

Influence Of Pay Disparity Among Employees On Organizational Commitment In The County Government Of Nakuru, Kenya

Ngengi Elly Karanja¹, George Wanderi Karanja², Anthony Juma Wagoki³

¹*School of Business, Jomo kenyatta university of Agriculture and technology, Kenya*

²*School of Business, Jomo kenyatta university of Agriculture and technology, Kenya*

³*School of Business, Jomo kenyatta university of Agriculture and technology, Kenya*

Abstract: No organization in today's competitive world can perform optimally unless each employee is committed to the organizations' objectives and works as an effective team member. This study sought to establish the influence of pay disparities on organizational commitment of employees in the county government of Nakuru, Kenya. The study specifically sought to establish the influence of pay expectations on the organizational commitment of employees. The study was based on prospect theory. A descriptive research study design was employed. The target population comprised of the county employees who are 1430 in number. 143 employees were sampled. A close ended questionnaire constructed on a 5-point Likert scale was used for data collection. Data was analyzed using Statistical Package for Social Sciences (SPSS). Data was analyzed in form of descriptive and inferential statistics. Findings were presented in tables and discussions thereof. The study established that employees pay expectations had positive significant relationship with organizational commitment. Regression analysis showed that employees pay expectations significantly influenced organizational commitment. The study concluded that pay expectations significantly influence the commitment of employees. The study recommended that the administration ought to ensure uniform policy measures regarding the pay structure are put in place to guide employee remunerations.

Keywords– Pay Disparity, Organizational commitment, County Government, Pay Expectations, Nakuru

Date of Submission: 22-09-2017

Date of acceptance: 10-10-2017

I. INTRODUCTION

Pay is a topic that has always been a primary concern for employees as well as employers. For employees, pay has a substantial impact on the general living conditions and status, whereas for employers, compensation represents one of the largest business costs (Williams, McDaniel & Nguyen, 2006). Bridging the expectations of employees and employers, the increasing pay disparity within organizations due to rapidly increasing executive compensation is a hot topic in current societal debates.

Increasing top management pay and distribution inequalities may also impact employees' expectations about their own pay as well as their pay satisfaction. Specifically, the Swiss HR-Barometer 2012 showed that the discrepancy between employees' expected pay and their actual pay has increased considerably during the past few years in such a way that employees' pay expectations exceed their offered pay (Grote & Staffelbach, 2012). Such discrepancies in expectations can reduce employees' organizational commitment and lead to further unfavorable outcomes.

Besides expectations, social comparison processes also impact employees' pay satisfaction. For example, Judge, Piccolo, Podsakoff, Shaw and Rich (2010) showed that the amount of pay received only has a marginally impact on pay satisfaction, whereas relative pay (comparing the own pay to others) seems to play a much stronger impact on how satisfied individuals are with their pay (Clark, Frijters & Shields, 2008). Social comparisons on pay disparities impacts greatly on the internal relations within the organizations. Cook and Crossman (2004) argued that employer-employee relations play a strategic role in improving workers' involvement, high performance, commitment and retention. McDonald, Harrison, Checkland, Campbell and Roland (2007) pointed out that poor relationship with a line manager can be the push factor behind an individual's decision to quit the job or leave the organization.

In the United States, for example, the CEO-to-worker pay ratio was 20:1 in 1965, peaked in 2000 with a CEO-to-worker pay ratio of 383:1, and was 273:1 in 2012 (Mishel & Sabadish, 2013). Employees need to feel the hard work they put into their job matches what they get back from it and pay is an important component of this evaluation. It is known that pay is important to employees. Wiley (2011) reported 25 percent of employees say fair compensation is the single most important thing they want from their organization. The importance of

pay fairness to employees can also be observed by its relationship to a number of important work and life outcomes, including organizational commitment, turnover intentions, work stress, psychological and physical health, and life satisfaction.

In Nigeria, Ladipo and Olufayo, (2011) observed that in most food companies and organizations of Ogun State where such logical wage and salary differentials have not been established, compensation patterns are often irregular and chaotic since they have evolved from favoritism and arbitrary decisions. In such cases jobs that call for greater effort skill and responsibility may pay less than jobs requiring fewer of these attributes; and individuals in the same or similar occupations may receive widely varying compensation; morale is consequently low and performance poor since employees keenly see these inequities, and management cannot explain the inconsistencies on a logical basis

No organization in today's competitive world can perform at peak levels unless each employee is committed to the organizations' objectives and works as an effective team member. The work place is changing dramatically and demands for highest quality of products are increasing. Appointment of good workers is critical but of greater significance is the organizations ability to create a committed workforce. According to Hancock, Allen, Bosco, McDaniel and Pierce, (2013) organizational commitment is the main predictor of turnover and performance; hence organizations that are concerned about employees and want to keep high performing employees should consider increasing organizational commitment.

Literature suggests that positive work related behavior and attitudes largely depends on employee perceptions on the extent to which their employer values their contribution and cares about their wellbeing (Allen, Shore & Griffeth, 2003). To remain competitive in the face of these pressures organizational commitment is crucial. Without organizational commitment there can be no improvement in any business area. To succeed in the face of increasing competition organizations need improved productivity at all levels. This requires commitment on the part of all employees which can only be achieved through better management practices in the area of managing rewards and compensation, by creating a perception of fairness through competitive wages and benefits (Coetzee, 2005).

Paying employees fairly is considered to be also in a company's best interest. There is a significant body of research suggesting that organizations with a more engaged workforce outperform their peers on a number of organizational performance metrics (Salonova, Agut, & Piero 2005; Harter, Schmidt, & Hayes 2002). Organizations may also save money through reduced work stress, which leads to improved psychological and physical health, which means fewer absences and better focus (Spector, Dwyer, & Jex 1988; Spector & Jex 1991; Wright & Cropanzano 1998). Turnover intentions may also be reduced, and the hefty cost of replacing an employee may be avoided by paying employees fairly (Fitz-enz 1997).

