Effects of Employee Rewards Policy on Organization Performance in Public Primary Schools in Rachuonyo North Sub County

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Abstract
Employee’s rewards policy in any organization controls the behavior and pattern of work hence a major driving force towards organizational development. This is because employee rewards dictates the level of motivation essential for the attainment of individual and organizational goals. This study explored these two important variables in an organization. Employee rewards policy in this research was the independent variable with sub variable such as benefits, compensation, incentives and promotion. Organization performance was the dependent variable being measured by indicators such as quality, efficiency, productivity and effectiveness. This study adopted Equity Theory on the basis of its emphasis on rewards and performance which were the key variables. The research adopted descriptive survey research design and was located in Public Primary Schools in Rachuonyo North Sub County. The key respondents included Headteachers, Deputy Headteachers, Senior Masters, Teachers and Education Officers with a total sample size of 403 participants. The study used structured questionnaires. Test-retest technique was used to achieve Reliability with Cronbach alpha value of 0.776 being attained. A total of 349 questionnaires were returned for analysis of data. This was 87% return rate on the Questionnaires. The study found out that there is a positive correlation (r=.181) between employee benefits and organization performance. Employees compensation accounts for 5.5% of the organization performance (r=.055). Employee Incentives is positively correlated with organization performance by 38.7% while promotion accounts for 34.6% (r=.346). The study further found out that Employee compensation significantly and positively (p=0.004) affect organization performance. Employee Promotion significantly (p=0.000) affect organization performance. The overall R Square value was 0.256 and Adjusted R is 0.247 demonstrating that employee rewards combined accounts for 26% of the organization performance. The study recommended that Teachers Service Commission should ensure that employee rewards are clearly spelt in the remuneration policy and are effectively implemented so as to enable performing employees do extremely well.

Keywords: Employee Rewards, Policy, Organization Performance.

1.0: INTRODUCTION
1.1: Background of the Problem
Human Resource Management Rewards Policy is cardinal when organization performance is being reviewed. This is because rewards in any system dictates the pace and direction of performance. These statements are anchored on several empirical studies such as Ugwe and Cocker, (2012), Condly et al (2013), Scot, Tom Mcmullen and Bowbin (2010), Waruni Ayesha Edirisoriya (2014) and others who have made remarkable studies on the effect of employee rewards on organizational performance. For instance, Kwenin Daisy, (2013) emphasises that rewards enable employees to stretch themselves and to outperform others at workplace. This is because it creates a compelling urge among employees to achieve predefined targets, while, Jain and Ja been (2007) contends that the compelling urge created by the organizational rewards creates a positive attitude and a feeling of ownership of the industry goals. All these in turn create high performing units in every organization that determine the overall success and growth of the company, Razwan and Ali (2010).

Previous studies on employee rewards policy have consistently found out that there is a strong relationship between rewards and employee performance, Agwu, (2013). This implies that organization’s productivity depends on the level of motivation or compensation schemes available. Majority of employees therefore, would wish to equate their output in terms of performance with the level of motivation generated from the incentives they get at workplace. According to survey conducted by Scot, Tom McMullen and Bowbin (2010), 42% of the respondents agreed that their organization’s total reward system had a positive effect on employee engagement and performance. This is because those organisations that encourage their managers to engage employees and have clear reward criteria foster team work that result into high yields for the organization.

Rewards and organizational performance cannot be divorced, Suzanne Peterson and Luthans Fred (2006) and Fehr, Ernst, and John, List, (2004). This is because rewards provide the much needed stamina that propels performance in the organization. Organizations with poor motivation system tend to perform dismally, Razwan and Ali (2010). Secondly it is because performance is supreme to defining any organization’s viability and relevance, Armstrong, Brown and Reilly, (2011) and Yamoah (2013). Consequently, it is incumbent of all stakeholders in the management of any organization to develop strategies to improve performance through the
provision of these incentives. Research done by Heng, (2012) found out that employee’s performance is dependent on the way they are treated in the organization despite high salary. It is a fact that all employees would wish also to be appreciated and feel valued at their workplace. This is what Abraham Maslow referred to as the social affective need at workplace which is a very powerful tool in shaping employees behavior towards better delivery of results. Despite the competing two ideologies on the most effective form of reward which is more significant to employees there is one major consensus that reward controls employees level of motivation and significantly affect organizational performance.

