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Effects of Remuneration System on Organizational Performance of Teachers Service Commission, Kenya

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Abstract
Remuneration systems provided in an organization should aim at motivating, attracting and retaining employees in an organization to enhance better performance, However in many public organizations in Kenya, remuneration systems continues to be a major problem resulting to divined organizational performance. The general objective of the study was to establish the effects of remuneration system on organizational performance in public organizations with reference to Teachers Service Commission. The study specifically the effects of employees' turnover on organizational performance in Teachers Service Commission. The study applied a descriptive research design and the target population was 1,500 employees of Teachers Service Commission (TSC) headquarters in Nairobi with a sample size of 316 respondents. The main data collection instruments were questionnaires and a pilot study was carried out to test the reliability and validity of the questionnaires. Descriptive statistics data analysis method was applied to analyze data aided by Statistical Package for Social Sciences (SPSS) to compute responses frequencies, percentage mean and standard deviation results. Finally Multiple Linear Regression model was employed to establish the significance of the independent variables on the dependent variable. The findings were presented using tables. The study findings thus showed that employees employee's turnover affected the organizational performance. The study found out that employees that are highly contented with their work; employees that are highly motivated; regular review of reward systems; employees commitment and conducive working conditions affected organizational performance in the organization. The study drew conclusions that the effects of remuneration system that affected organizational performance in public organizations included; employee's turnover. The study recommended that the organization management should review and increase the employee's remuneration and rewards and in addition provide more benefits to the employees. Good working environment should also be provided and proper working conditions should be provided to all employees. The organization management should offer competitive remuneration packages in order to encourage employees not to leave the organization on basis of remuneration, employees work life balance should be well enhanced, exit interviews should be frequently conducted in the organizations to determine the causes of turnover and to provide direction on the nature of employee retention strategies that should be employed. The management should improve on employee job tasks allocation in order to ensure that employees accomplish set targets on time and work assignments should be effectively allocated.
Keywords: Employee *Turnover, Remuneration, Performance*

1.0 Introduction

Effective remuneration systems refer to the method used to reward or compensate employees for their work and services rendered to an organization. Remuneration systems should provide basic attraction to employees to perform job efficiently and effectively. Salaries affect the employees' productivity and work performance. Thus the amount and method of remuneration are very important for both management and employees (Armstrong, 2008).

Organizational performance comprises the actual output or results of an organization measured against its intended outputs (goals and objectives). Organizational performance comprises of three specific areas of organization outcomes: Financial performance i.e. profits, return on assets and return on investment, Product market performance which is sales and market share, shareholder return which is total shareholder return, economic value added. Thus, organizational performance is the most important measure to evaluate organization goals, their actions, and environments (Armstrong, 2008 & 2009).

Globally, the two main types of employee remuneration systems applied in the organization are time rate and piece rate systems. Under time rate system, remuneration is directly linked with the time spent or devoted by an employee on the job. The employees are paid a fixed amount hourly, daily, weekly or monthly irrespective of their output. It is a very simple method of remuneration which leads to minimum wastage of resources and minimal chances of accidents. Time Rate method leads to quality output and is very beneficial to new employees as they learn their work without any reduction in their salaries. This method encourages employees' unity as employees of a particular cadre that get equal salaries (Locke, 2008).

Piece rate method is a compensation system in which employees are paid on the basis of units or pieces produced by an employee regardless of time taken. In this system emphasis is more on quantity output rather than quality output. There is less supervision required under this method and hence per unit cost of production is low.

This system improves the morale of the employees as the salaries are directly related with their work efforts (Furnham, 2009).

In many organizations worldwide, remuneration package consists of a range of payment methods and accompanying benefits which can be used as motivators by modern companies and are all part of the human resource management philosophy prevalent in many organizations. In UK, employees that work for modern companies and other organizations receive a range of money based and other rewards ranging from discounts on company products, to subsidized company pension schemes (Shields, 2007).

