Determinants of Employee Satisfaction on Employee Performance in Early Childhood Education Department, Kiminini Sub County, Kenya

Mildred Nanjala Makhanu∗ Dr. Elizabeth Nambuswa Makokha
College of Human Resource Development, Department of Entrepreneurship and Procurement, Leadership and Management, Jomo Kenyatta University of Agriculture and Technology, P.O. Box 62000 - 00200, Nairobi Kenya

Abstract
The purpose of the study was to analyse the determinants of employee job satisfaction in Kiminini Sub County. The specific objectives of the study was to investigate the influence of compensation on employee performance in Kiminini Sub County. A descriptive survey research design with a target population of 191 and a sample size 130 respondents. The instrument for collecting data was questionnaires. A pilot study was carried out in the department of finance in Kiminini sub-county to test the tools. Data collected was edit, coded and analyzed using the Statistical Programme for Social Science (SPSS). Statistical Packages for Social Sciences will generate the values in frequencies and percentages and using Descriptive data analysis techniques to measure central tendencies and dispersion where applicable. A multiple regression analysis was applied to test the significance of one variable over the others. From the results, Compensation (β = 0.506) was found to be positively related employee performance. From t-test analysis, the t-value was found to be 3.985 and the ρ-value 0.000. Statistically, this null hypothesis was rejected because ρ<0.05. Thus, the study accepted the alternative hypothesis and it concluded that Compensation does have a significant effect on employee performance in Kiminini sub county. There exist a positive relationship between compensation and employee performance. Kiminini sub-county should provide better compensation as compared with other companies offering similar services to enable employees work with a satisfaction.

Keywords: Employee Performance, Employee Satisfaction

1.0 Introduction
In Britain according to Masooma, Rifat and Fatima (2014) Job satisfaction -or lack of it -hinges on a productive, accomplishing relationship between staff and management; indeed, the success of any organization depends on staff members who enjoy their jobs and feel rewarded by their efforts. Ultimately, of all the people in the marketplace may suffer the most when this vital success factor is lacking. In earlier ages, many researchers have been directed on job satisfaction but this still remains an issue for many organizations.

On the other hand in America according to Williamson & Shindler (2009) There is a close relationship between job satisfaction and performance in all professional categories and this phenomenon is observed worldwide. Performance as a task is a complex feature which depends on many factors except global job satisfaction and many other conditions which are not readily determinable. These conditions are either operational either psychological such as organizational commitment, work values etc. Therefore easily explained the effort is made for scientific interpretation and evaluation of this relationship, which is often, involves personal values.

In Pakistan Ayesha, Qurat, Rabia and Muhammad (2014) assert that Job satisfaction describes a collection of factors that creates a feeling of satisfaction. It can be simply stated as a combination of how an individual feel, thinks and perceive about his or her job and it is affected by many internal and external factors. A set of positive and negative feelings that an employee have about his job is known as job satisfaction. When an organization really comes up to the expectations what an employee really needs from his job, it means that the organization is working towards the Employee satisfaction and understand its importance.

In addition According to Jackie (2010) asserts that in Pakistan, employees who are satisfied are more productive which leads to outcomes such as low turnover and organizational effectiveness.

This makes job satisfaction an important element since for any organization to succeed the employees' concerns should be met. Lack of job satisfaction leads to quitting a job where workers may quit from public to the private sector and vice versa or at times go for better greener pastures. (Khalid 2013).

According to Pocztowski (2014) Poland the level of job satisfaction experienced by an employee is dependent on the amount of wages, advancement opportunities, management style, content of work, interpersonal relations, working conditions, work organization, management and corporate reputation. Employee Job satisfaction is good for both employees and employers as it adds value to productivity and reduces employee turnover as indicated in the of study James & Hannah (2014) who also pointed out that job satisfaction is an important aspect in a work situation, that can result to increased performance and organization.
commitment by employees.

