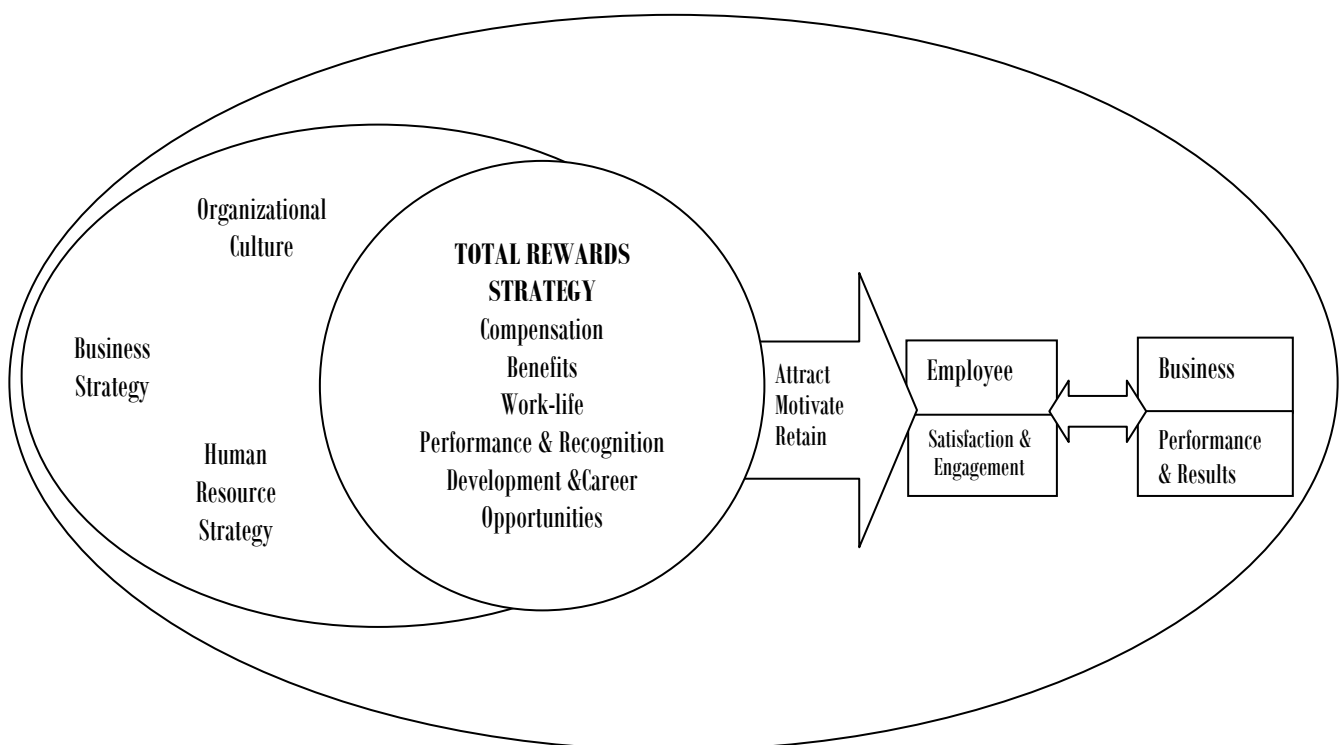


Figure 1: Source; Worldatwork Total Rewards Model (Worldatwork, 2006 p.9)

2.3 Employees Compensation and Organizational Performance

Compensation refers broadly to all ways in which an organization may reward employees for the services that they render. These rewards may include wage and salary payments, etc.

Compensation is the primary inducement offered to employees in exchange for the contributions of labor services in the employment contract (Lawler, 1990).

Compensation management methods and techniques can significantly affect the relationship between an organization and its employees. Compensation should be managed in a way that reflects and is consistent with the culture of the organization. The rewards offered to employees and the occasions for these rewards are among the most visible and potent manifestations of the Organization's culture (Schuster & Zingheim, 1992). The compensation system should be designed to drive, reinforce and sometimes alter the culture in such a way that organization's goals will be supported (Schuster & Zingheim, 1992). There are many different types of pay systems which relate performance to pay whether it is individually or through small or large groups Lawler (1990).

2.4 Performance Recognition and its influence on organizational performance

Recognition means acknowledging someone before their peers for specific accomplishments achieved, actions taken or attitudes exemplified through their behavior. Recognition and appreciation can also be combined as an approach to reward system in the form of a public statement of thanks in front of the employees, co-workers or team citing specific examples of what they've done that has positively impacted the organization. Jeffries, (1997) stated that organizations should retain their best employees by recognizing their contributions to the organization. She argues that recognition motivates employees as it involves the acknowledgement of the efforts, creativity and willingness of employees to put extra effort.

Use of recognition can reduce pessimism that hinders performance and productivity. According to Curran (2004) acknowledging employee's efforts more personally, more locally and more frequently through recognition can lift employee motivation and improve overall

organizations morale. Private and public recognition are two of the most commonly used forms of recognition. Private recognition refers to a quiet thank you or a pat on the back while public recognition is more formal. It inspires loyalty and commitment as well as encouraging better standards of performance (Syedain, 1995). Public recognition is an important part of the reward as the performance of the individual affects more than just one employee stating publicly why the person receives recognition and how it links to the organization goals can act as a motivator to other employees (Wiscombe, 2002).

According to Jeffries (1997), organization can help benefit that result from motivated, enthusiastic work force by just recognizing the employee through a simple, genuine, spoken thank you. Romano (2003) encourages managers to use recognition as the factor that will strengthen the bond between people and the organization. Jeffries (1997) supports Nelson (1994) in affirming that recognition does not have to be expensive but emphasizes that it must be consistent and perceived as a long-term commitment by the organization. Wiscombe (2002) recognizes that high performance organizations have always understood the importance of offering awards and incentives that recognize, validate and value outstanding work. Recognition programmes have the purpose of keeping employees motivated and productive and are seen to be effective methods of reinforcing company expectations and goals. Recognition and appreciation are integral Components of winning reward strategy. These two elements rarely receive the attention they deserve from business owners.

2.5 Benefits of Employees and its influence on Organizational Performance

Benefits are a type of reward in reward system and employees are definitely going to notice the types of benefits the organization provides. Companies that don't exceed the benefit levels of their competitors will have difficulty in attracting and retaining top workers. The benefit programs include all financial and non financial rewards that employees receive

indirectly. The financial rewards do not take the form of direct cash payment but range from retirement contributions to health care contributions. Non financial rewards range from special unpaid leave provisions to the provision of wellness programs. Benefits are not related to employee productivity and therefore cannot serve as a motivator, (Mondy and Noe 2005:325).

Armstrong and Murlis (1994:387) also agree that benefits do not motivate employees because they do not have a direct and immediate effect on performance .Benefits can however, create more favorable attitude towards the organization leading to increased long term commitment and better performance.

Cafeteria-style benefit plans on incentive system allows employees to select their fringe benefits from a menu of available alternatives such as pension, group life and disability assurance and medical aid. It is a simple concept which caters for the differing needs of employees. According to Fred (2011) managers should increase the expected value of rewards resulting from desired performance by distributing rewards that employees value and individualize rewards since an institution or organization has a diverse workforce it is misleading to believe that all employees desire the same rewards. An organization that uses this incentive system ‘cafeteria-style benefit plans’ allows the employees to select from the range of benefits that the employer is prepared to provide those that are relevant to their specific needs and requirements. The idea behind flexible benefits is simple in that it reflects the belief that each individual should have the ability to choose the benefits that are more meaningful to them (Martocchio, 1998).

2.6 Skill Development and its influence on Organizational performance

According to Armstrong and Murlis (1994, 23) reward management is not just about money. It is concerned with those non-financial rewards which provide intrinsic or extrinsic

motivation. Intrinsic motivation is achieved by satisfying individual needs for achievement, responsibility, variety, challenge and influence in decision making. Extrinsic non-financial motivation is achieved by individual recognition, skills development, learning and career opportunity.

Zingheim and Schuster (2004:14) believe that the important component of total reward system is individual growth. Employees want to grow, learn and become increasingly valuable. This creates the need for providing opportunities for challenging career, managing and measuring performance effectively and developing and training employees. These factors mentioned should be seen as a requirement that gives the organization a lasting advantage. Workers who are given the opportunity to learn grow their careers and are appreciated are more willing to make long-term commitments towards an organization.

Training and development are important activities in all organizations for sustaining organizational success and growth. Rapid changes in technology are changing customer demands and require continued retraining of experienced employees to perform new and changed jobs. To implement skills based pay, employees should improve their skills through training and development. Training is an effective aid in career management (Cherrington 1995:319).

Career development gives employees opportunities to be placed in jobs that fit their ambitions and personal talents. This leads to employee satisfaction and creativity within the organization. Productivity increases because employees are committed, trained and productive. Training and development are rewards that are aimed at improving organizational success and employee's capabilities (Flamholz Lacey 1999).

2.7 Conducive work place and its influence on Organizational performance

Employees in successful companies are positive and motivated to add value to the company when they are allowed to participate in decision-making. Employee involvement requires a leader who inspires, empowers and shares accountability for delivering meaningful results. Involvement creates an atmosphere of trust and commitment through use of two-way communication (Zingheim and Schustser 2000:15).

Graham and Bennett (1998:35) view positive work life as any programme intended to improve the quality of working life (QWL) of employees. The elements of a QWL scheme include increasing the flow of communication within the organization, involving employees in goal setting and job design. Communication is a very important tool in an organization thus effective communication helps employees not only in understanding the composition of the reward structure and degrees but also heighten the employee's vision to understand the contribution and the rewarding process. On the other hand, even the most excellent remuneration arrangements can meet failure if they are not communicated to employees, (Lyons and Ben-Ora 2002).

To avoid poor communication, organizations should provide proper information to the employees. According to Zingheim and Schuster, (2004) the senior management should know the significance of communicating and educating the workforce regarding the transformation of rewards and the employees must be involved in the process.

