

**TEACHERS' PERCEPTION OF THE PERFORMANCE BASED
REWARDS AND COMMITMENT IN PUBLIC SECONDARY SCHOOLS
IN KIKUYU SUB-COUNTY**

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DECLARATION

This research project is my original work and has not been presented for the award of degree in any other university or institution for any other purpose.

Signature

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

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DEDICATION

This project is dedicated with deepest love and gratitude to my family for unfailing encouragement and patience as I sat for long hours writing it.

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LIST OF ABBREVIATIONS

B.O.M - Board of management

ESOPs - Employee stock ownership plans

TSC - Teachers Service Commission

GOK -Government Of Kenya

ABSTRACT

The people who make up an organization -human resources- are considered to be one of the most important resources of today's firms. People and how they are managed are becoming more important because many other sources of competitive success are less powerful than they used to. Organizations in both the public and indeed the private sector consider their employees as a critical asset towards the attainment of the organizational goals. However, the same objectives can only be attained from a satisfied workforce. Thus, employees should be rewarded according to their performance and those who perform better need to be offered a greater proportion of the available rewards and vice versa. The objective of the study was to determine teacher perception of the performance based rewards and commitment in public secondary schools in Kikuyu Sub-County. The research design adopted was cross sectional study. The population of the study comprised of 620 teachers in public secondary schools Kikuyu Sub-County of Kiambu County. The researcher used stratified sampling. The sample comprised 10% from each strata of the target population. The study used primary data which was collected using self-administered questionnaires. The data collected was analyzed using statistical package for social sciences and presented in tables and charts. Regression analysis was undertaken to determine the relationship between performances based rewards and teacher commitment. The study found out that teachers perceived performance based pay would increase teacher motivation to improve student achievement provides incentive for teachers to work harder, encourages teachers to participate in staff development and improve skills, and modification of assessment methods. Teachers were found to be committed to the schools they teach and thus they are proud to tell others that they are part of the school, enjoy working in the school, glad that they chose to work in the school and quitting the teaching work was not being considered by the teachers as they have families to support. The regression analysis showed that teachers commitment to the schools and profession was influenced by performance based rewards. Most employees were found to be disposed to the performance-reward linkage, provided the scheme is administered with objectivity and fairness. Therefore, the schools reward system should also commensurate with the effort that each individual staff offer as well as be at par with other firms of the same standard that operate in an economy. It was also concluded that performance-based rewards affect the performance of teachers in different ways and it was realized that performance based rewards motivate teachers and increases their performance, improve teachers' productivity and efficiency. The study found that the current system of rewarding teachers as it is in schools is inadequate and limited in scope because the rewards are given on levels of experience and formal qualifications instead of performance. It is recommended therefore that reward based systems should be based on performance considerations and the same be set after a fair and accurate evaluation has been undertaken.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The people who make up an organization -human resources- are considered to be one of the most important resources of today's firms. People and how they are managed are becoming more important because many other sources of competitive success are less powerful than they used to. Recognizing that the basis for competitive advantage has changed is essential to develop a different frame of reference for considering issues of human resource management (Dyer and Reeves, 1995). An organization's success or failure is highly determined by effective and efficient utilization of resources at its disposal, such as human, material, financial, and information resources. Among these four resources, the human resource is the most important part and crucial of all resources for the survival of an organization or business firms. According to Ivancevich (2009) it is important to remember that people do the work and create ideas that show the organizational service. Therefore, it is agreed that resources remain unutilized unless the human element is involved. The degree of human resource contribution should be evaluated in the development of the organization or business firm.

The study will be based on equity theory and expectancy theory. Equity theory deals strongly with the aspects of organizational justice, whether the individuals feel that they are treated fairly at work or not. Ramlall (2004) posits that an individual on employee – employer relationship evaluates not only the benefits and rewards he or she receives and whether the input given to the organization is in balance with the output but also the relevance of inputs given and outputs received by other employees inside or outside the

employing organization. The expectancy theory on the other hand suggests that employees are more likely to be motivated to perform when they perceive that there is a strong link between their performance and the reward they receive (Mendonca, 2002). The theory proposes that performance at individual level depends on high motivation, possession of the necessary skills and abilities and an appropriate role and understanding of that role.

The quality of education depends on the teachers as reflected in the performance of their duties. Over time pupils' academic performance in both internal and external examinations had been used to determine excellence in teachers and teaching. Teachers have been shown to have an important influence on students' academic achievement and they also play a crucial role in educational attainment because the teacher is ultimately responsible for translating policy into action and principles based on practice during interaction with the students. Both teaching and learning depends on teachers no wonder an effective teacher has been conceptualized as one who produces desired results in the course of his duty as a teacher. Teacher performance however, largely depends on the rewards being given.

1.1.1 Concept of Perception

Perception is the attitude employees have towards policies concerned with pay, recognition, promotion and quality of working life, and the influence of the group with whom they identify (Armstrong, 2006). As Arnold *et al.*, (1991) comment, research evidence has shown that people's avowed feelings and beliefs about someone or something seemed only loosely related to how they behaved towards it and thus the study of employees' perception is critical toward formulation and management of policies in an

organization. Dash *et al.*, (2008) report that the factors of recognition for performing well, chances of promotion, professional growth, compensation and incentive schemes, are perceived as motivating factors by many employees who will in turn feel satisfied. They point out that the development of systems of rewards, recognition and career opportunities as one of several critical tasks of management in the information-based companies and in their research, employees named respectful treatment and recognition as one of the six less costly and perhaps more effective 'management levers' to be exercised by management in their efforts to attract, motivate and retain workers since employees consider such factors to be important.

Ramakrishna (2002) opines that recognizing contributions will result in a world class working environment that motivates and propels people to work better and stay on. He contends that the lack of recognition is one of the serious demotivators for the employees of and as a result most organization has introduced better reward and recognition schemes. Strategies like building a high degree of recognition value into every reward offered, reducing entitlements and linking as many rewards as possible to performance, troubleshooting the reward system to make sure that what it is rewarding is what you really want to happen, rewarding promptly, giving employees a choice of rewards, increasing the longevity of rewards will motivate the employees.

1.1.2 Performance Based Rewards

A reward is defined as all of the monetary, non-monetary, and psychological payments that an organization provides for its employees (Bartol and Locke, 2000). A reward is presented after the occurrence of an action with the intent to cause the behaviour to occur again. This is done by associating positive meaning to the behaviour and it represents what the individuals want to obtain from work or what they perceive. A job reward has

been found to be a strong determinant of job satisfaction and also rewards are significantly related to professionalism. Performance based compensation is a method of compensation designed to reward employee performance. Performance based compensation may be based on individual and team performance (Cole, 1998). The types of individual performance based compensation practices include merit pay, bonus programs, piece rate systems and special incentive programs.

Mondy (2008) noted that pay for performance is meant to solve the twofold problem of motivating high employee performance while attracting and retaining good employees under conditions where their effort or ability is not readily measured or observed. Performance based compensation logic advocates setting of clear and challenging performance objectives for employees in order to motivate their performance (Locke, 2004). It builds on the idea of setting performance targets that are expected to act as an incentive for improved performance when employees strive to achieve them in order to qualify for rewards. The method also rewards for performance rather than other non-merit aspects such as the length of service and educational qualifications, which do not promote improved performance (Cho, Lee, and Choi, 2012).

