

**RELATIONSHIP BETWEEN PAY, JOB SATISFACTION AND
ORGANIZATIONAL COMMITMENT: A SURVEY OF EMPLOYEES OF
THE KENYA STATE CORPORATIONS**

BY

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DECLARATION

This Management Research Project is my original work and has not been submitted for award of a degree in any other University.

Signed: 
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Date: 22/10/2007

This Management Research Project has been submitted for examination with my approval as University Supervisor

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Date: 22/10/07

DEDICATION

This study is dedicated to my wife Damaris Mwikali, my daughter Mitchell Mutheu and my parents, Daniel and Bibiana Kitonyo.

May the Almighty God bless and reward them always for the love they have had for education.

ACKNOWLEDGEMENTS

I wish to convey my gratitude and appreciation to all who have made this study a success.

To my supervisor, Professor Peter K'Obonyo for his experience, professional guidance, advice and encouragement even when I was in the verge of giving up.

I must also acknowledge the support and help of the officials of the State Corporations I visited during my data collection exercise, who took time off from their busy schedules to listen, answer my questionnaires and offer any relevant feedback. I may not mention them by name but many thanks.

I also register my appreciation to my colleagues in my department and other functions of the Bank, who offered any form of support during my study.

I am also profoundly thankful for my wife's support. Damaris, you tolerated my many hours of studying and you made me keep going even when the going was rough. Thank you my darling, I love you.

To the Creator, who is to be honored for the insight, strength and foresight in conducting this study.

May the Almighty God bless all abundantly

ABSTRACT

The purpose of this study was to investigate the relationship between type of pay, job satisfaction and organizational commitment of employees working in State Corporations in Kenya.

Data was collected by use of a questionnaires administered by "Drop and Pick later" approach from a sample of forty (40) State Corporations that was drawn by use of stratified sampling method from a population of one hundred and forty two (142) corporations.

The data collected was analyzed using SPSS and Eviews Statistical package, where descriptive statistics such as mean, standard deviations, frequencies and percentages were generated. To establish whether there was any relationship and significance of the said relationship between pay type, job satisfaction and organizational commitment, Pearson's Product Moment Correlation matrices were also generated.

From the data analysis it was found that the salary paid to the employees was not attractive vis a vis what was on offer in the market and that the pay on offer in the majority of the organizations was not commensurate with qualifications, skills and experience. No significant relationship was found to exist between pay type and job satisfaction and also between pay type and organizational commitment.

It can also be concluded that even though in the bulk of the State Corporations the employees were satisfied with their jobs and were committed to their organizations, the only limiting factor was pay levels, which the majority of the employees were not satisfied with.

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CHAPTER I: INTRODUCTION

1.1 Background

Employee reward system consists of an organization's integrated policies, processes and practices for rewarding its employees in accordance with their contribution, skill, competence and their market worth. It is developed within the framework of the organization's reward philosophy, strategies and policies and contains arrangements in the form of processes, which will provide and maintain appropriate types and levels of pay, benefits and other forms of rewards (Armstrong, 2003: 613). A reward system consists of financial rewards (fixed and variable pay) and employee benefit, which together comprise total remuneration. The system also incorporates non financial rewards (recognition, praise, achievement, responsibility and personal growth) and, in many cases, performance management processes.

Employees' compensation is an outcome of rewarding employees with monetary and non-monetary benefits according to the value of their work, thus compensating them for their efforts. The value of work (employee's worth) contributed during a set period is determined via performance appraisal, while taking into consideration the job worth and other factors.

The traditional compensation process has three (3) components, namely the determination of the internal job worth by job analysis and evaluation; the determination of job value in external labour market by using for example salary survey analysis; and the determination of individual worth of an employee by means of performance appraisal (Newman and Milkovich, 1990). The compensation process should also strive towards just distribution of benefits.

When compensating procedural justice is very crucial and this can be judged on the basis of six rules namely, consistency - compensation allocation should be consistent across time and employees, bias suppression - allocation should not be influenced by personal self interest of allocator, correctability - procedures should be set that permit to modify decisions when needed; accuracy - allocation should be based on accurate input information, ethicality - allocations must follow existing moral and ethical guidelines, and representativeness - all employees affected by the process should have their interests represented. The study by Newmann and Milkovich (1990) showed that there are considerable gaps in procedural justice, especially in terms of measuring external markets wages for determination of external job value.

Pay has been one of the most pertinent issues in many organizations and traditionally the criteria that have influenced pay and pay increases have included the profit, job evaluation, security of

economic factors such as unemployment levels and job security, the cost of living and the government intervention, where the government may intervene in the employment relationship in terms of attempting to influence wage inflation through initiatives introduced in the Public Sector and by encouraging certain types of compensation such as profit sharing or share option schemes (Beardwell & Holden, 1997: 551-556)

For an organization to float in the current turbulent business environment, it has to map out strategies, which will act as a link between the business and the environment. This environment, which is turbulent, constantly changing is very crucial for organizations in order to avoid problems that arise out of the maladjustment of any organization to its environment (Pearce & Robinson, 1997; Johnson & Scholes, 2002).

1.1.2 Job Satisfaction

Job satisfaction is a measure of the degree of which employees express satisfaction with their jobs (Yoder & Luby, 1990). It is the favourableness or unfavourableness with which employees view their work (Lawler III, 1971) and looks at the extent to which employees have positive or negative attitude towards their work. Locke described job satisfaction as, "a pleasurable feeling that results from the perception that one's job fulfills or allows for the fulfillment of one's important job values". That is, it is the discrepancy between what an employee values and what the situation provides.

According to Milkovich & Foudreau (1988:172) job satisfaction is a pleasurable or positive emotional reaction to a person's job experiences. Spector described job satisfaction as, "a cluster of evaluative feeling about a job" while Robert Lussier described it as, "a person's emotional response to either aspects of work such as pay, supervision, and benefits, or to the work itself." Dawis and Loquist (1981) defined job satisfaction as the result of the worker's appraisal of the degree to which the work environment fulfills the individual's needs. All these definitions are similar as they view job satisfaction as the degree of an employee's affective orientation toward the work role occupied in the organization.

Edwin Locke proposed a discrepancy theory of job satisfaction, that states that satisfaction is affected by two factors, that is the individual's values that define what they want or desire as well as the importance of the desire and the perceptions that define how much the individuals believe they are receiving. The discrepancy between desired and perceived work facets, as well as the importance of the facet, determines the level of satisfaction. The most determinants of job satisfaction include race, age, working

conditions, control of work, establishment size, financial rewards, public image of the workplace, promotion opportunities, work content and attitudes of co workers (Futrell, 1979).

Analysts measure job satisfaction primarily through questionnaires, which typically address satisfaction with various facets of the job, as well as provide an overall satisfaction score for each employee. The Job Descriptive Index (JDI) measures satisfaction with five job facets, work itself, supervision, pay, promotion opportunity and co workers. The Minnesota Satisfaction Questionnaire (MSQ) measures satisfaction with twenty (20) work facets: ability utilization, achievement, activity, advancement, authority, company policies and practices, compensation, co workers, creativity, independence, moral values, recognition, responsibility, security, social service, social status, supervision-human relations, supervision-technical, variety and working conditions. Analysts compute overall measures of individual satisfaction by summing the individual facet satisfaction levels, or by asking individuals a specific question about their overall satisfaction (Milkovich & Boudreau, 1988: 172-3).

1.1.3 Organizational Commitment (Citizenship)

Employee commitment is an important factor in organizational effectiveness, especially at the time when competition is so intense. Salancik (1977) put it that, "Commitment is a state of being in which an individual becomes bound by his actions to beliefs that sustain his activities and his own involvement." Three features of behaviour are important in binding individuals to acts: the visibility of the acts (visibility), the extent to which the outcomes are irrevocable (irrevocability), and the degree to which the person undertakes action voluntarily (voluntariness). Salancik (1977: 70) notes that, "the power of commitment in shaping attitudes stems from the fact that individuals adjust their attitudes to fit the situations to which they are committed." According to him commitment can be increased and harnessed "to obtain support for organizational ends and interests" through such ploys as participation in decisions about actions.

Mowday et al (1982) defined commitment as, "the relative strength of an individual's identification with and involvement in a particular organization. Conceptually, it can be characterized by at least three factors: a) a strong belief in and acceptance of the organization's goals and values; b) a willingness to exert considerable effort on behalf of the organization; and c) a strong desire to maintain membership in the organization in the organization (Mowday, Porter & Steers, 1982: 27). Hence the definition suggests that

commitment is a multidimensional construct consisting of what are commonly described as affective commitment, effort commitment and continuance commitment

Mowday et al (1982) also defined commitment as consisting of three components namely, identification with the goals and values of the organization, a desire to belong to the organization, and a willingness to display effort on behalf of the organization

Organizational commitment focuses on employee's commitment to the organization and is the most maturely developed of all the commitment constructs as stated by Morrow & McElroy's (1993). Meyers & Allen (1991) developed a framework that was designed to measure three (3) different types of organizational commitment a) Affective or value commitment refers to employee's emotional attachment, identification with, and involvement in the organization. It measures whether the respondent believes his or her values are in line with those of the organization. Employees with a strong affective commitment stay with the organization because they want to.

b) Continuance or behavioral commitment refers to employees' assessment of whether the costs of leaving the organization are greater than the costs of staying. Members make sacrifices for the organization to the point that it becomes too costly for them to leave. Hence, this component of commitment measures the member's behavioral dedication to the survival of the organization (Mowday, Porter & Steers, 1982). Employees who perceive that the costs of leaving are greater than the costs of staying remain because they need to. This form of commitment is identified with Becker's "Side-bet" theory, which suggests that individuals are likely to stay with an organization due to the extraneous benefits of staying

c) Normative or effort commitment refers to employees' feeling of obligation to the organization. It measures whether the respondent is willing to exert effort to see the organization succeed. Employees with high levels of normative commitment stay with organization because they feel they ought to. In arguing for the framework, Meyer & Allen (1991) contended that affective, continuance and normative commitment were components rather than types because employees could have varying degrees of all the three. Even though the authors present this argument, they do not imply that there is a rationale for summing all the scales to obtain an overall score for organizational commitment

Many factors influence employee commitment, including commitment to the manager, occupation, profession or career (Meyer & Allen, 1997). Research has also linked

organizational commitment to leadership behaviours that are relations oriented and task-oriented. Jermier & Berkes (1979) discovered that employees who were allowed to participate in decision-making had higher levels of commitment to the organization. DeCous & Summers (1987) found that when employees were treated with consideration they displayed greater levels of commitment.