In order to make an effective use of investment in 'recruitment' and 'retention' it is vital to communicate the validation and rationale associated with the benefits. Thus in this regard, by communicating the awareness and the desirability of available rewards, organization can persuade the desired behavior that can help in achieving the strategic priorities of the firm,

(Rumpel and Medcof, 2006). Lyons and Ben-Ora (2002) stressed upon the implication of reward system communication. They argued that in order to transmit the reward strategy management must adopt either the communication vehicle that suits best for the organization.

2.8 Theoretical Frame work

The theoretical framework that guides the study includes the Maslow's hierarchy of needs theory, Expectancy theory and Adams' Equity Theory,

2.8.1 Maslow's hierarchy of needs Theory

Maslow's hierarchy of needs theory (1943), supposed to be a motivation basis has been used to interpret the entire spectrum of human behavior. Maslow proposed that motivation is a function of five basic needs-physiological, safety, love, esteem and self-actualization-which are arranged in the predictable stair-step fashion and he explained that a person's physiological needs must be firstly met followed by safety needs, and so on up the need hierarchy (Kreitner&Kinicki, 2007). When designing a reward system, employees' multifarious needs must be well considered, Maslow's points will help the organization reach its expectation.

2.8.2 Expectancy theory

This theory is based on expectation that will bring to the work place and context in which these expectations are satisfied (Vroom, 1964). Vroom argues that what was important in motivating the work force was the perception of the link between effort and reward. This means that the management needs to demonstrate to employees that effort will be recognized and rewarded both financially and non-financial terms (Marchington and Wikinson, 2000). Employees calculate whether there is a connection between their efforts and performance. They also calculate the probability that valued rewards would follow from high performance.

The importance of this theory is that it acts as a fund for management to establish schemes to reward behavior that can improve employees' performance. If employees perceive that they may get valued rewards from the organization, they tend to put greater effort into work. Thus, according to Marchington and Wikinson (2000) employees' efforts should be recognized and rewarded in both financial and non-financial terms.

2.8.3 Adam's Equity Theory

Adams' Equity Theory concentrates on the concept of fairness in the workplace. According to Finchan and Rhodes (1996), this theory focuses on the process of work and work environment and emphasizes on the role of individual cognitive process in determining the level of motivation. Employees are probable to compare the inputs they devote to the work with the outputs they receive from the organization. It's certain that the staff want their needs satisfied, however, they also would like to be treated fairly by the organization. Once they feel they get less output than inputs, which means there isn't a balance, employees tend to be unsatisfied and not motivated. Thus, when reward system is brought to bear it must assure that the employees realize the justice of the corporation, for example the procedural justice of performance management.

2.9 Conceptual Framework

The conceptual framework of this study outlines all variables as shown in Figure 2.

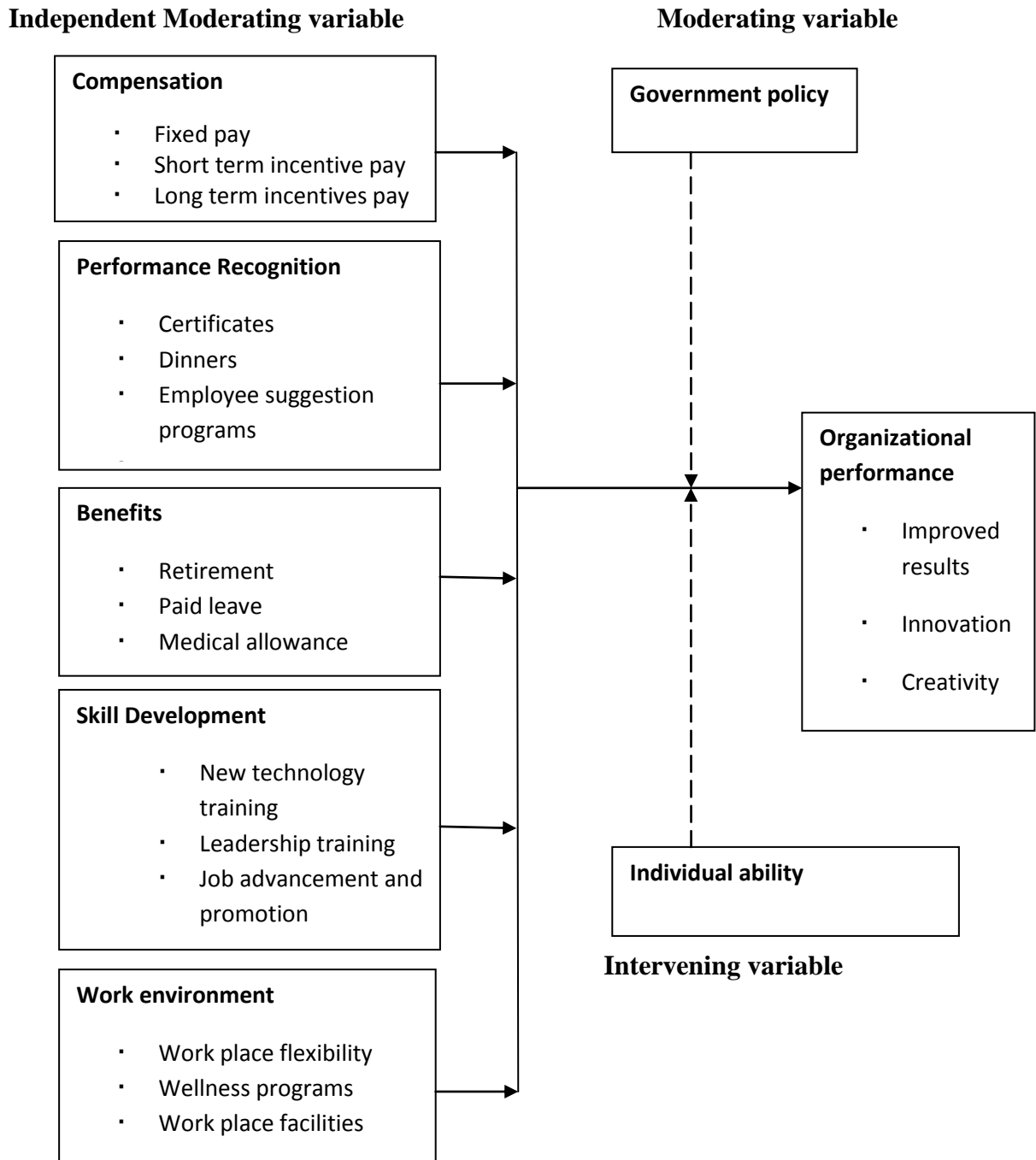


Figure 2: Conceptual Framework

In this study the conceptual frame work diagrammatically shows the relationship between the independent variables that may influence the dependable variable. The researcher considers the components of the rewards System; compensation, performance recognition, benefits, skill development and work environment as the independent variables. The organizational performance is considered by the researcher to be the dependable variable since it may be influenced by employee's compensation, performance and recognition, benefits, development and career opportunities and work environment. When the independent variables are applied in an organization will influence the organizational performance in the public Primary Teacher Training Colleges. The researcher feels that the reward components should be applied to ensure that there is organizational performance which encompasses students' results or performance, innovation and creativity.

Compensation management and techniques can significantly affect the relationship between an organization and its employees since it is the primary inducement offered to employees in exchange for the contributions of labor services in the employment contract (Lawler 1990). Recognition is also vital since according to Jeffries (1997) it motivates the employees as it acknowledges their efforts, creativity and willingness to put extra efforts. According to Armstrong and Murlis (1994) benefits are vital to an organization in that although they do not motivate employees because they do not have a direct and immediate effect on performance, they create more favorable attitudes towards the organization thus leading to increased long term commitment and better performance.

Skill Development is another important component of total reward strategy in that people want to grow, add value and make a difference, (Zingheim and Schuster (1992). Wise companies are realizing this and are increasingly moving to investing more heavily on

people's growth and success. They provide meaningful training that prepare workforce to fill the ever –changing roles the organization needs them to fill.

Conducive work environment is also vital to influence organizational performance in that people want a pleasant work place, designed around people and focused on helping them to be a success. They want to do interesting work that makes a difference. Whatever the level of work or role they play, people want to feel that what they do is important and to understand how doing it well helps their organization.

The researcher considers government policies the moderating variable which encourages the employers through the Ministry of Education to engage in income generating activities or projects. For instance in the implementation of the performance contract in public Primary Teacher Training Colleges income generating projects is one of the indicators.

2.10 Summary of the reviewed Literature and research gap

The reviewed Literature revealed that some researchers have looked at the effect of certain reward system practices on individuals and organizations. The reviewed studies have few researchers focusing their study on organizational performance. Reward system can be a strong managerial tool that can enhance increased organizational performance and realization of organizational goals. However, many organizations have not perceived this great value so as to optimize its use for the purpose of achieving organizational goals especially in the public Primary Teacher Training Colleges. It is on the basis of this that this research intended to fill the gap by investigating the influence of reward system on organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes research design, target population, sample size and sampling procedure used in the study. It also describes in details the research instruments and an explanation on how validity and reliability of the research instruments will be tested. The chapter further describes data collection, data analysis procedures, ethical issues and operational definition of variables.

3.2 Research Design

The study adopted the descriptive survey design. Descriptive survey design was selected because the study entails asking a large number of people questions (in form of questionnaires) about their opinions and ideas, and even describe what the people say. This study also used descriptive survey design since the variables were not be manipulated, and there was an opportunity to explore probe the respondents for more information. The major purpose of descriptive survey research design is a description of the state of affairs as it exists at present. (Kothari, 2003) According to Kerlinger (1973) descriptive survey design is a branch of social scientific investigation which studies large and small populations or universe by selecting and studying sample chosen from the population to discover the relative incidence, distribution and interrelations. The descriptive survey allows collection of large amounts of data from the target population. The study used descriptive because it ‘described what was’ by use of quantitative and qualitative methods.

