

Determinants of Employee Commitment on Organizational Performance (National Government Administration) in Kiambaa Sub-County in Kenya

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Abstract: The purpose of this study was to investigate the determinants of employee commitment in Kiambaa Sub-County in Kenya. The study was guided by the following specific objectives as; to examine the effect of rewards and compensation system on organizational performance (National Government Administrators) in Kiambaa Sub-County. The study applied the following theories; Social Exchange theory, Investment Theory, Motivation Theory, Herzberg Two Factor Theory, Expectancy theory, Equity Theory and Theory of performance. The study adopted a descriptive research design with a target population of 100 and census was adopted since target population was small. Data collection instrument was questionnaires. Piloting was done to test the validity and reliability of the data collection instrument. Data was analyzed using Statistical package for social science. Regression analysis was done to test the significant levels of one variable over the other.. The finding revealed that Employee reward and compensation ($\beta = .198$) was found to be positively related organizational performance (National Government Administrators) in Kiambaa Sub-County in Kenya. From t-test analysis, the t -value was found to be 1.966 and the p -value 0.000. Statistically, this null hypothesis was accepted because $p < 0.05$ Thus, the study accepted the alternative hypothesis and it concluded that employee reward and compensation does affects organizational performance (National Government Administrators) in Kiambaa Sub-County in Kenya. The study will be significant to employers and managers while planning for employee motivation for maximum productivity.

Keywords: Organizational Performance, Employee Reward and Compensation.

1. INTRODUCTION

Employee commitment is a very important factor to any growth of the organization. It is the degree of identification, involvement, participation and loyalty to an organization. It has an influence on how well an organization performs and delivers its services (Newstrom, 2002). No organization in today's competitive world can perform at peak levels unless each employee is committed to the organizations' objectives and works as an effective team member. The work place is changing dramatically and demands for highest quality of products are increasing. Appointment of good workers is critical but of greater significance is the organizations ability to create a committed workforce. According to Hancock et al, (2013) commitment is the main predictor of turnover and performance; hence organizations that are concerned about employees and want to keep high performing employees should consider increasing commitment. The literature suggests that positive work-related behavior and attitudes largely depends on employee perceptions on how their employer values their contribution and cares about their wellbeing (Allen et al, 2003). To remain competitive in the face of these pressures

employee commitment is crucial. Without employee commitment there can be no improvement in any business area. To succeed in the face of increasing competition organizations need improved productivity at all levels. This requires commitment on the part of all employees which can only be achieved through better management practices in the areas of managing training programmes, competitive and equitable rewards and compensation system, developmental appraisal and career growth (Coetzee, 2005).

Chen, et al. [2006] who studied the relationship between organizational commitment, and job performance found that there was a positive relationship between organizational commitment and job performance. Their study suggested that companies needed to strengthen their employees' commitment towards organization in order to enhance organizational performance. According to Ogunjinmi et al (2013), every individual within an organization is important to the fulfillment of organizational goals and objectives, consequently employee's commitment plays a significant role in the effectiveness and stability of organizations. In the past organizations secured the loyalty of their employees by guaranteeing job security. However, many organizations have responded to competitive pressures by downsizing, restructuring and actualization, thus creating a less secure environment and broken employment psychological contract. To realize the critical importance of people in the organization is to recognize that human element and the organization are synonymous (Yaser, 2012).

