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**THE EFFECT OF ORGANISATION STRUCTURES AND COMPENSATION POLICIES ON EMPLOYEE PERFORMANCE IN PUBLIC SERVICE INSTITUTIONS IN KENYA, A CASE OF THE WATER SECTOR TRUST FUND**

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**ABSTRACT**

*Public service institutions have often been handicapped by inappropriate organisational structures featuring excessive levels of bureaucracy and characterised by formalisation, specialisation, impersonality and hierarchy. Many public sector organisations do not provide competitive compensation levels for their employees owing to pay structures that do not factor into consideration prevailing market valuations of certain jobs. The study's objectives were to determine the influence of organisational structures, and compensation policies on employee performance in public service institutions in Kenya, A case of the Water Sector Trust Fund. The study adopted coordination theory and the expectancy theory of motivation. This study applied a descriptive research design. It focused on a target population of 150 staff of WSTF in their office premises in Nairobi County. A questionnaire was used for data collection due to the benefit of inclusion of more extensive enquiries. It then used SPSS as a platform for conducting the descriptive data analysis, correlation analysis and regression analysis. The results were then presented through the use of a mixture of graphs and tables. The study findings were that; WSTF has incorporated an organisational structure that has enhanced employee performance as evidenced by the adoption of a hierarchical structure where each manager oversees a smaller group of employees; and making decentralisation more effective through the adaptation to specific circumstances and objectives through a public sector restructuring exercise. However, more needs to be done to reduce the level of bureaucracy and the centralisation of top level decision making, as well as ensuring clarity in the management structures so as to remove blurred lines of authority and responsibility. The organisation has institutionalised compensation policies that have led to improved employee performance. WSTF has ensured the integration of communication content control in an effort to improve its communication. However, it has failed to enhance the competencies of their staff in essential skills such as communication despite having a bloated workforce. The performance of employees has been assured through positive reinforcements and fair treatment; greater job involvement of employees by adopting high performance work systems; and engaging in improved processes, procedures and techniques of innovation. However, it has been hampered by poor remuneration, delayed payment of salaries, stagnation in one position or job group for long.*

**Key Words:** *Coordination Techniques, Organisation Structures, Compensation Policies, Employee Performance Public Service Institutions*

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## INTRODUCTION

As far as public service organisations are concerned, coordination mechanisms are especially critical since there are so many stakeholders involved. Spicker (2009) defines a public service as activities intended to attain the objectives of public policy makers and may be carried out by governmental organisations, non-governmental organisations, private organisations, voluntary organisations, philanthropists, mutual societies, amongst others. Such services have four key attributes: they are provided for the public; they are redistributive (they are paid for by those who may not necessarily be recipients of the services); they exist due to public policy; and operate as a trust. Gautam (2020) affirmed that in order for public service delivery to be effective, sound coordination mechanisms must be integrated within the mandated public service institutions. This has become increasingly apparent with the growth of bureaucracies driven by the advent of more advanced technology in the face of persistent operational constraints.

Corruption continues to bedevil the Kenyan public sector despite various initiatives undertaken by several governments in the recent past such as the establishment of the Ethics and Anti-Corruption Commission (EACC) to spearhead the fight against this vice. Indeed, the EACC in tandem with the Kenyan Ombudsman have been critical in the establishment of horizontal harmonisation and control of accountability efforts with both private and public organisations (Onyango, 2018). Since the introduction of the new devolved system of government in Kenya in 2013, several coordination challenges have been experienced in service delivery particularly in the health sector owing to ambiguities in responsibility and accountability among the county and national governments. The retention of the critical decision-making capacity and resource management at the national level while expecting the county governments to carry the burden of accountability is at the centre of this coordination challenge (Ochieng, 2017).