Employees' work performance can be analyzed by gauging the level of their commitment and the level of satisfaction that they derive from doing the job. Work commitment and attitude is related to the employees' behaviour and their performance efficiency (McClurg, 1999). Organizational commitment is multi-dimensional in nature, encompassing workers' loyalty, their willingness to exert more effort on behalf of the organization, adherence to organizational values, and desire to remain in the organization (Meyer & Allen, 1997).

In developing nations of the world, money is regarded as a motivation and a catalyst to building loyal, dedicated and committed workforce (Adeniji & Osibanjo, 2012). Employees after expending their time, efforts, energy and labour in helping the organization achieve its goals, expect adequate compensation and reward in form of money and other entitlements to satisfy personal, economic, psychological, social, self-actualization, security and growth needs, (Adeniji & Osibanjo, 2012).

A growing number of employees feel they are victims of broken promises. One of the challenges facing modern organizations involves maintaining organizational commitment in the current competitive pressures. With no assurance of continued employment, employees have now raised their expectations in other areas. For instance employees expect employers to demonstrate their commitment in terms of pleasant working environment where a fair and just reward and compensation provides employees with the baseline requirements to go for higher things like job satisfaction and fulfilment hence enhancing organizational commitment (Harter, Schmidt & Hayes, 2002).

Bragg, (2002) argue that companies with committed employees will outperform companies with uncommitted workforce, and contents that demonstrating commitment to employees will generate a reciprocal commitment by employees. Committed employees do better work than uncommitted ones and organizations with committed employees do better financially than the others.

Employers need to determine what is responsible for this disparity. Organizational effectiveness depends on more than maintaining a stable workforce; employees must perform assigned duties dependably and be willing to engage in activities beyond role requirements. It thus seems that employees' willingness to contribute to organization effectiveness will be influenced by their level of commitment (Coetzee, 2005).

Fossey and Havey (2010) study on finding and sustaining employment practically concluded that more satisfied employees will be more committed ,furthermore a committed employee will discontinue actively

searching for other sources of income and generously offer full competence to the organization, this however does not come alone but depends on factors that enhance commitment. This indicates that compensation management must be taken seriously to achieve a competitive advantage (Vance, 2006).

II. ORGANIZATIONAL COMMITMENT

Organizational commitment is the degree to which an employee identifies with the organization and wants to continue actively participating in it (Newstrom & Davies, 2002). Like a strong magnetic force attracting one metallic object to another, it is a measure of the employees' willingness to remain with a firm in the future. It often reflects the employees' belief in the mission and goals of the firm, willingness to expend effort in their accomplishment, and intentions to continue working there. Employee commitment is usually stronger among longer-term employees, those who have experienced personal success in the organization, and those working with a committed employee group. According to Allen and Meyer (1990), organizational commitment refers to the psychological attachment of workers to their workplace.

Mullins (2009) view organizational commitment as encapsulating by giving all of one-self while at work. They also state that organizational commitment entails things such as using time constructively, attention to detail, making that extra effort, accepting change, co-operation with others, self-development, respecting trust, pride in abilities, seeking improvements and giving loyal support. Employees today are increasingly self-assured of their value to employers, and would consciously choose to work for those organizations that meet the above workplace expectations. Organizations that demonstrate commitment to employees will attract and retain the desired workforce and will ultimately win the battle for the workforce share (Madigan Norton & Testa, 2009).

Organizational commitment is important because high levels of commitment lead to several favourable organizational outcomes. It reflects the extent to which employee's identify with and is committed to its goals. Dordevic (2004) stated that the commitment of employees is an important issue because it may be used to predict employee's performance, absenteeism and other behaviours. According to Tolentino (2004) Sustained productivity improvement depends on the enterprise's human capital (the skills, knowledge, competencies and attitudes that reside in the individual employee of the enterprise) and its social capital (trust and confidence, communication, cooperative working dynamics and interaction, partnership, shared values, teamwork, etc. among these individuals.

Bragg (2002) classified four (4) forms of organizational commitment. First is the "want to" commitment. In this scenario, employees are dedicated to their employing organization and are willing to exceed expectations in tasks. The second form is the "have to" commitment. This refers to a situation where employees feel trapped. The "ought to" commitment implies that employees feel obligated to remain with an organization. The fourth category is the detached or uncommitted group of employees. These types of employees are not interested in remaining with the organization and are consistently searching for new career opportunities. According to Bragg (2002), 20-30% of the modern-day workforce is in this situation.

III COUNTY GOVERNMENT OF NAKURU

The county Government of Nakuru is one of the Counties that were established after the promulgation of the Constitution in 2010 and after 2013 election. The devolved units were to take over the mandate of running the devolved function from the National Government, some being; part of the Health sector, provision of Water services, Culture, part of roads and Agriculture. They were also to take over the running of former defunct local Authorities that is former Municipal Councils, County Councils and Town councils functions.

The County governments had also to inherit all the employees of the devolved function from the National Government, the former defunct local Authority employees and they had also to employ their own staff due to the expanded mandate, for example they had to employ more clerical officer, Sub-county administrators, Ward administrators, Directors, Chief Officer and more of the support staffs. This entire category has its own payroll, that is, the devolved function has its own payroll whose salary and benefits are the lowest, followed by new employees who can be termed as the actual employees of the County Government and the former defunct local authorities' employees whose salaries and benefits are the highest. These pay disparities presents a challenge to the county government in its efforts to coordinate the performance of its employees towards the achievement of the county development goals and objectives.