According to Sekaran (1992), the greater the chances are for advancement within the organization, the higher is likely to be the level of organizational commitment expressed by the employee. When employees know that they are going to grow and prosper in the current organization, their level of commitment to stay with the organization is expected to be high. Similarly, if employees are highly satisfied with their work, coworkers, pay and supervision and derive high level of overall job satisfaction with their jobs they are more likely to be committed to the organization than if they are not satisfied.

1.1.4 Pay Type, Job Satisfaction and Commitment

Pay types are the kind of compensation or rewards on offer to employees upon exercising their responsibilities as employees of a certain entity. They vary in the way they are used and comprise among others; the contingent pay that consists of payments related to individual performance, contribution, competence or skill or to team or organization performance. This type of pay can be awarded in two ways: as a consolidated increase to the basic rate of pay, or as cash lumpsum (variable pay) (Armstrong, 2003: 676)

Competence related pay provides for pay progression to be linked to assessments of the levels of competence people have achieved. It rewards people for their ability to perform, not just their performance. It is based on agreed framework of competences or capabilities, some of which are generic (applicable to a number of roles) and some specific to particular roles. It is also based on the achievement of specific results expressed in the form of targets or projects to be completed, although it is concerned with the attainment on a continuing basis of agreed standards of performance. It looks forward in the sense that it implies that when people have reached a certain level of competence they will be able to go on using it effectively into the future. It is based on agreed definitions of competence requirements expressed in the language of role holders and on agreement about the evidence that can be used to assess levels of competence.

Performance related pay (PRP) relates pay progression (increases to base rate) or bonus to the assessed performance of individuals. It looks backwards - this is what you have just achieved and this is your reward for achieving it. This is often, although not always based on managerial judgement which individuals concerned may find difficult to accept.

Skill based pay is a payment method in which pay progression is linked to the number, kind and depth of skills that individuals develop and use. It involves paying for the horizontal acquisition of the skills required to undertake a wider range of tasks, and/or for the vertical development of the skills needed to operate at a higher level or the development of existing skills. The pay system is people rather than job oriented. Individuals are paid for the skills they are capable of using (as long as those skills are necessary), not for the job they happen to be doing at the time. However, this type of pay is not concerned with how well people use their skills.

Contribution-related pay is a process for making pay decisions which are based on assessments of both the outcomes of the work carried out by individuals and the levels of skill and competence which have influenced these outcomes.

Team -based pay provides rewards to teams or groups of employees carrying out similar and related work which is linked to the performance of the team, which may be measured in terms of output and/or the achievement of service delivery standards. The quality of the output and the opinion of the customers about service levels are also often taken into account. According to Armstrong and Ryden (1996), team pay is usually paid in the form of a bonus which is shared amongst team members in proportion to their base rate of pay. Individual team members may be eligible for competence -related or skill based pay but not for performance related pay.

Organization wide bonus schemes pay schemes pay sums of money to employees, the sum being related to company or plant wide performance. They are designed to share the company's prosperity with its employees and thus to increase their commitment to its objectives and values. Because they don't relate reward directly to individual effort they are not effective as direct motivators, although gain sharing schemes can focus directly on what needs to be done to improve performance - and so get employees involved in productivity improvement or cost -reduction plans. The three main types of schemes are gain sharing, profit sharing and profit related pay (Armstrong, 2013: 697)

On the other hand commitment is a more global response to an organization and job satisfaction is more of a response to a specific job or various facets of the job. Job satisfaction is thus an attitude toward work-related conditions, facets, or aspects of the job. Therefore commitment suggests more of an attachment to the employing organization as opposed to specific tasks, environmental factors and the location where the duties are performed

1.1.5 State Corporations in Kenya

The parastatals (state corporations) are one component of the Kenyan Public Service that encompasses among others, the Central Government, the Local Authority and the Teaching services. The State Corporations comprises of agencies and enterprises wholly owned by the state and state controlled enterprises where the Government has majority shares. The core civil service employs 115,026 officers while the State Corporations have 86,878 employees (The Standard Newspaper, dated March 20, 2006)

Kenya has one hundred and forty two (142) State Corporations charged with the responsibility of rendering services to the public on behalf of the Government. Most of the State Corporations have for a long time been registering losses hence becoming a big liability on the state, being financed by the Treasury for the operations. In order to turn around these institutions and return them to profitability, the Government launched comprehensive and integrated public sector reform programs. Various initiatives were recommended and implemented with a view to enabling the public sector to cope up with the turbulent business environment. Among the measures implemented included downsizing, privatization, outsourcing and Performance based Management. These changes have subsequently led to flatter, leaner, more focused organizations with capability and capacity to provide efficient management of public resources (G.O.K/Donor Consultative Meeting)

1.2 Statement of the problem

Literature provides evidence for a strong relationship between job satisfaction and specific individual socio-economic characteristics, namely gender (Clark, 1997; Kaiser, 2002; Moguerou, 2002), age (Clark and Oswald, 1996; Groot and Van de Hrnk, 1999), education (Ward and Sloane, 1999), wages (Ladon and Chavalier, 2002), working hours (Clark and Oswald, 1996; Drakopoulou and Theodossiou, 1997), trade union status (Borjas, 1979; Freeman and Medoff, 1981; Lillydahl and Singell, 1993) and establishment size (Lang and Johnson, 1994; Sloane and Williams, 2000)

Even though union membership is positively related to wages, it has a negative effect on the job satisfaction due to so called "exit voice" (Freeman and Medoff, 1984; Blanchflower and Oswald, 1999; Drakopoulos and Theodosiou, 1997), that is, dissatisfied union workers tend to remain in their jobs and express their complaints through the union whereas dissatisfied non union workers tend to leave (Miller, 1990, Bender and Sloane, 1998) Lallydahl and Singell (1993) found that, although unionized members feel more satisfied with salaries, benefits and job security, their satisfaction with all other facets of their jobs is so low that their reported job satisfaction is overall lower compared to that of the non-unionized employees. In addition, even though Ledon & Chavalier (2002) by using two cohorts of UK university graduates found a strong relationship between job satisfaction and wages, after assuming that the wage variable is exogenous and that the choice of the relative wages is the correct one, there is no local study, which has been done to back these assertions.

From the study by Richard Johns (2005) job satisfaction, like autonomy was found to be significant for all the three measures of commitment for both the bivariate correlations and the regression analyses. Job satisfaction is closely related to commitment and is considered a strong indicator of commitment (Lincoln and Kallenberg, 1990). Other literature reviewed on organization commitment, showed that even though career advancement and autonomy was found to be related to all the three measures of commitment in the regression analysis, the analysis showed that earnings did not significantly relate to any of the measures, hence the need for the author to pursue the study as he has a conviction that the results will be different in Kenya.

There is no study that has been done to authoritatively show if indeed a relationship exists between pay, job satisfaction and organizational commitment of employees working in the State Corporations in Kenya. This gap in knowledge has thus necessitated the proposed study. The research problem statement leads to the following questions:

What is the relationship between the type of pay and job satisfaction of employees working in State Corporations in Kenya? and What is the relationship between the type of Pay and the Organization Commitment of employees working in State Corporations in Kenya?

1.3 Objectives of the study

- a) To establish relationship between the type of pay and job satisfaction of employees working in State Corporations in Kenya
- b) To determine relationship between the type of pay and organizational commitment of employees working in State Corporations in Kenya

1.4 Significance/Justification of the study

This study is intended to establish the relationship between the type and level of pay offered in State Corporations and job satisfaction or organizational commitment of employees in such organizations.

The beneficiaries of the results/outcomes of the study will include:

- Policy makers/decision makers in public affairs, where the results will be used for benchmarking (trend setting) and formulation of compensation and other employee benefits policies
- Regulators in formulation of monetary and fiscal Policies, with a view of ensuring that the benefits are cascading to the critical mass in the country
- Senior/Top Management of the concerned organizations, in formulation of policies related to compensation, employee relations, welfare and safety of employees.
- Current employees, where the outcome of the study may be used for devising policies that will boost staff morale, motivation, loyalty, teamwork & confidence building at the workplace, and commitment to the organization and good public relations/imaging of the organization in question. The study will also be useful in dealing with cases of absenteeism and turnover in those organizations.
- Prospective employees of the organization, where the study will deal with attraction and retainance of would-be employees, loyalty and dedication of staff to the organizations and/ne good reputation /marketing of the organizations
- Dependants of current/prospective employees. The study could be used in mapping out strategies/measures in improving the quality of life and building of the future of the dependants. This may include staff welfare and medical benefits of the affected staff
- Future researchers, in mapping out ways for future research work in similar fields and dissimilar organizations, extension of the research work to other sectors of the economy and for future reference and referral

- Academics, who will use the study in generation of ideas and extension of the existing theory work, falsification of early results/application of results to different work/job setups. The results of the study may trigger other studies, which may validate among other issues the methodology used in the study.
- Community, where the results of the study may result in interventions that may lead in improved social corporate responsibility and provision of good social amenities
- Managers/Supervisors, when designing policies to improve organization's productivity.
- Trade unions, when negotiating for employee rewards and benefits
- Consumers, who will benefit from high productivity and high quality of products and services
- Human Resource Practitioners, where the study will come up with means and ways of dealing with turnover and absenteeism, which will translate to healthier and more competitive society.

CHAPTER 2: LITERATURE REVIEW

2.1 Pay

Tremblay & Chenevert (2004) examined the effectiveness of compensation strategies in Canadian technology-intensive firms by using a first (1st) survey of two hundred and fifty (252) firms, which showed that technology intensity had a significant influence on compensation policies. A second survey of one hundred twenty eight (128) organizations showed that compensation strategies were better adapted to firms in high technology environments, bonuses and emphasis on group performance incentive plans were positively associated with organizational market performance in high tech firms. The results showed that extensive individual performance pay plans in high tech firms increases the rate of turnover, whereas use of group incentive plans decreases the rate of turnover.

Even though it was found that some evidence existed to support that compensation choices were driven by the intensity of technology and that organizational performance was driven by compensation choices, the study presented some limitations, namely; the possibility of response bias that could not be ruled out; and that the Human Resources Directors' and Competence Managers' answers were not compared with other viewpoints, for example those of other managers or employees. In addition, some compensation strategies could not be measured in this study, for example job or skills, direct versus indirect compensation.

