

Effects of Training and Compensation Practices on Employee Performance in Public Universities in Kenya

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Abstract

Human Resource (HR) is a crucial asset to organizations. Many organizations, especially in the public sector, are faced with the challenge of improper management of human resources, which in turn affects the overall business negatively. Effective human resource management practices are associated with increased performance of employees. This study aimed to determine the relationship between training and compensation practices on employee performance in public universities in Kenya. The objectives of the study were to determine the effect of training on employee performance in public universities in Kenya, and to establish the effect of compensation practices on employee performance in public universities in Kenya. A survey approach was used. The study targeted all 201 Office Administration Officers working in six public universities in Mt. Kenya Region. Mt. Kenya region comprises the counties of Nyeri, Kirinyaga, Nyandarua, Tharaka Nithi, Embu and Meru. A questionnaire consisting of demographic questions and a 5-point Likert Scale was used to collect data. Qualtrics survey was utilized to administer the questionnaire. Out of 201 sets of questionnaires distributed, 176 responses were generated, representing a response rate of 88%. Descriptive statistics in form of tables, frequencies and percentages were used to present the analysed data. Cronbachs alpha was used to assess the reliability of instruments, while content validity was assessed through reviews of items. Data was tested to ensure that it did not violate regression assumptions. The study revealed that workers' performance was significantly influenced by training practice ($p < 0.05$), while the effect of compensation practice on workers' performance was not significant ($p > 0.05$). The study, therefore, concluded that training and compensation practices were associated with increased performance of the workers in public universities in Kenya. The results imply that the management of public universities needs to focus on improvement of each of the aforementioned practices through the establishment of relevant policies. There is need for further research on other human resources practices, and preferably be undertaken in a different geographical and organisational setting.

Keywords: *Human resource management, training, compensation, public universities, Employee performance, staff, workers.*

1.0 Introduction

World over, employee performance has been a concern of every firm, whether public or private, and thus its importance cannot be overemphasized (Akinbowale, 2014). Though traditionally the importance of performance was viewed as a concern for the private sector only, there has been a notable change to this view over the last couple of decades, where both the private and the public sectors have embraced the value of performance (Tursunbayeva, 2019). Like any other organization, public universities need to develop a strong internal workforce to address various challenges that they frequently face as they strive to improve employee performance. Two of the most widely used approaches to improve employee performance are training and compensation.

Unlike the private sector which has effective strategies for employee performance enhancement, performance in the public sector is low because of failure to employ effective HR strategies (Haenisch, 2012). This situation is evident in Kenya the public sector is characterised by low employee performance, and consequent poor institutional performance (Leseiyo & Ngui, 2019). According to Leseiyo and Ngui (2019), and Muriu et al. (2017) employee performance in public institutions in Kenya is low due to factors such as poor remuneration and lack of training.

Mayes et al., (2017), and Wood and Bischoff (2020) have indicated that effective training and compensation practices are associated with increased performance of the employee. The increase in the performance of the employee leads to increased competitive advantage, better customer services and high profitability (Wayne & Martocchio, 2016). Despite the positive impact that staff training and compensation have towards organizational success, Kenyan

public universities have had notable challenges in taking their advantage.

To achieve the benefits associated with better human resource management, public Universities need to formulate policies and adopt appropriate practices that drive employee performance. The focus on Kenyan public universities is justifiable because according to World Bank report, the growth and development of any economy is founded on its education system; hence, investing in education would imply economic growth, increased productivity, national and social development and reduction in social inequality (World Bank, 2018). The important role of higher education in the creation of high-level human capital cannot be overemphasized. To achieve this, universities need to formulate policies and adopt appropriate practices that drive employee performance. This study was motivated by the important role played by Kenyan public universities in economic growth through creation of high-level human capital, their semi-autonomous status, and the fact that they are domiciled in the public service industry.

This study sought to assess the training and compensation practices in the context of Kenyan Public Universities, and statistically relate them to employee performance. The study hypothesized that the relationship between training practice and staff performance was insignificant, and that the relationship between compensation practice and workers' performance was insignificant. It was guided by Expectancy Theory of Performance Management and Ability-Motivation-Opportunity (AMO) theory.