According to Society of Human Resource Management (2014) the economy continues to improve over the years, respectful treatment of employees remains the leading job satisfaction contributor; however, employees have shifted their focus slightly to other aspects of the job such as compensation and benefits. This change in workers’ attitudes is not unexpected after a period of neglected salary raises and bonuses, health care premium increases and reductions in employee benefits. Employees may now be in a better position and feel more confident in exploring employment opportunities, as indicated by their motives to leave an organization and the declining importance of job security over the last couple of years.

There are also studies on internal and external factors affecting employee and job satisfaction. One of the internal factors taken into account is emotional intelligence (Jorfi, Fauzy Bin Yacco & Md Shah, 2014). Job satisfaction is influenced by groups of factors associated with broadly understood internal work environments and worker characteristics. Subject and situational factors should therefore be considered together as factors that determine the level of job satisfaction. According to Simatwa (2011), he defined job satisfaction as a state in which is positively personal needs are fulfilled positively in the job situation.

Kuria (2011) argues that employees can be more productive if they feel satisfied with their job in terms of security and economic strain, when their efforts are recognized, clear organization grievance procedure, an opportunity to contribute ideas and suggestions, decision making participation, clear definitions of duties and responsibilities and equal opportunities for promotion, fringe benefits, sound pay structure, incentive plans and profit sharing activities, health and safety measures, social security, compensation, communication, communication system and atmosphere of mutual trust and respect. Employee Job satisfaction refers to pleasurable emotional state of feeling that results from performance of work (Simatwa, 2011).

Sattar, Khan, Nawaz & Afzal (2010), performance comes as a result of Job satisfaction by employees in an organization and which is a very critical issue for every organization which includes basic factors like pay, work, supervision, promotion, co-workers and work environment. Developing countries are subject to the change of the level of job satisfaction or otherwise (Sattar & Nawaz, 2011) and affirms that some researchers look at job satisfaction as the emotional state created due to balance between rewards and expectations of workers job satisfaction from the job. It’s in agreement with Khalid et al. (2013) who stated that job satisfaction being concerned with how worker’s expectations at work are in tune with outcomes.

Stella (2013) points out Kenya having cases of employee dissatisfaction from long time ago. For example due to unfair implementation of organizational policies on promotions; unfair treatment of employees by managers, Limited career development opportunities due to the fact that most senior positions are held by expatriates, biased ratings in terms of performance management and a normalization process that is very subjective, leading to dissatisfaction among employees in Airtel. Hence the study will focus on Kiminini Sub County employees who are charged with the responsibility in offering services to the public. Based on this background the study will therefore analyze determinants of employee job satisfaction on employee performance in Kiminini Sub County.

There is need for Human Resource being important in any organization so as to achieve organization objectives through have the obligation of providing efficient and effective services to its customers and also to gain competitive advantage. In order to achieve these, employees should be satisfied. Its in agreement with Society of Human Resource Management (2014) that the economy continues to improve over the years, respectful treatment of employees remains the leading job satisfaction contributor According to Bidyut & Mukulesh (2014) it was discovered that the level of service delivery in organization remains low due to unsatisfied employees who are ineffective in service delivery due to compensation. James & Hannah (2013) pointed out that improved performance is always associated with job satisfaction in work situations and it results into increased commitment to an organization. Satisfied employees will influence the productivity of the organization and will lead to achieving the organization’s vision and goals (Hussin, 2011). Efforts are always made for employees to be satisfied but still employees demand for better terms due to the dynamic world. This study will therefore be undertaken to analyse determinants of employee job satisfaction on employee performance in Kiminini Sub-County.

2.0. Influence of compensation on employee performance

According to Susan Heathfield,( 2016 } compensation is the total amount of the monetary and non-monetary pay provided to an employee by an employer in return for work performed as required. Essentially, it’s a combination of the value of your pay, vacation, bonuses, health insurance, and any other perk you may receive, such as free lunches, free events, and parking.

