

**INFLUENCE OF REWARD STRATEGY ON EMPLOYEE'S  
PERFORMANCE IN PUBLIC HOSPITALS IN NAIROBI COUNTY,  
KENYA**

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ECONOMICS IN PARTIAL FULFILMENT OF THE REQUIREMENT  
FOR AWARD OF MASTERS DEGREE IN BUSINESS  
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## DECLARATION

This research thesis is my original work and has not been presented for a degree or any other award in any other university.

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We confirm that the work reported in this thesis was carried out by the candidate under our supervision.

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## **DEDICATION**

I dedicate this thesis to my husband Douglas, my daughters Glory and Enacy, my mother Annastacia and my niece Joslyne. God bless you all.

## **ACKNOWLEDGEMENT**

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## ABSTRACT

In a globalized economy and in an intensely competitive business environment, organizations must ensure they have the most attractive and effective strategies to cope with the evolving trend. The purpose of reward strategy in an organization is to attract, retain and enhance employee performance which determines the overall organizational performance. Employees are always proud of being associated with a prosperous organization and thus contribute to exemplary performance. Demotivated employees on the other hand exhibit negative behavior towards work which can be costly for the organization. This is mainly attributed to poor reward strategies adopted by an organization in attracting and maintenance of employees. The research intended to determine the influence of reward strategy on employee performance in public Hospitals in Nairobi County, Kenya. The specific objectives of the study was to establish the influence of employee benefits strategy, staff performance appraisal strategy, employee promotion strategy and employee recognition strategy on employee performance in public hospitals in Nairobi County, Kenya. The study adopted equity theory, Maslow's Hierarchy of needs theory and Herzberg Two-factor theory. Cross Sectional survey design was adopted. The researcher used a target population of 1601 from three public hospitals in Nairobi County, Kenya and a sample size of 310 respondents which was determined using Fishers formula. Participants were chosen by means of stratified simple random sampling. Collection of Data was done by using structured questionnaire and a pilot study was conducted to ascertain the reliability of the instrument. Reliability test revealed Cronbach's Alpha was greater than 0.7 demonstrating the instrument was reliable. Data was carefully validated by ensuing face and content validity of the instrument and was analyzed by using a statistical tool of statistical package for social scientists (SPSS). Correlation and regression analysis was applied in testing the connection between independent and dependent variable. The regression results revealed a significant relationship between Employee benefits strategy and employee performance and employee recognition strategy and employee performance in public hospitals in Nairobi County; while staff performance appraisal strategy and employee promotion strategy had no substantial connection with employee performance in public hospitals in Nairobi County. On the basis of the results, the research concluded that employee benefits strategy and employee recognition strategy influenced employee performance to a great extent in public hospitals in Nairobi County, Kenya. Further, the research concluded that there was need for public hospitals in Nairobi County to address the issues noted in the study to ensure that there was realization of the desired goals. It was therefore recommended that public hospitals in Nairobi County, Kenya ought to improve on staff wellness programs, provide transport and conduct comprehensive inductions on newly recruited and promoted staff. It was also recommended that there should be regular salary increase to cope with the high standards of living, allow staff to participate in target setting and ensure timely recognition of employees to enhance motivation for better performance. The study further recommended that future research be conducted on similar or other variables not included in the study in public hospitals in other counties for purpose of generalizing the findings to all public hospitals in the country.

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## **LIST OF ABBREVIATIONS & ACRONYMS**

<b>Covid-19</b>	Corona Virus Disease 2019
<b>EAP</b>	Employee Assistant Program
<b>EPM</b>	Expert Program Management
<b>HR</b>	Human Resource
<b>HRM</b>	Human Resource Management
<b>NCG</b>	Nairobi County Government
<b>NSSF</b>	National Social Security Fund
<b>SPSS</b>	Statistical Package for Social Scientist
<b>SRC</b>	Salaries and Remuneration Commission
<b>UK</b>	United Kingdom

# INTRODUCTION

## 1.1 Background of the Study

In an economy with numerous companies striving to employ the most talented personnel, organizations must have in place an effective reward strategy to be able to motivate and properly compensate employees. According to Madhani (2020), a reward is the substantial and psychological payment awarded to an individual employee as appreciation for remarkable contribution in the company and for executing duties well in their work station. Oaya (2019) asserted that the main objective for most organizational reward programs is to attract, retain and motivate highly skilled and competent workers. It has been established in various studies that an effective reward strategy not only promotes good performance by providing enticing incentives to workers but also encouraging healthy work-life balance. Grewar (2021) supports the sentiments and stated that the provision of attractive incentives to employees makes them feel appreciated by the organization and thus execute their duties well and without reservations with full commitment and loyalty.

A reward strategy defines what an organization intends to award their staff as compensation for their commitment and remarkable performance at the workplace. It also establishes a structure for developing and implementing reward programs, practices and procedures that support achievement of organizational goals (Tshikudu, 2020). Pay scheme generally referred as remuneration is used as an important incorporating means by employers whereby the determination of different teams and individuals is geared towards achieving strategic objectives of an organization (Croner-i, 2019).

Rewards are mainly categorized as monetary and non-monetary rewards. According to Kapur (2020), monetary rewards are incentives which are finance related and are classified as performance based pay rise, short term incentives plans and long term incentives plans. Performance based pay rise is a reward that is linked to an employee's performance and his overall general output to the business. In this form of reward only excellent performers survive in employment because they are highly valued by their employers and would always do their best to uphold the relationship (Peak, 2021). Likewise, the employer would strive to ensure that they retain such employees in the service at all cost. Performance based pay entails rewarding employees based on their performance which includes bonuses, commissions, direct cash and gifts.

According to Dirks (2020), short term incentives plans are payments made in addition to the regular payment to the employees after performance evaluation during the current financial year. This form of rewards largely depend on improved performance or organized events and are awarded on weekly basis, monthly basis, quarterly basis or at the end of the current year. Short term incentives plans include overtime payment, bonuses, paid holidays and sports awards and are only awarded to employees who portray outstanding performance. On other hand, long term incentive plan is a form of business policy that compensates staff for attaining a specific goal within a stipulated period and that leads to maximization of business profits (Dirks, 2020). This form of reward is mainly pegged on executives of the company especially in the private sector who are bestowed the responsibility of taking the organization to a higher level in the market. The rewards are meant to motivate them to be more committed, innovative and maintain loyalty to the organization. They are usually allowed the liberty to choose the kind of rewards that suits their needs among the available options. The awards are mainly in form of stock options, paid family vacation, pension plans among others (Kenton, 2020). In the public sector, long term incentives plans are applicable to all employees regardless

of cadres but depends on affordability and with the organization's employee rewards and sanctions policy.

Non-financial rewards are mainly awarded to employees as a form of appreciation and gratitude for achievement of a specific task. Kathombe et al. (2018) adduced that a good reward strategy that is designed with the intention of enhancing motivation of staff to put more effort in their work leads to improved performance and accordingly attainment of the set organizational goals. They further affirmed that both financial and non financial rewards greatly influence the performance of staff as they play a key role in each individual's life depending on their needs and preferences.

For ultimate attainment of organizational goals through employee's effort and management commitment, a reward strategy should be attached to the overall business strategy and incorporated with other human resource management (HRM) strategies. Tshukudu (2020) affirmed that a reward strategy should as well be linked with employee's ideas and goals making it a key element in attracting and retaining of talented workforce in the organization. It is essential for a strategy to be unique, flexible and performance oriented in regard to the wellbeing of an employee and the success of the organization especially in a highly competitive market.

According to Peterson (2021), employees are the lifeblood of every business and so it is important for them to know where they stand and what is expected of them by the organization in relation to the overall performance. He asserts that clarity and objectivity in recognition and evaluation process are critical in employee's performance. He further affirms that in order to keep employees on the right track, it is important to give positive feedback for work well done at all time and in a timely manner. This signifies that a comprehensive evaluation of employees' performance is a fundamental role of leaders and managers for the process to be successful. Johnson (2021) states that Leaders must

determine how to quantify the accomplishment of goals by using the enhancement of productivity, production or customer service as a way of measuring the attainment of the set goals. Leaders should communicate the significance of the rewards strategy to all employees for them to comprehend what it entails and the attached importance. They need to note that their individual objectives and the corresponding organizational goals are the determinants on whether to be awarded upon attainment of the set targets.

In every organization, reward strategy is aimed at solving any problem relating to rewards in order to achieve the intended valuable results. Francis et al. (2020) affirmed that rewards could relatively affect job and satisfaction of employees which is manifested in performance, retention and accomplishment of business objectives. They further asserts that when a reward strategy is purported to be biased and unidealistic, mostly it leads to demoralization of employees which ultimately affects the perceived outcome. By understanding different reward strategies and their contribution on employee performance, assists business managers to develop and implement an effective strategy that gives the business a competitive advantage over their competitors (Kathombe et al. 2018).

A well managed reward strategy guarantees organizational well-being since the most important concern of strategic reward management is motivation of staff to achieve optimal performance as well as retention of talented workforce (Armstrong & Brown, 2019). Gopalan et al. (2017) stated that motivation is what pushes employees to love their work and carry out their daily tasks with lots of ease. They further stated that ability and motivation are critical in credible performance, where rewards play a big role in motivating employees. Reuben (2020), conforms to the view and states that workers execute their obligations carefully if they are motivated and as a result there is constructive and efficient production. Reuben further denotes that businesses try to



maintain sustainable loyalty and commitment of employees in order to achieve their objectives and maintain their space in the market. It is widely known that the victory of every organization is determined by the level of motivation of their workforce as employees who are highly motivated endeavor to perform to their level best than demotivated employees.

Culafic et.al. (2021) in their study indicated that with the emergence of covid-19 across the globe, countries are forced to adapt to the unprecedented crisis with each government devising their own means of coping with the pandemic. Every worker was required to work over and above their daily schedule, under strict hygiene conditions and in adherence to government regulations. This called for employers to relook into ways of sustaining the health system positively as well as the wellbeing of the employees. This was aimed at motivating them in order to maintain their commitment as well as help them cope with the emerging circumstances. This observation was supported by Saunderson (2021) who confirmed that many countries had devised various reward strategies in order to motivate their workers which included psychological counseling services, financial bonuses, and free transport to and from workplace among others. This was a way of showing appreciation for utmost commitment and selflessness by employees aimed at boosting their morale at the workplace.

Across the world, reward strategies are a major concern in most organizations mainly because many rewards have financial implications and requires a huge budget to implement. Reward strategies differ depending on the form of business, the country the business is situated in relation to the environment as well as the demographic factors. This is mainly the reason as to why there are numerous disagreements between employees and management of organizations in many countries. Most organizations try to fairly reward their employees for the services rendered and good performance and since all

organizations are different, their reward systems are designed differently. Generally, reward strategies are characterized by diverseness and controlled by past events and the realities of the future (Kibe, 2018).

Shafiqul and Udayan (2019) affirmed that in the UK, many organizations clearly understand the rewards system and acknowledge its resultant benefits to both the employee and the employer. Employers have also realized that each company has different requirements and therefore needs to develop a reward strategy that categorically suits the business needs and those of the employees either individually or as a group. According to the study, the effect of reward strategy on employee performance was extensively manifested in many organizations in the private sector. Shafiqul and Udayan (2019) further, giving an example of Tesco Company indicated that the company integrated reward strategy with overall business strategy through creating conducive working environment with the aim of taking the company to a higher level. The company also considered workers opinion, resourcing internally, skills development among other human resource practices. As a result, employees of Tesco Company felt that they were fairly rewarded for the work they executed in the company which was demonstrated in the company's performance.

In the recent past, many African countries strived to adopt reward strategies as a gesture of strengthening acceptable behavior at the workplace. This move was linked to accomplishment of a task, commonly referred to as a return for rendered services. Bwowe and Marongwe (2018) stated that it was imperative for organizations to relate rewards to performance objectives so as to support equality in the different categories of workers from the lowest level to the highest level. They indicated that in South Africa, many municipal based organizations were using traditional reward schemes like salary and benefits which allegedly do not promote strategic business objectives and were not

necessarily result oriented. The municipalities were also faced with challenges of ineffective performance management systems, limited budget, union and political interference from the political class. This is proved to greatly influence and compromise strategic human resource decisions thus leading to obstruction in development and implementation of reward strategies.

Wanyonyi and Juma (2020) indicated that in Kenya, in contrast to the private sector company's whose main objective was to maximize profit, public sectors' major objective was the wellbeing of its citizens. This necessitated the government to institute measures to enhance employee performance within its departments and other organizations. The move was aimed at forming a base for rewarding excellent performance as well as sanction poor performance, inspire workers to embrace positive attitude in the workplace and to improve productivity within the sector. Individual organizations assesses employees in accordance to their output and subsequent contribution to the overall organizational performance.

### **1.1.1 Reward Strategies**

Reward strategy sparks the drive for reward system design and procedure geared towards achieving the three main goals which are performance, competitiveness and equality. The strategy aims at answering questions on what needs to be done about reward practices to ascertain that they meet the intended purpose and how to carry out the process, (Armstrong & Taylor, 2017). Failure to have attractive reward strategies for employees in place usually results to poor and unprecedented performance which is not a good indication of a company that values success. Ideally, human beings are different in terms of attitudes and emotions, therefore they perceive things that motivate them differently, (Cheruiyot & Kalei, 2020).

Reward strategy mainly revolves around established strategies like recognition, salary, promotion, staff performance appraisal, learning and development and employee benefits awarded to individual employees. Heathfield (2019) contends that a promotion accorded to an employee is perceived as an appropriate move since it has an impact on income, authority, responsibilities and involvement in decision making at a higher level. An effective employee promotion strategy in any organization raises the status of employees which instigates good performance. Another reward strategy highly regarded by workers is employee benefits strategy which has several components like medical insurance cover, paid vacations, paid sick leave, flexible work schedule, wellness facilities and financial assistance. The employee benefits rewards are accorded together with other cash payments and they subsequently offer a great significance to employees on individual basis depending on their needs and preference (Brandon, 2019).