IV. STATEMENT OF THE PROBLEM

Dissatisfaction in compensation may lead to performance degradation, increasing degree of absenteeism, and employee turnover (Mangkuprawira, 2003). The Union of Kenya Civil Servants noted with concern that there were three different payrolls for staff at the devolved units which defies logic and morality. The union observed that people who worked for the municipal councils and the devolved staff from national governments have different salaries despite having the same qualifications and performing similar functions.

These disparities in compensation among the employees in the devolved units could greatly impact on their motivation, job satisfaction, performance and their commitment. In addition to the pay disparities, there are no clear structures defining the career progress in terms of promotion and salary increments among the staff employed by the county government. As such, different categories of employees have different work progression yet they are working together in the same locality. According to Anavar, Amin, Ungku, Seliman & Garmsari (2011), strategic compensation is an important component associated with employee behaviour and attitude towards organizational achievement by increasing organizational commitment and motivation among workers. In contrast however, Mueller, Ouimet and Simintzi (2017) observed that firms with higher pay inequality are better performers and have higher valuations. Mercer report (2003) also has indicated that with fair and equitable compensation, workers are more likely to stay with the organization. Related studies show that salary is one of the strategies in motivating the workers, in order to enhance their performance, commitment and satisfaction. It may influence the workers behaviour as well as attract, and increase the intention to stay and lead to the higher organizational commitment (Tella, Ayeni & Popoola 2007). However, whereas studies have been done in regard to pay disparities and organizational outcomes such as job satisfaction and performance, minimal research has been done in regard to pay disparities and organizational commitment and more so in the Kenyan context. The foregoing prompted the undertaking of this study to examine the influence of pay disparities on organizational commitment of employees in the county government of Nakuru Kenya.

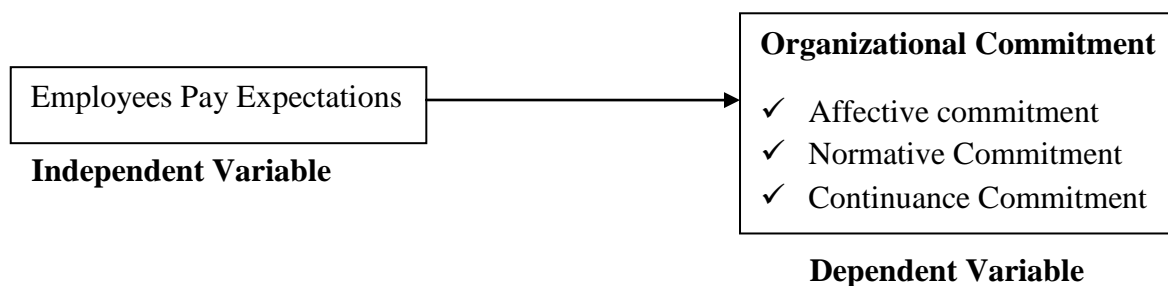
V. OBJECTIVES OF THE STUDY

The study sought to establish the influence of pay disparity on organizational commitment of employees in the county government of Nakuru. Specifically the study examined the influence of employee pay expectations on organizational commitment.

VI. HYPOTHESIS OF THE STUDY

H₀: There is no significant influence of employee pay expectations on their organizational commitment in the County Government of Nakuru.

VII. CONCEPTUAL FRAMEWORK



VIII. THEORETICAL REVIEW

Prospect Theory

Prospect theory (Tversky & Kahneman, 1992) states that individuals use a reference point to evaluate outcomes. The reference point distinguishes between a perceived loss and a perceived gain (Tversky & Kahneman, 1992). To evaluate wages, individuals compare their wage with the wages of their pay referents (Brown, 2001). In this study, the pay referents within the organization are of interest, because we examine perceived wage disparity within a firm. An employee takes pay referents on the vertical as well as on the horizontal level into account (Deckop, 1992). Simultaneous consideration of the pay is used referents on the firm's vertical and the horizontal levels as the employees' perception of wage disparity within their firm. The individual weighting of the wages of vertical as well as of horizontal pay referents leads to an individual reference wage for every employee. This reference wage is a reference point to evaluate the own wage (Deckop, 1992).

Existing literature disagrees about how individuals interpret the outcome of their wage comparisons with their pay referents. This issue is represented by the controversy between the behavioural and the economic views about the relationship between perceived wage disparity and job satisfaction. On one hand, in the behavioural view, several studies provide empirical evidence for a negative relationship between wage disparity and job satisfaction (Pfeffer & Langton, 1993; Card, Mas, Moretti & Saez, 2011) or happiness (Luttmer, 2005).

Fehr and Schmidt's (1999) theory about fairness implies that employees paid below their reference point feel dissatisfaction, whereas employees paid above feel guilt about the perceived wage disparity (Deckop, 1992). Further, a strong positive relationship between fairness and job outcomes of commitment and satisfaction exists (Diekmann, Barsness & Sondak, 2004). Hence, equity theory and the theory of inequality aversion explain why the relationship between perceived wage disparity and organizational commitment is negative in the behavioural view.

On the other hand, in the economic view, an increasing number of studies reveal a positive relationship between perceived wage disparity and job satisfaction (Clark, Kristensen, & Westergård 2009) or job commitment (Backes-Gellner & Pull, 2013; Henderson & Fredrick-son, 2001). As Lazear and Rosen (1981) explain in their tournament theory, an individual's motivational level raises as soon as he or she encounters an adequate incentive. For individuals who experience their careers as a tournament, perceived wage disparity acts as an incentive. These individuals want to achieve the same wage level as their respective competitors. The larger the perceived wage disparity, the larger is the incentive and the commitment level. Motivation and commitment correlate highly positive (Lawler, 1969; Tella, Ayeni, & Popoola, 2007). Subsequently, higher wage disparity results in higher job satisfaction and organizational commitment according to the economic view.