The primary purpose of performance-related pay in any organization is to attract, retain and motivate the workforce. Teacher salary levels may influence pupil outcomes either through the recruitment and retention of more capable teachers and/or because higher salaries induce greater effort (Milanowski, 2007). It is believed that high-quality workers are attracted to an organization where they feel that their ability will be rewarded. The salary level affects the choice to work as a teacher, because the popularity of the profession is highly dependent on the average salary level and the salary structure used in this field.

1.1.3 Employee Commitment

Employee commitment is the degree to which an employee identifies with the organization and wants to continue actively participating in it (Newstrom and Davies, 2002). Like a strong magnetic force attracting one metallic object to another, it is a measure of the employees' willingness to remain with a firm in the future. It often reflects the employees' belief in the mission and goals of the firm, willingness to expend effort in their accomplishment, and intentions to continue working there. Commitment is usually stronger among longer-term employees, those who have experienced personal success in the organization, and those working with a committed employee group. Employee commitment is an important area that an organization should focus, to be productive and to get effective and committed workforce. It is the combination of Job satisfaction, motivation and effectiveness (Mueller and Aguirre, 2007). A committed workforce is a great blessing for any organization. Employees are valuable assets for every firm. Organizations have realized this fact and started taking initiatives to treat their employees as the most valuable assets.

Employee commitment is important because high levels of commitment lead to several favorable organizational outcomes. It reflects the extent to which employee's identify with and organization and is committed to its goals. Dordevic (2004) stated that the commitment of employees is an important issue because it may be used to predict employee's performance, absenteeism and other behaviors. According to Tolentino (2004) Sustained productivity improvement depends on the enterprise's human capital (the skills, knowledge, competencies and attitudes that reside in the individual employee of the enterprise) and its social capital (trust and confidence, communication, cooperative working dynamics and interaction, partnership, shared values, teamwork, etc. among these individuals.

1.1.4 Secondary Schools in Kikuyu Sub-County

Secondary schools in Kenya fall into two categories, government funded and private. Government funded schools are divided into national, county and sub-county schools. Private schools are run by private organizations, individuals or churches. The government of Kenya through its policy documents has consistently stressed the importance of education as a strategy for eliminating poverty, disease and ignorance (GoK, 1976). Consequently provision of education in Kenya is fundamental to the government overall development strategy with the overall policy being to ensure equitable access, improvement of quality and efficiency at all levels of education. However, there are challenges that constrain its growth which include issues of access, equity, quality and relevance (Kemugu et al, 1999).

According to Kikuyu Sub-County Education office, there are twenty nine public secondary schools in Kikuyu Sub-County of Kiambu County. For administrative purposes the schools are placed in four education zones namely; Karai zone with eight schools, Kabete zone with nine schools, Thogoto zone has six while six of the schools are in Muguga zone. the student population is approximately fifteen thousands with the ratio of boys to girls being almost equal. The teacher population is six hundred and sixty with a shortage of one hundred and twenty teachers. Some school board of managements (B.O.M) hire teachers locally using parent contributions to supplement the teachers hired by the Ministry of Education. The teachers hired through the B.O.M (board of management) are compensated at lower terms than those hired by the teachers service commission (T.S.C). Insufficient funding has however hampered the hiring of teachers by the T.S.C due to the introduction of free secondary school learning and thus raising the student-teacher ratio both by increasing the number of students and by reducing the number of teachers. As the most significant resource in schools, teachers are critical to

raise education standards. Improving the efficiency and equity of schooling depends, in large measure, on ensuring that teachers are highly skilled, well resourced, and motivated to perform at their best. Effective monitoring and evaluation of teaching is central to the continuous improvement of the effectiveness of teaching in a school. It is essential to know the strengths of teachers and those aspects of their practice which could be further developed.

1.2 Research Problem

Organizations in both the public and indeed the private sector consider their employees as a critical asset towards the attainment of the organizational goals. However, the same objectives can only be attained from a satisfied workforce. Thus, employees should be rewarded according to their performance and those who perform better need to be offered a greater proportion of the available rewards and vice versa. According to Samad(2007) if workforce is satisfied with their job as well as the organizational environment including its colleagues, compensation, and leadership they will be more committed with their organization as compared to when they are not satisfied. The importance of these two areas cannot be overlooked because they are the key factors that influence employee's turnover, employee's performance, and their productivity. Satisfied and committed workforce is usually a contributor and performer towards enhancing organizational productivity. Employee effort is an important factor that determines how an individual performance will be. When an employee feels satisfied about the job, he/she is motivated to put greater effort to the job performance. Then it tends to increase the overall performance of the organization. In other words, a satisfied individual employee and his effort and commitment are crucial for the successfulness of the organization.

With the introduction of free primary education in Kenya in 2003, the number of school going children has increased especially in the government funded institutions. Secondary schools in Kikuyu Sub-County have not been spared the increase in the number of students and coupled with the need of the Kenyan society to demand accountability and value for their investment and resources in the educational sector, there has been need for teachers to show value for their remuneration. However, according to Kikuyu Sub-County (2014) report there has been a decline in the level of performance in secondary school results over the last 5 years. The question that will therefore come to mind is whether there lacks a commitment from the teachers or working conditions is not conducive enough for delivery of results. They further noted that incentives for teachers in the secondary schools in Kikuyu Sub-County to perform well are frequently weak due to ineffective incentives and sanctions. Very low pay forces large proportions of teachers to earn secondary income from private tutoring and other activities. What is expected from teachers is not pitched at a realistic level in many secondary schools in Kikuyu Sub-County given material rewards, workloads, and work and living environments. Thus the need for performance based pay in order to motivate and commit teachers towards the achievement of improved performance by the schools.

International studies that have been undertaken on performance based compensation system include Perry, Engbers and Jun, (2009) study on performance-based pay as a motivational tool for achieving organizational performance. The study established that revealed that the effect of performance-based pay on employee performance is minimal and the motivational effect of merit pay is often blunted by biased performance appraisal. Shah, Bhat and Rufai (2014) researched on employee's attitudes towards reward system in teaching industry in India. The study established that feedback to employees, freedom,

career development plan, and valuation of employees, learning programs, open and comfortable work environment and good supervisory relations, all these factors positively impacts employee attitude and performance in the workplace.

Several studies have been done in the area of performance based rewards. For instance, Muchai (2012) research on performance based compensation practices among commercial banks in Kenya. The findings of the study were that the managers disagreed that on stock ownership, employees are rewarded with company stock as an outright grant. They also agreed that the piece rate system did not pay a higher piece rate wage if employees produced more than the standard. Kendi (2012) researched on performance based pay practices among small and medium enterprises in Nairobi Central Business District and established that there are various performance based pay practices that are used in small and medium enterprises. There are various methods used to determine the effectiveness of performance based pay practices in the enterprises. Mutuku (2012) studied employee perception of competitiveness of performance based rewards in Kenya Electricity Generating Company Limited Kenya and established that the company was using performance based rewards in order to satisfy its employees with the work and encourage the employees to work towards the attainment of the organizational objective. The use of the rewards by the company changed their perception and as a result leads to additional interactions with management and provides new opportunities for employees to develop trust in management. From the above studies, there is no study that has been undertaken on the perception of teachers on performance based rewards and commitment in secondary schools. This study therefore will seek to answer the question; what is the perception of teachers on performance based rewards and commitment among secondary schools in Kikuyu Sub-County?

