

FACTORS AFFECTING PERFORMANCE OF GOVERNMENT BUDGET OFFICERS OF PUBLIC FINANCE IN KENYA

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ABSTRACT

Although the Government of Kenya (GoK) has been undertaking a various public sector reform measures to improve its performance, there has been poor performance of the budget function resulting from the poor performance of the budget officers. Over time the Government of Kenya has not been able to enhance budget officer performance by addressing the factors leading to employee satisfaction and this resulted to poor work performance by these officers. The prevailing situation in the public sector is characterised by poor work performance and budgets which are not working. The major problems facing the public sector have been the low motivation of budget officer which this attributes to; work environment, salary and allowances, job security, and individual related factors (IRF). Although studies have been conducted globally, regionally, and locally on employee performance, there is scanty information that explains the performance of Government budget officers' in Kenya as being influenced by; work environment, salary and allowances, job security, and individual related factors jointly. It is against the status of affairs that the present study was conducted to fill this knowledge gap. The study target population was the 82 Government budget officers in Kenya and the study used census where the entire population participated as respondents. Primary data collection method was the administration of a structured questionnaire delivered to the respondents. The collected

data was analysed using descriptive statistics. Descriptive data was analysed with assistance of statistical package for social sciences (SPSS) ver. 20.0. Inferential analysis was done on the data to estimate a study model using multiple regressions and establish a relationship between independent variables and dependent variable. The study found that; work environment highly affects the employee performance; Salary and allowances highly affects the employee performance; job security highly affect the employee performance and individual related factors moderately affects employee performance. The study recommends that the Government of Kenya should; ensure a conducive work environment for its budget officers to ensure that their; review the salary and allowances of its budget officer to enhance or improve their performance; ensure that the job security of budget officers in Kenya is ensured to influence their performance. The study further recommends that budget officers in Kenya should handle and manage their individual related factors, which might affect their performance. Further studies should be conducted to establish the extent to which the factors; Work environment, salary and incentives, job security, and individual related factors influence the employee performance using quantitative data.

Key Words: *Budget Officers, employee performance, individual related factors, job security, salary and allowances, work environment*

INTRODUCTION

Covaleski et al. (2003) points out that budgeting is a vital tool in the public sector when directing activities and employees' efforts toward the Government's common objectives of the firm. In this regards, the budgeted results communicate to the Government employees the expectations of public service regarding their job performance. More precisely, the public sector is guided by budgeting, characteristics of the budgetary system (Kenis, 1979; Merchant, 1981) in their use of the public funds. This renders budgets a special tool of directing and controlling the affairs of the national Governments (Bonam, 2011). In fact the budget facilitates a platform for monitoring the Governments' financial systems in ensuring that the financial plan is carried out properly to facilitate rapid adjustments if economic and operating conditions change. It should further be noted that Government ministries and other Government agencies do not strive to generate profits (Plas and Lewis, 2001; Tinofirei, 2011) and the budget officers should strive to prepare an effective budget accountable to the citizens (Plas & Lewis 2011).

In their efforts to ensure the effectiveness of budget, the budget officers from all the ministries prepare subunit level budgets for submission; by providing relevant facts to effectively classify activities into various categories according to their priority (Covaleski et al., 2003). According to Lewis (2005) says, "the basic reason for requiring estimates from subordinate officials is that higher officials do not have enough detailed information, time or specialized skills to prepare the plans themselves". The participation of the budget officer in the Government budget process is key and their performance is ultimately evaluated based on some comparison of actual versus budgeted results (Covaleski et al., 2003).

Vermeeren et al. (2009) established that work performance could help public sector to improve service delivery. Work performance therefore emerges as the most significant items for gaining competitive advantage (serving the public) and superior productivity and improving service delivery (Vermeeren et al., 2009). This is to say that the public sector needs to pay attention on work performance in relation to formulating policies and enhance budget process (Leeuw, 1996) for the success of the financial management (McKendall and Margulis, 1995 and Cook and McCaulay, 1997). Since work performance is crucial to Government (public sector), high work performance among budget officers is a significant management challenge for providing excellent budgets at all levels. Owing to the high demand for high performance, it is absolutely necessary for Government to discover what affects budget officers' work performance so as to sustain budget officers' performance at the expected level or surpass organisational expectations (Dowling, Festing & Engle).

According to Armstrong and Murlis (2004) an understanding and enhancing certain factors that ensure that employees remain focused on the organisation's goals and objectives leads to enhanced employee performance. This includes work-based and external training, employee participation in the organisation's decision-making, remuneration, perquisites and benefits, the

physical environment, challenging work, individual growth and personal (Dowling et al. 2008). Employees are organisational resources and have a variety of direct and indirect factors that affect their performance. In support of this argument, Bonam (2011) expressed that with the increased locally and globally competition, the civil service must become more adaptable, resilient, agile, and customer-focused to succeed. In which case inspiring the work force and creating confidence creates will to work, hence high employee performance (Feinstein, 2000).