Many firms in the USA fail to measure the remuneration given to employees since compensation is a complex and often confusing topic. Although compensation costs comprise, on average, 65% to 70% of total costs in the US economy and are likewise substantial elsewhere, most managers are not sure of the likely consequences of spending either more, or less on employees or of paying employees in different ways, however, good employees remuneration systems significantly affects the performance of many organizations in USA (Armstrong, Brown and Reilly, 2009).

Meyer (2009) posited that in Europe, organisations remunerates employees informs of basic pay or wages, basic salary is a fixed periodical payment for non-manual employees usually expressed in annual terms, paid per month with generally no additions for productivity. Wage refers to payment to manual workers, always calculated on hourly or piece rates. Traditional pay systems were based on the three factors: the job, maintaining the level of equality in standard pay among employees in the organization, and paying competitive salaries (Braton & Gold, 2009). Armstrong, (2008), while studying the data of Employee Relations Survey conducted in England, strong evidence emerged that the use of performance related pay enhances performance outcomes, although this relationship is influenced by the structure of workplace monitoring environments. In the UK public sector, employees are paid low rate of salary compared to the private workers and this affects organisation performance (Yankee Institute for Public Policy, YIPP 2015).

In Germany, effective remuneration systems have been found to contribute towards realisation of increased organisational performance in many firms. Firms offering good basic pay and higher employees' wages higher than the market rate records increased rates of employees' job satisfaction, have lower employees' turnover rates, have most productive employees and have good employees' relations (Armsotron,2008). In Australia, Shields (2007) study on employee's remunerations noted that basic pay is an important part of total pay that is fixed and mainly time-based, rather than performance-based. In New Zealand, basic pay is the largest fraction of the total pay for non-executive employees; it also acts as a benchmark for other cash incentives such as profit sharing, which is expressed as a percentage of basic pay. In competitive markets such in China and Japan, many organizations pay above the market rates to retain their employees. In India, most employees use basic pay to compare their job offers instead of using intrinsic rewards and other rewards not captured in the formal organizational framework.

In Africa, employees' remuneration has been ranked as major challenge affecting the performance of public sector organisations. Most public sector organisations have been found to poorly remunerate employees and this has impacted negatively on the level of employee's job satisfaction, employee's relations and productivity which contributes to declined organisations performance especially in delivery of public services (Hedwiga, 2011). Lack of effective remuneration systems leads to low basic pay and wages which leads to low employees productivity, increased staff turnover rates and declined employees morale which negatively affects the overall performance of many public sector organisations (Ologunde, Asaolu and Elumilad, 2011).

In Ghana, declined levels of employees productivity and high rate of employees turnover have been found to be influenced by employees dissatisfaction with the employed remuneration systems, increased cases of industrial strikes have been reported in public sector and this has affected delivery of public services (Hanif,2009). In Nigeria, lack of effective employees remuneration systems have been blamed for the increased cases of industrial strikes amongst the public workers in health, education and mining sectors, these have resulted to increases rates of employees turnover due to job dissatisfaction and employees quest for better paying jobs in other countries (Oshagbemi, 2010).

In Botswana, good remuneration systems in terms of better employee's salaries and wages especially in health and education sector have attracted most skilled immigrants in the country; this has also played a key role in the performance of the country's public sector organisations. In South Africa, most organizations employees' remuneration systems are either basic pay or skilled based pay. Employees use basic pay to compare their job offers instead of using intrinsic rewards and other rewards not captured in the formal organizational framework up to including job security (Livingstone, 2009).

In East Africa, employee's remuneration systems have been a major challenge affecting the performance of public sector organisations. Findings from a study by Johnson (2010) revealed that majority of the employees in public sector organisations in Uganda, Kenya and Tanzania were not satisfied with their salaries and this lowered their work morale and productivity which in turn led to declined organisation performance. In Uganda and Kenya, lack of many job opportunities and increased rate of educated and qualified workers leads to increased labour supply and low labour demand which contributes to low salaries and wages.