Employee recognition as a reward strategy is a great aspect for motivating employees and therefore clarity and openness should prevail when giving these forms of rewards. Employee recognition strategy should be part of the organization's culture because it immensely contributes to satisfaction and morale of employees no matter how small it may be. For effectiveness, the employee recognition reward could be given on annual, quarterly, monthly or immediately depending on the applicable organization's reward policy. Regular, consistent, and timely recognition of employees for work well done is essential for enhanced performance (Madhani, 2020).

Organizations largely invest on their workforce and accordingly good performance is expected from every individual. Staff performance appraisal strategy is used by managers to get feedback on the performance of the employees during evaluation over a specific period. This process involves establishing a plan of improvement in the event that some gaps and the reasons attributed to them are noted (Sprigg HR, 2020). It assists in

motivating employees since some employees feel appreciated by their supervisors when they spend time discussing their performance face to face and other work related matters that enables them to achieve their target. Just by listening to the supervisors opinion regarding their performance means a lot to many employees. This makes them understand their role and value in the company and as a result improves their performance. It encourages employee involvement in organizational growth, promote loyalty and help in maintaining the very best employees.

Ismail and Razak (2017) stated that the results derived from the staff performance appraisal are used as a guide by the managers and supervisors in determining the applicable rewards for their employees. However, the ability of managers to appropriately implement the performance appraisal tool and allocate rewards against employees' actual performance has always been a challenge. This in most instances significantly affect the employee's support for the achievement of the organizational goals.

### **1.1.2 Employee performance**

Employees are known to always perform to their level best when they perceive or trust that the management will reward their effort amicably. There are several factors that are viewed to largely have an influence on employee performance. Such factors includes organizational culture, training and development, job security, unclear objectives and expectations, working tools and rewards procedures among others (Francis et al. 2020). According to Armstrong (2019), employee satisfaction and performance in any organization is greatly attributed to applicable reward strategies which are seen as powerful motivators. When a poorly designed and ineffective reward strategy is in place, employee's morale, commitment and performance is negatively affected. Effective reward strategies warrants improved retention of employees, good attitude towards work

and minimizes cases of indiscipline at the workplace. This results to improved employee performance and subsequent organizational performance.

Kibe (2018) asserts that a reward strategy that is performance based was mainly considered key in improving employee performance and organizational productivity. However, this kind of strategy was faced with several challenges since performance was absolute and devised standards of performance could not meet employee's capability. Any kind of reward that was awarded to employees as a result of output or accomplished goal greatly affected their performance either positively or negatively. Similarly, institutions where rewards were granted fairly to employees had improved and better performance as compared to institutions where there was unjust practices when awarding staff.

## **1.2 Statement of the problem**

Highly skilled healthcare personnel were very crucial in the health care industry across the entire world. However, they were faced with many challenges which contributed to their dissatisfaction at the workplace and this negatively affected provision of quality health services (Jaeger et al. 2018). Previous studies indicated that the healthcare sector had over the years been experiencing an exodus of highly trained and competent employees to better paying organizations both locally and overseas. Others exited to set up their own health care facilities or venture into better income generating jobs (Greenwood, 2020). This was attributed to among other motivating factors, poor reward strategies by employers. The unaddressed issues led to many hospitals operating with minimal skilled workers in various specialized fields calling for leaders to focus on strategies that would attract and retain qualified professionals.

Samira et al. (2020) contended that the healthcare sector required human resource strategies that consider employee satisfaction as a crucial factor in enhancing growth, productivity, employee development and retention. These strategies must be capable of evaluating the satisfaction level of each individual or group by using indicators like the quality of service provided.

Greenwood (2020) in his study cited lack of appreciation, lack of flexible work schedule, lack of engagement and lack of career growth as some of the factors that led to employee exit the employment among the health professionals. In defining the sustainability, effectiveness and efficiency of health care systems in the country, there was a dire need for hospitals to implement appropriate reward strategies with the aim of motivating employees for better organizational performance. The study further indicated that there was a great connection between employee performance and patient satisfaction which largely depended on the level of motivation. It was adduced that reward strategy was a key component in enhancing employee performance through motivation which eventually contributed to remarkable organizational performance. There was a general conception that attractive reward strategies led to employees who were more satisfied, performed better and remained in the organization for long, thus increasing the organization's competitive advantage (Kibe, 2018).

Sankalpana and Padmini (2017 among other researchers conducted studies on the impact of reward systems on staff performance. However, review on relevant literature indicated that there was inconsistency in the results in relation to their influence on employee performance. In every organization, reward system was regarded as a very important mechanism in management of human resource that could increase employee performance. This prompted researchers to shift the attention of the research to the area of the influence of reward strategy on employee performance in an organization.

However, very little evidence was known in relation to its impact in the healthcare sector in Kenya as numerous employees unrest continue to be witnessed across the country. It was on those bases therefore that this research pursued to establish the influence of reward strategy on employee performance in public hospitals in Nairobi County, Kenya.

## **1.2 Research Objectives**

### **1.3.1 General Objective**

The overall objective of the study was to establish the influence of reward strategy on employee performance in public Hospitals in Nairobi County, Kenya.

### **1.3.2 Specific Objectives**

1. To establish the influence of employee benefits strategy on employee performance in public hospitals in Nairobi County, Kenya.
2. To examine the influence of staff performance appraisal strategy on employee performance in public hospitals in Nairobi County, Kenya.
3. To investigate the influence of Employee promotion strategy on employee performance in public hospitals in Nairobi County, Kenya.
4. To establish the influence of Employee recognition strategy on employee performance in public hospitals in Nairobi County, Kenya.

## **1.4 Research Hypothesis**

H0<sub>1</sub>: There is no significant influence of Employee benefits strategy on employee performance in public hospitals in Nairobi County, Kenya.

H0<sub>2</sub>: There is no significant influence of staff performance appraisal strategy on employee performance in public hospitals in Nairobi County, Kenya.



H0<sub>3</sub>: There is no significant influence of Employee promotion strategy on employee performance in public hospitals in Nairobi County, Kenya.

H0<sub>4</sub>: There is no significant influence of Employee recognition strategy on employee performance in public hospitals in Nairobi County, Kenya.

## **1.5 Significance of the Study**

In Kenya there were numerous industrial unrest particularly in the health care sector which is attributed to various factors at the workplace. Focusing on the influence of reward strategy on the performance of employee would be a constructive plan to increase retention of qualified and competent workers which would enhance organizational performance. The study would be of great use to:

### **1.5.1 Ministry of Health**

The Ministry of Health in developing Human Resource (HR) policies and advice on the most effective reward strategies that enhances motivation and employee performance.

### **1.5.2 County Government**

The county government in making informed decisions regarding employee motivation and adoption of appropriate reward strategies that would benefit all employees and the county government.

### **1.5.3 Trade Union**

Trade Unions in getting insight on the kind of rewards that are beneficial to the employees and negotiate with management on their adoption to promote industrial harmony for cordial working relationship.

#### **1.5.4 Researchers**

Other researchers in conducting further research on similar or relevant area thus enriching the field of research.

#### **1.6 Scope of the Study**

The study concentrated on the influence of reward strategy on employee performance in public hospitals in Nairobi County, Kenya. Specific constructs that were covered were employee benefits strategy, employee promotion strategy, staff performance appraisal strategy and employee recognition strategy. The study targeted senior managers, supervisors and other staff from three public hospitals in Nairobi County, Kenya and was carried out from October 2020 to July 2021.

#### **1.7 Limitations of the Study**

The Organization's policy on confidentiality restricted some respondents from filling the questionnaire which posed a great challenge to the researcher. The researcher distributed the questionnaire randomly in the selected facilities and the participants were not required to show their names on the questionnaire. Due to work shifts, leaves, off days, tight day schedules and unforeseen emergencies experienced at the workplace, the researcher could not receive all the filled questionnaires from the respondents within the stipulated time frame. The researcher created time to cover all the work shifts to ensure all participants had an opportunity to participate in the study. The respondents could not understand the importance of the study and therefore they were not willing to respond to the questionnaire. The researcher clarified the intention of the research to the participants by issuing a clearly elaborated introduction letter and prove of data collection permit from the authorities.

## 1.8 Operational Definition of Terms

**Employee Performance:** This is the outcome of the employee's action and conduct in connection to the set targets and anticipations of the job (Donohoe, 2019).

**Employee benefits:** It is a form of compensation employers offer their employees in addition to their regular earnings (Merha, 2020).

**Promotion strategy:** A design showing a structure of a dvancement to a higher grade or job rank (Heathfield, 2019).

**Recognition strategy:** A tentative plan showing the intent to develop and implement program that recognizes or appreciates great achievement (Scott, 2020).

**Reward Management:** Development and enactment of strategies and policies with an aim of rewarding employee equitably, objectively and with consistency in accordance to the set standards of an organization (Bhasin, 2021).

**Reward Strategy:** An affirmation that defines what the organization intends to achieve in future in developing and implementing reward policies, practices and procedures which will aid achievement of organizational objectives (Armstrong & Taylor, 2017).

**Staff Performance Appraisal Strategy:** It is assessing the performance of staff after a given duration with the aim of considering the means of improving their productivity (Moraa & Datche, 2019).

# **CHAPTER TWO**

## **LITERATURE REVIEW**

### **2.1 Introduction**

The chapter focused on previous studies that were linked to what influences worker's performance in an organization. The chapter incorporated the key findings of existing literature studies that focused on the sphere of reward strategy and how it influenced employee's performance in an organization. The gathered information from journals, articles, reference books, and electronic libraries derived clarification and knowledge on different reward methods used to better the performance of employees within an organization. The study was guided by three theories namely equity theory, Maslow's Hierarchy of needs theory and Herzberg two factor theory. The chapter also encompassed the conceptual and operationalization structure that outlined the connection between the variables.

### **2.2 Theoretical Review**

#### **2.2.1 Equity Theory**

Stacey Adams established the equity theory in 1963. Adams stated that any form of employee benefits should be awarded to employees equitably to enhance motivation and good performance (World of work project, 2019). According to Tanner (2020), employees are motivated when they feel that they are fairly and equitably rewarded for their contribution as their peers at the workplace. It is therefore important for Managers to create a sense of equity when designing reward strategies in order to ensure utmost level of motivation, commitment and good performance.

The theory based its argument on fair balance on all employees. Adams asserted that employees weighs the reward offered in relation to their input to the company. Thus,

Adam's Equity theory agreed that variable and indirect factors influenced staff perception or valuation of their work impact and bond to the employer. For example, during promotion and recognition of employees, it is imperative for Managers to ensure there is fairness and equality to all deserving employees. In most cases whenever there is the perception of inequality, employees grow a mistrust in the organizational leadership which ultimately affects their morale and level of motivation (Tanner, 2020). In an event where employees feel they are rewarded accordingly, then they are motivated to perform better. However, in situations of over-reward or under-reward, it results in decline or tension among other employees in relation to performance. In any workplace, a fairly accorded rewards to employees acts as a motivation to work beyond expectation.

Nonetheless, equity theory comes with inherent problems. For instance, the theory unclearly defined some main core issues like how employees fused inputs and outcomes and not to mention how it was weighed to come up with the totals that were considered fair. Besides, the theory omitted how the influences alter over time. Regardless of the limitation, the theory mounted stunning research support that offers a vital insight into the reward strategies that encourages performance. The theory is applied in keeping the balance between employee input and resultant output as well as improve and design the reward programs that immensely address any equity gaps that could arise (World of work project, 2019).

### **2.2.2 Maslow's Hierarchy of Needs Theory**

Hierarchy of Needs theory by Abraham Maslow's is among the well-known theories when it comes to reward and motivation. Maslow developed the theory in 1943. The American psychologist proposed a five tier model in relation to human needs mostly illustrated with a pyramid containing the hierarchical levels. The needs that are down the hierarchy must be first attained before moving a level up. According to Hopper (2019),

the lower level needs include psychological and safety needs while the higher order levels comprise social needs, esteem needs and self-fulfillment. In reward strategies context, needs are based on inner state of affairs that attract positive outcomes. For instance, the esteem level is met when there are recognition and monetary reward. This fulfills the self-worthiness of an individual (Hopper, 2019).

Every employer ought to know that employee's needs should be satisfied before another one crops up and dominates. This means there is no time a need can fully be satisfied as well as a met need can't act as a motivation. But for motivation to exist there should be a continuous reward to the employees at the level they fall in and one above. Hopper (2019) found that despite the logical reasoning, the theory has less validation due to lack of empirical competent evidence. However, the theory in relation to the rewards strategies drives behaviours and performance as it helps understand where the employee fits and their values.

### **2.2.3 Herzberg Two-Factor Theory**

Herzberg Fredrick established the Herzberg two-factor theory in 1959. This theory recognizes that there are two types of motivating factors at the workplace namely; satisfiers referred to as motivators and dissatisfies referred to as hygiene factors (Stina et al. 2020). According to Expert Program Management (EPM, 2018), Herzberg's research aligned on understanding what people needed from their jobs. Herzberg interviewed over 200 professionals when they were at the highest and lowest happy moments with their work. Herzberg found out that characteristics linked to job satisfaction include achievements, recognition, advancement, responsibilities and growth, and work itself. He described them as the characteristics of the reward system that act as motivators. Some of the dissatisfaction pinpointed included working condition, interpersonal relationships, supervision, administration, and company policies which were described as 'hygiene' factors.