Existing literature has shown that the budgeting system in low and middle-income countries (LMICs) such as Kenya, which is coupled with poor performance (Oswald, 2012) of budget officers', an issue that is receiving increased global attention (Dieleman et al., 2009). This has resulted into Government policy makers realizing that it is difficult to achieve the Millennium Development Goals (MDGs) workers' performances are not addressed more effectively (WHO, 2006). To increase work effectiveness and performance of the budget officers, it is important to address a number of issues, including increasing motivation among employees, making them feel satisfied with their job, and increasing their job-related well-being in general.

Journals, empirical studies and theories have shown that employee performance, which in the case of the present study is the performance of the budget officers, is influenced by; work environment - job related factors (Zahargier & Balasundaram, 2011), salary and allowances (Fort & Voltero, 2004), job security - organizational related factors (Nickols, 2003; Zahargier & Balasundaram, 2011), and individual related factors (IRF) (Zahargier & Balasundaram, 2011; Saeedat. al., 2013). Further, job satisfaction can partially mediate the relationship of personality variables and deviant work behaviors (Rajat, 2009). Job satisfaction is an important element from organizational perspective, as it leads to higher organizational commitment of employees which leads to overall organizational success and development (Feinstein, 2000).

According to Vischer (2007), job related factors (JRF) have a great impact on employee performance, in which an effective and supportive work environment would enable budget officers to work comfortably. The Budget officer would be willing to give their full commitment and contribution at their workplace; increasing their performance level of attention, energy, commitment and contribution of budget officers towards the civil service. Additionally organizational related factors (ORF) such as growth, effectiveness and efficiency of the organization, may lead to low budget officers' intentions to leave the organization. Obstinate, dissatisfied individuals leave the organization and deflate the motivation of those staying there and as a result, budget officers loose performance and efficiency and might sabotage the work (Sonmezer & Eryaman, 2008) as the working environments affect budget officers' performance level.

Intrinsic factors also effect budget officers' performance more than extrinsic factors except in rewards or aspects gained. Job satisfaction encouragement is the role to keep budget officers in long term employment. When the public service practices fair or equitable performance related

pay based on budget officers' performance or input-output ratio, it will enhance the budget officers' perception of distributive justice towards the organization (Chang & Hahn, 2006). The pay-for-performance system would be useful and effective for the public sector to enabling the budget officer to do self-evaluation and providing immediate feedback to employees, hence enhancing their performance Mujtaba and Shuaib (2010). With regard to budget officers' performance, employee personality may be more important than job satisfaction. The link between job satisfaction and performance is thought to be a spurious relationship; instead, both satisfaction and performance are the result of personality (Rajat, 2009).

Boosting productivity, through high performance of the budget officers, would enable public sector to extend the country's international competition and growth, and improve their own cooperation. A low productivity shows that the Government is wasting its resources, and this will eventually result in loss of its international competition and thus reduction of its global business activities. When productivity increases, businesses can pay higher wages without causing inflation. Reassessment, evaluation and capacity building of budget officers should therefore be interactive and participatory and strive to give information as well as elicit feedback between the employer and the employee (Armstrong & Murlis 2004; Becker et al 2011).

STATEMENT OF THE PROBLEM

Although the Government of Kenya (GoK) has been undertaking a various budgetary reforms to improve its performance and enhance focus on results (Muthaura, 2010), budget function in its financial practice has been wanting owing to its poor performance (Magutu et al., 2011; Otiende, 2013). According to Magutu et al. (2011), there is ineffectiveness in the budget function of most public sector institutions and this means; costing heavily to the government, poor service delivery, and financial losses. The under performance in the budget function may be due to, among other things, the poor performance of the budget officers (Awases, Gbary & Chatora 2004). Over time the Government of Kenya has not been able to enhance budget officer performance by addressing the factors leading employee satisfaction and this would result to poor work performance by these officers (Kiprop, 2012). The poor performance of the said officers is singling itself as major concern (Hughes et al., 2002) and is characterised by; absenteeism from work, lateness, corruption, theft of Government property, high rate of complaints, low quality work output and high turnover of professional staff (WHO, 2003). This situation would lead to poor work performance and budgets which are not working; meaning deviations from actual plans, the discontinuation of projects, and the under-provision of services (Muthaura, 2010). This is a recipe for failure to realise sustainable development (Obong'o, 2009). Otiende (2013) indicates that reports collected from Kenya performance contracting show that the Government agencies had not been quite impressive in achieving the financial targets to support the financial pillar of Kenya Vision 2030. For instance, the Office of the Prime Minister (2013) indicated that performance of the budget function in the financial year 2011/2012 was 2.59 out of 5.0, which was not impressive.

