

**INFLUENCE OF COMPENSATION AND BENEFITS ON  
PERFORMANCE OF EMPLOYEES IN THE COUNTY  
GOVERNMENT OF NAKURU, KENYA.**

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**DECLARATION AND APPROVAL**

**Declaration by the Student**

This research project is my original work and has never been presented to any other institution or university for academic or other purpose.

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### DEDICATION

To my beloved spouse Mr. Fredrick Misewe and Children Tessy, Joan, Alexia, Eileen and Favour for their encouragement and financial support.



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**LIST OF ABBREVIATIONS AND ACRONYMS**

<b>DSOs</b>	Distribution Systems Operators
<b>ICT</b>	Information and Communications Technology
<b>HR</b>	Human Resource
<b>HRM</b>	Human Resource Management
<b>NACOSTI</b>	National Council for Science and Technology
<b>NWC &amp; PC</b>	National Water Conservation and Pipeline Corporation
<b>SDGs</b>	Sustainable Development Goals
<b>SEE</b>	Standard Error Estimate
<b>SPSS</b>	Statistical Package for the Social Sciences
<b>SRC</b>	Salaries and Remuneration Commission

### **ABSTRACT**

In the present organizational environment, a well-structured compensation and benefits system is recognized as a key driver of employee performance and institutional growth. This study examined the influence of compensation packages and benefits on the productivity of employees in the County Government of Nakuru. The objectives were to determine the effects of incentives, remuneration harmonization, equity and fairness in compensation, and remuneration reviews on employee performance. A cross-sectional survey design was used, and data were collected from 350 respondents using questionnaires, interviews, document analysis, and observation. Stratified and random sampling techniques ensured representative selection across various departments. Data were analyzed using SPSS, with inferential statistics including correlation and regression analysis. The results revealed a strong positive correlation between the independent variables and employee performance, as indicated by an R value of 0.944 and an  $R^2$  of 0.891, suggesting that 89.1% of the variation in employee performance is explained by the studied compensation factors. Each variable was statistically significant, with p-values less than 0.05: employee incentives ( $\beta = 0.287$ ), remuneration harmonization ( $\beta = 0.221$ ), equity and fairness in compensation ( $\beta = 0.266$ ), and remuneration review ( $\beta = 0.319$ ). These findings highlight the need for public sector management to prioritize equitable compensation practices, implement structured remuneration reviews, and develop inclusive, performance-driven incentive programs. The study recommends the development of comprehensive and participatory incentive schemes that align with employee expectations and motivations, ensuring relevance, fairness, and enhanced organizational outcomes.



## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the Study

In the current work condition, an exemplary framework for compensation and benefits in the organizations has been found to be one of the most effective and efficient policy that continue to spur performance and subsequent growth. Compensation and benefits cover all the remuneration, a staff obtains from an employer for the services rendered in running the organization (Sowjanya & Raju, 2021). In other words, it is the aggregate that sum up all kinds of advances and rewards that employers give to workers for their services in effort to meet objectives of the organization. Putting compensation and benefits model in place involves five phases of designing, developing, implementing, communicating and evaluating reward policies and approaches of the organization (Suri, 2016). Compensation and benefits framework plays a very fundamental role in entities that desire to follow their vision and mission and achieve attached objectives and goals. This is an important human resources practice that has proven to be the most powerful among other practices since it sets organizations apart due to its ability to attract the best talent in the market necessary for improving performance. Consequently, there is need to efficiently manage employees to ensure continuous improvement and enhanced productivity.

The process of coming up with a compensation structure characterized with fairness and adequacy elements from the employees perspective is a significant role for human resource department. The implementation of the role is very challenging and requires pragmatic approach. Therefore, this calls for organization to incorporate designing of compensation structure in its strategic processes (Mytty, 2016). Compensation structure plays a fundamental role in organizational recruitment processes of the talents, the motivational aspects, the productivity levels, the employee turnover rates (Som, 2023). As a result, the human resources

department should take the matter of compensating talents with a lot caution to ensure they retain the most valuable resources in the organization and eliminate the issues of industrial actions that interfere with seamless operations and performances. Human resources are the most delicate but resourceful factor to the organization hence requires effective and efficient management for the entity to attain its goals (Armstrong & Murlis, 2017). Most findings show that compensation factor has not been attended to in appropriate manner in the corporate world, resulting into numerous industrial actions emanating from the very talents that should stir the productivity. Fulmer, Gerhart & Kim (2023) pointed out that enterprises that are ineffective in managing compensation do not attain their goals as result of restless team.

According to Nandhini & Vimala (2020) one essential job tasks for human resource management (HRM) is the compensating of the workers for the services rendered that keep the organization running. The terms such as payments, rewards advantage obtained and opportunity to serve are synoymys for compensation in human resource management context. For that matter, for organization to retain key executives who can steer it towards coveted growth and prosperity, all these parameters must come out in daily activities (Koontz, 2020). Lack of fully developed incentive program may make organizations fail in realizing their full potentials especially in terms of growth since unmotivated employees rarely deliver as per the expectation (Austin, Stevenson and Wei-Skillern, 2014). Even though the term compensation is substituted with money in the business dealings, Buckingham and Coffman ( 2014) argued that most executives have a view that it is more than just good paycheck for their satisfaction in the organization.

Compensation and benefits strategy of an organization sets the platform for attracting and retaining highly productive workforce. The employer looks for an outstanding performance from employees and employees expects fair compensation and benefits in return for the sacrifices they make for the company. It is important for an entity to understand various facets of compensation and benefits framework, which act as power source for activating employees'

inner desire to perform effectively towards the set objectives. As depicted in Maslow hierarchy of needs, compensation and benefits has a very important impact in motivating workers offering excellent services for improved organization productivity depending on needs it address whether for survival, security or status. A research conducted by Mayson and Barret (2016) revealed that organizational productivity and expansion is related to its capacity for attracting, motivating and retaining top talents by giving them a very competitive compensation and benefits.

Notably, performance-based compensation is a powerful tool for driving employee productivity, accountability, and performance differentiation. By linking compensation to performance, organizations can create a culture of continuous improvement and foster a workforce that is focused on achieving the organization's strategic objectives (Samnani and Singh, 2014). Employees are the most valuable assets that any entity can possess. It is their responsibility to ensure efficient management and execution of the operational processes that drive business success. To ensure that employees become valuable assets, organizations must invest in their workforce by ensuring a healthy work atmosphere, providing a platform for employees growth and personal development, and creating a culture of collaboration and teamwork. By nurturing their teams, companies will be able to benefit from their full potential and realize medium and long-term goals (Woodruffe, 2016).

Several studies have found that a significant relationship exist compensation and productivity of employess as well as that of organization (Katou and Budhwar, 2016; Giorgio and Arman, 2018; Chang and Chen, 2014; Shin-Rong and Chin-Wei, 2015; Tessema and Soeter, 2016). For example, Mayson and Barret (2016) findings showed that organization's ability in attracting, motivating and retaining workers through competitive packages and beneficial rewards have greater impact on the organizational productivity and growth. On the same line of study variables, study by Ine's and Pedro's (2021) shows the significant impacts of compensation framework on the performance of salespeople and overall sales of the organization. The

findings revealed that by developing a compensation framework, which is performance-based that has features of fairness and competitiveness and is aligned with the objectives of the entity can result into improved overall sales performance leading to a competitive advantage especially in present day competitive business operating environment.

Setyadi and Subekti (2016) carried out a research in Indonesia to explore the implications of pay packages on employee productivity. The study suggest that financial compensation may not be the main cause for improved worker performance. By investing in high-quality training programs that are relevant to employee needs and creating an environment of learning, companies can reap the benefits of improved performance, reduced errors, increased innovation, and enhanced employee satisfaction (Niode, 2015). Similarly, Ali and Akram (2017) examined the effect of financial payments on the model for motivating and satisfying employees in the pharmaceutical sector of Pakistan. By ensuring fair compensation and attractive benefits, companies can create a team of talents that is engaged, productive, and committed to the company's success. Employers who prioritize competitive compensation packages can boost employee morale, drive performance, and foster a positive work environment.

In the global business environment, employee performance has increasingly become a critical determinant of organizational success, with compensation and benefits emerging as a major influence on workforce motivation, retention, and productivity. Across diverse economies, organizations are recognizing that a well-structured compensation and benefits framework not only serves as a basic exchange for labor rendered but also operates as a strategic tool for aligning employee efforts with corporate objectives. Studies have shown that effective remuneration systems encompassing both financial incentives and non-financial rewards can significantly enhance job satisfaction, reduce turnover, and cultivate a culture of high performance (Fulmer, Gerhart & Kim, 2023; Samnani and Singh, 2014). As organizations

worldwide face increased competition and rapid shifts in workforce expectations, strategic human resource practices have become indispensable in attracting and retaining top talent.

Regionally, developing economies in Africa are experiencing a surge in demand for competent public servants to support national development agendas and service delivery. However, one of the persistent challenges has been the inability of government entities to implement robust compensation strategies that address the multifaceted needs of employees. In countries like Kenya, public sector organizations particularly county governments have been grappling with issues such as low motivation, frequent industrial unrest, and high turnover, often attributed to unsatisfactory compensation models (Mwangi et al., 2017; Njoroge & Kwasira, 2015). The devolution of governance in Kenya, which granted counties like Nakuru increased autonomy, has underscored the need for these local entities to establish effective human resource systems that can support the delivery of essential services. Against this backdrop, this study seeks to examine the influence of compensation and benefits on employee performance within the County Government of Nakuru. The aim is to understand how a well-formulated remuneration framework can contribute to enhanced service delivery, employee engagement, and organizational efficiency at the county level.

In the developing economies, the emerging challenges of providing a competitive compensation landscape have created a need for a modern paradigm of HR functions for attracting and retaining talent. By adopting these practices, HR practitioners can help their organizations remain competitive, build a strong talent pipeline, and ensure organizational sustainability. As the business landscape is evolving, it is important for HR practitioners to stay agile and adapt their strategies to meet the shifting needs of the talents (Noe, et al., 2020). Many organizations fail to recognize the paramount importance of establishing effective remuneration frameworks to attract, retain, and motivate top talent. A competitive remuneration system is essential for ensuring organizational performance and driving economic growth. However, the absence of a coherent framework for remunerating staff

hinders organizations from achieving their full potential. The findings and the conclusions in the study conducted by Mwangi, Njenga, Chepkilot & Koima, (2017) by addressing these issues, organizations can enhance job satisfaction, improve employee morale, and ultimately increase organizational effectiveness. The recommendations of authors in the field of compensation management provide valuable guidance in this regard, emphasizing the need for fairness, objectivity, transparency, and communication. It is against this background that this research focuses on the impact of compensation and benefits on productivity of workers of the county government of Nakuru, Kenya.

Other set studies have been conducted in the Kenyan context. For instance almost a similar study was done by Njoroge and Kwasira (2015) where they analyze the effect of pay framework and reward system on productivity of workers in Nakuru County government. The outcome showed compensation framework in place has influence on the workers' productivity. Nevertheless, this particular study was too general and did not the variables that this study aims to look at as specified in the study objectives. Additionally, the study recommendation indicated that other studies should focus on other non-monetary compensation parameters and this will be tackled by the current study. The findings of Nyaroo and Wekesa (2015) highlight the importance of compensation in motivating teachers of Eldoret secondary schools in the public sector. The positive nature of association between compensation and performance hints that teachers who are well-compensated are highly motivated thus resulting into high commitment to the duties assigned. In turn, this results into better performance in the classroom and improved student outcomes. The aforementioned study has different view from the present one because it focused more on secondary schools yet this one is concentrating on one of the county governments of Kenya.

### **1.1.1 Compensation and Benefits**

Compensation is a multifaceted concept that encompasses both financial and non-financial rewards. By carefully designing and implementing a reward program that meets the expectations of employees and aligns with organizational goals, businesses can lead to a competitive edge in the market and drive success. Effective compensation programs integrate both direct and indirect forms of compensation to create a package that aligns with the organization's strategic goals (Odunlade, 2015). According to Cascio (2016), compensation is a crucial parameter of HRM that involves the provision of rewards to employees in exchange for their services. It plays a significant role to attract, retain, and motivate a skilled workforce. Non-financial compensation is any reward or benefit that a worker holds no intrinsic value in terms of money. An organization may find creative ways of compensating their employees non- financially through giving development opportunities by paying for their education or certification, developmental classes, providing free meals, celebrating employee's achievements on monthly newsletters and flexible work schedules that allow employees to work from home.

Creating a successful compensation and incentive package requires a holistic approach that considers multiple factors. By aligning the package with organizational strategy, ensuring clear communication, involving employees, defining compensation plans, fulfilling promises, and monitoring its impact on employee behavior, organizations can create a system that supports their overall business goals and fosters a positive and productive work environment. A comprehensive and effective compensation and incentive framework is significant in terms of attraction, retention, and motivation of employees. It plays a pivotal role in fostering employee engagement, productivity, and overall organizational success. A successful compensation package should be closely aligned to entity's vision, strategies, culture, and business models. It should support the entity's long-term goals by rewarding behaviors and outcomes that contribute to the achievement of these goals

### **1.1.2 Organization Performance**

Organizational productivity depends on employee performance, and a well-designed compensation system can be very essential in motivating employees and driving them towards achieving organizational objectives. By selecting performance measures that are in line with the entity's goals and within the employee's control, organizations can create a system that encourages employees to work harder and achieve higher levels of productivity. Ultimately, a strong focus on compensation can result into a more engaged, motivated, and productive workforce, which is a necessity for the long-term success of any unit. According to Baker (2014) if a choice is to be made between private information of employee against that of employer, then the employer will have to depend on different models of measuring productivity in estimating the effort from employee. Models for measuring productivity are chosen within two criteria: First, aligning with company's goal and, second is how to control the employee behavior within the policies of the company.

The study conducted by Shin-Rong and Chin-Wei (2015) provides compelling evidence of the significant association between compensation and employee productivity. By recognizing and leveraging this relationship, organizations can develop more effective compensation strategies that drive employee motivation, satisfaction, and performance. As businesses continue to navigate the complex landscape of the modern workplace, understanding the intricate relationship between compensation and performance will be crucial for achieving long-term success and growth. Mayson and Barret's (2016) study highlights the critical role that employee attraction, motivation, and retention play in determining a firm's performance and growth. By putting on the table competitive salaries and adequate rewards, units are in vantage point of attracting and retaining top talent, thus resulting to improved productivity, innovation, and customer satisfaction. As such, organizations should prioritize employee attraction, motivation, and retention strategies to achieve long-term success and growth.