In Kenya a significant portion of wage employment is in the public sector. One of the key issues of public debate and attention in Kenya is the public-private sector wage differentials at a time when the public sector wage bill has exceeded that of its competitors in the region. According to Kenya Institute for Public Policy Research and Analysis (KIPPRA, 2003), wage differentials have severe implication on overall productivity in the public sector and the capacity of the sector to implement policies and reforms. This has resulted in many resigning to join private sector. Those who opt to work for the government do so most probably because there is security of tenure.

Despite the fact that the Kenyan government have made efforts towards achievements of various goals, the performance of the workforce is still poor and this could be due to poor remuneration systems applied in the organizations, whereby the organizations have failed to link the remuneration systems with the skills and abilities that their employees posses and apply while carrying on their duties. This has demoralized employees leading to poor performance in many government organizations (Onyancha, 2014). For the past years, the cost of living has risen and there has been enormous pressure on employers to raise wages and salaries by the rate of inflation and change the remuneration systems in place so that they can link the systems with employee performance. It is important for the organization to consider the salary system as a mechanism by which an organization could attract, motivate and retain its employees in order to enhance its productivity through employees' performance (Onyancha, 2014).

In many Kenyan government organizations', the employed remunerations systems remains a major challenge towards enhancing organizations performance. It has been observed that, remunerations systems employed leads to low level of employees' job satisfaction which demotivates most of the staff leading to poor performance, remuneration system that lead to increased staff turnover rates which affects retention of the most experienced and skilled workforce, low productivity as a result of poor performance of the employees and poor employer employee relation that result to industrial strikes (Bula, 2012).

Human capital being the most valuable asset of an organization, they are the ones that determine the success or failure of organizations' programs and activities. To maintain a hardworking, result oriented workforce, organizations should put in place remuneration systems that are meant to increase rate of employee retention in order to reduce employees turnover rates, to enhance good relations between employer and employees, increase employees productivity, employee job satisfaction to achieve organizational objectives (Livingstone, 2009).

Where remuneration systems are attractive, an organization tend to save cost on recruitment since the retention rate is very low, employer employee relations is enhanced, employees are very committed with their work and their productivity is maximized which enables an organization to achieve its objectives (Stuart, 2011).

Teachers Service Commission dates back in the 1950s when the first teachers union in Kenya was formed which is the Kenya National Union of Teachers (KNUT) in 1957. Thereafter, there was a need for the establishment of an umbrella body to manage the affairs of all teachers. By then, teachers were employed by; missionaries, the Central Government which led to differences in remuneration and other terms and conditions of service. In 1964, The Kenya Education Commission Report recommended the need for the creation of a competent, respected and contented teaching force. The Teachers Service Commission was therefore established in July 1967 through an Act of Parliament to give teachers one employer and uniform terms and conditions of service. The TSC mandate was registering, employing, promoting, disciplining and remuneration of teachers (TSC, 2016).

The Headquarters of the Teachers Service Commission in Kenya is situated in Upper Hill in Nairobi, along Kilimanjaro road. The mandate and functions of the commission are provided Under Article 237(2) of the Constitution, the Commission is mandated to; register trained teachers, recruit and employ registered teachers, assign teachers employed by the commission services in any public school or institution, promote and transfer teachers, exercise disciplinary measures over teachers, terminate employment of teachers, review the standards of education and training of persons entering the teaching service, review the demand for and supply of teachers, and advise the national government on matters relating to the teaching profession (TSC, 2016).

Vision: To be a transformative teaching service for quality education. Mission: To professionalize the teaching service for quality education and development. Core values: Professionalism, Customer focus, Integrity, Innovativeness, Team spirit. Since its formation in 1967, TSC membership had grown to more than 600,000 teachers in 2014. Of these, 293,000 are employed by the Teachers Service Commission while others are engaged in private schools. The affairs of the teachers are managed by a secretariat which operates through specialized departments and divisions. The secretariat has over 3000 staff members who work in the TSC major departments which are; registration; finance; human resource; pension and teachers management departments (TSC, 2016).