The major problems facing the public sector have been the low motivation of budget officer (Ayranci) which is attributable to; work environment (Zahargier & Balasundaram, 2011), salary and allowances (Fort & Voltero, 2004), job security (Nickols, 2003; Zahargier & Balasundaram, 2011), and individual related factors (IRF) (Zahargier & Balasundaram, 2011; Saeedat. al., 2013. WHO (2006) considers performance to be a combination of budget officer being available, competent, productive and responsive. Oswald, A. (2012) contents that the determinants of poor performance include; job-related interventions that focus on individual occupations, support-system related interventions and interventions that create an enabling environment and focus on managerial culture and organizational arrangements (Dielemanet al, 2009).

Although studies, as cited in the present study, have been conducted globally (such as by; Awamleh & Fernandes, 2007; Melanie et al., 2008; Ahmed et al., 2010), regionally (such as by Nnadi, et al., 2012; Quartey & Attiogbe, 2013), and locally (Okibo, 2012; Kiprop, 2012) on employee performance, there is scanty information would explain the performance of Government budget officers' in Kenya as being influenced by; work environment, salary and allowances, job security, and individual related factors jointly. It is against the status of affairs that the present study was conducted to fill this knowledge. The study therefore assessed the factors affecting performance of Government budget officers in Kenya with a view of giving recommendation of ways to enhance effective performance of these staff.

OBJECTIVES OF THE STUDY

1. Establish the effects of work environment on the performance of Government budget officers in Kenya.
2. Establish the effects of salary and allowances on performance of Government budget officers in Kenya.
3. Establish the effects of job security influences on the performance of Government budget officers in Kenya.
4. Establish the effects of individual related factors on the performance of Government budget officers in Kenya.

EMPIRICAL REVIEW

The present study reviewed various empirical studies, which were found very beneficial to it. These studies were classified into performance of the budget workers, effects of work environment on performance, effects of job security on performance, and effects of Salary on performance.

Employee Performance

Certain studies explain the impact of job satisfaction on the performance of the organization. The present study reviewed various studies explaining the impact of job performance. For instance,

the study by Ayranci (2011) to test the core dimensions of the Job Characteristics Model examined the effects of job satisfaction on performance. The study considered core job dimensions such as skill variety, task identity, task significance, autonomy, and feedback. Using regression analyses, the study revealed that although job satisfaction was not related, it was related to job performance. Furthermore, results in this case seemed not to support the view that the core dimensions were related to affective responses but not behavioral ones. The results showed that the five core job dimensions skill variety, task identity, task significance, autonomy, and feedback do not show any impact on job satisfaction. Results of this study provided alternative views to the some of the dominant ones in literature surrounding the job characteristics model in general and core job dimensions in particular. Research in this area generally accepts the assertion that the core job dimensions give rise to affective responses and not behavioral ones. This study suggests that job satisfaction leads to job performance. Although the study failed to relate the core job dimensions to job satisfaction, it developed a relationship between the job satisfaction and job performance, which was the core expectation of this present study. Such a finding was beneficial to the present study. The present study established that the study by Ayranci (2011) failed to address the core motivation factors as determinants of job satisfaction. These are the gaps the present study filled.

Kiprop (2012) study established that employee performance is enhanced by the firm; providing adequate rewards for their effort, providing employees with job security and safety in the work place, recognising exemplary achievement in order to motivate employees to do even better, empowering employees, and creating and sustaining a motivating climate in the organisation achieved by; providing opportunities to employees to socialise with management; training managers in motivational strategies; providing adequate working tools and equipment; establishing a learning organisation that promotes learning; Placing employees in jobs that fit their skills/personalities; and establishing a fair grievance and complaints procedure. There should be equity and fairness for all employees in the organisation. Equity and fairness should be observed in the following organisational practices: rewarding of employees (salaries and benefits); recognition of effort; rewarding of exemplary performance; opportunities for training and development; management of career development.

Another study by Zahargier and Balasundaram found that individual related factors (IRF), job related factors (JRF); and organizational related factors (ORF)] had a strong positive correlation with employees' performance (EP). The path analysis disclosed that the direct effects of IRF and ORF on the employees' performance (EP) are highly significant and in most cases, the indirect effects of the different factors on EP are considered as well.

Effects of work environment on Employee Performance

Castillo and Cano (2004) sought to establish the overall level of employee performance as explained by Herzberg, Mausner, and Snyderman's (1959) job motivator and hygiene factors.

The study sought to investigate the suitability of a one-item versus a multi-item measure of overall job satisfaction. The study showed that faculty members were generally satisfied with their jobs. However, female faculty members were less satisfied than male faculty members. The factor “work itself” was the most motivating aspect for faculty. The least motivating aspect was “working conditions.” The demographic characteristics were negligibly related to overall job satisfaction. All of the job motivator and hygiene factors were moderately or substantially related to overall job satisfaction. Some of the factors; recognition, supervision, and relationships explained the variability among faculty members’ overall level of job satisfaction. The one-item measure of overall job satisfaction was not different from a multi-item measure of overall job satisfaction. The study by Castillo and Cano (2004) established consistency of the motivator and hygiene factors theory, which was found very helpful to the present study. The study fell short of bringing the effect of each of these factors, and more specifically, work environment, job security, and salary on job security, which is what the present study did.