1.3 Research Objective

The objective of the study was to determine teachers' perception towards performance based rewards and commitment among public secondary schools in Kikuyu Sub-County

1.4 Value of the study

The study findings will benefit management and staff of secondary schools in Kiambu County who will gain insight into how their institutions can effectively manage their performance based rewards to be in line with their employees' perception. This study will offer an understanding on the importance of maintaining an effective reward system that will provide the desired results and competitive advantage in the present day competitive business environment. Several rewards practices and their effects will be discussed for the managers to understand in a much in-depth way the best change process approach that they can adopt to suit their circumstances. As a result, other secondary schools in the country and other affiliated firms will derive great benefit from the study.

The findings of the study can also be used by Government and other organizations to design future staff reward system strategies. Conceptually, this study has empirically verified the influence of the performance-based rewards on the performance of teachers' in secondary schools. This forms a basis for subsequent research to explore other factors that could affect teachers' and students' performance. The study would also help employers draw up proper performance rewards systems or mechanisms to increase on the teachers' performance.

This study will also create a monograph which could be replicated in other sectors of the economy. Most importantly, this research will contribute to the literature on the rewards and commitment especially in developing countries like Kenya. It is hoped that the

findings will be valuable to the academicians, who may find useful research gaps that may stimulate interest in further research in future. It would also help policy makers to come up with informed policies/decisions on how rewards should be awarded.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter, reviews different literature of different scholars, about what they say on performance based rewards. The literature reviews reward systems and gives a brief discussion on the theoretical framework of performance. This chapter also, highlights on the importance of rewards on staff performance to give the readers the study focus.

2.2 Theories underpinning the study

This section examines the existing theories that are relevant to the study. This study is based on Equity Theory of motivation and Victor Vroom's Expectancy Theory.

2.2.1 Equity Theory

The equity theory states that employees expect fairness when being rewarded for the work done. The Equity theory essentially refers to an employee's subjective judgment about the fairness of the reward she/he got in comparison with the inputs (efforts, time, education, and experience) when compared with others in the organization. The Equity theory of motivation concerns on the people's perception and feelings on how they are treated as compared with others (Armstrong, 2001). The argument is that people work well in accordance to what they regard as fair. Employees consider whether management has treated them fairly, when they look at what they receive for the effort they have made. Maicibi (2003) agrees with this that employees expect rewards or outcomes to be broadly proportional to their effort.

Ramlall (2004) posits that an individual on employee – employer relationship evaluates not only the benefits and rewards he or she receives and whether the input given to the organization is in balance with the output but also the relevance of inputs given and outputs received by other employees inside or outside the employing organization. Individual inputs can be education, effort, experience, and competence in comparison to outputs such as salary, recognition and salary increases. If an individual notices an imbalance on the input - outcome ratio according to his or her own experiences and in comparison to the others, tension is accumulated.

2.2.2 Expectancy Theory

Expectancy theory was proposed by Vroom (1964) to target work motivation. It explains why people perform or fail to give off their best to an organization. The theory posits that performance depends upon the perceived expectation regarding effort expending in achieving the desired outcome. An employee who desires promotion will only achieve high performance if he/she believe his/her behaviour will lead to promotion or else he/she will not exert effort. Expectancy theory helped the study to understand how individuals are drawn to make decisions as regards various behavioral alternatives and perceptual differences among people. It also suggests that motivation is based on how much one wants something and how likely he/she could get it (Bodden, 2008). This is because the motivational force of every individual is influenced by his or her expectancies, valances all of which depend on a personal way of perception. The formal framework of expectancy theory was developed by Vroom (1964). This framework states basically that motivation plus effort leads to performance, which then leads to outcomes.

The expectancy theory explains that in any given situation, the greater the number and variety of rewards that are available to the employees (teachers), the greater is the

probability that extra effort will be exerted in attaining the set goals or targets in the hope of getting the desired rewards (Bodden,2008). Gerald Cole (2004) agrees with this and explains that Vroom focused especially on the factors that are involved in stimulating an individual to put an effort in doing something since this is the basis of motivation. Expectancy theory of motivation explains the link between motivation and performance. The theory proposes that performance at individual level depends on high motivation, possession of the necessary skills and abilities and an appropriate role and understanding of that role (Savaneviciene and Stankeviciute, 2010).

2.3 Performance based Rewards

Performance based rewards refer to how the performance based compensation is implemented (Schuler, 2008). Organizations must align their compensation and reward systems with performance, for when they do, they will increase productivity and achieve sustainable growth. Performance based compensation practices help organizations develop effective strategies that reflect an employee's performance and contributions, improve employee and customer engagement, increase productivity, focus employees on clear, objective, and measurable outcomes, link to the organization's strategic direction and business goals and reward employees who achieve results. Linking compensation to performance also potentially introduces equity and consistency in the compensation structure and enables the firm to attract more able employees (Lazear et al. 2000).

James et al. (2001) noted that interest in performance-based pay for teachers rose, in part, from a basic dissatisfaction with the traditional salary schedule. Many policymakers believed that the traditional salary schedule provided no incentive for teachers to demonstrate subject matter competence, improve teaching, or increase academic

performance by students. While people who have chosen teaching as a career are chiefly motivated by ‘intrinsic’ rewards (such as wanting to make a difference), extrinsic factors such as remuneration are the most significant factors influencing people not to choose teaching as a career, and to leave the profession (Hall *et al.*, 2008). So this implies that performance based rewards play a significant role on the performance of teachers in secondary schools. Performance-based pay seems to be a plausible way both to motivate teachers to direct effort at performance goals and to attract and retain teachers who are high performers.

About performance based reward system, Brown and Armstrong, (2007) indicates that public education remains wedded to an antiquated system of teacher compensation. That system openly disavows the ability to pay teachers based on their performance. Instead, public school teachers only increase their pay based on their years of teaching and level of higher education. Common sense suggests that the ability of teachers to educate well is not determined solely or even primarily by these factors. Therefore, teachers, like many other professionals, should be compensated, at least in part, on how well they perform. An emphasis on knowledge and skill and school-based reward models would improve teacher motivation and increase collegiality. Student outcomes would improve.

The extent of an individual teacher’s impact on student learning is difficult to isolate. Student achievement, as measured by test scores, or improvement in scores from year to year, is sometimes suggested as an appropriate indicator of merit. The current teacher is not, however, the sole influence on student achievement, and he/she has no control over factors such as student mobility, language proficiency and class-size. Lazear (2009) noted that teachers make a huge difference in the education of students and be rewarded for

their value adding to the child; where merit pay systems involve subjective assessments of teacher performance by supervisors, it is possible that favoritism, rather than objective assessment, may taint the evaluations. Tomlinson (2000) argues that performance-based pay is about motivating people, and developing performance-oriented cultures. Teachers, who are not motivated by financial rewards, can be encouraged with non-financial rewards (Odden, 2000). Performance based compensation practices in most organizations include;

2.3.1 Bonus schemes

Bonus Schemes are based on the Balance Score Card which is a strategic planning and management system that is used extensively in business and industry, government, and non-profit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals (Gomez, 2007). Bonuses which tend to be larger than merit pay increases involve lower risk to the employer since the employer does not make a permanent financial commitment. Some of the criteria for the success of such bonus payments are group over individual performance, the existence of objective criteria for distribution, and the fact that such criteria are capable of measurement to ensure that what is paid is related to it (Allan, 2007).