A growing number of employees feel they are victims of broken promises. One of the challenges facing modern organizations involves maintaining employee commitment in the current competitive pressures. With no assurance of continued employment, employees have now raised their expectations in other areas. For instance employees expect employers to demonstrate their commitment in terms of pleasant and safe working environment, where organization policies such as developmental appraisal, competitive and equitable compensation, having access to comprehensive training and development for career growth, provides employees with the baseline requirements met to go for higher things like job satisfaction and fulfillment hence enhancing organizational commitment (Harter, 2002). According to Coetzee, (2005), committed employees do better work than uncommitted and organizations with committed employees do better financially than the others. Employers need to determine what is responsible for this disparity. Furthermore, organizational effectiveness depends on more than maintaining a stable workforce; employees must perform assigned duties dependably and be willing to engage in activities beyond role requirements. It thus seems that employees' willingness to contribute to organization effectiveness will be influenced by their level of commitment. Vance, (2006), noted that commitment predicts work outcomes, extra role behavior, withdrawal, performance, absenteeism and turnover. Based on this employee behavior can be predicted far into the future. Employees feel encouraged and motivated when they perceive their contributions are valued and their organization care about their material, emotional and intellectual needs. When employees are not committed this manifest in lateness, absenteeism, turnover and inefficiency This view is supported by (Silverthorne,2004) who notes that committed employees are inclined to stay in organization, participate, put extra effort in their performance and show reduced absenteeism, lateness and turnover intent.

Bragg, (2002) argued that companies with committed employees will outperform companies with uncommitted workforce, and contents that demonstrating commitment to employees will generate a reciprocal commitment by employees. As organizations are faced with ever increasing competition and as they prepare for new challenges, one of the key components of survival is maintaining and upgrading human resource management practices. Owens, (2006) stressed the vitals of training for continual updating and improvement, identifying one source of human motivation at work as intrinsic motivation: the desire to grow; learn, and to develop oneself. This view supports Bartlett, (2001) cited in Brum (2007) study who found that training was a current investment that may offer a greater pay off at a later date through reciprocity. Lawson et al (2003) argued that barriers to elicit employee commitment to organization arise from lack of a work environment that fosters opportunities for growth and advancement through training. Absence of training for updating job performance skills as well as encouraging a sense of belonging, lower efficiency and reduce productivity.

Compensation is the glue that binds employees and employers together while reward and compensation management is key component of survival in attracting, motivating and retaining the best employees which ultimately lead to organizational efficiency and effectiveness, thus realizing high productivity and profitability. However (Milkovich et al, 2004) argue that a poorly designed compensation package is a source of dissatisfaction and employee turnover. A reward and compensation package fails to secure employee commitment when it is viewed as not being fair, inequitable and

inconsistent. Such compensation fails to attract, retain and motivate employees. Employees who quit companies give inadequate or skewed compensation as the reason for exiting. This indicates that compensation management must be taken seriously to achieve a competitive advantage (Dessler, 2005). This view is held by (Harter, 2002) who noted that if a fair and just compensation is provided employees have the baseline requirements met to go for higher things like job satisfaction and fulfillment hence enhancing organizational commitment. Fakharyan et al (2012) argued that when employees feel the organization feedback is directed to support them, their commitment towards the organization will be enhanced. Employees require resources to achieve performance targets and needs to be provided with a timely feedback through an effective performance appraisal system. If reflections obtained from performance appraisal are invested in developing employees, they will compensate through increased commitment to the organization. If on the other hand individuals feel injustice from results of performance appraisal, they will show low levels of organizational commitment or show abnormal behavior like lateness, absenteeism, vengeance and even quitting from the organization. This supports the view of (Lee et al, 2003) who argued that satisfaction of performance appraisal feedback has a positive relationship with employee performance while, perceived injustice of results of performance appraisal leads to a tendency to quit job position and lower commitment.

Boon (2006) in his research in Malaysia found that lack of supportiveness, effective decision making, risk taking for creativity and a lack of a satisfying work environment leads to low commitment and turnover in organizations. A research by Naicker (2008) in South Africa found that people work for money but they also work for more than money; to be proud of their organizations and to have worthwhile jobs. Otherwise they are neither inclined to stay nor to put in extra effort. Tiampati (2012) while declaring the 2011/2012 payment noted that the varied payments per factory was affected by efficiency and maintenance of quality in each unit, the most inefficient recording the lowest pay due to low employee commitment. This study seeks to conduct a survey on the determinants of employee commitment in Transzoia County in Kenya. Organizations achieve their objectives when competent and committed employees are engaged [Khan H, Razi A, Ali SA, Asghar A (2013)]. Getting committed employees who are competent and ready to give in their best in the pursuit of the objectives of the organization has been one of the problems facing most organizations especially in the service industry. Sharma and Bajpai (2010) assert that employees are regarded as committed to an organization if they willingly continue their association with the organization and devote considerable effort to achieving organizational goals. The high levels of effort exerted by employees with high levels of organizational commitment would lead to higher levels of performance and effectiveness of both the individual and the organizational levels. Employee Performance is defined as the attained outcome of actions with the skills of employees who perform in some situation (Prasetya A, Kato M. 2011).