Mckendall et al. (1995) conducted a study that analysed the relationship between training, job satisfaction and employee performance. Several measures of performance were analysed including absence, quits, financial performance, labour productivity and product quality. The study found out that training was positively and significantly associated with job satisfaction and that job satisfaction was also positively and significantly associated with the workplace performance on most measures of performance. The relationship between performance and training was more complicated, with the relationships depending on the features of training and measure of performance considered. The study sought to relate the work environment to job satisfaction but failed to provide conclusive information after training proved difficult. This created an opportunity to the present to move a step ahead of the study by Mckendall et al. (1995)

Another study by Velnampy (2008) was conducted a review job attitude and Employees Performance. The study found out that although higher performance made people feel more satisfied and committed, job satisfaction did not have any impact on future performance through the job involvement. Attitudes such as satisfaction and involvement were important to the employees to have high levels of performance. The results of the study revealed that attitudes namely satisfaction and involvement, and performance were significantly correlated. The fact the study by Velnampy (2008) related the factors salary, job security, and work environment were related, which meant the study very useful to the present study. The study did show the three factors salary, job security, and work environment as determinants of job performance, a gap the present study filled.

Another study by Somner and Eryaman (2008) on effect of Job satisfaction on performance found out that job satisfaction was determined by the nature of their work. The study found out that job satisfaction was influenced by factor such as; the quality of one's relationship with their supervisions, the quality of the physical environment in which they work, and degree of their

fulfillment in their work. The Study concluded that the companies that were lagging behind in certain areas of job satisfaction and job stress need to be developed so that their employees showed good performance. The study by Sonmezer and Eryaman (2008) showed that there was relationship between employee performance and work environment, which meant the study beneficial to the present study. Gorji (2010) study assessed the impact of Staff empowerment on performance found that: delegating the authority, encouragement, rewarding, and suggestions system highly influenced the employee performance. However, the studies by Shahu and Gole (2008) and Gorji (2010) failed to show how job security and salary related to job satisfaction. Thus, the study did not fully explain the motivation factors as determinants of job security, a knowledge gap that this study left. The present study filled this gap. Mckendall et al (1995) conducted a study on employees' empowerment in service sector which found that personal development, Job design, Work teams, Leadership Style, Formality and clarity, environment and decentralization influenced the employee performance.

This study by Ayranci (2011) evaluated the employee performance against the factors that contribute to job satisfaction and the relationship between them. The study found out that employee performance depended on seven factors, Competence, Job Characteristics, Business Image, Work Conditions, Suitability, Communication, Financial benefit. It was found that all of the job satisfaction factors had strong and positive relationships, with the exception of two: job characteristics and the owner's suitability to owning. The study by Ayranci (2011) provides very useful information on the relationship between work environment and job satisfaction but failed to show any other factors affecting employee performance. In fact it proposed for further studies on job satisfaction to examine the degree to which employee performance is affected by the job itself, by the emotional compatibility of the survey participants and by matters such as communication on the job and financial issues. This is the gap that the present study filled.

Oswald (2012) conducted a study which reveals that the working environment elements have a significant effect on the performance of employees. This study concludes that; the work environment has effect on the performance level of employees, and absence of office building, drugs, equipment can affect the performance of the employees. The recommendations by the study were the organization should provide good working environment to its employees, so as to enable them to perform better.

Effects of Salary and allowances on employee Performance

This study by Teck-Hong and Waheed (2011) examined the factors that motivated employees in the retail industry as it examined their level of job satisfaction based on the Herzberg's hygiene factors and motivators. The study found out that hygiene factors were the dominantly contributed job satisfaction. Working conditions were the most significant in leading to job satisfaction. Recognition was second, followed by company policy and salary. Further analysis to establish relationship between salary and job satisfaction was conducted. The results obtained showed that

the love of money could explain the relationship between salary and job satisfaction. The main implication of this study is that sales personnel who value money highly were satisfied with their salary and job when they received a raise. The findings from the study by Teck-Hong and Waheed (2011) provided very useful information which enabled the present study to consider salary as a factor of job satisfaction. Although the study related salary to job satisfaction, it limited itself to salary increment and failed divulge much information on salary. The study failed to tackle the main factors of salary, a gap the present study filled.