3.3 Target population

The target population of this study is 370 comprising of 220 teaching staff and 150 non teaching staff in the four public Primary Teacher Training Colleges in Nairobi Zone, Kenya. This study population was considered the most appropriate for producing a representative sample to be used to obtain the required information.

3.4 Sample and Sampling procedure

Kombo and Tromp (2006) defines sample as a finite part of a statistical population whose properties are studied to gain information about the whole population. A set of respondents selected from a larger population of people for the purpose of survey can be called a sample. A reasonable sample, which can be dealt with effectively under the prevailing circumstances will be selected. Purposive sampling was used to select Nairobi Zone, Kenya as the study site since the researcher believed it was suitable for the study. Nairobi Zone, Kenya was more so chosen because Machakos Teachers' College trains students with special needs, that is, students with skin, visual, hearing and physical impairments. According to Best and Khan (1993), the ideal sample is that which is large enough to serve as an adequate representation of population about which the researcher wishes to generalize and small enough to be selected economically in terms of subject availability, expense in terms of time, money and complexity of data analysis.

According to Sharma (1984) sampling is the selection of individuals from the population in such a way that every individual has an equal chance to be taken into the sample. Kombo and Tromp (2006) define sampling as the procedure a researcher uses to gather people, places or things to study. According to Gupta and Gupta (1886) sample size depends on various factors relating to the subject under study like time, cost and degree of accuracy. Gupta and Gupta (1986) also states that two factors should be considered when determining the

appropriate sample size. One, the sample size should increase as the variation in the individual increases.

The second one is that the greater the degree of accuracy required the larger the sample should be. In this study, purposive sampling was used to select four public Primary Teacher Training Colleges in Nairobi Zone, Kenya since the researcher believed it was suitable. Taro Yamane's formula was used to determine the sample size For the purpose of the study the sample size was 134 respondents from the four public Primary Teacher Training Colleges in Nairobi Zone, Kenya.

The formula for determining sample size is shown below;

$$n = \frac{N}{1 + N(e)^2}$$

Figure 3: Source; Yamane formulae (Yamane Taro, 1967)

Where n=Sample size

N= Population size

e= level of precision /sampling error at 0.069

Therefore 134 respondents would be the lowest acceptable number of responses to maintain a 93.1% confidence level and a 6.9% sampling error. According to Hussey and Hussey (1997) a sampling error of less than 10% and confidence level of more than 90% is acceptable. The study therefore adopted a sampling error of 6.9% to determine the minimum sample size that could be used for the purpose of this study.

The respondents were categorized into teaching and non teaching staff and for the purpose of the study the researcher used the Taro Yamane formulae to arrive at the sample size of the teaching staff as 80 respondents, 54 for the non teaching staff. The same Yamane formulae was used to determine the number of teaching staff and non teaching staff who participated as respondents from each College as shown in the Table 3:1 below:

Table 3.1: Sample size in each college

College	Machakos	Thogoto	Kitui	Narok	Total
Teaching staff population	70	60	60	30	220
Teaching staff sample size	25	22	22	11	80
Non teaching staff population	50	40	30	30	150
Non teaching staff sample size	18	14	11	11	54

Simple random sampling was used to select the individual respondents from the teaching and non-teaching staff from each college since this category of respondents comprises of a big number. In order to do the above the researcher prepared coupons equal to the total number of the teaching staff and non teaching staff in each College. Random sampling was used since it allows generalizability to a larger population with a margin of error that is statistically determinable. A number of the coupons equal to the total number of teaching and non teaching staff to be included in the study in each college were labeled “yes” while the rest was labeled “No”. Those who selected coupons labeled “yes” participated in the research as the respondents.

3.5 Research Instruments

This study employed questionnaires which were designed by the researcher with the assistance of the supervisor. There were questionnaires for the teaching staff and non teaching staff.

According to Kasomo (2007), a questionnaire is a carefully designed instrument for collecting data directly from people. It is a research instrument that gathers data over a large sample. It is confidential, saves time and ensures there is no opportunity for interviewer bias (Kombo and Tromp, 2006). This study used questionnaires as an instrument for collecting data so as to achieve the intended goals. In this study the questionnaire were administered to sampled teaching staff and non teaching staff. To ensure that there was confidentiality and willingness to respond, respondents were instructed not to write their names on the questionnaires and were assured that their responses will be kept confidential. The questionnaires were sub divided into two sections. Section A of the questionnaire consisted of preliminary information about the college and demographic information about the respondents. Section B and C of the questionnaire sought the individual responses, suggestions and recommendations in relation to organizational performance.

3.6 Validity and reliability of the research instruments

This section describes how validity of the research instruments was tested. The research instruments were questionnaires for the teaching staff and non teaching staff.

3.6.1 Instrument validity

Kombo and Tromp (2006) define validity as a measure of how well a test measures what it is supposed to measure. Best and Khan (2009) says that a test is said to be valid to the degree

that it measures what it claims to measure. The validity of the research instruments was established through consultation with the research proposal supervisor.

The items in the questionnaires were examined carefully by experts in research and my supervisor in order to ascertain content validity. The feedback obtained was used to revise and modify the questionnaires in order to enhance the validity of the instruments.

3.6.2 Instrument Reliability

Kombo and Tromp (2006) define reliability as the measure of how consistent the results from a test are. Mugenda and Mugenda (2003) define reliability as a measure of degree to which research instruments give consistent results after repeated trials. Reliability measures the stability of research instruments across two or more attempts. In this study, testing for the reliability of the questionnaire was done using the split-half method. A pilot test was carried out on the questionnaire. The test aimed at knowing whether the questions were well understandable by the respondents and whether instructions given to the respondents as to what to do were adequate and comprehensive.

The researcher sent a number of draft questionnaires to respondents put into the same category with the final respondents that would answer the final questionnaires. The pilot study was conducted in Kilimambogo Teachers' College where 10 teaching staff and 10 non teaching staff were involved and this was not included in the final study. The researcher then used feedback from the pilot test to make necessary adjustments to the draft questionnaire. The results obtained from the pilot study in the selected Teacher Training College were split into odd items and even items. Two halves of the tests were scored separately for each person and then the Pearson correlation coefficient was calculated for the two sets of scores. This

was analyzed to full test using the Spearman Brown Prophecy formula to determine the reliability of the instrument. The Spearman Brown Prophecy Formula used is shown in

Figure 4.

$$r_{sb} = \frac{2r_{hh}}{1 + r_{hh}}$$

Figure4: source; Spearman Brown formula (Tredour and Durrheim, 2002:213)

Where r_{sb} = Spearman-Brown reliability

r_{hh} = the correlation coefficient between the two halves

The resulting coefficient should not be less than 0.8. According to Orodho (2005), if the coefficient is found to be 0.8 is considered reliable for the study. The resulting coefficient was 0.82 which indicates the degree to which the two halves of the test provide the same results. The questionnaire was therefore reliable to use.

3.8 Data collection procedure

A research permit was obtained from the National Council for Science and Technology, an agency of the Ministry of Higher Education, Science and Technology in Kenya which authorizes the researcher to visit the selected colleges. A letter of introduction was written to the principals of the selected colleges. They were also informed that their institutions have been selected for the purposes of the study. The approval of the principal and the cooperation

of members of staff were sought. The researcher further assured the principals that the findings were only to be used to accomplish the study and confidentiality was guaranteed. The researcher self administered the questionnaire in the selected colleges.

3.9 Data Analysis

The data analysis involved editing, coding, classification and tabulation of the data collected. The data collected from the respondents was summarized and tabulated. The data was further analyzed using descriptive as well as inferential analysis procedures. Frequencies, percentages and means were calculated and presented in tables while the inferential statistical analysis was carried out using Pearson Correlation Coefficient. The data collected was analyzed both qualitatively and quantitatively by use of inferential statistical tools and the Statistical Package for Social Sciences (SPSS) software as analytical tools. Correlation coefficient was used as statistical tool to determine the relationship between the Reward System components such as employee compensation, performance recognition, employee benefits, skill development and work environment and the Organizational Performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya. The study also used inferential statistics to establish the relationship between the Independent variables; employee compensation, performance recognition, employee benefits, skill development and work environment and the Dependable variable Organizational performance.

3.10 Ethical issues

The principles of voluntary participation were applied in this study. The research respondents were fully informed about the procedures involved in the research and they were required to give their consent to participate. The researcher also treated the respondents with respect and courtesy. The research procedures were reasonable, non exploitative, carefully considered and fairly administered.

3.11 Operational definition of variables

To achieve its objectives, this study sought to establish the influence of reward system on organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya. The table below shows how the variables were operationalized in the study to make them measurable.