The theory emphasized more on employees' motivation to find and achieve contentment in the work environment. This comprised of the available opportunities for achievement which included autonomy of decision, enhanced job enlargement and recognition, action responsibilities, dynamic and challenges of the task, opportunities for development and growth. Other features addressed in these frames of reference are how job delegations are done and authority decentralization. This means employees are directly involved in breaking new frontiers and meeting new challenges and targets, thus, contributing to organizational values, mission, and vision which accordingly result to improved employee performance, (Shaikh et al. 2019).

Herzberg's theory is an important reference to human resource managers who wish to have a better insight on how motivation is linked to better performance. Herzberg's theory reminds us of vital features of job; that is the job content and the job context (Shaikh et al. 2019). Job content relates to the job task while job context is the work setting in which the job is done. There is need for Managers to often strive to remove bottlenecks that cause dissatisfaction and poor performance among employees at the work environment and focus on creating satisfier factors to maximize job satisfaction opportunities.

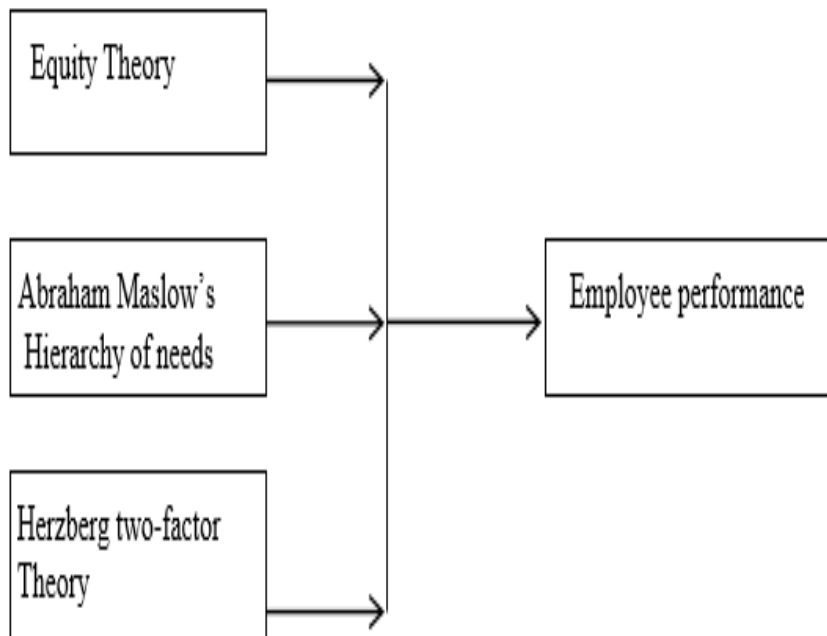
The theory is relevant to this research as it establishes the two types of needs that employee operates under which should be addressed. Besides, the theory pilots' researchers by pinpointing determinants of motivation for employees to perform (Conway, 2021).

#### 2.2.4 Theoretical framework

Figure 2.1 is the theoretical framework which represents the link between the three theories used in the study and employee performance. It illustrates the connection between the dependent variable and independent variables. The dependent variable in this study was employee performance and the independent variables included theories that guided in the study on the factors that influence employee performance in public hospitals in Nairobi County, Kenya. In this study, they included Equity theory, Abraham Maslow's Hierarchy of needs theory and Herzberg two-factor theory.

**Figure 2.1**

#### *Theoretical Framework*





## **2.3 Empirical Review**

### **2.3.1 Employee Benefits Strategy and employee performance**

Merha (2020) defined employee benefits as the form of compensation employers offer their employees in addition to their earnings. Merha further stated that benefits act as an assurance to the employees' wellbeing, safety and protection and are awarded to employees to fulfil their extra needs and requirements with the intention of motivating them. This results to enhanced employee loyalty and performance. According to Werner and Balkins (2021), benefits awarded to employees are perceived by many companies as an indispensable evil. This is because companies are compelled to offer them so long as their competitors are providing them and employees do expect the employer to deliver lest they risk losing them to their business rivals. These employee benefits must be provided to employee regardless of the long term effect they have on the business.

According to Sujatha (2017), employee benefits strategy being one of the reward strategies is categorized under statutory benefits, organization's standard and fringe benefits. Statutory benefits are those benefits that businesses are obliged by law to offer to workers for example contribution towards National Social Security Fund (NSSF), compensation for overtime and medical cover. Benefits that are categorized under organization's standards are retirement savings, paid time off and health insurance. The fringe or added benefits includes reimbursement of training fee, provision of institutional housing, free transport to and from work, flexible work schedule and wellness programs like Employee Assistant Program (EAP). However, according to Werner and Balkin (2021), flexible work schedule despite being an attractive form of employee benefits poses a huge administrative burden in an organization in terms of management and cost and also may lead to unprecedented consequences to employees at all levels. Therefore, employee benefits strategy needs to be carefully instituted and implemented because it is

deemed to play a key role on the organizational success as well as attainment of competitive advantage over other business competitors.

Employee benefits strategy aims at improving the motivation of employees to perform as per the employer's expectation. Organizations that do not offer attractive benefits are likely to face difficulty in attracting and retaining talented and competent employees. According to Ruhland (2018), employers know that offering valuable benefits to employees is critical in attracting and retaining a committed workforce. Despite knowing so, some employers do not approach offering of employee benefits as a strategic method to keeping the most talented workforce. Ruhland further asserted that use of employee benefit strategy as a strategic tool to attract and retain workers increases employee satisfaction and subsequently organizational performance. However, Armstrong (2021) argues that despite employers providing attractive employee benefits, some staff tend to devalue them unintentionally with time. Armstrong states that once employees are informed of the benefits they are entitled to while in employment during induction, they hardly think of them as of importance until they are deprived of them. Thus, it is imperative for employers to inform employees that benefits accorded to them are mainly earned through their hard work and hold a great value to both the employees and the organization. This will necessitate the employees to regard employee benefits awarded to them highly as deserved.

Steve and David (2021) in their view stated that different kinds of employee benefits offered by organizations are determined by the total cost as well as the employee's worth. They further pointed that a catalyst for employee attraction and retention is attractive benefits package. They also contended that businesses may compete on the basis of pay as a reward strategy but it is widely proven that it is employee benefits strategy which dictates the satisfaction of employees and businesses' competitive

advantage. However, according to Nemeckova (2017) in his study argues that provision of attractive employee benefits does not necessarily result to enhanced satisfaction at the workplace and performance of employees. Therefore, it is important that during hiring of new staff, their personal aims are assessed to ascertain that they conform to the organization's objectives. Also it is imperative to consider their individual preferences as pertains the benefits applicable in the company because to some people, various factors trigger their current employee benefits preferences.

Merhar (2020) stated that employee benefits strategy cannot be termed as a motivator because it does not necessarily contribute to employee productivity. She contends that employers are compelled by law to pay some benefits on behalf of employee especially for medical care and social security. Employers also for the purposes of hiring and retention of the right workforce and in order to outshine the competitors in the market, they are compelled to provide very attractive employee benefits. These benefits despite being highly attractive do not translate to good performance. However, these sentiments differed with Robles (2018) in his research findings on influence of employee benefits on staff satisfaction in the hospitality industry. He indicated that employee satisfaction and performance in an organization is greatly attributed to applicable employee benefit strategies such as retirement benefits, social benefits and financial services benefits which act as powerful motivators. This sentiment was supported by Greenwood, 2020 who admitted that effective employee benefit strategy warrant improved retention of employees, good attitude towards work and minimizes absenteeism. Therefore, organizations must invest in employee benefits strategies that are deemed by employees to be beneficial to them in all categories and the organization at large for improved performance and productivity.

Bremen and Levanat (2018) indicated that organizations that strive to source for the most talented workforce have rather complex employee benefit strategy which is mainly dictated by the category of staff they wish to attract to the business. These benefits are personal security, flexible work schedules, maternity and paternity leave, EAP, mortgage and interest free loans. Such benefits are viewed by many highly skilled people as the most valuable benefits that could be awarded to them to warrant their retention in an organization. However, Armstrong and Brown (2019) noted that employee benefits strategy despite being the best reward strategy for attraction and retention, is a major component of employee costs and therefore should be reviewed regularly to ascertain its influence in the organization because employees may take some benefits for granted.

Herzberg two factor theory, places employee benefits in the category of hygiene factor as it largely strives to avert dissatisfaction of employees in the workplace. It is also quite essential for employee's satisfaction in regard to their basic needs, Nemeckova (2017). Thus, for employee benefits strategy to meet the organizational objective, benefits must be awarded to employees equitably as affirmed by Adams equity theory for enhanced motivation and good performance.

### **2.3.2 Staff Performance Appraisal Strategy and Employee Performance**

Joel (2017) defined staff performance appraisal as the method of assessing the performance of employees against the set objectives after a given duration. It consists of details on how they can continue performing optimally and also gives progressive feedback to assist in improving performance where necessary. Staff performance appraisal strategy generally helps the structure of the organization, documentation, feedback, annual planning and clarity in communication. Employees require continuous communication with supervisors and managers as well as feedback practices in order to remain motivated and eager to learn from previous appraisal reports (SpriggHR, 2020).

Staff performance appraisal strategy gives recognition of the work advancement in meeting the organization's goals and assesses performance if it is conforming or exceeding stipulated expectations. The strategy helps in making better staffing decision including rewarding employees for their excellent performance and in the long-run high productivity. According to Joel (2017), well managed staff appraisals assures employees that the employer values them, grants them a chance to change and embrace open communication between the employees and the management.

The decision on whom to reward is driven by staff performance appraisal evaluation report. However, it is a milestone event that is value driven as it focuses on the performance of the business resulting from employee performance. Staff performance appraisals are closely linked to reward management system. As a result, performance-related reward is regularly used when determining those whom to reward based on performance of individual employees. Merit-based reward is used by most of organizations globally. Staff performance appraisal keeps track of the performance of employee where past appraisal records can be used in determining the progress of each employee and any improvements made recognized and rewarded. Besides, staff performance appraisal is evidence-based system that assist in identifying the skill gap needed for a better performance (Perkins & Jones, 2020). However, this reward based strategy doesn't fall short of criticism. According to Murphy (2019), most employees are not satisfied with the staff performance appraisal process driven by their supervisors with the aim of quantifying their performance in the organization. Murphy, further argued that the whole process is quite ambiguous, time consuming, biased and gave the supervisor a lot of liberty to judge the performance of employees. This was supported by Chand and Naidu (2020) who affirmed that though staff performance appraisal was compulsory in the country's public sector, the practice was muddled with biasness, nepotism and favoritism thus defeating the essence of the strategy.

Staff performance appraisal strategy despite being one of the recommended reward strategies for human resource management, both supervisors and the workers were not contented with it and the process involved. Abbas et al. (2021) in their study on the effectiveness of performance appraisal programmes in the health sector contended that the employees were not aware of the crucial importance of staff performance appraisal. Expectation and business goals were not clearly communicated to them by the supervisors resulting to poor interaction between the parties. The study further pointed out that lack of active and interactive participation by managers and the employees in the development of staff performance appraisal tool as well as in the entire process results to decline in motivation. This leads to decrease in performance of employees and it seems to be a chronic challenge in many organizations. However, the study noted that decentralization of the appraisal processes and granting more authority to the managers and supervisors as well as empowering them could alienate the bottlenecks.

Bagga (2020), in a survey conducted in Asia observed that assessing staffs against goals that do not think through the impact of a pandemic on productivity, staff motivation and resourcing is discriminatory. Employers and professionals debated on whether to adjust their appraisal process in case of the pandemic period. They recommended to focus on new approaches like rating on employee contribution and team performance rather than annual employee performance and goal-setting. This entails short term prioritization of work flow rather than long term goals that can easily be affected by change in response to the deterrence of any unforeseen occurrence.

Despite the challenges highlighted in the previous studies, Tahiri et al. (2020) affirmed that staff performance appraisal is a crucial element for business success. They indicated that organizations ought to have effective staff performance appraisal systems in place in order to know who is up to the task and based on the performance appraisal results, reward

to be offered accordingly. Organizations must ensure that the staff performance appraisal strategy does not breed a stressful workplace since that can be detrimental to the overall output as indicated in the Herzberg two-factor theory.

Staff performance appraisal strategy must be objective, free and fair. Moreover, it should be strongly linked to long-term achievement on an individual's performance. Issues of subjectivity in employee performance evaluation brings about mistrust and rebellion when it comes to rewards based on performance. Therefore, it is imperative for employers to ensure that the entire staff performance appraisal process is well coordinated to fulfil its purpose in the organization. Besides, the essence of the staff performance appraisal strategy is to help in evaluating different performance dimensions to ensure that the organizations are getting value for their investment and keep abreast in the competitive business world.

### **2.3.3 Employee Promotion Strategy and Employee Performance**

Heathfield (2019) defined employee promotion as the upward progression of an employee at work from one level to a higher level with higher responsibilities. Heathfield further viewed employee promotion strategy as one of the most desired reward strategy by employees because it had an immediate impact on their pay, authority, responsibility and ability to make decision. This was supported by Barman (2021) sharing the same view that employee promotion strategy enhances employee commitment, improves morale and reduces rate of absenteeism leading to increased productivity.

Employee promotion strategy is among the chief reward strategies applied by employers in motivating employees with the aim of heighten their performance. This ensures that they are more committed in their work and are likely to work for the organization for a longer period. Employees experience a sense of value when they are accorded a chance

to grow in their carrier and subsequent upward movement (Niguse, 2019). This was in agreement with the views of Afolabi et al. (2018) study that efficient service delivery was only realized when the employees felt like they are part of the organization and there is no better way to that than ensuring promotions are accorded promptly to eligible employees without fail. Effective employee promotion strategy encourages career advancement and ensures that not only are employees rewarded for their excellence but also puts them into the positions they fit in the most for better performance. Staff advancement is one of the proved steps to realize self-actualization in one's career life as affirmed by Maslow's hierarchy of needs theory (Tanner, 2020).