The study Card et al. (2011) sought to establish the relationship between peers' salaries on workers' employee performance and job search intentions. The study found an asymmetric response to the information about peer salaries: workers with salaries below the median for their pay unit and occupation report lower pay and job satisfaction, while those earning above the median reported no higher satisfaction. Like-wise, below-median earners reported a significant increase in the likelihood of looking for a new job, while above median earners are unaffected. Those negative treatment effects were concentrated among employees in the first quartile of each pay unit. Differences in pay rank mattered more than differences in pay levels. This suggested that job satisfaction depended on relative pay comparisons, a relationship that was non-linear. Although the study by Card et al. (2011) developed a relationship between salary and job satisfaction, it drew a comparative relationship. It is like saying that the amount received did not matter much but comparative to what peer were earning was the main concern. In which case, even if the salary received did not satisfy the employee needs, the employees had job satisfaction as longer as it was above the peers'. This leave a lot to be desired, a factor the present study established.

Quartey and Attiogbe (2013) conducted a study found that there was a moderately positive link between compensation packages and job performance. The study showed that a good number of compensation packages were sometimes received by the personnel. The results indicated that personnel were somehow satisfied with some of their compensation packages. Equitable and holistic compensation packages are more likely to attract, develop, motivate and retain qualified and competent personnel and further increase job performance and employee productivity in the Ghana Polices Service.

Effects of Job Security on Employee Performance

A study conducted by Ahmed et al. (2010) to test the Herzberg's motivation and hygiene theory in the context of non-academic university staff found that that significant relationship existed between intrinsic motivational factors including recognition; work itself, opportunity for advancement, professional growth, responsibility, good feeling about organization and employee performance. Whereas no significant relationship was found between hygiene (extrinsic) factors and employee performance, higher job satisfaction was observed in employees of certain such as treasury department, examination and student registration departments. Significant difference

was noted regarding job satisfaction between male and female employees with female employees having more job satisfaction than male employees. There was no significant difference of job satisfaction between permanent and temporary employees. Significant difference was found regarding employee academic qualification and job satisfaction, higher job satisfaction was noted in employees having higher education. Finally, significant difference was recorded regarding job experience ranging from 5-10 years; remaining categories of experience were having low job satisfaction. As it evaluated the hygiene factors, the study by Ahmed et al. (2010) seemed to relate the personal issues to job satisfaction. That the study touched the hygiene factors, made it very useful to the present study. The study did not conclusively relate the individuals' hygiene factors; work environment, salary, and job security to job satisfaction. It was not clear how each of these factors related to job satisfaction, a gap that the present study filled.

Jankingthong and Rurkkhum (2012) study investigated existing literature and theory in order to initially construct a conceptual framework of factors affecting job performance. The results of the study revealed that organizational justice, work engagement, and public service motivation (PSM) have direct effects toward job performance. Transformational leadership, however, has both direct and indirect effects toward job performance.

Locally, the study by Okibo (2012) was conducted to explore the effect that retrenchment had on service delivery of the retained civil servants in Kenya. The study found out that retrenchment caused feelings of job insecurity among the retained civil servants. It revealed that retrenchment lowered the morale of retained workers and hence the job satisfaction. The study by Okibo (2012) sought to explain the effects of job security on job satisfaction (leading to employee performance), which was very useful to the present study. It however, failed to tackle job security in entirety but rather only emphasised specific factor of job security. It is not clear how other factors of job security influenced job satisfaction.

Effects of Individual Related Factors on Employee Performance

Bonam (2011) study found that, motivation packages for the staff were inadequate. And free medical care was the only motivation staff. Monetary rewards and a conducive-working environment were the preferred form of motivation for workers. The effects of poor motivation on work performance on the campus were absenteeism, low output and high labour turnover. The study therefore, recommends that management should build residential accommodation for staff and end of year awards to motivate staffs.

The study by Nnadi et al. (2012) fund that the female agents were constrained by family problems, health condition, social barriers, inadequate training and so on. Institutional factors as inadequate methodology, poor transportation network, non-payment of salaries, delays in promotion and payments, evaluation problems, corruption, lack of working materials among others hindered female agents job performance. To improve upon the above, farmers be

sensitized regularly on programs and packages, salaries of agents increased, methodology be adjusted, and regular training and re-training be carried out for staff in form of seminars and workshops.

Abesi & Kord (2009) study found that communications, training, adaptation, participation programmes, access to mentoring, coaching and counselling programmes; promotions opportunities; distribution of tools and equipment, and access to welfare facilities affected the employee performance. Equity, enhances motivation of employees include: performance management system; goal-setting; management by objectives (MBO); participative management; job design; effective delegation; effective communication; effective change management; flexible working programme; managers leading by example; conducting exit interviews; and change management., motivational strategies in the organisation should not be based on interpersonal relations, personalities, friendship or habits, but should be built on policies and systems within the organisation., and evaluation of motivation in the organisation is to determine whether the strategies adopted by the organization have impacted positively, resulting in the motivation of employees hence employee performance.