In Kenya the topic of employee rewards and organizational performance has been a dominant debate by all stakeholders in the field of education and Human Resource Management, Nyongesa, Sewe and Ng’ang’a (2012) and Letangule Solomon Leiro, and Letting Nicholas (2012). This has been characterised by protracted industrial actions by employees in both primary and post primary institutions with the latest being the October, 2014 strike threat by Kenya National Union of Teachers. The government of Kenya has noted that that there is need to match performance with productivity hence the introduction of the concept of performance contracting in some public institutions. Conversely, it is critical to note that public primary schools in Kenya are not currently under the ongoing performance contracting programme. However, the point of agreement between the employers, employees and union in Kenya has been the need to reward appropriately performing employees in all public institutions. It was on this basis that the researcher investigated the causal relationship between the available employee rewards policy and organizational performance with a view to present an empirical data that was meant to mainstream the policy and improve performance in public primary schools more so those located in remote counties in Kenya.

1.3: Problem Statement
Provision of Primary or basic education in Kenya has been the hallmark of manifestos of most political parties in Kenya during general elections. This is because primary education systems provides an essential service to the citizenry of the country and determines the pace of the overall national growth. It is these arguments that made the government of Kenya in 2003 to introduce Free Primary Education Programme in all public primary schools. However, with the introduction of the free primary education in 2003, the number of pupils increased leading to more strain on the available resources including teachers. Worst still the aspect of rewards more so pay has never been given the attention it deserves to match the workload. This may have affected performance of some employees and there is need to investigate these two important concepts (rewards and performance) with a view to presenting the causal link between the variables that was meant to guide effective policy implementation. It was upon this premise that the research was undertaken to generate new findings aimed at bridging the gap.

1.4: Specific Objectives
This study was guided by the following specific objective:-
   a) To investigate the effects of Employee Benefits on Organization Performance.
   b) To determine the relationship between Employee Compensation and organization Performance.
   c) To find out the effects of Employee Incentives on Organization Performance.
   d) To establish the relationship between Promotion and organization Performance.

1.5: Null Hypotheses
This study tested the following hypothesis:-
   H01: Employee Benefits has no Significant Effect on Organization Performance
   H02: Employee Compensation has no Significant Effect on Organization Performance.
   H03: Employee Incentives has no Significant Effect on Organization Performance
   H04: Job Promotion has no Significant Effect on Organization Performance.

2.0: Theory.
Employee rewards policy which was the independent variable in this research is a form of motivation therefore requires a relevant theory of motivation, Fertado, Aquino and Meira (2009). These theories include the Need Based Theories such as Maslow’s Theory, Cognitive Process Theories such as Equity Theory, Behavioral Theories such as Bandura’s Theory and Job Based Theories such as Two Factor Theory, Armstrong (2009). Maslow’s theory could not be used because it emphasizes on the hierarchical attainment of needs whereas this study was only interested on rewards aspects which satisfy both higher and lower needs simultaneously. The two factor theory was very ideal however it could not have been used because it ignored situational variables like performance which was key for this study. Expectancy theory again was dropped because it leans towards financial compensation as the main drive for productivity while this study concentrated only on the both financial and non financial aspects.

This study therefore adopted Equity Theory. This theory was adopted on the basis of its emphasis on
rewards and performance which are the key variables under this study. The Equity theory postulates that employees seek to achieve a balance between inputs or efforts and outcomes or rewards received or anticipated, Boxall & Purcell (2008). This implies that in a school system where employee benefits, compensation, recognition or incentives are equitably distributed and consistently provided, the workforce tend to put more efforts in terms of teaching or playing a key role in the teaching process so that the school’s mean grade can be improved.

This theory also asserts that employees input take the form of work volume and quality, performance, knowledge, compensation, praise and advancement in opportunities, Faems, Sels, DeWinne, & Maes, (2005). The employee compares his or her input/outcome ratio with the perceived ratio of others in a social context and if the employee believes there is a sense of inequality, the theory posits that the employee adjusts his or her efforts to bring things into harmony. The employees normally adjust their behaviors to attain equilibrium through withdrawal, reduced input, cognitively adjust his or her perception or by addressing the situation with the employer.

This theory is anchored on three principles of fairness to perception applied to organisation settings, Gary, (2000). These principles include distributive justice or the perception of equality of an individual outcome. Procedural justice, or the fairness of the procedures used to determine ones outcome and lastly, interactional justice which is the perception that employees has to be treated with dignity and fairly.