The Water Sector Trust Fund (WSTF) is a Kenyan State Corporation under the Ministry of Water & Sanitation and Irrigation and established under the Water Act, 2016. Its mandate is to ensure the provision of both conditional and unconditional grants to the devolved units of government as well as the facilitation of funding for the management and development of water and sanitation services in areas which are side-lined and poorly served. Its key achievement has been the establishment of mechanisms for delivery and collaborations that make it competitive in the sector. Indeed, WSTF has amassed considerable experience in areas such as managing donor funded programmes, monitoring structures and systems of appraisal that target neglected populations in the country since its inception. In fact, its success is exemplified by the increasing benchmarking by other African countries to ensure the development and improvement of their own water sectors.

The institution has many employees whose efforts need to be coordinated accordingly so as to ensure the fulfilment of the aforementioned mandate so as to meet the expectations of the various partners and other stakeholders. Presently, the responsibility for coordinating the employees rests on the shoulders of the Human Resource Manager.

### Statement of the Problem

The Kenyan public sector has experienced a drastic growth in its labour force from 596,600 in 2008 to 865,233 in 2019, representing an increase of 45% in this period indicating the scale of coordination required in order to get all these people functioning collaboratively (Kenya National Bureau of Statistics (KNBS), 2020). In order to get these people functioning, the national Government spent an estimated Kenya Shillings 325.61 Billion on general public services (KNBS, 2020). This scale of resources require much organised coordination in order for them not to be misappropriated.

According to Yasmeardi, Rizke and Loupias (2019), public service institutions have often been handicapped by inappropriate organisational structures featuring excessive levels of bureaucracy

and characterised by formalisation, specialisation, impersonality and hierarchy. Steen and Schott (2019) posited that many public sector organisations do not provide competitive compensation levels for their employees owing to pay structures that do not factor into consideration prevailing market valuations of certain jobs.

Thus, this study will provide insights into the nature of coordination techniques and their influence on employee performance in public service organisations. Secondly, the majority of research has been conducted on organisational performance rather than employee performance as a dependent variable. This has rendered the findings from these studies to be unsuitable when seeking to understand the influence of the independent variables on employee performance which is what this study is proposing to do. Thirdly, there are studies that have examined employee productivity instead of employee performance such as Mbiya *et al.* (2014). This has made the findings from such studies to be more specific than the anticipated findings from this study given that productivity is a construct of performance.

### **Objectives of the Study**

- To determine the influence of organisational structures on employee performance in public service institutions in Kenya, A case of the Water Sector Trust Fund.
- To establish the influence of compensation policies on employee performance in public service institutions in Kenya, A case of the Water Sector Trust Fund.

## **LITERATURE REVIEW**

### **Theoretical Review**

The following theories were used in the study

#### **Coordination Theory**

The Coordination Theory which was advanced by Thomas Malone in 1988 held that given the increasing advancements in computing technology, the activities of separate actors including organisations, individuals, and computer processes

need to be coordinated in such a way as to identify dependencies between tasks associated with different members of a group and how coordinated these members are, and ultimately using this process to identify the problems related to the dependencies and likely solutions to the same (Crowston, Rubleske & Howison, 2015). Thus, this theory is premised on the notion that whenever multiple actors and interdependent activities are involved in the pursuit of a common goal, effective coordination needs to take place in order to identify and resolve inevitable conflicts (Malone & Crowston, 1991). More specifically, the theory argues that actors who collaborate in a common goal are mutually dependent on each other such that individual A is dependent on the quality and timeliness of individual B and vice versa and must, therefore be well coordinated in their efforts (Bardram, 1998).

Given that the theory seeks to explain how to improve the effectiveness of collaborative efforts in an organisational context, it can be surmised that it is consistent with all the variables of the study. Firstly, the organisational structure (independent variable one) needs to be primed to ensure greater coordination of the efforts of different departments and individuals. Secondly, the compensation policies (independent variable two) need to recognise the need for harmonisation and equalisation of pay structures for similarly positioned individuals who work collaboratively in order to prevent conflict. Thirdly, effective communication (independent variable three) ensures the transmission of critical information which is essential for the implementation of coordination. Fourthly, effective leadership (independent variable four) provides the direction needed for better coordination of the efforts of the entire team involved in the pursuit of a common goal. Lastly, since employee performance (dependent variable) is one of the critical goals of coordination, then it is clear that there is a linkage between the theory and this variable.