RESEARCH METHODOLOGY

The study used descriptive design to describe the employee performance factors and the effect on performance of the budget officer in Kenya. Descriptive design was suitably used in the formulation of knowledge and solution to existing problems (phenomenon). It was used when collecting information about people's attitudes, opinions, habits and other possible behaviour. Descriptive design was used to obtain information on the factors of workforce diversity management and the effect on performance in the Government budget. This study target population was the 83 budget officers from all the National Government Ministries in Kenya. Since the entire population was manageable and easily accessible, the study used census, where the entire population participated as respondents in the study. The sample size took into account the heterogeneity and quality of information desired. According to Mugenda & Mugenda (2003) either 10% or 30 units can be used to determine the sample size. In this study if 10% was used it would be too small a sample and not representative. The same was echoed by Kombo and Tromp (2006), who contended that a sample population of 30 was suitable for descriptive survey. The study therefore had a sample well above 10% and meets the threshold of 30 for a descriptive study.

The study collected data from primary sources. The study used a structured questionnaire for collecting primary data from the selected respondents. Since it dropped in questionnaires, they were simple structured questionnaires that could easily be filled without the researcher guidance. The questionnaires was designed and distributed to the respondents at their places of work then collected at an agreed upon date. Before data collection commenced, the researcher sought permission from the various authorities. The researcher obtained a letter from KCA University to

proceed with data collection. The researcher sought authority to collect data from the various Ministries. The Ministries made arrangements with the researcher on how the data will be collected. A cover letter from the researcher was attached to each questionnaire, to state the purpose of the research, encourage participation, assure the respondents of confidentiality and thank them for their cooperation.

After collecting the questionnaires from the respondents, the data was checked for completeness and only the ones completely and properly filled were considered for analysis. The checking was done to ensure the data is accurate, consistent with the facts gathered, uniformly completely and well arranged to facilitate coding and tabulation. A manual screening of the received questionnaires was done to check for completeness and exclude incomplete ones before further analysis.

During data analysis, the results were classified, measured, analyzed and interpreted to establish how they affected the employee performance of organization in Kenya Government. The analysis was based on the study objectives using descriptive statistics. Descriptive analysis which is the first step in analysis provided a convenient way to produce the most useful statistics. This analysis was achieved using descriptive statistics which was the assessment of central tendency of dispersion. The data was then represented in form of tables and charts (Aneshensel, 2004). Descriptive statistics was used to summarize the data. This included percentages and frequencies, means and standard deviation. Tables, charts e.g. pie charts, bar graphs and other graphical presentations as appropriate was used to present the data collected for ease of understanding and analysis.

The study then attempted to establish whether the independent variables predict the dependent variable. Regression analysis was used to establish the relationship between the independent variables (predictor) and the dependent variable (response) and measure the strength of the relationship based on the regression model. The model used to estimate the dependent variable in terms of independent variable was $EP = \beta_0 + \beta_1WE + \beta_2SI + \beta_3JS + \beta_4INF + \varepsilon$

Where:

β_0 . is a constant, which is the value of dependent variable when all the independent variables are 0

β_1 - β_4 Regression coefficients of independent Variables or change induced by; WE, SI, JS, and INF

ε - Error of prediction

EP = Employee Performance

WE = Work Environment

SI = Salary and Allowances

JS = Job Security

INF = Individual Related Factors

The study obtain a means to each of the study variable above; Employee performance, Work environment, salary and allowances, job security, and individual related factors using weighted least square. The values obtained for the independent variables were regressed against the value of employee performance using multiple regressions. This was in an attempt to estimate a model that explains employee performance in terms of; work environment, salary and allowances, job security, and individual related factors. Quantitative analysis was done using IBM Statistical Package for Social Science (SPSS) version 20.0.

RESEARCH FRESULTS

The study sought to establish whether the independent variables; work environment, salary and allowances, job security, and individual related factors would actually predict the dependent variable, employee performance. The study therefore tested for existence of significant relationship between the independent variable and the dependent variable. Multiple regressions was carried out to estimate a model that would explain employee performance in terms of; work environment, salary and allowances, job security, and individual related factors. The study used the means obtained in descriptive analysis to obtain the values for all the variables.

Diagnostic Tests on Study Variables

Before estimating the model, the study first tested the data for normality. The study tested for normality using Kolmogorov-Smirnovmethod since the sample population more than 50).The results obtained are in Table 1 below:

Table 1: Results of Normality tests on Study variables

	Kolmogorov-Smirnov		
	Statistic	df	Sig.
Employee Performance	.127	66	.200
Work environment	.162	66	.136
Salary and Allowances	.189	66	.200
Job security	.100	66	.200
Individual related factors	.233	66	.200

Source: Research data (2014)

The results in Table 1 above showed that the p-value for; work environment was 0.136; Salary and allowances was 0.200; Job security was 0.200; and promoting of employee inclusion was 0.200. From the results it was found that the p-value for each respective independent variable was greater than 0.05, indicating that the data were normally distributed. Data is normally distributed, when each p-value of the study variables is greater than 0.05.