Kilika (1999) in a Case Study of the Co-operative Bank of Kenya went out to identify Managers' compensation preferences and also to assess the extent by which such preferences were met by the existing compensation schemes. He found out that managers had several preferences which formed the basis for their preferences. His study revealed that preferences differed for different items of compensation and that the non-economic rewards were relatively preferred to the economic ones. There was however a weak association between preferences and the demographic variables of seniority and occupation. The case study also revealed that there were significant managers' preferences and their opinion towards the existing compensation schemes.

2.2 Job Satisfaction

A survey by Andre Bishay (1996) on, "Teacher Motivation and Job Satisfaction: Employing the Experience Sampling Method" was conducted at the Bronx High School of Science in New York City. The levels of job satisfaction and motivation were measured in a survey in a sample of fifty (50) teachers. A sample of twelve (12) teachers was then selected to use the Experience Sampling Method (ESM) that is used to determine which daily activities lead to the highest level of motivation and job satisfaction. ESM involves

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Kibuka (1999) in a Case Study of the Co-operative Bank of Kenya went out to identify Managers' compensation preferences and also to assess the extent by which such preferences were being met by the existing compensation schemes. He found out that managers had several needs, which formed the basis for their preferences. His study revealed that preferences differed for different items of compensation and that the non-economic rewards were relatively more preferred to the economic ones. There was however a weak association between these preferences and the demographic variables of seniority and occupation. The case study showed that there were significant managers' preferences and their opinion towards the existing scheme.

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electronic device to page the subject several times a day. When beeped, the subject completes a short survey about what they are doing, who they are with, and how they are feeling. FSM thus provides a more richly detailed picture of the day-to-day lives and emotions of participants than conventional surveys. In the study, the concept of flow (experience) was used to help determine which activities are the most "psychologically rewarding", which are more conducive to teacher motivation, and which contribute to the fulfillment of higher-order needs. Flow may be applied to measure job satisfaction, which is an index of morale and motivation.

The study made use of two types of surveys; conventional surveys consisting of fifty questions that were distributed to teachers in order to find out whether certain personal characteristics or activities would affect opinions about teaching. In the second part of the survey, FSM surveys were given to 12 teachers who volunteered to participate. Each participant was given a watch that was randomly programmed to page the wearer five times throughout the school day. Teachers were given five booklets, each booklet corresponded to one of the five days in the school week and each contained six short surveys. The FSM surveys provided multiple snapshots of the lives of teachers by discovering what they felt and thought at the instant they were beeped.

The teachers were randomly beeped by special pagers 5 times a day for 5 days and completed surveys on mood and activity for each beep, resulting in 190 reports of teacher's daily experiences. Job satisfaction and motivation correlated significantly with responsibility levels, gender, subject, age, years of teaching experience and activity. For this group of teachers who worked in a school with selective student body, overall motivation and job satisfaction levels were high. Based on the findings, it appeared that gratification of higher order needs is more important for job satisfaction.

From the study, teachers who had higher levels of responsibility, usually in the form of compensatory-time work, administrative positions (that is Dean, Department Head) or Advisorship of a club, had significantly higher levels of satisfactions. The nature of the link cannot be determined from this study.

Richard A. Murray (1999) using the Academic Affairs Library of the University of Carolina at the Chapel Hill as a case study investigated whether professional and paraprofessional staff in large academic libraries experience significantly different levels and sources of job satisfaction. The study took into cognizant that factors that impact the library employee as an individual can impact his or her performance as a service provider as well. From the study it was found that

employees at this Library were satisfied with their jobs, though professional librarians are significantly more satisfied than the support staff.

While both types of staff were basically satisfied with their jobs, there were significant differences in levels of satisfaction in several areas. Professionals were significantly more satisfied than paraprofessionals in the areas of enjoyment of the work itself, co workers, appreciation and recognition, promotion, pay and overall satisfaction.

It is evident from the study that both types of employees are strongly satisfied with their supervision, co workers, and the nature of the work they do. Areas in which both groups share common satisfaction create a foundation on which efforts to bridge the gap can be based.

While the library should be pleased that both groups are satisfied, the fact that such strong differences exist in some areas should be addressed.

Nikolaou, Theodosiou and Vasileiou (2004) in their study dubbed, " Does job security increase job satisfaction? A study of the European Experience" investigated the relationship between job satisfaction and job security in European countries by attempting to take into account the endogenous nature of the job security, that is job satisfaction relationship after controlling for the various economic and personal characteristics. An issue largely ignored in the literature is that job security may affect workers' job satisfaction but it may also be the case that dissatisfied workers may face an increased risk of losing their job, hence facing greater job insecurity the repercussions.

The results showed that even after controlling for endogeneity, workers in jobs with low likelihood of job termination derive higher utility from work (job satisfaction) compared to workers in insecure jobs and this appeared to be the case for both men and women.

Uncertainty concerning the job security has detrimental effect on job satisfaction. The study showed that the level of job security reported by workers is related to various job and personal characteristics. Job security is greater for those who use their skills during the performance of their job tasks and for those who are employed in the public sector. Job security is higher among older workers, married individuals and especially married women. Long job tenure is an important determinant of greater job security as this shows long-term employer employee relationship and a good job match. Finally, trade union membership tends to decrease job insecurity. Workers who believe that there is not high likelihood to lose their job exhibit higher job satisfaction than the remainder and this effect becomes even more pronounced when the endogeneity in job security – job satisfaction relationship is taken into account. The study raises

doubts on the social and economic desirability of human resource management measures solely favoring labour market efficiency via labour market flexibility.

Souza Poza and Souza-Poza (2000) used the International Social Survey Programme (ISSI), to study the determinants of job satisfaction and showed that job security significantly increases the individual's job satisfaction. They analyzed job satisfaction on the assumption that it depends on the balance between work-role inputs (education, work time, effort) and work role outputs (wages, fringe benefits, status, working conditions, intrinsic aspects). Thus, if work role outputs ('pleasures') increase relative to work role inputs ('pains'), then the job satisfaction will increase. The authors found that some determinants of job satisfaction such as job security are country specific.

Agala-Mulwa (2002) through a study titled, "A survey of the relationship between training and development programmes and job satisfaction in micro-finance institutions in Nairobi, Kenya," sought to investigate the relationship between training and development programmes and job satisfaction in selected Microfinance institutions in Nairobi. The population consisted of three (3) cadres of staff namely, senior level management, the middle level management and credit/loan officers and the data was collected through use of questionnaire completed by two representatives from each of the three categories of staff plus the human resource manager, who gave feedback on training policies of the institutions.

From the study it was found that indeed some relationship existed between job satisfaction and training & development programmes. This was evidenced by the fact from the findings, the higher the per capita expenditure on training a category had; the higher was the level of job satisfaction among the respondents. The credit officers, who had the highest percentage of the training budgets and opportunities allocated to, were the most affected. Companies that had high per capita expenditures in training were found to have high job performance levels.

In a nutshell, it was found out that the frequency, relevance and the amounts spend on training and development programmes had a significant role to play in the levels of job satisfaction among staff in Micro-finance institutions in Nairobi, Kenya.

King'ori (2003) set out to establish different types of employee discrimination and establish whether there was a relationship between discrimination and employee job satisfaction in private international primary and secondary schools in Nairobi, Kenya. The study found that discrimination does exist in private international primary and secondary schools and the different types of discrimination captured included race, age and gender. It was also established that discrimination, especially racial discrimination had an effect on job satisfaction.

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respondents indicated that some of the factors that caused their job dissatisfaction or job satisfaction were related to presence or absence of discrimination within the school.

2.3 Organizational Commitment

Lemaster of University of Nevada, Las Vegas (2001) did a study of relationships between job satisfaction and organizational commitment among restaurant employees.

The purpose of the study was to gain a better understanding of the relationship between job satisfaction and organizational commitment of employees at two locations of a national restaurant chain in Southern Nevada. The study also focused on revealing homogeneous demographic characteristics these employees exhibit that affect their satisfaction level.

The research was conducted through a survey instrument consisting of demographic, job satisfaction and organizational commitment questions adopted from the validated Minnesota job satisfaction and organizational commitment questionnaires. The study generated a 74.5% responses rate from 137 employees who had worked at these two foodservice operations for more than one week. The responses were statistically analyzed with several unbalanced factorial ANOVAs, one way ANOVAs and stepwise multiple regression analysis.

Although the study is limited in its generalizability, it suggests that particular demographic characteristics can affect a person's level of satisfaction with a foodservice operation. From the findings, tenure was shown to have a significant relationship with general satisfaction and several of the category variables. There is a significant negative relationship between the educational level of employees and their satisfaction with recognition, a finding that is consistent with several studies in which education was found to have an inverse relationship with organization commitment (Angle & Perry, 1981; Murns & Sherman, 1981). Researchers found no significant components of intrinsic satisfaction that affected commitment.

There are various gaps which are evident in this study which include, a small size sample (a large sample of foodservice operations need to be used) and components of job satisfaction should be re-evaluated as the study may suffer from reverse causality and common method variance problems that sometimes present themselves in satisfaction/commitment studies.

Senivas (2002) studied organizational commitment and job burnout among employees of non-profit organizations. He focused on the bailiffs working in the Sheriff's department and used focus groups that were conducted to identify stressful events experienced by the bailiffs.

The results of the study indicated role conflict, role ambiguity and social support were significantly related to burnout. Individual who experienced greater role conflict and ambiguity tended to experience greater levels of burnout. Individuals who had strong social support mechanisms in place tended to experience less burnout. No significant relationship was found

between organizational commitment and stress and of various sources of burnout, role conflict and role ambiguity appeared to have the most significant impact.

The gap, which emanates from the study include: small sample size that could have led to no relationship between either attitudinal commitment or continuance commitment. The implication of the study to organizational life is there is need for employers to continue to provide clear role expectations to their employees; conflicting role demands need to be reduced to the extent possible, individuals having role conflicts as part of their job description, need to discuss their contradictory roles with their "supervisors" as to develop coping skills to deal with these situations; mechanisms need to be put in place to foster social support experience without crossing the line of professional conduct and that programs such as flextime may enhance the employee's perceptions of how much social support they receive from their work environment which could in turn lead to lower job burnout

Richard Johns (2005) examined the relationship between organizational commitment, job performance and several individual and work related variables among the U.S Workers.