### **Expectancy Theory of Motivation**

The theory holds that the manner in which an individual acts is dependent upon how strong an expectation is that the given action will result in a particular outcome and how appealing the outcome is to the individual. The theory seeks to establish a correlation amongst a number of managerial variables including effort, performance, rewards and personal goals, and how they ultimately lead to the motivation of an individual to behave in certain way in an organisational context (Prajat & Bagga, 2014). Firstly, the reason why individuals join an organisation is to meet their expectations of their needs, motivations and previous experiences which all influence their behaviour in the organisations. Secondly, individual's expectancy determinations inform their conscious choice of behaviour. Thirdly, individual's needs in organisations vary from person to person. Fourthly, individual will make their choices on the basis of available alternatives in such a way as to optimise their personal outcomes.

This theory has established clear linkages with independent variables two (compensation policies) and four (effective leadership) since effective leaders can use compensation policies as extrinsic motivators. Additionally, once the individuals have been motivated, it is also apparent that the anticipated behavioural response (improved employee performance) will be accomplished thereby illustrating the linkage between the theory and the dependent variable. Further, given that effective communication (independent variable three) within an appropriate organisational structure (independent variable one) are critical towards the functioning of an effective leader then it is also clear that the theory is also linked to other two independent variables which are compensation policies.

### **Empirical Review**

This study reviewed literature on organizational structure and compensation policies as follows:-

### **Organizational Structure and Employee Performance**

According to Ahmady, Mehrpour and Nikooravesh (2016), a structure is the established associations between components of an organised whole. As far as organizations are concerned, structure entails the framework of the established associations among individuals, jobs, systems, operating processes, and groups that are applied in the attainment of common goals and objectives. The first indicator of organizational structure is the level of bureaucracy. A study by Erkoc (2017) established that bureaucracy and efficiency within the public sector are seemingly strange bedfellows especially given the limited resources, which make it difficult for the investment in the necessary infrastructure and governance mechanism needed for the establishment of efficient bureaucracy. The study addressed a number of literature gaps including the lack of any previous work on the relationship between bureaucrats and politicians; and the provision of more clarity on the economic theory of bureaucracy as a source of inefficient resource allocation in the public sector. Figenshou, Fredriksson, Kolltveit and Pallas (2021) affirmed that the level of bureaucracy in public sector organizations is dictated by the extent to which laws, policies and procedures are institutionalized and followed by employees in concert with the policy decisions made by the political ruling parties, that is, the government of the day. This study provided a more holistic of the subject of communication and bureaucracies in the public sector by combining the perspectives of the management of media and reputation, and crisis communication.

The second indicator of organizational structure is the level of decentralization. Makhamara, (2019) posited that there is an absence of a direct linkage between the public sector organizational autonomy and results control, on the one hand, and the level of decentralisation on the other. According to the study, little research has been done on the balance between organizational autonomy and result

control as a moderating variable of the influence of decentralization on the performance of public sector organizations. Smoke (2015) opined that in order for decentralization to be effective it needs to be customized through adaptation to specific circumstances and objectives through a public sector restructuring exercise. The paper highlighted a number of neglected issues in decentralization research including: the diversity of decentralization; the linkage between decentralization and national political economic forces; the bureaucratic dynamics of decentralized operations; and the manner in which national frameworks breakup into varied and intricate local contexts.

Another indicator of organizational structure is the number of reporting lines. Worren and Scholderer (2018) affirmed that the structure of organizations is also delineated in terms of the existing relationships between subordinates and their superiors such that a hierarchical arrangement is in place showing who answers to who, this is what is referred to as reporting lines. Rakšnys, Valickas and Vanagas (2020) argued that owing to their typically large sizes public service organizations have embraced the hierarchical structure where each manager oversees a smaller group of employees who then supervise a small group of subordinates, thereby creating a tiered arrangement with clearly demarcated reporting lines. The paper focuses on new insights into innovation in public sector organizations offered by the New Public Management modernization reforms including New Public Governance, collaborative innovation, and inter-sectoral innovation. However, Bindrees, Pooley, Ibrahim and Bental (2014) found that the effectiveness of operations in a number of public sector organizations have been adversely affected by the lack of clarity in the management structures with blurred lines of authority and responsibility that have invariably led to administrative conflicts. The authors propose a new model for addressing inherent issues within the organizational structures of public sector organizations with regards to the performance of software projects.

