

Effect of Compensation on Performance of Public Secondary School Teachers in Eldoret Municipality Kenya

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Abstract- The study sought to examine the effect of compensation on performance of public secondary school teachers in Eldoret Municipality Uasin Gishu County,Kenya.Teachers in Kenya have always portrayed lack of devotion in their work places. This is evident in their instability in the teaching profession and low morale in performing their teaching tasks and hence unsatisfactory performance. Poor remuneration has often been given as a cause of low morale among teachers thus leading to numerous strikes. The problem of inadequate compensation makes the teachers dissatisfied, thus leaving the profession to other well or better paying jobs. The study was carried out among public secondary school teachers in Eldoret municipality; Uasin Gishu County. The study adopted descriptive survey design. Simple random sampling was used to select the teachers and purposive sampling to select the head teachers. The sample population comprising of 114 teachers and 14 head teachers, was selected for the study. Questionnaires and interview schedule were used to collect data.91 out of 114 questionnaires were returned for the teachers and 11 out of 14 questionnaires for the head teachers were returned. Data collected was then coded, analyzed and presented by use of descriptive statistics such as frequency tables, percentages, mean graphs and pie-charts. Based on the findings the study concluded that fair compensation has an effect on public secondary school teachers' performance this is because the compensation policy in place demoralizes the teachers, does not enhance task performance and negatively affects the productivity of the teachers in the schools.

Index Terms- Compensation; performance, intrinsic rewards and extrinsic rewards

I. INTRODUCTION

Compensation is often regarded as direct and indirect monetary and non-monetary rewards given to employees on the basis of the value of the job, their personal contributions, and performance. It is one of the physical needs that influence motivation which in turn affects the employee performance. The objectives of any good compensation are to attract, motivate and retain good people for the attainment of organisational goals. Compensation should therefore be acknowledged as a major factor affecting employee performance.

II. RESEARCH ELABORATIONS

Dessler, (2005) defines compensation as all forms of payments or rewards given to employees which arise from employment. Compensation is one of the basic reasons for employees to seek employment. Employees are compensated for their services and efforts they exert in their work. Harrison & Liska, (2008) in their study affirm that reward is the centre pieces of the employment contract-after all it is the main reason why people work. This includes all types of rewards, both intrinsic and extrinsic, that are received as a result of employment by the employee. Intrinsic rewards include rewards within the job such as responsibility, autonomy appreciation from the boss and feelings of accomplishment among others. Extrinsic rewards are tangible rewards like pay bonuses and fringe benefits.

Currently both developed and developing countries are experiencing shortage of qualified teachers in certain subjects or schools. at the same time, evidence has emerged that clearly identifies the teacher as one of the single most important factors in a student's learning (Hanushek 1992, sanders & Rivers 1996; and Rivkin et al 2001).Robbins (2001) stated that when employees feel their efforts are appreciated and the company introduced a system of fair compensation and satisfaction, the company will have optimized motivation and hence increased employee performance.

Effective teachers are critical to high student achievement. To do these teachers need to be adequately compensated. First to note is that qualified teachers are in short supply in some places and in specific subjects. Secondly, teaching appears to be a less popular professional choice for young people. In most countries teaching is less respected than it once was, and yet teachers' roles have become more complex as student populations have become more diverse and expectations for their achievement have risen. teachers are required to be responsible for both academic and socio emotional development of Students and remain up to date with emerging knowledge in their subjects and field (OECD 2005).as a result teacher education programs are attracting students for whom the profession is not their first choice or whose academic backgrounds are weaker. Given these conditions, some countries have implemented a variety of compensation and incentive programs aimed at improving teacher performance. These programs include individualized salaries, incentive for teachers in hardship areas and incentives based on student performance in national examinations.

Compensation has a great influence in the recruitment of employees, motivation; productivity and employee turnover (Benardin&Russel, 1993).The level and the strategic role of compensation should be of concern because the level of compensation will determine the lifestyle, self esteem and the value of the company. However providing appropriate compensation that is fair and adequate to meet the requirements of a good compensation package is the most difficult to implement by most organizations.

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. Bates & Holton (1995) defines performance as a multi-dimensional construct, the measurement of which varies, depending on a variety of factors. They add that it is important to determine whether the measured objective is to asses performance outcomes or behaviour.