IX. EMPLOYEES PAY EXPECTATIONS AND ORGANIZATIONAL COMMITMENT

It is estimated that the cost of hiring and training a new employee can be 1.5 times a departing worker's salary, so reducing turnover by 200 employees could mean \$30 million in savings (Greenhouse, 2011). Training and hiring new employees lead to high personal cost (Zhao, Wayne, Glibkowski, & Bravo, 2007). Thus, every company should be aware about employees' commitment and intentions to quit, how commitment and intentions to quit interact with each other, and what makes an employee to stay with an organization or leave the organization.

A study by Greenberg and Baron (2003) which focused on the significant influence of pay and other monetary-related variables on labour turnover affirmed that when workers who exerted greater efforts to performance and commitment are not adequately compensated and motivated financially, they tend to leave or quit the job. It is believed that a well-paid employee will see no reason to leave or quit his/her present job. Organizations' that seek competitive and distinctive advantage must give ample room for increased pay, bonuses and higher wages and hence ensure organizational retention (Kinicki & Kreitner, 2003).

According to Federico, Federico and Lundquist, (1976) the bigger the difference between the achieved salary and the expected salary, the higher the intentions to quit and consequently the low the organizational commitment of the employees. Previous research on the psychological contract has indicated that contract breach leads to a lower commitment or higher intentions to quit (Chiang, Cherchen, Jiang, & Klein, 2012; Robinson & Rousseau, 1994; Zhao Wayne, Glibkowski, & Bravo 2007). It is shown that pay satisfaction is negatively related with intentions to quit, and positively related with commitment (Miceli & Mulvey, 2000). However, little research connecting unfulfilled salary expectations with the outcomes of the psychological contract breach (organizational commitment, intentions to quit) has been conducted. This study will be seeking to establish the effect of salary expectations on employee organizational commitment.

According to Milkovich and Newman (2008) the expectation (reward) of employees on task performed motivates and encourages them to be committed. College or university graduates come into the workplace with expectations that they will obtain satisfied, secure, and well-paying employment (Shelley, 1994) mainly based on what they have been taught in their formal education. However, employers seem to have a different idea where they have been found to have overly high expectations, including management experience, excellent grades, superior presentation and communication skills, positive attitude, and even expecting entry-level graduates to have done charity and volunteer work (Perrone & Vickers, 2003). Given the above, the graduates may face actual work situations that are totally different from what they had initially expected. Taken together, the conflict between the graduates' expectations and actual experiences may influence their satisfaction as well as their commitment to the organizations they serve.

According to Lawler (1971) people with a high level of money need strength, have a high pay expectation, and a large discrepancy between what they receive and what they expect to receive would lead to pay dissatisfaction. Thus, it seems that for employees, who value money highly, money is their major driving force of working. Individuals with higher level of employee commitment to the organization are more likely to put in efforts to add value to the organization. They would be more willing to contribute their ideas, cooperate with their superiors, follow instructions and directives from the management and engage themselves in activities that they perceive as beneficial to the organization as a whole (Chong, 2004). However, one of the basic conditions of employment is to satisfy and fulfill human needs at work organizations through monetary reward, that is, wages and salaries and also benefits (Omolayo and Owolabi, 2007).

X. ORGANIZATIONAL COMMITMENT

Guffey and Nienhaus (2002) also established a strong link between organizational commitment such as strong belief in the organization's goals and values, willingness to exert effort on behalf of the organization, and strong desire to maintain membership in the organization and employees' support of the organization's strategic plan.

Gerber, Wittekind, Grote, and Staffebach (2009) distinguished between four types of career orientation, namely the independent, the promotion-focused, the loyalty-focused, and the disengaged career orientation. An employee who belongs to the independent career type does not expect organizational help in his or her career expectation, but expects upward mobility. Furthermore, work is an important part in his or her life. Loyalty-focused employees are very committed to their peers. Additionally, job security is of high value to them. In contrast to the independent career orientation type, up-ward mobility is not important for loyalty-focused individuals (Gerber, Wittekind, Grote, Conway & Guest, 2009).

Promotion-focused individuals as well as loyalty-focused individuals value the length of the work relationship with their employer. But in contrast to the loyalty-focused career type, promotion-focused individuals expect the possibility to move upwards and thus, expect some help from their employers regarding their career management (Tschopp, Grote & Gerber 2013). The dis-engaged career orientation is similarly characterized as the independent career orientation. In contrast to the independent career orientation, disengaged career-orientated individuals do not value their work and job as important parts of their lives (Gerber et al., 2009). In contrast to employees with a promotion-focused career type, employees with an independent career type are willing to change their employer in order to move upwards (Tschopp et al., 2013). Hence, independent career types are interested in a high external visibility of their performance (CasasArce, 2010). Based on career orientation, the level of organizational commitment will vary with each given category

Popoola (2009) found that there was a significant correlation between wages and organizational commitment. This implies that the higher the wages of the employees, the more they exhibit high organizational commitment. Abel (2006) reiterated that good wages and attractive conditions of service might foster high organizational commitment in workers irrespective of the organization they work for. There are moderately strong relationships between commitment and compensation satisfaction, and between total compensation and pay for performance. Thus, it can be concluded that there is a direct relationship between satisfaction with compensation and organizational commitment: The higher the satisfaction, the higher the commitment (Parker & Wright, 2001).