### **Compensation Policies and Employee Performance**

Employees need to be satisfied with the working conditions in order for them to perform effectively. One way in which this is achieved is through the receipt of adequate compensation for their work. Compensation refers to the rewards given to employees by organisations on account of their performance of their mandates jobs based on agreed terms and include basic salaries, bonuses, allowances, and any other performance based emoluments (Kang & Lee, 2021). Compensation policies refer to the formal outlined procedures applied by management in facilitating the development and management of intrinsic and extrinsic rewards for employees in lieu of work performed in a given organisation (Daniel, 2020).

The first indicator of compensation policies is the perceived value of the job. Butt, Imran, Shah and Jabbar (2013) established that organizational politics under the guise of power, influence and self-interest play a critical role on how individuals perceive the value that accrues to them from their jobs in public sector organizations given that decisions by top management are based on how the organizations address interests from the government of the day. This study addressed a number of gaps in the literature including: how the interaction effect of organizational politics and teamwork on job satisfaction remained statistically significant beyond the possible confounding impact of teamwork and perception of organizational politics; and the considerable linkage between gender and affective commitment and job satisfaction. Santinha, Carvalho, Forte, Fernandes, and Tavares (2021) affirmed that as public sector organizations have increasingly adopted private sector performance ideals, employees have developed a greater appreciation of the value of efficient service delivery. This study focused on neglected components of compensation policies such as the contribution of high education experience as well socialization in compensation policies in the public and private sectors; the values that are being inculcated into the individuals; and

the students' opinion regarding who should be responsible for provision of public services.

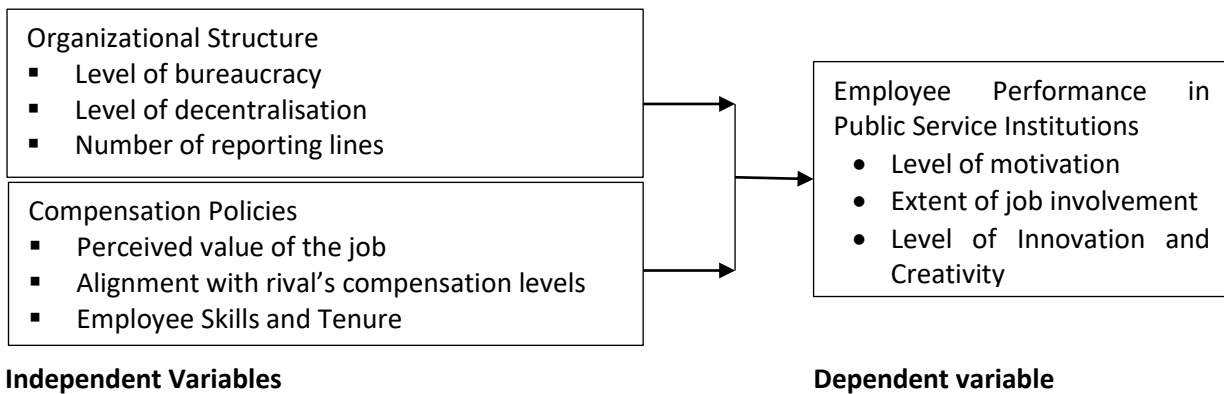
The second indicator of compensation policies is alignment with rival's compensation levels. Alford and Greve (2017) averred that given the highly political and conservative nature of the public sector in many countries, the adoption of competitive strategic management does not come easily. Such organizations may have to refocus their emphasis to reformed perspectives that feature the deployment of private sector techniques such as competitive realignments of compensation policies. The study prioritized the clarification of the trade-offs that need to be made in strategic management both in the public and private sectors rather than the pursuit of optimal or perfect solutions and, as such, offer the generation of value for the public by using collaborative governance. Additionally, the study dwelt on the temporal nature of decision making where a solution aimed at resolving a particular issue might worsen another one in due course. Sarmad, Ajmal, Shamim, Saleh and Malik (2016) determined that whilst there is a considerable alignment between employee retention and compensation levels, some of the competencies and skills possessed by employees in the public sector, make it very difficult for comparative assessments of rival compensation levels and, thus, cannot be used as a competitive strategy. This study addressed a key gap in the research by emphasizing the need for both motivation and compensation in ensuring the retention of employees in public sector organizations, particularly in the developing world.