The study tested existence of multi-collinearity in the independent variables to ensure that no variable in the model that was measuring the same relationship as was measured by another variable or group of variables. Mutlicollinearity exist when Variance Inflation Factor(VIF) is less than 10 and Tolerance is greater than 0.1. The results obtained were captured in Table 2.

Table 2: Results of Multi-collinearity Tests on Independent variables

Predictor Variable	Tolerance	Variance Inflation Factor (VIF)
Work Environment	.710	1.409
Salary and Allowances	.832	1.203
Job Security	.745	1.342
Individual related factors	.716	1.397

Source: Research data (2014)

The results in Table10 showed that the tolerance for; Work environment was 0.710; Salary and allowances was 0.832; Job security was 0.745 and Promoting of employee inclusion was 0.716.The tolerance for all predictor variables were greater than 0.1 or 10%, so the study concluded that there were no multi-collinearity among them. So the estimators computed were considered reliable to estimate the model.

Estimation of the Study Model

The study model is given $EP = \beta_0 + \beta_1WE + \beta_2SI + \beta_3JS + \beta_4INF + \varepsilon$

Where:

β_0 . is a constant, which is the value of dependent variable when all the independent variables are 0

$\beta_1, \beta_2, \beta_3, \beta_4$ are regression coefficients of independent Variables or change induced by WE, SI, JS, and INF

ε - Error of prediction

EP= Employee Performance

WE = Work Environment

SI = Salary Incentives

JS = Job Security

INF = Individual Related Factors

Table 3 contains the results of the study model, a model summary. In the results, the predictors are: Constant, work environment, salary and incentives, job security, and individual related factors.

Table 3: Model Summary for Employee Performance

Model	R	R Square	Adjusted R Square	Std. Error of Estimate	Change in R Square	Change in F	df1	df2	Sig. Change	F
1	0.79	0.62	0.59	0.26039	0.616	22.828	4	57	.000	

Source: Research data (2014)

The results in Table 11 indicated that the coefficient of determination was .616. This implied that 61.60% ≈ 62% of variation is caused by the IVs. So 62% variation in employee performance was explained by variation in; work environment, salary and incentives, job security, and individual related factors.

Table 4 contains ANOVA results on and contains significance level of the dependent Variable, employee performance based on the 0.5 level of significance. The ANOVA has the predictors: (constant), work environment, salary and incentives, job security, and individual related factors

Table 4: ANOVA for Employee Performance

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	6.191	4	1.548	22.828	.000
Residual	3.865	57	.068		
Total	10.056	61			

Source: Research data (2014)

The study generated hypothesis to test the study model. The hypothesis was:

$H_0: \beta_1 = \beta_2 = \beta_3 = \beta_4 = 0$ (all the coefficients of WE, SI, JS, and IN are zero)

H_a : At least one of the coefficients $\beta_i \neq 0$

H_0 is accepted if p-value > .05 (at 5% level of significance)

H_0 is rejected if p-value ≤ .05 (at 5% level of significance) and H_a : is accepted

From Table 5 it can be observed that p-value = .000. Since p-value < .001 < .05 (F=22.828, P-value=.000), then we reject the null hypothesis and accept the alternative hypothesis. So, at the 5% significance level (i.e. $\alpha=0.05$, level of significance), there exists enough evidence to conclude that at least one of the predictors; Work environment, salary and incentives, job security, and individual related factors, is useful in predicting the employee performance. Therefore the model is useful in explaining employee performance.

Further analyses were done and results recorded in Table 5 results to establish the significance of the independent variable in determining the dependent variable.

Table 5: Results of Regression of Employee Performance

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
(Constant)	-.135	.368		-.367	.715
Work environment	.372	.104	.348	3.571	.001
Salary and allowances	.236	.084	.253	2.806	.007
Job security	.279	.105	.252	2.652	.010
Individual related factors	.247	.111	.217	2.234	.029

Source: Research data (2014)

Various interpretations were made based on Table 5 results

First, the study proposed the following hypotheses to test for work environment;

H_{a0} : There is no statistically significant relationship work environment and employee performance.

H_{a1} : There is a statistically significant relationship work environment and employee performance.

From the results in Table 5, $T= 3.517$ $p\text{-value}= .001$. Since $p < .05$ then the null hypothesis is rejected and the alternative hypothesis accepted. At the $\alpha = 0.05$ level of significance, there exists enough evidence to conclude that the work environment is not zero and, hence, that work environment is useful as a predictor of employee performance.

Other hypothesis was proposed to test salary and allowances;

H_{b0} : There is no statistically significant relationship salary and allowances and employee performance.