Employee performance is a critical determinant of organizational success. Compensation system that is performance based is a common practice of human resources department in evaluation and rewarding of employees. By implementing effective performance-based compensation strategies, organizations can attract, motivate, and retain top performers, ultimately driving organizational growth and competitiveness. However, organizations must carefully consider the challenges and best practices associated with performance-based compensation to ensure its effectiveness and fairness. Performance-based reward system is a widely adopted practice of human resource management that aligns employee rewards with their contributions. By creating a link between compensation and performance metrics, organizations incentivize talents to excel and achieve organizational goals. Recognizing the importance of employee performance, organizations must implement strategic compensation and benefits strategies to attract, motivate, and retain top performers (Cho et al., 2015).

## **1.2 Statement of the Problem**

Employee dissatisfaction with compensation and benefits remains a global issue, significantly affecting motivation, productivity, and retention. In Kenya, this problem is acute within county governments, where inefficient reward systems have sparked concern. Although county governments account for just 15% of public sector employees, they experienced the highest employment growth between July 2020 and June 2021 (SRC, 2021). However, this growth has not been supported by equitable and competitive compensation structures, resulting in rising dissatisfaction among employees.

A notable example occurred in December 2016, when doctors across multiple counties held a 100-day strike to demand fair compensation, better working conditions, and adequate staffing. The strike severely disrupted healthcare services and highlighted systemic issues in managing public sector compensation. While the Salaries and Remuneration Commission (SRC) has

introduced policies to standardize pay, trade unions argue that these reforms diminish performance and limit county autonomy in attracting and retaining skilled workers.

Research shows compensation directly influences employee performance, as evidenced by studies in Nigeria linking performance-based bonuses and fair remuneration to higher productivity. However, these findings may not fully translate to Kenya's devolved governance context. Despite being a major employer, the County Government of Nakuru lacks a documented and assessed compensation strategy. This study aims to examine how incentives, fairness, remuneration harmonization, and review mechanisms affect employee performance in Nakuru County. The results will provide evidence-based insights to guide policy reforms and enhance service delivery within Kenya's devolved units.

### **1.3 Purpose of the Study**

The general objective of this study was to analyze influence of compensation and benefits on organization performance of employees of County Government of Nakuru, Kenya.

### **1.4 Objectives of the Study**

- i. To determine the effects of incentives on employees' performance in County Government of Nakuru.
- ii. To establish the effects of remuneration harmonization on employees' performance in the County Government of Nakuru
- iii. To evaluate the effects of equity and fairness in compensation on the performance of employees in the County Government of Nakuru
- iv. To analyze the effects of remuneration review on the performance of employees' in the County Government of Nakuru

### **1.5 Research Questions**

- i. What are the effects of incentives on the employees' performance of employees in the County Government of Nakuru?
- ii. What are the effects of remuneration harmonization on the

employees' performance in the County Government of Nakuru? iii. What are the effects of equity and fairness on the performance of employees in the

County Government of Nakuru? iv. What are the effects of remuneration review on the performance of employees in the

County Government of Nakuru?

### **1.6 Significance of the study**

The recognition of diverse compensation systems by policymakers in county governments is crucial for fostering a fair and equitable work environment. Emphasizing remuneration harmonization and a regular salary review cycle can significantly enhance the productivity of public sector workers. By scrutinizing existing compensation frameworks, policymakers can identify disparities and implement changes that not only align salaries with the complexities of roles but also support a culture of fairness and equity. Such attention to compensation issues not only elevates worker morale but also promotes an atmosphere conducive to maximizing public service efficiency.

The findings of this research equipped workers with a comprehensive understanding of both current and emerging trends in compensation and benefits within county governments. This knowledge is vital as it sets clearer expectations for employees regarding their remuneration and informs them of their rights, thereby reducing the potential for conflicts that may lead to industrial actions. Ultimately, when employees are aware of their compensation rights and the rationale behind salary structures, they are likely to engage more constructively with their employers, which in turn enhances overall organizational performance.

Furthermore, this study serves as a valuable resource for future researchers and scholars by providing a wealth of empirical literature focused on compensation practices in county governments. The insights gained from this work not only enriched academic discourse but also highlighted potential research gaps that require further exploration. As scholars probe these

gaps, they can contribute innovative solutions and ideas that can further refine compensation systems, ensuring they remain relevant and effective in meeting the needs of both workers and the public at large.

### **1.7 Scope of the study**

The research focused on analyzing the compensation and benefits framework and its influence on organizational productivity in Nakuru County. This comprehensive study aimed to explore various types of compensation and benefits offered by organizations within the region, highlighting how these elements contribute to overall employee satisfaction and organizational effectiveness. By examining the range of benefits available, including healthcare, retirement plans, bonuses, and flexible working arrangements, the study sought to identify which options resonate most effectively with employees and how these influences impact their productivity levels. Conducted between October 2023 and October 2024, the research was designed to cover its objectives thoroughly. It involved gathering qualitative and quantitative data through surveys, interviews, and case studies involving employees and management across different sectors in Nakuru County. A crucial focus was placed on assessing employee satisfaction regarding the compensation and benefits framework currently in place, as this satisfaction is closely linked to their engagement and productivity. The analysis aimed to uncover correlations between robust compensation structures, employee morale, and organizational performance metrics, thereby revealing valuable insights for businesses looking to enhance their operational effectiveness.

### **1.8 Limitation of the Study**

The study encountered several limitations that impacted the overall quality and comprehensiveness of the research findings. One significant challenge was the unwillingness of some participants to provide adequate information. This reluctance hindered the researcher's ability to gather comprehensive data, ultimately affecting the conclusions drawn and the quality of the recommendations made. Participants sometimes withheld crucial insights, either due to

privacy concerns or a lack of understanding of the study's objectives. This gap in information not only compromised the depth of the analysis but also limited the researcher's capacity to identify trends and develop actionable insights.

In addition to participant willingness, the study was constrained by time and financial resources. The researcher faced inadequate time to adequately cover the target population, which is vital for ensuring a representative sample. Limited time restricted the researcher's ability to engage thoroughly with participants and explore the nuances of the data collected. Financial constraints further exacerbated these challenges, as the budget did not allow for necessary expenses such as conducting a pilot study, purchasing stationery, printing materials, or covering travel and accommodations where required. These limitations underscored the need for better planning and resource allocation in future studies to enhance data collection and ensure the reliability of the findings.

### **1.9 Delimitations of the Study**

The objective of this study was to conduct a comprehensive analysis of how compensation and benefits influence the overall performance of Nakuru County. To achieve this, the research focused on eleven distinct sub-counties within Nakuru, namely Gilgil, Nakuru Town West, Kuresoi South, Kuresoi North, Molo, Naivasha, Bahati, Nakuru Town East, Subukia, Njoro, and Rongai. This approach allows for a geographically diverse and representative sample of respondents, thereby enhancing the validity of the findings. The study encompasses various groups within Nakuru County, including the political class, technocrats, and other employees who were actively engaged in their roles at the time of the research. By examining the relationship between compensation structures, benefits packages, and employee performance across these varied sectors, the study aimed to draw meaningful insights that could inform future policy-making and management strategies in Nakuru County.

Furthermore, the employment landscape in Nakuru County is diverse, with each sub-county presenting unique challenges and opportunities that may impact employee performance in different ways. By including a broad range of respondents, the study sought to understand how varying levels of compensation and benefits correlate with motivation, job satisfaction, and overall organizational effectiveness. Political leaders and technocrats play pivotal roles in shaping policy and administrative frameworks, while other employees provide essential services that directly affect the lives of residents. Thus, understanding the relationship between compensation and performance can identify areas for improvement and highlight successful practices that may serve as models for other counties in Kenya. Ultimately, the findings of this research aimed not only to enhance the performance of Nakuru County but also to contribute to the broader discourse on human resource management in the public sector.

#### **1.10 Assumptions of the study**

The assumption that the respondents possess a solid understanding of the compensation and benefits framework in Nakuru County was crucial for ensuring the reliability of the research findings. This foundational belief underpins the ability to gather both adequate and high-quality data, which is essential for drawing meaningful conclusions. When participants are wellinformed about the subject matter, it facilitates a more insightful analysis, ultimately enriching the data collection process. As such, it is anticipated that the insights gained from this study will be both relevant and actionable, contributing to a more robust understanding of the county's compensation strategies.

Additionally, the study operated under the premise that there is effective coordination among all respondents from Nakuru County. This cooperation was vital not only for gathering comprehensive data but also for fostering an environment of sincerity among participants. The willingness of respondents to provide accurate and verifiable information significantly enhances the credibility of the research outcomes. When respondents are committed to truthfulness, the resulting data is more likely to reflect the actual conditions and perspectives

regarding the compensation and benefits framework. Therefore, this dual assumption—about the respondents’ understanding and their willingness to engage truthfully—served as a cornerstone for achieving credible, impactful findings that can inform future policy decisions and strategic initiatives in Nakuru County.

### **1.11 Operational definition of key terms**

**Direct financial compensation:** is the monetary payments that employer make to workers in return for the services rendered.

**Effectiveness-** the ability to be successful and produce the intended results

**Indirect financial compensation:** This includes non-direct rewards broken down into insurance , paid off duty and pensions etc.

**Non-financial Compensation:** is any benefit or reward that employe holds no intrinsic value in monetary nature.

**Organization Performance:** refers to the capacity of an entity to realize its objectives and goals and optimize output.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

The second chapter of this study serves as a critical literature review, laying the foundation for understanding the theoretical and empirical landscape of the research topic. By systematically discussing previous studies, this chapter aims to clarify the conceptual framework and operationalization of variables relevant to the research questions. This review not only connects existing scholarship with the current study but also reduces redundancy in research endeavors by identifying gaps in the literature

#### **2.1 Theoretical Framework**

Kotler and Gary (2005) emphasized the significance of theoretical frameworks in guiding research work. They defined it as a collection of interrelated concepts that provide a foundation for understanding and interpreting the phenomena under study. Consequently, this study will be founded on Equity theory of motivation and expectancy-reinforcement theory. Equity Theory posits that individuals assess their experiences in relation to the inputs and outcomes derived from their efforts, striving for a balance that leads to motivation. On the other hand, Expectancy-Reinforcement Theory emphasizes the cognitive processes involved in decisionmaking, whereby individuals are motivated to act based on their expectations of outcomes and the reinforcement they anticipate receiving. Therefore, the integration of these theories not only strengthens the research foundation but also enhances the relevance and applicability of the findings in addressing real-world challenges.

### **2.1.1 Equity Theory of Motivation**

This was first developed by John Stacey Adams (1963), and is majorly given wide recognition in the studies of organization behavior and management of human resources. It argues that employee motivation is directly linked to their imagination of fairness in the work environment, especially in terms of the rewards and benefits they receive in exchange for their work.

According to Adams, when employees believe that there is equity for their inputs and outcomes are equitable with those of their fellows, there are likelihood they will feel satisfied with their jobs and motivated to do their job in the best way possible. Conversely, if employees perceive that they are being treated unfairly, they may experience dissatisfaction, decreased motivation, and even a desire to leave the organization. Greenberg (1999) postulates that these employee inputs directly influence the organization's outputs, such as productivity, efficiency, and profitability. By optimizing these inputs, organizations can maximize their outputs and achieve their goals. As a result, an organization that invests in employee training and development can expect to see an increase in employee skills and knowledge, leading to improved work quality and efficiency.

In the modern workplace, the perception of fairness and equity is a fundamental factor in worker's satisfaction, motivation, and retention. According to Miner (1980), employees feel inequity whenever there is no balance in the ratio between the skills and rewards when comparison is done with others in the same job grade. Adams(1964) argues that employees perceive fairness in the work condition depending on the ratio of their inputs to their outputs, relative to those around them or in the same level. If an employee feels that their ratio is either higher or lower than their colleagues, they may experience a sense of inequity, leading to dissatisfaction and potential negative outcomes for the organization. The equity theory also underscores the significance of organizational culture in shaping employee perceptions of fairness. A strong, positive culture that values fairness, transparency, and employee well-being can help to mitigate the negative effects of perceived inequity. The application of Equity theory

in this study of employee motivation is particularly relevant. In this context, the theory put forward an idea that there are high chances workers will be motivated and do well if they believe that their inputs will be compensated with better treatment and recognition. This can include factors such as promotions, salary increases, bonuses, and other forms of recognition.

### **2.1.2 Expectancy-reinforcement Theory**

The theory, conceptualized by B.F. Skinner and Vroom (1974), seeks to explain how employees' behavior changes under different circumstances, particularly in relation to motivation. This theory encompasses a suggestion that employees are motivated to do the duties assigned when they believe that their actions will result into expected outcomes. Monetary compensation is a major factor in shaping employee behavior and productivity. Studies have consistently shown that when high performance is accompanied by a monetary reward, employees are more likely to repeat that performance in the future. Conversely, when high productivity is not followed by a monetary compensation, it becomes less likely that the employee will repeat that performance in the future (Sah, 2014). When employees are given challenging targets and workloads, they are expected to put in extra effort and time to achieve them. This can result into increased stress, burnout, and a decrease in work-life balance. While setting high expectations can drive productivity, it is essential for employers to ensure that their employees are not overwhelmed by the workload. Reinforcement theory emphasizes the importance of providing individuals with rewards or consequences that directly follow their actions, thereby influencing their future behavior (Gerhart and Rhyne, 2003).

Vroom's Expectancy Theory has significant implications for individuals and organizations. For individuals, understanding the relationship between rewards and behavior can help them identify the factors that motivate them to perform tasks and achieve goals. By recognizing the importance of expectancy, instrumentality, and valence, individuals can develop strategies to enhance their motivation and improve their performance. For organizations, Vroom's

Expectancy Theory provides a framework for designing effective reward systems and incentive structures. By understanding the factors that influence motivation, organizations can create environments that give encouragement to employees to do their best for tasks assigned. This may involve providing clear performance expectations, offering benefits that are valuable to workers, and making sure that employees perceive their efforts will result into the desired outcomes (Sah, 2014). Therefore, in the workplace, employees' expectations about the relationship between their effort and performance goals can have a profound impact on their motivation. When workers believe that their efforts will lead to the expected output, they are high chances that they will be motivated and engaged in their work. Conversely, when employees see a disconnect between their inputs and performance goals, their motivation may suffer, leading to decreased productivity and job satisfaction. (Hollenbeck et. al. 2017). In conclusion, expectancy-reinforcement theory remains a vital tool for understanding the factors that drive employees to achieve organizational goals.