2.0 Materials and Methods

Descriptive research design was used. Office Administration Officers (formerly known as Secretaries) working in public universities in Mt. Kenya region were

targeted. This is because the Office Administration Officers are engaged in daily administrative support duties such as handling internal and external communication, document management, administrative support before, during and after meetings; front-office management, data entry and processing; keeping custody of important information of the organization, among other duties crucial for smooth operation of Kenyan universities. Therefore, their output is directly affected by HR practices adopted by the universities. To obtain the number of Office Administration Officers in universities in Mt Kenyan region, the researcher requested HR departments of sampled universities to provide the information.

A total of 201 Office Administration Officers was obtained. Due to the small population size, a census approach was adopted; whereby all the Office Administration Officers were selected. An online questionnaire was used to collect data. Permission was obtained from the Kenya Methodist University before collection of data, and a permit obtained from the National Council for Science, Technology & Innovations (NACOSTI). Questions and measurement scales were evaluated to assess content validity. A pilot study of 20 Office Administration Officers from Laikipia University which is a public university outside Mt. Kenya region was conducted. Cronbach' Alpha was used to assess the internal consistency of research instruments. Before subjecting data to analysis, it was checked for omissions, errors and consistency.

The cleaned data was imported into the Statistical Package for Social Sciences (SPSS) software for further analysis. SPSS software was used to perform frequency analysis for demographic questions, while descriptive statistics were used for survey questions and inferential statistics to test research hypotheses. The data was fitted into a regression model as indicated below.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + e$$

Where:

Y=Performance, β_0 = Constant, $\beta_1 - \beta_2$ = Coefficient of Independent Variables, X_1 = Training, X_2 = Compensation.

The hypothesis test was tested at a 0.05 significance level.

3.0 Results and Discussion

Out of the 201 questionnaires, 176 responses were generated; a response rate of 88 percent which was within acceptable limits of 60 percent (Fincham, 2008) recommended for online surveys. 93.8 percent of the respondents were female, while 6.2 percent were male. The gender-biased in response rate can be explained by the myth that women perform better than men in office management roles such as secretarial duties (Giles et al., 2018). Most of the respondents had worked for the university for 6-11 years, followed by those who had worked for 12-18 years; an indicator that the rate of Office Administration Officers' turnover is low. 25 percent had worked for a duration of 0-5 years, while only 1 (one) representing 0.57 percent had worked for more than 19 years and above.

Most respondents had professional qualifications, followed by undergraduate and postgraduate qualifications, a higher diploma in secretarial studies and undergraduate diploma in secretarial studies respectively; the latter falling under the professional qualifications category. Majority of the respondents worked for Chuka University, followed by the Dedan Kimathi University of Technology, Meru University of Science & Technology, University of Embu, Karatina University and Kirinyaga University respectively. Most of the respondents indicated that their job title was Office Administration Officers (161), followed by Secretary (9),

Office Clerk (5) and Office Administration Executive (1).

Training Practice

The results indicated that respondents could not agree or disagree with the statements that the university trains new employees; that employee training was used to improve the technical performance of the staff, and that training of staff

prepared them for future assignments. However, the respondents agreed that training was provided when a member of staff was required to perform different jobs. In addition, the study sought to get views of the employees regarding their training needs. The respondents disagreed on the existence of mentorship programmes, whereby a more experienced staff coaches less experienced one. The results are presented in table 1.

