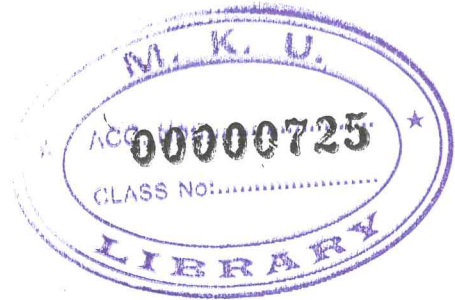


ANALYSIS OF EFFECTS OF PERFORMANCE-BASED REWARDS TO TEACHERS AND
HOW IT IMPACTS TO INDIVIDUAL PERFORMANCE IN PRIMARY SCHOOLS IN
WAJIR COUNTY

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ABSTRACT

This study is about performance-based rewards and their impact on the performance of teachers in primary schools in Wajir County. There appears to be mounting concerns that unacceptably high proportions of teachers working in primary schools in Wajir County are poorly motivated due to a combination of low morale and job satisfaction, poor incentives, and inadequate controls and other behavioral sanctions. Consequently, standards of professional conduct and performance are low and falling in many primary schools. Incentives for teachers in the primary schools in Wajir County to perform well are frequently weak due to ineffective incentives and sanctions. The objectives this study were to identify the types of performance based rewards used in primary schools and to establish the effect of the performance based rewards on the performance of teachers. In response to the concern that merit pay models may hamper collaboration, one could structure the system to reward teacher cooperation, especially through group-based pay. This strategy can foster both teacher interdependence and acknowledgement of that interdependence. That said, team-based incentive systems raise the risk of "free riding." Our main finding was that the teacher pay-for-performance program was quite effective in improving student learning. Students who attended the incentive schools performed significantly better than those in control schools by 0.27 and 0.17 standard deviations in math and language tests respectively. We also found that the gains are very broad based, with students in incentive schools out-scoring the students in control schools in all five grades, Wajir County and all levels of test question difficulty. The project recommends that among the models included paying employees, wholly or partially, based on the quality of their performance