The study has some gaps among them being, the findings that characteristics like gender, race and education can determine commitment though only in a limited capacity raises the question that Does these characteristics suggest policy implication for hiring? . The finding that women, nonwhite and less educated are more likely to be committed. Does this suggest that a) Employees should seek out nonwhite female employees with less education? b) Are there features of organizational design that obstruct or facilitate females commitment to the organization? This suggests additional research is necessary to understand this connection and to examine what implications are for this finding; the finding on self employment raises the following questions. 1) Why isn't the association between commitment and self employment higher than what was found? 2) Why was it not related to effort commitment in the multivariate analysis? Being self employed would suggest that the organization reflects the individual, thus the values should be the same and the individuals ought to be willing to exert effort in order to see his or organization succeed. The finding suggests that additional research is needed to understand the phenomenon of self employment, which is not a typical variable found in a commitment study.

2.4 Pay, Job Satisfaction and Organizational Commitment

From the literature review, what comes up is that even though there are segregated studies that have been done in related areas, there is no study that has been done in the country to establish

any relationship between pay eq and job satisfaction and organizational commitment of employees in State Corporations in the country.

CHAPTER 3: METHODOLOGY

3.1 Research Design

The research design used for this study was a survey because the nature of the data collected was cross sectional. This implies that data was collected across several organizations at one point in time.

3.2 Population

The population of this study comprised of one hundred and forty two (142) State Corporations (Appendix 3). These organizations were involved in provision of commercial, regulatory, education & training, social & health service, regional development, research & development, agency duties, on behalf of the Government, among other services. In their operations, these institutions are affiliated to different parent (line) Ministry. The list in use as the sampling frame was availed by the Ministry of Finance.

3.3 Sample

The sample of this study comprised of forty (40) State Corporations, which was drawn by use of stratified sampling method as the population of interest was not homogenous and thus it was possible to subdivide it into mutually exclusive groups or subpopulations. The rationale for selecting 40 institutions was based on the observation by Daniel and Terrel (1979) that a sample of thirty (30) units and above was enough to make inference about the entire population. The sample size of 40 organizations was thus deemed okay for the author to carry out tests of significance. The stratification was done after classifying of the organizations as commercial, regulatory, facilitating agents, government revenue collecting agents, appeals boards, research institutions, education & training, regional development authorities, social & health service and commissions.

The table below illustrates how the sample of 40 organizations (Appendix 4) was picked.

Table 1: Sample organizations by category

Category	Size	Sample Ratio	Sample size
Commercial	14	0.2778	12
Regulatory	42	0.2778	11
Facilitating Agents	1	0.2778	1
Govt. Revenue Collecting Agents	2	0.2778	1
Appeal Boards	1	0.2778	1
Research Institutions	11	0.2778	3
Education & Training	13	0.2778	4
Regional Devt. Authorities	6	0.2778	2
Social & Health Service	9	0.2778	3
Commissions	2	0.2778	2
Total	142		40

3.4 Data Collection

Data for this research work was collected between September 10, 2006 to October 10, 2006. The study used primary data to get feedback from the serving members of staff from the sampled organizations. The researcher used four (4) responses, two (2) drawn from the Management staff, where one of the respondents was the Human Resources Manager and another senior manager and two (2) drawn from the Non Management staff (Unionized) from the sampled organizations. The main tool used for primary data collection was a questionnaire, which was distributed to the respondents and administered using a "drop and pick later" procedure. The part of questionnaire on job satisfaction was adopted from www.ics.com website while the part of the questionnaire on organizational commitment was adopted from John Meyer and Natalie Allen.

3.5 Data Analysis

The data collected was first scanned to ensure that it was complete, consistent and that instructions were followed. The data was then coded to facilitate groupings of responses into specified categories. The data was subsequently summarized using descriptive statistics such as means, standard deviation, frequencies and percentages. Pearson's Product Moment Correlation statistics was used to establish the significance of the correlation between

- i) Type of pay and employees' job satisfaction and
- ii) Type of pay and organizational commitment.

CHAPTER 4: DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents analysis and findings of the research. From the study population 75 responded to the questionnaire, constituting 46.9% response rate.

4.2 Length of Service

Table 4.2: Distribution of Employees by length of Service

Length of Service	Frequency	Percentage
0-5 years	24	32.0
6-10 years	20	26.7
11-15 years	16	21.3
16 years and above	15	20.0
Total	75	100.0

From table 4.2, it was clear that majority of respondents had worked in their firms for 0-5 years (32.0%), 26.7% of the respondents had worked in their present firms for 6-10 years, while 21.3% had worked for 11-15 years and the rest (20%) had worked for 16 years and above.

From this data the researcher can conclude that 68% of the respondents had worked in their respective firms for more than 6 years. This helped to build confidence in the data since these respondents were largely aware of their organizations.

4.3 Types of Pay

Table 4.3: the type of pay on offer in the market

Type of pay	Frequency	Percentage
Normal pay	70	93.3
Contingent pay	2	2.7
Performance based pay	1	1.3
Managerial based pay	1	1.3
Any other (graded pay system)	1	1.3
Total	75	100.0

From table 4.3, majority of the respondents (93.3%) were under normal pay while 2.7% were under contingent pay. Members of staff under performance based, managerial based and other forms of pay like the grade pay system tied at 1.3%.

4.4 Attractiveness of the Pay

Table 4.4: Relative Attractiveness of the Pay

Response	Frequency	Percentage
Yes	29	38.7
No	46	61.3
Total	75	100.0

As shown in table 4.4, it was lucid from the majority of respondents (61.3%) that the salary paid to them was not attractive vis-a-vis what was on offer in the market, but a proportion of them (38.7%) said that what paid to them was attractive vis-a-vis what was on offer in the market.

4.5 Employee Benefits

Table 4.5: Common Employee Benefits on Offer

Benefit	Frequency	Percentage
Pension scheme	39	52.0
Financial assistance (e.g. paid absence and holiday)	23	30.7
Personal security (body guarding for self & residence)	1	1.3
Car	1	1.3
Training and educational allowances	—	0.3
Fully paid accommodations	1	1.3
Subsidized accommodations	1	1.3
Retirement plans	2	2.7
Total	75	100.0

The respondents were asked to list the common benefits that were on offer in their organizations. The results are presented in table 4.5. The majority (52%) indicated pension schemes, while 30.7% showed financial assistance, for example paid absence and holiday, 1.3% pointed to personal security, 1.3% mentioned car, 0.3% signified training and educational allowances, 1.3% indicated fully paid and subsidized accommodations, respectively. On the other hand 2.7% indicated retirement plans.

4.6 Levels of Attractiveness of the Benefits

Table 4.6: Extent of Benefits Attractiveness

Benefit	Mean	Standard Deviation
Pension scheme	3.7	1.17
Financial assistance	2.86	1.45
Personal security	1.75	1.36
Car	2.64	1.13
Fuel	2.28	1.51
Training and educational allowances	3.28	1.46
Credit card facilities	1.72	1.17
Funding of non job related training	2.13	1.1
Fully paid accommodations	2.74	1.41
Subsidized accommodations	2.11	1.17
Clothing allowances	3	1.17
Subsidized meals	2.04	1.27
Insurance plans	3.52	1.1

Respondents were asked to indicate extent to which the benefits in table 4.6 were attractive to the employees. Pension scheme had the highest mean of 3.7, which means that the majority of respondents found it attractive to a great extent since 3.7 is above 3.5. On the other hand, credit card facilities had the lowest mean at 1.72; implying that this benefit was attractive to the employees to a "Moderate Extent".

The other benefits namely; financial assistance, personal security, car, fuel, training and educational allowances, funding of non job related training, fully paid accommodations, subsidized accommodations, clothing allowances, subsidized meals and insurance plans all had a mean of between 1.75 to 3.52. This means that the majority of respondents found these benefits attractive either to a "Moderate Extent" or to an "Average Extent".

The standard deviation, which is the measure of dispersion from the mean score varied from 1.17 for Pension Scheme to 1.54 for fuel. A dispersion of more than 1 can be said to be high, which means that the majority of respondents did not find the benefits offered to them to be very attractive.

4.7 Job Satisfaction

This section focused on what the respondents felt about the job they do. The results are presented in table 4.7.

Table 4.7: Perceptions on the Job

Aspects of work or work itself	Measure	
	Mean	Standard deviation
Working there influences my overall attitude towards my job	3.8	0.83
I am satisfied with the amount of work I am expected to do	3.6	1.03
Physical working conditions influences the overall attitude towards the job I do	3.9	0.98
Performance of specific job duties encourages me to do my best	4.1	0.83
The amount of work expected to be done by me influences my overall attitude towards the job I do	3.8	1.03
For the work I do, my physical working conditions are better than can be expected in the industry	3	1.2
The equipment I work with is always in a good working condition	3.4	1.16
Safety on the job receives adequate attention	3.5	1.25
Resources and supplies I need to perform my job are promptly available	3.3	1.23
The process of performance appraisal I use works well	2.1	1.06
The people who supervise me have good skills	3.6	1.08
I have a feeling that I would be better off working under different supervision	2.8	1.14
The supervision I receive encourages me to give extra effort	3.1	1.12
Respect for rules and regulations by employees is very high	3.2	1
My supervisor keeps me in dark about the things I ought to know	2.4	1.13
My immediate supervisor is my best source of information about work matters	3.5	1.07
Laziness and absenteeism are handled fairly	3.1	1.09
My supervisor lets me know when I am doing a good job	3.5	1.13
The supervisors are making strong efforts towards improving the organization	3.5	1
I have faith in the word of the supervisor	3.5	1
I am able to express my feelings and opinions to my supervisor	3.6	1.096
Paymaster accounts for supervisory decisions in this organization	2.3	0.95
Employees are treated fairly here	3.3	0.93
My supervisor gives clear cut orders and instructions	3.4	0.88
Our benefits compare favourably with those provided by other companies in the industry	3.8	1.1
I receive full information about benefits and how they affect you	3.4	1.16
My job is too generous in relation to my duties and responsibilities	2.3	1.05
I am paid the same or nearly the same as others who do the same kind of job there	2.8	1.19
Career advancement is possible here if openings occur	3.2	1.19
The example my fellow employees set encourage me to work hard	3.1	1.04
Discipline is strict in my work group / shift	2.6	1.19
Attendance of employees is consistent here	2.8	1.01
The way my work group gets along with other work group can be	3.2	0.81