Table 3. 2: Operational definition of variables

Objectives	Variables	Indicators	Measurement Scale	Tools of Analysis	Types of Tools
To determine the extent to which compensation influences organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya.	Independent Variable- compensation Dependable Variable- Organizational Performance	Base pay Short-term incentives Long term incentives	- Nominal - ordinal	Descriptive statistics Inferential statistics	Frequency Percentages Pearson correlation coefficient
To examine the extent to which employees' performance recognition influences organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya.	Independent Variable- Recognition Dependable Variables- Organizational Performance	Certificates Dinners Employee suggestion programs	-Nominal -Ordinal	Descriptive statistics Inferential statistics	Frequency Percentages Pearson correlation coefficient

Objectives	Variables	Indicators	Measurement Scale	Tools of Analysis	Types of Tools
To establish how benefits to the employees affect organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya.	Independent Variable- Benefits Dependent Variable- Organizational Performance	Retirement Pay for time not worked	-Nominal -Ordinal	Descriptive statistics Inferential statistics	Frequency Percentages Pearson correlation coefficient
To examine how skill development to employees affect organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya.	Independent Variable- Learning opportunities Dependent Variable- Organizational Performance	New technology training Leadership training Job advancement and promotion	-Nominal -Ordinal	Descriptive statistics Inferential statistics	Frequency Percentages Pearson correlation coefficient
To establish how a conducive work environment for employees influence organizational performance in public Teacher Training Colleges in Nairobi Zone, Kenya.	Independent Variable- work environment Dependent Variable- Organizational performance	Work place flexibility Wellness programs Work place facilities	-Nominal -Ordinal	Descriptive statistics Inferential statistics	Frequency Percentages Pearson correlation coefficient

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter covers data presentation, analysis and interpretation of the data collected from the teaching and non teaching staff in public Primary Teacher Training Colleges in Nairobi Zone, Kenya on the influence of reward system on organizational performance. The interpretation of the data is according to the research questions and data collected. Data was collected from both teaching staff and non teaching staff from the colleges sampled by use of questionnaires. The analysis was done through descriptive statistics. The responses have been summarized and presented in form of frequencies, percentages and the results used to make judgment regarding the five objectives of the study. The discussion of the outcome was based on the output from the statistical package for social sciences (SPSS) version 20.

4.2 Response Rates

This section presents information on the response rates of the respondents. The response rate was 100% for both the Teaching Staff and Non Teaching Staff. This is shown in the Table 4.1:

Table 4.1: Response rates

Respondents	Expected respondents	Number of respondents	%
Teaching Staff	80	80	100
Non Teaching Staff	54	54	100
Total	134	134	100

The expected number of the Teaching Staff was 80 and all the questionnaires were returned from the sampled public Primary Teacher Training Colleges since the researcher administered the same and gave them humble time to fill the questionnaires. The expected number of the Nonteaching Staff was 54 and all the questionnaires were returned.

4.3 Demographic Information

This section presents information on demographic or personal details of the Teaching Staff and the Non Teaching Staff. It shows their sex, age, category, department and length of time in the working place. The gender information of the teaching staff is as shown in Table 4.2

Table 4.2: Gender Information of the Teaching staff

Gender	Number	%
Female	46	57.5
Male	34	42.5
Total	80	100

From the study, 46(57.5%) of the teaching were female and 34 (42.5%) were male. The study also shows that 3 (3.8%) of the teaching staff were 20-30 years old, 17(21.2%) were 31-40 years old, 48(60%) were 41-50 years old and 12(15%) were over 50 years old. The modal age is 41-50 years old. Therefore the majority of the teaching staff sampled in the public primary Teachers Colleges were aged between 41 years and above. This implies that they were mature enough and they have had acquired a lot of teaching experience owing to their age.

Thus they were fit to participate in the study as they had stayed in their institutions for a long period to be able to explain how reward system in the institution influences organizational performance.

The information on the Departments for the teaching staff is shown in the Table4.3

Table 4.3: Departments of the teaching staff

Departments	Number	%
Mathematics	10	12.5
Languages	11	13.75
Science	10	12.5
Social Studies	14	17.5
Education	13	16.25
Creative Arts	13	16.25
Guidance and Counseling	9	11.25
Total	80	100

The study showed that the information on the departments of the respondents was that 10(12.5%) were from Mathematics, 11(13.75%) were from Languages, 10(12.5%) were from Science, 14(17.5%) from Social Studies, 13(16.25%) from Education, 13(16.25%) from Creative Arts and 9(11.25%) were from Guidance and counseling.

This shows that the study had a well distribution of the academic departments since there was no single department that dominated the study. From the findings information on category of the respondents was that 4(5%) were the administrators, 12(15%) were the heads of departments and 64(80%) were the teaching staff. This depicts that most of the employees sampled in the Teacher Training Colleges were the teaching staff.

The information on years worked in the institution by respondents is shown in Table 4.4

Table 4.4: Years worked in an institution by teaching staff

Years worked in the institution	Number	%
Below 1 year	3	3.75
1-5 years	30	37.5
6-10 years	16	20.0
Over10 years	31	38.75
Total	80	100

In terms of the respondents' years worked in the institution, the study found that 3 (3.75%) had worked below 1 year, 30(37.5%) had worked for 1-5 years, 16(20%) had worked for 6-10 years and 31(38.75%) had worked above 10years. Therefore the majority of the teaching staff had worked in their institutions for over 6 years. This depicts that majority of the teaching staff were experienced in the capacity they had served for over 6 years in their current institutions hence able to provide viable information to the study.

The gender information of the non teaching staff is shown in Table 4.5

Table 4.5: Gender information of non teaching staff

Gender	Number	%
Female	19	34.5
Male	35	65.5
Total	54	100

From the study, 19(34.5%) were female and 35(65.5%) were male hence a bigger percentage of the respondents were the male. The study also shows that 8(14.5%) of the non teaching were 20-30 years old,23(41.8%) were 31-40 years old,15(27.3%) were 41-50 years old and 9(16.4%) were over 51 years old. The modal age is 31-40 years old. Therefore the majority of the non teaching staff sampled in the public primary Teachers Training Colleges were aged between 31 years and above. This depicts that they have acquired a lot of experience owing their age hence they are fit to provide the necessary information to the study.

The information on the departments of the non teaching staff is shown on the Table4.6

Table 4.6: Departments of the non teaching staff

Departments	Number	%
Catering	7	13
Finance	6	11
Health	6	11
House keeping	7	13
Maintenance	8	15
Security	8	15
Transport	6	11
Farm	6	11
Total	54	100

From the information on the departments of the respondents in Table 4.6, 7(13%) were from Catering, 6(11%) were from Finance, 6(11%) were from Health, 7(13%) were from Housekeeping, 8(15%) were from Maintenance, 8(15%) were from Security, 6(11%) were

from Transport and 6(11%) were from Farm. This depicts the study had a good distribution of the non teaching staff departments since there was no single department that dominated the study. From the findings information the category of the respondents was that 6(10.9%) were the heads of departments and 48(89.1%) were the non teaching staff. This implies that the employees sampled in the Teacher Training Colleges were the non teaching staff.

The information on the years one has worked in the institution is shown Table 4.7

Table 4.7: Years worked in an institution by the non teaching staff

Years worked in the institution	Number	%
Below 1 year	3	5.5
1-5 years	20	37.0
6-10 years	11	20.5
Over 10 years	20	37.0
Total	54	100

From the findings of the study 3(5.5%) had worked for the institution below 1 year, 20(37.0%) had worked for 1-5 years, 11(20.5%) had worked for 6-10 years and 20(37.0%) had worked for over 10 years. This implies that the majority of the non teaching staff had experience for serving in the institution for over 5 years in their current institution hence were able to provide adequate information to the study.

4.4 Employee Compensation

Majority of the teaching staff 77.5% felt that institutions offered rewards while 50% of non teaching staff felt that institutions offered reward. This was a disparity in proportions since in another opinion; both categories cited the types of rewards offered. The teaching staff cited certificates and letters of commendation, presents such as books, bicycles and clothes. All

these were said to be given during graduation ceremonies. Other social rewards included tea, lunches and parties held to celebrate achievement. The non teaching staff who felt that rewards were given cited material items such as bars of soap, utensils, compensation for working during weekends, certificates, parties and increase in salaries as the type of reward offered.

Employee Compensation was measured using the items where the respondents were supposed to strongly agree, agree, neutral, disagree and strongly disagree. During analysis the coding was 1,2,3,4 and 5 for strongly agree, agree, neutral disagree and strongly disagree. The statements were all positive and sought information on whether the employees were compensated appropriately for what they achieve in the institution, whether there are short term incentive pays for small assignments given outside the main teaching work, whether the organization offers very attractive incentives to the employees and whether the employees have a share in the profits made from the organization. They were all on a likert scale of 1 to 5. The ratings of the same statements from the teaching staff are shown in the Table 4.8.

Table 4.8: Employee compensation for the Teaching staff

Response	Compensation appropriateness		Short term incentive pays		Offered very attractive incentive		Do share profits made in the organization	
	Number	%	Number	%	Number	%	Number	%
Strongly Agree	5	(6.25%)	8	(10%)	1	(1.25%)	2	(2.5%)
Agree	27	(33.75%)	39	(48.75%)	20	(25%)	13	(16.25%)
Neutral	21	(26.25%)	9	(11.25%)	13	(16.25%)	13	(16.25%)
Disagree	20	(25%)	15	(18.75%)	28	(35%)	21	(26.25%)
Strongly Disagree	7	(8.75%)	9	(11.25%)	18	(22.5%)	31	(38.75%)
Total	80	100	80	100	80	100	80	100

The study shows that 39.3% of the teaching staff slightly agreed that the institution compensates appropriately for what they achieve in the institution. It also shows that 58.3% of the respondents agree that the organization pays short term incentives for small assignments given outside the main teaching work. The findings of the study shows that 58.5% of the respondents disagree that the institution offered attractive incentives and 65% of the respondents disagreed that the employees have a share in the profits made from the organization. It should be noted that there were relatively high percentages of agreements with the statement that “there are short term incentive pays for assignments given outside the main work” From the above rewards mentioned by the same employees, it appears that the same rewards could be doubling as compensation. The information on the ratings of the employee compensation is shown in the Table 4.9.