XI. RESEARCH METHODOLOGY

The study employed descriptive survey research design. The design enabled the researcher to describe the characteristics of the variables under study in relation to the practices in the County government operations. The study was conducted in the County government of Nakuru County. The target population for the study was the employees under the different payrolls in the County government headquarters. There are 1430 employees working in the headquarters of the County government of Nakuru. According to Mugenda & Mugenda (2009) a sample size of between 10 and 30 % is a good representation of the target population. Following this recommendation, the study sampled 10% of the population to form the study respondents. Therefore the sample size for the study was 143 respondents. To arrive at this sample the researcher employed stratified proportionate sampling method. The researcher employed the use of a structured questionnaire to collect data from the respondents. The questionnaire consisted of statements constructed in form of a 5 point Likert scale (1-Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree and 5-Strongly Agree). The questionnaires facilitated the collection of data within a short period of time. The primary data collected in this study was coded and tested for completeness and then analyzed using descriptive statistics and inferential statistics and presented using tables. Descriptive statistical techniques (frequencies, percentages, means and standard deviation) were employed to analyze field data from questionnaires to assist the interpretation and analysis of data using Statistical Package for Social Sciences (IBM SPSS Version 24). Inferential statistics, in form of Pearson correlation coefficient were used to check the relationship between the variables.

XII. FINDINGS AND ANALYSIS

A total of 144 questionnaires were distributed to the respondents for the purposes of data collection. 129 questionnaires were correctly filled and were deemed appropriate for data analysis after the sorting process. This represented a response rate of 89.6% which was characterized as very good (Babbie, 1990).

Pay Expectations

The study also established the views of the respondents regarding their pay expectations by computing the percentages means and standard deviations of their responses. The findings from the analysis were as presented in Table 4.9.

Table 4. 1: Perception on Pay Expectations

	SA (%)	A (%)	U (%)	D (%)	SD (%)	mean	Std. Dev
I expected to be earning more than I do when I applied for this job	17.1	68.2	7.0	6.2	1.6	3.93	.792
My pay expectations have fully been met	3.1	10.1	5.4	37.2	44.2	1.91	1.086
My salary expectations have not been met	34.1	44.2	4.7	14.7	2.3	3.93	1.091
I would pick any other job opportunity that promises to full fill my pay expectations	17.8	23.3	9.3	41.1	8.5	3.01	1.308
I am fully satisfied with my salary	1.6	7.8	7.8	38.8	44.2	1.84	.975
My salary satisfaction is my main motivation to work in the county government	13.2	44.2	1.6	24.0	17.1	3.12	1.375
Am required to have more experience to achieve my salary expectations	1.6	4.7	.8	58.1	34.9	1.80	.804
Valid N (list wise)	129						

A majority of the respondents comprising of 68.2% agreed and 17.1% strongly agreed that they expected to be earning more than they do when they applied for their current job registering a mean of 3.93 and a standard deviation of .792. Further, 44.2% and 34.1% of the respondents agreed and strongly agreed respectively that their pay expectations had not been met. 14.7% of the respondents disagreed. Conversely, 44.2% of the respondents and 37.2% strongly disagreed and disagreed respectively that their pay expectation had fully been met. The aspect had a mean of 1.91 indicating that the respondents' expectations of their pay had not been met. On the other hand, 44.2% and 38.8% of the respondents strongly disagreed and disagreed respectively that they are fully satisfied with their salary recording a mean of 1.84 (Disagree). 58.1% and 34.9% of the respondents disagreed and strongly disagreed respectively that they are required to have more experience to achieve their salary expectations with a mean of 1.80 and a standard deviation of .804. On the other hand, respondents on average were undecided (M=3.12, SD=1.375) on whether their salary satisfaction was their main motivation to work in the county government. 44.2% of the respondents agreed that they are motivated by their salary expectations while 24.0% were undecided and 17.1% disagreed. Additionally, 41.1% of the respondents disagreed that they would pick any other job opportunity that promises to fulfill their pay expectations. However, 38.8% of them were undecided on whether they would pick another opportunity and the average response for this aspect was 3.01 (undecided).

Organizational Commitment

The study went further to establish the views of the respondents in regard to organizational commitment of employees in Nakuru county government. The percentages, means and standard deviations of the responses were established to aid in making inferences. The findings from the analysis were as presented in Table 4.11

Table 4. 2: Organizational Commitment

	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean	Std. Dev
I strongly ascribe to the county government goals and values	12.4	48.1	2.3	21.7	15.5	3.20	1.337
I feel motivated to exert more effort for the betterment of county government services	5.4	37.2	4.7	31.8	20.9	2.74	1.306
I feel that I should leave the county government job	6.2	18.6	16.3	49.6	9.3	2.63	1.083
The county government is the best place i have ever worked	.8	6.2	28.7	20.9	43.4	2.00	1.023
Given an opportunity I would take another job away from the county government	7.8	46.5	7.0	37.2	1.6	3.22	1.082
I feel that members of the county government are like a family to me	.8	27.9	3.1	30.2	38.0	2.23	1.247
Am always searching for a better job opportunity than this one	5.4	20.9	27.1	34.1	12.4	2.73	1.095
Valid N (listwise)							

From the findings it was observed that 48.1% of the respondents strongly ascribe to the county government goals and values. The average for this aspect was 3.20 indicating that respondents were unsure that employees ascribed to the county government goals and values. The respondents were also undecided ($M=2.74$, $SD=1.306$) on whether they feel motivated to exert more effort for the betterment of the county government services. 37.2% of the respondents agreed with the statement while 31.8% of them disagreed. 49.6% of the respondents disagreed that they felt that they should leave the county government job. However, findings indicated that on average, ($M=2.63$, $SD=1.083$) respondents were not decided on whether they felt they should leave the county jobs. Respondents however disagreed ($M=2.00$, $SD=1.023$) that the county government is the best place they have ever worked in. Given that 43.4% of the respondents strongly disagreed and 20.9% disagreed that the county government is the best place they have ever worked in, it is not clear why then they would not consider leaving the county government job. The findings further indicated that the respondents were undecided ($M=3.22$, $SD=1.082$) on whether given an opportunity they would take another job away from the county government even though 46.5% of the respondents would be willing. 38% and 30.2% of the respondents strongly disagreed and disagreed respectively that they felt that members of the county government are like a family to them with a mean of 2.23 and a standard deviation of 1.09. Respondents were further not clear ($M=2.73$, $SD=1.095$) on whether they were constantly searching for better job opportunities than the county government jobs.