An organization must undertake employee promotions from within to enhance employee motivation and also to ensure individual employees achieve their interests in relation to career progress. This brings in the factor of mutual existence between the two factions, which translates to long-term organizational performance and stability (Armstrong, 2021). Merit, seniority, competence, skills and proper evaluation must be well implemented so that the motivation aspect that is the result is achieved. However, Gabriela and Duda (2017) contended that if there is a noted practice of unfair employee promotions, it greatly affects the relationships among employees in the workplace. In many occasions, this results to frustration, stress and urge to quit the employment by employees who believe that they were unjustly treated. The authors further stated that failure to have a well-designed employee promotion policy in place and to adhere to laid down procedures would result to dissatisfaction of employee and poor performance. This is supported by Roddy (2019) who asserted that employee promotion does not necessarily promote employee morale and success but a routine advancement. Therefore, the effectiveness of the staff promotion strategy is only realized when clear policy and procedures are laid down and followed to the later without any biasness. This has to be an active and continuous process to ensure that employee promotion is not delayed.



According to Afolabi et al. (2018), staff promotion strategy results to employees performing better than expected, go beyond the set objectives and become highly committed to their work and the employer. Preferred are people who know how to manage themselves, aim for the organization's success, show responsibility, and volunteer for senior role. DeLoatch (2021) however, argued that nowadays staff expect less promotions because of the compressed structures which diminishes the level of commitment at work and can have negative influence on the workforce. Therefore, for employee promotion strategy to be viewed as a motivating factor in the business, it is vital for managers to develop an employee promotion policy that considers diversity and outlines opportunities for individuals who are creative, exemplary performers and gifted. This will see employees being rewarded not only based on their skills and experience but their performance at the workplace as well.

Employee promotion strategy drives employee commitment towards meeting their performance threshold and often look for opportunities that offer further growth. In the instances where a job offers low wages because there is no need for higher skills and qualification, then promotion as a reward and motivator should be offered in accordance with the contribution and competence. According to Werner (2021) employee promotion strategy is mostly desired by employees as it impacts on pay, responsibility and authority which raises employee status. This conforms to the Maslow's Hierarchy of needs theory and Herzberg two-factor theory who asserted that motivation is an essential element in reward as it is proved to enhance job satisfaction, growth, advancement and a way of recognition. This results to elevation of the employees' self-esteem and self-actualization (Gabriela & Duda, 2017). Thus, employers ought to consider, uplift and safeguard the employees self-esteem as it impacts on employee performance and further has a broader influence on organization success.

### **2.3.4 Employee Recognition Strategy and Employee Performance**

Employee recognition strategy in the workplace leads to accomplishment of the individual and organizational goals, motivation and makes employees see the value of their work. According to Kinne (2021), employee recognition is the deed of recognizing the company employees publicly for their human nature and the effort they put in their work. This makes them embrace each other's ideas and appreciate they are all in the company for a common purpose. Kinne further indicated that a comprehensive and a strategic well designed recognition system can help in lifting the spirit of employees as well as motivate them to always execute their duties optimally as is expected of them. Embracing employee recognition programs in the organization creates a culture of excellence that promotes appreciation and also empowers individuals. This unlocks the employee's inner potential and encourages them to be more inventive in their work.

Madhani (2020) asserted that employee recognition strategy comprise of three categories of recognition namely entire organization formal recognition, specific department informal recognition and consistent structured everyday recognition. The author further indicated that employee recognition intrinsically inspires employee's commitment and initiative that manifests the unique value and input staff give to the business. These views were supported by Ross (2021) who affirmed that for employee recognition program in an organization to be successful, there is need to have an extensive and holistic recognition strategy mainly referred as total recognition comprising of the three levels of recognition.

Formal recognition is a designed program with a well-defined procedure and processes that govern the rewarding of employees for attainment of important set goals. The exercise can be done annually or after a period of time depending on the organization's employee recognition policy. This denotes that only employees who have portrayed an

outstanding performance either in accomplishing a very essential task for the entire organization or have tremendous performance are recognized. Many organizations offer this form of recognition based on the years of service. Though with the current trend on employee turnover, it is important for organizations to award staff after completing at least two or three years in the employment rather than wait for the traditional five years. Frequent honoring of employees improves motivation of employees and increases retention (Ross, 2021).

Ross (2021) indicated that informal employee recognition on the other hand, is intended to appreciate the little or greater progress made an individual or group towards attaining a specific set goal or change of a certain unwarranted behavior. The author further stated that an informal employee recognition are deemed to be successful when they are personalized, immediate, simple and are made public to all workers. A day to day recognition is considered to be the most critical form of appreciation and should form the base of the organizations employee recognition strategy. As the name suggests, this form of recognition is regular and continuous and is meant to support the standards of the organization in all areas. This involves appreciation from another worker or manager for exemplary performance or exceeding the expected results.

Daily employee recognition validates the culture of caring and appreciation for many employees. However, Sergio and Hector (2020) states that besides gratitude, the purpose of employee recognition in every workplace in the employees life is to empower them to realize oneself, lift their self-confidence, have maximum respect and raise their self-esteem. The researchers further pointed out that every individual needs one another in order to form a steady and maximum identity in the work environment. It is human nature for every employee to require freedom, feel some sense of uniqueness, be honored, enjoy rights and have dignity in the workplace. Therefore, it is imperative for organizations to

have a well-defined employee recognition strategy that considers the diverseness of the workforce in order to accommodate their needs and expectations and for the organization's success.

According to Saunderson (2021), during pandemic when normal work schedule was enormously disrupted, employers had to make time out of their busy schedule to give thanks and praise their employees through online employee recognition program, make personal calls or present handwritten notes. Employers had to also show more care and concern as well as offer flexible work schedule to accommodate all employees in various fields and to prevent disruption of services. The different levels of award kept the recognition program to be ever fresh and assisted the managers in identifying the best form of employee recognition to offer each individual based on their performance, (Madhani, 2020). However, Bosire (2021) observed that, despite the enormous benefits emanating from employee recognition reward strategy in enhancing employee performance during the pandemic, the health care facilities were yet to embrace it. The researcher pointed out that it was still a challenge to effectively adapt the laid down procedures in identifying and rewarding the rightful beneficiaries. Therefore, it is important for organizations to use employee recognition strategy as it is considered to be among the most crucial human resource reward strategies in any business that influences employee performance since it can be applied any time regardless of circumstances.

According to Victor (2017), citing the survey carried out by Forbes in 2017, it was observed that 66% of the workers would quit their work if they felt they were not adequately rewarded or underappreciated. He further noted that without acknowledging the critical essence of employee recognition and developing a recognition strategy that delivers results, you stand to lose competent employees due to dissatisfaction as relayed in the Herzberg two factor theory. This was supported by Bosire (2021) who affirmed

that employee recognition was very instrumental in heighten staff output in every organization. This indicates that more emphasis needs to be bestowed in employee recognition strategy by employers in order to boost employees morale with the aim of averting dissatisfaction geared towards achieving the anticipated performance.

An effective employee recognition strategy should be clear, consistent, and fair as well as easily reinforceable. Employee recognition strategy offers a platform for enhancement and communication when it comes to the enactment of organizational goals. In the case where the employer identifies the effectiveness of their employees and more so capitalize on them, then there is the possibility of shifting actions and behaviour that matches the organization attitude. Ondhowe et al. (2021) in their research on influence of recognition practice on employee performance revealed that recognition enhanced motivation which positively impacted on employee's performance. The study further showed that recognition of employees at the workplace is key in increasing motivation, job satisfaction and improved performance. The study is in support of Bosire et al. (2021) findings who suggested that organizations should endeavor to appropriately recognize their employees to allow them realize their potential and in return exhibit exemplary performance.

Employee recognition strategy does not dictate that recognition should always be formal. It can be extended in a less-formal way. For instance, completion of a task can be recognized by a simple acknowledgement, "well done", "thank you", or by a sense of appreciation through offering a small tangible award. It is up to managers to be creative when recognizing the efforts employees put into the work which also encourages future endeavours. Mena et al. (2019) pointed out that in the situation where there is underperformance, then recognition or appreciation of the milestone met by an individual can help in minimizing the possibility of discouragement or demotivation. This conforms to the Adams equity theory who emphasized that every effort made by an employee

should be rewarded accordingly to motivate them do even much better. However, there is the misconception in many organizations that when managers lavish the employees with praises, it lessens the importance of praise value which makes the employee get in a comfort zone. Though it may appear to be true, this is regarded as misguided beliefs which should not be entertained in the workplace as it will hinder the mileage already achieved by employee recognition strategy.

Employee recognition strategy incorporates several platforms as envisioned in the organization's policy on employee recognition. The formal strategy includes reward ceremonies and bonus schemes, while the informal system uses verbal appreciation and gifts. Whether the strategy is formal or informal, employee recognition strategy is most successful when it is aligned with the organization's objectives, mission, vision and values. Madhani (2020) asserted that employee recognition has a timing factor and performance should be recognized immediately when it is still memorable. If there is a continuous high performance then that means there should be frequent recognition. However, there is a need for cautiousness so that it doesn't seem as it is automatic and diminish the essence of the strategy. This is to ensure that the actions go even further in meeting the corporate goal of taking the business to a higher level using a well inspired workforce.

Considering the diversity of our workforce and ever changing working environment, employee recognition strategy can take different forms. Structured recognition comprises of the employee of the month or year, breakfast or banquets or annual report that features accomplishment made by the employees. Also, great performance can be recognized by empowering or providing additional support such as assigning higher responsibilities. Brown (2021) however is of the view that employees should be allowed to give their input on the preferred form of recognition they would wish to be offered as a reward for

performance. Therefore, by virtue of individuals having different preferences in relation to their needs and expectations at any given period in their life, it would be prudent for organizations to award employees with what is presumed to be beneficial to them. This would make them realize their worth in the organization and subsequently uplift their morale resulting to commitment, retention and high productivity.

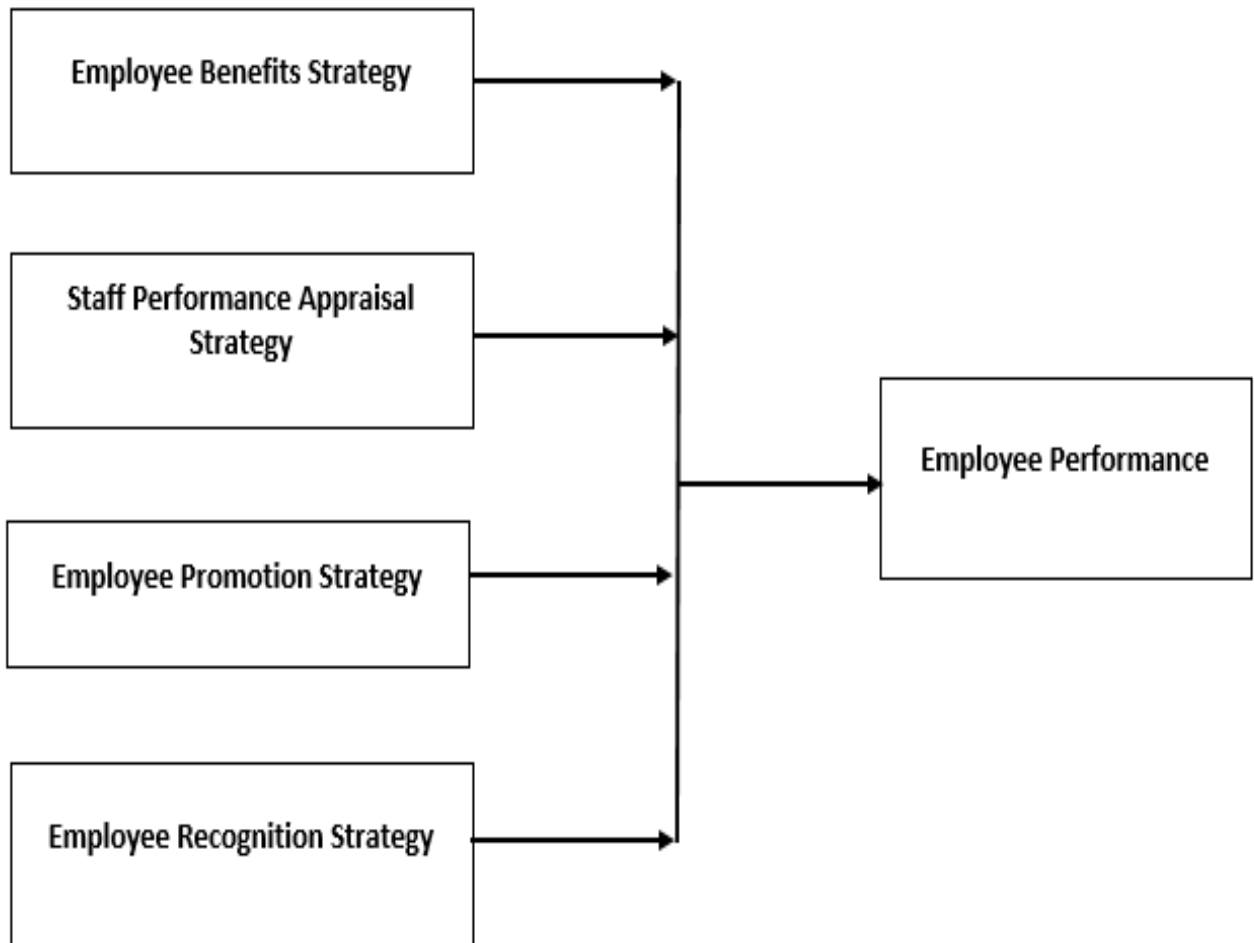
### **2.3 Conceptual framework**

The study investigated the influence of reward strategy on employee performance. Employee performance was the dependent variable as it was affected by independent variables which comprised of employee benefits strategy, staff performance appraisal strategy, employee promotion strategy and employee recognition strategy.