Aspect of work or work itself	Measure	
	Mean	Standard deviation
Classified as very good		
The way supplies and equipment are currently used saves business costs	2.8	1.07
Employees are consulted about changes that directly affect the work they do	2.6	1.04
Discipline is fair and reasonable in my organization	3.3	0.93
Instructions I have received on how to do my job have been very good	3.4	0.89
Commitment and dedication have great meaning in this organization	3.2	1.15
Time is wasted by unnecessary duplication of work efforts	3.2	1.22
There are good channels of communication when we have problems	3.1	1.07
I have a good understanding of the policies that apply to employees	3.7	0.91
Work is divided and assigned fairly	3	1.09
I have faith in the word of the owners of the business	3.3	1.08
I am informed about decisions that are made which affect me and my job	3.3	0.96
If I had a friend looking for a job, I would recommend this business as place to work	3.3	1.13
Employees here need someone to speak up for them	3.6	1.11

Key

- 1 - Strongly Disagree
- 2 - Disagree
- 3 - Neither Agree Nor Disagree
- 4 - Agree
- 5 - Strongly Agree

The researcher sought to know how the respondents felt about their job. The respondents were asked to indicate their degree of agreement or disagreement with a set of statements touching on various facets of the job or the job itself. The results are presented in table 4. As evident in the table, statements "Favouritism accounts for supervisory decisions" and "My pay is very generous in relation to my duties and responsibilities" had the lowest mean of 2.3. This means that the respondents disagreed with these statements. It was thus clear that favouritism does not account for supervisory decisions while the pay that the respondents received was not generous in relation to their duties and responsibilities.

"Performance of specific job duties encourages me to do my best" had the highest mean of 4.1, which means that the majority of respondents agreed with this statement. The other statements had a mean ranging from 2.4 to 3.9, implying that majority of respondents neither agreed nor disagreed with the statement. This is an indication that the majority of respondents were quite satisfied with their jobs in regard to the above statements except pay and supervisory decisions.

On the other hand, standard deviation, which is a measure of dispersion from the mean score, ranged from 0.83 to 1.31. For response scale of 1 to 5, standard deviation of 1 and above can be considered

high. Thirty four (34) variables (73.9%) had a standard deviation of more than one, while twelve (12) variables 26.1% had a standard deviation of less than one.

4.8 Organizational Commitment

This section shows the degree to which respondents are committed to the State Corporations that they work for.

Table 4.8: Commitment of Employees

	Measure	
	Mean	Standard Deviation
It would be very hard for me to leave my organization right now even if I wanted	2.55	1.29
I don't feel any obligation to remain with my current employer	3.7	1.1
I would be very happy to spend the rest of my career with this organization	2.93	1.09
One of the few negative consequences of leaving this organization would be the security of income	3.08	1.21
Even if it were to my own advantage, I do not feel it would be right to leave my organization now	2.69	1.22
I really feel as if this organization's problems were my own	2.8	1.22
Right now staying with my organization is a matter of necessity as much as desire	3.11	1.12
I do not feel a strong sense of "belonging" to my organization	2.55	1.15
I feel that I have too few options to consider if I have to leave this organization	2.81	1.22
I do not feel "emotionally attached" to this organization	2.55	1.17
I would feel guilty if I left your organization now	2.77	1.1
I do not feel like "part of the family" at my organization	2.39	1.1
The organization deserves my loyalty	3.86	0.93
If I had not already put so much of myself into this organization, I might consider working elsewhere	2.76	1.09
I would not leave my organization right now because I have a sense of obligation to the people in it	2.74	1.07
This organization has great skills if personal reasons led me	3.29	1.09
Too much of my life would be disrupted if I decided to leave the organization now	2.89	1.25
This is not a great deal to my organization	3.47	1.09

Key

- 1 Strongly Disagree
- 2 Disagree
- 3 Neither Agree Nor Disagree
- 4 Agree
- 5 Strongly Agree

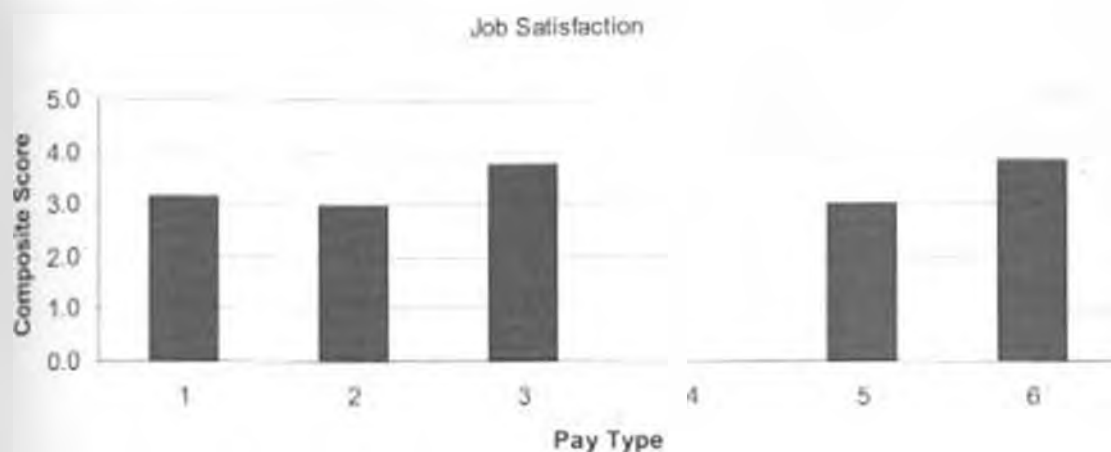
In the above table, the researcher wanted to know the degree that the respondents (employees) were committed to their organizations. According to the table the statement, "I do not feel like "part of the family" at my organization" had the lowest mean of 2.39 and a standard deviation of 1.1. This means that the majority of respondents said that they disagree with this statement or the majority of respondents feel like "part of the family" at their organizations. "The organization deserves my loyalty"

had the highest mean of 3.86 and a standard deviation of 0.93. This means that the majority of respondents agreed with this fact. The mean of the other variables ranged from 2.55 to 3.47. This also shows clearly that the majority of respondents neither agreed nor disagreed with these variables.

The standard deviation, which is a measure of dispersion from the mean score, ranged from 0.93 to 1.29. This means that the majority of respondents varied with the statements/variables since only one variable had a standard deviation of less than 1

4.9 Relationship between the 'Type of Pay and Job Satisfaction

Table 4.9 A: Link between pay type and job satisfaction composite scores



As illustrated in the above table it can be deduced that there is a positive relationship between the pay type and job satisfaction:

Table 4.9 b: The Correlation Matrix between Pay Type and Job Satisfaction

PARAMETERS	PAY TYPE	JOB SATISFACTION
PAY TYPE	1.000	
JOB SATISFACTION	0.140	1.000
ORGANISATION COMMITMENT	0.143	0.244

Table 4.9 B shows the Pearson's correlation tests that were run to check for relationship between the types of pay and job satisfaction. On the basis of Pearson's correlation value, it clear that a positive value of 0.140 is gotten, which means that job satisfaction composite values were on the same side with pay (moving in the same direction).

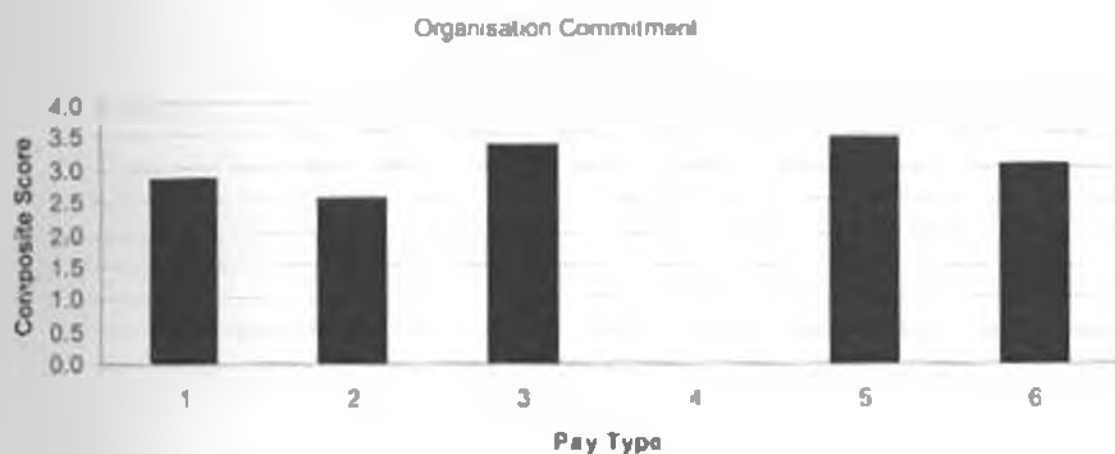
From the Pearson Product Moment Correlation Coefficient table of critical values it can be deduced that

Degrees of freedom = 75 - 2 = 73. Assuming an acceptable error rate of 5% (0.05 critical alpha level). This implies that the level of significance for a two-tailed test is 0.217, which is greater than the statistic (0.140), implying that the finding is not significant.

Using the same argument it can be confirmed that the Pearson Product-Moment Correlation statistic between the job satisfaction and organization commitment, which is 0.211 is significant as it is greater than the critical value from the table (0.217)

4.91 Relationship between Pay and Organizational Commitment

Table 4.91 A: Link between Pay Type and Organizational Commitment



* Pay types: 1 denotes Normal Pay, 2 denotes Contingent pay, 3 denotes Performance Based Pay, 4 denotes Career Compensation system, 5 denotes Managerial based pay while 6 denotes Graded Pay System

From the Table 4.91A table it is evident that there is a positive relationship between the type of pay on offer in the sampled organizations and the organization commitment composite scores

Table 4.91 B: Correlation Matrix between Pay Type and Organizational Commitment

	PAY TYPE
PAY TYPE	1.000
ORGANISATION COMMITMENT	0.143

The table above seeks to find the relationship between pay type and organizational commitment

From the table, it was observed that the employees were committed to their organization as the

Pearson's correlation value was positive (0.143). This shows pay and organization commitment is

positively related

Using degrees of 33 (75 pairs less 2), it can be found from the Pearson Product-Moment Correlation Coefficient table of critical values that the link between pay type and organization commitment is not significant (insignificant) as the value is 0.217, which is more than the generated statistic of 0.143.