Relationship between Pay Expectations and Organizational commitment

The composite score for pay expectations were computed and correlated with employee organizational commitment. The findings from the analysis were as shown in Table 4.13

Table 4. 3: Correlation between Pay Expectations and Organizational commitment

		Pay Expectations	Organizational Commitment
Pay Expectations	Pearson Correlation	1	.497**
	Sig. (2-tailed)		.000
	N	129	129
Organizational Commitment	Pearson Correlation	.497**	1
	Sig. (2-tailed)	.000	
	N	129	129

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

An average positive significant ($r=.497$, $p=.001$) relationship was established between pay expectations and employee organizational commitment. The study therefore observed that employee pay expectations were important in determining their organizational commitment. As such, the level of accomplishment in terms of employees pay expectations influences the level of commitment the employee would have towards the institution.

Influence of Employees Pay Expectations on Organizational Commitment

The second hypothesis sought to establish the influence of employee pay expectations on their organizational commitment in the county government of Nakuru. To accomplish this, the following hypothesis was formulated.

- i. There is no significant influence of employee pay expectations on their organizational commitment in the County Government of Nakuru.

The hypothesis assumed that employees pay expectation do not have any significant relationship with their organizational commitment. To ascertain the hypothesis t-value analysis was done and the findings presented as shown below.

Table 4. 4: Model Summary on Employee pay expectations and Organizational commitment

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.497 ^a	.247	.241	.44863

a. Predictors: (Constant), Pay Expectations

The model summary gave an R-squared value of .247 indicating that employee pay expectations accounted for 24.7% of the total variance in employees’ organizational commitment. The remaining percentage could be accounted for by factors not included in this model. This shows that a variation in employees pay expectations would impact on their organizational commitment. The coefficients gave the following results.

Table 4. 5: Coefficients^a on Employees Pay Expectations and Organizational commitment

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	.692	.310		2.232	.027
	Pay Expectations	.712	.110	.497	6.460	.000

a. Dependent Variable: Organizational Commitment

From the coefficients table, a t-value of 6.460 was obtained which was found to be significant at $p < .05$. This demonstrates that employee pay expectations have a significant influence on their organizational commitment. As such, the null hypothesis that there is no significant influence of employee pay expectations on their organizational commitment in the county government of Nakuru was consequently rejected. The researcher concluded that employee pay expectations had a significant influence on their organizational commitment in the county government.

XIII. CONCLUSION

The study concluded that employee pay expectations significantly influences the organizational commitment of employees in the county government of Nakuru. Findings demonstrated the existence of a positive significant relationship between employee pay expectations and organizational commitment. Therefore, working to meet employee pay expectations leads to enhanced organizational commitment. Regression analysis also confirmed that employee pay expectations are important predictors of their organizational commitment. Hence, in efforts to improve organizational commitment, employees pay expectations cannot be overlooked. The study recommended that the county requires to seek a balance between employee pay expectations and their actual pay to ensure that employee do not feel that their efforts are appreciated. Striking a balance between the two would go a long way in enhancing employee organizational commitment.

REFERENCES

- [1] Williams, M, McDaniel, M. & Nguyen, N. (2006). A meta-analysis of the antecedents and consequences of pay level satisfaction. *Journal of Applied Psychology*, 91(2), 392-413.
- [2] Grote, G. & Staffebach, B. (2008). *Schweizer HR-Barometer 2008: Lohnzufriedenheit und der psychologische Vertrag*. Zürich: Neue Zürcher Zeitung.
- [3] Judge, T. , Piccolo, R, Podsakoff, N. , Shaw, J. , & Rich, B. (2010). The relationship between pay and job satisfaction: A meta-analysis of the literature. *Journal of Vocational Behavior*, 77(2), 157-167.
- [4] Clark, A. E., Frijters, P., & Shields, M. (2008). Relative income, happiness and utility: An explanation for the Easterlin paradox and other puzzles. *Journal of Economic Literature*, 46, 95-144
- [5] Cook, J., & Crossman, A. (2004). 'Satisfaction With Performance Appraisal Systems: A study of Role Perceptions'. *Journal of Managerial Psychology*, 19(5), 526-541
- [6] McDonald, R., Harrison. S., Checkland, K., Campbell S., & Roland, M. (2007). Impact of financial incentives on clinical autonomy and internal motivation in primary care: Ethnographic study. *British Medical Journal*, 334, 1357-1359.
- [7] Mishel, Lawrence, and Natalie Sabadish. (2013). *Methodology for Measuring CEO Compensation and the Ratio of CEO-to-Worker Compensation*. Economic Policy Institute Working Paper #298. <http://www.epi.org/publication/methodology-measuring-ceo-compensation-ratio/>
- [8] Wiley, Jack. (2011). *Respect: Delivering Results by Giving Employees What They Really Want*. Hoboken, NJ: John Wiley & Sons Ltd.
- [9] Hancock, J, Allen, D, Bosco, F., McDaniel, K & Pierce, C. (2013) Metanalytic view of employee turnover as a predictor of firm performance. *Journal of management*, 39(3)
- [10] Allen, D., Shore, L. & Griffeth, R. (2003). The Role of Perceived Organizational Support and Supportive Human Resource Practices in the Turnover Process. *Journal of Management*, 29, 99-118
- [11] Coetzee, M. (2005) The fairness of affirmative action: An organisational justice perspective. PhD Thesis, University of Pretoria. upetd.up.ac.za/thesis/available/etd-04132005-130646/.../00front.pdf
- [12] Salanova, Marisa, Sonia. A, and Jose, M. (2005). "Linking Organizational Resources and Work Engagement to Employee Performance and Customer Loyalty: The Mediation of Service Climate." *Journal of Applied Psychology* 90: 1217-1227.
- [13] Harter, James K., Frank L. Schmidt, and Theodore L. Hayes. (2002). "Business-Unit-Level Relationship Between Employee Satisfaction, Employee Engagement, and Business Outcomes: A Meta-Analysis." *Journal of Applied Psychology* 87: 268-279
- [14] Spector, Paul E. and Steve M. Jex. (1991). "Relations of Job Characteristics From Multiple Data Sources with Employee Affect, Absence, Turnover Intentions, and Health." *Journal of Applied Psychology* 76: 46-53.