The study survey results in 1996 conducted by Mclean and Tanner (Hays, 1999) revealed that 70% of CEOs (chief executive officer) and 58% of human resource managers said that the company can implement compensation programs to improve performance of employees. Patton (1999) states that 'if you heard that money does not provide the motivation to do better or if the compensation in the form of money was ranked low, it is the result of a disability survey". In addition, he said that it is funny if a person is not motivated to excel by money.

In the study conducted by Probst & Brubaker, (2001) it indicated that the difference between job satisfaction and dissatisfaction lies in the employees and the amount and type of rewards that the employee expects .employees expect that their contribution and efforts should be valued and given importance in the same way they value their job and work towards accomplishing the tasks assigned. Prasetya and Kato (2011) their analysis revealed that there are significant influences from both financial and non financial on the employee performance.

III. METHODOLOGY

The study targeted public secondary school teachers employed by the teachers service commission (TSC) within Eldoret municipality in Uasin Gishu county. The population in this study was 14 secondary schools, 160 teachers and 14 head teachers from Eldoret municipality. The cross-sectional descriptive survey approach was adopted. A survey, according to Kothari, (2008), is a method of securing information concerning an existing phenomenon from all or selected number of respondents of the concerned universe.

Simple random sampling technique was used to select the public secondary and teachers. 114 teachers were randomly sampled (cochran's formula) from a target population of 160 teachers. It ensured that conclusion from the study can be generalized to the entire population (Mugenda & Mugenda 1999). Purposive sampling was used to sample the head teachers.

This is because purposive sampling is characterized by the use of judgment and a deliberate effort to obtain a representative sample by including presumably typical areas of the group in the sample. Data were collected by use of questionnaires and interviews. Questionnaires were used because they are convenient tools where there are a large number of respondents to be handled. Questionnaires were distributed to all the teacher respondents with the intention of obtaining the primary data. The data was collected from the head teachers using interviews. The piloting of the questionnaire was carried out in the 2 schools outside the municipality to establish the reliability of the research instrument. The data obtained were tallied, organized, and its frequencies and percentages calculated and presented in form of tables. This was done by use of descriptive statistics.

IV. FINDINGS AND DISCUSSIONS

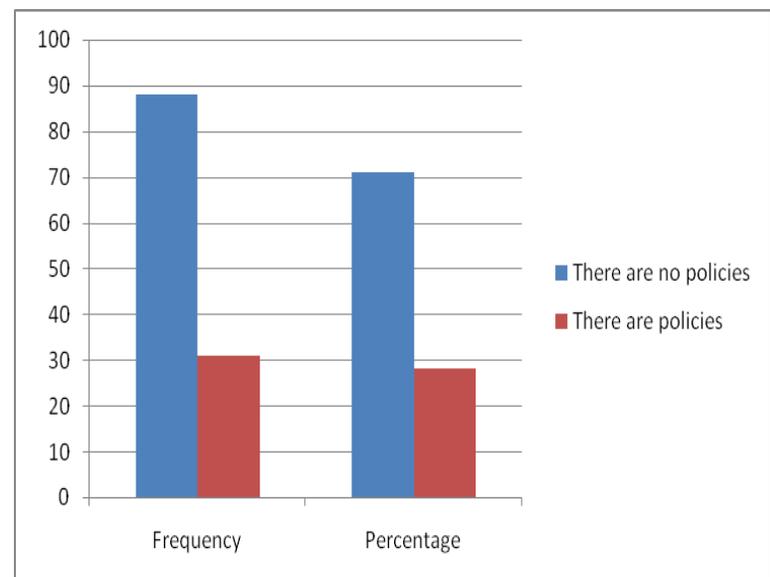


Figure 1: Teachers compensation Policies

Source: Survey Data (2011)

Majority of the teachers in public secondary schools were uncomfortable with the compensation policies in place. This was evident by 81 or 88.5% of the respondents who indicated that they were not comfortable or 15 or 16.66% who were happy with the compensation policies. On the same note for those who indicated that they were not happy with the policies 73 or 80% did said that the package was too small or minimal to meet their basic needs.18 or 20% stated that the compensation was much lower than what other employees in the private sector or in the public service were taking home.