Table 4.9: Compensation for the non teaching staff

Responses	Compensated appropriately by organization		Short term incentive pays		Offered very attractive incentives		Salary given according to responsibility		Share profit made in the organization	
	Number	%	Number	%	Number	%	Number	%	Number	%
Strongly Agree	2	(3.7%)	5	(9.3%)	4	(7.4%)	2	(3.7%)	2	(3.7%)
Agree	10	(18.5%)	26	(48.1%)	3	(5.6%)	17	(31.5%)	5	(9.3%)
Neutral	14	(25.9%)	5	(9.3%)	8	(14.8%)	9	(16.7%)	4	(7.4%)
Disagree	19	(35.2%)	9	(16.7%)	27	(50%)	16	(29.6%)	15	(27.8%)
Strongly Disagree	9	(15.4%)	9	(16.7%)	12	(22.2%)	10	(18.5%)	26	(48%)
Total	54	100	54	100	54	100	54	100	54	100

Looking at the trend of responses for the non teaching staff seems to either be neutral or disagree with the statement “The people are compensated appropriately for what they achieve in the institution” i.e. 26.9% of the respondents were neutral while 36.5% were disagreeing. It should be noted that there were relatively high percentages of agreements with the statement that “There are short term incentive pays for assignments given outside the main work”. There is a high percentage of the respondents (50%) who disagree with the statement that the organization offers very attractive incentives to employees. (50%) of the respondents strongly disagrees that the employees have a share in the profits made from the organization. From the above rewards mentioned by the same employees, it appears that the same rewards could be doubling as compensation.

Further the researcher used Pearson’s correlation coefficient to test the hypothesis below.

H0: There is no significant relationship between employees’ compensation and organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya.

H1: There is a significant relationship between employees’ compensation and organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya.

The results were presented in Table 4.10.

Table 4.10: Relationship between employees' compensation and organizational performance.

		Employees compensation	Organizational performance
Employees compensation	Pearson Correlation	1	0.71
	Sig. (2-tailed)		0.064
	N	80	80
Organizational performance	Pearson Correlation	0.71	1
	Sig. (2-tailed)	0.064	
	N	80	80

Table 4.8 shows a very strong positive correlation (+ 0.71) between employees' compensation and organizational performance. We do therefore reject the hypothesis and conclude that there is a significant relationship between employees' compensation and organizational performance. This means if compensation is effectively done the organizational performance is likely to improve.

4.5 Performance Recognition

Using a scale of 1= Strongly Agree, 2=Agree, 3= Neutral, 4=Disagree, and 5= Strongly Disagree both the teaching staff and non teaching staff were asked to rate performance recognition of the employees by the institution. The findings for the non teaching staff are shown in Table 4.11.

Table 4.11: Performance recognition for the non teaching staff

Responses	Excellent performance recognized		Offered good allowance for over time		Earn benefits through trips and dinners		Frequently recognized through commendation letters		Employee suggestions considered	
	Number	%	Number	%	Number	%	Number	%	Number	%
Strongly Agree	3	(5.56%)	1	(1.85%)	2	(3.70%)	3	(5.56%)	4	(7.41%)
Agree	24	(44.44%)	3	(5.56%)	6	(11.11%)	13	(24.7%)	4	(7.41%)
Neutral	5	(9.26%)	8	(14.81%)	9	(16.67%)	3	(5.56%)	18	(33.33%)
Disagree	18	(33.33%)	20	(37.04%)	2	(44.44%)	17	(31.48%)	15	(27.78%)
Strongly Disagree	4	(7.41%)	22	(40.74%)	13	(24.07%)	18	(33.33%)	13	(24.07%)
Total	54	100	54	100	54	100	54	100	54	100

From the findings as indicated in Table 4.10 rating performance recognition, 44(55%) teaching staff and 24(45.3%) non teaching staff tend to agree that managers recognize excellent performers by issuing certificates. 28(35.9%) of the teaching staff strongly agrees and 16(20.5%) of the same agrees with the fact that they benefit from the institution by earning trips and dinners in the college. Few of the non teaching staff that is 6(11.8%) agrees with this. Meaning the teaching staff benefit more from the trips than the non teaching staff. On both cases both groups tend to concur that there is no good allowance for overtime services offered outside working hours where 19(38%) and 21(42%) of the non teaching staff disagrees and strongly disagree respectively and 30(39%) and 18(23.4%) of the teaching staff disagree and strongly disagree respectively.

Using a scale of 1= Strongly Agree, 2=Agree, 3= Neutral, 4=Disagree, and 5= Strongly Disagree both the teaching staff and non teaching staff were asked to rate performance

recognition of the employees by the institution. The findings for the teaching staff are shown in Table 4.12

Table 4.12: Performance recognition for the teaching staff

Responses	Excellent performance recognized		Offered good allowance for over time		Earn benefits through trips and dinners		Frequently recognized through commendation letters		Employee suggestions considered	
	Number	%	Number	%	Number	%	Number	%	Number	%
Strongly Agree	18	(22.5%)	3	(3.75%)	6	(7.5%)	13	(16.25%)	9	(11.25%)
Agree	44	(55%)	10	(12.5%)	28	(35%)	33	(41.25%)	34	(42.5%)
Neutral	6	(7.5%)	18	(22.5%)	16	(20%)	14	(17.5%)	24	(30%)
Disagree	5	(6.25%)	30	(37.5%)	18	(22.5%)	15	(18.75%)	9	(11.25%)
Strongly Disagree	5	(6.25%)	19	(23.75%)	12	(15%)	5	(6.25%)	4	(5%)
Total	80	100	80	100	80	100	80	100	80	100

Further the researcher investigated the relationship between employees' performance recognition and organizational performance by testing the hypothesis below.

H0: There is no significant relationship between employees' performance recognition and organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya.

H1: There is a significant relationship between employees' performance recognition and organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya. The results were shown on presented on Table 4.13

Table 4.13: Relationship between employees’ performance recognition and organizational performance

		Performance recognition	Organizational performance
Performance recognition	Pearson Correlation	1	0.77
	Sig. (2-tailed)		0.065
	N	80	80
Organizational performance	Pearson Correlation	0.77	1
	Sig. (2-tailed)	0.065	
	N	80	80

Table 4.11 shows a very strong positive correlation (+ 0.77) between employees’ performance recognition and organizational performance. We do therefore reject the hypothesis and conclude that there is a significant relationship between employees’ recognition and organizational performance.

4.6 Employee Benefits

Using a scale of 1=strongly Agree, 2= Agree, 3=Neutral, 4=disagree and 5=strongly Disagree the non teaching staff were asked to rate the employees benefits in their institution. The findings of the study are shown in the Table4.14.

Table 4.14: Employees' benefits in the institution

Responses	Have an attractive benefit package		Have adequate medical allowances		Pension scheme is satisfactory		I'm happy with leave arrangements	
	Number	%	Number	%	Number	%	Number	%
Strongly Agree	3	(5.56%)	2	(3.70%)	2	(3.70%)	5	(9.26%)
Agree	1	(1.85%)	5	(9.26%)	8	(14.81%)	15	(27.78%)
Neutral	14	(25.93%)	10	(18.52%)	17	(31.49%)	10	(18.52%)
Disagree	22	(40.73%)	16	(29.63%)	13	(24.07%)	17	(31.49%)
Strongly Disagree	14	(25.93%)	21	(38.89%)	14	(25.93%)	7	(12.96%)
Total	54	100	54	100	54	100	54	100

From the study findings, the non teaching staffs generally do not agree with facts that, they enjoy benefits in the institution. Majority, that is 22 (42.3%) disagree and 14(26.9%) strongly disagree that they have an attractive benefit package. On the same question some of them 15(28.8%) were neutral they neither agree nor disagree that they have an attractive benefit package. 16 (32%) disagree and 21 (38%) strongly disagree that the medical cover is adequate. 15(29.4%) agree that they are happy with the leave arrangements while 16 (31.4%) disagree and 6(11.8%) strongly disagree on the same. This is displayed on the table above, and at the same time combining those who strongly agree with those who agree. 12(24.5%) disagree and 13(26.5%) strongly disagree the fact that the pension scheme is satisfactory and a few of them agree that the pension scheme is satisfactory. From the same table, 16(32.7%) are neutral with the pension scheme showing that they didn't agree neither disagree on the same may because they were not sure.

The information on the employee benefits for the teaching staff is shown in Table 4.15

Table 4.15: Teaching staff -employee benefits from staff welfare

Responses	Number	%
Yes	73	91.3
No	4	5
No response	3	3.7
Total	80	100

According to the teaching staff, (91.3%), the college has staff welfare (see table above). 5% negate this fact and 3.7% did not respond to this statement.

Other benefits that were cited by the teaching staff, included, helping bereaved families, financial support like offering loans to staff, assistance when in hospital, parties and trips outside the college.

Further the researcher tested the hypothesis below.

H0: There is no significant relationship between benefit to employees and organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya.

H1: There is a significant relationship between benefit to employees and organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya.

The results were shown on presented on Table 4.16

Table 4.16: Relationship between benefit to employees and organizational performance

		Employees benefits	Organizational performance
Employees benefits	Pearson Correlation	1	0.65
	Sig. (2-tailed)		0.060
	N	80	80
Organizational performance	Pearson Correlation	0.65	1
	Sig. (2-tailed)	0.060	
	N	80	80

Table 4.16 shows that there is a strong positive correlation (+ 0.65) between employees benefit and organizational performance. We do therefore reject the hypothesis and conclude that there is a significant relationship between employees benefit and organizational performance.

4.7 Skill Development

Non teaching staff was asked to state whether they have gained qualifications in the institutions since they started working for it. 33(61%) of the non teaching staff had gained any further qualifications since started working while 21 (39%) had not. Of those who had gained qualifications, 29(53.7%) had sponsored themselves and 25(46.3%) had been sponsored by the college.

Information on the employees' promotion in the recent past was given where respondents said that promotions had been received in the college in the recent past. Both non teaching and teaching staff agree that there has been promotion that is 29 (52.7%) of the non teaching

staff and 48 (60%) of the teaching staff. The two percentages are fairly close meaning that there is an agreement about promotions.

Of those who had been promoted, it was so due to merit or further qualifications. Other reason cited by teaching staff included, attending interviews, attending seminars on ISO, having stayed too long in the same grade and some said circumstances were not clear. Members of the non teaching staff did not respond to this question but one member cited corruption as the basis of promotion.