The integration of Equity Theory and Expectancy-Reinforcement Theory provides a dual approach to examine how employees perceive and respond to compensation and benefits in the County Government of Nakuru. Equity Theory helps explore how fairness, transparency, and harmonization of pay influence motivation and job satisfaction. Expectancy-Reinforcement Theory explains how expectations about reward outcomes and actual reinforcement affect employee performance. Together, these theories offer a comprehensive understanding of how compensation design and implementation can either enhance or hinder public service delivery in a devolved governance system like Nakuru County. These theoretical underpinnings guide the analysis of the study's four key variables: incentives, remuneration harmonization, equity and fairness, and remuneration review.

### **2.3 Empirical Literature Review**

In this section, the study outlined the research objectives and provide a detailed discussion of each, aimed at solving the overarching research questions centered on the impact of

compensation management practices on employee performance. The study examined three primary areas: salary structures, benefits and incentives, and employee recognition. Each area addresses specific objectives that collectively contribute to understanding the relationship among the study variables.

### **2.3.1 Employees Incentives and Organization Performance**

Shtembari (2022) carried out a study aimed at comparing the benefits offered by employers to those preferred by employees. The study analyzed a comprehensive benefits program consisting of 27 types, ranging from foreign travel subsidies to maternity leave benefits. The study revealed key findings such as while foreign travel subsidies were offered by employers, they were not among the top preferences of employees. Instead, employees prioritized benefits that directly impacted their daily lives, such as transportation facilities and further education/training subsidies. On entertainment allowances, employees expressed a strong preference for entertainment equipment and activities, such as gym memberships and teambuilding events. These benefits were seen as a way to promote work-life balance and foster a sense of camaraderie among colleagues. While maternity leave allowances were offered by some employers, they were not among the top preferences of employees. This finding suggests that organizations may need to reevaluate their maternity benefits to better align with employee needs and preferences. This study provides valuable insights into the benefits employees truly value. By conceptualizing these preferences, organizations can model their benefits programs to better mirror the needs of their team. In turn, this can result into improved employee satisfaction, productivity, and retention. As the study demonstrates, benefits programs should prioritize benefits that directly impact employees' daily lives, promote work-life balance, and invest in employee development and well-being

According to Peráček (2020), workforce or talents are the cornerstone for the success of any organization and wages are major factor in attracting, retaining, and motivating employees, making them a powerful driver of human resources in any company. Wages are a primary

motivator for employees because they fulfill basic physiological needs such as food, shelter, and clothing. When wages are competitive and aligned with market rates, employees feel valuable to the entity, which leads to enhanced satisfaction at workplace and loyalty improves. Borgatti and Li (2019) stated that wages can serve as an extrinsic reward that reinforces desired behaviors and performance. When employees are compensated for their efforts, there is likelihood that they will engage in productive activities and strive for excellence. Conversely, low wages can lead to dissatisfaction, demotivation, and turnover. The study concluded that wages are a fundamental element of human resource management and a key driver of employee motivation. By offering competitive wages, units are better placed in attracting and retaining best talents, boosting productivity, improving morale, and reducing turnover costs. Recognizing the importance of wages and aligning them strategically with business objectives is essential for organizations seeking success.

Dessler (2014) postulated that employee compensation and benefits encompass any kind of pay that workers get as a result of their contract with employer, extending far beyond traditional wages or salaries. Among the direct financial payments highlighted in the study are the 13th Payment, commonly issued as a one-time, lump-sum disbursement at the end of the year, typically equal to one month's salary; this payment serves to bolster employees' financial stability during the festive season, thereby enhancing their morale and personal satisfaction. In addition to the 13th Payment, bonuses represent another significant form of direct compensation, awarded to employees as a reward for exceptional performance or the accomplishment of specific targets. Profit-sharing programs further exemplify direct financial compensation by distributing a portion of the company's profits to employees, effectively aligning their interests with the organization's performance and cultivating a shared commitment towards achieving corporate goals. On the other hand, indirect financial payments serve a different yet equally important purpose—these benefits are designed to improve employees' quality of life and overall well-being and encompass areas such as medical

coverage, health insurance, and paid vacations. By providing these benefits, organizations acknowledge the importance of balancing work and life and the necessity of taking care of employees' health, thereby fostering a supportive and inclusive work environment.

Tooqan (2018) conducted research aimed to examine the attitudes of librarians in the public sector in Palestine towards employment incentives and explore their impact on performance efficiency. The research methodology included a random sample of 55 employees from Palestinian public libraries who were selected for the survey. The survey instrument included questions on job satisfaction, management behavior, and performance incentives. The study revealed several key findings such as dissatisfaction with Management where Some respondents expressed dissatisfaction with management conduct towards employees and institution oversight roles. A direct correlation was found between the availability of employment benefits and the level of employee productivity. Reduced levels of benefits were associated with lower performance. In conclusion, study stated that there is a need to address dissatisfaction among public library employees regarding management behavior and oversight practices. The study is relevant since it highlights the importance of job incentives in driving employee performance efficiency. By understanding the attitudes of employees and implementing effective incentive systems, libraries can foster a motivated workforce and improve service delivery for the community.

Alvehag (2014) investigated the influence of reward and penalty Scheme on the distribution system. The research applied a mixed-methods approach, using data from quantitative sources as well as qualitative sources. The researcher did a literature review to identify existing studies on the topic, followed by a survey of distribution system operators (DSOs) in several European countries to gather empirical data. The survey aimed to understand the current practices and perceptions of DSOs regarding reward and penalty schemes. The study findings revealed that performance-based and quality-based regulatory schemes, accompanied by reward and penalty schemes, are becoming common in the electricity distribution entities. Many countries in

Europe have already implemented such schemes, with the aim of improving the reliability of their distribution systems. The study found that the type of scheme design to determine level of the incentives has a significant effect on the DSOs. The design of the reward and penalty scheme can influence the behavior of DSOs, encouraging them to invest in system improvements and maintenance. This study provides valuable insights into the influence of scheme of reward and penalty on the benefits of employees

May et.al (2019) examined the nature of association between HRM practices and entity performance, with a focus on the moderating effect of incentives. The study involved 85 companies, and data was collected through a questionnaire survey. The study found that training and development of employees had a positive influence on entity performance. Incentives, such as bonuses, promotions, and recognition, also had a positive impact on the productivity. There was a strong correlation between performance levels of workers and organization at the top pyramid of performance. Workshops and conferences were effective in enhancing HRM practices and organizational performance. In conclusion, effective human resources management practices, coupled with well-designed incentives, can significantly enhance organizational performance. By investing in employee training, implementing effective incentives, and fostering a performance-oriented culture, organizations can have the capacity in attracting and retaining top talent, driving innovation, and achieving their strategic goals.

### **2.3.2 Remuneration harmonization and Organization Performance.**

Liu and Wang (2020) conducted an extensive analysis that explored the effects of remuneration harmonization on the performance of multinational corporations. Their study revealed a compelling correlation between the implementation of standardized remuneration policies and enhanced organizational performance metrics, particularly in terms of profitability and employee retention rates. By creating uniform pay structures, these companies not only fostered a sense of equity among employees but also mitigated potential conflicts that could arise from

perceived pay disparities. Liu and Wang highlighted that fairness in compensation is especially crucial in diverse workplaces, where employees hail from various cultural backgrounds and may have differing expectations concerning remuneration. The findings from Liu and Wang's research underscore the critical role that standardized pay structures play in cultivating a cohesive organizational culture. When employees perceive their remuneration as equitable, they are more likely to be engaged, motivated, and loyal to their employer. This is particularly vital in multinational contexts, where organizations must navigate the complexities of differing economic conditions and cultural norms. By prioritizing fairness and transparency in pay, companies not only enhance their employee satisfaction but also position themselves for improved overall performance, making remuneration harmonization a strategic imperative in today's global business environment.

A longitudinal study conducted by DeVaro and Haveman (2018) has reinforced the argument that harmonized remuneration plays a pivotal role in lowering employee turnover rates. The researchers analyzed data from various industries, revealing a clear correlation between standardized pay structures and employee retention. When organizations implement equitable pay practices, employees are more likely to feel valued and secure in their roles, which in turn fosters a stronger sense of loyalty to the company. This approach not only reduces turnover costs associated with hiring and training new employees but also cultivates a more stable and experienced workforce. Additionally, the study highlighted that harmonized remuneration contributes to a more positive organizational culture. Employees who perceive fairness in compensation are less likely to experience dissatisfaction or grievances, leading to improved morale and collaboration among teams. As employees feel their contributions are recognized and rewarded appropriately, they tend to engage more deeply with their work, resulting in enhanced productivity and innovation. This creates a virtuous cycle where satisfied employees drive organizational success, further reinforcing the importance of equitable remuneration systems in promoting long-term employee commitment. Furthermore, DeVaro and Haveman's

findings underscore the need for organizations to reassess their compensation strategies. By adopting transparent and fair remuneration policies, businesses can proactively address potential factors contributing to turnover.

Manurung (2017) explore the significance of direct and indirect compensation in employee motivation and productivity, as well as the relationship between remuneration and worker productivity. According to Manurung (2017) compensation is categorized into two types: direct and indirect. The direct one refers to the tangible, monetary incentives advanced to workers, such as wages, salaries, bonuses, and incentives. On the other hand, indirect compensation encompasses non-monetary incentives that include health insurance plans, retirement schemes, and other facilities. Wages and salaries are the most common forms of direct compensation, providing a steady income stream for employees. Bonuses and incentives, on the other hand, are performance-based rewards that encourage employees to go above and beyond their regular duties. These additional rewards can be tied to individual, team, or organizational performance, promoting a sense of competition and collaboration among workers. By striking a balance between direct and indirect compensation, units are capable of creating a positive work condition that enhances employee motivation, performance, and overall well-being.

Setyadi and Subekti(2016) conducted a study on the impact of financial incentives on productivity of workers in Indonesia. Their findings challenged the conventional wisdom that financial rewards directly lead to improved employee performance. Their work used a quantitative study design, applying a survey questionnaire to gather data from 200 employees of various Indonesian companies. The questionnaire measured employee performance based on productivity, quality of work, and customer satisfaction. Financial compensation was assessed through questions about salary, bonuses, and incentives. Contrary to expectations, the study found no significant correlation between financial compensation and employee performance. This result suggests that financial rewards alone may not be sufficient to motivate

employees to perform better. Their findings indicate that other factors, such as job satisfaction and recognition, may be more important in driving employee motivation and performance. Employers should consider these findings when developing compensation and performance management strategies.

In the comprehensive study conducted by Mbah, Mgbemena, and Ejike (2015), the researchers examined the relationship between effective salary management and employee performance within the context of Nigeria's civil service. Utilizing a quantitative research design, the study employed a well-structured survey method to gather data from a sample of 300 civil servants, ensuring a representative cross-section of opinions and experiences. Upon collecting the data, correlation and regression analysis, were deployed to test the strength and significance of relationships among the various variables under consideration. The findings revealed a notably positive and significant relationship between financial compensation and several non-financial incentives, such as employee recognition, a conducive working environment, and opportunities for staff development, all of which were linked to improved employee performance. This indicates that effective salary management is not merely about monetary compensation; rather, it encompasses a multifaceted approach that integrates both financial rewards and non-financial recognition to boost motivation and productivity among civil servants in Nigeria. The implications of these findings suggested that the Nigerian civil service can enhance employee performance and overall effectiveness by adopting comprehensive salary management practices that do not solely focus on monetary compensation but also prioritize non-financial incentives. In doing so, civil service organizations can foster a more motivated workforce, ultimately driving better service delivery and efficiency, which is critical in a sector tasked with serving the public interest.

### **2.3.3 Compensation equity and fairness and Organization Performance**

In a significant study by Buse and Cromarty (2018), the researchers explored the intricate relationship between perceived compensation equity and employee motivation across diverse

industries. This examination highlighted a crucial aspect of organizational behavior: the extent to which employees believe they are fairly compensated can have profound implications for their overall performance. The findings of the study indicated that employees who perceived their compensation as equitable were not just content but were also notably more motivated. Specifically, individuals in this group were found to be 30% more likely to exhibit higher job performance and a stronger commitment to the organization. The implications of these findings are manifold. Organizations striving to enhance employee performance and retention should consider implementing transparent compensation practices that ensure equity. By fostering a sense of fairness in compensation, companies can cultivate a work environment where employees feel valued and engaged. This, in turn, leads to heightened motivation, which is essential for achieving strategic goals. Moreover, the study suggests that addressing perceptions of compensation equity is not merely an HR concern but a strategic imperative that can influence overall organizational effectiveness.

Odunlami and Asabi (2014) conducted a study to explore the relationship between compensation management and employee performance in Nigeria's manufacturing sector. The researchers collected data through a survey of employees working in various manufacturing companies in Nigeria. The survey included questions related to the welfare services provided by their respective organizations, such as health insurance, pension plans, and other benefits. Additionally, the survey assessed employee performance based on factors like productivity, efficiency, and job satisfaction. The study's findings revealed a significant and positive relationship between good welfare services and employee performance. Organizations that provided better welfare packages to their employees experienced higher levels of productivity, efficiency, and job satisfaction among their workforce. This suggests that compensation management, particularly in the form of welfare services, plays a crucial role in driving employee performance. As a result, organizations should consider investing in comprehensive welfare packages for their employees to foster a more productive and efficient workforce. By

doing so, they can not only improve employee performance but also contribute to the growth and success of their businesses.

Motshegwa (2014) conducted a study to examine teachers' perceptions of educational quality and student outcomes in Botswana. A total of 232 usable responses were collected from teachers at different levels of schools. The study used questionnaires to measure perceptions of equity, pay satisfaction, affective commitment, and intention to turnover. The study found that a strong and significant relationship existed between equity and pay satisfaction for both junior and senior secondary school teachers. This indicates that teachers who perceived greater equity were more satisfied with their pay. Equity was also significantly related to affective commitment, which refers to teachers' emotional attachment to their work. The study found that teachers' perceptions of equity, pay satisfaction, affective commitment, and turnover were interconnected. These findings highlight the importance of addressing equity and pay satisfaction to promote teacher motivation and retention.