Head Teachers' Response On Compensation

Majority of the head teacher's respondent that is 10 or 95% either disagreed or strongly disagreed with the statement that teachers were adequately compensated. The average salary received was not appropriate with their educational qualifications. It is way below teachers' expectations.

The teachers’ compensation package

Descriptive statistical analysis was conducted to analyze the percentage distribution of the respondents’ answers to the questionnaires distributed. The items on the questionnaire included: basic pay, allowances, overtime, mode of payment, staff loans, review of basic pay and allowances.

Table.1.Responses on teachers compensation package

Scale Factors	Very Satisfied	Fairly Satisfied	Dissatisfied	Very Dissatisfied
Basic Pay	0%	0%	58.31%	41.69%
Allowances	0%	0%	100%	0%
Overtime	0%	0%	0%	0%
Mode Of Payment	0%	77%	23%	0%
Staff Loans	0%		19.2%	80.8%
Review Of Basic Pay And Allowances	0%	30%	70%	0%

Source :Processed Primary Data (2011)

Based on the findings the results the teachers’ compensation package was not satisfactory. Majority of the teachers were either dissatisfied or very dissatisfied as per the findings which were presented by 53 respondents or 58.31% and 38 or 41.69% respectively with their basic pay. This means that the basic pay provided by the Teachers Service Commission (TSC) was not sufficient enough to meet the needs of the teachers and is not what the teachers expected.

On Allowances provided by the teachers service commission (TSC); the entire sampled figure of 91 or 100% of the teachers indicated that they were dissatisfied with allowances provided by the TSC. Meaning that the allowances provided were not appropriate.

Overtime; none of the respondents responded to this question. It can be concluded that since the teachers were not receiving any overtime they did not see the need to respond to this question.

Mode of payment; majority of the teachers were satisfied with the mode of payment. this was arrived at from the findings where 70 or 77% stated that they were either very satisfied or satisfied with the current arrangement of payment. Only 21 teachers or 23% stated that they were dissatisfied.

Staff loans; majority of the teachers, 74 or 80.8% were very dissatisfied with the of provision for staff loans. The rest that is 17 or 19.2% were dissatisfied.

Compensation systems and its effect on performance

The study wanted to find out whether the reward system affected teachers’ level of performance. the responses were as indicated in table below:

Table 2: Compensation System and Performance

Response	Frequency	Percentage	Mean
Strongly	48	53.0%	53.0

Disagree			
Fairly Agree	20	22.1%	22.1
Disagree	10	10.7%	10.7
Strong Agree	8	8.4%	8.4
Agree	5	5.8%	5.8

Source: Processed Primary data (2011)

From the findings in, only 8 or 8.4% strongly agree that the reward system was motivating employees. 5 or 5.8% agreed, while 20 or 22.1 % fairly agreed. Some 10 or 10.7% disagreed and 48 or 53% strongly disagreed. This implied that the teachers were not satisfied with the compensation system in place by the teachers service commission TSC.

Intrinsic rewards

The intrinsic rewards are intangible and none financial and play a significant role in motivating employees, the teachers made the following responses in relation to intrinsic rewards.

Table 3: Responses on intrinsic rewards

Intrinsic Response	Frequency	Percentage	Mean
No Response	43	47.5%	47.5
Recognition	17	18.3%	18.3
Status Symbols And Praise	16	17.5%	17.5
Promotion	15	16.7%	16.7

Source: Processed Primary data (2011)

15 or 16.7%.of the teachers indicated that the employer applied promotion as an intrinsic reward, 17 or 18.3% noted that recognition was the intrinsic reward used by the employer, status symbols and praise intrinsic rewards are also applied by the school as indicated by 16 or 17.5% of the teacher. Conspicuously 43 or 47.5% of the teachers did not respond to the question. This implied that intrinsic rewards were missing in those schools.

V. CONCLUSIONS AND RECOMMENDATIONS

The descriptive statistical analysis on the questionnaire and interview answers from public secondary school teachers in Eldoret municipality Uasin Gishu county on the compensation package provided by the Teachers Service Commission indicated that the compensation provided by the TSC was overall “ not satisfactory”. as many of the teachers were uncomfortable with the compensation package and policies in place.

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