2.1: Conceptual Framework
The study adopted the conceptual framework as shown in figure 1 below:

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMPLOYEE REWARDS POLICY</td>
<td>ORGANIZATION PERFORMANCE</td>
</tr>
<tr>
<td>Benefits</td>
<td>Quality</td>
</tr>
<tr>
<td>Compensation</td>
<td>Efficiency</td>
</tr>
<tr>
<td>Incentives</td>
<td>Productivity</td>
</tr>
<tr>
<td>Promotion</td>
<td>Effectiveness</td>
</tr>
</tbody>
</table>

Fig. 1: Conceptual Framework Linking Employee Relations and Organizational Performance

In this framework, there is employee rewards policy being the independent variable with sub variable such as benefits, compensation, incentives and promotion. Organization performance measures include quality, efficiency, productivity and effectiveness. Previous scholars such as Katou (2011) and Ombui and Wambugu (2013) have used such indicators to investigate similar variables that were of interest to the researcher.

3.0: METHODOLOGY
3.1: Research Design
This study used descriptive cross sectional survey research design. Descriptive Cross Sectional Survey Design was used because it allows for numerical data to be collected within a short time for systematic analysis in order to test null hypothesis, Dale Rose, Stuart, Sidle and Kristin, Griffith (2007), Fowler (2009) and Kothari (2004). In addition to this, descriptive surveys are normally intended to describe the characteristics of particular individuals or a group and report things as they are and provide numerical data of the population, Kombo and Tromp (2006) and Osso and Onen (2009).

3.2: Area of Study
This study was located in Public Primary Schools in Rachuonyo North Sub County, Homabay County, Kenya. Rachuonyo North Sub County has 193 primary schools of which 167 are public, 49 Public Secondary Schools and one Technical Training Institute, Sub County Statistics (2014).

3.3: Study Population
This study targeted only the teachers in 167 public primary schools and ministry of education officers in the Rachuonyo North Sub County. The key respondents from these primary schools included headteachers, deputy headteachers, senior masters and teachers. The other key respondent targeted was the education officers because they are the developers and implementers of reward policy in the education fraternity. However, the study did not collect data from the parents, pupils and development partners in Education in the County.
3.4: Sample Size and Sampling Strategy
Simple Random Sampling was used to select 80 public primary schools. From each primary school the headteacher, deputy headteacher and senior master were purposively included in the study. 2 teachers (1 male and 1 female) were randomly selected from each school and purposively sampled 3 education officers, giving a total sample size of 403 participants. Simple random sampling was used to eliminate biasness and give each respondent equal chance to participate in the study, Will (2010). Purposive sampling was used because the researcher wanted to get specific information from particular participants, Cooper, Schindler and Blumberg (2006).

3.5: Data Collection Instruments
The study used structured questionnaire to collect data from the sampled teachers and ministry of education employees. The questionnaire had 5 point Likert scale where the respondents were requested to tick answers based on statements given. The scale had 1 indicating strong disagreement and 5 Strong Agreement to the statements. Questionnaire was used because it is easy to analyse and can collect data rapidly from a large sample who are literate within a very short time, BMRA Researchers Toolkit (2003). The respondents can also freely respond to questions without compulsion, Orodho (2008).

3.6: Reliability and Validity of Research Instruments
Test-retest technique was used to achieve Reliability. This was during piloting where the questionnaire was administered to 12 respondents randomly selected from 4 primary schools within the sub county. The suggestions and corrections were incorporated and the tool was again piloted within a span of two weeks at the same schools to test its reliability. Factor analysis was used to compute the coefficient with a Cronbach's Alpha of 0.776 being achieved.

Table 1: Reliability Statistics

<table>
<thead>
<tr>
<th>Item Tested</th>
<th>Cronbach’s alpha</th>
<th>N of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Benefits</td>
<td>0.822</td>
<td>1</td>
</tr>
<tr>
<td>Employee Compensation</td>
<td>0.771</td>
<td>1</td>
</tr>
<tr>
<td>Employee Incentives</td>
<td>0.733</td>
<td>1</td>
</tr>
<tr>
<td>Promotion</td>
<td>0.776</td>
<td>1</td>
</tr>
<tr>
<td>All Variables Mean</td>
<td>0.776</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: Survey Data, 2014
Content validity was attained by consultation with specific area experts. The experts included experienced researchers at the department of Human Resource Management, Rongo University College. This procedure was repeated until there was a total agreement with a validity index of 0.776 being attained. Construct validity was achieved by the researcher developing a complete items of Employee rewards and performance indicators after a thorough literature review based on past similar surveys.