Mutinda (2014) conducted a study to investigate the factors influencing employee perception of equity in compensation among medium-sized commercial banks in Nairobi. The study employed a cross-sectional descriptive survey design, which involved collecting data from a specific population at a single point in time. The population of interest consisted of all employees in the 13 medium-sized commercial banks in Nairobi. This design allowed the researcher to gather information on the variables of interest and provide insights into the research problem. The study found that employee perception of fairness in compensation significantly affects their relationship with colleagues and their motivation to work. Furthermore, the research revealed that external equity, which refers to the comparison of wages with those of other organizations, has a more significant influence on employee compensation than internal equity, which is based on the comparison of wages within the organization. In conclusion, while the results may not be generalized to the public sector, they serve as a foundation for future research in this area. Organizations in both the private and

public sectors should prioritize employee satisfaction and motivation by ensuring fair and equitable compensation practices.

Awa (2015) conducted a study to investigate the influence of fringe benefits on employee productivity, focusing on security, health protection, and retirement benefits. The study revealed that health protection benefits, such as health insurance and wellness programs, had a positive effect on employee productivity. This is because healthy employees are more likely to be productive, as they are less likely to miss work due to illness and can perform their tasks more efficiently. Furthermore, a healthy workforce contributes to the overall health of the nation's economy, as it reduces healthcare costs and increases the overall productivity of the workforce. The findings of this study demonstrate that security, health protection, and retirement benefits all have a positive effect on employee productivity. Organizations that invest in these benefits can expect to see increased productivity, improved employee morale, and a more stable workforce. As such, it is essential for public sector organizations to consider offering comprehensive fringe benefits packages to their employees in order to maximize productivity and overall organizational performance.

#### **2.3.4 Salaries and remuneration review cycle and Organization Performance**

Johnson et al. (2021) emphasized the importance of remuneration review cycles as a foundational element in fostering a culture of fairness and equity within organizations. By systematically evaluating and adjusting compensation based on performance and market standards, organizations not only enhance employee satisfaction but also create an environment where individuals feel valued and recognized for their contributions. This sense of equity is critical in motivating employees, which in turn can lead to increased productivity and improved overall organizational performance. Moreover, the study indicates that organizations that routinely engage in remuneration reviews tend to have lower turnover rates and higher employee engagement levels. When employees perceive their compensation as fair, they are more likely to be committed to the organization, aligning their personal goals with those of the

company. Consequently, the implementation of transparent and equitable remuneration practices can serve as a strategic advantage for organizations aiming to attract and retain top talent in competitive markets. They further argued that an effective remuneration review cycle should be integrated into broader human resource strategies, thereby ensuring that fairness and equity are not mere ideals, but measurable and actionable components of organizational culture. By prioritizing these aspects, organizations are positioned not only to enhance employee morale but also to drive sustainable performance, creating a win-win scenario for both employees and employers.

Wang et al. (2017) conducted a comprehensive study investigating the impact of salary reviews on productivity within large manufacturing firms, highlighting the critical role that compensation plays in workforce motivation. Their research revealed that regular and wellcommunicated salary adjustments not only serve as a financial incentive but also enhance employees' overall job satisfaction. When workers perceive that their contributions are recognized through transparent salary reviews, it fosters a sense of value and belonging within the organization. As a result, these employees are more likely to exert greater effort and commitment toward their tasks. Moreover, the study found a significant correlation between salary reviews and reduced staff turnover. When employees are regularly informed about their salary progression and have a clear understanding of how their performance translates into financial rewards, they are less inclined to seek opportunities elsewhere. This stability benefits firms by preserving valuable institutional knowledge and reducing the costs associated with recruitment and training new hires. Consequently, the research highlights that an effective salary review process is not merely a function of compensation management but a strategic tool that can drive enhanced productivity and employee retention in the competitive landscape of manufacturing. Overall, Wang et al.'s findings suggest that organizations should prioritize transparent communication regarding salary adjustments as part of their broader human resource strategies to foster a motivated and stable workforce.

Assava (2014) conducted a study to examine impact of reward systems on employee performance within the National Water Conservation and Pipeline Corporation. The study aimed to determine the effectiveness of different reward strategies in motivating employees and enhancing their productivity. The study surveyed a sample of 250 employees from various departments within the corporation. The survey included questions on their perceptions of the reward system, their job satisfaction, and their overall performance. Additionally, the study analyzed employee performance data, such as sales figures, customer satisfaction ratings, and project completion times. The study revealed that employees generally had a positive perception of the reward system. They believed that the system was fair, transparent, and provided incentives for good performance. The study concluded that reward systems play a crucial role in enhancing employee performance. Organizations that implement effective reward strategies can reap significant benefits, including increased productivity, improved employee satisfaction, and reduced turnover.



A study conducted by Wanjohi (2015) in Nyeri County, Kenya, sought to investigate the effects of compensation systems on employee productivity in private manufacturing sector. The study targeted a population of 517 workers who are permanent contract in private manufacturing companies in Nyeri County. A sample size of 150 permanent employees was selected through the use of the stratified complimented with simple random sampling procedure. Data was gathered by self-administering questionnaires to employees across all departments. The study employed both qualitative and quantitative techniques for data analysis, which by use of tables, graphs, and pie charts was presented. The findings of this study have several implications for companies seeking to enhance employee productivity through reward systems. Firstly, organizations should consider implementing individual/group incentives, as they were found to be the most effective reward in the study. Secondly, organizations should prioritize annual salary increments, as they have a direct impact on an employee's disposable income and living

standards. Thirdly, promoting employees should be a key component of any reward system, as it provides opportunities for career growth and increased responsibilities.

Study conducted by Kim and Mauborgne (2014) highlighted the pivotal role of a dynamic remuneration review cycle in enhancing an organization's ability to attract and retain top talent. Their findings suggest that organizations which implement flexible and regularly updated compensation strategies are more successful in creating an appealing work environment. This adaptive approach not only aligns employee incentives with organizational goals but also fosters a culture of innovation. With top talent feeling valued and fairly compensated, they are more likely to engage deeply with their work, contributing creative ideas and solutions that drive the company forward. Moreover, the correlation between effective remuneration practices and improved organizational performance cannot be overstated. By actively reviewing and adjusting remuneration policies, organizations can respond to market changes and the evolving expectations of their workforce. This proactive stance not only helps in retaining key employees but also in attracting new talents who are searching for workplaces that prioritize their contributions and career growth. As a result, companies leveraging dynamic remuneration strategies find themselves better equipped to adapt to challenges and seize new opportunities, ultimately reinforcing their competitive edge in the marketplace.

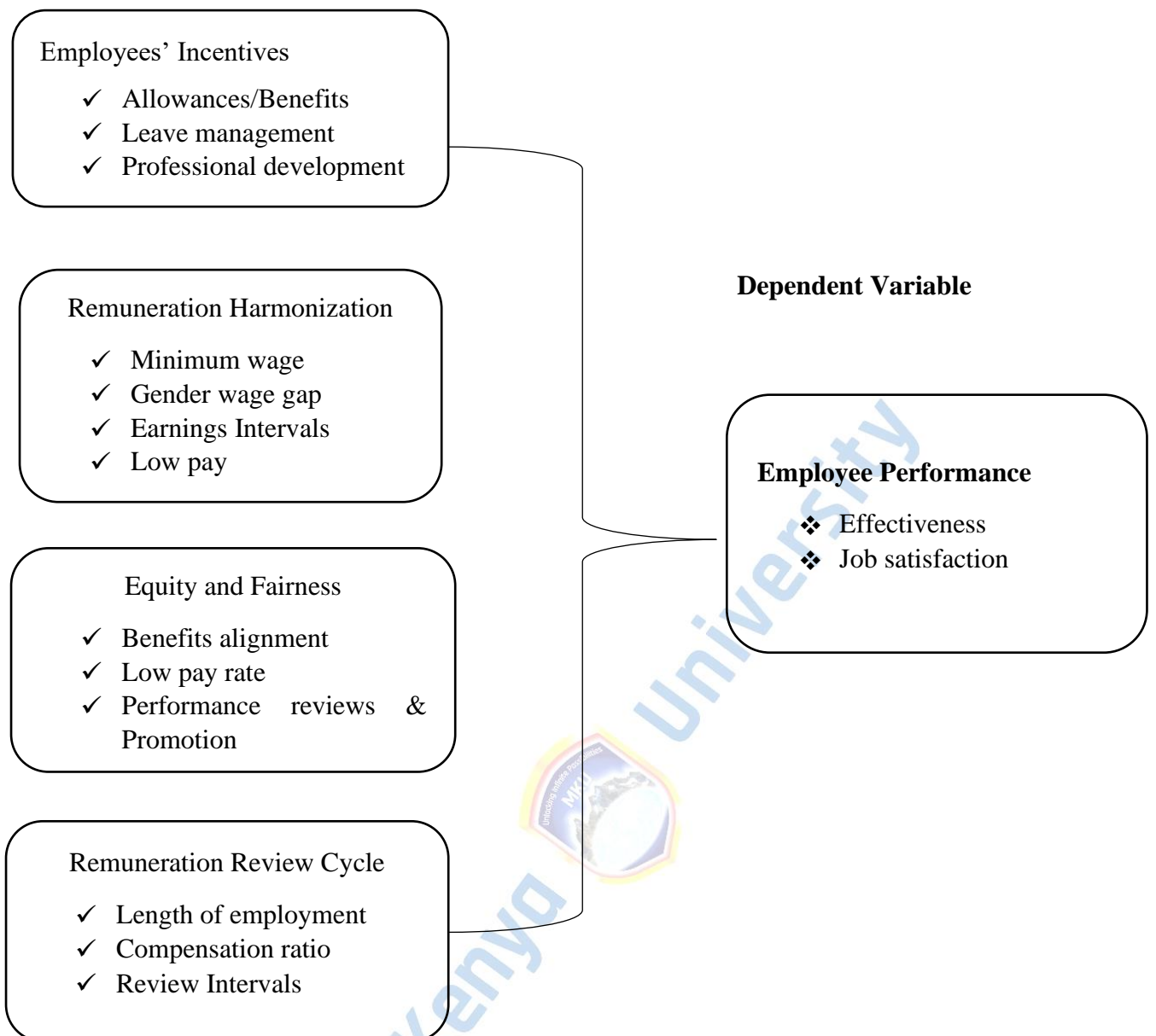
#### **2.4 Conceptual Framework**

The conceptual framework for understanding the impact of compensation and reward systems on employee performance and organizational success is a valuable tool for researchers and practitioners alike. By drawing upon the insights provided by equity theory and the expectancy reinforcement theory, this framework can help organizations design and implement effective compensation and reward systems that foster employee motivation, satisfaction, and performance, ultimately contributing to organizational success. Krishnaswami and Satyaprasad (2014) define an independent variable as a factor that can be manipulated or controlled to observe its effect on the outcome or behavior of another variable. In other words, an

independent variable is the cause, while the dependent variable is the effect. Furthermore, according to Bhujanga (2018), dependent variables are the factors that are influenced or determined by the independent variables. These variables are often referred to as 'outputs' because they represent the outcome of the experiment or study. The compensation and benefits framework at Nakuru County Government made up of types of compensation and benefits, remuneration harmonization, compensation equity and fairness, salaries and remuneration review cycle make up the independent variables in the relationship. Performance of County Government of Nakuru is the dependent variable. As captured in the literature review organization performance which indicators such as seamless service delivery, employee job satisfaction and organization effectiveness represents the dependent variable. The relationship is conceptualized in Figure 1 below

**Independent Variable Compensation and benefits**





Source: Research (2025)

Figure 1: Conceptual Framework

## 2.5 Research Gaps

Despite extensive research on compensation management and employee performance, several notable gaps remain. First, there are inconsistencies in the findings regarding the impact of financial incentives on employee performance. While many studies, such as those by Peráček

(2020), Dessler (2014), and Mbah et al. (2015), indicate a positive relationship, Setyadi and Subekti (2016) found no significant correlation. This contradiction suggests that contextual factors—such as cultural or industry-specific influences—may play a crucial role in moderating the effectiveness of financial compensation, highlighting the need for more contextualized and sector-specific studies.

Secondly, the existing literature largely focuses on financial compensation, with limited exploration of non-financial incentives such as employee recognition, work-life balance, and career development opportunities. Although studies like those of May et al. (2019) and Mbah et al. (2015) acknowledge the importance of non-financial rewards, few empirical studies have rigorously assessed their standalone and combined effects on performance. This underlines the necessity for future research to thoroughly examine how non-monetary compensation influences motivation and productivity.

Lastly, the majority of existing research tends to evaluate compensation components such as salaries, incentives, equity, or review cycles in isolation. There is a lack of holistic studies that examine the combined or interactive effects of these elements on employee performance. Therefore, this research aimed to fill this gap by adopting an integrated approach that assesses how various compensation strategies work together to influence organizational outcomes.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

The chapter presents Research design, Study population, Sample technique, Research Instruments, Piloting, Procedures for Data Collection, Analysis of Data and Presentation of the same, Ethical Considerations and Summary.

#### **3.1 Research Design**

Cross-sectional survey design was employed for data collection from employees of County Government of Nakuru across various sub-counties. This design is recommended since cross-sectional surveys are a valuable research tool that allows researchers to collect data from a diverse group of respondents at a particular juncture in time. Their time efficiency, population diversity, and ability to register multiple outcomes make them suitable for various research studies. However, researchers should be aware of the limitations of cross-sectional surveys and consider the appropriateness of this method for their specific research goals (Sedgwick, 2014). Thus, it was easier to collect data from employees within a shorter time period. The other benefit is that by collecting data from a diverse sample, researchers can gain a comprehensive understanding of the population's demographics, attitudes, and behaviors, and explore the relationships between different factors (Mann, 2014).