A productive employee is the fusion of the right skills set and an effective work environment. There are various factors that influence employee level of performance which managers should be aware of and ensure they are improved more often to avoid any shortcomings in the execution of tasks. The figure 2.2 below is the conceptual framework.

**Figure 2.2**

***Conceptual Framework***



**Independent Variable**

**Dependent Variable**

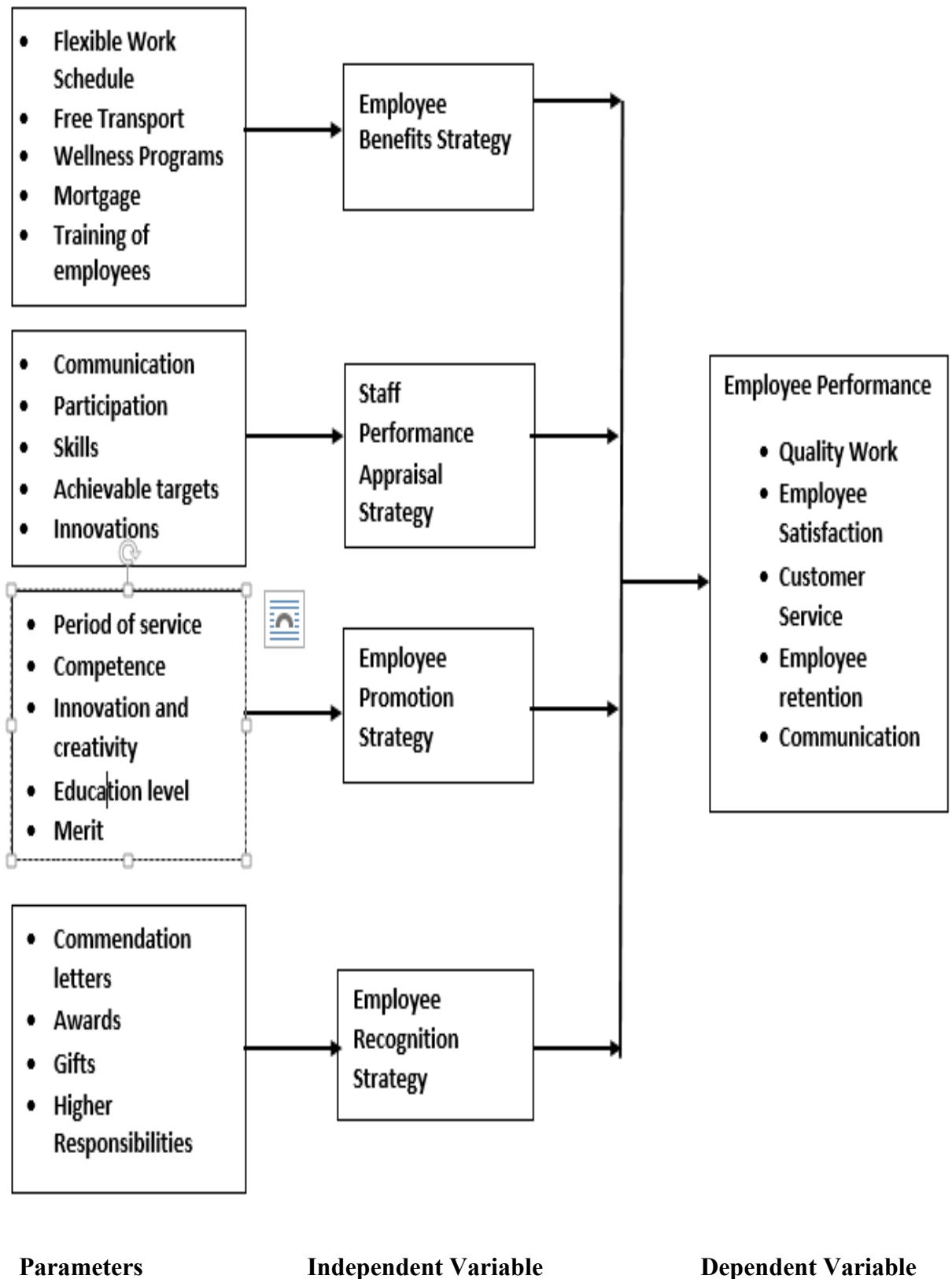
**2.4 Operational Framework**

Reward strategy focuses on performance improvement by framing the goals of a given work. Research shows that when humans are praised or appreciated, there are higher chances of performance improvement. Besides, another process of increasing output is through personalization of reward strategy because at times employees tend not to value general reward. The figure 2.3 represents the operationalization framework.



**Figure 2.3**

***Operationalization Framework***



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The chapter describes how the research was conducted and designed. It included the research design, the target population, data collection instrument / instrumentation, sampling procedure and data analysis method.

#### **3.2 Research Design**

A research design is the method used by a researcher to explore and acquire the desired information on the questions outlined in the study from the participants (Saunders et al, 2016). The researcher used cross sectional research design to obtain the appropriate information from the randomly selected respondents on the matter to make informed conclusions based on the collected data. Cross sectional research design is a design whereby data is collected from various individuals at a particular time. In this research design, the investigator observes the occurrences without making any interference (Lauren, 2020). The cross-sectional research design was considered suitable because the targeted population consisted of employees at different levels namely; senior management level, middle level management and lower level employees referred in the study as other staff. The design addressed issues related to the study providing insight into the research problem (Mugenda & Mugenda, 2008). The researcher used questionnaires which formed the basis for data capture.

### 3.3 Target Population

According to Saunders, et al. (2016), population is a component that involves all the individuals or items in the field of study from which sample is drawn. The authors further defined target population as a group of respondents drawn from the larger population that will be used in the study. The researcher targeted healthcare workers in three public hospitals in Nairobi County (Mama Lucy Kibaki, Pumwani Maternity and Mbagathi District Hospital). The facilities were considered by virtue of their level in the County Healthcare system and it was the researcher's believe that the findings generated from the study would be applicable to the lower level facilities. The targeted staff categories were senior managers, middle level managers (Supervisors) and other staff. The estimated population size of the three public hospitals in Nairobi County was 1,601 employees. The study excluded the three main national referral hospitals in Nairobi County (Kenyatta National Hospital, Mathari National Referral Hospital and National Spinal Injury Referral Hospital). This was because by nature of their level in the health care system in the national government, they operate with a huge workforce and also provide highly specialized medical services. Thus, it was observed that the findings generated from their respondents would be quite different from the respondents in the lower level hospitals.

**Table 3.1**

***Target Population***

<b>Category</b>	<b>Mama Lucy Hospital</b>	<b>Pumwani Hospital</b>	<b>Mbagathi District Hospital</b>	<b>Total</b>	<b>%</b>
Senior Managers	20	16	12	48	3.0
Supervisors	65	68	45	178	11.0
Other Staff	519	492	364	1,375	86.0
<b>Total</b>	<b>604</b>	<b>576</b>	<b>421</b>	<b>1601</b>	<b>100</b>

### 3.4 Sampling Procedure

Sampling is defined as the process of gathering the required information of the whole population by investigating just a section of it (Kabir, 2018). The researcher applied stratified random sampling to calculate the required sample size. Stratified sampling is a technique that ensures population is grouped based on the characteristics of the member groups referred as strata. Stratified random sampling ensures that clusters in the population are sufficiently represented in the sample (Mugenda & Mugenda, 2008). Fisher's formula was found suitable to determine the sample size from the population because the target population was less than 10,000 (Fisher et al. 1999). Saunders et al. (2016) adduced that when the total population of the target population is less than 10,000, a lesser sample size can be obtained without compromising the exact results by adjusting the sample size using the appropriate formula. According to Kothari (2019), a sample size is the number of individuals or items to be chosen from the target population to establish a required sample for the study.

$$n = \frac{Z^2 * p * q}{d^2}$$

Whereby;

n = minimum sample size desired (where the target population greater than 10,000)

Z = the standard normal deviate at 95%; confidence interval (= 1.96).

P = the proportion in the target population estimated 50%

q = 1-P

d= level of accuracy around projected prevalence (set at ±5% or 0.05).

Thus, the minimum desired sample size was initially calculated first knowing the exact values for p and q. The total population under study was 1,601.

Where; z = 1.96; p = 0.5; q = 0.5, d = 0.05

$$n = \frac{1.96^2 * 0.5 * 0.5}{0.05^2}$$

$$n = 384$$

Since the total population of the target population under study (Senior Managers, supervisors and other staff) was 1,601 (less than 10,000). The sample was adjusted using the following formula; where;  $n_0$  = sample size adjusted;  $n$  = calculated sample size;  $N$  = Entire population

$$n_0 = \frac{n}{1 + \frac{n-1}{N}}$$

$$n_0 = \frac{384}{1 + \frac{384-1}{1,601}}$$

$$n_0 = 309.871 \approx 310$$

The desired sample size therefore was 310.

**Table 3.2**

*Sample size*

Category	Mama Lucy Hospital	Pumwani Hospital	Mbagathi District Hospital	Sample size
Senior Managers	7	3	4	14
Supervisors	39	41	23	103
Other Staff	93	66	34	<b>193</b>
<b>Total</b>	<b>139</b>	<b>110</b>	<b>61</b>	<b>310</b>

### **3.5 Data Collection, Instrument and Procedure**

Syed (2021), defined collection of data as a method of assembling, estimating and scrutinizing data using standard recognized procedure. Data was collected using the method the researcher found appropriate for the study based on the research topic, problem statement, study objectives, research hypothesis and the applicable research design. The study used structured questionnaire to collect data from the participants because of the large number of respondents targeted to ensure the desired results was achieved. Syed (2021) defined Questionnaire as a written study tool used by a researcher to collect data over a huge sample. The questionnaire was sub-divided into two main parts: part one comprised of the bio-data of the respondents incorporating gender of the respondent, age bracket, highest level of education, staff category and years of service in the institution; and part two laid focus specifically on how reward strategy influenced respondent's performance in the organization. The section majored on the independent variables namely; employee benefits strategy, staff performance appraisal strategy, employee promotion strategy and employee recognition strategy.

The study applied a five point Likert scale which assigned ratings of 1, 2, 3, 4 and 5 to check on the level of agreement whereby 1 denoted strongly disagree, 2 as disagree, 3 as moderately agree, 4 as agree and 5 as strongly agree. The researcher printed a total of 310 questionnaire which were randomly distributed to the participants through their immediate supervisors and were returned through the same officers for the researcher to pick. The distribution of the questionnaire was done by the supervisors because of restriction of movement and physical contact due to Covid-19 pandemic. Follow ups were made through personal visits to the relevant offices and telephone calls to speed up the exercise.

## **3.6 Validity and Reliability**

### **3.6.1 Validity**

Saran (2018) defined validity as the level to which a research tool measures and achieves the results it is anticipated to achieve. Pre-test was conducted to establish whether the instrument reflects what it was intended for in the study. Questionnaires were distributed to 10 participants comprising of senior managers, middle level managers and other staff to ensure face validity. The respondents for pre-test were randomly chosen from the selected 3 public hospitals in Nairobi County. The research supervisors were involved in proving the questionnaire and provided their expert opinion to check content validity. The feedback obtained was used to improve on the tool.

### **3.6.2 Reliability**

Reliability is the extent an instrument used in research can provide related findings after repeated trials (Mugenda & Mugenda, 2011). A pilot test was conducted to assess the degree of internal consistency and 10 respondents were randomly chosen across all the categories in the three hospitals to fill the pilot questionnaire. Internal uniformity of the questionnaire was measured by use of Cronbach's alpha. The resulting coefficient ranges between 0 to 1 and a range that is above 0.7 is considered to be reliable (Sekaran & Bougle, 2016).

## **3.7 Method of Data Analysis**

According to Dawit (2020), data analysis is the technique of changing the raw data collected from the respondents into a better meaningful details and ideas for better understating by the researcher to draw informed conclusions. It involves simplifying

complex elements and arranging them in a systematic order to allow better interpretation. During analysis of data, the study applied data editing, coding, classifying and tabulation. In the course of analysis, relationships were statistically subjected to tests of significance to establish the validity of data that could be considered appropriate to make reliable conclusions (Kothari, 2019). To analyze the collected data and to tabulate the tables, a statistical software package namely Statistical Package for Social Sciences (SPSS version 25) was used. Descriptive statistics that is; standard deviation, mean, and frequencies was applied in analyses of the data. Content analysis was used to analyze the Qualitative data to determine the emerging themes.

The study regression equation was as follows:

$$(Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon):$$

Whereby;

Y = employee performance

X<sub>1</sub> = Employee benefits strategy

X<sub>2</sub> = Staff performance appraisal strategy

X<sub>3</sub> = Employee promotion strategy

X<sub>4</sub> = Employee recognition strategy

β<sub>1</sub>, β<sub>2</sub>, β<sub>3</sub>, β<sub>4</sub> = Regression Coefficients

ε = Error term

### **3.8 Ethical Consideration**

The study ensured strict adherence to laid down ethical procedures by NACOSTI and the training institution. The researcher acquired a letter of authorization for data collection from Kenya Methodist University and a permit was issued by National



Commission of Science Technology and Initiative (NACOSTI). Consent of respondents to participate in the process was sought from each individual. Further, it was explained that participation was voluntary and participants were not required to indicate their names to guarantee anonymity. Confidentiality was observed by ensuring the data collected was safeguarded and used for the intended purpose.