A bonus is a gratuitous payment by the employer that is not directly earned by the employee. The employee has no entitlement to the payment as a result of a contract of employment and cannot be assured of receiving it in return for a specific performance. The point is that the level of the benefit cannot be directly linked to the performance of the individual rather to the performance of the business (Hall, 2008).

2.3.2 Commissions

Commission schemes typically treat the salesperson as a self-standing profit unit. The commission plan is structured to share the gross margin of sales between the organization and the salesperson. If the organization provides selling tools such as a car, mobile phone or portable computer, these costs may be explicitly taken into account (Mach, 2003). The main risk inherent in commission schemes is that the sales person will be motivated only by personal gain. The interest of the organization or the customer may not predominate. This can be reduced by paying only for outcomes which are acceptable to the organization or by paying true salary, which is related to wider issues than financial performance. A further issue which normally rises is that of career progression.

A commission pay scheme might not give any recognition to levels of competence or performance except through the level of earnings. In these circumstances salespeople often ask for a career structure. This can be provided by defining the number of levels of sales role. Progression through these is governed by a set of criteria which could include performance levels and competence standards (Taylor, 2008). Commission is a variable component of compensation package. It is given on the basis of business generated by the employee. Commission is a pre fixed component say 5% of the total sales done by the employee. It is practiced in the retail and other sectors in the marketing and sales segment.

2.3.3 Incentives

Incentive pay is generally given for specific performance results rather than simply for time worked. Incentives include profit sharing, gain sharing and employee stock ownership plans. Gain Sharing involves sharing with employees greater than expected gains in profits and for productivity (Lazear, 2000). The gains can be measured financially, by productivity and quality measure and can be paid monthly, quarterly,

semiannually or annually. Gain sharing compensation schemes include Scanlon Plan where organization department committees are set to evaluate cost banking suggestions and the savings resulting from the suggestions are placed in a bonus fund and incentive rewards are given to employees from this fund. The fund is split between employees and the organization. Employees receive the incentives compensation for reducing labour costs regardless of whether the organization makes a profit; Runcker plan program uses worker-management committees to solicit and screen ideas.

Profit Sharing entitles employees to a share of an organization's financial success commonly referred to as "financial participation" (Poutsma 2006). Such are less immediately related to the performance of individual employees and work groups. The objectives, according to Bryson and Freeman (2007) include; promoting organizational culture, employee retention and engagement of employees with business objectives. Profit sharing programs do not attempt to reward workers for productivity improvement. They make use of a formula that allocates a portion of declared profits to employees, normally on a quarterly or annual basis, and do not attempt to elicit worker participation. Linking pay to profits increases the commitment to his or her company by deepening the level of mutual interest. As a result, it is argued that such schemes act as an incentive encouraging employees to work harder with greater flexibility in pursuit of higher levels of take home pay. The other advantages for employers are better cost flexibility, changed attitudes in the part of employees and the discouragement of union membership (Pendleton, 2000).

Employee stock ownership plans (ESOPs) are based on the entire organization's performance as measured by the firm's stock price. ESOPs reward employees with company stock either as an outright grant or at a favorable price that may be below market value. Employers often use ESOPs as a low cost retirement benefit for employees

because stock contributions made by the company are nontaxable until the employee redeems the stock (Hahn, 2006). Incentive systems based on individual performance are problematic as it may be difficult to disentangle each individual's contribution to production, the output of a work team might exceed the sum of individual contributions and that such schemes are seen to discourage political interaction among workers, which often positively influences the level of output (Lazear, 2009).

2.3.4 Merit pay

Merit pay consists of an increase in base pay and is normally given once a year, supervisors' ratings of employees' performance such as below expectations, achieved expectations, and exceeded expectations are typically used to determine the amount of merit pay granted. Once a merit pay increase is given to an employee, it remains a part of that employee's base salary for the rest of his or her tenure with the firm except under extreme conditions such as a general wage cut or a demotion (Hall *et al.*, 2008). The workability and effectiveness of merit pay depends on the existence of a suitable performance appraisal system. Merit pay is integrated into salary and is not lost due to poor performance later. Stronge (2006) argues that merit pay or other performance pay programs provide added motivation for employees in keeping novice employees from leaving the profession after a few years and especially in retaining experienced employees.

Merit based systems involve the immediate supervisor undertaking an appraisal of each subordinate's work performance during the previous year. This will typically be done following a formal appraisal interview and often requires the completion of standard documentation drawn by a human resource department. A proposition of future remuneration is then linked to a score derived from the supervisor's assessment. Some

systems require supervisors to award a percentage mark against different criteria while others oblige them to assess individual performance as excellent, good, satisfactory or inadequate (Taylor, 2008). School-based compensation is another variant of merit pay, with more of an emphasis on the team's results.

2.4 Employee Commitment

A committed employee is perceived to be one who stays with the organization even in turbulent times, attends work regularly, protects company's assets and shares company's goal (Meyer and Allen, 1997). Therefore it is evident that for sustained productivity, employee commitment is an important factor. According to Babakus, Karatepe, and Avci, (2003) committed employees would work diligently, conscientiously, provide value, promote the organization's services or products and seek continuous improvement. In exchange, they expect a work environment that fosters growth and empowerment, allows for a better balance of personal and work life, provides the necessary resources to satisfy the needs of customers and provides for their education and training. Employee commitment is argued to be critical to contemporary organizational success (Chiang and Birtch, 2009). Affective commitment, in particular, has been associated with positive organizational outcomes such as improved retention, attendance, and citizen behaviors, self reports of performance, and objective measures of supervisor ratings of employees' performance as well as indicators of improved operational costs and sales (Meyer and Allen, 1997).

Allen and Meyer's (1990) dimensions of organizational commitment is continuance commitment, which is based on Becker's (1960) side-bet theory. The theory states that as individuals remain in the employment of an organization for longer periods, they accumulate investments, which become costly to lose the longer an individual stays.

These investments include time, job effort, and organization specific skills that might not be transferable or greater costs of leaving the organization that discourage them from seeking alternative employment, work friendships and political deals. Brown and Armstrong (2007) argues that employees calculate their investments in the organization based on what they have put into the organization and what they stand to gain if they remain with the organization. Sometimes employees express continuance commitment because of personal investments in non-transferable investments. The investments could include time and money tied up in an organization's retirement plan, special skills that are unique to a particular organization, close working relationships with co-workers and other benefits that make it too costly for one to leave the organization and seek employment elsewhere.