The third indicator of compensation policies is employee skills and tenure. According to Hanafi and

Ibrahim (2018), employee skills refer to an individual employee's range of knowledge, attitude, ability and technical competence to adequately perform a given task or job. Steffens, Shemla, Wegge and Diestel (2014) affirmed that organizational tenure is the period that an employee has spent in a given organization. Gomes (2018) found that public sector wage structures are dependent on the depth of financial resources that a given government has which in turn dictates the compensation policies such that richer countries are able to offer better terms of service for skilled workers than poorer ones. The paper, unlike others such as Gomes (2015), performs a quantitative assessment of the benefits of public sector reform through the linkage of public wage to the private sector. Sigilai (2019) postulated that frequent trainings and employee development engenders feelings of greater appreciation from the employees and gets them to commit to staying longer and being motivated to perform better. This study exposed a number of gaps in the literature including: few studies had focused on how talent management and employee commitment are associated in the public sector with most dealing with employee or organizational performance.

### **Conceptual Framework**

Rocco and Plakhonik (2009) affirmed that it develops a foundation for the linkage of the study with appropriate literature so as to ensure the formulation of the problem statement as well as the questions pertaining to the research. It comprises the theoretical and empirical studies pertinent to the study. Figure 1 portrays the conceptual framework of the study.



**Figure 1: Conceptual Framework (Source: Researcher, 2022).**

**METHODOLOGY**

**Research Design:** This study opted for a descriptive research design since it attempted to expound on the traits of study participants including the objects of measurement, the techniques that will be used for measurement, and providing clarity on the target population definition. It enabled the provision of responses to questions related to what, where, when and how. It facilitated a deeper understanding of the subject without offering any control over the variables of the study. Given that it enabled the study of participants in a natural setting as well as the analysis of the relationship between two or more variables, it was appropriate for this study.

**Target Population:** The study focused on a target population of 150 staff of WSTF in their office premises in Nairobi County. These were the members of staff who have been directly or indirectly involved with coordination techniques including both management and subordinate staff from different departments (not all the staff in the organisation have been involved in coordination techniques).

**Sample Size and Sampling Technique:** Given that the target population was below 200, the study used a census method for computing the sample size where the entire composition of the items in the population were included in the sample, thereby minimising or removing sampling errors and providing an exhaustive coverage of the

information of all the participants in the population (Israel, 1992).

**Research Instruments:** The questionnaires were applied in the collection of data for this study. The questionnaire enabled the gathering of a lot of data in a minimum duration and allows the analysis of a broad spectrum of issues in a systematic and standardised manner. The questionnaire was administered to 150 members of staff at WSTF who included both subordinate and management staff.

**Key Informant Interviews:** Key Informant Interviews (KIIs) were utilized for the collection of critical qualitative information regarding the unit of observation so as to facilitate the design of the comprehensive quantitative study. Five open-ended questions were posed to the key decision makers on employee coordination techniques in a systematic and semi-structured manner. These were members of the management team at WSTF including the Managing Director, Finance Manager, Human Resource Manager, the Production Manager, and the Information Communication Technology Manager.

**Pilot Test:** A pilot test was conducted on 10 participants (the researcher used her familiarity with individuals working in the sector to approach 10 of them) who were chosen due to their level of expertise in the subject of coordination mechanisms within the water services sector in accordance with the recommendations of Mugenda and Mugenda (2003) who found that 10 is a good sample size for a pilot. They, therefore, comprised



members of the management team at WSTF. However, these individuals were excluded from the main study. The study utilised the expertise of management personnel at WSTF to provide content validity. Additionally, the study ensured the provision of criterion validity through the guaranteed equitable involvement of every individual.