3.7: Data Analysis Procedure
In pursuit of testing the hypothesis the researcher first conducted normality test using descriptive statistics in the SPSS. The aim of this analysis was to indicate the characteristic shape and symmetry of the distribution. This was done by computing mean, standard deviation, variance, skewness and kurtosis. Skewness specifically was included in order to determine the asymmetry of the distribution while kurtosis was to measure the extent to where the observations cluster around a central point. After conducting the normality test, the researcher correlated the Dependent Variable (Organization Performance) with the Independent Variable (Employee Rewards Policy). Correlation statistics was necessary for this study because the researcher wanted to establish the strength and direction of the relationship between different sets of data, Baguley, (2012). The means of the organization performance and employee policies were used to calculate the correlation.

The researcher adopted hierarchical multiple regression model. This is because it predicts the value of one variable from the values of two or more variables, Field, (2009). In this multiple regression model the researcher intended to find out relationships between the Employee Rewards Policy (Independent Variable) and Organization Performance which was the Dependent Variable. In order to achieve this, the researchers first calculated the mean of all the organization performance sub variables which was then used to compute the regression coefficients.

In this model, the collinearity statistics was included since the researcher wanted to further test the correlation among the predictors in the regression as it facilitates the separation of predictors if they are redundant, Field, (2009). The results is manifested by the Tolerance which shows that proportion of unique information that a predictor provides in the regression analysis with value of 1 indicating no multicollinearity (for predictor) and values approaching 0 indicating a severe multicollinearity problem, Baguley, (2012). It is also
the factor by which the sample size needs to be increased to match the efficiency of an analysis with no multicollinearity. VIF (Variance Inflation Factor) quantifies the severity of multicollinearity in an ordinary least squares regression analysis. It indicates how much larger the error variance for the unique effect of a predictor (relative to a situation where there is no multicollinearity). Durbin-Watson Statistic was included because the researcher wanted to test the presence of residual correlation among the residuals or autocollinearity among the variables with values ranging from 0 to 4. Values close to 0 indicating a strong positive correlation while those close to 4 indicating a Strong negative correlation), Chatterjee, Samprit; Simonoff, Jeffrey (2013). F value was also included in order to measure the likelihood the model as a whole describes a relationship that emerged by chance with the basic assumption that the lower the F value the greater the chance that the relationships in the model are real.

4.0 FINDINGS AND DISCUSSIONS

4.1: Questionnaire Return Rate
A total of 403 structured questionnaires were issued out to the sampled employees in Primary Schools and Education Officers in Rachuonyo North Sub County. A total of 349 questionnaires were returned for analysis of data. This was 87% return rate on the Questionnaires. Fincham Jack (2012) and Drauglas and Plaza (2012) asserts that questionnaire response rate ≥ 50% is considered to yield a valid and reliable data and since the response rate for this case was 87% it was considered by the researcher to be within the range of better response rate.

4.2: Descriptive Statistics
The results of the descriptive statistics were tabulated and analyzed as follows:-

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Variance</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: I am satisfied with organization's benefits</td>
<td>2.92</td>
<td>1.278</td>
<td>1.635</td>
<td>.032</td>
<td>-1.015</td>
</tr>
<tr>
<td>2: I am satisfied with the compensation offered by the organization</td>
<td>2.94</td>
<td>1.041</td>
<td>1.084</td>
<td>.005</td>
<td>-.400</td>
</tr>
<tr>
<td>3: I am satisfied with the incentives offered by the organization</td>
<td>3.15</td>
<td>1.082</td>
<td>1.171</td>
<td>-.234</td>
<td>-.516</td>
</tr>
<tr>
<td>4: Our organization has clear Promotion Procedures</td>
<td>3.24</td>
<td>1.256</td>
<td>1.577</td>
<td>-.472</td>
<td>-.747</td>
</tr>
<tr>
<td>Employee Rewards Policy</td>
<td>3.063</td>
<td>1.1643</td>
<td>1.367</td>
<td>-.167</td>
<td>-0.670</td>
</tr>
</tbody>
</table>

Source: Survey Data, 2014

In table 2, the response on statement: I am satisfied with organizations benefits has a mean of 2.92. This statement is within the neutral category even though it attracted the lowest mean. This implies that majority of the respondents somehow disagree with the issue of benefits. This may be true following the recent pay disputes between teachers and their employer in Kenya it is possible to conclude that a majority of workforce are not satisfied with the benefits offered. However, teachers hold a strong opinion that better benefits propel better performance. The Skewness (0.32) here is positive hence a long right tail in the normal distribution curves. Kurtosis (-1.015) is negative hence presence of Platykurtic data values.