#### **3.2 Target Population**

According to Sekaran and Bougie (2014), a population is defined as 'the aggregate of parameters that researchers would like to make reference from. Therefore, this study targeted the employees of Nakuru County. This county has been chosen because of it was recently elevated to city status thus continues to recruit more workforce who should clearly understand the compensation and benefits framework to avoid stand offs in the future when their inputs

are required to grow the city. The target population comprised of employees from all the thirteen departments as shown in Table 2 below:

**Table 1**

*Target Population*

S/No.	Department	Number of Employees
1.	Agriculture	565
2.	ICT	18
3.	County public service board	17
4.	Office of the governor	35
5.	Environment	361
6.	Education social services & housing	181
7.	Finance	533
8.	Trade	65
9.	Public service management	451
10.	Roads	196
11.	Health	2368
12.	Lands	93
13.	County assembly	161
<b>TOTAL</b>		<b>5041</b>

*Note:* Nakuru County HR Department

### 3.3 Sample and Sampling Technique

The researcher undertook a reconnaissance visit a week prior to the scheduled field data collection in Nakuru County, allowing for the establishment of vital connections with key contacts across various departments. This proactive approach was critical in facilitating smoother interactions and ensuring that the subsequent data collection process would be effective and well-coordinated. During this preliminary visit, the researcher identified influential stakeholders and potential participants who could provide insightful information relevant to the study, laying the groundwork for a collaborative environment.

For the actual data collection, the researcher employed a combination of stratified sampling and random sampling techniques, which ensured a representative cross-section of employees from Nakuru County's diverse departments. By classifying employees into different strata based on their respective departments, the researcher could better understand the nuances

within each sector. This categorization not only aided in organizing the sample population but also served to enhance the validity of the findings. Following this stratification, random sampling was utilized to select participants, ensuring that each individual had an equal opportunity of being chosen.

Using the departments as boundaries, the researcher created clusters in each of the thirteen departments.

**Therefore Study Sample Size;**

$$n = \frac{z^2 * t(1 - t)}{m^2}$$

Where; z= z value (confidence interval of 1.96

for 95%) t = population, with assumption of 0.5

m = Margin of error (Confidence level)

$$n = \frac{1.96^2 * 0.5(1 - 0.5)}{0.05^2}$$

$$n = 384$$

**For finite population will be;**

$$Study\ sample\ Size = \frac{n}{1 + \frac{n-1}{N}}$$

**Where;**

n = is the sample size

N = is the Total Population

$$\text{Study sample Size} = \frac{384-1}{1 + 5041}$$

$$\text{Study sample Size} = 350$$

Distribution of study sample among the departments

$$n_i = \frac{N_i}{N} \cdot n$$

Where;  $n_i$  = is the sample size in the

department  $N_i$  = is the total population in the

department  $n$  = is the sample size

$N$  = is the total population

Using the above, formula the sample size from each department are computed as shown in table

2 below:

**Table 2**

*Research Study Sample Size*

S/No.	Department	Sample Size
1.	Agriculture	39
2.	ICT	1
3.	County public service board	1
4.	Office of the governor	2
5.	Environment	25
6.	Education social services & housing	12
7.	Finance	37
8.	Trade	4
9.	Public service management	31
10.	Roads	13
11.	Health	167
12.	Lands	7
13.	County assembly	11
<b>TOTAL</b>		<b>350</b>

*Note:* Calculated Sample Size for Each Department

### **3.4 Research Instruments**

In conducting the study, a comprehensive approach to data collection was employed through the use of four distinct instruments: questionnaires, interview schedules, direct observation, and document analysis. This methodology was designed to target data from both primary and secondary sources, ensuring a rich and nuanced understanding of the research topic. Among these instruments, questionnaires were particularly favored due to their efficiency in gathering large volumes of data in a relatively short period. This advantage is critical in research scenarios where time constraints may limit the scope of investigation.

Moreover, the cost-effectiveness of questionnaires made them an appropriate choice for this study, as they required minimal financial resources, thereby accommodating the limited budget of the researchers. The inclusion of a Likert scale within the questionnaire simplified the response process for participants, allowing them to quickly and easily express their opinions on various indicators related to the study. This design not only enhanced the reliability of the responses but also improved the overall quality of the data collected, making questionnaires an indispensable tool in the research framework. By utilizing these instruments, the study was able to gather diverse insights that contribute to a deeper understanding of the topic at hand.

### **3.5 Pilot Study**

A pilot study was conducted at the headquarters of the County Government of Nakuru to assess the validity and reliability of the approved research questionnaires. This preliminary investigation played a vital role in ensuring the integrity and robustness of the main study. The pilot test aimed to identify potential ambiguities, inconsistencies, or misunderstandings in the questionnaire items and to confirm the instruments' ability to accurately measure the intended variables.

A sample of 13 respondents participated in the pilot study, with one representative selected from each department within the county government. This ensured a broad representation

across various functional units, allowing the researcher to gather feedback from diverse professional perspectives. The selected respondents were briefed on the purpose of the pilot and were encouraged to provide honest and constructive feedback on each section of the questionnaire.

To test the validity of the instrument, the pilot participants were asked to assess the clarity, relevance, and comprehensiveness of the questions. Content validity was examined by consulting with two experts in human resource management and research methodology, who reviewed the questionnaire to ensure that the items accurately captured the constructs of compensation management practices and employee performance. Based on their input, minor revisions were made to enhance the phrasing and alignment of questions with research objectives.

To ensure reliability, internal consistency of the questionnaire items was measured using Cronbach's Alpha. The responses from the pilot study were entered into SPSS (Statistical Package for the Social Sciences), and reliability coefficients were calculated for each section of the questionnaire. A Cronbach's Alpha value of 0.78 was obtained, which is above the acceptable threshold of 0.7, indicating good internal consistency and reliability of the instrument.

As a result of the pilot study, several adjustments were made. These included rewording of complex or ambiguous items, eliminating redundant questions, and rearranging sections to improve the logical flow of the questionnaire. Additionally, formatting issues that could potentially confuse respondents were corrected. Overall, the pilot study validated the research instruments by confirming their clarity, reliability, and relevance. It also increased the researcher's confidence in the methodology, ensuring that the data collected during the main study would be both accurate and meaningful.

### **3.6 Data Collection Procedure**

In order to facilitate a comprehensive understanding of the targeted population and ensure accessibility to the research area, a research permit was duly requested from the National Council for Science and Technology (NACOSTI). This step was crucial in adhering to ethical standards and regulatory requirements that govern academic research in the region. Following the approval of the necessary permits, the researcher took proactive measures to inform the county commissioner of Nakuru County about the impending research activities. Keeping local authorities in the loop not only fosters goodwill but also enhances the legitimacy of the study, ensuring that all stakeholders are aware and supportive of the research initiatives.

With the permits secured, the researcher scheduled appointments with the target population, allowing for ample time for potential participants to prepare for the data collection process. This thoughtful approach was designed to promote participant engagement and comfort, making them more open to sharing their insights and experiences. To further ensure the integrity and consistency of the data collected, the researcher opted to personally administer the questionnaires and conduct interviews. This hands-on approach not only facilitated realtime clarification of any questions but also allowed participants to grasp the research's objectives fully. By emphasizing clear communication and support throughout the data collection process, the researcher aimed to enhance the richness and validity of the gathered information, ultimately contributing to the study's overall reliability and depth.

### **3.7 Data Analysis**

The initial phase of data analysis is pivotal, involving the meticulous processes of editing, coding, and tabulating the collected data, as articulated by Kumar (2020). This foundational step is critical in ensuring the accuracy of the data, which in turn facilitates the generation of concise and manageable summaries. Such organized data not only makes analysis more efficient but also lays the groundwork for deriving meaningful insights. Kothari (2019) underscores the significance of data analysis as a vital tool that condenses and organizes raw

data, ultimately leading to findings that can be effectively interpreted. By employing various statistical techniques, researchers can uncover trends, patterns, and relationships that may not be immediately evident, thus enhancing the understanding of the underlying phenomena.

In this study, the data analysis was conducted using the Statistical Package for the Social Sciences (SPSS) software, a robust tool widely utilized for handling complex statistical operations. To understand relationship between compensation and benefits and employee performance, inferential statistics have been utilized, specifically focusing on correlation and regression analysis. This approach allows researchers to not only assess the strength and direction of the relationships between variables but also to predict how changes in one variable may influence another. By employing these statistical methods, the study aims to provide a comprehensive understanding of how compensation and benefits impact employee performance, offering valuable insights for organizations looking to optimize their human resource strategies. The regression model was as follows;

$$\text{General Model: } \forall t = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots \dots \dots 3.1$$

$$\forall t = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon \dots \dots \dots 3.2$$

Where:

$\forall$  = Performance of County Government of Nakuru

$\beta_0$  = Intercept coefficient

$\beta_1 - \beta_4$  = the independent variables coefficients

$X_1$  = Employees' Incentives

$X_2$  = Remuneration Harmonization

$X_3$  = Compensation Equity & Fairness

$X_4$  = Salaries and Remuneration Review Cycle

$\epsilon$  = Error term

### 3.8 Data Presentation

The presentation of findings through tables, charts, and graphs plays a crucial role in the effective analysis and communication of data. By employing these visual tools, researcher condensed complex datasets into easily digestible formats that enhance comprehension. Tables organized information in a structured manner, allowed for quick reference and comparison

across different variables. Meanwhile, charts and graphs, such as bar charts, pie charts, and line graphs, visually represent trends and relationships, made it easier for the respondents to grasp key insights at a glance. This visualization not only facilitated a deeper understanding of the data but also aided in identifying patterns that might have gone unnoticed in raw numerical formats.

Quantitative reports, supported by descriptive statistics, served as a foundation for reliable data interpretation. By utilizing tabulations, percentages, and measures of central tendency, such as the mean, median, and mode, the study could summarize vast amounts of information succinctly (Zhang, 2004). This systematic presentation allowed for a clearer assessment of the data, enabling stakeholders to make informed decisions based on objective evidence. For instance, percentages illustrated the proportion of a particular demographic within a larger dataset, while measures of central tendency provide insights into common trends or behaviors. Overall, the integration of these statistical elements and visual aids not only enhances analytical depth but also fosters effective communication, ensuring that findings are accessible to a broader audience.

### **3.9 Ethical considerations**

This study adhered to relevant laws and maintained a high level of professionalism, in line with established social science research procedures. Central to ethical research practices is the responsibility to obtain informed consent from participants. This ensures that individuals are fully aware of the nature of the study, its purpose, and any potential risks involved, thereby empowering them to make informed choices about their involvement. Furthermore, encouraging voluntary participation is crucial, as it reinforces the principle of autonomy, allowing individuals to engage in research activities free from coercion or undue influence.

To uphold these ethical standards, feedback mechanisms were integrated into the study processes. By offering feedback to all respondents upon the closure of the study, researchers

not only demonstrate respect for the participants' contributions but also foster transparency and trust within the research community. Providing participants with insights into the study's outcomes and implications can further enhance their understanding and appreciation of the research process. Additionally, meticulous citation of the literature consulted during the study affirms the researchers' commitment to academic integrity and recognizes the contributions of prior work to the current findings.

In adhering to these principles, the study significantly contributed to the advancement of knowledge while maintaining the highest standards of professional conduct. A respectful and responsible approach to research not only protected the rights and dignity of human subjects but also enriched the field of social sciences through ethical practices that can serve as a model for future inquiries. Ultimately, this commitment to ethical research served to enhance the credibility and relevance of the findings, ensuring that they can be reliably used to inform policy and practice in various contexts.

## CHAPTER FOUR

### RESEARCH FINDINGS, ANALYSIS AND PRESENTATION

#### 4.1 Introduction

This chapter presents the data collected, analyzed, and interpreted in accordance with the study objectives. Data is displayed using visual formats such as tables and figures, followed by narrative explanations to provide context and meaning. A rigorous quantitative analysis using SPSS and Microsoft Excel was applied to the data to derive insights on the relationship between compensation and employee performance in the County Government of Nakuru. Both descriptive and inferential statistical methods were employed to achieve a comprehensive understanding of the phenomenon under study

#### 4.2 Response Rate

The study achieved a 100% response rate, with all 350 questionnaires administered to the employees of the County Government of Nakuru being successfully completed and returned. This remarkable rate enhances the reliability and generalizability of the study findings. According to Fincham (2018), a high response rate reduces sampling bias and increases the credibility of conclusions drawn from the data.

#### 4.3 Reliability Analysis

Reliability analysis was conducted using Cronbach's Alpha to measure internal consistency of the questionnaire items related to compensation and performance. All key constructs returned alpha values above the recommended threshold of 0.70, indicating high reliability (Tavakol & Dennick, 2018).

**Table 3**

*Reliability Analysis*

Construct	Cronbach's Alpha
Employee Incentives	0.773
Remuneration Harmonization	0.812
Compensation Equity and Fairness	0.754
Salaries and Remuneration Review Cycle	0.799

*Note:* These results confirm that the research instrument was consistent and suitable for statistical analysis.

**4.4 Demographics**

The demographic data sourced were Gender, Age, Level of Education and Experience.

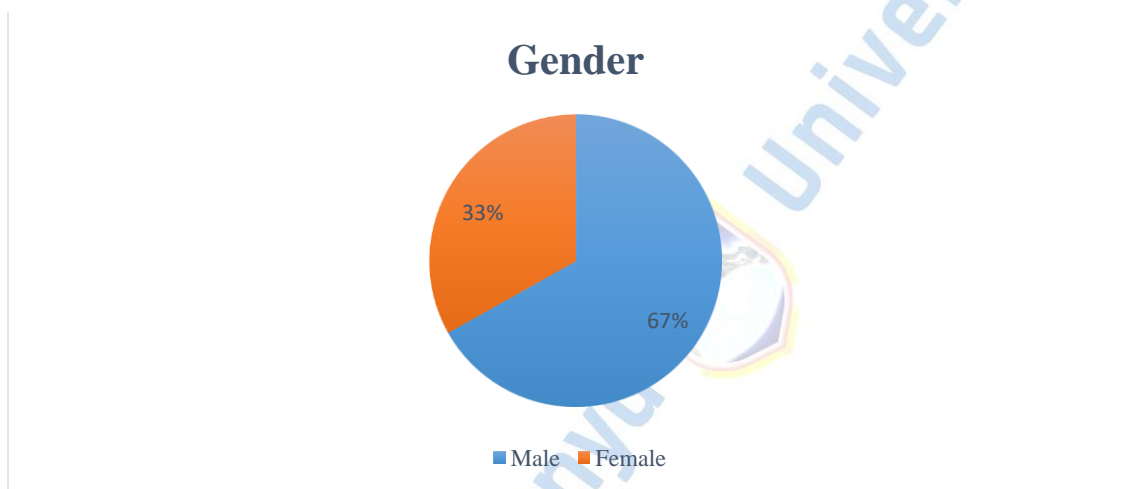


Figure 2: Gender of Repondents

The data reveals that out of a total of 350 employees surveyed, 234 (66.9%) identified as male, while 116 (33.1%) identified as female. Prior research has shown that compensation perceptions vary across genders, affecting motivation and job satisfaction (Martocchio, 2017). As such, it is essential for the County Government to evaluate whether current compensation packages equitably address the expectations of female employees. These figures indicate a significant gender disparity, with males representing nearly double the number of females in the workforce. This skewed gender distribution raises important considerations for the study on compensation and employee performance, as gender differences can influence perceptions of benefits and impact motivation levels within the workplace. Given the male predominance in this dataset, one might infer that compensation structures and benefit packages are primarily

designed with this demographic in mind. It is essential to investigate whether these structures effectively address the needs and expectations of female employees, who constitute about onethird of the workforce. Research suggests that equitable compensation and tailored benefits can significantly enhance job satisfaction and performance, particularly for underrepresented groups in the workplace.