Remuneration systems refer to the compensation systems used to reward employees for their work and services in an organization. Human capital being the most valuable asset of an organization, they are the ones that determine the success or failure of organizations' programs and activities in the organization (Armstrong, 2008*)*. Remuneration systems provided in an organization should aim at motivating, attracting and retaining employees in an organization to enhance better performance, quality work that will lead to high productivity of the organization. It is important that rewards systems should address the vision of both the company and the individual employee. Organizations have put systems in place; however, with the ever changing environment and high competition, organizations are not able to link the systems in place with employee skills and abilities they possess and apply in their performance. As a result they are not satisfied in their jobs, leading to high labour turnover, forcing organization to incur extra cost in recruitment, training and development leading to low productivity , poor employee employer relations resulting to industrial strikes and unrests thus making organizations to incur extra expenses and wasting time on court cases seeking for redress. Therefore, this study sought to establish the effects of remuneration system on organizational performance in public organizations with special reference to Teachers Service Commission. The specific objective of the study was to examine the effects of employees' turnover on organizational performance in Teachers Service Commission.

2.0 Effect of Employee turnover on organizational performance in Teachers Service Commission

Employee turnover or labour turnover refers to the rate at which employees' leaves one organization to another. It can be represented by a simple statistic (for example, a turnover rate of 80% usually indicates that 80% of the employees left organization in a given period). Employees' turnover is determined by rate of employee retention, rate of recruitment, employees work life balance and employees work environment (Locke, 2008). Armstrong (2008) revealed that there are many factors that contribute to labour turnover including employee age, tenure with the organization, employees remuneration, overall job satisfaction, characteristics of the task, employee perceptions of the work environment, better prospects(career move),more security, more opportunity to develop skills, better working conditions, poor relationship with manager/team leader, poor relationship with colleagues, bullying or harassment, personal e.g. pregnancy, illness, moving away from an area. Organizational performance relates to how successfully an organized group of people with a particular purpose perform a function to achieve great results measured in terms of the value delivered to customers. In this study organization performance will be measured in terms of quality of work, successful achievement of the aimed organization goals and the level of customer satisfaction (Mullins, 2010). According to a study by Boyens (2007), employees' remuneration system determines the rate of employees' turnover in many organizations worldwide and when the turnover is high it affects the organizational performance. A study by Johnson (2010) revealed that in UK, highly paid employees were less likely to leave their jobs and low paid employees had higher chances of leaving their jobs in search of better paying jobs.In a study conducted by Oshagbemi (2010) amongst United Kingdom academics, a statistically significant relationship between pay and employees' turnover and their level of job satisfaction was established. However, a study conducted by Yo Liu & Norcio (2008) in the public sector in China failed to find any significant relationship between pay, turnover and satisfaction. Similarly, results from a survey conducted by Hausknecht (2009) amongst postdoctoral scientific researchers found pay and benefits to be weakly associated with employees' turnover and organizational performance.

In his research into the factors influencing Labour turnover in Australia, Wright (2009) identified that the first important indicator of Labour turnover is employees' dissatisfaction with the organizational remuneration system. Wright (2009) commented that employees who are not satisfied with the organization remuneration systems are likely to leave the organization and this affects overall organizational performance when employees turnover is not managed effectively.A study by Locke (2008) on employees remuneration and turnover rates in USA firms revealed that employees remuneration systems was a key determinant of the high rate of employees turnover rates in many USA firms and the rate of employees turnover was determined by the rate of retention; rate of recruitment and number of years employees worked in the organization. Hanif (2009) in the study of employees voluntarily leaving the organization in United States public and private sectors, mention factors that make workers to suspend from organizations are poor remuneration systems.A study by Linda (2012) showed that employees remuneration systems is one of the major factor that leads to increased rate of employees turnover in many organizations in South Africa. Linda (2012) further argued that employees turnover is also influenced by lack of employees work life balance, poor employees work environments. High employees' turnover rates that leads to a decline in organizational performance. In Singapore poor work environment is highly contributed to employee turnover in regarding to controllable factors such as pay, nature of work, supervision, organizational commitment, distributive justice, and procedural justice and this affected organizational performance Marti,(2009). In Sri Lanka Sujeewa (2011) found that grievances related to employees remunerations are among of the causes of employee turnover. High grievance rates allied with conflicting situation rather than cooperative labour relations and hence associated with lower plant productivity and if not effectively resolved could lead to less productivity, lower quality of work, products and customer services, distraction from corporate goals, low job morale, loss of confidence and communication between employees, managers and supervisors, which can lead to increased absenteeism and staff turnover.