Table 1

Training Practice

	N	Mean	Std. Deviation
This University trains new employees to acquaint them with the job.	176	2.74	1.084
Employee training at the university is used to improve staff technical performance.	176	3.40	.933
The University trains employees to prepare them for future assignments.	176	3.37	1.051
Training is provided to equip the university staff with various skills to perform different jobs.	175	3.52	.958
The university has mentorship programmes, whereby a more experienced staff coaches less experienced ones.	176	2.47	1.322
The university seeks to get the views of the employees regarding their training needs.	176	3.55	.906

Compensation practice

Most of the respondents indicated that they neither agreed nor disagreed that their university provided a competitive remuneration package as compared to other public universities. Also, they neither agreed nor disagreed that their pay was appropriate when considered with workers with similar duties within the institution; and that the university compensated them for extra responsibilities. They could also neither agree nor disagree that their trade

union satisfactorily represented and negotiated employees' pay and other welfare matters with the University Management. The respondents agreed that the university compensates them fairly for the work done, and that it catered well for their affairs. They strongly disagreed that they enjoy a healthy life-work balance at the university. These results are presented in table 2.

Table 2

Compensation practice

	N	Mean	Std. Deviation
This University provides a competitive compensation and benefits package when compared to other institutions of higher learning.	176	3.41	.964
My pay is appropriate when it is compared with that of other workers with similar duties/responsibilities within the University.	176	3.10	1.147
This university compensates me for extra duties and responsibilities	176	2.76	1.214
I feel the University compensates me fairly for the work I do.	176	3.61	.667
I am happy with the way this university caters for my health and well-being.	176	3.69	.585
As a staff of this university, I enjoy a healthy work-life balance.	176	1.45	.747
I am satisfied by the way my trade union represents and negotiates employees' pay and other welfare matters to the University Management.	176	3.34	.745

Employee Performance

Respondents agreed to all the elements of their performance. Specifically, they agreed that they always exceeded the expectations of their bosses; that they were able to meet the deadlines; that they completed routine tasks earlier than the specified time; and that they surpassed the set objectives and created meaningful

suggestions to their universities, and the others. They strongly agreed that they always related well with their workmates outside their units, and that they have their respect and trust at work. The descriptive results for employee performance are presented in table 3.

Table 3

Employee performance

	N	Mean	Std. Deviation
The amount of work I complete at a given time always exceeds my boss's expectation	176	3.92	.663
I meet deadlines by completing tasks assigned to me on time.	176	3.97	.736
I lessen the total time required to finish a routine duty/task.	176	3.82	.912
In performing my work, I always surpass the objectives set by my boss.	176	3.84	.998
I can make useful and creative recommendations for the university.	176	3.85	1.017
I always satisfy the needs of the clients	176	4.19	.553
I have never caused my boss or the university any inconveniences due to incomplete tasks, lateness or personal carelessness in discharge of my duties.	176	4.24	.725
No one has complained about my poor work performance.	176	4.32	.535
My boss is always satisfied with the performance at the workplace	176	4.03	.785
I cooperate with my colleagues, thus earning their respect and support.	176	4.50	.576
I interrelate well with my workmates outside my department and have their respect and trust at work.	176	4.56	.601

Training, compensation practices and employee performance

A regression test was used to assess the relationship between the variables. Diagnostic tests were conducted to ensure that assumptions of linear regression were met. The normal PP plot from figure 1 shows that the data was normal because the data points formed an approximately straight line. The residual plots from figure 2 showed that data was homoscedastic because the points had no specific pattern;

meaning that the points were to the right and left of the X-axis and above and below zero on Y-axis. Multicollinearity was assessed using Variance Inflation Factor (VIF) and tolerance levels. The acceptance value of tolerance levels should be less than 0.1, while the acceptable value of VIF should be between 1 and 10 (Akinwande et al., 2015). As indicated in Table 4, correlations were within the acceptable levels. The Durbin Watson test was used to assess the presence of autocorrelation. The test value should be between 1.5 - 2.5

(Mcburney & White, 2013). The value of the test was 1.626; an indication that the data did not violate statistical independence.