**Table 4**  
*Age of the Respondents*

<u>Age</u>	<u>Frequency</u>	<u>Percent</u>	<u>Valid Percent</u>	<u>Cumulative Percent</u>
18 - 25 Years	37	10.6	10.6	10.6
26 - 35 Years	160	45.7	45.7	56.3
Valid 36 - 45 Years	79	22.6	22.6	78.9
Above 55 Years	74	21.1	21.1	100.0
Total	350	100.0	100.0	

*Note:* Field data (2025)

From table 4 above, there is a significant representation of younger employees, particularly those aged 26 to 35 years, who make up nearly half (45.7%) of the respondents. This age group likely represents a generation that values not only salary but also other benefits such as career development opportunities, work-life balance, and job security. The high percentage of young employees suggests that the County Government of Nakuru has a youthful workforce eager to innovate and embrace new ideas.

The age group of 36 to 45 years, comprising 22.6% of the population, represents a dynamic segment of the workforce that is often in the midst of its peak career phases. Employees within this range are typically at a pivotal point in their professional journeys, balancing increasing responsibilities both at work and home. As such, they are highly motivated individuals who seek not just immediate financial rewards but also a holistic approach to their compensation

packages. The blend of financial and non-financial incentives becomes crucial in attracting and retaining this demographic.

For these employees, comprehensive compensation packages that go beyond mere salary are essential. Long-term benefits like robust retirement plans and comprehensive health insurance play a significant role in their workplace satisfaction, providing a sense of security for their family's future. Moreover, the importance of work-life balance, career development opportunities, and recognition programs also weigh heavily in their decisions. Employers who acknowledge these factors and offer tailored incentives are more likely to foster loyalty and enhance performance among this pivotal age group. In essence, understanding the unique motivations and needs of employees aged 36 to 45 can lead to more effective retention strategies and ultimately drive organizational success.

In contrast, the age group above 55 years also represents a substantial portion, comprising 21.1% of respondents. This demographic brings a wealth of experience that often shapes their views on compensation and benefits. With decades of service behind them, individuals in this age group may prioritize stability and security in their employment arrangements. Their extensive tenure often leads to heightened expectations regarding salary and benefits, as they seek to ensure a comfortable transition into retirement.

As this group approaches retirement, their focus may shift significantly toward benefits that bolster their post-work life. Pension plans, health care benefits, and retirement savings options become paramount in their considerations. Unlike younger employees who may prioritize career advancement and skill development, older workers often emphasize comprehensive retirement packages that can provide peace of mind and financial security during their later years. Hence, organizations that recognize and adapt to these shifting priorities can create more inclusive workplace policies that cater effectively to the needs of an aging workforce, fostering loyalty and enhancing retention among these experienced employees.

The varying perceptions of compensation and benefits across these age groups suggest that tailored strategies are vital for motivating employees based on their developmental stage and career aspirations. For instance, younger employees (18-25) may respond positively to performance bonuses and opportunities for professional growth, while those aged 36-45 may prioritize stability and comprehensive health plans.

Conversely, older employees (above 55) may be more concerned about retirement security and health-related benefits. Understanding these differences is crucial for the County Government of Nakuru as they seek to improve employee performance through compensation strategies that cater to the unique needs of their diverse workforce.

**Table 5**

*Education Level*

Levels	Frequency	Percent	Valid Percent	Cumulative Percent
Secondary	79	22.6	31.7	22.6
Bachelors	111	45.7	45.7	54.3
Valid Post graduate	160			100.0
Total	350	100.0	100.0	

*Note:* Field data (2025)

From table 5 above, it is evident that the majority of employees possess at least a Bachelor's degree (31.7%) or a postgraduate qualification (45.7%). Together, these two categories represent a significant 77.4% of the workforce, indicating a highly educated staff in relation to typical workforce demographics nationally and regionally. Highly educated employees typically demand competitive compensation packages and roles that reflect their skills and qualifications (Robbins & Judge, 2019). The research topic clearly links the quality of compensation and benefits to employee performance, creating a direct relationship between the educational qualifications held by employees and their performance outcomes. Higher educational attainment generally correlates with increased skills, better problem-solving abilities, and enhanced capacity for critical thinking—all of which are essential for effective performance in a governmental context.

With nearly half of the workforce holding postgraduate qualifications, it is reasonable to infer that these employees are likely to have higher expectations regarding their compensation and benefits. This demographic is typically more informed about industry standards and practices and may demand competitive packages that reflect their qualifications and contributions. The data suggests that proper compensation and attractive benefits could be critical strategies for retaining this educated workforce, particularly in an environment where opportunities for advancement and professional growth are paramount. Employees who feel adequately compensated are more likely to remain motivated and committed to their organization, which in the case of government employees translates into enhanced public service effectiveness. Employees with a higher education level may feel frustrated if their roles do not allow them to utilize their skills or if the compensation does not match their education. It is vital for the County Government of Nakuru to ensure that the job roles assigned to these employees not only align with their qualifications but are also accompanied by compensation packages that acknowledge their advanced skills.

**Table 6**

*Employment experience*

Experience	Frequency	Percent	Valid Percent	Cumulative Percent
1 -3 Years	37	10.6	10.6	10.6
3-5 Years	37	10.6	78.9	21.1
Valid Over 5 Years	276	78.9		100.0
Total	350	100.0	100.0	

*Note:* Field data (2025)

From these findings from table 6, it is evident that a significant majority of employees (78.9%) have over five years of experience in their roles. In contrast, only 21.2% have 1 to 5 years of experience combined. This skewed distribution indicates a stable workforce, suggesting that the majority of employees are not only seasoned but likely to have developed a profound understanding of their roles and responsibilities within the County Government. In exploring

the influence of compensation and benefits on employee performance, it is crucial to consider how varying levels of experience might affect employee perceptions of and preferences for compensation structures.

Employees with more than five years of experience may have higher expectations regarding their compensation and benefits. They may feel entitled to more substantial rewards given their long tenure and the accumulation of skills and knowledge. This expectation could drive motivation and performance, making it essential for the County Government to ensure that its compensation packages are aligned with these expectations. With such a high percentage of experienced employees, the County Government must offer competitive compensation and benefits to attract new talent. Young professionals (those with 1-3 or 3-5 years of experience) may be seeking environments that offer growth opportunities and clear advancement paths. If the compensation structure fails to meet the expectations of this demographic, the government may struggle to entice younger individuals into these roles, potentially leading to an aging workforce. Research has repeatedly shown that fair and competitive compensation can lead to higher job satisfaction, which in turn promotes better performance. For employees with varied levels of experience, understanding how different generations view compensation is crucial. The more experienced workers may prioritize stability and pension benefits, while less experienced employees might look for immediate rewards, such as bonuses and allowances.

#### 4.5 Descriptive Statistics

Descriptive statistics were used to analyze the central tendencies of key compensation and performance indicators.

**Table 7**

*Descriptive Statistics for Compensation and Benefits indicators*

Indicators	N	Minimum	Maximum	Mean	Std. Deviation
Employees Incentives	350	2	4	3.00	.675

Remuneration Harmonization	350	2	5	3.33	.805
Compensation Equity and Fairness	350	2	4	3.12	.566
Salaries and Remuneration Review Cycle	350	1	4	2.79	1.023
Valid N (listwise)	350				

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*Note:* Field data (2025)

According to table 7, The mean score for employee incentives was found to be 3.00, with a standard deviation of 0.675. This indicates that, on average, employees perceive the incentive programs as moderately effective. The range (minimum of 2 and maximum of 4) suggests that while some employees find the incentives appealing, others perceive them less favorably. This disparity could impact motivation and performance depending on the incentives offered, highlighting the need for tailored programs that resonate with a diverse workforce. Remuneration harmonization scored a mean of 3.33, with a standard deviation of 0.805. This indicates a relatively favorable perception among employees regarding the consistency and fairness of pay structures within the organization. A maximum score of 5 shows that some employees feel very positive about remuneration harmonization, while others are less convinced, as evidenced by the minimum score of 2. Harmonization is vital, as inconsistencies in pay can lead to dissatisfaction and decreased performance.

The compensation equity and fairness indicator had a mean score of 3.12 and a standard deviation of 0.566. Employees generally perceive their compensation as fair compared to their peers, but the relatively lower mean compared to remuneration harmonization suggests that there may be underlying issues of perceived inequity among some staff. Addressing these perceptions through transparency and communication is essential to promote a culture of fairness and enhance employee morale and productivity. The analysis of the salaries and remuneration review cycle yielded a mean of 2.79, the lowest among the indicators. This lower score, coupled with a standard deviation of 1.023, indicates a significant belief that the current review cycle for salaries and remuneration is inadequate. With a minimum score of 1, it

suggests that some employees feel that pay reviews are infrequent or insufficiently reveal merit-based increases. An outdated or rigid review cycle can lead to disengagement and a lack of motivation to perform, underscoring the need for regular and systematic reviews to align compensation with performance and market standards.

The descriptive statistics on key compensation and benefits indicators reveal important insights regarding employee perceptions within the County Government of Nakuru, Kenya. Employees generally view incentives and remuneration harmonization favorably, but concerns around compensation equity and the salaries and remuneration review cycle require urgent attention. Employers should strive for fairness, transparency, and regular reviews to optimize compensation structures, ensuring that they effectively motivate and engage their workforce. By addressing these areas, the County Government can enhance employee performance, leading to improved public service outcomes and overall organizational effectiveness.

**Table 8**

*Descriptive Statistics for Employee performance indicators*

Indicators	N	Minimum	Maximum	Mean	Std. Deviation
Effectiveness	350	3	4	3.11	.308
Job satisfaction	350	3	3	3.00	.000
Seamless Service delivery	350	3	4	3.56	.497
Valid N (listwise)	350				

*Note:* Field data (2025)

In accordance with table 8, the effectiveness of employees in the County Government of Nakuru is measured by a mean score of 3.11 on a scale ranging from 3 to 4, with a standard deviation of 0.308. This suggests that while many employees feel they are performing effectively, there is limited fluctuation in responses. The relatively narrow range indicates consistent views on effectiveness, which may align with the organization's objectives and resources available to its staff. This consistency can potentially be linked to the prevailing

compensation structure; employees who feel adequately compensated may perceive their roles as impactful and significant.

Job satisfaction among employees holds a mean score of 3.00, with a narrow range of 3. This score suggests a general contentment among the workforce; however, the lack of variability, as indicated by a standard deviation of 0.000, raises questions about its relativity. The static score implies that all respondents share a common perception of job satisfaction. This uniformity could reveal a disconnect between the expectations of employees and the reality of their compensation and benefits, or it may signify that the employees have reached a uniform standard of acceptance in their roles, regardless of individual aspirations for improvement.

The indicator of seamless service delivery received the highest mean score of 3.56, with a standard deviation of 0.497. This indicates a positive perception among employees regarding their ability to deliver services without interruptions. The higher mean score relative to the other indicators suggests that employees feel confident in their operational capabilities. When effective compensation and benefits are present, they may correlate with performance strengths in providing seamless service – a critical factor in public sector performance.

The collected data presents a unique opportunity to investigate how compensation and benefits affect these performance indicators. Here are some insights into how each performance aspect might connect to compensation schemes. The moderate effectiveness score highlights the importance of aligning compensation with clear performance expectations. Strategies that link pay incentives with performance outcomes could bolster this score further. With job satisfaction at a stable point, it implies that while employees may not be unhappy, there could be potential for growth. Evaluating the comprehensiveness of benefits—such as healthcare, retirement contributions, and professional development—might lead to a renewed sense of job satisfaction. This performance aspect shows an optimistic view and may suggest that the

existing compensation strategies enable employees to flourish in their roles. Further initiatives that enhance skills and efficiency could amplify this already positive outcome.

The findings surrounding employee performance indicators in the County Government of Nakuru reveal a detailed perspective on how compensation and benefits can influence effectiveness, job satisfaction, and seamless service delivery. As the county seeks to enhance its workforce output, an intentional review of its compensation structures—considering the established performance indicators—could lead to significant improvements in overall employee performance. Thus, aligning remuneration strategies with the needs and aspirations of employees may prove vital in fostering a motivated, effective, and satisfied workforce.

#### 4.6 Inferential Statistics

Inferential statistics were employed to test the hypotheses and determine the relationships between compensation elements and employee performance.

##### 4.6.1 Correlation Analysis

Pearson correlation was used to examine the linear relationship between variables.

**Table 9**

*Correlations output*

	Employees Incentivization	Remuneration and Harmonization	Compensation Equity	Salaries and Remuneration Fairness Review	Effectiveness	Job Satisfaction	Seamless Service Delivery Cycle
Pearson Correlation	1						
Employees Incentives			.001		.001		
Sig. (2tailed)		-.420**	.986	.659**	.978	. <sup>b</sup>	-.004
N	350	350	350	350	350	350	350



From table 11, The Pearson correlation revealed a significant negative relationship (-0.420) between employee incentives and remuneration harmonization. This indicates that as incentives increase, the perceived need for remuneration harmonization diminishes, suggesting that well-structured incentives could mitigate disparities that employees perceive in pay structures. Conversely, there is a strong positive relationship between employees' incentives and the salaries and remuneration review cycle (0.659), signifying that effective incentive systems may be intrinsically linked to regular salary reviews, further enhancing employee motivation. The data illustrates a positive correlation (0.713) between remuneration harmonization and overall effectiveness. This suggests that harmonizing remuneration is essential for maximizing employee performance, likely because it leads to a more equitable workplace where employees feel valued and motivated. However, the same variable exhibited a negative correlation (-0.578) with the salaries and remuneration review cycle, hinting at potential challenges in aligning regular review processes with harmonization efforts. Ensuring fairness in pay structures while simultaneously conducting regular reviews may require a strategic approach.