In Ghana, a study by Okumu (2012) found out that employees turnover had a negative effect of the performance of commercial banks. Ologunde, Asaolu and Elumilade (2011) in their research work on labour turnover in commercial banks in southwestern Nigeria found that low morale, poor working conditions and low wages led to high rate of staff turnover in many commercial banks. In South Africa employee turnover in the banking sector has come under the spotlight in the last decade. Research findings show that the banking sector worldwide is characterized by high employee turnover and skill shortages Metcalfe (2011).

A study by Ongori (2007) in Botswana observed that among the factors that influence employee turnover in the organization is inadequate information including physically powerful communication systems on effective performance, uncertain supervisors' desires and peer employees, and consensus on job functions. These may be termed as the basis of employees to suffer from less involved in jobs and careers and finally show a partiality to leave the organization (Mrope, 2013). In Tanzania employees' turnover is a threat to many organizations as it has become a very serious issue for any organization due to its negative effects on operation and performance of organizations (Muhammad, 2013). Poor management practices and policies on personnel matters and on motivation that contribute to labour turnover in many organizations. Hedwiga (2011)

Labour turnover is influenced by a number of controllable and uncontrollable as well as demographic factors. Kiunsi (2008) and Magalla (2011) exposes that controllable factors such as short contract, poor working condition, poor recruitment procedure, lack of motivation, and poor or inadequate incentives and rewards are the reasons that influence voluntary labour turnover in public organizations especially for employees living in rural areas. Managerial controllable factors such as unequal treatment of workers, lack of promotion and growth, low wages and salary, unclear compensation procedures, less recognition and lack of employees' involvement in decision making.

In Kenya, Bula (2012) in the study of labour turnover in the sugar industry in Kenya found that salary is a major factor causing labour turnover followed by training, promotion, performance appraisal and work condition. Other factors like recognition, job content, participation in decision making and leadership style were also considered as immediate factors. It was also revealed that although lack of employee commitment and motivation can be major causes of labour turnover, they are dependent on all the other factors causing labour turnover.

3.0 Method

The study adopted a descriptive research design. Target population of the study was obtained from Teachers Service Commission headquarters offices situated in Upper hill Nairobi. The target population was a total of 1500 staff working inthe organizations departments notably; registration, finance, human resource, pension and teachers management departments WITH A Ssample size of the population was thus 316 respondents. Questionnaires were preferred. Piloting was done for validity and reliability of the data collection instrument. The use of semi structured questionnaires facilitated gathering of both quantitative and qualitative data, consequently, editing process detected errors and omissions, which were corrected where possible to certify that minimum data quality standards have been achieved. Coding was done which was necessary for efficient analysis, through coding; several replies may be reduced to a small number of classes which contain critical information required for analysis Kothari (2004). Quantitative data was analyzed by computer using statistical package for Social Sciences (SPSS) version 23 software. Regression analysis was applied to determine the statistical significances level of effect of the independent variables on the dependent variable. Analysis Of Variance (ANOVA) was used to test the significance of the overall regression model which determined the significant relationship between the research variables Sekeran (2003).