Using a scale of 1=strongly Agree, 2=Agree, 3=Neutral, 4=Disagree, 5=strongly Disagree, both the teaching staff and non teaching staff were asked to rate the skill development in their institution. Their responses for the non teaching staff are shown in the Table 4.17

Table 4.17: Skill development for the non teaching staff

Responses	Opportunities for skill development provided		Departmental training programmes given		Leadership training provided		Introduction in new ICT applications done		Job advancement clearly defined	
	Number	%	Number	%	Number	%	Number	%	Number	%
Strongly Agree	4	(7.41%)	3	(5.56%)	2	(3.70%)	2	(3.70%)	2	(3.70%)
Agree	18	(33.33%)	17	(31.48%)	5	(9.26%)	16	(29.64%)	13	(24.07%)
Neutral	9	(16.67%)	9	(16.67%)	12	(22.22%)	12	(22.22%)	13	(24.07%)
Disagree	17	(31.48%)	17	(31.48%)	26	(48.15%)	18	(33.33%)	17	(31.48%)
Strongly Disagree	6	(11.11%)	8	(14.81%)	9	(16.67%)	6	(11.11%)	9	(16.67%)
Total	54	100	54	100	54	100	54	100	54	100

From the study findings when scale 1 and 2 are merged, the non teaching staff agree on there being more opportunities for career development that is 22 (42.3%) of the non teaching staff

agrees with it as shown in the Table above. This implies that skills of the employees are developed to catch with the changes in technology hence workers are able to perform changed jobs.

Using a scale of 1=strongly Agree, 2=Agree, 3=Neutral, 4=Disagree, 5=strongly Disagree, both the teaching staff and non teaching staff were asked to rate the skill development in their institution. Their responses for the teaching staff are shown in the Table 4.18

Table4.18: Skill development for the teaching staff

Responses	Opportunities for skill development provided		Departmental training programmes given		Leadership training provided		Introduction in new ICT applications done		Job advancement clearly defined	
	Number	%	Number	%	Number	%	Number	%	Number	%
Strongly Agree	11	(13.75%)	12	(15%)	5	(6.25%)	3	(3.75%)	5	(6.25%)
Agree	43	(53.75%)	35	(43.75%)	22	(27.5%)	31	(38.75%)	19	(23.75%)
Neutral	13	(16.25%)	16	(20%)	17	(21.25%)	18	(22.5%)	24	(30%)
Disagree	10	(12.5%)	12	(15%)	24	(30%)	18	(22.5%)	20	(25%)
Strongly Disagree	3	(3.75%)	5	(6.25%)	12	(15%)	10	(12.5%)	12	(15%)
Total	80	100	80	100	80	100	80	100	80	100

From the study findings when scale 1 and 2 are merged, the teaching staff agree on there being more opportunities for career development that is 53 (70.7%) of the teaching staff. There is need to find out more why this is so. They also agree that they are involved in departmental training programmes 45 (57.7%) of the teaching staff and as we compare the findings for the non teaching staff in the Table 4.17, 17 (34%) of the non teaching staff agreed on the same fact thus there is a disparity.

This can be excused, since the teaching staff is the ones charged with training in the college it is part of their everyday work unlike the non teaching staff.

On seminars and workshops, both groups were in agreement that they were not being held frequently that is 41% non teaching staff against 55% teaching staff. There is near equal proportion of job advancement and training being clearly defined in the college by both groups with 25.4% non teaching and 30.2% teaching staff all this is shown on the Table 4.17 and 4.18 respectively.

The researcher further used Pearson's correlation coefficient to test the hypothesis below:-

H0: There is no significant relationship between employees' skill development and organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya.

H1: There is a significant relationship between employees' skill development on organizational performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya. The results were shown on the Table4.19

Table4.19: Relationship between employees’ skill development and organizational performance

		Employees’ skill development	Organizational performance
Employees’ skill development	Pearson Correlation	1	0.83
	Sig. (2-tailed)		0.064
	N	80	80
Organizational performance	Pearson Correlation	0.3	1
	Sig. (2-tailed)	0.064	
	N	80	80

Table 4.19 shows a very strong positive correlation (+ 0.83) between employees’ skill development and organizational performance. We do therefore reject the hypothesis and conclude that there is a significant relationship between employees’ skill development and organizational performance.

4.8 Work Environment

Using a scale of 1=strongly Agree, 2=Agree, 3=Neutral, 4=Disagree, 5=strongly Disagree, both the teaching staff and non teaching staff were asked to rate the work environment in their institution. Their responses for the non teaching staff are shown in the Table 4.20.

Table4.20: Work environment for the non teaching staff

Responses	Very conducive working environment		My department has adequate facilities		I'm able to communicate on aspects of my work		I would gladly encourage one to transfer to my college	
	Number	%	Number	%	Number	%	Number	%
Strongly Agree	2	(3.7%)	2	(3.7%)	5	(9.26%)	2	(3.7%)
Agree	19	(35.19%)	9	(16.67%)	31	(57.4%)	10	(18.51%)
Neutral	12	(22.22%)	10	(18.51%)	5	(9.26%)	16	(29.63%)
Disagree	9	(16.67%)	26	(48.15%)	6	(11.11%)	11	(20.37%)
Strongly Disagree	12	(22.22%)	7	(12.96%)	7	(12.96%)	15	(27.78%)
Total	54	100	54	100	54	100	54	100

From the study findings the fact on the work environment being conducive in the department when we merge scales 1 and 2 we arrive at 21 (39.6%) of the non teaching staff agreed to it. On the fact, that they have opportunity to mix with colleagues and communicate on aspects of work 36(69.2%) of the non teaching staff agreed on this matter.

Using a scale of 1=strongly Agree, 2=Agree, 3=Neutral, 4=Disagree, 5=strongly Disagree, both the teaching staff and teaching staff were asked to rate the work environment in their institution. Their responses for the non teaching staff are shown in the Table 4.21.

Table 4.21: Work environment for the teaching staff

Responses	Very conducive working environment		My department has adequate facilities		I'm able to communicate on aspects of my work		I would gladly encourage one to transfer to my college	
	Number	%	Number	%	Number	%	Number	%
Strongly Agree	2	(3.7%)	2	(3.7%)	5	(9.26%)	2	(3.7%)
Agree	19	(35.19%)	9	(16.67%)	31	(57.4%)	10	(18.51%)
Neutral	12	(22.22%)	10	(18.51%)	5	(9.26%)	16	(29.63%)
Disagree	9	(16.67%)	26	(48.15%)	6	(11.11%)	11	(20.37%)
Strongly Disagree	12	(22.22%)	7	(12.96%)	7	(12.96%)	15	(27.78%)
Total	80	100	80	100	80	100	80	100

From the study findings the fact on the work environment being conducive in the department when we merge scale 1 and 2 we arrive at 62 (80.6%) of the teaching staff agree. When we compare with findings for the nonteaching staff in Table 4.18 the discrepancy is quite high and can be investigated. The teaching staff seems to have more conducive working environment than the non teaching staff. Another discrepancy on work environment is on encouraging friends to transfer to the college because everything is okay. On the fact that, they have opportunity to mix with colleagues to communicate on aspects of work 66 (85.6%) of the teaching staff agreed on this matter. This shows the teaching staff is more comfortable than the non teaching staff. Reasons causing this can be investigated.

Further the researcher investigated whether there is a significant relationship between conducive work environment for employees and organizational performance. This was done by testing the hypothesis that:-

H0: There is no significant relationship between conducive work environment for employees and organizational performance in public Primary Teacher Training in Nairobi Zone, Kenya.

H1: There is a significant relationship between conducive work environment for employees and organizational performance in public Primary Teacher Training in Nairobi Zone, Kenya.

The results were presented in Table 4.22

Table4.22: Relationship between conducive work environment for employees and organizational performance.

		Working environment	Organizational performance
Working environment	Pearson Correlation	1	0.8
	Sig. (2-tailed)		0.054
	N	80	80
Organizational performance	Pearson Correlation	0.8	1
	Sig. (2-tailed)	0.054	
	N	80	80

Table 4.22 shows a very strong positive correlation (+ 0.8) between working environment and organizational performance. We do therefore reject the hypothesis and conclude that there is a significant relationship between working environment and organizational performance.

4.9 Organizational Performance

Using a scale of 1=strongly Agree, 2=Agree, 3=Neutral, 4=Disagree, 5=strongly Disagree, the teaching staff were asked to rate the influence of the five elements of reward system as

currently used in their institutions on organizational performance. Their responses are shown in the Table 4.23.

Table 4.23: Influence of the current reward system on organizational performance for the teaching staff

Responses	PTE improves due to compensation		PTE results improves due to recognition of excellent performance		PTE improves due to attractive benefit package		New programmes due to workers' skills developed		PTE results improves due to conducive environment	
	Number	%	Number	%	Number	%	Number	%	Number	%
Strongly agree	26	(32.5%)	20	(25%)	28	(35%)	5	(6.25%)	20	(25%)
Agree	18	(22.5%)	18	(22.5%)	18	(22.5%)	8	(10%)	12	(15%)
Neutral	16	(20%)	12	(15%)	13	(16.25%)	13	(16.25%)	18	(22.5%)
Disagree	8	(10%)	17	(21.25%)	16	(20%)	26	(32.5%)	18	(22.5%)
Strongly Disagree	12	(15%)	13	(16.25%)	5	(6.25%)	28	(35%)	12	(15%)
Total	80	100	80	100	80	100	80	100	80	100

From the findings when scale1 and 2 are merged 44(55%) of the teaching staff agreed that the PTE results have improved because excellent improvement is compensated appropriately while 20(25%) disagreed on the same. On the fact that PTE results have improved because excellent performance is recognized through issuing of certificates, offering dinners and trips, 38(47.5%) agreed while 30(38.50%) disagreed on that fact. Majority of the respondents agreed that PTE results have improved due to attractive benefit package i.e.46 (57.5%) agreed while 31(26.25%) disagreed on the same. On the question new programmes have been established because employees' skills are developed had the majority of the respondents disagree that is 54(67.5%) while 13(16.25%) agree that fact.