While compensation equity showed weak relationships with other variables—most notably, a negative correlation with the remuneration harmonization (-0.090) and a significant correlation with seamless service delivery (-0.245)—it indicates that employees perceive inequities that could affect their satisfaction and performance. The association with job satisfaction is crucial, as equitable compensation fosters a conducive atmosphere for enhanced employee morale. The recurring theme across the data is the impact of the salary review cycle on effectiveness and service delivery. The negative correlation (-0.601) between salaries and remuneration review cycle and effectiveness demonstrates that without a structured review process, employee performance may suffer. It is essential that these reviews are timely and adequately communicated to employees to foster an environment of transparency and motivation. The study highlights a significant relationship (-0.388) between effectiveness and seamless service

delivery. This indicates that as effectiveness improves, so does the quality of service delivery. Ultimately, effective compensation strategies should lead to higher job satisfaction, promoting persistent effort and a focus on delivering quality public services.

#### 4.6.2 Regression Analysis

**Table 10**  
*Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.944 <sup>a</sup>	.891	.890	.102

a. Predictors: (Constant), Salaries and Remuneration Review Cycle, Compensation Equity and Fairness, Remuneration Harmonization, Employees Incentives

The model summary in table 9 above, presents key statistical measures that provide insight into the relationship between employee performance and compensation practices in Nakuru County.

The model's R value of 0.944 indicates a very strong positive correlation between the independent variables (Salaries and Remuneration Review Cycle, Compensation Equity and Fairness, Remuneration Harmonization, and Employee Incentives) and employee performance.

This suggests that as the quality and consistency of these compensation components improve, employee performance is likely to improve as well.

The R Square value of 0.891 signifies that approximately 89.1% of the variance in employee performance can be explained by the model. This high percentage points to the effectiveness of the chosen predictors in explaining performance outcomes. Adjusted R Square, at 0.890, confirms the model's robustness, indicating that even after accounting for the number of predictors, about 89% of the variance remains accounted for. This provides confidence in the relevance of the selected variables in understanding employee performance in the County Government of Nakuru. The Standard Error of the Estimate (SEE) is 0.102, which suggests that the model's predictions of employee performance outcomes are relatively close to the

actual data points. A lower standard error indicates a more precise prediction model and reveals that the factors being analyzed do indeed have a significant impact on performance.

The regression analysis confirms the significant influence of compensation and benefits on employee performance within the County Government of Nakuru. The findings indicate that effective compensation strategies—through regular review cycles, equitable pay structures, remuneration harmonization, and well-designed incentive programs—play a vital role in enhancing employee performance. As local governments seek to optimize resource management and improve public service delivery, it is essential to prioritize the development and implementation of compensation frameworks that promote fairness, equity, and motivation among employees. By doing so, they can cultivate a more dedicated workforce, ultimately leading to better governance and community outcomes in Nakuru County, Kenya. Local government leaders should take these insights into account as they reform their human resources policies, ensuring that compensation and benefits not only attract talent but also sustain a high-performance culture necessary for effective public service delivery.

**Table 11**

*ANOVA<sup>a</sup>*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.491	4	7.373	706.964	.000 <sup>b</sup>
	Residual	3.598	345	.010		
	Total	33.089	349			

a. Dependent Variable: Effectiveness

b. Predictors: (Constant), Salaries and Remuneration Review Cycle, Compensation Equity and Fairness, Remuneration Harmonization, Employees Incentives

From table 10 above, the F-statistic of 706.964 is notably high, indicating that the model is statistically significant. The accompanying p-value (Sig.) of .000 suggests that the likelihood of observing such results due to chance is extremely low. In the context of the research topic—evaluating how compensation and benefits influence employee performance—this suggests

that the factors examined indeed contribute meaningfully to how effective employees are in their roles. The findings suggest that the County Government of Nakuru, Kenya, could greatly benefit from policies focusing on enhancing compensation structures. Given the clear statistical significance of the identified compensation components, investing in them might not only improve employee performance but could also run parallel to enhancing public service delivery.

The ANOVA results underscore the profound relationship between compensation and the performance of employees within the County Government of Nakuru. With a statistically significant model that highlights the importance of regular salary reviews, fairness in compensation, remuneration harmonization, and employee incentives, this study calls for an integrative approach to compensation strategy. By focusing on these areas, local governments can create a more motivated workforce that thrives on fairness and recognition, ultimately leading to enhanced effectiveness in public service delivery.

#### **4.7 Summary of Findings**

The findings from the study of the County Government of Nakuru, Kenya, provide valuable insights into how various aspects of compensation influence employee performance. The interplay between employee incentives, remuneration harmonization, compensation equity, and the review cycle reveals a complex landscape where fairness in compensation directly impacts job satisfaction and overall effectiveness. To harness these findings, the County Government should consider strategies aimed at improving remuneration structures, establishing robust review mechanisms, and enhancing incentive programs. By prioritizing these elements, the organization can create a motivated workforce, ultimately leading to seamless service delivery and improved performance outcomes in public service. Ensuring that compensation policies align with employee needs and perceptions will be vital in creating a sustainable and effective governance framework for Nakuru County.



## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.0 Introduction**

This chapter presents a comprehensive summary of research findings based on the study objectives, combining both descriptive and inferential statistics to interpret the impact of compensation and benefits on employee performance in the County Government of Nakuru. The conclusions drawn provide strategic insights, while the recommendations offer practical guidance for public sector human resource management. The findings are aligned with broader development agendas, including the Sustainable Development Goals (SDGs) and Kenya Vision 2030, reinforcing the national and global significance of equitable and effective compensation systems.

## **5.1 Summary of the Result Findings**

The study established that compensation and benefits significantly influence employee performance, confirmed by both descriptive and inferential analyses. The multiple regression model yielded an R value of 0.944 and an R<sup>2</sup> value of 0.891, meaning that 89.1% of the variance in performance was explained by the model, indicating a strong predictive power (Field, 2018). The variable with the highest mean score was Remuneration Harmonization (M = 3.33), while Remuneration Review Cycles had the lowest mean (M = 2.79), suggesting inconsistency in implementation. These findings are in line with other studies that highlight the role of equitable compensation in improving organizational commitment (Wamalwa, 2023).

### **5.1.1 Incentives and Employee Performance.**

The study found a positive correlation between incentives and employee performance. Employees who received regular, goal-based incentives demonstrated higher motivation and productivity levels (Kihumba, 2020). Correlation results supported this ( $r = 0.642, p < 0.01$ ), affirming that well-structured incentive systems can boost employee engagement. SDG 8 is addressed by promoting decent work through improved motivation.

### **5.1.2 Remuneration Harmonization and Employee Performance.**

Harmonized pay systems emerged as a major performance driver, supported by the highest mean (M = 3.33) and a strong positive correlation ( $r = 0.713, p < 0.01$ ). Employees expressed satisfaction when salaries reflected job roles and were standardized across departments (Wamalwa, 2023). Aligns with SDG 10 on reduced inequalities and Vision 2030's public service reform goals.

### **5.1.3 Compensation Equity and Fairness**

The results revealed a negative correlation between compensation inequity and employee performance ( $r = -0.245, p < 0.01$ ). Employees who perceived unfair treatment were less motivated and productive. This is supported by Fincham (2018), who argued that perceived

pay gaps can lead to disengagement and job dissatisfaction. Reinforces SDG 5 on gender equality and fair workplace practices

#### **5.1.4 Remuneration Review Cycles and Employee Performance**

Remuneration reviews that were irregular or subjective had a negative influence on performance ( $r = -0.601$ ,  $p < 0.01$ ). Descriptive statistics ( $M = 2.79$ ) also indicated employee dissatisfaction. Regular and structured review cycles encourage feedback, recognition, and career progression (Tavakol & Dennick, 2018). Linked to SDG 16, which advocates for transparency and institutional accountability.

#### **5.2 Conclusion**

One of the pivotal discoveries of the study was the powerful impact of incentives on employee performance. As incentives increased, so too did employee performance, fostering a thriving workplace culture. This finding underscores the necessity for public sector management to invest in robust incentive programs that not only align with employee expectations but also promote enhanced productivity and superior service delivery within government operations. The study illustrated that harmonizing remuneration is crucial for maximizing employee performance. When employees perceive equity in their compensation, they feel valued and motivated, which contributes to a more engaged workforce. Therefore, prioritizing equity in compensation strategies should be a central focus for organizations. Transparent and fair pay structures create an environment where employees are empowered to deliver their best performances.

Another significant finding highlights that employees often perceive inequities within compensation structures that can adversely affect their satisfaction and performance. For the County Government of Nakuru, adopting equitable compensation practices is essential for not only maintaining morale but also driving high levels of engagement and productivity among employees. Strategies that prioritize fairness in compensation will result in a more motivated workforce, ultimately enhancing organizational outcomes. The study revealed that systematic

remuneration reviews play a vital role in employee performance. The absence of structured reviews can lead to decreased employee morale and productivity, with individuals feeling undervalued and disengaged. Conversely, when employees understand how their performance can influence remuneration adjustments through systematic review cycles, they are more likely to strive for excellence. These reviews provide a framework for goal setting, feedback, and performance recognition

The findings from the County Government of Nakuru's study present compelling evidence that compensation and benefits have a profound influence on employee performance. To foster a constructive workplace environment and achieve superior organizational outcomes, public sector management must prioritize equitable compensation practices, invest in effective incentive programs, harmonize remuneration, and implement structured remuneration review processes. By doing so, they not only enhance employee satisfaction and engagement but also lay the foundation for improved productivity and service delivery. As the public sector continues to evolve, addressing these compensation factors will be paramount to its success.

### **5.3 Recommendations for Practice**

The study examining the influence of compensation and benefits on employee performance within the County Government of Nakuru provides significant insights into how effective compensation strategies can yield enhanced organizational performance. The results indicate a strong correlation between various compensation components and employee productivity, suggesting that strategic improvements in these areas are vital for fostering a thriving workplace culture. Based on the research findings, the following recommendations for practice are proposed;

#### **5.3.1 Develop Robust Incentive Programs**

To maximize employee performance, public sector management should invest in the formulation of comprehensive incentive programs. These should be aligned with employee expectations and aspirations, addressing their diverse needs and motivations. Engaging

employees in the design of these programs can enhance buy-in and ensure that the incentives are both relevant and motivating. Moreover, clear communication about these incentives and their alignment with organizational goals can lead to improved productivity and service delivery.

### **5.3.2 Prioritize Remuneration Harmonization**

Equity in remuneration is essential for maximizing employee performance. The County Government of Nakuru should establish a transparent and well-structured pay system to promote fairness. This could involve regular market assessments to ensure that salaries are competitive and reflect the roles and responsibilities of the employees. Additionally, utilizing a standardized framework for remuneration can minimize discrepancies and promote a sense of fairness, thereby enhancing employee motivation and performance.

### **5.3.3 Implement Structured Remuneration Review Cycles**

Conducting systematic and structured remuneration reviews is critical in driving employee performance. The County Government should establish regular review cycles that are transparent and standardized. These reviews should be linked to performance metrics, allowing employees to understand how their efforts relate to compensation adjustments. Setting clear performance goals and providing feedback in an organized manner can motivate employees to strive for better performance, knowing that their contributions will be recognized.

### **5.3.4 Emphasize Equity and Fairness in Compensation Practices**

To enhance employee satisfaction and engagement, the County Government must prioritize equitable compensation practices. This includes regularly assessing compensation structures to identify and address any perceived inequities. Transparency in how pay is determined and communicated can build trust among employees, leading to higher morale and a more motivated workforce. Organizations should also consider flexible benefits that cater to a diverse employee base, thereby accommodating various individual needs and preferences.

### 5.3.5 Use Data-Driven Approaches to Compensation Decisions

Incorporating data analytics into compensation strategy can help the County Government make informed decisions. Analyzing employee performance metrics and satisfaction surveys can inform adjustments to compensation structures, ensuring they remain competitive and effective. This evidence-based approach helps align employee performance with organizational goals, optimizing both productivity and employee satisfaction.



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**APPENDIX I: RESEARCH TOOL**

Dear respondents, the below questionnaire aims at finding out the influence of Compensation and Benefits on the Performance of County Government of Nakuru. Please mark space provided with  $\surd$  where necessary. The information given will specifically be applied for academic reasons.

**Section A: Demographic Data**

1. Respondents Gender Male

2. What is your age  Female  range?

18-25 years  26-35 years

36-45 years  46-55years

Above 55 years

3. Your highest education level attained

Primary  Secondary

4. What is the duration of employment experience?

Bachelors  Postgraduate

Less than 1 year  1-3 years

3-5 years  Over 5 years

**Section B: Indicators of Compensation and Benefits**

In a scale of 1 to 5, mark the degree of agreement based on compensation and benefits structure.  
**Scale: 1- Strongly Disagree, 2-Disagree, 3- Undecided, 4- Agree and 5-Strongly Agree**

	1	2	3	4	5
<b>Employees Incentives</b>					
There are adequate allowances and benefits in place					
Leave scheduling for employees is well adhered to.					
Employees are encouraged to join professional bodies					
<b>Remuneration Harmonization</b>					
Minimum wage set by SRC is observed by payroll department					
All employees in the same job grade are paid the same without gender bias					
<b>Compensation Equity and Fairness</b>					

Benefits paid to employees are well aligned with the job tasks					
The low pay rate is well defined by the payroll department					
<b>Salaries and Remuneration Review Cycle</b>					
There is uniform salary review based on the length of employment					
Compensation ratio. The pay bands are easily comparable for the departments of the County Government of Nakuru.					