4.0 Discussion

Results on effects of employees' turnover on organizational performance in Teachers Service Commission, the respondents were asked to indicate the level of agreeableness for employee reward the findings are present in the table 4.1 below.

Table 4.1 Employee turnover

statements on employee turnover	**1 %**	**2 %**	**3 %**	**4 %**	**5 %**	**Total %**
Employees rarely leave the organization	31.3	38.1	9.6	12.5	8.5	100
Employees work life balance is well enhanced	30.1	42.6	9.1	12.5	5.7	100
Exit interviews are frequently conducted in the organizations.	35.8	32.4	4	16.4	11.4	100
Organizational culture accommodates employee diversity.	43	33	5	19	0	100
recruitments of new employees are done regularly	34.6	38.1	3.4	16.5	7.4	100

KEY: Strongly disagree -1, Disagree -2, Neutral -3, Agree -4,Strongly agree -5

Source: Author (2018).

The respondents were asked whether employees rarely leave the organization, 38.1% and 31.1% of the respondents strongly disagreed and agreed to the statement respectively while 12.5% of the respondents agreed that Employees rarely leave the organization and the other 9.6 % were neutral and 8.5% strongly agreed about the statement.

On the statement the employees work life balance is well enhanced 42.6 % of the respondents disagreed and 30.1% strongly disagreed about the statement.12.5% stated that the employees work life balance is well enhanced while 9.1% strongly agreed while were 5.7% of the respondents were neutral.

On the statement the exit interviews are frequently conducted in the organizations. majority of the respondents, 35.8 % strongly disagreed, 32.4 % of the respondents disagreed while 16.4 % of the respondent agreed that exit interviews are frequently conducted in the organizations. And the rest 11.4% strongly agreed and 4 % were neutral about the statement.

The respondents were asked whether organizational culture accommodates employee diversity. 43 % of strongly disagreed and 33 % of the respondents disagreed, while 19 % of the respondents agreed to the statement and 5% were neutral. The results revealed that majority feels that the organizational culture does not accommodates employee diversity.

Respondents were asked whether recruitments of new employees are done following the recruitment policy and that favours those meeting the requirement in the organisation. 38.1 % of respondents strongly disagreed while 34.1 % of the respondents strongly disagreed that they are provide with compensation packages.16.5 % of the respondents stated that they do agree that recruitments of new employees are done following the recruitment policy and that favours those meeting the requirement in the organisation while 7.4 %strongly agreed and 3.4 % of the respondent were neutral .The results thus showed that the recruitments of new employees are not done following the recruitment policy and that favours those meeting the requirement in the organisation. This study therefore indicated that the employee are not recognized and rewarded well by the organization and this may increase level of dissatisfaction hence increase turnover rate in the organization.

4.3 Hypotheses Testing

Hypotheses testing were done in order to establish the relationship between each of the independent variable employee's turnover, and the dependent variable (organizational performance).

This study represents the analysis of the data and the results of the study are discussed. Hypothesis was tested against correlation using Pearson co relational and through regression analysis.

4.3.1: Influence of Employee employees' turnover on organizational performance

The correlation between employees' turnover on organizational performance was calculated using Pearson's Correlation as shown in the table 4.2below:

Table 4.2: Correlation between employees' turnover on organizational performance

		Employees' turnover	Organizational performance
Employees' turnover	Pearson Correlation	1	.384**
	Sig. (2-tailed)		.000
	N	**300**	**300**

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

The correlation between employees' turnover on organizational performance is 0.384. This means there is a weak positive association between employees' turnover on organizational performance.

4.3.2: The Relationship between employee turnover and organizational performance

Regression analysis was done to determine the relationship between employee's turnover, and organizational performance. The results are as presented on the table 4.3 below.