Compensation can demonstrate to employees that a company is supportive and fair, and there is evidence to suggest that stable benefits are at the top of the list of reasons why employees choose to stay with their employer or to join the company in the first place (Aquino, Griffeth, Allen & Hom 2014). However, it is often the case that many employees do not realize the true value of the benefits they receive. Nor are they always sure what
motivates the employer to provide these benefits. Thus, the link between benefits and employee commitment is not always strong. Adequate communication with employees is, as with most other retention practices, essential. Trevor, (2013). The range of benefits offered by companies includes the following categories: health, dental, vision, vacation, family leave, disability, retirement, employee assistance programs, life insurance, extended leave, etc.

Tompkins and Beech, (2014) points out it is important to note that the relative importance of benefits will vary according to the specific needs of each individual. The importance of a benefit plan to an employee with dependents may assume far greater importance particularly in an environment where benefits costs are increasing rapidly. Companies with older workforce demography might see their retention efforts best served through benefit plans that cover health-related expenses, care for elderly parents, etc.

Many companies are responding to the increasingly diverse needs of their employees by introducing a greater element of choice in the range of benefits from which their workers can choose. Thus, the introduction of flexibility in benefits packages can be a key ingredient in ensuring good retention, particularly since it affords greater responsiveness to the specific needs and circumstances of individuals (Milman, 2013).

According to Dipietro & Milman, (2014) some companies have become more creative in the types of benefits they offer their employees, and many such initiatives are focused on allowing employees to strike a better balance between their working and non-working lives. It includes earned time off, on-site child care, paid paternity leave, sabbaticals, tuition reimbursement.

In the interest of facilitating a better work-life balance, advise employers to make it easier for employees to transfer from full-time to part-time work and vice versa, introduce pro-rated benefits for part-time workers, guarantee a return to full-time status for those who elect to work part-time, and protect employee seniority when shifting from full to part-time work, and vice-versa.

Heathfield (2012) defined salary as a fixed amount of money or compensation paid to an employee by an employer in return for a productive work performed. Payment system plays an important role in determining an employee's level of job satisfaction Pouliakas (2010) found that there is a significant negative relationship between small bonus payments and the satisfaction of workers with the actual job itself. Monetary incentives have a positive effect on workers utility and performance as long as they are large enough. Millán et al. (2011) reported that for both employees and the self-employed, having higher work incomes increase the likelihood of being satisfied with the type of work. According to Bozeman & Gaughan (2011) the perception of being paid what one is worth predicts job satisfaction. While Noordin and Jusoff (2009) studied the levels of job satisfaction amongst Malaysian academic staff that found the salary appears to represent one of antecedent conditions of the general satisfaction. Noraani (2013) also found that there is a positive significant relationship between salary/remuneration and job satisfaction of university academics of Uganda.

Pay is associated with global satisfaction and even more closely with the facet of pay satisfaction. Although money is important to individuals, research has shown that individuals who earn more are not necessarily more satisfied in their jobs (Alam et al. 2012). In a study by Lumely et al. (2011) concluded that to evaluate the influence of pay increases on job satisfaction., the study revealed that pay is an important factor that can affect overall job satisfaction.

According to Susan M. Heathfield (2017), an incentive is an object, item of value or desired action or event that spurs an employee to do more of whatever was encouraged by the employer through the chosen incentive. She says, four kinds of incentives are available for employers to use at work. These are: Compensation incentives which may include items such as raises, bonuses, profit sharing, signing bonus, and stock options. Recognition incentives which include actions such as thanking employees, praising employees, presenting employees with a certificate of achievement, or announcing an accomplishment at a company meeting. Employers can offer recognition incentives as part of an overall company employee recognition program. They can also offer employee recognition in the day-to-day interaction of managers with employees. Rewards incentives include items such as gifts, monetary rewards, service award presents, and items such as gift certificates. An additional example is employee referral awards that some companies use to encourage employees to refer job candidates. These incentives are often awarded in conjunction with recognition incentives to send a positive message to employees about what contributions and behavior the employer wishes to see. Appreciation incentives include such happenings as company parties and celebrations, company-paid family activity events, ice cream socials, birthday celebrations, sporting events, paid group lunches, and sponsored sports teams. An example is a product development team that meets the goals of its first phase of a product project and orders in pizza for the team celebration.