5.1 Introduction

From the analysis and data collected the following discussions, conclusions and recommendations were made. The response was based on the objectives of the study.

5.2 Discussion

This study was undertaken because of the researcher's interest in determining the relationship between pay and job satisfaction as well as between pay and organizational commitment of employees working in State Corporations in the country. The researcher was able to get information from both the management and non management of members of staff, which meant that the data collected was holistic. He also found out that the kind of pay in the bulk of these State Corporations was normal pay (93.3%).

It was also clear that the salary paid to the employees was not attractive vis-a-vis what is on the offer in the market (61.3%). The respondents gave the following details about the salary paid to them vis a vis what is on offer in the market; that comparable organizations are paying more for similar jobs and qualification, efforts made are not being recognized and rewarded, employee salaries are low compared to the market and competitors within the same sector and the amount paid is not commensurate with experience, skills and qualifications.

It was also found that the common employee benefit on offer in the organizations according to the respondents was pension scheme. The researcher also found out that these benefits, which included the pension scheme, financial assistance, personal security, car, fuel, training and educational allowances, credit card facilities, funding of non job related training, fully paid accommodations, subsidized accommodations, clothing allowances, subsidized meals, insurance plans and retirement plans were attractive to the employees to a moderate and average extent since their mean ranged from 1.75 to 3.52, which is the same as 2 to 3.5, where two (2) meant moderate extent and three (3) meant average extent and a standard deviation ranging from 1.17 to 1.54.

Analyses on the relationship between pay and job satisfaction shows that although the two parameters were positively related, the link was not significant as it failed the test of the time.

The same was true with organizational commitment. The only link (relationship) that was significant (acceptable) from the data collected and analysed was that between the job satisfaction and organization commitment.

5.3 Conclusions

In the majority of State Corporations the employees are satisfied with their job and are committed to their organization but the only limiting factor is pay level which majority of the employees are not satisfied with.

5.4 Recommendations

For these State Corporations to succeed, they have to ensure that what is paid to their employees is attractive vis-a-vis what is on offer in the market. This will make the employees more motivated in their organizations, become more committed and reduce labour turnover as the State Corporations in an attempt to get higher salaries in the other sectors of the economy

The State Corporations should also ensure that they augment the employee benefits, for example ensure personal security of employees, training and education allowances, subsidized meals, insurance plans, retirement benefits and other benefits are added or enhanced to the employees. Through this the employees will be more satisfied and they will increase their organizational commitment.

The State Corporation could fast track or implement Performance Based Pay which could act as a panacea for the above captioned problems.

5.5 Limitation of study

Even though the study was well conducted and the response rate was fairly good since most of the respondents answered the questionnaires, there were inevitable limitations of the study such as some of the respondents not willing to provide the required information, some having to continuously be reminded and even persuaded to provide the required information and others even though reminded and implored upon to fill and handover the duly filled questionnaires refusing technically not to fill them.

5.6 Recommendation for further research

A similar study should be undertaken focusing on private firms.

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APPENDICES

Appendix 1: Letter of Introduction

August 2016

Dear Interviewee,

This questionnaire is designed to gather information on a survey on the relationship between pay, job satisfaction and organizational commitment of employees working in State Corporations in Kenya

The study is being carried out for the management research project as a requirement in partial fulfillment of the degree of Master in Business Administration (MBA), at the School of Business, University of Nairobi.

Your answers will be treated with all the confidentiality deserved and will at no time be divulged to any other user.

Your cooperation will be highly appreciated

Your Sincerely,

KIZITO SYENGO
MBA STUDENT

Appendix 2: Questionnaires

QUESTIONNAIRE A FOR MANAGERIAL STAFF

Please place a tick (✓) in the appropriate box or give brief necessary details in the space provided.

Part 1: Respondents profile

1. What is your name (Optional)?
2. Name of the firm?
3. How long have you worked with this firm?
0- 5 year () 6-10 year () 11- 15 year () 16 years & Above ()
4. What is your job position and job title in the organization?
.....

Part 2: Employee's perception on pay and related benefits

5. What kind of pay is on offer in this organization?
Normal pay () Contingent pay () Performance based pay () Managerial based pay ()
Caterena compensation system () Any other, please specify
.....
6. If the answer to 5 above is Contingent pay then state whether the pay is Contingent on?
Contribution () Skill/Competence () Teamwork () Organizational Performance ()
Executive Incentive & Bonus Scheme () Others () Specify
.....
7. In your own view do you think the salary paid to you is attractive vis a-vis what is on offer in the market?
Yes () No ()
8. If the answer to 7 above is No, please give more details?
.....
.....
9. What are the common employee benefits on offer in the organization?
Pension scheme
Financial assistance, e.g. paid absence and holiday
Personal security Body guarding for self & residence
Car
Fuel

Training and educational allowances

Credit card facilities

Funding of non job related training

Fully Paid Accommodations

Subsidized Accommodations

Clothing allowances

Subsidized meals

Insurance Plans

Others: Specify.....

The following questions (Nos 10 – 12) will be answered by use of the five (5) likert scale given below. Please circle a number between 1 to 5 to indicate your agreement or disagreement with each statement.

Low Extent 1	Moderate Extent 2	Average Extent 3	Great Extent 4	Greater Extent 5
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10) To what extent is each of these benefits attractive to you? (Use the scale given above)?

Pension scheme	1	2	3	4	5
Financial assistance, e.g. paid absence and holiday	1	2	3	4	5
Personal security (Body guarding for self & residence)	1	2	3	4	5
Car	1	2	3	4	5
Fuel	1	2	3	4	5
Training and educational allowances	1	2	3	4	5
Credit card facilities	1	2	3	4	5
Funding of non job related training	1	2	3	4	5
Fully Paid Accommodations	1	2	3	4	5
Subsidized Accommodations	1	2	3	4	5
Clothing allowances	1	2	3	4	5
Subsidized meals	1	2	3	4	5
Insurance Plans	1	2	3	4	5
Others: Specify.....	1	2	3	4	5

JOB SATISFACTION

The following questions concern how you feel about the job you do. Please indicate the extent to which you agree or disagree with each statement by circling a number from 1 to 5.

Strongly Disagree 1	Disagree 2	Neither Agree nor Disagree 3	Agree 4	Strongly Agree 5		
1	Working here influences my overall attitude toward my job	1	2	3	4	5
2	Am satisfied with the amount of work am expected to do	1	2	3	4	5
3	The physical working conditions influence the overall attitude towards the job I do	1	2	3	4	5
4	Performance of specific job duties encourages me to do my best	1	2	3	4	5
5	The amount of work expected to be done by me influences my overall attitude towards the job I do	1	2	3	4	5
6	For the work I do, my physical working conditions are better than can be expected in the industry	1	2	3	4	5
7	The equipment I work with is always in a good working condition	1	2	3	4	5
8	Safety on the job receives adequate attention	1	2	3	4	5
9	Resources and supplies I need to perform my job are frequently available	1	2	3	4	5
10	The process of performance appraisal we use works well	1	2	3	4	5
11	The people who supervise me have good habits	1	2	3	4	5
12	I have a feeling that I would be better off working under different supervision	1	2	3	4	5
13	The supervision I receive encourages me to give extra effort	1	2	3	4	5
14	Respect for rules and regulations by employees is very high	1	2	3	4	5
15	My supervisor keeps me in the dark about things I ought to know	1	2	3	4	5
16	My immediate supervisor is my best source of information about work matters	1	2	3	4	5
17	Lateness and absenteeism are handled fairly	1	2	3	4	5
18	My supervisor lets me know when am doing a good job	1	2	3	4	5

19	The supervisors are making strong efforts toward improving the organization	1	2	3	4	5
20	I have faith in the word of the supervisor	1	2	3	4	5
21	I am able to express my feelings and opinions to my supervisor	1	2	3	4	5
22	Favouritism accounts for supervisory decisions	1	2	3	4	5
23	Employees here are treated fairly	1	2	3	4	5
24	My supervisor gives clear cut orders and instructions	1	2	3	4	5
25	Our benefits compare favourably with those provided by other companies/organizations	1	2	3	4	5
26	I receive full information about benefits and how they affect me	1	2	3	4	5
27	My pay is very generous in relation to my duties & responsibilities	1	2	3	4	5
28	I am paid the same or nearly the same as others who do the same kind of job here	1	2	3	4	5
29	Career advancement is possible here if openings occur	1	2	3	4	5
30	The examples my fellow employees set encourage me to work hard	1	2	3	4	5
31	There is friction in my work group/shift	1	2	3	4	5
32	Treatment of employees is consistent	1	2	3	4	5
33	The way our work group gets along with other work group can be described as very good	1	2	3	4	5
34	The way supplies and equipment are currently used saves business money	1	2	3	4	5
35	Employees are consulted about changes that directly affect the work they do	1	2	3	4	5
36	Discipline is fair and reasonable	1	2	3	4	5
37	Instructions I have received on how to do my job have been very good	1	2	3	4	5
38	Commitment and dedication have great meaning in this organization	1	2	3	4	5
39	Time is wasted by unnecessary duplication of work efforts	1	2	3	4	5
40	There are good channels of communication when we have problems	1	2	3	4	5
41	I have a good understanding of the policies that apply to employees	1	2	3	4	5
42	Work is divided and assigned fairly	1	2	3	4	5
43	I have faith in the word of the owners of the business	1	2	3	4	5

14. I am informed about decisions that are made which affect me and my job 1 2 3 4 5
15. If I had a friend looking for a job, I would recommend this business as place to work 1 2 3 4 5
16. Employees here need someone to speak up for them 1 2 3 4 5

ORGANIZATIONAL COMMITMENT

Using the 5-likert scales given below, please circle a number from 1 to 5 to indicate your agreement or disagreement

Strongly Disagree 1	Disagree 2	Neither Agree nor Disagree 3	Agree 4	Strongly Agree 5
------------------------	---------------	---------------------------------	------------	---------------------

1. It would be very hard for me to leave my organization right now, even if I wanted to 1 2 3 4 5
2. I don't feel any obligation to remain with my current employer 1 2 3 4 5
3. I would be very happy to spend the rest of my career with this organization 1 2 3 4 5
4. One of the few negative consequences of leaving this organization would be the scarcity of alternatives 1 2 3 4 5
5. Even if it were to my advantage, I do not feel it would be right to leave my organization now 1 2 3 4 5
6. I really feel as if this organization's problems are my own 1 2 3 4 5
7. Right now, staying with my organization is a matter of necessity as much as desire 1 2 3 4 5
8. I do not feel a strong sense of "belonging" to my organization 1 2 3 4 5
9. I feel that I have too few options to consider if I have to leave this organization 1 2 3 4 5
10. I do not feel "emotionally attached" to this organization 1 2 3 4 5
11. I would feel guilty if I left my organization now 1 2 3 4 5
12. I do not feel like "part of the family" at my organization 1 2 3 4 5
13. This organization deserves my loyalty 1 2 3 4 5
14. If I had not already put so much of myself into this Organization, I might consider working elsewhere 1 2 3 4 5
15. I would not leave my organization right now because I have a sense of obligation to the people in it 1 2 3 4 5
16. This organization has a great deal of personal meaning for me 1 2 3 4 5

the organization now

1 2 3 4 5

18. I owe a great deal to my organization

1 2 3 4 5

THANK YOU VERY MUCH FOR YOUR COOPERATION

QUESTIONNAIRE B: OTHER STAFF

Please place a tick (✓) in the appropriate box or give brief necessary details in the space provided.