## CHAPTER FOUR

### RESULTS AND DISCUSSION

#### 4.1 Introduction

The chapter illustrates the analysis and results revealed from the study as established in the methodology. The research pursued to establish the influence of reward strategy on employee performance in Public Hospitals in Nairobi County. The main variables were employee benefits strategy, staff performance appraisal strategy, employee promotion strategy and employee recognition strategy. Likert Scale was used in designing the data collection tool and the replies of the subjects were drawn from a 5 point scale. The data was analyzed using Statistical Package for Social Studies (SPSS version 25). The findings and discussions were aligned with the study objectives and the hypothesis testing outcome was provided. Descriptive as well as inferential statistics were presented in tabular form as shown in the chapter.

#### 4.2 Response Rate

The study response rate from the 310 questionnaires distributed to the respondents was as indicated below:

**Table 4.1**

***Response Rate***

<b>Response</b>	<b>Frequency ( n )</b>	<b>Percentage ( % )</b>
Completed Questionnaires	289	93.2
Unrequited Questionnaires	21	6.8
<b>Total</b>	<b>310</b>	<b>100.0</b>

**Source: Research Data (2021)**

As presented in table 4.1, three hundred and ten (310) questionnaire were given out to the participants to respond to the items in each variable, however, two hundred and eighty nine (289) were completed and returned. This accounted for 93.2% rate of response that is considered adequate for analysis of data and reporting. According to Mugenda and Mugenda (2011), 50% response rate is considered sufficient for the data analysis and reporting, a rate of 60% is viewed as good; while 76% and above is considered exceptionally good. This indicated that the research established an outstanding response rate of 93.2%.

### 4.3 Reliability of Results

To determine the reliability of the research questionnaire, Cronbach's Alpha was used to measure the internal consistency following a pilot test that was conducted. Sekaran and Bougle (2016) indicated 0.7 as the Cronbach's Alpha value threshold which forms the benchmark of the study. Cronbach Alpha for each objective was established thus forming a scale. The test results were as indicated in the table 4.2 below:

**Table 4.2**

***Reliability Results***

<b>Variables</b>	<b>Cronbach Alpha</b>	<b>Number of Items</b>
Employee benefits strategy	0.798	5
Staff performance appraisal strategy	0.891	5
Employee promotion strategy	0.916	5
Employee recognition strategy	0.875	4
Employee performance	0.787	5

**Source: Research Data (2021)**

Based on the results, Cronbach's alpha for the five outlined variables were described as follows: Employee benefits strategy 0.798; employee promotion strategy 0.916; Staff performance appraisal strategy 0.891; Employee recognition strategy 0.875; and Employee performance 0.787. For an instrument to be reliable, Cronbach alpha should be more than 0.7 (Sekaran & Bougle, 2016). It was thus established that the questionnaire used in the study was reliable based on the high degree of internal uniformity of connected set of items as per each variable both in dependent and independent variables.

#### **4.4 Demographic Analysis**

This research focused on the demographic features of the respondents which provided basic insight about the participants to inform the dependability of the information gathered. The considered features were; gender of the participant, age bracket, education level, employee category and years in the service while in the facility.

##### **4.4.1 Gender**

The gender of the respondents was as indicated in the table below:-

**Table 4.3**

***Respondent's Gender***

<b>Variables</b>	<b>Frequency ( n )</b>	<b>Percentage ( % )</b>
Male	114	39.3
Female	175	60.7
<b>Total</b>	<b>289</b>	<b>100.0</b>

**Source: Research Data (2021)**

The study outcome in table 4.3 illustrated that, majority of participants 175 (60.7%) were female whereas 114 (39.3%) were male. This indicated that female were the most dominant gender in employment as compared to their male counterparts in the study in the selected public hospitals in Nairobi County, Kenya.

#### 4.4.2 Age bracket

The age bracket of the respondents was as shown in the table below:-

**Table 4.4**

*Age bracket*

<b>Years</b>	<b>Frequency ( n )</b>	<b>Percentage ( % )</b>
20 – 25	14	5
25 – 30	40	13.8
30 – 35	101	35
35 – 40	38	13.2
40 – 45	68	23.5
Over 45	28	9.5
<b>Total</b>	<b>289</b>	<b>100.0</b>

**Source of the data: Research (2021)**

Based on the above table, the study findings indicated that 101 (35%) of the participants were between the age of 30 to 35 years, followed by 68 (23.5%) aged 40 to 45 years and 40 (13.8%) of the respondents were between 25 to 30 years. This showed that the popular age of the participants that is; between 30 to 35 and 40 to 45 were deemed to be mature to provide accurate and dependable information that is essential in this study in generating findings to assist in drawing informed conclusions.

#### 4.4.3 Highest Level of Education

The education status of the participants was as indicated below:-

**Table 4.5**

*Highest Level of Education*

<b>Age in years</b>	<b>Frequency ( n )</b>	<b>Percentage ( % )</b>
Certificate	-	-
Diploma	160	55.4
Bachelor's Degree	106	36.6
Postgraduate	23	8.0
Any other	-	-
<b>Total</b>	<b>289</b>	<b>100.0</b>

**Source: Research Data (2021)**

Table 4.5 illustrated 160 (55.4%) of the respondents' highest education level was diploma, 106 (36.6%) were holders of Bachelor's Degree while 23 (8%) had Postgraduate degree. The results further shows that, none of the participants indicated that they were certificate holders or other qualifications besides what was specified in the questionnaire. This shows that many respondents who participated in the study were well educated to give reliable information as anticipated in the study to aid in making commendable conclusions.

#### 4.4.4 Category of employees

The employment level of the participants in the organization was as indicated below:-

**Table 4.6**

*Category of employees*

Management level	Frequency ( n )	Percentage ( % )
Senior Managers	14	4.8
Supervisors	105	36.3
Other staff	170	58.9
<b>Total</b>	<b>289</b>	<b>100.0</b>

**Source: Research Data (2021)**

This study desired to establish the category of staff the respondents belonged to in the organization. The findings revealed that most of the participants (58.9%, n = 170) belonged to the category of other employees, followed by 36.3% (n = 105) supervisors who are mainly referred as middle level managers and 4.8% (n = 14) working as senior managers as demonstrated in table 4.6.

#### 4.4.5 Years in the service

The participant's years of service in the institution was as follows:-

**Table 4.7**

*Years in the service*

<b>Years</b>	<b>Frequency ( n )</b>	<b>Percentage ( % )</b>
Less than 5 years	32	11.1
6 - 10 years	77	26.6
11 - 15 years	72	24.9
16 - 20 years	68	23.5
Over 20 years	40	13.8
<b>Total</b>	<b>289</b>	<b>100.0</b>

**Source: Research Data (2021)**

In table 4.7 above, the results revealed, many participants 77 (26.6%) reported to have worked in the organization between 6 to 10 years, followed by 72 (24.9%) 11 to 15 years, 68 (23.5%) of the respondents having worked 16 to 20 years. Therefore, this affirms that a large number of the participants had been in employment in the health sector for many years to provide reliable information for the study to help in drawing important conclusions.

#### **4.5 Reward strategies and employee performance in public hospitals in Nairobi County, Kenya**

The purpose of the research was to establish the influence of reward strategy on employee's performance in public hospitals in Nairobi County. In order to achieve this, participants were presented with descriptive statements on independent variables (employee benefits strategy, employee promotion strategy, staff performance appraisal strategy, employee recognition strategy) and dependent variable (employee



performance). The participants were supposed to choose the extent at which they were in agreement with the statements in each variable in the questionnaire on a five point scale (1 to 5) whereby 1 was strongly disagree, 2 was disagree, 3 was moderately agree, 4 was agree and 5 denoted strongly agree.

#### 4.5.1 Employee benefits strategy

The findings on the influence of employee benefits strategy on employee performance in public hospitals in Nairobi County were as shown below:-

**Table 4.8**

#### **Employee benefits strategy**

<b>Statement</b>	<b>Mean ( )</b>	<b>Std. Dev.</b>
There is flexible working schedule that allows employees to balance their work and daily life matters	3.916	0.644
Free transport is provided for all employees including those working in shifts to and from work	1.778	1.531
Wellness programs are readily available for all employees in the hospital	2.511	0.822
Mortgage scheme is provided to all interested employees	3.226	0.918
Training opportunities are fairly accorded to all employees to enhance their skills	3.991	0.452
<b>Composite Mean</b>	<b>3.084</b>	

**Source: Research Data (2021)**

Table 4.8 revealed that many participants agreed with the statements that there was flexible work schedule that allowed employees to balance their work and daily life matters with a mean of 3.916, there was provision of mortgage scheme to all interested

employees with a mean of 3.226 and training opportunities are fairly accorded to all employees to enhance their skills with a mean of 3.991. The presented results indicated that the three items were well applauded by participants and had a great influence on employee performance in all selected public hospitals in Nairobi County. The study further revealed that the statements that free transport is provided for all employees including those working in shifts to and from work and wellness programs are readily available for all employees in the hospital was not adequately provided and therefore had a moderate influence on employee's performance in the selected public hospitals in Nairobi county with a mean score of 1.778 and 2.511 respectively. The overall mean was 3.084 which affirms that employee benefits strategy had a remarkable effect on the performance of employees in the selected public hospitals in Nairobi County.

From the findings, it is noted that flexible work schedule, provision of mortgage scheme and availability of training opportunities are key components of employee benefits strategy that could be applied by organizations for attraction of talented employees, retention and enhanced productivity. The study further showed that provision of free transport and availability of wellness programs to employees were of great significance in improving employee performance in the workplace. This shows that employee performance in public hospitals in Nairobi County could not entirely be achieved through salary and allowances but with attractive employee benefit strategy which denotes equity and equality in the workplace.

The findings conforms to Ruhland (2018) who stated that gaining competent employees at all levels in the organization is more than a matter of salaries. According to the study findings, every employee is motivated to work with an expectation of receiving some rewards, and thus employee benefits strategy was considered to be very crucial. Further, the study indicated that paid time off, work schedule flexibility, leave from work and

recreational benefits enhances employee satisfaction which manifests in their work performance. This was in line with Cindy and Mpete (2017) who asserted that employees whose welfare was taken care of by the employer were able to concentrate on their duties as they were not worried of unforeseen health related expenses which drains their pockets. This results to higher morale, improved efficiency and more productive employees, subsequently improving service delivery and quality of work.

#### 4.5.2 Staff performance appraisal strategy

The findings on the influence of staff performance appraisal strategy on employee performance in public hospitals in Nairobi County were as shown below:-

**Table 4.9**

*Staff performance appraisal strategy*

<b>Statement</b>	<b>Mean ( )</b>	<b>Std. Dev.</b>
The supervisor communicates to the employees regarding their performance on time	3.089	1.246
Employees are allowed to participate in target setting for better performance	2.657	1.168
Employees are facilitated to acquire the necessary knowledge and skills to achieve the set targets	3.485	1.031
The supervisor sets achievable targets in line with the hospital objectives	3.463	0.976
The management rewards innovative and creative employees	3.236	1.223
<b>Composite Mean</b>	<b>3.186</b>	

**Source: Research Data (2021)**

The research findings in table 4.9 shows that many participants were in agreement that in regard to staff performance appraisal strategy, the supervisor communicates to the employees regarding their performance on time with a mean of 3.089, employees were facilitated to acquire the necessary knowledge and skills to achieve the set targets with a mean of 3.485, the supervisor sets achievable targets in line with the hospital objectives with a mean of 3.463 and management rewards innovative and creative employees with a mean of 3.236. The results further indicated that some respondents did not agree on the statement on employees being allowed to participate in target setting for better performance recording a mean of 2.657. The overall average mean score was 3.186. This shows that many participants agreed that staff performance appraisal strategy in the hospitals had an impact on employee performance.

The study outcomes were in agreement with Ugoani (2020) study which discovered that an organizational performance instills the culture of two way communication, continuous feedback on performance, having clear targets and providing tools for work. The findings adapts Moraa and Datche (2019) study findings that the organization's feedback on staff performance appraisal was provided annually and performance evaluation method provides appropriate feedback. The study also revealed that both the supervisor and the employee discusses the performance assessment; and performance feedback is effectively communicated. The results are also in consistent with Abbas et al. (2021) study who indicated that staff appraisal is an important and effective instrument that helps an organization to accomplish its objectives by ensuring that efficiency and effectiveness of employees is enhanced.

From the findings of the study, it is apparent that the results of staff performance appraisal assisted managers to pinpoint the gap between anticipated and actual performance. In case of any deficiency, measures to breach the gap were taken which included essential

training of employees to improve on their skills. The findings on staff performance appraisal strategy further revealed that for an organization to achieve competitive advantage, motivation of employees is very crucial and entails fair performance assessment and appropriate training to impart new knowledge and skills.

#### 4.5.3 Employee promotion Strategy

The results on the influence of employee promotion strategy on employee performance in public hospitals in Nairobi County were as indicated below:-

**Table 4.10**

*Employee Promotions Strategy*

<b>Statement</b>	<b>Mean ( )</b>	<b>Std. Dev.</b>
Promotions are based on the years of service in consideration with good performance	3.567	0.921
Employee competence is considered during promotion	3.381	1.049
Promotion encourages innovation and creativity of employees in the hospital	3.339	0.937
Promotion on merit is fairly accorded to deserving employees across the hospital	3.436	1.141
Level of education and qualifications are considered when promoting employees where applicable	3.613	0.962
<b>Composite Mean</b>	<b>3.4672</b>	

**Source: Research Data (2021)**

In table 4.10, the findings revealed that many participants accepted that there is a positive impact of employee promotion strategy in the public hospitals in Nairobi County. Participants were in agreement with statements that employee promotions were based on the years of service in consideration with good performance with a mean of 3.567, employee competence was considered during promotion with a mean of 3.381, employee promotion encourages innovation and creativity of employees in the hospital with a mean of 3.339, promotion on merit was fairly accorded to deserving employees across the hospital with a mean of 3.436 and level of education and qualifications are considered when promoting employees where applicable with a mean of 3.613. The overall mean was 3.4672 which signifies that majority of participants were in agreement that employee promotion strategy influences employee performance in the public hospitals hospital in Nairobi county.