Table 4.3: Regression analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.867[a]	.752	.666	1.080

Predictors: (Constant), employees' turnover

4.3.3 Dependent Variable: organizational performance

The coefficient of determination (Adjusted R^2) indicates the strength of the variables selected. When we have low R^2, it can be inferred that these predictor variables do not influence the dependent variable. The coefficient of determination (Adjusted R^2) statistic of 0.666 indicates that the selected predictor variables (Employee employee job satisfaction, employee's turnover, employee's productivity, and employee relations) account for 66.6 % of the variation in the organizational performance. This means that the selected predictor variables are significant in determination of the dependent variable (organizational performance). However, there are still other variables that influence organizational performance that are not captured in this particular model that account for the remaining 33.4% in variation of the organizational performance.

Table 4.4: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	207.623	4	51.541	19.245	.000[a]
	Residual	550.807	172	3.202		
	Total	758.430	176			

Predictors: (Constant), employees' turnover
Dependent Variable: Organizational performance

The above ANOVA table assesses the overall significance of the model. The overall model is significant because the significant value is 0.000 which is less than 0.05 at 95% confidence interval. We therefore fail to reject the model generated for determining organizational performance using employee job satisfaction, employees' turnover, employees' productivity, employee relations. It thus means that employee job satisfaction, employees' turnover, employee's productivity, employee relations are critical in influencing organizational performance at Teacher Service Commission. Hence, the model construct is validated.

Table 4.5: Regression Coefficients for the Variables using Organizational Performance

	Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B	
Model	B	Std. Error	Beta	T	Sig.	Lower Bound	Upper Bound
(Constant)	-.162	.044		-3.638	.000	-.162	.044
Employees' turnover	.000	.016	.000	.021	.983	.000	.016

Dependent Variable: organizational performance

The model generated from the study is Employee turnover was found not to be significant as its Beta Coefficient is 0.000 (p = 0.9333). Thus employee turnover have no effect on organizational performance. The results agree with those from descriptive analysis which show that employee turnover have a weak positive correlation with organizational performance.

4.4. Hypotheses Test Results

The hypothesis H_{02} stated; employee's turnover does not have a significant effect on organizational performance in TSC. The P-value for employee turnover is 0.983, hence we fail to reject the null hypothesis since the calculated P-value is more than 0.05; therefore, we conclude that employee turnover is insignificant towards influencing organizational performance. The B value of employee turnover is 0.000 that is it has insignificant influences on organizational performance in TSC.

5.0 Conclusion and Recommendation

Organizational performance relates to how successfully an organized group of people with a particular purpose perform a function to achieve great results measured in terms of the value delivered to customers. Results on influence of reward on employee retention, the respondents were asked to indicate the level of agreeableness for employee reward the findings indicated that majority of the respondents disagreed to the statement that employees work life balance is well enhanced and exit interviews are not frequently conducted in the organizations. The respondents felt that the organizational culture does not accommodate employee diversity and that the employee are not recognized and rewarded well by the organization this increases level of dissatisfaction hence increase turnover rate in the organization.

The hypothesis H_{02} stated; employees' turnover does not have a significant effect on organizational performance in TSC. The P-value for employee turnover is 0.983; hence fail to reject the null hypothesis since the calculated P-value is more than 0.05.Therefore, employee turnover is insignificant towards influencing organizational performance. The P-value of employee turnover is 0.00 that is it has insignificant influences on organizational performance.

The study suggested the following recommendations as a measure of improving organizational performance in Teachers service commission, Kenya. Conducive working environment should be provided and proper working conditions should be provided to all employees. The organization management should offer competitive remuneration packages in order to encourage employees not to leave the organization on basis of remuneration, employees work life balance should be well enhanced, and exit interviews should be frequently conducted.

The management should also improve on organizational values and policies in order to implement organizational culture that accommodates employee diversity. TSC management should adopt effective employees' relations strategy through application of effective communication channel. The organization management should implement effective organizational structure to ensure that there is effective communication and timely feedback, effective conflict management procedures should be adopted to ensure that there is proper grievance and disciplinary procedures and conflicts are resolved and managed effectively. Team management should be employed to ensure that teamwork and team spirit is enhanced by all employees throughout the organization.

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