### Section C: Performance of Nakuru County Government

In a scale of 1 to 5, mark the degree agreement on the following statements on the Performance of Nakuru County Government. **Scale 1-Strongly Disagree, 2-Disagree, 3- Undecided 4-Agree and 5- Strongly Agree**

	1	2	3	4	5
<b>Effectiveness</b>					
Employees incentives have led to Organization effectiveness					
Remuneration harmonization has led to Organization effectiveness					
Compensation Equity and fairness has resulted into Organization effectiveness					
Salaries and remuneration review cycle has resulted into Organization effectiveness					
<b>Job satisfaction</b>					
Employees incentives have led to job satisfaction					

Remuneration harmonization has led to job satisfaction					
Compensation Equity and fairness has resulted into job satisfaction					
Salaries and remuneration review has resulted into job satisfaction					
<b>Seamless Service delivery</b>					
Employees incentives have led to seamless service delivery					
Remuneration harmonization has led to seamless service delivery					
Compensation Equity and fairness has resulted into seamless service delivery					
Salaries and remuneration review cycle has resulted into seamless service delivery					

## APPENDIX II: ERC CERTIFICATE



# Mount Kenya University

REF: MKU/ISERC/4501 Date: 22 October 2024  
TO: AGNES ANYANGO GOMBE  
REG: MBA/2020/68928

Dear Sir/Madam,

**RE: INFLUENCE OF COMPENSATION AND BENEFITS ON PERFORMANCE OF EMPLOYEES IN THE COUNTY GOVERNMENT OF NAKURU, KENYA**

This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **3223**. The approval period is **22/10/2024 - 21/10/2025**.

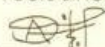
This approval is subject to compliance with the following requirements;

- i. Only approved documents including informed consents, study instruments, MTA will be used
- ii. All changes including amendments, deviations and violations are submitted for review and approval by **Mount Kenya University**
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to **Mount Kenya University** within 72 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to **Mount Kenya University** within 72 hours

- the research must be reported to Mount Kenya University within 72 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions
  - vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal
  - vii. Submission of an executive summary report within 90 days upon completion of the study to **Mount Kenya University**

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke> and also obtain other clearances needed.

Yours sincerely,



Dr. Alfred Owino, PhD  
Chairman, Mount Kenya University ISERC



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Main Campus, General Kago Road, P.O. Box 342-01000 Thika.  
Tel: +254 20 287 8000, Cell: +254 709 153 000  
Email: [info@mku.ac.ke](mailto:info@mku.ac.ke), Web: [www.mku.ac.ke](http://www.mku.ac.ke)  
Chartered and ISO 9001:2015 Certified

### APPENDIX III: LETTER OF INTRODUCTION

# Mount Kenya University



## DIRECTORATE OF GRADUATE STUDIES

MBA/2020/68928

23<sup>rd</sup> October, 2024

National Commission for Science Technology & Innovation (NACOSTI)  
Off Waiyaki Way, Upper Kabete,  
P.O Box 30623- 00100  
NAIROBI, KENYA

Dear Sir/Madam,


**RE: AGNES ANYANGO GOMBE - REGISTRATION NO. MBA/2020/68928**

The purpose of this letter is to introduce the above named student who is pursuing **Master of Business Administration** in the department of **Accounting and Finance** in the school of **Business and Economics**.

The title of the research is "**Influence of Compensation and Benefits on Performance of Employees in the County Government of Nakuru, Kenya.**" It has been cleared by the University's Ethics Review Committee (Certificate attached) and now has to proceed to the field to collect data between **October, 2024 and December, 2024.**

Any assistance accorded to the student will be highly appreciated.

Thank you.

  
Dr. Samuel M. Karenga, Ph.D  
Director, Graduate Studies  
Enc.

Mount Kenya University  
P. O. Box 542 - 01000, THIKA  
Office of the Director,  
Graduate Studies

Main Campus, General Kago Road, P.O. Box 542-01000 Thika.  
TEL: +254 799 509 000 / +254 799 509 000

## APPENDIX IV: RESEARCH PERMIT FROM NACOSTI



REPUBLIC OF KENYA

Ref No: 627161

RESEARCH LICENSE



This is to Certify that Ms. AGNES ANYANGO GOMBE of Mount Kenya University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nakuru on the topic: INFLUENCE OF COMPENSATION AND BENEFITS ON PERFORMANCE OF EMPLOYEES IN THE COUNTY GOVERNMENT OF NAKURU, KENYA, for the period ending : 04/November/2024.

License No: NACOSTIP/24/01/749

627161

Applicant Identification Number



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Date of Issue: 04/November/2024

Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Verification QR Code



See overleaf for conditions

The National Commission for Science, Technology and Innovation, hereafter referred to as the Commission, was established under the Science, Technology and Innovation Act 2013 (Revised 2014) hereinafter referred to as the Act. The objective of the Commission shall be to regulate and assure quality in the science, technology and innovation sector and advise the Government in matters related thereto.

**CONDITIONS OF THE RESEARCH LICENSE**

1. The License is granted subject to provisions of the Constitution of Kenya, the Science, Technology and Innovation Act, and other relevant laws, policies and regulations. Accordingly, the licensee shall adhere to such procedures, standards, code of ethics and guidelines as may be prescribed by regulations made under the Act, or prescribed by provisions of International treaties of which Kenya is a signatory to
2. The research and its related activities as well as outcomes shall be beneficial to the country and shall not in any way:
  - i. Endanger national security
  - ii. Adversely affect the lives of Kenyans
  - iii. Be in contravention of Kenya's international obligations including Biological Weapons Convention (BWC), Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO), Chemical, Biological, Radiological and Nuclear (CBRN).
  - iv. Result in exploitation of intellectual property rights of communities in Kenya
  - v. Adversely affect the environment
  - vi. Adversely affect the rights of communities
  - vii. Endanger public safety and national cohesion
  - viii. Plagiarize someone else's work
3. The License is valid for the proposed research, location and specified period.
4. The license any rights thereunder are non-transferable
5. The Commission reserves the right to cancel the research at any time during the research period if in the opinion of the Commission the research is not implemented in conformity with the provisions of the Act or any other written law.
6. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research.
7. Excavation, filming, movement, and collection of specimens are subject to further necessary clearance from relevant Government Agencies.
8. The License does not give authority to transfer research materials.
9. The Commission may monitor and evaluate the licensed research project for the purpose of assessing and evaluating compliance with the conditions of the License.
10. The Licensee shall submit one hard copy, and upload a soft copy of their final report (thesis) onto a platform designated by the Commission within one year of completion of the research.
11. The Commission reserves the right to modify the conditions of the License including cancellation without prior notice.
12. Research, findings and information regarding research systems shall be stored or disseminated, utilized or applied in such a manner as may be prescribed by the Commission from time to time.
13. The Licensee shall disclose to the Commission, the relevant Institutional Scientific and Ethical Review Committee, and the relevant national agencies any inventions and discoveries that are of National strategic importance.
14. The Commission shall have powers to acquire from any person the right in, or to, any scientific innovation, invention or patent of strategic importance to the country.
15. Relevant Institutional Scientific and Ethical Review Committee shall monitor and evaluate the research periodically, and make a report of its findings to the Commission for necessary action.

National Commission for Science, Technology and  
Innovation (NACOSTI),  
Off Waiyaki Way, Upper Kabete,  
P. O. Box 30623 - 00100 Nairobi, KENYA  
Telephone: 020 4007000, 0713788787, 0735404245  
E-mail: [dgi@nacosti.go.ke](mailto:dgi@nacosti.go.ke)  
Website: [www.nacosti.go.ke](http://www.nacosti.go.ke)

## APPENDIX V: RESEARCH AUTHORIZATION



1<sup>st</sup> November, 2024

**RE: Research Authorization for Ms. Agnes Gombe – Reg. No. MBA/2020/68928, Mount Kenya University**

Following your request dated 23rd October 2024 to conduct an academic research project at our County Government offices, we are pleased to inform you that permission has been granted to proceed with the research.

Kindly ensure that all data collected during the course of your study is used strictly for academic purposes and handled with the utmost confidentiality and professionalism.

We wish you success in your research endeavor.

Sincerely,  
  
Human Resource Department

## APPENDIX VI: TURNITIN REPORT

INFLUENCE OF COMPENSATION AND BENEFITS ON  
PERFORMANCE OF EMPLOYEES IN THE COUNTY  
GOVERNMENT OF NAKURU, KENYA.

ORIGINALITY REPORT



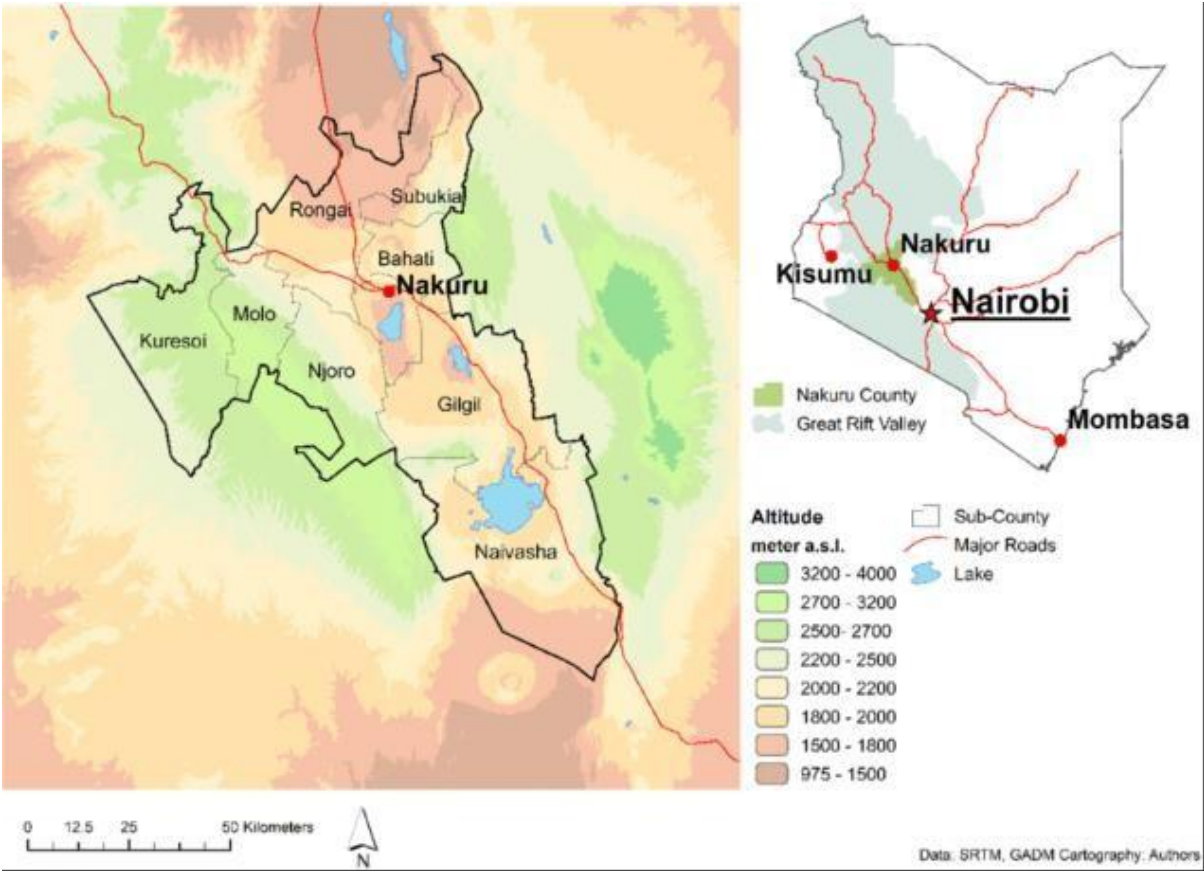
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**APPENDIX VII: RESEARCH SITE MAP**



Mount Kenya

Respondents	Gender	Age	Education Level	Employment experience	allowances and benefits in place	employees is well a to.
R001	2	5	3	3	3	3
R002	1	1	3	2	5	5
R003	1	5	3	4	2	2
R004	1	2	4	4	2	2
R005	1	2	4	4	1	1
R006	2	3	2	4	5	5
R007	1	2	4	4	2	2
R008	1	2	4	4	1	1
R009	2	3	2	4	5	5
R010	2	5	3	3	3	3
R011	1	1	3	2	5	5
R012	1	5	3	4	2	2
R013	1	2	4	4	2	2
R014	1	2	4	4	1	1
R015	2	3	2	4	5	5
R016	1	2	4	4	2	2
R017	1	2	4	4	1	1
R018	2	3	2	4	5	5
R019	2	5	3	3	3	3
R020	1	1	3	2	5	5
R021	1	5	3	4	2	2
R022	1	2	4	4	2	2
R023	1	2	4	4	1	1
R024	2	3	2	4	5	5
R025	1	2	4	4	2	2
R026	1	2	4	4	1	1
R027	2	3	2	4	5	5

R028	2	5	3	3	3
R029	1	1	3	2	5
R030	1	5	3	4	2
R031	1	2	4	4	2
R032	1	2	4	4	1
R033	2	3	2	4	5
R034	1	2	4	4	2
R035	1	2	4	4	1
R036	2	3	2	4	5
R037	2	5	3	3	3
R038	1	1	3	2	5
R039	1	5	3	4	2
R040	1	2	4	4	2
R041	1	2	4	4	1
R042	2	3	2	4	5
R043	1	2	4	4	2

**APPENDIX VIII: LONG TABLE**

**Demographic Information**

**Employees** There are adequate scheduling f

Leave

R044	2	4	1 R045	2	3	2	5 R046	2	5	3	3
3 R047	1	1	3	2	5 R048	1	5	3	4	2 R049	1
2	4	4	2 R050	1	2	4	4	1 R051	2	3	2
4	5 R052		1	2	4	4	2 R053		1	2	4
4	1 R054		2	3	2	4	5 R055		2	5	3
3	3 R056		1	1	3	2	5 R057		1	5	3
4	2 R058		1	2	4	4	2 R059		1	2	4
4	1 R060		2	3	2	4	5 R061		1	2	4
4	2 R062		1	2	4	4	1 R063		2	3	2
4	5 R064		2	5	3	3	3 R065		1	1	3
2	5 R066		1	5	3	4	2 R067		1	2	4
4	2 R068		1	2	4	4	1 R069		2	3	2
4	5 R070		1	2	4	4	2 R071		1	2	4
4	1 R072		2	3	2	4	5 R073		2	5	3
3	3 R074		1	1	3	2	5 R075		1	5	3
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R346	1	2	4	4	2	R347	1	2	4	4	1			
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R350	1	2	4	4	1									

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