Employers use incentives to promote a particular behavior or performance that they believe is necessary for the organization’s success, thus employers need to use more incentives to help build employee morale and to ensure that employees feel appreciated for their contributions. Susan M. Heathfield et al (2016), says bonus pay is over and above the amount of pay specified as a base salary or hourly rate of pay. The base amount of compensation is specified in the employee offer letter, in the employee personnel file, or in a contract.
Employers can distribute bonus pay randomly as the company can afford to pay a bonus, or the amount of the bonus pay can be specified by contract. She explains bonus pay in the following categories while noting that bonus pay is used by many organizations as a thank you to employees or a team that achieves significant goals. Bonus pay is also used to improve employee morale, motivation, and productivity. When you tie bonuses to performance it can encourage employees to reach their goals, which in turn helps the company reach its goals.

**Contracted bonus pays** which are often dependent on the company meeting specific revenue targets, or the employer may base them on other criteria and is not common outside of the executive suite.

**Performance bonuses** which many companies offer to people below the executive level as well, although this practice is rare and are based on many different factors.

**Sales commissions** are generally a good portion pay given to sales employees (inside or outside). These are often referred to as bonuses as well, but they differ from other bonuses in that they are directly tied to number of sales and generally not to anything else.

**Random bonuses** ensure no one will ever complain about extra money and the boss is always free to hand out bonuses. Many companies do year-end or holiday bonuses that are not part of a contract or promised in the employee handbook. Employers can change handbooks and amounts of bonus pay, but if the employer doesn't make and communicate the changes to employees, then the company is obligated to pay out as described Susan M. Heathfield et al (2016).

### 3.0 Methodology

A descriptive survey research design with a target population of 191 and a sample size 130 respondents. The instrument for collecting DATA was questionnaires. A pilot study was carried out in the department of finance in Kiminini sub-county to test the tools. Data collected was edit, coded and analyzed using the Statistical Programme for Social Science (SPSS). Statistical Packages for Social Sciences will generate the values in frequencies and percentages and using Descriptive data analysis techniques to measure central tendencies and dispersion where applicable. A multiple regression analysis was applied to test the significance of one variable over the others.

### 4.0 Discussion

The study sought to establish the influence of compensation on employee performance in Kiminini sub county. The findings are presented in a five point Likerts scale where SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree and T=total.

From table 4.1 below, the respondents were asked they were satisfied with financial compensation as a means of recognizing their performance. The distribution of findings showed that 7.3 percent of the respondents strongly agreed, 48.2 percent of them agreed, 28.2 percent of the were neutral, 10.9 percent disagreed while 5.5 percent of them strongly disagreed. These findings implied that the employees of Kiminini sub county are satisfied with the financial compensation as a means of recognizing their performance.

The respondents were also asked whether they are satisfied with their pay compared with similar job in other companies. The distribution of the responses indicated that 2.7 percent strongly agreed to the statement, 30.9 percent of them agreed, 32.7 percent of them were neutral, 22.7 percent of them disagreed while 10.9 percent of them strongly disagreed to the statement. These findings implied the respondents are satisfied with their pay compared with similar job in other companies.

The respondents were also asked whether the organisation has opportunities of promotion which sometimes are done on the basis of seniority and merit. The distribution of the responses indicated that 7.3 percent strongly agreed to the statement, 47.3 percent of them agreed, 29.1 percent of them were neutral, 5.5 percent of them disagreed while 10.9 percent of them strongly disagreed to the statement. These findings implied that the organisation has opportunities of promotion which sometimes are done on the basis of seniority and merit.

The respondents were further asked whether the respondents where rewarded for the better performance and loyalty to the organisation. The distribution of the responses indicated that 7.3 percent strongly agreed to the statement, 23.6 percent of them agreed, 40 percent of them were neutral while 17.3 percent and 11.8 percent of them disagreed strongly and disagreed to the statement respectively. These findings implied that the respondents were rewarded for the better performance and loyalty to the organisation.