Figure 1:

Normal P-P plot

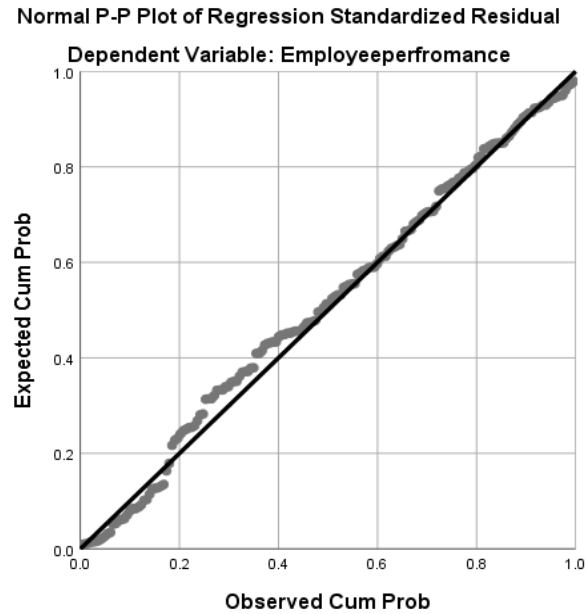
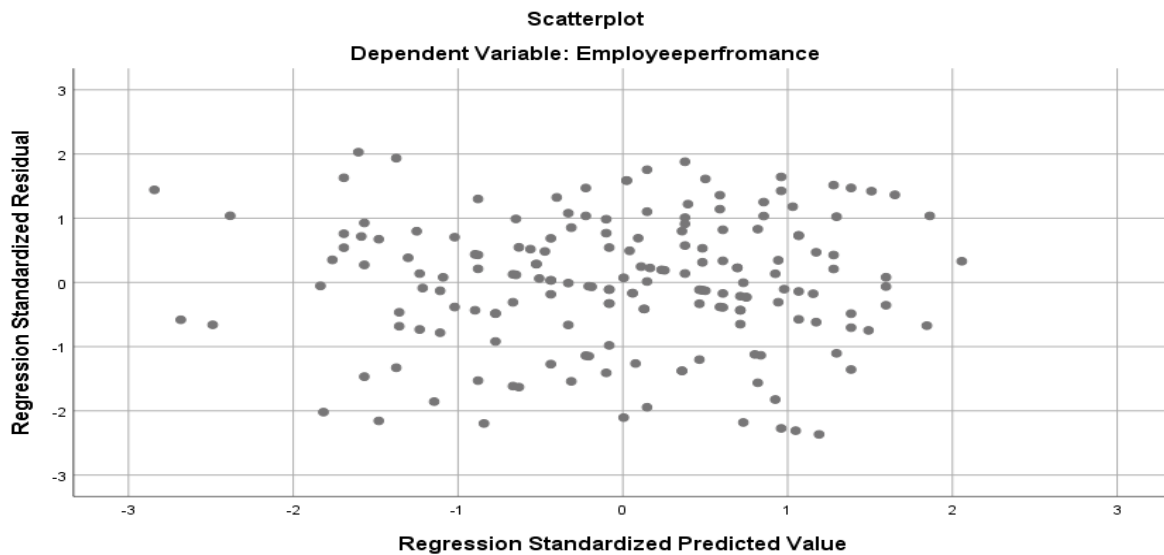


Figure 2:

Scatter plot



According to Issa and Nadal (2011), the points in a scatter plot should not have a specific pattern; meaning that the points should be to the right and left of X-axis, and above and below zero on Y-axis. Figure 2 shows that the data was homoscedastic because points are distributed evenly and uniformly around the right and the left of X-axis, and above and below zero on Y-axis.

Multiple linear regression was used to determine the relationship between the independent variables and dependent

variable. Table 4 shows the model summary of the relationship between training and compensation practises on the performance of the staff. Table 4 shows the R square value of 14.2, which indicates that all the other factors held constant, training practices and compensation practises account for 14.2% variations in employee performance. The adjusted R square value of 13.2% shows that the relationship between training practices, compensation practices and staff performance is positive

Table 4

Model summary of the relationship between training practices, compensation practices and employee performance.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.377 ^a	.142	.132	.460

a. Predictors: (Constant), Compensation practices, Training practices

Table 5 shows the regression ANOVA for the variables. From table 5, $F(1, 2) = 14.329$, $p < 0.05$; an indicator that, overall, the model predicts the relationship between training, compensation practices and staff performance.