This implies that even though employees' skills are developed this has not contributed to the innovation of new programmes. The reason to this need to be established.32 (40%) of the teaching staff agreed that the conducive working environment has contributed to improved PTE results while 30(37.5%) disagree on the same.

Using a scale of 1=strongly Agree, 2=Agree, 3=Neutral, 4=Disagree, 5=strongly Disagree, the non teaching staff were asked to rate the influence of the five elements of reward system as currently used in their institutions on organizational performance. Their responses are shown in the Table 4.24

Table 4.24: Influence of the current reward system on organizational performance for the non teaching staff

	Increased output production due to profit sharing		Tasks are accomplished due to attractive overtime allowances		Decreased job turnover due to attractive benefit package		Introduction of income generating projects due to development of workers' skills		Increased output due to adequate working facilities	
Responses	Number	%	Number	%	Number	%	Number	%	Number	%
Strongly Agree	5	(9.26%)	3	(5.56%)	7	(12.96%)	10	(18.52%)	5	(9.26%)
Agree	9	(16.67%)	7	(12.96%)	10	(18.52%)	18	(33.33%)	9	(16.67%)
Neutral	11	(20.37%)	12	(22.22%)	11	(20.37%)	12	(22.22%)	17	(31.48%)
Disagree	12	(22.22%)	20	(37.04%)	17	(31.48%)	9	(16.67%)	11	(20.37%)
Strongly Disagree	17	(31.48%)	12	(22.22%)	9	(16.67%)	5	(9.26%)	12	(22.22%)
Total	54	100	54	100	54	100	54	100	54	100

From the findings the non teaching staff mostly disagreed on the facts asked for instance,29(53.70%) disagreed on the fact that there is increased output in their departments since employees have a share in profits made from the institution while 14(25.92%) agreed on the same.32(54.26%)disagreed that workers ensure that tasks are accomplished even after working hours have elapsed because overtime allowances are attractive while only 10(18.52%) agreed on the same.26(48.15%) of the respondents disagreed on the fact that there is decreased rate of job turn over in my department due to attractive benefit package while 17(31.48%) agreed on the same fact.14(25.83%) of the respondents disagreed on the fact that the institution has become self reliant in several departments since there is adequate facilities while 23(42.59%) agreed on the same issue. The only question where the respondents had agreed with a higher percentage was that on whether the institution has introduced income generating projects because employees skills are developed where 28(51.85%) of the respondents agreed on the fact while 14(25.83%) disagreed on the same.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the study. It also gives the conclusion from the findings, recommendations and suggestions for further research.

5.2 Summary of findings

The study revealed that reward system influences organizational performance .From the findings majority of the non teaching staff in public Primary Teacher Training colleges are males who are twice the number of females while the majority in teaching staff are females. Most of the respondents had stayed in the same institution for over six years. According to (Lawler 2006) those organizations that give the most rewards tend to attract and retain the most employees. This seems to occur because high reward levels lead to high satisfaction, which in turn leads to lower turnover and more applicants. Individuals who are satisfied with their jobs expect to continue to be satisfied and as a result want to stay in the same organization. This interpretation is generally consistent with the work on Equity theory and Expectancy theory (Adams2008, Lawler1990).The best performers represent a particular interesting retention problem. Therefore the study in this case agrees with earlier findings. According to the study the employees are not compensated appropriately for what they achieve in the institution. The managers recognize excellent performers however the institutions did not carry out promotions frequently for high achievers. There is also uneven distribution of recognition awards in the institutions. A job well done can be recognized by providing additional support and empowering the employee in ways such as increased authority.

The employees also do not benefit from the institution by earning trips and dinners among others. The managers do not offer good allowances for overtime services outside working hours. The employees are not satisfied by the pension scheme and benefit package in the institution. Both the teaching and non teaching staff are given more opportunities for career development. Learning opportunities are needed because they help broaden the employee's skills to take multiple roles in the organization. The non teaching staff are not involved in departmental training programmes as compared to the teaching staff. These should be established why it is so. The work environment in most departments was conducive however the working facilities are inadequate for better production.

5.3 Discussion of the study

This section presents the discussion of the major findings of the study. The discussion is guided by the objectives of the study and the information gathered from the respondents. The section also compares the findings of the study with the findings in the literature reviewed earlier based on the study objectives.

5.3.1 Employees' compensation and its influence on organizational performance

The researcher found out that the teaching and non teaching staff from the sampled public Primary Teacher Training Colleges was compensated for what they achieved in the institutions however the institutions don't offer very attractive incentives to employees. This is in agreement with earlier findings where (Lawler 1990) noted that compensation is the primary inducement offered to employees in exchange for their contributions of labour services in the employment contract.

5.3.2 Performance recognition and its influence on organizational performance

The researcher found out that the excellent performers from teaching and non teaching staff were recognized by been issued with certificates as well as earn trips and dinners.

This findings are in agreement with earlier findings where Wiscombe(2002) recognizes that high performance organizations have understood the importance of offering awards and incentives that recognize, validate and value outstanding work. Recognition programmes keep employees motivated and productive thus are seen to be effective methods of reinforcing company expectations and goals.

5.3.3 Benefits of employees and its influence on organizational performance

The researcher found out that the employees were not offered very attractive benefit package however they were happy with the leave arrangements. These findings were in agreement with earlier findings where Armstrong and Murlis (1994) agree that benefits do not motivate employees because they do not have a direct and immediate effect on performance however, they create more favorable attitude towards the organization leading to increased long term commitment and better performance.

5.3.4 Skill development and its influence on Organizational performance

The researcher found out that for both teaching and nonteaching staff opportunities were provided for skill development because they help broaden the employees' skills to take multiple roles in the organization .This is in agreement with earlier findings where (Zingheim and Schuster, 2004) noted that workers who are given opportunity to learn grow their career and are appreciated hence are more willing to make long term commitments towards the organization. They noted that rapid changes in technology are changing customer demands and require continued retraining of experienced employees to perform new and changed jobs thus sustain organizational success and growth.

5.3.5 Conducive work place and its influence on organizational performance

The researcher found out that the working environment was conducive for the employees in the sampled public Primary Teacher Training Colleges.

The employees have opportunity to mix with colleagues to communicate on aspects of work. This is in agreement in earlier findings where (Graham and Bennett, 1998) viewed positive work life as any programme intended to improve the quality of working life of employees. The elements of a quality working life scheme includes the flow of communication within the organization, involving employees in goal setting and job design.

5.4 Conclusions of the study

Reward system is an important aspect in public Primary Teacher Training Colleges as it influences organizational performance. The employees are not compensated appropriately for what they achieve in their institutions. The colleges recognize excellent performers however the institutions did not carry out promotions frequently for high achievers. There also exists uneven distribution of recognition awards in the organizations. The employees do not have very attractive benefit package and are not offered good night allowances hence the researcher fears that this can be a demotivator to the hard working employees . On the skill development the researcher concludes that the employees have opportunities for skill development however seminars and workshops for the departments are not held frequently. The working environment was conducive however the working facilities were not adequate for better production.

5.4 Recommendations

The top management in organizations should design a compensation system which would drive, reinforce and sometimes alter the culture in a way that the organization's goals are supported and have different types of pay systems which relate to performance.

The organization management should design recognition programmes that have a purpose of keeping employees motivated and productive.

This would reinforce the organization's expectations and goals since recognition and appreciation are integral components of winning reward strategy.

The top management should design a cafeteria- style benefit plan on incentive system which caters for the differing needs of the employees. They should increase the expected value of rewards resulting from desired performance by distributing rewards that employees value and individualize them. This would not only address inequality but reduce the levels of dissatisfaction, low motivation and improve productivity.

The top management in an organization should align reward practices to attain good organizational performance. They should re-orient the employees to align their values with those of the organization through training, team building and harmonization of the organizational policies. This would make employees feel proud about them and the organization as well boost their morale and productivity.

5.5 Suggestions for Further Research

1. A study to establish the exact kind of rewards or treatments that employees in Teacher Training Colleges expect from managers so as to perform better.
2. A study to establish whether employees in Teacher Training Colleges are treated in a way that they expect.
3. A study to establish the impact of reward system on staff turnover.
4. A study to establish the factors that influence the performance in any organization.

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APPENDICES

APPENDIX 1: TRANSMITTAL LETTER

GLADYS MBETI MUUO

University of Nairobi,

P.O BOX 30197,

Nairobi.

To the Respondent,

.....

RE: RESEARCH STUDY

I am a student of the University of Nairobi, pursuing a M.A degree in Project Planning and Management. I am carrying out a research on **the influence of reward system on Organizational Performance in public Primary Teacher Training Colleges in Nairobi Zone, Kenya**. Your College has been selected to participate in the study and you have been selected as a respondent to assist in providing the required information. My respondents are the teaching staff and non teaching staff in public Primary Teacher Training Colleges in Nairobi Zone, Kenya. I therefore kindly request you to fill the attached questionnaires. The data collected will be strictly used for academic purposes only and will be treated confidential. Your cooperation will be highly appreciated.

Thank you

Yours faithfully

Gladys Mbeti Muuo.

APPENDIX II: QUESTIONNAIRE FOR THE TEACHING STAFF

Introduction:

This study intends to collect information on the influence of reward system on organizational performance. The information will only be used for academic purpose and the results are expected to improve organizational performance. Please answer by filling or ticking (√) against the most appropriate/applicable response of the questionnaire items. To express opinion, use the provided space. Kindly answer the questions as honestly as possible and your responses will be kept confidential. Please do not write your name or institution anywhere in the questionnaire.

SECTION A: Personal Details

Please indicate the correct option by ticking (√) or give information in the spaces provided.