The respondents were further asked whether the respondents were satisfied with the upgrading programme in their organisation. The distribution of the responses indicated that 13.6 percent strongly agreed to the statement, 18.2 percent of them agreed, 40 percent of them were neutral, 22.7 percent of them disagreed while 5.5 percent of them strongly disagreed to the statement respectively. These findings implied that the respondents were satisfied with the upgrading programme in their organisation.
Table 4.1: Compensations

<table>
<thead>
<tr>
<th>Statements</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>SD</th>
<th>T</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am satisfied with financial compensation as a means of recognizing my performance</td>
<td>%</td>
<td>7.3</td>
<td>48.2</td>
<td>10.9</td>
<td>5.5</td>
<td>100</td>
</tr>
<tr>
<td>I am satisfied with my pay compared with similar job in other companies</td>
<td>%</td>
<td>2.7</td>
<td>30.9</td>
<td>32.7</td>
<td>22.7</td>
<td>10.9</td>
</tr>
<tr>
<td>My organisation has opportunities of promotion which sometimes are done on the basis of seniority and merit</td>
<td>%</td>
<td>7.3</td>
<td>47.3</td>
<td>29.1</td>
<td>5.5</td>
<td>10.9</td>
</tr>
<tr>
<td>I am rewarded for the better performance and loyalty to organisation</td>
<td>%</td>
<td>7.3</td>
<td>23.6</td>
<td>40.0</td>
<td>17.3</td>
<td>11.8</td>
</tr>
<tr>
<td>I am satisfied with the upgrading programme in my organisation</td>
<td>%</td>
<td>13.6</td>
<td>18.2</td>
<td>40.0</td>
<td>22.7</td>
<td>5.5</td>
</tr>
</tbody>
</table>

Also shown on Table 4.2 below on correlation matrix, the p-value for compensation was found to be 0.000 which is less than the significant level of 0.05, (p<0.05). The result indicated that Pearson Correlation coefficient (r-value) of 0.527, which represented an average, positive relationship between compensation and Employee performance.

Table 4.2: Correlation Matrix

<table>
<thead>
<tr>
<th>Compensation</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation</td>
<td>.527**</td>
<td>.000</td>
<td>110</td>
</tr>
</tbody>
</table>

Multiple linear regressions were computed at 95 percent confidence interval (0.05 margin error) to show the multiple linear relationship between the independent and dependent variables of the study.

Table 4.3 shows the Analysis of Variance (ANOVA). The p-value is 0.000 which is < 0.05 indicates that the model is statistically significant in predicting how determinants of employee satisfaction and employee performance at Kiminini sub-county. The results also indicate that the independent variables are predictors of the dependent variable.

Table 4.3: ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>686.766</td>
<td>4</td>
<td>171.691</td>
<td>10.178</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>1771.234</td>
<td>105</td>
<td>16.869</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2458.000</td>
<td>109</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results in table 4.4 indicate that all the independent variables have a significant positive effect on organisational performance. The most influential variable is compensation with a regression coefficient of 0.506 (p-value = 0.000).

According to this model when all the independent variables values are zero, employee performance of will have a score of 29.741.

Table 4.4: Regression Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>compensation</td>
<td>.506</td>
</tr>
</tbody>
</table>

From Table 4.4 above, Compensation (β = 0.506) was found to be positively related employee performance. From t-test analysis, the t -value was found to be 3.985 and the ρ -value 0.000. Statistically, this null hypothesis was rejected because ρ<0.05. Thus, the study accepted the alternative hypothesis and it concluded that Compensation does have a significant effect on employee performance in Kiminini sub county.

5.0 Conclusion and Recommendations

From the results, Compensation (β = 0.506) was found to be positively related employee performance. From t-test analysis, the t -value was found to be 3.985 and the ρ -value 0.000. Statistically, this null hypothesis was rejected because ρ<0.05. Thus, the study accepted the alternative hypothesis and it concluded that Compensation does have a significant effect on employee performance in Kiminini sub county. There exist a positive relationship between compensation and employee performance. Kiminini sub-county should provide better compensation as compared with other companies offering similar services to enable employees work with a satisfaction.
REFERENCES