The study further indicated that employee promotion strategy contributed to good payoff, improved staff welfare and raised the employee's standards of living. The study also revealed that promotions are of paramount importance in any profession and pointed out that employee salary ought to be increased regularly to cope with economic times. Further, proper induction need to be conducted for newly recruited staff and other officers upon promotion to equip them with necessary information to handle the new and added responsibilities. This shows that employee promotion strategy if effectively and fairly implemented could adversely improve employee performance, retention and attract talented workforce in an organization.

The findings conforms with Ratemo et al. (2021) who stated that well managed promotion practices enhances employee performance and engagement, saves on cost and time spent on filling vacant positions, reduces staff unrest and dissatisfaction and attracts highly skilled and talented employees in an organization. The findings further revealed that

increased responsibilities upon promotion increases motivation resulting to improved employee performance. This was in agreement with the findings of the study by Musambi and Juma (2020) which showed that promotion practices takes into consideration the level of education and qualifications, experience, competence and overall performance. The findings further shown that there was fairness in the promotion process hence building confidence and loyalty of the employees.

#### 4.5.4 Employee recognition Strategy

The results on the influence of employee recognition strategy on employee performance in public hospitals in Nairobi County were as shown below:-

**Table 4.11**

*Employee Recognition Strategy*

<b>Statement</b>	<b>Mean ( )</b>	<b>Std. Dev.</b>
Employees receive commendation letters for work well done after successfully completing an assignment	1.558	0.992
Employees are consistently and fairly awarded for good performance	1.843	0.942
The Hospital presents valuable gifts to outstanding employees	1.291	0.843
Employees are accorded equal opportunities in relation to higher responsibilities and managerial positions	1.729	0.825
<b>Composite Mean</b>	<b>1.605</b>	

**Source: Research Data (2021)**

The results on table 4.11 shows that many participants were reluctantly in agreement that in relation to employee recognition strategy, employees receive commendation letters for

work well done after successfully completing an assignment with a mean of 1.558, employees are consistently and fairly awarded for good performance with a mean of 1.843, the Hospital presents valuable gifts to outstanding employees with a mean of 1.291, and employees are accorded equal opportunities in relation to higher responsibilities and managerial positions with a mean of 1.729. The overall rating of employee recognition strategy was reported with a mean of 1.605. This shows that many respondents were yet to experience the impact of employee recognition strategy on their performance because the items on the variable were poorly rated. Therefore, it is an indication that employee recognition strategy was not effectively implemented in the public hospitals in Nairobi County.

Odhowe et al. (2021) asserted that employee recognition is largely linked to enhanced employee performance results. Although the findings of their study revealed that not all employees had received recognition awards for the good performance in the company, a significant percentage of the staff who were recognized and awarded portrayed a higher level of satisfaction in their work. Also, the study showed that employees were recognized for exemplary performance through non-monetary awards by giving them shopping vouchers which indeed motivated them and uplifted their morale.

The findings conforms to Sitati and Were (2019) study on the effect of employee recognition on employee retention in the hotel industry in Kenya whose findings indicated that the company gave employees notable recognition for good work. The findings also revealed that in the industry, there were great opportunities for employees to showcase their talents and personal initiatives. The study further stated that employee recognition came with added responsibilities including involvement in decision making.

Based on the study findings, it was apparent that employee recognition strategy greatly influences employee's performance in an organization and therefore measures need to be



put in place in recognizing good performance to boost employee’s morale. From the findings, the respondents suggested that managers and supervisors should recognize employees exceptionally and with a well-defined method of recognition. They also suggested that there should be consistency and timely recognition of whatever effort is made by individuals or groups and also have an employee recognition policy that is accessible to all employees.

#### 4.5.5 Employee performance in public hospitals in Nairobi County, Kenya

The study sought to establish the status of Employee performance (dependent variable) in public hospitals in Nairobi County. The views gathered from the participants were used to gauge the level of performance of employees in public hospitals in Nairobi County, Kenya.

**Table 4.12**

*Employee performance*

<b>Statement</b>	<b>Mean ( )</b>	<b>Std. Dev.</b>
Customers are contented with quality of work in the hospital	3.451	0.932
The management is committed to enhance employee’s satisfaction for better performance	3.678	1.065
The employees serves the customers promptly and with care	2.976	1.094
Retention of high skilled professional is highly regarded in the organization	3.187	1.18
The hospital has good communication channels between supervisors and employees	3.441	1.113
<b>Composite Mean</b>	<b>3.347</b>	

**Source: Research Data (2021)**

The findings on table 4.12 shows that majority of participants were in agreement that the management is committed to enhance employee's satisfaction for better results with a mean score of 3.678, customers are contented with quality of work in the hospital with a mean of 3.451, the hospital has clear communication channels between supervisors and employees with a mean of 3.441 and retention of high skilled professional is highly regarded in the organization with a mean of 3.187. The statement on the employees serves the customers promptly and with care presented a mean of 2.976 indicating that the level of employee's service to hospital clients was moderately satisfactory. The overall mean was 3.466. This illustrates that the rate of employee performance was high as a result of reward strategies in public hospitals in Nairobi County, Kenya. The findings further indicated that employees were motivated and ready to perform their assigned duties in order to meet the expectations of the organization. This shows that management in public hospitals in Nairobi County was committed in improving employee satisfaction which is very crucial for better performance. It also implies that the customers were happy with the quality of work in the hospital, that there was clear communication channel, high retention rate though some improvement needed to be done on customer service.

#### **4.6 Inferential Statistical Results**

Inferential statistics that were used in the research were correlation analysis and multiple regression analysis. The use of different tests was compelled by the necessity to substantiate and further interrogate the findings to discover more about the basic patterns explaining such outcomes.

#### 4.6.1 Correlation analysis

The research used Pearson correlation coefficient to measure the power of linear connection between the independent and dependent variables. The Pearson's coefficient,  $r$ , takes a value that ranges between +1 to -1 where a value of 0 shows that there is no relationship between the two variables. This indicates that a value that is greater than 0 reveals a positive relationship, thus, meaning that as the value of one variable rises, so is the value of the other variable. Pearson coefficient of less than 0.3 shows a weak correlation while 0.5 signifies a strong correlation.

**Table 4.13**

#### *Correlations Coefficient*

Variables		Employee benefits strategy	Promotions strategy	Staff appraisal strategy	Recognition strategy	Employee performance
Employee Benefits strategy	Pearson Correlation Sig. (2-tailed)	1				
Employee Promotions strategy	Pearson Correlation Sig. (2-tailed)	.511** .000	1			
Staff performance appraisal strategy	Pearson Correlation Sig. (2-tailed)	.446** .000	.13** .000	1		
Employee Recognition strategy	Pearson Correlation Sig. (2-tailed)	.501** .000	.356** .000	.116** .000	1	
Employee Performance Strategy	Pearson Correlation Sig. (2-tailed)	.603** .000	.499** .000	.316** .000	.255** .000	1

\*\* Correlation is significant at 0.01 levels (2-tailed)

The summary in Table 4.13 illustrates that the connection between an individual independent variable (employee benefits strategy, employee promotion strategy, staff performance appraisal strategy and employee recognition strategy) and the dependent variable (employee performance) was significant at the 95% confident level. Correlation analysis to establish the influence of employee benefits strategy on employee performance in public hospitals in Nairobi County indicates a significant correlation existed ( $r = 0.603$ ,  $p < 0.05$ ). Pearson's correlations coefficient was more than 0.5 indicating a solid association between the two variables. The study had pursued to investigate the influence of employee promotions strategy on staff performance in public hospitals in Nairobi County. The analysis produced a Pearson correlation coefficient of ( $r = 0.499$ ,  $p < 0.05$ ) revealing that a strong correlation existed amid the two variables. The study similarly pursued to examine the influence of staff performance appraisal strategy on the performance of employees in public hospitals in Nairobi County. The analysis showed ( $r = 0.316$ ,  $p < 0.05$ ) revealing a strong connection between the two variables. The research further sought to establish the influence of employee recognition strategy on staff performance in public hospitals in Nairobi County. The analysis yielded Pearson correlations coefficient of ( $r = 0.255$ ,  $p < 0.05$ ) to indicate a positive though weak relationship between the two variables. Hence, it is apparent that all the independent variables could clarify the change in employee performance.

#### **4.6.3 Multiple Regression Analysis**

Multiple regression analysis was applied to evaluate the connection between the independent variable (employee benefits strategy, employee promotions strategy, staff performance appraisal strategy, employee recognition strategy) and dependent variable (employee performance). The analysis showed how the independent variable equally affected the dependent variable. Table 4.14 shows the model summary results.

**Table 4.14**

***Regression Analysis***

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	0.760a	0.577	0.559	5.691

a. Predictors: (Constant), Employee benefits strategy, Employee promotions strategy, Staff performance appraisal strategy and Employee recognition strategy

Based on the findings in table 4.14, it is evident that there was an affirmative correlation between the independent variable and dependent variable. R is the correlation coefficient which shows the connection between the research variables. R value of 0.760 was obtained representing a correlation coefficient of the model with an order value of  $> 0$ . R square was 0.577 indicating that 57.7 % of variations in performance are attributed to employee benefits strategy, employee promotions strategy, staff performance appraisal strategy and employee recognition strategy; and 42.3 % of the changes are connected to other variables. This indicated that reward strategy was substantial in determining employee performance in an organization. Thus, any change in reward strategies would considerably result to a change in employee performance.

**4.6.4 Analysis of Variance (ANOVA)**

The Analysis of Variance was used to check how the model fits the data and the results were as indicated on table 4.15 below:-

**Table 4.15**

**Analysis of Variance (ANOVA)**

<b>Model</b>		<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
1	Regression	51.525	4	12.881	43.934	.000 <sup>b</sup>
	Residual	31.372	107	.293		
	Total	82.897	111			

a. Dependent Variable: Employee performance

b. Predictors: (Constant), Employee benefits strategy, Staff performance appraisal strategy, Employee promotions strategy and Employee recognition strategy

The research sought to establish the variance between the independent variable and dependent variable as well as the significance level in the research. Table 4.15 shows significance level that reveals the correlation between the independent variables (Employee benefits strategy, staff performance appraisal strategy, employee promotion strategy and employee recognition strategy) and the dependent variable (employee performance). The significance level of 0.000 is less than 0.05 thus the model is statistically significant.

#### 4.6.5 Regression Coefficients results

The results on regression coefficients were as shown below in table 4.16:-

**Table 4.16**

*Regression Coefficients*

Model	Un-standardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1 (Constant)	.191	.283		.675	.501
Employee Benefits Strategy	.661	.112	.527	5.885	.000
Staff Performance Appraisal strategy	.074	.110	.073	.673	.503
Employee promotions strategy	.147	.091	.131	1.608	.111
Employee recognition strategy	.185	.088	.186	2.094	.039

a. Dependent Variable: Employee performance

From the analyzed data in table 4.14 the established regression equation was :

$$Y = 0.191 + 0.661X_1 + 0.074X_2 + 0.147X_3 + 0.185X_4 + \epsilon$$

Y = Employee performance; X<sub>1</sub> is employee benefits strategy; X<sub>2</sub> is staff performance appraisal strategy; X<sub>3</sub> is employee promotions strategy; and X<sub>4</sub> is employee recognition strategy.

Table 4.16 indicates employee benefits strategy had a positive and significant impact on employee performance ( $\beta = 0.661$ ;  $p = 0.000$ ), employee recognition strategy had an

affirmative and remarkable effect on employee performance ( $\beta = 0.185$ ;  $p = 0.039$ ), employee promotion strategy had a positive though insignificant effect on employee performance ( $\beta = 0.147$ ;  $p = 0.111$ ), and staff performance appraisal strategy had an affirmative though insignificant effect on employee performance ( $\beta = 0.074$ ;  $p = 0.503$ ). The results shows that employee benefits strategy and recognition strategy had a positive and significant influence on employee performance with a p value of less than 0.05. This implies that any improvement on employee benefits strategy and recognition strategy would consequently result to an increase in employee performance in public hospitals in Nairobi County, Kenya.

#### **4.7: Hypothesis Testing**

The study tested the following hypothesis and the results were as follows:

**H0<sub>1</sub>: There is no significant influence of Employee benefits strategy on employee performance in public hospitals in Nairobi County, Kenya.**

The regression findings revealed that employee benefits strategy had a remarkable relationship with performance of employees in public hospitals in Nairobi County with a significant level (p) of less than 0.05 ( $p = 0.000$ ). This prompted the study to reject the indicated null hypothesis. Rejection of the null hypothesis, led to the study resolving that there was a noteworthy influence of employee benefits strategy on employee performance in public hospitals in Nairobi County.

**H0<sub>2</sub>: There is no significant influence of staff performance appraisal strategy on employee performance in public hospitals in Nairobi County, Kenya.**

The regression coefficient outcome indicated that staff performance appraisal had no noteworthy connection with performance of employees in public hospitals in Nairobi



County with a p value of greater than 0.05 ( $p = 0.503$ ). The study therefore failed to reject the null hypothesis. By failing to reject the null hypothesis, the study concluded that there was no noteworthy influence of staff performance appraisal strategy on employee performance in public hospitals in Nairobi County.