Employee commitment is of growing importance to companies in the world over, seeking to gain advantage among competitors as a tool for higher productivity and retention (Owens, 2006). It influences efficiency and effectiveness of any organization because it predicts work outcomes, withdrawal, performance, absenteeism and turnover. According to Gallups, (2013) study on the state of American workplace, "70% of American workers are not committed or are actively disengaged from their workplace. They are emotionally disconnected from their workplace and less likely to be productive. In the report it is estimated that actively uncommitted workers cost the U.S. between \$450 billion to \$ 550 billion dollars a year in lost productivity. These figures show the importance of having committed and engaged employees at the workplace. Scholars (Chen, 2013; Ogunjinmi et al 2013; Naicker, 2008; Boon et al, 2006; Vance, 2006; Coetzee, 2005; Milkovich, et al 2004) agree that no organization in today's competitive world can perform at peak levels unless each employee is committed to the organizations' objectives and works as an effective team member. Downsizing, restructuring and casualisation have broken employment psychological contract and created a challenge for the organizations to maintain highly committed workforce. Rashid et al (2003) says demonstrating commitment to employees will generate a reciprocal commitment by employees and high levels of commitment are evident in organizations that are doing well financially. Various empirical studies have provided extensive evidence that committed employees are a strategy for competitive advantage; furthermore a committed employee will discontinue actively searching for other sources of income and generously offer full competence to the organization (Zaman et al, 2011; Fossey and Havey, 2010; Naicker, 2008; Boon, 2006; Vance, 2006; Dessler, 2005). This has been a challenge because most studies on commitment have focused on types of commitment (Coetzee, 2005; Hellriegel, 2004) and retention (Ngethe et al, 2012; Maluti, 2011). This study therefore sought evaluate the effect of reward and compensation on organizational performance (National Government Administrators) in Kiambaa Sub-County in Kenya.

2. EFFECT OF REWARD AND COMPENSATION ON ORGANIZATIONAL PERFORMANCE

According to Meyer & Allen [1997] commitment “is a psychological state that characterizes the employees’ relationship with the organization and has implication for the decision to continue membership in the organization. “This represents the individual’s emotional attachment to the organization. According to Meyer and Allen [1997] affective commitment is “the employee’s emotional attachment to, identification with, and involvement in the organization”. Organizational members, who are committed to an organization on an affective basis, continue working for the organization because they want to link closely with the same organization [Meyer and Allen [1997]]. Members who are committed on an affective level stay with the organization because they view their personal employment relationship as congruent to the goals and values of the organization [Beck K, Wilson C. (2000)].

The organizational commitment model of Meyer and Allen [1997] indicates that affective commitment is influenced by factors such as job challenge, role clarity, goal clarity, and goal difficulty, receptiveness by management, peer cohesion, equity, personal importance, feedback, participation, and dependability. Affective commitment development involves identification and internalization Lee et al. (2013). The second dimension of the tri-dimensional model of organizational commitment is continuance commitment. Meyer and Allen [1997] define continuance commitment as “awareness of the costs associated with leaving the organization”. It is calculative in nature because of the individual’s perception or weighing of costs and risks associated with leaving the current organization (Meyer and Allen 1997). Meyer and Allen further state that “employees whose primary link to the organization is based on continuance commitment remain because they need to do so”. This indicates the difference between continuance and affective commitment. The latter entails that individual’s stay in the organization because they want to. Continuance commitment can be regarded as an instrumental attachment to the organization, where the individual’s association with the organization is based on an assessment of economic benefits gained (Beck K, Wilson C. (2000). Organizational members develop commitment to an organization because of the positive extrinsic rewards obtained through the effort-bargain without identifying with the organization’s goals and values.