Normative commitment reflects a feeling of obligation to continue employment. Employees with a high level of normative commitment feel they ought to remain with the organization (Allen and Meyer, 1990). Iverson and Buttigieg (2008) regard normative commitment in terms of the moral obligation the employees develop after the organization has invested in them. They argue that when employees start to feel that the organization has spent either too much time or money developing and training them, such employees might feel an obligation to stay with the organization. For example, individuals whose organization paid for their tuition while they were improving qualifications might believe that they can reimburse the organization by continuing to work for it. In general, normative commitment is most likely when individuals find it difficult to reciprocate the organization's investment in them.

Chiang and Birtch (2009) states that committed employees who are highly motivated to contribute their time and energy to the pursuit of organizational goals are increasingly

acknowledged to be the primary asset available to an organization. They provide the intellectual capital that, for many organizations, has become their most critical asset. Furthermore, employees who share a commitment to the organization and their collective well-being are more apt to generate the social capital - found in relationships characterized by high levels of trust and shared values - that facilitate organizational learning. According to Iverson and Buttigieg (2008) committed employees accept organizational values easily while taking responsibility for their actions.

Peeters and Meijer (2005) postulates that employees are of the opinion that employers are not regarding loyalty as valuable and that they perceive it as expendable when faced with pressure. This perception of employers exhibits no sense of compassion for the employees and shows that employers are willing to sacrifice the employees to maintain a financial bottom line. A couple of incidents that advocate the perception of employers devaluing their employees can be seen in the continuous downsizing, right-sizing and re-engineering of an organization. For employees to be committed, employers need to meet their needs both as workers and individuals (Iverson and Buttigieg, 2008).

2.5 Performance Based Rewards and Employee Commitment

Motivating employees can be a manager's biggest challenge. Employee motivation is a key to the overall effectiveness of an organization. In many organizations, there's growing commitment gap – a widening split between the expectations of employers and what workers are prepared to do. The most common reason for this is a failure of management in some way or another. Properly managed employees can be motivated to achieve excellence in any area of business. Pickard (2003) observes that increasing business competitiveness demands that organizations have to offer the best quality products or services for the best price. This requires that organizations develop and

harness the talents and commitment of all their employees. Getting the best out of people and attempting to improve job satisfaction demand a spirit of teamwork and cooperation, and allowing people a greater say in decisions that affect them at work.

Chiang and Birtch (2009) noted that employees will work harder if they value monetary rewards and believe that those awards will result from their increased efforts. Reinforcement theory posits a direct relationship between desired target behaviour and its consequences. It suggests that pay can be used to create consequences for desired behaviours, such as high performance that will reinforce the behaviours (Perry, Mesch, and Paarlberg, 2006). Employee commitment is influenced by absolute as well as relative rewards. Inequity in the administration of compensation (due to unfair performance measurement) may affect the objectives of the company, as employees will learn to 'play the game' in order to receive increased reward at the expense of contribution. And unless the total compensation package is perceived as internally equitable and externally competitive, good employees are likely to leave (Schuler, 1998).

Brown and Armstrong (2007) argued that commitment of employees and their productivity can be enhanced through providing them effective recognition which ultimately results in improved performance of organizations. The entire success of an organization is based on how an organization keeps its employees motivated and in what way they evaluate the performance of employees for job compensation. Iverson and Buttigieg (2008) indicated that teachers are in favor of additional pay for additional duties as part of a career ladder where performance dictated the speed of advancement. Moreover, the level of pay in a school district appears to have no influence on teachers' attitudes towards merit pay, yet it was more likely to be supported by teachers with low

salaries and by ethnic minorities. Tomlinson (2012) noted that teachers who are not motivated by financial rewards can be encouraged with non-financial rewards. These rewards can include satisfaction from high student achievement, recognition, influence, learning new skills, and personal growth. Therefore, a performance based pay system is a means of providing commitment by introducing clear goals to the whole school.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter describes the research design, the target population, data collection instruments and the techniques for data analysis that was used in the study.

3.2 Research Design

The research design adopted was a cross sectional survey design. According to Cooper and Schindler (2000), a descriptive research design is concerned with finding out the; who, what, where, when and how much. Furthermore, a research design is structured, has investigative questions and part of formal studies. The design was appropriate because the main interest was to explore the viable relationship and describe how the factors support matters under investigation.

A cross sectional study looks at data collected across a whole population to provide a snapshot of that population at a single point in time. This kind of study was used to determine the perception of teachers on performance based rewards and commitment in secondary schools in Kikuyu Sub-County. Descriptive design method provided quantitative data from cross section of the chosen population.

3.3 Target Population

Population refers to an entire group of individuals, events or objects having common characteristics that can be observed and measured (Yin, 2003). The population of the study comprised of 620 teachers in public secondary schools Kikuyu Sub-County of Kiambu County.

3.4 Sample Size

The researcher used stratified sampling because of ease of classifying the population into strata. The sample comprised of 10% from each strata of the target population. According to (Mugenda and Mugenda, 2003) a sample of 10% was considered representative. Respondents were selected randomly based on the category. This approach was considered appropriate since it ensured a representative sample. In order to find the best possible sample, stratified sampling was the best method to use as it provided in-depth information. The sample size was appropriate for the study as it ensured that all the cadres in the organization were represented thus reducing sampling bias and achieving a high level of representation.

Table 3. 1: Sample size

School category	No. of schools	Population frequency	Sample size (10%)
National schools	2	120	12
County schools	3	120	12
Sub-County schools	24	380	38
Total	29	620	62

Source: Researcher (2015)

3.4 Data Collection

The study used primary data which was collected through self-administered questionnaires. The structured questionnaires were used to collect data. The questionnaire was designed on a five point Likert type scale and administered through a drop and pick method. A questionnaire, as the data collection instrument of choice was easy to

formulate and administer and also provides a relatively simple and straightforward approach to the study of attitudes, values, beliefs and motives. The questionnaire was administered through drop and pick later method. The questionnaire was made up of three sections. Section A covered demographic characteristics of respondents; Section B dealt with performance based rewards while Section C dealt with employee commitment to the organization.

3.5 Data Analysis

The data collected was analyzed using descriptive statistics (measures of central tendency and measures of variations). Once the data was collected, the questionnaires were edited for accuracy, consistency and completeness. However, before final analysis was performed, data was cleaned to eliminate discrepancies and thereafter, classified on the basis of similarity and then tabulated. The responses were coded into numerical form to facilitate statistical analysis. Results were presented in tables and charts. Pearson correlation analysis was used to establish the relationship between perceived performance based rewards and employee commitment.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the analysis, findings and discussion. The findings are presented in percentages and frequency distributions, mean and standard deviations. A total of 62 questionnaires were issued out and only 52 were returned. This represented a response rate of 83%.

4.2 Demographic Characteristics

The demographic information considered in the study was respondent's gender, age, highest level of education attained, number of years worked in the institution and performance payment.

4.2.1 Respondents' Gender

This section represents the gender of the respondents in the institution. The result is represented in table 4.1 below.

Table 4.1: Respondents' Gender

Gender	Frequency	Percent	Cumulative Percent
Male	21	40.3	40.3
Female	31	59.7	100.0
Total	52	100.0	

The findings above indicates that majority of the respondents 59.7% were female while 40.3% were male. This implies that more female teachers responded to interview and returned the filled questionnaires than male teachers during the research.