H_{b1} : There is a statistically significant relationship salary and allowances and employee performance.

From these results, $T= 2.806$ $p\text{-value}= .007$. Since $p < .05$ then the null hypothesis is rejected and the alternative hypothesis accepted. At the $\alpha = 0.05$ level of significance, there exists enough evidence to conclude that the salary and allowances is not zero and, hence, that salary and allowances is useful as a predictor of employee performance.

Job security was tested using the hypotheses;

H_{b0}: There is no statistically significant relationship Job security and employee performance.

H_{b1}: There is a statistically significant relationship Job security and employee performance.

From Table 5 results, T= 2.652 p-value= .010. Since $p < .05$ then the null hypothesis is rejected and the alternative hypothesis accepted. At the $\alpha = 0.05$ level of significance, there exists enough evidence to conclude that the Job security is not zero and, hence, that Job security is useful as a predictor of employee performance.

The following hypotheses were constructed to tested Individual related factors;

H_{b0}: There is no statistically significant relationship between Individual related factors and employee performance.

H_{b1}: There is a statistically significant relationship between Individual related factors and employee performance.

From these results, T= 2.234 p-value= .029. Since $p < .05$ then the null hypothesis is rejected and the alternative hypothesis accepted. At the $\alpha = 0.05$ level of significance, there exists enough evidence to conclude that the Individual related factors is not zero and, hence, that Individual related factors is useful as a predictor of employee performance.

The regression equation obtained using these variables will be moderately useful in making prediction simply because the value or R^2 is above .6. The estimated equation is $EP = -.135 + .372WE + 2.36SI + .279JS + .247INF + \varepsilon$ as shown in Table 5 above. The constant is -.135, which means that when all the variables; work environment, salary and allowances, job security, and individual related factors are held at 0, employee performance is -.135. From these results, a variation in work environment induces a change of .372 on employee performance; salary and allowances induces a change of 2.36 on employee performance; job security induces a change of .279 on employee performance; and individual related factors induced a change of .247 on employee performance. The inferential results showed that the employee performance was explained by Work environment (p-value, 0.01); salary and allowances (p-value, 0.007); job security (p-value, 0.010); and individual related factors (p-value, 0.029).

The Table 5 shows that work environment, salary and allowances, job security, and individual related factors had positive coefficients, which showed that they were directly proportional to employee performance. This means that an increase in any of; work environment, salary and allowances, job security, and individual related factors led to improvement of employee

performance. So a decrease in any of; work environment, salary and allowances, job security, and individual related factors would lead to decrease in employee performance of budget officer.

The results indicated that 61.60% of variation in employee performance is explained by Work environment, salary and allowances, job security, and individual related factors.

In conclusion, the inferential statistics showed that the dependent variable, employee performance was explained by independent variables; work environment; Salary and allowances; Job security and Individual related factors. Therefore work environment, salary and allowances, job security, and individual related factors were predictors of employee performance.

CONCLUSIONS

The study has established that work environment highly affects the employee performance. This is characterised by; variety of tasks; job location; work responsibilities; and Peer Relationship, all which highly affected the budget officers' performance. Salary and allowances highly affects the employee performance. All indicators of Salary and allowances; existing pay on Merit (such as experiences, qualifications); current salary and available pay benefit policies (such as leave policy etc.) highly influence employee performance. Further, job security highly affects the employee performance. The variable indicating job security; safe; retrenchment rate; employee turnover; promotions; and personal achievement, highly affects employee performance. However, individual related factors moderately affect employee performance. In which case; employee beliefs moderately affected employee performance; critical thinking highly affects employee performance; anticipation of success moderately affected employee performance; and work Attitude was shown to highly affect employee performance. All the independent variables work environment, Salary and allowances, job security, and individual related factors significantly influence the employee performance. This was indicated by the p-values, which were all below 0.05 significance level.

POLICY RECOMMENDATIONS

The study made policy recommendation based on the findings and study objectives. First, the study recommends that the public sector should ensure a conducive work environment for its budget officers to ensure that their performance in budget management is enhanced. The Government of Kenya should in collaboration with the concerned agencies and stakeholders review its work environment policies and structures to ensure that the budget officer are comfortable. Secondly, the government of Kenya should review the salary and allowances of its budget officer to enhance or improve their performance. The salary should be reviewed with regards to the prevailing economic times in the country, to ensure that their income can comfortably support their livelihoods and their families. The Government budget officers in Kenya should also be awarded incentives based on merit and their performance. Thirdly, the

GoK should ensure that the job security of budget officers in Kenya is ensured to influence their performance. This after the pronouncements by the government over the looming retrenchment exercise where many government employees will be retrenched. Instead the GoK should devise policies and strategies to ensure that job security of budget officers is ensured and that the employees' performance is improved. Lastly, the budget officers in Kenya should handle and manage their individual related factors, which might affect their performance.

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