Part 1: Respondents profile

1. What is your name (Optional)?
2. Name of the firm?
3. How long have you worked with this firm?
0-5 year () 6-10 year () 11-15 year () 16 years & above ()
4. What is your job position and job title in the organization?
.....

Part 2: Employee's perception on pay and related benefits

5. What kind of pay is on offer in this organization?
Normal pay () Contingent pay () Performance based pay () Cafeteria compensation system () Any other, please specify
.....
6. If the answer to 5 above is Contingent pay then state whether the pay is Contingent on?
Contribution () Skill/Competence () Teamwork () Organizational Performance () Cash Payment () Others () Specify
.....
7. In your own view do you think the salary paid to you is attractive vis a vis what is on offer in the market?
Yes () No ()
8. If the answer to 7 above is No, please give more details?
.....
9. What are the common employee benefits on offer in the organization?

Pension scheme	
Financial assistance, e.g. paid absences	
Training and educational allowances	
Funding of non job related training	
Fully Paid Accommodation	

- Subsidized Accommodations
- Clothing allowances
- Subsidized meals
- Insurance Plans
- Retirement Plans
- Others: Specify:

The following questions (N's 10 - 12) will be answered by use of the five (5) Likert scale given below. Please circle a number between 1 to 5 to indicate your agreement or disagreement with each statement.

Low Extent	Moderate Extent	Average Extent	Great Extent	Greater Extent
1	2	3	4	5

10. To what extent is each of these benefits attractive to you? (Use the scale given above)?

Pension scheme	1	2	3	4	5
Financial assistance, e.g. paid absences	1	2	3	4	5
Training and educational allowances	1	2	3	4	5
Funding of non-job related training	1	2	3	4	5
Fully Paid Accommodations	1	2	3	4	5
Subsidized Accommodations	1	2	3	4	5
Clothing allowances	1	2	3	4	5
Subsidized meals	1	2	3	4	5
Insurance Plans	1	2	3	4	5
Retirement Plans	1	2	3	4	5
Others: Specify... ..	1	2	3	4	5

JOB SATISFACTION

The following questions concern how you feel about the job you do. Please indicate the extent to which you agree or disagree with each statement by circling a number from 1 to 5

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1	2	3	4	5

- | | | | | | | |
|----|---|---|---|---|---|---|
| 1 | Working here influences my overall attitude toward my job | 1 | 2 | 3 | 4 | 5 |
| 2 | Am satisfied with the amount of work am expected to do | 1 | 2 | 3 | 4 | 5 |
| 3 | The physical working conditions influence the overall attitude towards the job I do | 1 | 2 | 3 | 4 | 5 |
| 4 | Performance of specific job duties encourages me to do my best | 1 | 2 | 3 | 4 | 5 |
| 5 | The amount of work expected to be done by me influences my overall attitude towards the job I do | 1 | 2 | 3 | 4 | 5 |
| 6 | For the work I do, my physical working conditions are better than can be expected in the industry | 1 | 2 | 3 | 4 | 5 |
| 7 | The equipment I work with is always in a good working condition | 1 | 2 | 3 | 4 | 5 |
| 8 | Safety on the job receives adequate attention | 1 | 2 | 3 | 4 | 5 |
| 9 | Resources and supplies I need to perform my job are frequently available | 1 | 2 | 3 | 4 | 5 |
| 10 | The process of performance appraisal we use works well | 1 | 2 | 3 | 4 | 5 |
| 11 | The people who supervise me have good habits | 1 | 2 | 3 | 4 | 5 |
| 12 | I have a feeling that I would be better off working under different supervision | 1 | 2 | 3 | 4 | 5 |
| 13 | The supervision I receive encourages me to give extra effort | 1 | 2 | 3 | 4 | 5 |
| 14 | Respect for rules and regulations by employees is very high | 1 | 2 | 3 | 4 | 5 |
| 15 | My supervisor keeps me in the dark about things I ought to know | 1 | 2 | 3 | 4 | 5 |
| 16 | My immediate supervisor is my best source of information about work matters | 1 | 2 | 3 | 4 | 5 |
| 17 | Hardness and absenteeism are handled fairly | 1 | 2 | 3 | 4 | 5 |
| 18 | My supervisor lets me know when am doing a good job | 1 | 2 | 3 | 4 | 5 |

19	The supervisors are making strong efforts toward improving the organization	1	2	3	4	5
20	I have faith in the word of the supervisor	1	2	3	4	5
21	I am able to express my feelings and opinions to my supervisor	1	2	3	4	5
22	Favouritism accounts for supervisory decisions	1	2	3	4	5
23	Employees here are treated fairly	1	2	3	4	5
24	My supervisor gives clear cut orders and instructions	1	2	3	4	5
25	Our benefits compare favourably with those provided by other companies/organizations	1	2	3	4	5
26	I receive full information about benefits and how they affect me	1	2	3	4	5
27	My pay is very generous in relation to my duties & responsibilities	1	2	3	4	5
28	I am paid the same or nearly the same as others who do the same kind of job here	1	2	3	4	5
29	Career advancement is possible here if openings occur	1	2	3	4	5
30	The examples my fellow employees set encourage me to work hard	1	2	3	4	5
31	There is friction in my work group/shift	1	2	3	4	5
32	Treatment of employees is consistent	1	2	3	4	5
33	The way our work group gets along with other work group can be described as very good	1	2	3	4	5
34	The way supplies and equipment are currently used saves business money	1	2	3	4	5
35	Employees are consulted about changes that directly affect the work they do	1	2	3	4	5
36	Discipline is fair and reasonable	1	2	3	4	5
37	Instructions I have received on how to do my job have been very good	1	2	3	4	5
38	Commitment and dedication have great meaning in this organization	1	2	3	4	5
39	Time is wasted by unnecessary duplication of work efforts	1	2	3	4	5
40	There are good channel of communication when we have problems	1	2	3	4	5
41	I have a good understanding of the policies that apply to employees	1	2	3	4	5
42	Work is divided and assigned fairly	1	2	3	4	5
43	I have faith in the word of the owners of the business	1	2	3	4	5

44	I am informed about decisions that are made which affect me and my job	1	2	3	4	5
45	If I had a friend looking for a job, I would recommend this business as place to work	1	2	3	4	5
46	Employees here need someone to speak up for them	1	2	3	4	5

ORGANIZATIONAL COMMITMENT

Using the 5-point scales given below, please circle a number from 1 to 5 to indicate your agreement or disagreement:

Strongly Disagree 1	Disagree 2	Neither Agree nor Disagree 3	Agree 4	Strongly Agree 5
---------------------------	---------------	------------------------------------	------------	------------------------

1	It would be very hard for me to leave my organization right now, even if I wanted to	1	2	3	4	5
2	I don't feel any obligation to remain with my current employer	1	2	3	4	5
3	I would be very happy to spend the rest of my career with this organization	1	2	3	4	5
4	One of the few negative consequences of leaving this organization would be the scarcity of alternatives	1	2	3	4	5
5	Even if it were to my advantage, I do not feel it would be right to leave my organization now	1	2	3	4	5
6	I really feel as if this organization's problems are my own	1	2	3	4	5
7	Right now, staying with my organization is a matter of necessity as much as desire	1	2	3	4	5
8	I do not feel a strong sense of "belonging" to my organization	1	2	3	4	5
9	I feel that I have too few options to consider if I have to leave this organization	1	2	3	4	5
10	I do not feel "emotionally attached" to this organization	1	2	3	4	5
11	I would feel guilty if I left my organization now	1	2	3	4	5
12	I do not feel like "part of the family" at my organization	1	2	3	4	5
13	This organization deserves my loyalty If I had not already put so much of myself into this	1	2	3	4	5
14	Organization, I might consider working elsewhere	1	2	3	4	5
15	I would not leave my organization right now because I have a sense of obligation to the people in it	1	2	3	4	5
16	This organization has a great deal of personal meaning for me	1	2	3	4	5

- 17 Too much of my life would be disrupted if I decided to leave
the organization now 1 2 3 4 5
- 18 I owe a great deal to my organization 1 2 3 4 5