4.2.2 Respondents' ages

This section represents the ages of the respondents in the institution and this was important for the study in order to establish the influence of respondents' age on perception towards performance based rewards.

Table 4.2 : Respondents' ages

Years	Frequency	Percent	Cumulative Percent
Under 30	16	29.9	29.9
31 – 40	18	34.3	64.2
41 – 50	14	28.4	92.5
41 – 50	4	7.5	100.0
Total	52	100.0	

The results on the age of respondents show that 34.3% of the respondents' age was between 31-40 years, 29.9% were less than 30 years, 28.4% indicated their age to be between 41 and 50 years while 7.5% of the respondents said that their age was between 41 and 50 years. The results indicate that majority of the respondents were more than 30 years and therefore they still have many years to retirement thus they need to be compensated handsomely in order to motivate the teachers.

4.2.3 Level of education

This section sought the level of education of respondents. The level of education the respondents have determines how they understand and responds to different opinions.

Table 4.3 : Level of education

Level of education	Frequency	Percent	Cumulative Percent
Post graduate level	18	34.3	34.3
University	30	58.2	92.5
Tertiary college	4	7.5	100.0
Total	52	100.0	

The results on the level of education indicate that 58.2% of the respondents have attained university level, 34.3% of the respondents indicated that they have postgraduate level of education while 7.5% of the respondents indicated that they have attained tertiary college level. The results indicate that majority of the respondents have attained university level and therefore knowledgeable on teacher perception towards performance based rewards.

4.2.4 Number of years working in the School

This indicates number of years that the respondents had worked in their respective schools. . This was important in order to determine the respondents understanding of the school working environment and the effect of performance based rewards.

Table 4.4 : Number of years working in the institution

Years	Frequency	Percent	Cumulative Percent
Less than 5	12	22.4	22.4
5 – 10	17	32.8	55.2
Over 10	23	44.8	100.0
Total	52	100.0	

The findings above indicates that majority of the respondents 44.8% have been working in the school for more than 10 years, 32.8% of the respondents indicated that they have been working in the school for a period of between 5-10 years while 22.4% of the respondents said that they have been working in the schools for a period of less than 5 years. The results indicate that majority of the respondents have worked in the schools for a long time and therefore they understand the perception of teachers towards performance based rewards. The result on teachers receiving performance based rewards in the last four years, the respondents indicated that all of them have received performance based rewards and therefore they know its implications on teachers' commitment.

4.3 Performance based rewards

The use of performance based rewards on teachers is meant to solve the two fold problem of motivating high teacher performance while attracting and retaining good teachers under conditions where their effort or ability is not readily measured or observed. This section of the questionnaire sought to get information from the respondents on the perceived benefits of performance based rewards in school. The range was 'strongly

disagree’ (1) to ‘strongly agree’ (5). The scores of disagreeing have been taken to represent a variable which had a mean score of less than 2.5 on the continuous Likert scale. The scores of ‘Neutral’ have been taken to represent a variable with a mean score of 2.5 to 3.4 on the continuous Likert scale while the score of both agree and strongly agree have been taken to represent a variable which had a mean score of 3.5 to 5.0 on a continuous Likert scale. A standard deviation of > 0.9 implies a significant difference on the impact of the variable among respondents

4.3.1 Benefits of Performance based rewards

The respondents were requested to indicate the benefits that accrue to the teachers as a result of the implementation of performance based rewards in the public secondary schools.

Table 4.5: Benefits of Performance based rewards

Performance based rewards	Mean	Std. Deviation
It increase teachers productivity	3.7164	.9120
It improves teachers performance and engagement with students	3.6716	.8785
Performance-based rewards increase collegiality between teachers and administration	3.5224	.9105
It enables the school to attract more able teachers	3.5075	.8107
Performance-based rewards improve the governance of schools by increasing the efficiency of resource allocation	3.4925	1.1464
There is equity and consistency in the compensation structure	3.2388	1.1158
Performance-based schemes increase political and public support of education systems	3.1940	1.1964

The results show that the performance based rewards increases teachers productivity with a mean score of 3.7164. They further indicated that performance based rewards improves teachers' performance and engagement with students $m=3.6716$; increases in collegiality between teachers and administration $m= 3.5224$; enables the school to attract more able teachers $m=3.5075$ and improve the governance of schools by increasing the efficiency of resource allocation $m=3.4925$. The respondents however were in agreement to a moderate extent on existence of equity and consistency in the compensation structure $m=3.2388$ and increase in political and public support of education systems $m=3.1940$.

From the findings, it can be concluded that performance based rewards has several benefits to both the employer and the employee and therefore the implementation in public secondary schools has seen the teachers increase productivity, engagement with students, collegiality with administration, attract more able teachers and increase the efficiency of resource allocation.

4.3.2 Perception towards performance based rewards

The perception of teachers towards performance based rewards result in recognition contribution that motivates and propels people to work better and stay on. The results were presented in table 4.6.

Table 4.6: Teachers' perception towards performance based pay

Teachers' perception towards performance based pay	Mean	Std. Deviation
Increasing the size of the teacher performance pay bonus would increase my motivation to improve student achievement	3.8806	1.0375
Teacher performance pay provides an incentive for me to work harder toward improving student achievement	3.6418	1.0549
My individual performance as an educator has a significant influence on whether or not I earn teacher performance pay	3.4925	1.2716
Teacher performance pay encourages me to participate in staff development to improve my skills as an educator	3.4328	1.2212
I have modified my assessment methods as a result of teacher performance pay	3.3284	1.1983
I have adequate resources (i.e. materials, supplies) to support my efforts in obtaining teacher performance pay	3.2687	1.1758
I have adequate administrative assistance to support my efforts in obtaining teacher performance pay	3.2239	1.1120
My workload has increased as a result of the implementation of teacher performance pay	3.1194	1.2003
My chance of receiving teacher performance pay is the same as any other teacher	3.0746	1.2947
The current teacher performance pay plan is aligned with school goals in how it rewards performance	3.0597	1.3247
I have altered my instructional practice as a result of teacher performance pay	2.9625	1.2065
The current teacher performance pay plan is fair in how it distributes performance pay awards	2.9254	1.2821
I work longer hours as a result of the implementation of teacher performance pay	2.6119	1.2907
I have experienced increased stress as a result of the implementation of teacher performance pay	2.5328	1.2815

The results in table 4.7 indicates that the size of the teacher performance pay bonus would increase teacher motivation to improve student achievement $m=3.9806$, provides incentive for teachers to work harder toward improving student achievement $m=3.8418$, individual performance as an educator has a significant influence on whether or not the teachers earn performance pay $m=3.7925$, performance pay encourages teachers to participate in staff development to improve my skills as an educator $m=3.6328$ and that

the teachers have modified assessment methods as a result of performance pay $m=3.6284$.

The respondents were in agreement to a moderate extent on the teachers having adequate resources to support efforts in obtaining performance pay $m=3.2687$; have adequate administrative assistance to support teachers efforts in obtaining performance pay $m=3.2239$; increase in workload as a result of the implementation of performance pay $m=3.1194$; individual chance of receiving teacher performance pay is the same as any other teacher $m=3.0746$ and existence of alignment of current teacher performance pay plan with school goals in how it rewards performance $m=3.0597$. The respondents further indicated that they have altered their instructional practice as a result of teacher performance pay $m=2.9625$; current performance pay plan is fair in how it distributes performance pay awards $m=2.9254$ and work longer hours as a result of the implementation of performance pay $m=2.6119$.