1. What is your gender? a) Female..... b) Male.....

2. What is your age group?

a) 20-30 years

b) 31-40 years

c) 41-50 years

d) 51 and over

3. What is your category?

a. Manager/Administrator b. Head of Department, c. Teaching staff

4. Which is your Department?..... (E.g. Academics, finance, transport, farm, catering). Other (Specify).....

5. For how long have you worked in this institution? Please tick where applicable.

- 1. Below 1 year,
- 2. Between 1-5 yrs,
- 3. Between 6-10 yrs,
- 4. Above 10 yrs,

SECTION B: EMPLOYEES COMPENSATION.

6. Does your institution offer rewards to the employees?

YES NO

If YES, Give examples.....

.....

7. Please indicate the extent to which you agree with the following statements by ticking (✓) appropriately. SA=strongly Agree. A= Agree, N=Neutral, D= Disagree, SD=Strongly Disagree.

	Statement	SA	A	N	D	SD
1	The employees are compensated appropriately for what they achieve in the institution.					
2	There are short term incentive pays for small assignments given outside the main teaching work.					
3	The organization offers very attractive incentives to employees.					
4	The employees have a share in the profits made from the organization investments					

SECTION C: PERFORMANCE RECOGNITION.

8. Does the manager give good feedback on your performance?

a) YES b) NO

9. Please tick to indicate the extent to which you agree with the following statements where:

SA= Strongly Agree, A= Agree, N=Neutral, D= Disagree, SD= Strongly Disagree.

	Statement	SA	A	N	D	SD
1	Managers recognize excellent performers by issuing certificates.					
2	There is a good allowance for overtime services offered outside working hours.					
3	We benefit from the institution by earning trips/dinners in this college.					
4	We frequently receive commendation letters for good work done					
5	I feel I am valued at the college where I work.					
6	Employee suggestions and opinions are considered.					

SECTION D: EMPLOYEES BENEFITS.

10. Does the college have staff welfare?

a) YES NO

If YES, give examples of the benefits that the employee gain from it

11. What are some of the benefits that you as an employee enjoy and make you feel recognized for your efforts?

- i.
- ii.
- iii.

12. Please tick to indicate the extent to which you agree with the following statements

where:

SA= Strongly Agree, A= Agree, N=Neutral, D= Disagree, SD= Strongly Disagree.

	Statement	SA	A	N	D	SD
1	The employees have an attractive benefit package					
2	I am happy with the leave arrangements					

SECTION E:SKILL DEVELOPMENT.(Please Tick/fill where necessary).

13. Are there employees who have been promoted in your department in the recent past?

YES NO

If YES, on what basis was the promotion?

a) Merit b) Further qualifications

c) Others please specify.....

14. Suggest some of the courses/seminars that you have attended organized by your institution in the last two years.

i. -----

ii. -----

iii. -----

15. Please tick to indicate the extent to which you agree with the following statements

where:

SA= Strongly Agree, A= Agree, N=Neutral, D= Disagree, SD= Strongly Disagree.

	Statement	SA	A	N	D	SD
1	There are opportunities for skill development					
2	The college involves employees in departmental training programmes					
3	Leadership training programmes are frequent and functional in this college					
4	On job training are done on annual basis for all employees					
5	Seminars and workshops are held frequently					
6	Preparation for introduction for new ICT applications are done					
7	Training programmes are organized in reference to the relevant needs of the organization and to the relevant people.					
8	Job advancement and training is clearly defined in my college					

SECTION F: WORK ENVIRONMENT.

16. Please tick to indicate the extent to which you agree with the following statements

where:

SA= Strongly Agree. A= Agree N=Neutral D= Disagree, SD= Strongly Disagree.

	Statement	SA	A	N	D	SD
1	There is a very conducive working environment in my department					
2	My department has adequate working facilities					
3	I get opportunity to mix with my colleagues and communicate on aspects of our work					
4	I would gladly encourage a friend to transfer to my college because everything is okay.					

SECTION G: INFLUENCE OF THE CURRENT REWARD SYSTEM ON ORGANIZATIONAL PERFORMANCE

17 .Please tick to indicate the extent to which you agree with the following statements

where: SA=Strongly Agree, A=Agree N=Neutral=Disagree, SD=Strongly D=Disagree.

	Statement	SA	A	N	D	SD
1	The PTE students results have improved because excellent improvement is compensated appropriately					
2	The PTE student results have improved because excellent performance is recognized through issuing certificates, offering dinners, trips among others					
3	There has been consistent improved performance in PTE results due to attractive benefit package					
4	New programmes have been established because employees' skills are developed					
5	There is improved PTE results due to good and conducive working environment					

18. Proper use of reward system will move the organization to greater heights in innovation and productivity,

a) Agree

b) Strongly agree

c) Neutral

d) Disagree

e) Strongly disagree

Thank you for your participation and genuine contribution.

APPENDIX III: QUESTIONNAIRE FOR THE NON TEACHING STAFF

Introduction:

This study intends to collect information on the influence of reward system on organizational performance. The information will only be used for academic purpose and the results are expected to improve organizational performance. Please answer by filling or ticking (√) against the most appropriate/applicable response of the questionnaire items. To express opinion, use the provided space. Kindly answer the questions as honestly as possible and your responses will be kept confidential. Please do not write your name or institution anywhere in the questionnaire.

SECTION A: Personal Details

Please indicate the correct option by ticking (√) or give information in the spaces provided.

1. What is your gender a) Female..... b) Male.....

2. What is your age group?

a) 20-30 years

b) 31-40 years

c) 41-50 years

d) 51 and over

3. What is your Category.....

a. Manager/Administrator

b. Head of department,

c. Non teaching staff

4. Which is your Department..... (E.g. Maintenance Finance, transport, farm, catering)

Other (Specify).....

5. For how long have you worked in this institution? Please tick where applicable.

- 5. Below 1 year,
- 6. Between 1-5 yrs,
- 7. Between 6-10 yrs,
- 8. Above 10 yrs,

SECTION B: EMPLOYEES COMPENSATION.

6. Does your institution offer rewards to the employees?

YES **NO**

If **YES** Give examples.....

.....

7. Please tick to indicate the extent to which you agree with the following statements

where: SA = Strongly Agree, A = Agree, N=Neutral, D= Disagree, SD= Strongly

Disagree.

	Statement	SA	A	N	D	SD
1	The people are compensated appropriately for what they achieve in the institution.					
2	There are short term incentive pays for small assignments given outside the main work.					
3	The organization offers very attractive incentives to employees.					
4	My salary is given in accordance to my responsibilities.					
5	The employees have a share in the profits made from the organization					

SECTION C: PERFORMANCE RECOGNITION.

8. Please tick to indicate the extent to which you agree with the following statements where:

SA= Strongly Agree. A= Agree, N=Neutral, D= Disagree, SD= Strongly Disagree.

	Statement	SA	A	N	D	SD
1	Managers recognize excellent performers by issuing certificates.					
2	There is a good allowance for overtime services offered outside working hours.					
3	We benefit from the institution by earning trips/dinners outside the college					
4	We frequently receive commendation letters for good work done.					
5	I feel I am valued at the college where I work.					
6	Employee suggestions and opinions are considered.					

SECTION D: EMPLOYEES BENEFITS.

9. Please tick to indicate the extent to which you agree with the following statements where:

SA= Strongly Agree, A= Agree, N=Neutral, D= Disagree, SD= Strongly Disagree.

	Statement	SA	A	N	D	SD
1	The employees have an attractive benefit package.					
2	The medical allowance/cover is adequate.					
3	The pension scheme is satisfactory.					
4	I am happy with the leave arrangements					

SECTION E:SKILL DEVELOPMENT.(Please Tick/fill where necessary)

10. Have you gained any further qualifications in the institution since you started working for it?

YES NO

If YES, who sponsored your studies? a) Myself b) College

c) Others please specify.....

11. Are there employees who have been promoted in your department in the recent past?

YES NO

If YES, on what basis was the promotion?

a) Merit b) Further qualifications

c) Others, please specify.....

12. Please tick to indicate the extent to which you agree with the following statements where:

SA= Strongly Agree, A= Agree, N=Neutral, D= Disagree, SD= Strongly Disagree.

	Statement	SA	A	N	D	SD
1	There are opportunities for skill development					
2	The college involves us departmental training programmes					
3	Leadership training programmes are frequent and functional in this college					
4	On job training are done on annual basis for all employees					
5	Seminars and workshops are held frequently					
6	Preparation for introduction for new ICT applications are done					
7	Training programmes are organized in reference to the relevant needs of the organization and to the relevant people.					
8	Job advancement and training is clearly defined in my college					

SECTION F: WORK ENVIRONMENT.

13. Please tick to indicate the extent to which you agree with the following statements where:

SA= Strongly Agree, A= Agree, N=Neutral, D= Disagree, SD= Strongly Disagree.

	Statement	SA	A	N	D	SD
1	There is a very conducive working environment in my department					
2	My department has adequate working facilities					
3	I get opportunity to mix with my colleagues and communicate on aspects of our work					
4	I would gladly encourage a friend to transfer to my college because everything is okay.					

SECTION G: INFLUENCE OF THE CURRENT REWARD SYSTEM ON ORGANIZATIONAL PERFORMANCE

14. Please tick to indicate the extent to which you agree with the following statements

where: SA=Strongly Agree, A=Agree N=Neutral, D=Disagree, SD=Strongly Disagree.

	Statement	SA	A	N	D	SD
1	There has been increased output in my department when employees have a share in the profits made from the institution					
2	Workers ensure that all tasks are accomplished even after working hours have elapsed because overtime allowances are attractive					
3	There is decreased rate of job turnover in my department due to attractive benefit package					
4	The institution has introduced income generating projects because workers' skills are developed					
5	The institution has become self reliant in production in several departments since there is adequate facilities					

15. Please assess whether the rewards available in your institution are encouraging you to work towards achieving the Organizational goals

a) YES

b) NO

Thank you for your participation and genuine contribution