**Data Collection Techniques:** This study used Google Forms, a cloud-based data management tool that enabled easy design of the questionnaire and online transmission to respondents who only needed to accept the email invitation to access the questionnaires then fill accordingly. The information was updated synchronously in real time so as soon as everyone has completed the researcher can close access.

**Data Analysis and Presentation:** This study applied a 5 point Likert Scale so as to ensure the coding of data in a simple and understandable manner. SPSS was then be used to compute and run the analysis for regression, correlation as well as descriptive statistics including the mean and standard deviation. The findings were finally displayed through the use of a combination of tables and graphs.

**Table 1: Cronbach's Alpha Scores for Each Variable**

Variable	Cronbach's Alpha	Number of Items
Organisational Structure	0.975	6
Compensation Policies	0.850	6
Employee Performance	0.706	6

The findings showed that the Cronbach Alpha score for all the variables exceeded the 0.7 value indicating their permissibility in terms of internal consistency.

**Response Rate**

Morton, Bandara, Robinson and Carr (2012) defined a response rate as the proportion of finished

**Table 2: Response Rate**

Category	Response	Percentage
Received Questionnaires	130	87%
Unreceived Questionnaires	20	13%
Total	150	100%

**RESULTS**

**Reliability of Research Instrument**

The pilot involved questionnaires, which were administered to 10 individuals who were chosen due to their level of knowledge of the subject of coordination mechanisms within the water services sector which encompassed the unit of analysis. The following formula was used to compute the reliability:

$$\alpha = \left(\frac{k}{k-1}\right)\left(1 - \frac{\sum_{i=1}^k S_i^2}{S_x^2}\right)$$

$$= (30/30-1)(1 - 4.84/36.9) = 0.899$$

It apparent that the pilot tests were within an acceptable internal consistency given the alpha score of 0.899. This is a reflection that the instrument is reliable. The Cronbach's Alpha score for each individual study variables are shown in Table 1 below.

interviews in relation to the entire number of contacted individuals. Out of a total of 150 contacted individuals, 130 questionnaires were completed, which was a response rate of 87%. This was aligned with the findings of Gordon, Davidoff, Tarnow, Reidenberg and Endriss (2002). These results are shown in Table 2.

## Descriptive Statistical Analysis

### Organisational Structure and Employee Performance

The findings of the descriptive statistics of organisation structure are shown in Table 3. The findings affirmed that 59.2% of the participants were either in agreement or strongly in agreement that bureaucracy and efficiency within the organisation are difficult to implement together especially given the limited resources. The mean of this declaration was 3.1846 serving as an indicator that most of the participants provided a positive

response, which was in line with Erkoc (2017). All the respondents agreed that the level of bureaucracy in WSTF is dictated by the extent to which laws, policies and procedures are institutionalised and followed by employees. The associated mean score of this statement was 4.0000 showing a clear level of consistency with Figsheou *et al.* (2021).

The low standard deviations for all the statements signify that all responses were there was not much variation with the mean response.

**Table 3: Descriptive Statistics of Organisational Structure**

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
Bureaucracy and efficiency within the organisation are difficult to implement together especially given the limited resources.	20.0%	20.8%	0.0%	39.2%	20.0%	3.1846	1.47740
The level of bureaucracy in WSTF is dictated by the extent to which laws, policies and procedures are institutionalised and followed by employees.	0.0%	0.0%	0.0%	100.0%	0.0%	4.0000	.00000
The extent to which decision making at the top level is centralised influences the organisation's performance since subordinate employees desire to participate in the decision making process.	0.0%	0.0%	0.0%	39.2%	60.8%	4.6077	.49015
In order to make decentralisation effective WSTF customised it through adaptation to specific circumstances and objectives through a public sector restructuring exercise.	0.0%	0.0%	20.0%	40.8%	39.2%	4.1923	.74808
Owing to the large size of the organisation, it has embraced the hierarchical structure where each manager oversees a smaller group of employees.	0.0%	0.0%	0.0%	80.0%	20.0%	4.2000	.40155
The effectiveness of operations in at WSTF has been adversely affected by the lack of clarity in the management structures with blurred lines of authority and responsibility.	0.0%	0.0%	0.0%	100.0%	0.0%	4.0000	0.00000