Table 5

Regression ANOVA for training and compensation practises and employee performance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.052	2	3.026	14.329	.000 ^b
	Residual	36.533	173	.211		
	Total	42.584	175			

a. Dependent Variable: Employee performance

b. Predictors: (Constant), Compensation practice, Training

Table 6

Multiple regression coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
1 (Constant)	3.672	.398		9.227	.000
Training Practice	.257	.050	.361	5.119	.000
Compensation Practice	-.138	.115	-.084	-1.197	.233

a. Dependent Variable: Employee Performance

Multiple linear regression (indicated in table 6) shows that training had a statistically significant impact on staff performance (B=0.257, $p < 0.05$). Therefore, the null hypothesis, that the relationship between training practice and employee performance in public universities was statistically insignificant was rejected. From the analysis, it can be argued that a one-unit increase in training practice leads to a 0.257 increase in the performance of employees. The research findings are consistent with the findings of Cole (2002) and Wayne & Martocchio, (2016) that there is a positive association between training practice and the performance of employees.

The study presupposes that training equips the staff with the right combination of skills, information and competencies to enable them to discharge their duties and responsibilities as indicated by Cole (2002). Another reason could be that training encourages staff to have a positive attitude as elaborated by Salah (2016). The results of multiple linear regression indicated that compensation practice had no significant statistical impact on the performance of employees (B=-13.8, $t = 5.119$, $p > 0.05$). Thus, the null hypothesis that compensation practice was not significantly related to employee

performance in public universities in Kenya was accepted. This finding was contrary to Onyekwelu et al. (2020) and Kadir et al. (2019) who established that compensation leads to increased employee performance.

Therefore, the likely reasons for the research findings are that firstly, compensation practices in Kenyan public universities are not regarded as fair by employees. For example, according to Etebu (2016), if compensation efforts are not commensurate to a worker's efforts, then their performance will decrease. This is confirmed by Roland and Campbell (2014) and Odole (2018) who indicated that focusing on the financial compensation only could cause demotivation and decreased performance.

Therefore, the public universities could be relying heavily on financial compensation; hence, demotivating the employees and leading to decreased performance. Secondly, compensation at public universities in Kenya is negotiated through Collective Bargaining Agreements (CBAs) where basic pay and other allowances/benefits are negotiated to benefit employees across the board. Implementation of CBA does not take into account individual performance. This non-differentiated compensation may

demotivate either the hard-working employees or all employees in general. Based on the results of multiple linear regression, the final regression equation for employee performance was: $Y = 3.672 + 0.257X_1 + -0.138X_2 + e$, where Y represents employee performance, 3.672 is the constant, X_1 indicates training practice, X_2 shows compensation practice, while e indicates the error.

4.0 Conclusion

This study concluded that training has a significant effect on public universities' staff performance, while compensation practice had no significant effect on staff performance.

5.0 Value of the Study and Implications

The study results indicate that Kenyan public universities require more investment in training practices because training practices have significant effect on employee performance. However, there is need for universities to evaluate the compensation practices used. Lack of significant effect of compensation on employee performance can be attributed to overreliance of financial compensation. As stated by Kadir et al. (2019), overreliance on financial compensation can result in

decreased performance in the long-run. Therefore, instead of using financial compensation alone, it is important for Kenyan public universities in Mt Kenya Region to explore non-financial compensation practices such as rewards and recognitions. Non-financial compensation and recognitions should also be performance-based so as to provide the required motivation. Considering that financial motivators are hygiene factors, they may not serve as motivators by themselves; thus the need for non-financial measures. The study was limited to two human resource practices in Kenyan public Universities within Mt. Kenya region.

It is thus recommended that future research may focus on more HR practices such as staff welfare, career development and separations. Research in other regions such as Nairobi and Rift Valley may be considered, because cultural and social factors may have some influence on variables testing employee performance. The use of private universities context may also be necessary because the effect of the variables may differ across the nature of the institution under investigation. Future research can also introduce a moderator variable to establish its role in the link between human resource practices and the performance of workers.

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