- [15] Spector, Paul E., Daniel J. Dwyer, and Steve M. Jex. (1988). "Relation of Job Stressors to Affective, Health, and Performance Outcomes: A Comparison of Multiple Data Sources." *Journal of Applied Psychology* 73: 11-19
- [16] Wright, Thomas A. and Russell Cropanzano. (1998). "Employee Exhaustion as a Predictor of Job Performance and Voluntary Turnover." *Journal of Applied Psychology* 83: 486-493.
- [17] Fitz-enz, Jac. (1997). "It's Costly to Lose Good Employees." *Workforce* 76: 50-51.
- [18] McClurg, L (1999) Organizational commitment in the temporary-help service industry. *Journal of Applied Management Studies*, 8: 5-26.
- [19] Meyer, & Allen, (1997) "Commitment in the Workplace – Theory, Research and Application", *Sage Publications*, Thousand Oaks, CA.
- [20] Adeniji, A. & Osibanjo, A. (2012). *Human Resource Management: Theory and Practice*. Lagos. Pumark Nigeria Limited.
- [21] Harter, J, Schmidt, F. and Hayes, T. (2002). Business –unit-level relationship between employee satisfaction, employee engagement and business outcomes: A meta-analysis. *Journal of applied psychology*, 87, p.268-279.
- [22] Bragg, T. (2002). How can you improve employer/organizational commitment: Special interest features. *Personnel Psychology*, 12(3), 1-10.
- [23] Fossey ,E. and Havey ,C. (2010).Finding and sustaining employment: a qualitative meta synthesis of mental health consumers views Canadian journal of occupational therapy,77(5).
- [24] Vance, R. J. (2006). *Organizing for customer service*. In L. Fogli (Ed.), *customer service delivery. Research and best practices* (p. 22-51). San Francisco, California: Jossey- Bass.
- [25] Newstrom, J. and Davis, K. (2002), *Organizational Behaviour*. "Human Behaviour at Work." 11th Edition: New Delhi Tata Mcgraw - Hill Publishing Company Limited.
- [26] Allen, N., & Meyer, J. (1990). The measurement of the entecedents of affective, continuance and cormative commitment to the organization. *Journal of Occupational Psychology* 63 , 1-18.
- [27] Mullins, L. (2009), *Management and Organizational Behaviour, 5th Edition*. Portsmouth: Pitman Publishing.
- [28] Madigan, M., Norton, J. & Testa, I. (2009). The Quest for Work Life Balance.
- [29] Dordevic, B., (2004).Organizational commitment in Times of Radical Organizational Changes. *Economics and Organization*, 2(2), 111-117.
- [30] Tolentino, Arturo L. (2004) New Concepts of Productivity and its Improvement, European Productivity
- [31] Network Seminar, Budapest (<http://www.ilo.org/dyn/empent/docs/>)
- [32] Bragg, T. (2002). How can you improve employer/organizational commitment: Special interest features. *Personnel Psychology*, 12(3), 1-10.
- [33] Anavari, R., Amin, S., Ungku, A., Seliman, S., & Garmsari, M. (2011). The relationship between strategic compensation practices and affective organizational commitment. *Interdisciplinary journal of research in business*, 1(2), 44-55.
- [34] Mueller, H., P. Ouimet, and E. Simintzi.(2017). Forthcoming. Wage inequality and firm growth. *American Economic Review: Papers & Proceedings*.
- [35] Tella, A., Ayeni, C. & Popoola, S. (2007). Work motivation, job satisfaction, and or-ganisational commitment of library personnel in academic and research libraries in Oyo State, Nigeria, *Library Philosophy and Practice (April)*, 9, 1-16. Kahneman, D. & Tversky, A. (1979). Prospect theory: An analysis of decision under risk. *Econometrica*, 47(2), 263-292.
- [36] Tversky, A. & Kahneman, D. (1992). Advances in prospect theory: Cumulative representa-tion of uncertainty. *Journal of Risk and Uncertainty*, 5, 297-323.
- [37] Brown, M. (2001). Unequal pay, unequal responses? Pay referents and their implications for pay level satisfaction. *Journal of Management Studies*, 38(6), 879-896.
- [38] Pfeffer, J. & Langton, N. (1993). The effect of wage dispersion on satisfaction, productivity, and Working Collaboratively: Evidence from College and University Faculty. *Adminis-trative Science Quarterly*, 38(3), 382-407.
- [39] Card, D., Mas, A., Moretti, E., & Saez, E. (2011). *Inequality at work: The effect of peer sala-ries on job satisfaction*. Working Paper No. 16396, National Bureau of Economic Re-search, Berkley.
- [40] Luttmer, E. (2005). Neighbors as negatives: Relative earnings and well-being. *The Quarterly Journal of Economics*. 120(3), 963-1002.
- [41] Diekmann, K., Barsness, Z., & Sondak, H. (2004). Uncertainty, fairness perceptions, and job satisfaction: A field study. *Social Justice Research*, 17(3), 237-255.
- [42] Clark, A., Kristensen, N., & Westergård, N. (2009). Job satisfaction and co-worker wages: Status or signal? *The Economic Journal*, 199, 430-447.
- [43] Backes-Gellner, U. & Pull, K. (2013). Tournament compensation systems, employee hetero-geneity, and firm performance. *Human Resource Management*, 52(3), 375-398
- [44] Henderson, A. D. & Fredrickson, J. W. (2001). Top management team coordination needs and the CEO pay gap: A competitive test of economic behavioral views. *Academy of Management Journal*, 44(1), 96-117.