### Compensation Policies and Employee Performance

The findings relating to the descriptive statistics of compensation policies are illustrated in Table. 79.2% of the participants either agreed or strongly agreed that “WSTF has been compelled to deploy private sector techniques such as competitive realignments of compensation policies”. The associated mean score was 3.9769 signifying affirmation by amongst the participants and

echoing Alford and Greve (2017). 60.8% of the participants disagreed, 20% agreed while 19.2% strongly agreed that some of the competencies and skills possessed by employees in the organisation, make it very difficult for comparative assessments of rival compensation levels. The associated mean score was 2.3769 signifying that most of by the participants did not agree with it and contradicting Sarmad *et al.* (2016).

**Table 4: Descriptive Statistics of Compensation Policies**

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
Employees of the WSTF have had to learn how to bargain for better considerations by gaining an appreciation of how the interests of powerful politicians have a bearing on the operations of the organisation.	0.0%	20.0%	20.0%	60.0%	0.0%	3.4000	.80309
As the organisation has increasingly adopted private sector performance ideals, employees have developed a greater appreciation of the value of efficient service delivery.	0.0%	0.8%	0.0%	99.2%	0.0%	3.9846	.17541
WSTF has been compelled to deploy private sector techniques such as competitive realignments of compensation policies.	0.0%	20.8%	0.0%	40.0%	39.2%	3.9769	1.10996
Some of the competencies and skills possessed by employees in the organisation, make it very difficult for comparative assessments of rival compensation levels.	0.0%	60.8%	0.0%	20.0%	19.2%	2.3769	1.26040
The organisation’s employees have benefited from longevity in terms of employee tenure and the associated confidence by employees.	0.0%	0.0%	20.0%	80.0%	0.0%	3.8000	.40155
WSTF has engaged in frequent trainings and employee development which has made employees to commit to staying longer and motivated them to perform better.	0.0%	20.8%	0.0%	20.0%	59.2%	4.1769	1.18430

### Employee Performance

The findings of the descriptive statistics of employee performance are shown in Table 5. All the participants strongly agreed that poor

remuneration, delayed payment of salaries, stagnation in one position or job group for long are the most significant causes of low levels of employee motivation in the organisation. The

associated mean score of 5.0000 signified a very high level of affirmation and confirmed Kiprop (2012). Additionally, all the participants either agreed or strongly agreed that “positive reinforcements and fair treatment of employees

have had a direct positive correlation with performance at the WSTF”. The corresponding mean score of 4.7923 is a reflection that most of the participants were in agreement with it and affirmed Maritim (2015).

**Table 5: Descriptive Statistics of Employee Performance**

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
Poor remuneration, delayed payment of salaries, stagnation in one position or job group for long are the most significant causes of low levels of employee motivation in the organisation.	0.0%	0.0%	0.0%	0.0%	100.0%	5.0000	.00000
Positive reinforcements and fair treatment of employees have had a direct positive correlation with performance at the WSTF.	0.0%	0.0%	0.0%	20.8%	79.2%	4.7923	.40722
Employees in the organisation experienced job involvement in a through sharing corporate objectives.	0.0%	0.0%	20.0%	80.0%	0.0%	3.8000	.40155
The organisation has ensured greater job involvement of employees be adopting high performance work systems.	0.0%	0.0%	20.8%	20.0%	59.2%	4.3846	.81063
The increased demand for better public welfare services has been the main driving force behind a heightened focus by the organisation on innovation.	0.0%	0.0%	0.0%	79.2%	20.8%	4.2077	.40722
An improvement in the WSTF’s performance was witnessed when the organisation engaged in improved processes, procedures and techniques of innovation.	0.0%	0.0%	0.0%	40.8%	59.2%	4.5923	0.49331