The last dimension of the organizational commitment model is normative commitment. Meyer and Allen (1997) define normative commitment as “a feeling of obligation to continue employment”. Internalized normative beliefs of duty and obligation make individuals obliged to sustain membership in the organization (Meyer and Allen [1997). According to Meyer and Allen (1997) “employees with normative commitment feel that they ought to remain with the organization”. In terms of the normative dimension, the employees stay because they should do so or it is the proper thing to do. Lee et al. (2013) found that employee commitment will go up when they feel affiliation with the organization and also when organization recognizes them as a part of organization. Recognition as a part of organizational success story will increase the commitment level and also the individual and organizational productivity. Chen, et al. [2013] who studied the relationship between organizational commitment, and job performance found that there was a positive relationship between organizational commitment and job performance. Their study suggested that companies needed to strengthen their employees’ commitment towards organization in order to enhance organizational performance.

Compensation is all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship. This can be calculated as an employee’s benefit accruing from an employment relationship, while rewards are both financial and non-financial benefits employees receive. Non-financial rewards increase employee morale. For reward and compensation to enhance commitment it must, meet certain qualities. These qualities include fairness; equity and consistency valued on equal jobs and of same value in the job market and in organization (Laursen et al, 2003). Rewards and compensation are benefits such as salary, bonuses and promotions which are conferred as public acknowledgement of superior performance with respect to company’s objectives. Rewards consists of non- financial elements or perks such as employee assistance program, site day care, subsidized cafeterias, travel discounts and company picnics but it may also consists of financial (Milkovich et al, 2004). According to Vance (2006), compensation is normally determined based on job description, job evaluation as well as salary surveys and market research on similar jobs in the industry. He noted that reward and compensation have a significantly positive relation to employee morale, have a role in attracting, retaining and motivating employees. Extrinsic rewards are necessary to motivate employees especially in formalized tasks, while long term incentive plans such as stock options, team-based rewards like profit sharing plans, and security benefits increase employee morale.

As per Herzberg (1959) hygiene motivator theory (cited in Welch, 2006) reward and compensation contribute to employee commitment when present, since compensation is the glue that binds the employee and the employer together. This is codified in form of a contract or a mutually binding legal document that spells out exactly how much should be paid to the employee and the components of the compensation package. Incentive pay can be tied to teamwork or group organization wide results through profit sharing, gain sharing and employee stock ownership plans. Most employees are motivated by financial incentives and will exert greater effort to produce more if incentives are worthwhile (Laursen et al, 2003). While Maslow's theory 1954 (cited in Armstrong, 2009) talked about compensation as being at the middle to lower rung of the pyramid and other factors like job satisfaction and fulfillment being at the top. Compensation is the glue that binds employees and employers together. However (Milkovich et al, 2004) argue that a poorly designed compensation package is a source of dissatisfaction and employee turnover. A reward and compensation package fails to secure employee commitment when it is viewed as not being fair, inequitable and inconsistent. Such compensation fails to attract, retain and motivate employees. This view is also held by (Harter, 2002) studies who noted that employees who quit companies give inadequate or skewed compensation as the reason for exiting. This indicates that compensation management must be taken seriously to achieve a competitive advantage. It points to the fact that if a fair and just compensation is provided employees have the baseline requirements met to go for higher things like job satisfaction and fulfillment and thus commit their efforts to high performance.

