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Effect of Remuneration on Employees Performance in the Ministry of Internal Security: A Case of Kisii County

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Abstract
Despite the fact that the Kenyan government had made efforts, achievements and remarkable developments in the Ministry of Internal Security for its success, the performance of the workforce was still poor and this could be due to poor remuneration of employees, whereby the salary scale had remained constant for a long time despite of the increasing cost of living in the country. And this had also demoralized the employees leading to poor performance in the Ministry which in the end could result into loss of the credibility of the government. When the cost-of-living rose, there was enormous pressure on employers to raise wages and salaries by the rate of inflation. The problem therefore was how to improve productivity of employees by providing the pay which could enable them to cope up with their purchasing power. It was therefore important for the organization to consider the salary system as a mechanism by which an organization could plan how to attract, retain, reward and motivate its salaried employees in order to enhance good performance in the Ministry. The human resource factor (particularly remuneration) lied at the very heart of the reform program. Subsequently, the need arose to undertake an empirical study to determine the effect of remuneration on employees' performance at the Ministry of Internal Security.

Key words
Salary; Employee's Remuneration; Employee's Performance; Compensation Package.

Introduction

Basic salary is a fixed periodical payment for non-manual employees usually expressed in annual terms, paid per month with generally no additions for productivity. Wage refers to payment to manual workers, always calculated on hourly or piece rates. (Braton & Gold, 2003). Bohan (2004) explains that traditional pay systems were based on the three factors: (i) the job, (ii) maintaining the level of equality in standard pay among employees in the organization, and (iii) paying competitive salaries. In the traditional pay systems, employees were not encouraged to acquire new skills and were not rewarded if they did. Increase of an employee's pay depended on change on the cost of living and employees regarded the increase in pay as