### Inferential Statistical Analysis

#### Pearson Correlation Analysis

Table 5 illustrates the Pearson correlation coefficients for the variables of the study. Accordingly, the two independent variables of Organisational Structure; and Compensation Policies; had Pearson correlation coefficients of  $r = 0.200$ , and  $0.648$ , respectively with the dependent variable of Employee Performance. Thus, a change in Organisational Structure by 1 unit will lead to a

simultaneous change of  $0.200$  in Employee Performance. Additionally, a 1 unit change in Compensation Policies will result in a  $0.684$  change in Employee Performance.

Further, an assessment of the p-values that correspond to the dependent variable shows that both of the independent variables had p-values below  $0.05$  at 95% confidence interval indicating that they were all statistically significant which was consistent with the findings of Dahiru (2008).

**Table 6: Pearson Correlation Coefficients**

		Correlations		
		Organizational Structure	Compensation Policies	Employee Performance
Organizational Structure	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	130		
Compensation Policies	Pearson Correlation	.073	1	
	Sig. (2-tailed)	.409		
	N	130	130	
Employee Performance	Pearson Correlation	.200*	.648**	1
	Sig. (2-tailed)	.023	.000	
	N	130	130	130

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\*. Correlation is significant at the 0.01 level (2-tailed).

### Regression Analysis

The Multiple Regression model of the study is illustrated in Table 7. It is apparent that the R Square value (the coefficient of determination) for all the variables was 0.600 signifying that the findings were attributable to 60% of the changes in Employee Performance every time the four

independent variables changed by one percent. In other words, only 40% of the change in the dependent variable was not attributable to the model. This affirmed Hamilton, Ghert and Simpson (2015). This signifies a fairly good Goodness-of-fit of the regression model.

**Table 7: Regression Model Summary**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.775 <sup>a</sup>	.600	.588	.31679

a. Predictors: (Constant), Organizational Structure, Compensation Policies

### Analysis of Variance

The ANOVA findings of the study are evident in Table 8. Accordingly, the calculated value of the F test ( $F_{cal}$ ) at 5% level of significance is 46.950. Given that this is above the F critical value ( $F_{crit}$ ) of 2.45 the significance of the relationship between all the independent variables and the dependent variable

has been established. Additionally, the p-value of 0.000 affirms that the independent variables and the dependent variable are related in a significant manner since it is less than 0.05. This echoed Kao and Green (2008) and further proves the goodness of fit of the model.

**Table 8: ANOVA**

ANOVA <sup>a</sup>					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	18.847	4	4.712	46.950	.000 <sup>b</sup>
Residual	12.545	125	.100		
1 Total	31.392	129			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant, Organisational Structure, Compensation Policies)

## CONCLUSIONS AND RECOMMENDATIONS

The organisation has institutionalised compensation policies that have led to improved employee performance. These include: private sector performance ideals that have led to a better appreciation of the value of efficient service delivery; ensuring longevity in employee tenure; and competitive realignment of compensation policies. However, the organisation needs to improve on how to facilitate employees' enhanced bargaining for better considerations.

The performance of employees has been assured through positive reinforcements and fair treatment; greater job involvement of employees by adopting high performance work systems; and engaging in improved processes, procedures and techniques of innovation. However, it has been hampered by poor remuneration, delayed payment of salaries, stagnation in one position or job group for long.

The organisation should adopt processes which can reduce the level of bureaucracy such as the

digitization of process and procedures; optimizing the number of meetings so as not to waste time and resources on unnecessary meetings; automating some functions into a single system. Additionally, the organisation should invest in training of employees so as to empower them to make decisions without having to wait for top management. The organisation should also embrace internal decentralisation of managerial decision-making through the delegation of authority to specialised business units which should be able to act autonomously.

Employees should be encouraged to join a workers' union which can help them to better understand how to negotiate better considerations in their terms of service. It should also consider making the terms of service of its employees to be more competitive by benchmarking with the leading public sector organisations as well as the best performing private sector organisations.

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