According to Vance (2006), a good compensation is a strategy for competitive advantage and enhanced employee commitment while competitive pay attracts, retains and motivates qualified candidates. Other benefits of a good compensation are; equitable exchange signals commitment reciprocity, flexible benefits and perks e.g. work-family balance matched to a stage of life facilitates commitment congruence. Through competency-based pay employees are rewarded for mastering job relevant knowledge and skills, while using the skills and abilities for organization's values. Reward and compensation activities if executed appropriately, secure employee commitment to their jobs and make jobs more enjoyable, thus create an overall commitment within the organization (Boon et al, 2006). Zaman et al (2011) indicated that there is a significant and positive relationship between extrinsic rewards and employee motivation and hence performance, but the challenge is that employers are not offering fair and adequate financial rewards to their employees. If employees feel that their effort is appreciated and the company has a good compensation structure based on job evaluation, the employees' motivation and commitment will improve and hence performance. The greater the rewards offered to the employee the greater the levels of their performance.

Organizations get their work accomplished through employees who perform different tasks. Therefore, in order to improve the performance of organizations, employee commitment is necessary as it promotes level of individual employee performance. An employee who is committed in the work place is of great value to the organization as they may need little or no supervision to accomplish the tasks assigned to them (Brow & Taylor, 2011). John & Elyse (2010) asserted that there is no firm that can achieve peak performance in the current competitive business environment unless it makes optimal use of its employees. Every employee needs to be committed to the company's goals and objectives, performs their duties as effectively as a member of the team in order to realize organizational objectives. Employees need to partner with the entrepreneurs as they rely on the efforts of the entrepreneur to deliver on the organizational objectives. This is due to the fact employees want to be part of an organization that is successful, which pays well and offers opportunities for development and security of tenure (John & Elyse, 2010). Brow & Taylor (2011) argued that committed employees remain within the organization therefore saving the organization of the costs required to recruit, train and develop new staff. In addition, high staff turnover increases customer satisfaction due to discontinued service delivery (Scott, 2007).

Organizations get their work accomplished through employees who perform different tasks. Therefore, in order to improve the performance of organizations, employee commitment is necessary as it promotes level of individual employee performance. An employee who is committed in the work place is of great value to the organization as they may need little or no supervision to accomplish the tasks assigned to them. As advocated by Newstrom et al (2002), employee commitment is the degree to which an employee identifies with the organization and wants to continue actively participating in it. It is a reflection of employee believes in the mission and goals of the organization, and a measure of the willingness to remain in the organization in the future. This means the organization management should influence employees' feelings by setting clear vision, mission and strategies of the organization. The foregoing information shows

that organizations should strive to build commitment among employees by providing interesting work, involvement in decision making and quality of work life. Employees feel encouraged and motivated when their contributions are valued and their organization cares about their material, emotional, and intellectual needs. However, the challenge is to ensure that all employees are satisfied. Management need to put in place effective programs for selection, induction and socialization. Herzberg's two-factor and Maslow's hierarchy of needs theories both suggests needs to be satisfied for employees to be motivated. Herzberg argues for high levels of Maslow's hierarchy of needs self-actualization and esteem needs which act as motivators. For example, achievement, recognition and advancement cause good feelings and motivation among employees. Organizations must find ways of encouraging these programmes in order to enhance employee commitment which goes a long way in influencing efficiency thus increasing productivity.

3. METHOD

The study applied descriptive research design with a target population of 100 National Government Administrators in Kiambaa Sub-County. This study employed a census since the target population was small. Questionnaires were used as the instrument to collect data. The study conducted a pilot study in Bungoma County, where 20 questionnaires were used to analyze the validity and reliability of the instruments. Data was organized, edited, coded to bring a meaning. The information was codified and entered into a spread sheet and analyzed using SPSS (Statistical Package for Social Sciences). The study adopted Correlation and Regression analysis to estimate the causal relationships between variables. SPSS version 20 software used for Correlation and Regression analysis.

4. DISCUSSIONS

The study sought to examine effect of reward and compensation on organizational performance (National Government Administrators) in Kiambaa Sub-County in Kenya. The findings are presented in a five point Likerts scale where SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree and T=total. From table 4.1 below, the respondents were asked whether the company improves working conditions in order to recognize employee quality improvement efforts. The distribution of findings showed that 40.0 percent of the respondents strongly agreed, 32.0 percent of them agreed, 1.0 percent of the respondents were neutral, 23.0 percent disagreed while 4.0 percent of them strongly disagreed. These findings implied that the company improves working conditions in order to recognize employee quality improvement efforts. The respondents were also asked whether the company's compensation system encourages team and individual effort. The distribution of the responses indicated that 36.0 percent strongly agreed to the statement, 34.0 percent of them agreed, 3.0 percent of them were neutral, 22.0 percent of them disagreed while 5.0 percent of them strongly disagreed to the statement. Results from the majority of the respondents were agreed that the company's compensation system encourages team and individual effort.