The statement that: I am satisfied with organizations compensation attracted a mean of 2.94, Skewness (0.005) and Kurtosis (-0.400). This finding is a replica of the previous finding on employee benefits. This implies that most respondents are neutral with statement I am satisfied with the compensation offered by the organization. This therefore means that nearly a half of those who responded to these statements are undecided whether to agree or disagree with the aspect of benefits and compensation offered by their employer.

The statement: I am satisfied with the incentives offered by the organization has a mean of 3.15 Skewness (-0.234) and Kurtosis (-0.516). However, when respondents were asked to indicate their level of agreement or disagreement with the statement our organization has a clear promotion procedure, the response had a mean of 3.42 Skewness (-0.472) and Kurtosis (-0.747). The statement our organization has a clear promotion procedure had the highest mean. This finding may be true since promotion of teachers are based on the available scheme of service which is pegged on the duration of service, level of education and output. The output here means the number of passes reflected in the analysis of Kenya Certificate of Primary Education National Examination results for the last three years. Again vacancies for interviews for promotions are also openly advertised at the organization’s website or at the Sub County Director’s Public Notice Boards and at times in leading newspapers in Kenya.

4.3: Correlation between Employee Rewards Policies and Organization Performance
The findings were as follows:-
Table 3: Correlation between Human Resource Management Policies and Organization Performance

<table>
<thead>
<tr>
<th>Organization Performance</th>
<th>Benefits</th>
<th>Compensation</th>
<th>Incentives</th>
<th>Promotion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization Performance</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td>.181**</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation</td>
<td>.055**</td>
<td>.342**</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>Incentives</td>
<td>.387**</td>
<td>.137**</td>
<td>.267**</td>
<td>1.000</td>
</tr>
<tr>
<td>Promotion</td>
<td>.346**</td>
<td>.158**</td>
<td>.223**</td>
<td>.180**</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
N=349

Source: Survey Data, 2014

In table 3, there is a positive correlation ($r=.181$) between employee benefits and organization performance. Employees compensation accounts for 5.5% of the organization performance ($r=.055$). Employee Incentives is positively correlated to organization performance by 0.387% while promotion accounts for 34.6%. The correlations findings is similar to the findings of Ann (2004) that also found a positive correlation ($r=0.5346$) between employee rewards policy and retail banking performance in Canada. Hatice Özutku, (2012) tested whether there is a significant difference between the intrinsic reward practices of the firms performance via one way ANOVA and the results indicated positive ($F_{(1, 215)}=4.524$, $p=0.02$) existence of a relationship.

These findings echoed the current research study done by Waruni Ayesha Edirsooriya (2014) who investigated the Impact of Rewards on Employee Performance in Sri Lanka. The Pearson Correlation Coefficients showed strong relationships in the intrinsic ($r=0.567$) and extrinsic rewards ($r=0.637$) and employee performance in the Electrical companies in Sri Lanka. It is important to note that the findings of these studies supports the findings of Ugwu and Coker (2012) who investigated Incentive Schemes, Employee Motivation and Productivity in Organizations in Nigeria. This study specifically found out the existence of a strong relationship between employees incentives policy and organization performance. These findings further assert that when employees are rewarded the organization output in terms of profit margin and share capital increases. This again calls for the support from top management when developing and implementing employee rewards policy in order for the organization to reap from the accruing benefits.