The results show that teachers in public secondary schools perceive performance based rewards as a way of motivating them to increase student achievement, provides incentive for teachers to work harder, encourages teachers to participate in staff development and improve skills, and modification of assessment methods. The teachers therefore would be committed to the schools they teach as they are appreciated for the work they undertake. So this implies that performance based rewards play a significant role on the performance of teachers in secondary schools.

4.4 Employee Commitment

The rewards given to the employees influences their perception and attitude towards the organization and therefore in order to be committed, the employees need to be rewarded equitably.

4.4.1 Teachers' Commitment

The respondents were requested to indicate the extent to which the teachers were committed to their respective schools as a result of performance based rewards.

Table 4.7: Employee Commitment

Employee Commitment	Mean	Std. Deviation
I am proud to tell others that I am part of this school	3.9567	.9931
I think that I could easily become as attached to another organization as I am to this one	3.8672	.8815
I enjoy working with this school	3.7982	.9432
I am glad that I choose this school to work for	3.7425	1.0639
I cannot quit this job because I have to support my family	3.4791	.9808
It would be very hard for me to leave my school right now, even if I wanted to	2.8507	.8760
I consider it my commitment to work for the same school until I retire	2.8209	.7925
I was taught to believe in the value of remaining loyal to one school	2.7463	.7848
I would like lifetime employment with this school	2.6716	.8747
If I got another offer for a better job elsewhere I would not feel it was right to leave my school	2.6269	.9125

The findings indicate that employee commitment result to been proud to tell others that they are part of the school $m=3.9567$; teachers think that they could easily become as attached to another school as they are to this one 3.8672 ; enjoy working in the school $m=3.7982$; being glad that they chose to work in the school $m=3.7425$ and quitting the teaching work was not being considered by the teachers as they have families to support $m=3.4791$.

The respondents further were in agreement to a moderate extent on being hard for teachers to leave the current school now even if they wanted $m=2.8507$; teachers consider their commitment to work for the same school until they retire $m=2.8209$; taught to believe in the value of remaining loyal to one school $m=2.7463$; like lifetime employment with current school $m=2.6716$ and not feeling it was right to leave current school if they get another offer for a better job elsewhere $m=2.6269$. From the analysis, it can be concluded that the teachers were committed in teaching the current schools thus proud to tell others that they are part of the school.

4.5 Relationships between teachers' perception of performance based rewards and commitment

The effect of performance based rewards on commitment is assessed through regression analysis in which the overall performance based rewards is predictor variable and overall commitment is dependent variable. The following Table 4.8, Table 4.9 and Table 4.10 respectively show the model summary, ANOVA and coefficients of regression.

Table 4.8 : Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.775 ^a	.670	.643	.25175

a. Predictors: (Constant), performance based rewards

The above model summary shows that coefficient of determination 'R Square' indicates 64.3% of validity in commitment due to performance based rewards in public secondary schools.

Table 4.9: ANOVA Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25.740	1	25.740	406.137	.000 ^a
	Residual	7.479	50	.063		
	Total	33.219	51			

a. Predictors: (Constant), performance based rewards

b. Dependent Variable: commitment

From the above analysis of variance the results show a fit between the hypothesized model and the obtained data (F=406.137, P=0.000).

Table 4.10: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.958	.159		-6.014	.000
	Rewards	.774	.038	0.880	20.153	.000

a. Dependent Variable: commitment

Table 4.7 shows the coefficients of regression. Unstandardized coefficient B tells the intercept and coefficient for every predictor variable. The sig. (P-value) indicates the measure of likelihood that the different in outcome occurred by chance.

In the above regression model, we see that overall brand image has significant effects on customer satisfaction where P = 0.000 which less than 0.05. The data findings analyzed

also shows that a unit increase in performance based rewards will lead to a 0.774 increase in teachers' commitment. Thus, the regression analysis indicates that performance based rewards has significant effects ($P = 0.000$ and $\beta = 0.880$) on teachers commitment.

4.6 Discussions

An organization's success or failure is highly determined by effective and efficient utilization of resources at its disposal, such as human, material, financial, and information resources. Among these four resources, the human resource is the most important part and crucial of all resources for the survival of an organization or business firms. Milkovich and Newman (2010) maintain that performance based rewards is not limited to financial rewards, and that non-financial rewards, such as recognition, can also constitute pay for performance. In this regard, they identify several specific reasons for which managers may introduce performance based rewards. These include: help in recruitment and selection; facilitate change in organizational culture; weaken trade union power; increased role of the line manager; greater financial control and value for money; ability to reward and recognize performance; and encouragement to flexibility (Milkovich and Newman, 2010). The results were found to be consistent with the finding of the study which established that the implementation in public secondary schools has seen the teachers increase productivity, engagement with students, and collegiality with administration, attract more able teachers and increase the efficiency of resource allocation.

Organizational readiness to reward employees for their efforts, approval for sanctioning resources and granting support for owning results would ultimately shape employees' perception and form their belief that the organization cares about their welfare and support them. The study on perception of teachers towards performance based rewards

was that the teacher performance pay bonus would increase teacher motivation to improve student achievement provides incentive for teachers to work harder, encourages teachers to participate in staff development and improve skills, and modification of assessment methods. The results were found to be consistent with the findings of Gomez-Mejia and Balkin (2007) who established that the ability of management to properly implement performance based compensation systems will strongly influence their attitude and thus attract, retain and motivate employees to achieve the major objectives of the organizational compensational system. These objectives include efficiency defined by improving performance, quality, customers, and labor costs; equity defined by fair compensation treatment for employees through recognition of employee contributions and employees' needs and compliance with laws and regulations.

No organization in today's competitive world can perform at peak levels unless each employee is committed to the organization's objectives and works as an effective team member. It is no longer good enough to have employees who come to work faithfully every day and do their jobs independently. Teachers therefore have to be committed to the school they teach in order to improve student performance in the school. The study established that teachers were committed to the current schools thus been proud to tell others that they are part of the school, enjoy working in the school, glad that they chose to work in the school and quitting the teaching work was not being considered by the teachers as they have families to support. The results were found to be in tandem with Dordevic (2004) who stated that the commitment of employees is an important issue because it may be used to predict employee's performance, absenteeism and other behaviors.

CHAPTER FIVE: SUMMARY, CONCLUSION, LIMITATIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter is outlined into summary of the findings, conclusions, recommendations, limitations of the study and suggestions for further research.

5.2 Summary of Findings

Accountability and results continue to be emphasized in the arena of public education. In response, local school districts and state policy-makers have turned to teacher incentive plans as a strategy for motivating improved performance with the goal of improving student achievement. A majority of respondents in this study agree that teachers should receive additional compensation for outstanding performance and meeting student achievement goals. The benefits of performance based were found to be increased productivity, engagement with students, collegiality with administration, attracting more able teachers and increase the efficiency of resource allocation.