The respondents were also asked whether reward and compensation system within the company rewards relationships and task accomplishments based on work quality. The distribution of the responses indicated that 33.0 percent strongly agreed to the statement, 33.0 percent of them agreed, 6.0 percent of them were neutral, 14.0 percent of them disagreed while 14.0 percent of them strongly disagreed to the statement. These findings implied that reward and compensation system within the company rewards relationships and task accomplishments based on work quality. The respondents were further asked whether employees' rewards and penalties are clearly communicated. The distribution of the responses indicated that 22.0 percent strongly agreed to the statement, 28.0 percent of them agreed, 6.0 percent of them were neutral while 19.0 percent and 25.0 percent of them disagreed strongly and disagreed to the statement respectively. These findings implied that employees' rewards and penalties are clearly communicated. Further, the respondents were asked whether overall the company has good employee compensation programs. The distribution of the responses indicated that 25.0 percent strongly agreed to the statement, 31.0 percent of them agreed, 7.0 percent of them were neutral, 21.0 percent of them disagreed while 16.0 percent of them strongly disagreed to the statement respectively. These findings implied that overall the company has good employee compensation programs. Finally, the respondents were asked whether effective reward and compensation enhances organisational performance. The distribution of the responses indicated that 27.0 percent strongly agreed to the statement, 35.0 percent of them agreed, 4.0 percent of them were neutral, 15.0 percent of them disagreed while 19.0 percent of them strongly disagreed to the statement respectively. These findings implied that effective reward and compensation enhances organisational performance.

Table 4.1: Effect of reward and compensation on organizational performance (National Government Administrators) in Kiambaa Sub-County in Kenya

Statements		SA	A	N	D	SD	T
The company improves working conditions in order to recognize employee quality improvement efforts	%	40.0	32.0	1.0	23.0	4.0	100
The company's compensation system encourages team and individual effort	%	36.0	34.0	3.0	22.0	5.0	100
Reward and compensation system within the company rewards relationships and task accomplishments based on work quality	%	33.0	33.0	6.0	14.0	14.0	100
Employees' rewards and penalties are clearly communicated	%	22.0	28.0	6.0	19.0	25.0	100
Overall my company has good employee compensation programs	%	25.0	31.0	7.0	21.0	16.0	100
Effective reward and compensation enhances organisational performance	%	27.0	35.0	4.0	15.0	19.0	100

4.1 Inferential Statistics

4.1.1 Pearson Correlation

The study sought to establish the strength of the relationship between independent and dependent variables of the study. Pearson correlation coefficient was computed at 95 percent confidence interval (error margin of 0.05). Table 4.2 illustrates the findings of the study.

Table 4.2 Correlation Matrix

		Employee reward and compensation	Organisational performance
Employee reward and compensation	Pearson Correlation	1	.062
	Sig. (2-tailed)		.015
	N	90	90
Organizational performance	Pearson Correlation	.062	1
	Sig. (2-tailed)	.538	
	N	90	90

As shown on Table 4.2 above, the p-value for employee reward and compensation was found to be 0.015 which is less than the significant level of 0.05, ($p < 0.05$). The result indicated that Pearson Correlation coefficient (r-value) of 0.062, which represented a strong, positive relationship between employee reward and compensation and organizational performance (National Government Administrators) in Kiambaa Sub-County in Kenya.

4.1.2 Multiple Linear Regression

Multiple linear regressions were computed at 95 percent confidence interval (0.05 margin error) to show the multiple linear relationship between the independent and dependent variables of the study.