THANK YOU VERY MUCH FOR YOUR COOPERATION

Appendix 3: List of State Corporations in Kenya

No.	State Corporation	Parent (Economic) Ministry
A	COMMERCIAL	
1	Agricultural Development Corporation (ADC)	Agriculture
2	Agricultural Finance Corporation (AFC)	Agriculture
3	Agro-Chemical and Food Company	Agriculture
4	Bomas Of Kenya Ltd.	Tourism
5	Central Bank Of Kenya	Finance
6	Chemelil Sugar Company	Agriculture
7	Consolidated Bank of Kenya	Finance
8	Development Bank of Kenya	Trade and Industry
9	East Africa Portland Cement	Trade and Industry
10	Gigajal Telecommunications Industries Ltd.	Information & Communication
11	Industrial and Commercial Development (I.C.D.C)	Trade and Industry
12	Industrial Development Bank	Trade and Industry
13	Jomo Kenyatta Foundation	Education, Science & Technology
14	Kenya Broadcasting Corporation	Information & Communication
15	Kenya Electricity Generating Corporation (KINGEN)	Energy
16	Kenya Ferry Services	Transport
17	Kenya Industrial Estates	Trade and Industry
18	Kenya Literature Bureau	Education, Science & Technology
19	Kenya Meat Commission	Livestock and Fisheries Development
20	Kenya National Assurance (2001)	Finance
21	Kenya National Shipping Line	Transport
22	Kenya National Trading Corporation (KNTC)	Trade and Industry
23	Kenya Petroleum Refineries Ltd	Energy
24	Kenya Pipeline Company (KPC)	Energy
25	Kenya Airport Authority (KAA)	Transport
26	Kenya Ports Authority (KPA)	Transport
27	Kenya Post Office Saving Bank	Finance
28	Kenya Railways Corporation	Transport
29	Kenya Re-insurance Corporation	Finance
30	Kenya Seed Co. Ltd.	Agriculture
31	Kenya Tourist Development Corporation	Tourism
32	Kenya Wine Agencies limited	Trade & Industry
33	National Bank of Kenya (NBK)	Finance
34	National Housing Corporation	Land & Housing
35	National Oil Corporation of Kenya	Energy
36	National water Conservation & Pipeline Corporation	Water Reso Mgt, Dev't & Irrigation
37	New KCC	Cooperative Development
38	Kenya Tea & Conservation Corporation	Agriculture
39	Nzoia Sugar Company	Agriculture
40	Postal Corporation of Kenya	Information & Communication
41	Safaricom Limited	Information & Communication
42	School Equipment Production Unit	Education, Science & Technology
43	South Nyanza Sugar Company Limited (Sony)	Agriculture
44	Telkom Kenya Ltd.	Information & Communication

No.	State Corporation	Parent (Donor) Ministry
B	REGULATORY	
15.	Capital Market Authority	Finance
46.	Coast Water Service Board	Water Reso.Mgt,Dev't & Irrigation
17.	Central Kenya Water Service Board	Water Reso.Mgt,Dev't & Irrigation
48.	Coffee Board of Kenya	Agriculture
49.	Communications Commission of Kenya	Information & Communication
50.	Commission for Higher Education	Education, Science & Technology
51.	Cotton Board of Kenya	Agriculture
52.	Eastern Kenya Water Service Board	Water Reso.Mgt,Dev't & Irrigation
53.	Electricity Regulatory Board	Energy
54.	Film Censorship Board	Information & Communication
55.	Horticultural Crops Development Authority	Agriculture
56.	Hotels and Restaurants Authority	Tourism
57.	Kenya Anti Corruption Authority	Justice & Constitutional Affairs
58.	Kenya Bureau of Standards	Trade & Industry
59.	Kenya Civil Aviation Authority	Transport
60.	Kenya Dairy Board	Livestock and Fisheries Development
61.	Kenya Marine Authority	Transport
62.	Kenya Plant Health Inspectorate Services	Agriculture
63.	Kenya Revenue Authority (KRA)	Finance
64.	Kenya State Board	Agriculture
65.	Kenya Sugar Board	Agriculture
66.	Kenya Tourist Board	Tourism
67.	Kenya Wildlife Service (KWS)	Environment and Natural R.
68.	Lake Victoria North Water Service Board	Water Reso.Mgt
69.	Lake Victoria South Water Service Board	Water Reso.Mgt
70.	Kenya Cereals and Produce Board	Agriculture
71.	National Council for Science & Technology	Education, Science & Technology
72.	National Environmental Management Authority	Environment and Natural R.
73.	National Irrigation Board (NIB)	Water Reso.Mgt,Dev't & Irrigation
74.	Nairobi Water Service Board	Water Reso.Mgt,Dev't & Irrigation
75.	Sports Stadia Management Board	Sports
76.	NGO Coordination Bureau	Home Affairs
77.	Pests Products Control Board	Agriculture
78.	Pharmacy and Poisons Board	Health
79.	Pyrethrum Board of Kenya	Agriculture
80.	Radiation Protection Board	Health
81.	Registration of Accountants Board	Finance
82.	Registration of Certified Public Secretaries	Finance
83.	Rift Valley Water Service Board	Water Reso.Mgt,Dev't & Irrigation
84.	Sugar Development Fund	Agriculture
85.	Tea Board of Kenya	Agriculture
86.	Water Services Regulatory Board	Water Reso.Mgt,Dev't & Irrigation
C	FACILITATING AGENTS:	
87.	Export Processing Zones Authority	Trade & Industry
88.	Export Promotion Council	Trade & Industry
89.	Investment Promotion Center	Trade & Industry
90.	Water Service Trust Fund	Water Reso.Mgt,Dev't & Irrigation
D	GOVERNMENT REVENUE COLLECTING AGENT:	
91.	Catering Levy Trustees	Finance
92.	Higher Education Loans Board	Education, Science & Technology

No.	State Corporation	Parent (Line) Ministry
E	APPEALS BOARD	
93	CMA Appeals Board	Finance
94	Public Procurement Appeals Board	Finance
95	State Cooperation Appeals	Finance
96	Rent Tribunal Board	Trade & Industry
F	RESEARCH INSTITUTES	
97	Coffee Research Foundation	Agriculture
98	Kenya Agricultural Research Institute	Agriculture
99	Kenya Forest Research Institute	Agriculture
100	Kenya Industrial & Research Development Institute (KIRDI)	Trade & Industry
101	Kenya Institute for Public Policy Research & Analysis	Planning & National Development
102	Kenya Marine and Fisheries Research Institute	Agriculture
103	Kenya Medical Research Institute	Health
104	Kenya Sugar Research Foundation	Agriculture
105	Kenya Trypanosomiasis Research Institute	Livestock and Fisheries Development
106	Kenya Veterinary Vaccines Production & Development	Livestock and Fisheries Development
107	Tea Research Foundation	Agriculture
G	EDUCATIONAL AND TRAINING	
108	Cooperative College of Kenya	Cooperative Development
109	Council of Legal Education	Attorney-General
110	Egerton University	Education, Science & Technology
111	Jomo Kenyatta University of Agriculture & Technology	Education, Science & Technology
112	Kenya College of Communication & Technology	Information & Communication
113	Kenya Institute of Administration	Office of the President
114	Kenya Medical Training Centre	Health
115	Kenya National Examination Council	Education, Science & Technology
116	Kenya Utalii College	Tourism
117	Kenyatta University	Education, Science & Technology
118	Maseno University	Education, Science & Technology
119	Moi University	Education, Science & Technology
120	University of Nairobi (UON)	Education, Science & Technology
H	REGIONAL DEVELOPMENT AUTHORITY	
121	Coast Development Authority	Regional Development
122	Elwaso Ng'iro North River Development Authority	Regional Development
123	Elwaso Ng'iro South River Development Authority	Regional Development
124	Kerio Valley Development Authority	Regional Development
125	Lake Basin Development Authority	Regional Development
126	Tana & Athi Rivers Development Authority	Regional Development
J	SOCIAL AND HEALTH SERVICE	
127	Kenya National Library Services	Culture & Social Services
128	Kenyatta National Hospital	Health
129	Local Authorities Provident Fund	Local Authorities
130	Moi Referral and Teaching Hospital	Health
131	National Coordinating Agency for Population & Dev't	Planning & National Dev't
132	National Council for Children Services	Gender, Sports & Social Services
133	National Health Insurance Fund	Health

No.	Body Corporation	Parent (Line) Ministry
131	National Museums of Kenya	Culture & Social Services
135	National Social Security Fund	Labour & Human Resource Development
K	COMMISSIONS:	
136	Commission for Gender and Development	Gender, Sports & Social Services
137	Judicial Service Commission	Justice & Constitutional Affairs
138	Kenya Human Rights Commission	Justice & Constitutional Affairs
139	Parliamentary Service Commission	Parliament
140	Presidential Music Commission	Education, Science & Technology
141	Public Service Commission	Office of the President
142	Teachers Service Commission	Education, Science & Technology

Source: Ministry of Finance

Appendix 4: List of Sampled Firms

No.	State Corporation	Parent (Line) Ministry
1)	Agricultural Development Corporation (ADC)	Agriculture
2)	Agricultural Finance Corporation (AFC)	Agriculture
3)	Central Bank Of Kenya	Finance
4)	Consolidated Bank of Kenya	Finance
5)	Development Bank of Kenya	Trade and Industry
6)	Industrial and Commercial Development (ICDC)	Trade and Industry
7)	Industrial Development Bank	Trade and Industry
8)	Kenya Broadcasting Corporation	Information & Communication
9)	Kenya Pipeline Company (KPC)	Energy
10)	National Bank of Kenya (NBK)	Finance
11)	National Housing Corporation	Land & Housing
12)	Telkom Kenya Ltd.	Information & Communication
13)	Capital Market Authority	Finance
14)	Commission for Higher Education	Education, Science & Technology
15)	Export Promotion Council	Trade & Industry
16)	Higher Education Loans Board	Education, Science & Technology
17)	Jana & Athi Rivers Development Authority	Regional Development
18)	Kenya Tourist Development Corporation	Tourism
19)	Kenya Wine Agencies limited	Trade & Industry
20)	National Environmental Management Authority	Environment and Natural R.
21)	Kenya Industrial & Research Development Institute (KIRDI)	Trade & Industry
22)	Safaricom Limited	Information & Communication
23)	Communications Commission of Kenya	Information & Communication
24)	Kenya Sugar Board	Agriculture
25)	Pests Products Control Board	Agriculture
26)	Kenya Agricultural Research Institute	Agriculture
27)	Kenya Institute of Administration	Office of the President
28)	Horticultural Crops Development Authority	Agriculture
29)	Kenya Dairy Board	Livestock and Fisheries Development
30)	National Irrigation Board (NIB)	Water Reso. Mgt, Dev't & Irrigation
31)	Radiation Protection Board	Health
32)	Kenya Institute for Public Policy Research & Analysis	Planning & National Development
33)	Kenya Medical Research Institute	Health
34)	National Health Insurance Fund	Health
35)	National Social Security Fund	Labour & Human Resource Development
36)	Kenya Human Rights Commission	Justice & Constitutional Affairs
37)	Kenya Electricity Generating Corporation	Energy
38)	Sports Macha Management Board	Sports
39)	Kenya Film College	Tourism
40)	University of Nairobi	Education, Science & Technology