Employees of an institution are a great resource that will guide it to the realization of its objectives thus it is important to evaluate employee attitudes in the midst of the changes in the work life and the organizations reward strategy should be flexible enough to adjust to these changes. The study established that teachers perception towards performance based rewards was that the teacher performance pay would increase teacher motivation to improve student achievement provides incentive for teachers to work harder, encourages

teachers to participate in staff development and improve skills, and modification of assessment methods.

The primary dilemma that is facing organizations is how to encourage employees to contribute their knowledge for organizational gains and therefore most employers have realized that the road to success lies in motivated and commitment workforce who are highly efficient, productive, motivated and dedicated to the organization. The study found out that the public secondary school teachers were committed to the schools they teach as they tell others that they are part of the school, enjoy working in the school, glad that they chose to work in the school and quitting the teaching work was not being considered by the teachers as they have families to support. Improving the link between school goals and the performance plan may positively impact motivation and may also improve instrumentality. This improvement would allow the teachers to see that performance aligned with achieving school goals is connected to performance pay.

5.3 Conclusion

Employee commitment is one of the most essential parts in an organization development and success. It is hence vital for an employer to understand what motivates the employees and how to maximize their overall job performance. Many would agree that individuals who contribute more toward forwarding the goals of an organization deserve more in the way of financial reward. There is also almost universal agreement that employee motivation is critical to organizational effectiveness and that an effective pay for performance system can work to increase employee motivation. Organizations world-wide have implemented a variety of performance pay models in an effort to tap into this potentially powerful motivational tool.

Most employees are favorably disposed to the performance-reward linkage, provided the scheme is administered with objectivity and fairness. However, an organizations reward system should also commensurate with the effort that each individual staff offer as well as be at par with other firms of the same standard that operate in an economy. It was also concluded that performance-based rewards affect the performance of teachers in different ways and it was realized that performance based rewards motivate teachers and increases their performance, improve teachers' productivity and efficiency.

5.4 Limitations of the Study

This study focuses only on public secondary schools in Kikuyu Sub-County and can therefore not be generalized to the whole county. The most challenging limitation was the sample-size of the study. In order to gain more exact results, the sample-size should have been larger, perhaps the whole county could have been studied. However due to the time limit and personal as well as monetary reasons the study had to be limited to Kikuyu Sub-County only.

There are limitations about the objectivity of data gathered from survey questionnaire methods. Although this study took all the precautionary steps to reduce the possibility of response bias and applied the procedural remedies, there may still be some bias in the responses generated from the survey. However, despite the above limitations, the findings presented in this paper have important policy implications.

5.5 Recommendations for Policy and Practice

The current system of rewarding teachers as it is in schools is inadequate, unfair and limited in scope because the rewards are given on levels of experience and formal qualifications instead of performance. This means that reward based systems should be

based on performance considerations. The offer of rewards based on non-performance considerations should be done after a fair and accurate evaluation of its effects on the beneficiary.

Since, performance-based rewards improve the governance of schools by increasing the efficiency of resource allocation, the nature of performance-based rewarding systems in schools should be based on the essence of ensuring that teachers are looked at as the prime component of resource allocation and distribution where school administration becomes hierarchical and cooperation between school management and staff becomes furthered interdependently.

The teachers' employer should be trained and sensitized about the value of performance-based rewarding systems. They should be made aware that pay motivates teachers to perform at their best. This means that to implement a performance-based scheme, administrators should not perceive the process as being expensive and time consuming, but rather, a necessity where performance-based financial incentives do not provide enough incentives for teachers to improve.

5.6 Suggestions for further research

This study was limited to one sub-county. Further research which includes other counties throughout the country would enhance generalizations to be made regarding attitudes and perceptions about performance pay by teachers.

Future research should focus on case studies of other sectors and organizations in other locations, since this study was on only one sub-county in education sector. A comparative study among organizations in the same sectors should be conducted in order to determine whether the use of performance based rewards enhances employee and organizational performance. The dimensions found in this study should be regarded as preliminary.

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APPENDIX I: QUESTIONNAIRE

Please give answers in the spaces provided that matches your response to the questions on teacher perception of the performance based rewards in secondary schools in Kikuyu sub-County

Section A: Demographic Characteristics of Respondents

1. Name of the school.....

2. Gender: Male () Female ()

3. What is your age bracket? (Tick as applicable)

a) Under 30 years ()

b) 31 – 40 years ()

c) 41 – 50 years ()

d) Over 50 years ()

4. What is your highest level of education qualification?

a) Post graduate level ()

b) University ()

c) Tertiary College ()

d) Secondary ()

5. How many years in total have you been working in this school??

a) Less than five years ()

b) 5-10 years ()

c) Over 10 years ()

6. Have you received performance pay at any time during the last four years?

Yes () No ()

Section B: Performance Based Rewards

7. To what extent do you agree with the following regarding performance based rewards in your school? Use 1-Strongly disagree, 2-Disagree, 3-Moderate extent, 4-Agree and 5-Strongly agree.

Performance based rewards	1	2	3	4	5
It improves teachers performance and engagement with students					
It increase teachers productivity					
There is equity and consistency in the compensation structure					
It enables the school to attract more able teachers					
Performance-based rewards improve the governance of schools by increasing the efficiency of resource allocation					
Performance-based rewards increase collegiality between teachers and administration					
Performance-based schemes increase political and public support of education systems					

8. To what extent do you agree with the following statements on your perception towards performance based rewards? Use 1-Strongly disagree, 2-Disagree, 3-Moderate extent, 4-Agree and 5-Strongly agree.

Teachers perception towards performance based pay	1	2	3	4	5
The current teacher performance pay plan is fair in how it distributes performance pay awards					
The current teacher performance pay plan is aligned with school goals in how it rewards performance					
My individual performance as an educator has a significant influence on whether or not I earn teacher performance pay					
I have adequate resources (i.e. materials, supplies) to support my efforts in obtaining teacher performance pay					
I have adequate administrative assistance to support my efforts in obtaining teacher performance pay					
My chance of receiving teacher performance pay is the same as any other teacher					
Teacher performance pay provides an incentive for me to work harder toward improving student achievement					
Teacher performance pay encourages me to participate in staff development to improve my skills as an educator					
Increasing the size of the teacher performance pay bonus would increase my motivation to improve student achievement					
I have altered my instructional practice as a result of teacher performance pay					
I have modified my assessment methods as a result of teacher					

performance pay					
My workload has increased as a result of the implementation of teacher performance pay					
I have experienced increased stress as a result of the implementation of teacher performance pay					
I work longer hours as a result of the implementation of teacher performance pay					

Section C: Employee Commitment

9. To what extent do you agree with the following statements on your perception towards commitment to the school? Use 1-Strongly disagree, 2-Disagree, 3-Moderate extent, 4-Agree and 5-Strongly agree.

Employee Commitment	1	2	3	4	5
I enjoy working with this school					
I am proud to tell others that I am part of this school					
I am glad that I choose this school to work for					
I cannot quit this job because I have to support my family					
I consider it my commitment to work for the same school until I retire					
I would like lifetime employment with this school					
I think that I could easily become as attached to another organization as I am to this one					
It would be very hard for me to leave my school right now, even if I wanted to					
If I got another offer for a better job elsewhere I would not feel it was right to leave my school					
I was taught to believe in the value of remaining loyal to one school					