4.1.2.1 Coefficient of Determination (R^2)

Table 4.3 shows that the coefficient of correlation (R) is positive 0.571. This means that there is a positive correlation between employee commitment and organizational performance (National Government Administrators) in Kiambaa Sub-County in Kenya. The coefficient of determination (R Square) indicates that 23.6% of organizational performance

(National Government Administrators) in Kiambaa Sub-County in Kenya is influenced by the employee commitment. The adjusted R^2 however, indicates that 18.9% of organizational performance (National Government Administrators) in Kiambaa Sub-County in Kenya is influenced by the employee commitment leaving 81.1% to be influenced by other factors that were not captured in this study.

Table 4.3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.571 ^a	.236	.189	.90429350

a. Predictors: (Constant), , employee reward and compensation,

4.1.2.2 Analysis of Variance

Table 4.4 below shows the Analysis of Variance (ANOVA). The p-value is 0.000 which is < 0.05 indicates that the model is statistically significant in predicting how determinants of employee commitment affect organizational performance (National Government Administrators) in Kiambaa Sub-County in Kenya. The results also indicate that the independent variables are predictors of the dependent variable.

Table 4.4 ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	244.264	1	7.413	17.414	.000 ^b
Residual	76.050	89	.835		
Total	320.314	90			

a. Dependent Variable: organizational performance (National Government Administrators) in Kiambaa Sub-County in Kenya

b. Predictors: (Constant), employee reward and compensation,

4.1.2.3 Regression Coefficients

From the Coefficients table (Table 4.5) below, the regression model can be derived as follows:

$$Y = 0.007 + 0.198X_1$$

The results in table 4.12 indicate that all the independent variables have a significant positive effect on organizational performance (National Government Administrators) in Kiambaa Sub-County in Kenya. The most influential variable is employee reward and compensation with a coefficient of 0.198 (p-value = 0.000). According to this model when all the independent variables values are zero, organizational performance (National Government Administrators) in Kiambaa Sub-County in Kenya of will have a score of 0.007.

Table 4.5 Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	.007	.093		.020	.000
	Employee reward and compensation	.198	.100	.195	1.966	.000

a. Dependent Variable: organizational performance (National Government Administrators) in Kiambaa Sub-County in Kenya

4.1.3 Hypotheses Testing

4.1.3.1 Hypothesis One

H₀₁: Reward and compensation do not have a significant effect on organizational performance (National Government Administration) in Kiambaa Sub-County in Kenya.

From Table 4.5 above, employee reward and compensation ($\beta = .198$) was found to be positively related organizational performance (National Government Administrators) in Kiambaa Sub-County in Kenya. From t-test analysis, the t -value was found to be 1.966 and the ρ -value 0.000. Statistically, this null hypothesis was accepted because $\rho < 0.05$. Thus, the study accepted the alternative hypothesis and it concluded that employee reward and compensation does affects organizational performance (National Government Administrators) in Kiambaa Sub-County in Kenya.

5. CONCLUSION AND RECOMMENDATION

Based on the findings, the study concluded that Employee reward and compensation ($\beta = .198$) was found to be positively related organizational performance (National Government Administrators) in Kiambaa Sub-County in Kenya. From t-test analysis, the t -value was found to be 1.966 and the ρ -value 0.000. Statistically, this null hypothesis was accepted because $\rho < 0.05$. Thus, the study accepted the alternative hypothesis and it concluded that employee reward and compensation does affects organizational performance (National Government Administrators) in Kiambaa Sub-County in Kenya.

The study recommends that the national government should ensure that employees are provided with according to their worthiness they bring to the organisation for motivation and therefore high performance. Employees should be provided with an opportunity to learn new skills and develop new talents to encourage and help them in gaining experience and skills needed for the job to be competent. The national government should improve the employees working conditions in order to recognize their quality improvement efforts and encourage team and individual effort. Employees' rewards and penalties should be communicated clearly in enhancing the achievement of the organisational objectives. The organisation should make sure that employees are provided with more opportunities to learn new skills and develop new talents to help them qualify for a better job.

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