**H0<sub>3</sub>: There is no significant influence of employee promotion strategy on employee performance in public hospitals in Nairobi County, Kenya.**

The regression coefficient results showed there was no substantial relationship between employee promotion strategy and performance of employees in public hospitals in Nairobi County with a significance level ( $p$ ) of more than 0.05 ( $p = 0.111$ ). The study therefore failed to reject the null hypothesis. By failing to reject the null hypothesis, the study resolved that there existed no substantial influence of employee promotion strategy on the performance of employees in public hospitals in Nairobi County.

**H0<sub>4</sub>: There is no significant influence of employee recognition strategy on employee performance in public hospitals in Nairobi County, Kenya, Kenya.**

The regression findings showed that employee recognition strategy had a substantial relationship with employee performance in public hospitals in Nairobi County with a significant level ( $p$ ) of less than 0.05 ( $p = 0.039$ ). Therefore the study rejected the stated null hypothesis. Rejection of the null hypothesis, led to the study concluding that there was significant influence of employee recognition strategy on the performance of employees in the public hospitals in Nairobi County.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

The chapter comprises of a summary of the research results, presenting conclusions and recommendations for appropriate action, responsibility. The chapter as well provides the propositions for future research on the topic. It began with presentation of summary of the research findings on the research objectives followed by conclusions and recommendations based from the study.

#### **5.2 Summary of the major research findings**

##### **5.2.1 Employee benefits strategy and employee performance**

The first objective of the research was to establish whether employee benefits strategy influences employee performance in public hospitals in Nairobi County, Kenya. The results indicated majority of respondents agreed that employee benefits strategy influence performance in the public hospitals in Nairobi County, Kenya. It was found that flexible working schedule, mortgage scheme and training opportunities were well provided by organizations as employee benefits. The study further noted that wellness programs and free transport was not adequately provided to the employees thus greatly affecting performance.

Correlation analysis showed that there was a connection between employee benefits strategy and performance of employees in public hospitals in Nairobi County, Kenya. The regression results revealed that employee benefits strategy had a noteworthy relationship with performance of employees in the public hospitals in Nairobi County, Kenya.

### **5.2.2 Staff performance appraisal strategy and employee performance**

The other research objective pursued to examine the influence of staff performance appraisal strategy on employee performance in public hospitals in Nairobi County, Kenya. Study results indicated majority of employees in public hospitals were in agreement that the supervisor communicated to the employees regarding their performance on time, employees participated in target setting, employees were facilitated to acquire knowledge and skills, supervisor set achievable targets and the management rewarded innovation and creativity of employees.

Correlation analysis revealed that staff performance appraisal strategy had a constructive association with employee performance in public hospitals in Nairobi County. However, the regression results revealed that staff performance appraisal had no substantial connection with performance of employees in public hospitals in Nairobi County, Kenya.

### **5.2.3 Employee promotion strategy and employee performance**

The other objective of the study was to investigate the influence of employee promotion strategy on the performance of employees in public hospitals in Nairobi County, Kenya. The study results revealed majority of employees agreed that employee promotions were based on the years of service, employee competence was considered during promotion, promotion encourages innovation and creativity, promotion on merit was fairly accorded to deserving employees based on their performance and the level of education and qualifications were considered where applicable.

Correlation analysis showed that there existed a solid connection between employee promotion strategy and staff performance in public hospitals in Nairobi County, Kenya. The regression findings showed that there was no noteworthy relationship between employee promotion strategy and performance of employees in public hospitals in Nairobi County, Kenya.

#### **5.2.4 Employee recognition strategy and employee performance**

The fourth objective pursued to find out the influence of employee recognition strategy on employee performance in public hospitals in Nairobi County, Kenya. Study results indicated that majority of the employees were not sure with parameters that were used to measure the effect of recognition strategy on the performance of employees in public hospitals in Nairobi county. It was found that recognition was mainly about employees receiving commendation letters, consistency and fairness in awards, valuable gifts and equal opportunities in according higher responsibilities and managerial positions.

Correlation analysis revealed that there was a weak association between employee recognition strategy and performance of employees in public hospitals in Nairobi County, Kenya. Further, regression findings revealed that employee recognition strategy had a significant relationship with employee performance in public hospitals in Nairobi County, Kenya.

### **5.3 Conclusion**

#### **5.3.1 Employee Benefits Strategy**

Based on the results of the study, employee benefits strategy was found to be positively significant. It was established that flexible working schedule, mortgage scheme and training opportunities are key contributors to employee performance in public hospitals in Nairobi County. Lack of wellness programs to cater for the wellbeing of employees and provision of transport to workers are factors that could negatively affect employee performance in public hospitals in Nairobi County and needed to be addressed. The study therefore established that employee benefits strategy had a positive and substantial effect on employee performance in public hospitals in Nairobi County, Kenya.

### **5.3.2 Staff Performance Appraisal Strategy**

The third independent variable of the research was staff performance appraisal strategy. The study concluded that staff performance appraisal strategy moderately influenced employee performance in public hospitals in Nairobi County, Kenya. Setting of achievable targets was found to largely contribute to employee performance. Other factors including communication, participation in target setting, training and rewards are all factors that affect employee performance in public hospitals in Nairobi County, Kenya.

### **5.3.3 Employee Promotion Strategy**

The second independent variable of this study was employee promotion strategy. The study concluded that employee promotion strategy had a positive although weak relationship with employee performance. The level of education, years of service, fairness on promotion, innovation and creativity and competence were all considered during promotion and this had influenced employee performance to a great extent.

### **5.3.4 Employee Recognition Strategy**

The fourth independent variable of the research was employee recognition strategy. The study concluded that employee recognition strategy positively and extensively influences employee performance in public hospitals in Nairobi County, Kenya. It was established that commendation letters, awards, gifts and equal opportunity for higher responsibilities and managerial positions were not adequately and fairly accorded to employees and could immensely affect employee performance and needed to be duly addressed.

## **5.4 Recommendations**

The study recommended that in order to enhance motivation, commitment, productivity and performance of employees in public hospitals in Nairobi County, the top management should design and implement employee benefits strategy that addresses employee's needs. The study also recommended that management should provide wellness programs for employee's wellbeing which eventually minimizes on medical costs. The study further recommended that management should ensure employees especially those required to offer services beyond the normal working hours are provided with transport to and from work to safeguard their life and for maximum concentration during execution of duties.

Regarding staff performance appraisal strategy, the study recommended that top management of public hospitals in Nairobi County should ensure that hospital staff are allowed to participate in target setting. This improves employee performance since performance evaluation influences the amount of effort an employee puts into their work when they know their effort would attract rewards.

With regard to employee promotion strategy, the study recommended that the top management in public hospitals Nairobi County should conduct proper induction for officers promoted to higher ranks and newly recruited staff for proper execution of duties. The study further recommended regular increase in pay to improve their standards of living and to meet the growing economical demands. This would increase motivation and employee performance in public hospitals in Nairobi County, Kenya.

Based on the results on employee recognition strategy, the research recommended that managers and supervisors should recognize employees exceptionally and with a well defined method of recognition. The study further recommended that management should ensure that there is consistency and timely recognition of efforts made by employees and have an employee

recognition policy that is accessible to all employees. This would greatly enhance motivation, commitment and employee performance in public hospitals in Nairobi County, Kenya.

### **5.5 Recommendations for further studies**

The study established that reward strategy influences employee performance in public hospitals in Nairobi County focusing on employee benefits strategy, employee promotion strategy, staff performance appraisal strategy and employee recognition strategy accounting for 57.7%. It was therefore apparent that there are other aspects that influence performance of employees at the workplace. The study hence recommended further studies to be conducted on other variables not included in this study that could influence employee performance in public hospitals. Moreover, the study concentrated on selected public hospitals in Nairobi County and therefore future research could consider similar or other variables not included in the study in public hospitals in other counties for the purpose of generalizing the findings to all public hospitals in the country.

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## APPENDIX I: INTRODUCTION LETTER

Catherine K. Mutui  
P. O. Box 2669-00202  
NAIROBI

July 2021

Dear Sir/Madam,

**RE: REQUEST TO PARTICIPATE IN THE STUDY**

I am a student at Kenya Methodist University pursuing Masters in Business Administration. I am carrying out a study on the Influence of Reward Strategies on Employee performance in public hospitals in Nairobi County (Mbagathi, Pumwani Maternity and Mama Lucy Kibaki).

You have been identified as one of the resourceful participants in the study. Kindly spare some time to fill the attached questionnaire at least within five days. Any information gathered will be treated with utmost confidentiality and shall be used for academic purposes only.

Thank you.

Yours faithfully,

Catherine K. Mutui

## APPENDIX II: QUESTIONNAIRE

This questionnaire is to collect data regarding the influence of reward strategy on employee performance in public hospitals in Nairobi County.

Instructions: Kindly answer all questions by ticking the options in the appropriate boxes and/or indicate your opinion where applicable.

### Part A: GENERAL INFORMATION

#### 1. Gender

- a) Male { }
- b) Female { }

#### 2. Age bracket

- a) 20-25 years { }
- b) 25-30 years { }
- c) 30-35 years { }
- d) 35-40 years { }
- e) 40-45 years { }
- f) Over 45 years { }

#### 3. Highest educational level

- a) Certificate { }
- b) Diploma { }
- c) Bachelor's Degree { }
- d) Master's Degree { }
- e) Any other, specify.....

4. Category of employee

- a) Manager { }
- b) Supervisor { }
- c) Other staff { }

5. Years of service in the institution

- a) Less than 5 years { }
- b) 6-10 years { }
- c) 11-15 years { }
- d) 16-20 years { }
- e) 21-25 { }
- f) 26-30 { }
- g) Over 30 years { }

**PART B: STUDY VARIABLES**

**SECTION A: EMPLOYEE BENEFITS STRATEGY AND EMPLOYEE PERFORMANCE**

6. To what extent do you agree with the following aspects of employee benefits strategy on employee performance?

Use; (1) Strongly disagree (2) Disagree (3) Moderately agree (4) Agree (5) Strongly agree

<b>Employee Benefits Strategy</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
a) There is flexible work schedules which enables employees to balance their work and life matters					
b) Free transport is provided for all employees including those working in shifts to and from work					
c) Wellness programs are available for all employees in the Hospital					



d) Mortgage scheme is provided for interested employees.					
e) Training opportunities are fairly accorded to all employees to enhance their skills.					

In your opinion, state how employee benefits strategy influences employee performance

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**SECTION B: STAFF PERFORMANCE APPRAISAL STRATEGY AND EMPLOYEE PERFORMANCE**

7. To what extent do you agree with the following aspects of staff performance appraisal strategy on employee performance?

Use; (1)Strongly disagree (2)Disagree (3)Moderately agree (4)Agree (5)Strongly agree

<b>Staff Appraisal Strategy</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
a) The Supervisor communicates to the employees regarding their performance on time					
b) Employees are allowed to participate in target setting for better performance					
c) Employees are facilitated to acquire the necessary knowledge and skills to achieve the set					
d) The supervisor sets achievable targets in line with the hospital objectives					
e) The management rewards innovative and creative employees					

In your opinion, how does staff performance appraisal strategy influence employee performance?

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**SECTION C: EMPLOYEE PROMOTION STRATEGY AND EMPLOYEE PERFORMANCE**

8. To what extent do you agree with the following aspects of employee promotion strategy on employee performance?

Use; (1)Strongly disagree (2)Disagree (3)Moderately agree (4)Agree (5)Strongly agree

<b>Employee Promotion Strategy</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
a) Promotions are based on the years of service in consideration with good performance					
b) Employee competence is considered during promotion					
c) Promotion encourages innovation and creativity of employees in the hospital					
d) Promotion on merit is fairly accorded to deserving employees					
e) Level of education and qualifications are considered when promoting employees where applicable.					

In your opinion, what effect does employee promotion strategy have on employee performance?

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**SECTION D: EMPLOYEE RECOGNITION STRATEGY AND EMPLOYEE PERFORMANCE**

9. To what extent do you agree with the following aspects of employee recognition strategy on employee performance?

Use; (1)Strongly disagree (2)Disagree (3)Moderately agree (4)Agree (5)Strongly agree

<b>Employee Recognition Strategy</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
a) Employees receive commendation letters for work well done after successfully completing an assignment					
b) Employees are consistently and fairly awarded for good performance					
c) The Hospital presents valuable gifts to outstanding employee's					
d) Employees are accorded equal opportunities in relation to higher responsibilities and managerial positions					

In your opinion, what effect does recognition strategy have on employee performance?

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**SECTION E: EMPLOYEE PERFORMANCE**

10. To what extent do you agree with the following aspects of employee performance in the organization?

Use; (1)Strongly disagree (2)Disagree (3)Moderately agree (4)Agree (5)Strongly agree

<b>Employee performance</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
a) The customers are contented with the quality of work in the Hospital					
b) The management is committed to enhance employee’s satisfaction for better performance					
c) The employees serves the customers with promptly and with care					
d) Retention of high skilled professionals is highly regarded in the organization.					
e) The Hospital has clear communication channels between supervisors and employees.					

In your opinion, what other reward strategies would you recommend to the management to improve employee performance in the organization?

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**Thank you for taking your precious time to fill the questionnaire!**

# APPENDIX III: RESEARCH PERMIT



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**This is to Certify that Ms.. CATHERINE KAGENDO MUTUIRI of Kenya Methodist University, has been licensed to conduct research in Nairobi on the topic: THE INFLUENCE OF REWARD STRATEGY ON EMPLOYEE'S PERFORMANCE IN PUBLIC HOSPITALS IN NAIROBI COUNTY for the period ending: 12/July/2022.**

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