- [45] Lazear, E. P. & Rosen, S. (1981). Rank-order tournaments as optimum labor contracts. *The Journal of Political Economy*, 89(5), 841-864.
- [46] Lawler, E. E. (1969), Job design and employee motivation. *Personnel Psychology*, 22(4), 426-435.
- [47] Greenhouse, S. (2011). Flex Time Flourishes in Accounting Industry. *New York Times*. New York. Retrieved from <http://www.nytimes.com/2011/01/08/business/08perks.html>
- [48] Zhao, H., Wayne, S, Glibkowski, B, & Bravo, J. (2007). The impact of psychological contract breach on work-related outcomes: A meta-analysis. *Personnel Psychology*, 60(3), 647–680. doi:10.1111/j.1744-6570.2007.00087.x
- [49] Greenberg, S. & Baron, D. (2003): Training and turnover in the evolution of organizations. *Organization Science*, 8(1): 84-96.
- [50] Kinicki A. & Kreitner, W. (2003). “*Management, a Practical Introduction*”. Library of Congress Cataloguing-in-Publication Data, USA.
- [51] Federico, S, Federico, P., & Lundquist, G. (1976). Predicting women’s turnover as a function of extent of met salary expectations and bio-demographic data. *Personnel Psychology*, 29(4), 559–566. doi:10.1111/j.1744-6570.1976.tb02079.x
- [52] Chiang, J., Cherchen, L., Jiang, J., & Klein, G. (2012). Consequences of psychological contract violations for personnel. *Journal of Computer Information Systems*, 52(4), 78–87.
- [53] Robinson, S, & Rousseau, D. (1994). Violating the psychological contract: Not the exception but the norm. *Journal of Organizational Behavior*, 15(3), 245–259. doi:10.1002/job.4030150306
- [54] Miceli, M. , & Mulvey, P. (2000). Consequences of satisfaction with pay systems: Two field studies. *Industrial Relations*, 39(1), 62–87. doi:10.1111/0019-8676.00153
- [55] Milkovich, G, & Newman, J. (2008). *Compensation 9th ed*. New York: McGraw Hill International Edition.
- [56] Shelley, K. (1994), “More job openings – even more entrants: the outlook for college graduates, 1992-2005”, eOccupational Outlook Quarterly, Summer, pp. 4-9.
- [57] Perrone, L. and Vickers, M. (2003), “Life after graduation as a very uncomfortable world: an Australian case study”, Education & Training, Vol. 45 Nos 2/3, pp. 69-78.
- [58] Lawler, E. (1971.) *Pay and Organizational Effectiveness: A Psychological View*. McGraw-Hill, New York, NY
- [59] Chong, S. (2004). The influence of employee characteristics and job attitudes on organizational commitment. *Malaysian Management Review* , 26-38
- [60] Omolayo, B., & Owolabi, A. (2007). Monetary reward: A predictor of employees' commitment to medium scale organization in Nigeria. *Bangladesh e-Journal of Sociology* 4(1), 42-48
- [61] Guffey, R. and Nienhaus B. (2002). Determinants of employee support for the strategic plan of a business unit. Society for Advancement of Management (SAM) *Advanced Management Journal*. Pp.23–30.
- [62] Gerber, M., Wittekind, A., Grote, G., & Staffebach, B. (2009). Exploring types of career orientation: A latent class analysis approach. *Journal of Vocational Behavior*, 75, 303-318.
- [63] Gerber, M., Wittekind, A., Grote, G., Conway, N. & Guest, D. (2009). Generalizability of career orientations: A comparative study in Switzerland and Great Britain. *Journal of Occupational and Organizational Psychology*, 82(4), 779-801.
- [64] Tschopp, C., Grote, G., & Gerber, M. (2013). How career orientation shapes the job satisfaction – turnover intention link [Electronic Version, early view]. *Journal of Organizational Behavior*. Retrieved September 09, 2013, from [http://onlinelibrary.wiley.com/journal/10.1002/\(ISSN\)1099-1379/earlyview](http://onlinelibrary.wiley.com/journal/10.1002/(ISSN)1099-1379/earlyview).
- [65] Casas-Arce, P. (2010). Career tournaments. *Journal of Economics & Management Strategy*, 19(3), 667-698.
- [66] Popoola, S. O. (2009). Organizational commitment of records management personnel in Nigerian private universities. *International Journal of Management Studies* 19(3) , 204-217
- [67] Abel, C. (2006). Organizational commitment and job performance among white-collar workers in Northern Nigeria. *Journal of Industrial Psychology* 22(2), 115-129
- [68] Parker, O., & Wright, L. (2001). The missing link pay and organizational commitment. *Ivey Business Journal* , 70-73.
- [69] Mugenda, B. (2008). *Social Science Research: Theory and Principles*. Nairobi. Applied Research and Training Services

Ngengi Elly Karanja. “Influence Of Pay Disparity Among Employees On Organizational Commitment In The County Government Of Nakuru, Kenya .” *IOSR Journal Of Humanities And Social Science (IOSR-JHSS)* , vol. 22, no. 10, 2017, pp. 76–86.