4.4: Multiple Regressions for Employee Rewards Policy and Organization Performance

The findings of the regression statistics were tabulated as follows:-

Table 4: Multiple Regressions Model

<table>
<thead>
<tr>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.614</td>
<td>.244</td>
</tr>
<tr>
<td>Benefits</td>
<td>.131</td>
<td>.048</td>
</tr>
<tr>
<td>Compensation</td>
<td>-.172</td>
<td>.059</td>
</tr>
<tr>
<td>Incentives</td>
<td>.303</td>
<td>.043</td>
</tr>
<tr>
<td>Promotion</td>
<td>.231</td>
<td>.039</td>
</tr>
</tbody>
</table>

Model Summary
R Square: .256
R Adjusted: .247
Durbin Watson: 1.413
F Change: 27.976
Sig: .000

DP= Organization Performance
Source: Survey Data, 2014

In table 4, Employee benefits is positively and significantly ($p=0.007$) related to organization performance. Since $p<0.05$, the null hypothesis: Employee Benefits Policy has significant effect on organization performance, was rejected. Employee compensation has $p=0.004$ which is less than the $\alpha$ value of 0.05. This implies that the null hypothesis was rejected; hence, we conclude that employee compensation significantly affects organization performance. Incentives has $p= 0.000$ meaning that the null hypothesis was rejected. This means that Employee Incentives is statistically significant. Employee Promotion significantly affect organization performance ($p=0.000$).

The overall R Square value is 0.256 and Adjusted R is 0.247 meaning that Employee Rewards Policy accounts for 26% of the organization performance. Durbin Watson Value of 1.413 serial correlations.
The Regression Equation was:

\[ Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \]

Where:
- \( \alpha \) = a constant or intercept;
- \( \beta \) = slope;
- \( X_1 \) = Employee Benefits
- \( X_2 \) = Employee Compensation
- \( X_3 \) = Employee Incentives
- \( X_4 \) = Employee Promotion
- \( \varepsilon \) = the “noise” or error
- \( Y \) = Organizational Performance

\[ Y = 0 + 0.131X_1 - 0.172X_2 + 0.303X_3 + 0.231X_4 + \varepsilon \]

This Equation indicates that for every unit increase in employee benefits, there is an equivalent 0.131 increase in organization performance. For every unit increase in employee compensation, there is an equivalent decrease in organization performance. Again for every unit increase in employee incentives, there is an equivalent unit increase of 0.303 in organization performance. Lastly, for every unit increase in employee rewards, there is 0.231 increase in organization performance.

These findings are similar to studies done by Yamoah (2013) who found statistically significant relationship (p=0.002) between compensation and productivity and those done by Kwenin (2013) found that Rewards significantly (p=0.007) affects job satisfaction and retention of employees. However, case study done by Njanka, Maina, Kibet and Njagi (2013) on the effects of rewards on employee performance in Nakuru, contradicts the findings of this study. The research found out that rewards positively but insignificantly (p=0.8) affect employee performance. On the other hand, other Studies have revealed existence of significant relationships between the variables. According to Scot Dow and McMullen (2010) rewards correlates to employee performance, turnover and absenteeism by 42% (\( r=0.42 \)). Jalaini, Noor, Alimat and Said (2013) found out that rewards affect employee job performance positively (intrinsic rewards, p=0.38 and extrinsic, p =0.00) with the overall R Square value of .514. This implies that when rewards are effectively used it impacts on organization performance by over 50%. Lastly studies done by Rizwan and Ali (2010) using self administered questionnaires found out that rewards and recognition affects employees job satisfaction by 31% (\( r=.31 \)) and Ju, Kong, Hussin and Jusoft (2008) found out that fringe benefits affects employee commitments by 15.9% (\( R^2 = .159 \)). All these findings corroborates the study findings and affirm that employee rewards play a critical role in productivity hence should not be ignored.

4.5: Conclusion

In conclusion the study found out that employee rewards policy significantly affects organization performance as all the null the null hypothesis were rejected since the p <0.05. The study therefore, concludes that when employee rewards are aligned to the overall strategic objectives of the organization, there is an equivalent increase in performance. This calls for adjustments at work places that ensures that hardworking employee are motivated to outperform.

4.6: Recommendations

The study recommends that:
- Teachers Service Commission should ensure that employee rewards are clearly spelt in the remuneration policy and are effectively implemented so as to enable performing employees to feel motivated thus increased productivity.
- Teachers Service Commission should ensure that teachers who portray exemplary performance are rewarded by issuing them with letters of commendations or recognition apart from the special promotion offered. This should be done consultation with other stakeholders to make the process participatory and inclusive. However, the process should be steered by the Teachers Service Commission since teacher management is squarely within their mandate in Kenya.
- There should be more studies by other scholars more so by Human Resource Developers, Industrial Psychologists and Educationists. The future researcher should strive to bridge the gap noted by the researcher. Specifically, there is need to investigate this topic using longitudinal designs unlike the cross section approach this study adopted.

REFERENCES


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